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Assessing the Readiness of the Bank of South Sudan for East African Monetary Integration: Institutional Capacity, Technical Preparedness, and Macroeconomic Convergence

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Abstract

This study assesses the readiness of the Bank of South Sudan (BoSS) for the East African Monetary Union (EAMU). It focuses on institutional capacity, technical preparedness, and macroeconomic convergence. A mixed-methods case study design was used. It combined structured surveys of 50 BoSS staff, semi-structured interviews with policymakers, and documentary analysis of EAC, IMF, and World Bank reports. Quantitative data were analysed using descriptive statistics and regression analysis. Qualitative data were analysed thematically. The findings show that BoSS has made progress through regulatory reforms, investments in payment systems, and staff qualifications. However, major challenges remain. The strongest predictors of decision-making efficiency and transparency were reliable data systems (B = 0.371, p = 0.049), staff technical expertise (B = 0.330, p = 0.037), and continuous training (B = 0.409, p = 0.009). Financial resources, legal frameworks, and regional cooperation were not significant predictors. The model explained 52.5% of the variance in decision-making outcomes. Gaps persist in legal harmonization, data quality, leadership depth, and long-term institutional experience. The study concludes that South Sudan's accession to the EAMU requires a sequenced and evidence-driven approach. This should begin with targeted capacity building and continuous staff training, alongside the development of harmonized data systems to strengthen institutional and technical readiness. Accordingly, policymakers and development partners should prioritize investments in the institutional resilience and technical infrastructure of the Bank of South Sudan (BoSS) to ensure its capacity to meet the requirements of EAMU accession.

Keywords: *East African Monetary Union, Bank of South Sudan, Institutional Capacity, Technical Readiness, Monetary Integration, Regional Convergence, Data Management, Central Banking, Capacity Building, Legal Harmonization.*

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Introduction

Efforts to establish a single currency in East Africa have gained momentum in recent years. The East African Community (EAC) has positioned monetary integration as a linchpin for economic transformation and stability. As regional leaders advance the East African Monetary Union (EAMU) agenda, the complexity of harmonizing policies and institutions across diverse economies has come into sharper focus. The drive towards a common currency is not only about fostering trade and macroeconomic stability. It is also about addressing the institutional and technical hurdles that underpin successful integration (EAC, 2024). At the heart of these challenges are questions of institutional capacity and technical preparedness. Theories of regional economic integration and the Optimum Currency Area (OCA) framework underscore the necessity for convergence, mobility, and policy synchronization. They also highlight that institutional quality and technical infrastructure are critical determinants of success (Kasekende & Brownbridge, 2022; Masson, 2018).

African scholarship and the experiences of existing unions reveal that legal harmonization, central bank independence, and operational readiness must advance alongside economic indicators. This is necessary to avoid vulnerabilities exposed in other regions such as the Eurozone and WAEMU. Within the EAC, national central banks must align legal mandates, monetary policy tools, regulatory frameworks, and statistical systems to meet the requirements of a future regional central bank. Kenya, Tanzania, and Uganda have made notable progress in convergence and regulatory harmonization. However, substantial disparities persist, especially for newer or post-conflict members. These disparities relate to institutional capacity, financial sector depth, data quality, and resilience to external shocks (EAC, 2024). Targeted technical assistance and policy reforms are essential for these countries to achieve convergence. South Sudan's accession to the EAC in 2016 presents a unique case study in the region's integration journey. As a post-conflict economy with significant macroeconomic volatility and an underdeveloped financial sector, South Sudan faces institutional and technical barriers. These barriers differ markedly from those of more established EAC members. The Bank of South Sudan (BoSS) is tasked with advancing convergence reforms amid persistent fiscal pressures, exchange rate instability, and limited digital and regulatory infrastructure (IMF, 2023). Recent research by Bilgili et al. (2026) highlights the importance of effective monetary transmission mechanisms for the transition to EAMU. Their findings show that smaller countries respond differently to shocks originating from Kenya, the largest economy in the region. This underscores the need for South Sudan to strengthen its policy transmission channels before integration. Evaluating BoSS's readiness for regional monetary policy integration is particularly urgent as the EAC moves closer to launching a single currency.

Institutional and technical readiness requires more than fulfilling macroeconomic benchmarks. It entails robust central bank independence, sound governance, effective policy transmission mechanisms, regulatory and supervisory alignment, sufficient reserves, and harmonized statistics (World Bank, 2023; UNDP, 2024). South Sudan's fragile circumstances underscore the need for a comprehensive assessment of these dimensions. This research embarks on a comprehensive evaluation of BoSS's institutional and technical readiness for EAMU participation. It draws on recent documentary evidence, policy reviews, and expert interviews (BoSS, 2024; IMF, 2023; World Bank, 2023). By integrating macroeconomic convergence analysis with a critical assessment of institutional reforms, technical capacity, and legal frameworks, the study aims to enrich the literature on monetary integration in fragile and transitional contexts. The findings are designed to inform policymakers and regional partners about the strategic sequencing and support necessary for sustainable monetary union. The path to a single currency in East Africa, particularly for South Sudan, demands not only economic alignment but a concerted focus on building resilient institutions, closing technical gaps, and nurturing national commitment to the integration agenda. Lessons from South Sudan's experience will have broader implications for regional monetary policy and integration strategies across Africa. The theoretical underpinnings of monetary integration in the EAC context draw heavily from regional economic

integration theory and institutional economics. The Optimum Currency Area (OCA) framework emphasizes the necessity of macroeconomic convergence, labor mobility, and synchronized business cycles for a successful currency union. Recent African scholarship expands this view. It argues that a common currency's effectiveness also depends on central banks' institutional capacity, particularly their independence, technical readiness, and ability to coordinate policy across diverse economies (Kasekende & Brownbridge, 2022; Masson, 2018).

The experience of other monetary unions, such as the Eurozone and WAEMU, underscores the risks of proceeding without adequate institutional preparation and legal harmonization. Within the EAC, national central banks face the complex task of aligning their legal mandates, monetary policy instruments, regulatory frameworks, and statistical systems to meet 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. However, 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. For newer or post-conflict members, achieving convergence is especially challenging. It necessitates targeted technical assistance and policy reforms. Recent work by Kaboro and Mose (2024) shows that convergence in macroeconomic variables among EAC member countries slows exchange rate uncertainty. This finding reinforces the importance of macroeconomic convergence for monetary integration.

South Sudan's accession to the EAC in 2016 presented both significant 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 such as limited financial sector depth, poor data quality, and ongoing political instability complicate BoSS's readiness for deeper integration, despite government commitments to reform (IMF, 2023). Assessing BoSS's readiness for a common monetary policy framework is timely and crucial, especially given the EAC's planned adoption of 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 dynamic and fragile context heightens the importance of a comprehensive evaluation of these dimensions.

This study evaluates the Bank of South Sudan'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 growing literature on monetary integration 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 on the practical steps and sequencing needed to advance toward a single currency regime sustainably. 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. However, 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. This will ensure that the benefits of monetary union are realized for both the country and the region as a whole.

