

The East African Community (EAC) has launched the first phase of its regional instant payment system with a pilot linking Rwanda and Tanzania, a move expected to make cross-border transactions faster, cheaper, and more secure across the region.

The initiative, now in its technical implementation phase, was unveiled during a high-level meeting in Kigali. It connects Tanzania's Instant Payment System (TIPS) with Rwanda's National Payment Switch (RSWITCH), allowing individuals and businesses to transfer money directly between bank accounts and mobile wallets in real time.

"This preparatory work marks a pivotal milestone in our regional payment system integration agenda," said Eng. Daniel Murenzi, the EAC's principal information technology officer. "It moves us closer to a single regional instant payment ecosystem that will facilitate secure, affordable, and real-time transactions across borders."

Fabian Ladislaus Kasole, assistant manager for oversight and policy at the Bank of Tanzania's National Payments Directorate, reaffirmed the region's commitment to deeper financial integration. "As a region, we remain committed to establishing a robust technical and operational framework that will ensure the successful interlinking of our national retail payment systems," he said.

The Rwanda-Tanzania connection forms a proof-of-concept pilot to demonstrate the feasibility of a direct cross-border payment switch within the EAC. Once operational, it will serve as a model for future expansion to all partner states, paving the way for a fully integrated regional digital payments market.

For ordinary users, the system promises to transform daily financial interactions. Citizens will be able to send funds instantly to family, friends, or businesses across the border from their existing bank accounts or mobile money platforms. By linking national payment systems directly, the initiative is expected to reduce transaction costs and make cross-border payments more accessible.

Businesses and traders are also set to benefit. Instant, low-cost payments will simplify cross-border trade, improve cash flow, and reduce operational barriers for companies of all sizes, boosting commerce and regional economic growth.

The pilot represents the first tangible step in implementing the EAC Cross-Border

Payment System Masterplan, which supports the Heads of State's vision for deeper regional financial integration. It is backed by the Eastern Africa Regional Digital Integration Project (EARDIP), funded by the World Bank and coordinated by the EAC Secretariat.

EARDIP is also supporting the development of harmonized digital financial policies, cybersecurity standards, and technical capacity across partner states.

The technical meeting, that started on Nov. 10-14 in Kigali, brought together representatives from central banks, national payment systems, AfrikaNenda, the Mojaloop Foundation, and the EAC Secretariat to finalize interoperability, governance, and regulatory frameworks for the pilot.