The East African Community (EAC) has steadily advanced its regional integration agenda. Monetary union serves as a cornerstone for deeper economic ties and shared prosperity. The launch of the East African Monetary Union (EAMU), anticipated in the next phase of EAC integration, will see partner states adopt a single currency and harmonized monetary policies. This will enhance intra-regional trade, financial stability, and macroeconomic convergence (EAC, 2024). For South Sudan, which joined the EAC in 2016, aligning with the EAMU presents both unique opportunities and formidable challenges. The country continues to recover from years of conflict and macroeconomic volatility. The capacity of its central bank, the Bank of South Sudan (BoSS), to manage convergence requirements is a critical determinant of the nation's success within the union. This article addresses a timely question. To what extent is BoSS institutionally and technically prepared to meet the EAMU's convergence criteria and operational benchmarks? The analysis is motivated by concerns that premature or poorly managed monetary integration can amplify vulnerabilities, as seen in other regional monetary unions (Masson, 2018). By evaluating BoSS's progress and persistent gaps, this study aims to inform national policy, regional planning, and development partner engagement. This is important as South Sudan navigates the complex path toward monetary union.

The motivation for this study stems from the disconnect between South Sudan's formal commitment to EAMU integration and the limited empirical evidence on its institutional and technical readiness. While previous research has largely focused on aggregate macroeconomic indicators or political considerations, a notable gap remains in micro-level analysis of central bank capacity. This is especially true in fragile and post-conflict contexts (Masson, 2018; Kasekende & Brownbridge, 2022). Critical unanswered questions surround the BoSS's legal autonomy, governance practices, ICT systems, data management, and skilled human resources. Each of these are foundational for achieving convergence and sustaining integration. This study fills these gaps by systematically evaluating the Bank of South Sudan'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. By doing so, the study not only addresses a critical knowledge gap but also offers practical guidance for capacity-building, phased integration, and risk mitigation.

The purpose of this study is to examine whether the Bank of South Sudan has the institutional and technical capacity required for meaningful integration into the East African Monetary Union. By evaluating the scope of institutional reforms, the development of technical infrastructure, and the alignment of regulatory and statistical frameworks with EAMU criteria, the research seeks to illuminate the pathways and obstacles to readiness. The overarching goal is to deliver actionable, context-specific recommendations for national policymakers, regional actors, and international partners. These stakeholders are invested in advancing an effective and sustainable monetary union in East Africa. This study holds significant value at multiple levels. For policymakers and central bank officials in South Sudan, it offers a comprehensive analysis of the country's readiness for EAMU accession. It highlights both achievements and capacity gaps that require urgent attention. The findings provide an evidence base to guide priority-setting, resource allocation, and reform sequencing as South Sudan navigates the complexities of monetary integration. For EAC partners and development agencies, the study highlights the specific technical and institutional support needed to facilitate successful convergence and mitigate risks to regional financial stability. At the academic level, this research contributes to the limited literature on the institutional dimensions of monetary union in post-conflict and fragile settings. It offers lessons relevant to other emerging economies pursuing regional integration. By addressing these knowledge and policy gaps, the study supports informed decision-making and enhances the likelihood of achieving the intended benefits of EAMU membership for South Sudan and the region.

Literature Review

The theoretical foundations of this study draw from three complementary frameworks. These are Optimum Currency Area (OCA) theory, Institutional Theory, and Fiscal Dominance Theory. Together, they provide a comprehensive lens for assessing the complex interplay of macroeconomic, institutional, and fiscal factors that shape South Sudan's path toward EAMU accession. The Optimum Currency Area (OCA) theory was pioneered by Robert Mundell in 1961 and expanded by Ronald McKinnon in 1963. It provides a foundational macroeconomic framework for understanding the prerequisites and challenges of monetary integration. OCA theory posits that a group of countries or regions can most effectively share a single currency when they have high factor mobility, economic openness, synchronized business cycles, and fiscal integration. The theory emphasizes that the gains from reduced transaction costs and exchange rate stability must outweigh the loss of autonomous monetary policy for member states. In the context of East African monetary integration, OCA theory is highly relevant for assessing the Bank of South Sudan's readiness.

The framework clarifies why macroeconomic convergence, particularly in inflation, fiscal balance, and exchange rate management, is essential to the success of a regional currency. However, South Sudan's heavy dependence on oil, exposure to fiscal volatility, and persistent inflationary pressures present significant hurdles to meeting OCA criteria. This suggests that the path to integration will not be uniform across EAC members. Recent empirical work by Umulisa (2023) examines trade integration and business cycle synchronization among EAC countries. The study finds a positive relationship between trade integration and business cycle synchronization. This finding is important for EAC authorities as they debate the readiness of the EAC Monetary Union. For South Sudan, enhancing trade integration with other EAC members could contribute to greater business cycle synchronization. This would support convergence with OCA criteria. A core strength of the OCA theory is its clear articulation of economic benchmarks for integration. It offers practical guidance for policymakers. Yet its main weakness is its limited attention to institutional, political, and structural differences among participating economies. OCA theory often assumes that shocks can be absorbed through labor mobility or fiscal transfers. These assumptions may not hold in fragile or post-conflict states like South Sudan. This limitation can be mitigated by advocating for phased integration and flexible convergence criteria. Such an approach allows for capacity-building before full adoption of a single currency. The study hypothesizes that the Bank of South Sudan's readiness for EAMU will depend not only on meeting macroeconomic targets but also on addressing structural disparities and building resilience. Institutional Theory, advanced by Douglass North (1990) and further developed by W. Richard Scott (2014), emphasizes the role of formal rules, governance structures, and legitimacy in shaping organizational effectiveness. In central banking, this theory underscores that legally autonomous, transparent, and well-governed institutions are more likely to deliver credible and effective monetary policy. This is an imperative for integration into a regional monetary union. It highlights the mediating role played by institutional quality in bridging the gap between technical reforms and actual policy outcomes.

For the Bank of South Sudan, Institutional Theory is particularly pertinent. It helps examine how internal governance, legal frameworks, and decision-making processes affect readiness for EAMU participation. Central bank independence, robust regulatory systems, and procedural transparency are essential to build public trust, foster regional confidence, and ensure compliance with EAMU standards. Conversely, weak institutional capacity, such as ambiguous mandates or lack of accountability, can undermine policy credibility and delay integration. Recent research by Mach et al. (2026) on the effect of internal audit on financial management of public institutions at the Bank of South Sudan provides relevant insights. The study found that the internal audit unit at BoSS is inefficient and financial management remains ineffective. A strong positive relationship exists between internal audit efficiency and financial management effectiveness. Key weaknesses include inadequate cooperation between internal audit and top management, insufficient management support, and limited awareness of internal audit's

benefits. These findings highlight the institutional challenges that BoSS faces in strengthening its governance and accountability structures. Such improvements are essential for meeting EAMU standards. Institutional Theory's strength is its focus on the enabling and mediating role of institutions. It offers a nuanced perspective on sustainable integration. However, its weakness lies in the slow pace of institutional reforms. These reforms are often hampered by political and social constraints, especially in fragile states. These challenges can be mitigated through sequenced reforms, prioritizing local capacity-building, and strategically using external technical assistance.

This study hypothesizes that improving the Bank of South Sudan's institutional quality and governance will significantly increase the likelihood of successful and sustainable EAMU integration. Fiscal Dominance Theory, introduced by Thomas Sargent and Neil Wallace in 1981, explains how fiscal pressures can undermine central bank independence and monetary policy effectiveness. In situations of fiscal dominance, monetary policy becomes subordinate to government needs for deficit financing. This can erode price stability and weaken the credibility of the currency. This theory is especially salient for post-conflict or resource-dependent economies, where fiscal needs may frequently override monetary objectives. In the case of South Sudan, fiscal dominance presents a critical risk to monetary integration. Large fiscal deficits, often driven by reconstruction needs and revenue volatility, can constrain the Bank of South Sudan's operational autonomy and jeopardize compliance with EAMU convergence benchmarks. As a result, even with legal independence and certain technical capacities, the central bank's effectiveness may be compromised if fiscal policy is not adequately disciplined and aligned with regional standards. Research by Chikere and Wamalwa (2021) supports this concern. Their panel data econometrics analysis demonstrated that episodes of fiscal slippage, especially in resource-dependent and post-conflict economies like South Sudan, often lead to breaches in convergence criteria. Such slippage also creates efforts to pressure central banks into deficit financing.

They highlight that while legal reforms are a necessary condition for central bank independence, practical enforcement remains weak in the face of fiscal dominance. The primary strength of Fiscal Dominance Theory is its focus on the macro-fiscal constraints on central bank performance. It offers a realistic view of the limits of monetary autonomy. However, it may underestimate the potential for institutional reforms and legal safeguards to offset fiscal pressures. This limitation can be addressed by strengthening legal protections for central bank independence, promoting prudent fiscal management, and enhancing regional oversight mechanisms. The study hypothesizes that effective legal protections and fiscal discipline will moderate the negative impact of fiscal dominance. This would enhance the Bank of South Sudan's readiness for successful monetary integration. Recent empirical research on monetary integration in East Africa has increasingly focused on the interplay between institutional capacity, technical readiness, and the broader prospects of establishing a single currency. Odhiambo and Mugisha (2022) conducted a study titled "Institutional Readiness for EAC Monetary Union: Comparative Evidence from Kenya, Uganda, and Tanzania." They employed qualitative interviews with senior central bank officials and policy document analysis to evaluate institutional reforms in three founding EAC members. Their research found that while Kenya and Uganda have made notable progress in strengthening central bank independence and regulatory frameworks, Tanzania's advances have been more incremental. Notably, gaps in cross-border supervisory coordination and legal harmonization still present significant challenges.

The study's findings suggest that differentiated progress among EAC states may undermine the overall timeline for monetary union. While reforms are underway, the lack of uniformity in implementation creates vulnerabilities in the system. The main research gap identified by Odhiambo and Mugisha is the limited exploration of how informal institutional practices and political economy dynamics affect the pace and effectiveness of formal reforms. This is especially relevant in less advanced economies.

Uwizeye and Habonimana (2023) conducted a comparative case study using field surveys and technical system audits. Their study assessed readiness for cross-border payments integration in Rwanda and Burundi. The study revealed Rwanda's significant advancements in digital payments, cybersecurity, and interoperability. These advancements were driven by strong government commitment and donor support. In contrast, Burundi's progress was constrained by legacy systems, limited technical expertise, and sporadic investment. The authors concluded that uneven digital capacity is a major technical hurdle for seamless monetary integration in the EAC. They call for a coordinated regional approach to digital infrastructure investment and skills development.

The primary research gap highlighted is the lack of longitudinal studies tracking the impact of donor-supported digital initiatives on long-term institutional capacity and policy outcomes in lower-capacity states. Deng and Bekele (2022) employed mixed methods including data audits, capacity-building program evaluations, and interviews with central bank statisticians. Their study assessed data harmonization and quality for monetary policy in South Sudan and Ethiopia. They found that while Ethiopia has developed a robust statistical system supported by regional technical assistance, South Sudan faces persistent gaps in data reliability, timeliness, and methodology alignment with EAC standards. The authors found that data harmonization is fundamental to convergence monitoring and policy credibility. Yet it remains one of the weakest links in newer or post-conflict member states. The research gap identified is the lack of empirical evaluation of regional statistical cooperation mechanisms and their effectiveness in addressing country-specific challenges. Chikere and Wamalwa (2021) used panel data econometrics to analyze fiscal discipline and central bank operational autonomy across EAC countries. Their study demonstrated that episodes of fiscal slippage often lead to breaches in convergence criteria. This is especially true in resource-dependent and post-conflict economies like South Sudan. Such episodes also create efforts to pressure central banks into deficit financing. Chikere and Wamalwa highlight that while legal reforms are a necessary condition for central bank independence, practical enforcement remains weak in the face of fiscal dominance. Their study reveals a research gap in understanding the informal mechanisms that often override formal rules. These mechanisms include political bargaining. The authors call for more nuanced, qualitative research on fiscal-monetary interactions in fragile states. Gatera and Mbabazi (2023) drew on project evaluations, expert interviews, and participant surveys. Their study assessed the impact of technical assistance programs coordinated by the EAC Secretariat and international partners. The findings show that while such programs have contributed to improvements in areas like payment systems and staff training, results are often uneven. Sustainability remains a concern, particularly in countries with high staff turnover and weak institutional memory.

According to Gatera and Mbabazi, technical assistance must be context-specific and sustained over longer periods to be effective. A key research gap is the absence of comparative analyses on which types of technical support yield the greatest long-term benefits. This highlights the need for tailored, impact-oriented assistance models. Mutesa and Ochieng (2024) investigated the broader political and institutional context shaping monetary integration. They used elite interviews, policy network analysis, and media content review across five EAC countries. The authors demonstrate that beyond technical and institutional capacity, issues of trust, political will, and alignment of national interests are decisive in the integration process. They found that frequent changes in government priorities and leadership turnover can disrupt momentum and undermine regional commitments. Mutesa and Ochieng's work highlights the critical, yet underexplored, role of political dynamics and elite consensus in shaping the success or delay of monetary union. Their research gap points to the need for more systematic, cross-country studies on the relationship between shifting political landscapes and the evolving architecture of regional monetary institutions. Recent research by Hersi et al. (2025) assesses the effectiveness of the East African Community as a trade bloc. The study analyzes comprehensive trade data from 2009 to 2023. Results reveal that Kenya dominates intra-regional exports. Intra-EAC trade represents only 15-20% of member states' total trade volumes. This compares to the European Union's 60-

70% internal trade ratio. The study identifies significant infrastructure gaps. Only 36% of regional roads are paved. Transportation costs average $0.17-$0.25 per ton-kilometer. This is nearly triple the $0.06-$0.09 observed in developed regions. These findings indicate that while the EAC has established foundational integration mechanisms, significant structural and policy reforms are needed. Such reforms are necessary to achieve deeper regional economic integration and more equitable distribution of trade benefits among member states. For South Sudan, addressing infrastructure gaps and enhancing trade integration are important steps toward monetary union readiness. Fontana and Kamara (2023) investigated the economic characteristics of ECOWAS for a successful and sustainable monetary union. They used cluster analysis for the period 1998-2018.

The findings show considerable heterogeneity in the economic characteristics of ECOWAS countries. This suggests that the countries are not yet economically ready for a regional-wide monetary union. The study also revealed key variables, including inflation, exchange rate volatility, and intra-regional trade. These variables clearly demarcate the two pre-existing monetary zones in the region. The study concludes that ECOWAS policymakers must enhance policy harmonization and intra-regional trade. These lessons are relevant for the EAC as it pursues monetary integration. South Sudan should prioritize policy harmonization and trade integration with other EAC members. Bassey et al. (2024) examined the Economic Community of West African States (ECOWAS) and sub-regional integration in West Africa. The study assessed the extent to which relations among the countries of the West African sub-region could enhance regional integration. The work adopted integration theory as the theoretical framework of analysis. The significant finding of the work revealed that even though there is ECOWAS as a sub-regional body of West Africa, member states do not engage in maximum cooperation.

Many resources remain underutilized due to a lack of close relationships. This in turn hindered the full integration of the sub-region. Other findings are that the implementation of ECOWAS protocol on free movement of people and trade is criminally exploited by cross-border criminals. This affects member states' willingness to fully open up their borders to each other. The work concluded by recommending that the ECOWAS central and coordinating body should be backed by legal or legislative instruments. These instruments should be respected by all member countries with the power to sanction recalcitrant members. This lesson is relevant for the EAC as it strengthens its integration architecture. Segawa et al. (2025) reviewed changes in communications at the South African Reserve Bank since the adoption of inflation targeting in February 2000. The analysis extensively evaluates the South African Reserve Bank's communication tools and how they affect the effectiveness of monetary policy implementation. The study employs the Flesch-Kincaid Grade Level metric to assess the effect of communication readability on domestic inflation expectations. By using readability scores as a proxy for clarity, the research measures the impact that central bank communication standards have on market agents' inflation expectations.

The findings reveal that the South African Reserve Bank's communication clarity has a significant inverse relationship with South African market participants' long-run inflation expectations. This highlights the vital role of clear central bank communication in anchoring inflation expectations. For BoSS, improving communication clarity could enhance the effectiveness of monetary policy and support convergence with EAMU standards. Mach et al. (2026) examined the effect of internal audit on the financial management of public institutions, using the Bank of South Sudan as a case study. Data were collected from 42 respondents across nine target units. Analysis was conducted using SPSS and Advanced Excel, employing regression analysis and Pearson correlation. The findings revealed that the internal audit unit at BoSS is inefficient, and financial management remains ineffective. A strong positive relationship exists between internal audit efficiency and financial management effectiveness. The Pearson correlation was 0.8878. The multiple correlation coefficient R was 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. The

significance level was 0.01843. Key weaknesses identified include 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 internal audit efficiency include understaffing, lack of professional training, low compensation, political influence, and cultural factors.

The study concludes that despite material improvements, the internal audit unit requires professional capacity building beyond financial compliance. This is necessary to adopt risk-based auditing across all operational aspects. Nhial et al. (2025) investigated how the implementation of Integrated Financial Management Information Systems (IFMIS) influences internal audit practices at the Ministry of Finance in Juba, South Sudan. The study employed a descriptive method, surveying 86 respondents selected by multistage selection from a target population of 150. Preliminary findings reveal that 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 ($p = 0.024$). However, no significant link was found between cash management, budgeting systems, and internal audits ($p = 0.092$). The research suggests that improving government financial transaction recording and processing facilitates better access to reliable financial data. This enhances transparency and accountability. The study concludes that strengthening cash management, expanding the scope of financial reporting, and improving internal control systems are essential for effective IFMIS integration in South Sudan's public finance management. These studies, spanning qualitative, quantitative, and mixed-methods approaches, collectively underscore the complexity of preparing East African states for a single currency. They reveal the persistent gaps between formal reforms, technical progress, and the often-overlooked influences of political economy and informal practices on the path to monetary integration. The current study builds on these insights by providing a micro-level analysis of BoSS's institutional and technical readiness for EAMU participation. It addresses the gap in empirical evidence on central bank capacity in fragile and post-conflict contexts.

Hypothesis Development

The first hypothesis concerns the relationship between reliable data systems and decision-making efficiency. Deng and Bekele (2022) emphasize that data harmonization is fundamental to convergence monitoring and policy credibility. Their study found that South Sudan faces persistent gaps in data reliability, timeliness, and methodology alignment with EAC standards. These gaps undermine the ability of the central bank to monitor convergence and make informed policy decisions. Gatera and Mbabazi (2023) found that technical assistance programs in EAC central banks have contributed to improvements in data systems. However, results are often uneven and sustainability remains a concern. For BoSS, reliable and timely data systems are essential for effective decision-making. The theoretical rationale draws from Institutional Theory. North (1990) and Scott (2014) argue that formal rules and governance structures shape organizational effectiveness. Reliable data systems are a key component of institutional quality. They enable transparent and evidence-based decision-making. Therefore, the following hypothesis has been developed:

H1: *Reliable and timely data systems have a significant positive effect on decision-making efficiency and transparency at the Bank of South Sudan.*

The second hypothesis concerns the relationship between staff technical expertise and decision-making efficiency. Odhiambo and Mugisha (2022) found that while EAC central banks are increasingly staffed by well-educated professionals, formal education must be complemented by ongoing professional development. Practical experience and targeted training are necessary to translate academic qualifications into operational effectiveness. Uwizeye and Habonimana (2023) found that digital and technical gaps pose major hurdles for cross-border payments and regional monetary operations. This is particularly true in lower-capacity states. Their study recommends sustained, context-specific technical training as a precondition for successful integration of digital infrastructure and cross-border payment systems. For BoSS, staff technical

expertise is essential for implementing monetary policy and meeting EAMU convergence criteria. The theoretical rationale draws from OCA theory. Mundell (1961) and McKinnon (1963) emphasize that effective monetary integration requires synchronized policy responses. This depends on the technical capacity of central bank staff. Therefore, the following hypothesis has been developed:

H2: *Staff technical expertise has a significant positive effect on decision-making efficiency and transparency at the Bank of South Sudan.*

The third hypothesis concerns the relationship between continuous staff training and decision-making efficiency. Gatera and Mbabazi (2023) assessed the impact of technical assistance programs coordinated by the EAC Secretariat and international partners. The findings show that such programs have contributed to improvements in areas like payment systems and staff training. However, results are often uneven and sustainability remains a concern. This is particularly true in countries with high staff turnover and weak institutional memory. According to Gatera and Mbabazi, technical assistance must be context-specific and sustained over longer periods to be effective. Odhiambo and Mugisha (2022) observed that many EAC central banks, especially those in post-conflict or rapidly evolving environments, tend to have a dominance of early-career professionals. This raises concerns about the depth of institutional memory and the continuity of policy expertise. Continuous training is essential for building and sustaining institutional capacity. The theoretical rationale draws from Institutional Theory. Scott (2014) emphasizes that legitimacy and organizational effectiveness are shaped by the skills and capabilities of staff. Continuous training enhances these capabilities. Therefore, the following hypothesis has been developed:

H3: *Continuous staff training has a significant positive effect on decision-making efficiency and transparency at the Bank of South Sudan.*

The fourth hypothesis concerns the relationship between limited financial resources and decision-making efficiency. Chikere and Wamalwa (2021) showed that fiscal constraints and sovereign risk often undermine central bank autonomy and the capacity to sustain convergence in post-conflict economies like South Sudan. The literature shows that resource limitations often translate into insufficient investment in technology and human capital. Both are fundamental for successful integration. However, Gatera and Mbabazi (2023) found that while resource and technology challenges are common, immediate governance improvements are more strongly driven by investments in staff skills and organizational learning. This suggests that financial constraints may not be the most significant predictor of decision-making efficiency. The theoretical rationale draws from Fiscal Dominance Theory. Sargent and Wallace (1981) explain how fiscal pressures can undermine central bank independence and monetary policy effectiveness. However, the theory may underestimate the potential for institutional reforms to offset fiscal pressures. Therefore, the following hypothesis has been developed:

H4: *Limited financial resources have a significant negative effect on decision-making efficiency and transparency at the Bank of South Sudan.*

The fifth hypothesis concerns the relationship between regulatory and legal frameworks and decision-making efficiency. Odhiambo and Mugisha (2022) emphasize the risks created by incomplete or uneven implementation of formal reforms. Their study found that gaps in cross-border supervisory coordination and legal harmonization still present significant challenges. Chikere and Wamalwa (2021) highlight that while legal reforms are a necessary condition for central bank independence, practical enforcement remains weak in the face of fiscal dominance. Mutesa and Ochieng (2024) argue that beyond formal reforms, leadership trust and political commitment are crucial for effective and transparent governance in central banks. These findings suggest that regulatory and legal frameworks alone may not significantly predict decision-making efficiency. The theoretical rationale draws from Institutional Theory. North (1990) emphasizes the role of formal rules in shaping organizational effectiveness. However, the theory also

recognizes that informal practices and enforcement mechanisms mediate the impact of formal rules. Therefore, the following hypothesis has been developed:
H5: *Regulatory and legal frameworks have a significant positive effect on decision-making efficiency and transparency at the Bank of South Sudan.*

Methodology

To rigorously examine the institutional capacity, technical hurdles, and readiness of the Bank of South Sudan (BoSS) for monetary integration within the East African Community (EAC), this study adopted a mixed-methods research design. By integrating quantitative and qualitative approaches, the study captured the complexity of institutional reforms, technical upgrades, and the broader context of monetary unification. The case study methodology, focused on BoSS, provided a nuanced, in-depth analysis of the challenges and progress unique to a post-conflict, resource-dependent economy navigating the path toward a single currency (Yin, 2018).

The research targeted a carefully selected population of BoSS stakeholders involved in policy formulation, technical operations, and regulatory oversight. This included senior management, monetary policy staff, technical experts from ICT, data management, and research divisions, and policymakers from the Ministry of Finance and Economic Planning. Purposive sampling ensured that participants had firsthand knowledge and direct experience with institutional capacity-building, technical systems, and EAC integration processes (Etikan et al., 2016). The study engaged a total sample of 50 participants. This was complemented by robust secondary data from EAC convergence reports, IMF and World Bank analyses, and key BoSS policy documents and strategic plans. Data collection encompassed both primary and secondary sources. The study gathered primary data through structured questionnaires distributed to technical and administrative staff. Semi-structured interviews were conducted with BoSS leadership and government policymakers. These probed institutional independence, technical modernization, and alignment with EAC monetary convergence criteria. Secondary data sources included up-to-date EAC reports, international financial institution publications, and internal BoSS documentation.

The study operationalized institutional and technical capacity as independent variables. BoSS's readiness for a common monetary policy was the dependent variable. Institutional and technical challenges and regional integration commitments served as mediating and moderating variables, respectively. For data analysis, quantitative responses were analyzed using descriptive statistics, multiple regression, and mediation/moderation analysis with SPSS or Stata. This detected patterns and relationships between capacity factors and readiness outcomes. Qualitative data were analyzed using thematic analysis in NVivo. This enabled systematic coding and identification of recurring themes related to institutional and technical barriers, reform progress, and integration prospects. Expert review, instrument pre-testing, triangulation of data sources, Cronbach's alpha for internal consistency, and peer validation of qualitative codes strengthened the reliability and validity of the findings. Ethical safeguards included informed consent, confidentiality of participant data, and adherence to institutional ethical clearance requirements. This comprehensive methodological approach ensured that the study captured both the measurable and experiential dimensions of BoSS's readiness for monetary integration.

Results and Discussion

The demographic profile of respondents provides important context for understanding the study's findings. Table 1 presents the gender distribution of respondents. The Bank of South Sudan's gender composition shows a pronounced male majority (68%), with women representing only 32% of the sampled staff. This finding echoes regional patterns observed by Odhiambo and Mugisha (2022), who note that central banks across the EAC are similarly male-dominated. Such gender imbalance may limit the diversity of perspectives necessary for innovative policy-making and inclusive institutional reforms. As highlighted in the literature, particularly by Gatera and Mbabazi (2023), building a more gender-diverse workforce is not

merely a matter of equity. It is crucial for strengthening institutional capacity and adapting to complex integration demands in the move toward a single currency.

Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	34	68%
Female	16	32%
Total	50	100%

Table 2 presents the age distribution of respondents. The data shows that 16% of respondents were aged 20-29, 48% were aged 30-39, 34% were aged 40-49, and 2% were aged 50 and above. This indicates a relatively young workforce, with the majority of staff in their 30s and 40s. This age profile suggests a workforce that is in the early to mid-stages of their careers. Such a demographic composition may bring energy and adaptability to the institution. However, it also raises questions about the depth of institutional memory and long-term experience.

Table 2: Age Distribution of Respondents

Age Group	Frequency	Percentage
20–29	8	16%
30–39	24	48%
40–49	17	34%
50+	1	2%
Total	50	100%

Table 3 presents the educational attainment of respondents. The educational attainment profile of BoSS staff reveals a highly qualified workforce. Ninety-eight percent of respondents hold at least a Bachelor's degree, and 34% possess a Master's degree. This level of academic achievement aligns with Gatera and Mbabazi (2023), who found that EAC central banks are increasingly staffed by well-educated professionals. This is driven by the need for advanced technical and regulatory skills in the context of regional monetary integration. While the dominance of Bachelor's degree holders suggests a solid foundation for institutional capacity, the significant proportion of staff with postgraduate training positions BoSS well to tackle the complex analytical and policy challenges associated with convergence and harmonization. However, as Odhiambo and Mugisha (2022) emphasize, formal education must be complemented by ongoing professional development, practical experience, and targeted training. These are necessary to fully translate academic qualifications into operational effectiveness and institutional resilience.

Table 3: Educational Attainment of Respondents

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

Table 4 presents the organizational position of respondents. The distribution shows that a majority (58%) are in operational roles, with only 24% in middle management and a very small proportion (4%) in senior management. This pyramidal organizational structure is typical in central banks and financial institutions, as noted by Odhiambo and Mugisha (2022). It suggests that most respondents engage in the day-to-day technical and administrative activities essential to policy implementation. The limited representation of senior managers, however, may signal a gap in strategic leadership and high-level decision-making. This concern is echoed by Mutesa and Ochieng (2024), who highlight the importance of strong, stable leadership for effective institutional reform and regional integration. The relatively small middle management cohort suggests a narrow leadership succession pipeline. This may affect institutional memory and the

sustainability of ongoing reforms, particularly in a post-conflict context where leadership turnover tends to be high.

Table 4: Organizational Position

Position	Frequency	Percentage
Operational Staff	29	58%
Middle Management	12	24%
Senior Management	2	4%
Other	7	14%
Total	50	100%

Table 5 presents the years of experience of respondents. The distribution indicates a relatively young or recently recruited workforce. Nearly half (46%) of respondents have less than five years of service, and another 36% are in the 5-10-year range. Only 18% have more than a decade of experience in the institution. This pattern closely aligns with findings from Odhiambo and Mugisha (2022) and Gatera and Mbabazi (2023). They observed that many EAC central banks, especially those in post-conflict or rapidly evolving environments, tend to have a dominance of early-career professionals. While this youthful profile may bring energy, flexibility, and openness to adopting new technologies, it also raises concerns about the depth of institutional memory and the continuity of policy expertise. Mutesa and Ochieng (2024) further emphasize that frequent staff turnover and a lack of long-serving professionals can undermine the effectiveness of reforms and the institution's resilience. This is especially true during periods of political or economic uncertainty.

Table 5: Years of Experience

Years of Experience	Frequency	Percentage
<5 Years	23	46%
5–10 Years	18	36%
11–15 Years	6	12%
16+ Years	3	6%
Total	50	100%

Table 6 presents the findings on institutional capacities. Respondents show strong confidence in BoSS's organizational structure (mean = 4.06), with 80% agreeing it is well-defined. This finding supports Odhiambo and Mugisha (2022), who found that robust structures are foundational for monetary policy implementation, particularly in EAC institutions. However, the more mixed views on decision-making efficiency and transparency (mean = 3.26) indicate ongoing governance challenges. Only 48% agree that decision-making is efficient and transparent, while 28% disagree. This suggests a need for greater openness and participatory management. This resonates with Mutesa and Ochieng (2024), who argue that beyond formal reforms, leadership trust and political commitment are crucial for effective and transparent governance in central banks. Moderate positive perceptions regarding governance alignment with EAMU (mean = 3.58) and policy coordination (mean = 3.92) indicate progress, but with room for improvement. These results echo Mutesa and Ochieng (2024), highlighting the importance of harmonizing internal governance with regional standards. The variation in responses also points to the influence of informal institutional practices, which Odhiambo and Mugisha (2022) identify as a key factor shaping the pace and sustainability of reforms across the region.

Table 6: Institutional Capacities (N = 50)

Statement	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 the region	24%	54%	14%	6%	2%	3.92	0.900

Table 7 presents the findings on technical capacities. The results show positive perceptions of ICT infrastructure (mean = 3.96) and ongoing staff training (mean = 3.80). There is strong agreement that BoSS invests in technical modernization and professional development. This echoes the successful outcomes of technical assistance and training highlighted in Gatera and Mbabazi (2023), where targeted programs led to notable improvements in staff capacity and digital systems across EAC central banks. Staff technical expertise is also rated favorably (mean = 3.68). This suggests that BoSS is building the foundational skills necessary for monetary integration. However, a sizable neutral response on data reliability and timeliness (mean = 3.50, 34% neutral) signals persistent uncertainty about the robustness of data management systems. Deng and Bekele (2022) support this concern. They found that South Sudan continues to grapple with gaps in data harmonization and quality, undermining its ability to monitor convergence and policy effectiveness. The variability in responses highlights the challenge of sustaining technical progress amid high staff turnover and legacy system constraints. This challenge was also observed in Uwizeye and Habonimana's (2023) comparative analysis of digital integration. They advocate a coordinated regional approach to infrastructure and skills investment.

Table 7: 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%	0%	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

Table 8 presents the findings on institutional and technical challenges. The most substantial reported challenge is limited financial resources (mean = 4.10, 80% agreement). Respondents overwhelmingly identify this as a major barrier to meeting EAC convergence criteria. This supports Chikere and Wamalwa (2021), who show that fiscal constraints and sovereign risk often undermine central bank autonomy and the capacity to sustain convergence in post-conflict economies like South Sudan. The literature shows that resource limitations often translate into insufficient investment in technology and human capital. Both are fundamental for successful integration. Human resource and technological limitations (means = 3.14 and 3.30) are also significant. Responses reflect internal variability and departmental disparities. These findings align with Uwizeye and Habonimana (2023), who found that digital and technical gaps pose major hurdles for cross-border payments and regional monetary operations. This is particularly true in lower-capacity states. Regulatory and legal framework inadequacies (mean = 3.28) further highlight the ongoing need for harmonization with EAC standards. This echoes Odhiambo and Mugisha's (2022) emphasis on the risks created by incomplete or uneven implementation of formal reforms. Overall, the pattern suggests that BoSS must pursue a multipronged strategy. This strategy should mobilize resources, strengthen technical and regulatory capacity, and sustain reform momentum to overcome persistent institutional barriers.

Table 8: Institutional and Technical Challenges (N = 50)

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

Table 9 presents the model summary for the regression analysis. The model summary shows R^2 = 0.525 and adjusted R^2 = 0.387. This indicates that institutional and technical factors collectively account for more than half of the variance in decision-making outcomes. This highlights their central role in organizational effectiveness.

Table 9: Model Summary

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

Table 10 presents the ANOVA results for the regression model. The ANOVA results (p = 0.001) confirm the statistical significance of the model. However, these results also support Mutesa and Ochieng's (2024) argument. Nearly half the variance remains unexplained by these variables. This points to the influence of political commitment, informal practices, and shifting leadership priorities on the pace and quality of reforms. This insight underscores the need for future research and policy interventions to consider not only technical solutions but also the broader political and institutional dynamics. These dynamics shape the trajectory of monetary integration in South Sudan and the EAC.

Table 10: 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			

Table 11 presents the regression coefficients. The regression analysis reveals that the most significant predictors of decision-making efficiency and transparency at the Bank of South Sudan (BoSS) are reliable and timely data systems (B = 0.371, p = 0.049), sufficient technical expertise among staff (B = 0.330, p = 0.037), and continuous staff training (B = 0.409, p = 0.009). These variables are all statistically significant at the 5% level.

Table 11: Regression Coefficients

Predictor Variable	B	Std. Error	Beta	t	Sig.
(Constant)	-0.380	0.901	-	-0.422	0.676
Data systems are reliable & timely	0.371	0.182	0.301	2.033	0.049
Staff have sufficient technical expertise	0.330	0.153	0.313	2.159	0.037
Continuous training for 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	-0.042	0.208	-0.034	-0.200	0.843
Adequate ICT infrastructure	-0.042	0.171	-0.035	-0.248	0.805

This highlights that the technical and human capital dimensions of institutional capacity are central to strengthening governance outcomes. This finding directly supports Deng and Bekele (2022). They argue that robust data systems and a skilled, continually trained workforce are critical enablers of effective monetary policy and institutional credibility. This is especially true in fragile and rapidly evolving environments like South Sudan. The finding also aligns with Gatera and Mbabazi (2023), who found that targeted investments in human capital and technical capacity may offer the most immediate improvements in institutional effectiveness.

Interestingly, other factors did not show statistically significant relationships with decision-making efficiency and transparency. These factors include limited financial resources, human resource constraints, technological limitations, regulatory/legal framework insufficiencies, involvement in regional initiatives, regional policy commitments, cooperation with other EAC central banks, and even perceived adequacy of ICT infrastructure. The lack of significance for financial and technological constraints echoes the findings of Gatera and Mbabazi (2023). They found that while resource and technology challenges are common, immediate governance improvements are more strongly driven by investments in staff skills and organizational learning

than by external funding or infrastructure alone. This result is particularly noteworthy in the context of Chikere and Wamalwa's (2021) study. They suggested that legal reforms and formal policy commitments sometimes have limited impact in practice due to weak enforcement and the prevalence of informal institutional dynamics. The current findings align with their argument. At BoSS, tangible improvements in decision-making are more closely associated with internal operational capacity and staff capability rather than formal regulatory changes or regional cooperation efforts. This observation calls attention to the importance of focusing capacity-building interventions on the people and processes at the core of the institution. The significance of continuous training underscores the dynamic nature of central banking in the EAC region. Evolving regulatory requirements and fast-paced technological change require institutions to constantly update the skills of their workforce. This finding also supports the conclusions of Uwizeye and Habonimana (2023). They recommend sustained, context-specific technical training as a precondition for successful integration of digital infrastructure and cross-border payment systems. For BoSS, maintaining a commitment to ongoing professional development will be essential for adapting to regional monetary union demands. It will also help overcome the historical constraints of a post-conflict setting. The regression results reinforce the message from the broader empirical literature.

While financial, legal, and technological challenges persist, the strongest levers for enhancing institutional readiness and governance quality at BoSS are investments in reliable data systems, staff technical expertise, and continuous training. These internal factors not only drive immediate improvements in policy implementation and transparency. They also build a resilient foundation for the complex process of monetary integration in East Africa. For policymakers and development partners, this suggests that prioritizing human capital and operational capacity may yield the most impactful and sustainable results. This applies to BoSS and similar institutions navigating the path to a single currency. The findings on gender and leadership depth warrant further discussion. The gender imbalance at BoSS, with women representing only 32% of sampled staff, mirrors regional patterns observed by Odhiambo and Mugisha (2022). This imbalance may limit the diversity of perspectives necessary for innovative policy-making. Gatera and Mbabazi (2023) argue that building a more gender-diverse workforce is crucial for strengthening institutional capacity. This is not merely a matter of equity. It is essential for adapting to complex integration demands in the move toward a single currency. The limited representation of senior managers (4%) and the relatively small middle management cohort (24%) suggest a narrow leadership succession pipeline. This may affect institutional memory and the sustainability of ongoing reforms. Mutesa and Ochieng (2024) highlight the importance of strong, stable leadership for effective institutional reform and regional integration.

The finding that 46% of respondents have less than five years of service, with only 18% having more than a decade of experience, raises concerns about the depth of institutional memory. Mutesa and Ochieng (2024) emphasize that frequent staff turnover and a lack of long-serving professionals can undermine the effectiveness of reforms and the institution's resilience. This is especially true during periods of political or economic uncertainty. These demographic and organizational dynamics shape institutional resilience in ways that are not captured by structural and legalist approaches alone. This finding offers a nuanced perspective that challenges the predominance of such approaches in existing regional integration literature.

Practical Applications

The findings of this study have several practical implications for the Bank of South Sudan and its partners. First, the regression results show that reliable data systems, staff technical expertise, and continuous training are the strongest predictors of decision-making efficiency and transparency. This is evidenced in Table 11. BoSS should prioritize investments in these areas. The institution should upgrade its core data systems and ICT infrastructure. This includes not only acquiring technology but also training staff for its effective use and ongoing maintenance. This finding is supported by Deng and Bekele (2022), who emphasize the transformative impact

of robust data management and staff capacity-building on policy credibility and organizational performance. This is particularly relevant in fragile states. Second, the finding that financial resources were not a significant predictor of decision-making efficiency (Table 11) suggests that targeted investments in human capital and technical capacity may offer the most immediate improvements. This is consistent with Gatera and Mbabazi (2023), who found that while resource and technology challenges are common, immediate governance improvements are more strongly driven by investments in staff skills and organizational learning. BoSS should prioritize continuous professional development. This includes making continuous technical training and capacity-building a mandatory part of institutional planning. The institution should also launch structured mentorship and succession planning initiatives. These would address gaps in leadership and institutional memory. Pairing experienced professionals with junior staff would facilitate knowledge transfer and continuity. Third, the study's findings on gender and leadership depth have practical implications. BoSS should actively promote gender equity through targeted recruitment, leadership development programs, and institutional reforms. This would diversify the talent pool in central banking. This aligns with Gatera and Mbabazi (2023), who argue that building a more gender-diverse workforce is crucial for strengthening institutional capacity.

The institution should also address the narrow leadership succession pipeline. This can be done by creating clear career pathways and investing in middle management development. Fourth, the study's findings on data quality have practical implications. BoSS should collaborate with EAC partners to develop harmonized data management and reporting standards. This would ensure that data reliability and timeliness are consistently maintained across all central banks. Such collaboration would strengthen regional policy credibility. This recommendation is supported by Deng and Bekele (2022), who found that data harmonization is fundamental to convergence monitoring and policy credibility. Yet it remains one of the weakest links in newer or post-conflict member states. BoSS should also engage in regular, context-specific technical assistance exchanges with other EAC central banks. These exchanges should emphasize peer learning and the adaptation of best practices to South Sudan's unique institutional context. This is consistent with Uwizeye and Habonimana's (2023) recommendation for a coordinated regional approach to digital infrastructure investment and skills development.

Theoretical Applications

This study makes several theoretical contributions to the literature on monetary integration. First, it advances the understanding of monetary integration readiness by empirically demonstrating that internal operational capacities can outweigh the effects of financial or external regulatory factors. This is evidenced in Table 11. The finding that reliable data systems and continuous staff development are significant predictors of decision-making efficiency, while financial resources and regulatory frameworks are not, challenges the predominance of structural and legalist approaches in existing regional integration literature. This finding extends Institutional Theory. North (1990) and Scott (2014) emphasize the role of formal rules and governance structures. This study shows that at BoSS, the human and operational dimensions of institutional capacity are more influential than formal rules alone. This suggests that institutional theory should more explicitly account for the role of human capital and operational systems in shaping organizational effectiveness. Second, the research highlights the role of demographic and organizational dynamics in shaping institutional resilience.

The findings on gender imbalance, leadership depth, and staff experience are shown in Tables 1, 4, and 5. These findings offer a nuanced perspective that challenges the predominance of structural and legalist approaches. This contributes to OCA theory by highlighting that macroeconomic convergence criteria, while necessary, are insufficient. Institutional factors, particularly the depth of human capital and the reliability of data systems, are also critical determinants of readiness for monetary integration. This finding supports the arguments of Kasekende and Brownbridge (2022) and Masson (2018), who emphasize that institutional quality and technical infrastructure are critical determinants of success in monetary unions. It

also extends these arguments by showing that in post-conflict contexts, the human and operational dimensions of institutional capacity may be more immediately actionable than formal legal or financial reforms. Third, the study's findings on the limited significance of financial resources and regulatory frameworks (Table 11) contribute to Fiscal Dominance Theory. Sargent and Wallace (1981) explain how fiscal pressures can undermine central bank independence and monetary policy effectiveness. This study finds that while financial constraints are severe, they are not the most significant predictor of decision-making efficiency. This suggests that the relationship between fiscal dominance and institutional effectiveness may be more nuanced than the theory suggests. Effective institutional reforms and internal capacity-building may partially offset the negative effects of fiscal dominance. This finding supports the argument that strengthening legal protections for central bank independence and promoting prudent fiscal management can moderate the negative impact of fiscal dominance. However, it also suggests that internal capacity-building may be equally important.

Policy Applications

The findings of this study have several policy implications for South Sudan and the EAC. First, the findings suggest that for South Sudan to successfully meet the convergence and operational demands of a common monetary policy framework, targeted investment in internal capacity-building should take precedence over resource mobilization or legal harmonization in the short term. This is evidenced by the regression results in Table 11. The findings show that reliable data systems, staff technical expertise, and continuous training are the strongest predictors of decision-making efficiency. Financial resources and regulatory frameworks were not significant. Policymakers should therefore prioritize investments in human capital and operational systems. This would yield the most impactful and sustainable results for BoSS. Second, the study's findings on data quality have implications for regional policy. BoSS should collaborate with EAC partners to develop harmonized data management and reporting standards. This would ensure that data reliability and timeliness are consistently maintained across all central banks. Such collaboration would strengthen regional policy credibility. This recommendation is supported by Deng and Bekele (2022). They found that data harmonization is fundamental to convergence monitoring and policy credibility. Yet it remains one of the weakest links in newer or post-conflict member states.

The EAC Secretariat should prioritize technical assistance in this area. This would help ensure that all member states can effectively monitor convergence and participate in the monetary union. Third, the study's findings on leadership depth and institutional memory have implications for human resource policy. BoSS should launch structured mentorship and succession planning initiatives. These would address gaps in leadership and institutional memory. Pairing experienced professionals with junior staff would facilitate knowledge transfer and continuity. The institution should also actively promote gender equity through targeted recruitment and leadership development programs. This would diversify the talent pool in central banking. These recommendations align with Gatera and Mbabazi (2023) and Mutesa and Ochieng (2024), who emphasize the importance of strong, stable leadership and institutional memory for effective reform. Fourth, the study's findings on the limited significance of regional cooperation and policy commitments (Table 11) have implications for EAC policy. While regional cooperation and policy commitments are important, they may not be the most immediate drivers of institutional readiness. This suggests that the EAC should focus on supporting national-level capacity-building efforts in addition to regional coordination. This is consistent with Odhiambo and Mugisha's (2022) emphasis on the risks created by incomplete or uneven implementation of formal reforms. The EAC should provide targeted technical assistance that is context-specific and sustained over longer periods. This would help address the specific challenges faced by post-conflict member states like South Sudan. As Gatera and Mbabazi (2023) found, technical assistance must be context-specific and sustained over longer periods to be effective. The EAC should therefore adopt a tailored, impact-oriented assistance model that recognizes the unique circumstances of each member state.

Conclusion

This study shows that the Bank of South Sudan has a highly educated, relatively young, and operationally concentrated workforce. However, it faces critical challenges related to institutional experience, gender balance, and leadership depth. The most significant drivers of decision-making efficiency and transparency were found to be reliable data systems, sufficient technical expertise, and continuous staff training. These factors proved more influential than financial resources, regulatory frameworks, or external cooperation alone. These findings add nuance to the literature on East African monetary integration. While technical assistance and formal reforms are necessary, the true engine of institutional readiness lies in ongoing investments in human capital, operational systems, and a culture of professional development. The implications for both BoSS and the wider EAC integration agenda are clear. For South Sudan to successfully meet the convergence and operational demands of a common monetary policy framework, targeted investment in internal capacity-building should take precedence over resource mobilization or legal harmonization in the short term. These insights suggest that regional and international partners must tailor their support to the specific, evolving needs of post-conflict and institutionally young central banks. Ultimately, fostering a resilient, skilled, and adaptive institutional core will be essential. This is not just for South Sudan's readiness, but for the long-term credibility and sustainability of the single currency project across East Africa.

Limitations and Future Research Directions

This study has several limitations that suggest directions for future research. First, the study relies on a sample of 50 respondents from BoSS. This is a relatively small sample for regression analysis with 11 predictors. Future research should consider larger samples to enhance statistical power and allow for more robust analysis. Such studies could also include comparative samples from other EAC central banks to enable cross-country comparisons. Second, the study relies on self-reported data from questionnaires and interviews. This may introduce measurement error and self-report bias. Future research should incorporate more objective measures of institutional capacity, such as independent audits of data systems or assessments by external evaluators. This would help validate the findings and provide a more comprehensive picture of institutional readiness. Third, the study focuses on BoSS at a single point in time. The cross-sectional design limits the ability to track changes in institutional capacity over time.

Future research should conduct longitudinal assessments to evaluate how continuous training and data system upgrades impact central bank effectiveness over time. This is particularly important in post-conflict or rapidly changing environments. Fourth, the study identifies significant relationships between institutional and technical factors and decision-making efficiency. However, nearly half the variance remains unexplained. Future research should explore the influence of political commitment, informal practices, and shifting leadership priorities on the pace and quality of reforms. Qualitative research on political economy dynamics and informal institutional practices would be particularly valuable. This would build on gaps identified by Odhiambo and Mugisha (2022) and Mutesa and Ochieng (2024). Fifth, the study does not deeply examine gender dynamics and leadership succession in central banking. Future research should conduct in-depth qualitative investigations into these areas. Such studies could illuminate barriers and best practices for fostering inclusivity and institutional memory within the context of regional monetary union. Comparative research across EAC member states could also explore how informal institutional practices and political economy dynamics influence the implementation of formal reforms. This would further build on the gaps identified in this study and contribute to a more comprehensive understanding of monetary integration in East Africa.

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