



DCMA INSTITUTIONAL PUBLICATION SERIES | PUBLICATION 5

DCMS and the African Union

Continental Integration, Functional Monetary Equivalence,
and the Preservation of National Monetary Sovereignty

*A Sovereign-Compatible Path from National Monetary Systems
to Deeper African Monetary Integration*

Digital Currency Monetary Authority
August 2026

Executive Summary

The African Union has articulated one of the most ambitious integration projects in the contemporary international system. Agenda 2063 envisions an integrated and politically united continent, stronger continental financial and monetary institutions, deeper intra-African trade, greater self-reliance, and ultimately the institutional foundations for common monetary policy and a single African currency. The objective is not limited to payments. It is a long-term project of economic, political, financial, and monetary integration. [1][2]

Africa is already progressing toward this objective through several institutional pathways. WAEMU and CEMAC operate established regional monetary unions. The East African Community continues work toward monetary union. ECOWAS and the West African Monetary Zone continue preparatory work toward the ECO. AfCFTA is building the legal and commercial foundations of a continental market, while PAPSS and other regional payment arrangements are expanding cross-border payment connectivity. These initiatives operate at different levels of institutional depth and at different speeds.

This publication advances a complementary proposition. Africa need not wait for complete fiscal, macroeconomic, political, and monetary convergence before realizing meaningful benefits from deeper monetary integration. A Digital Currency Monetary System can provide functional monetary integration across national and regional monetary environments while participating states retain their currencies, central banks, legal tender regimes, domestic monetary policies, and sovereign regulatory authority.

Institutional difference need not prevent functional monetary equivalence.

Within this architecture, the Universal Monetary Commodity provides system-native Institutional Private Money and the Universal Monetary Unit is DCMA's implementation of that concept. UMU is not proposed as Africa's future common sovereign currency. It operates as a monetary bridge through which sovereign and regional currencies can interoperate within DCMS while the African Union and its member states determine the pace and ultimate institutional form of continental monetary integration.

The publication also addresses a second condition that is essential to African monetary integration: access. A continent-wide digital monetary architecture cannot assume universal smartphone ownership, continuous broadband access, or universal participation in conventional banking. DCMS therefore incorporates telecommunications operators, mobile money systems, USSD access, agent networks, and point-to-point digital cash as parts of the monetary distribution architecture. UMOJA Africa provides a concrete implementation model for linking these capabilities into a pan-African monetary and settlement environment.

1. The African Union and the Long Project of Continental Integration

The African Union's integration agenda is unusually comprehensive. Agenda 2063 describes an integrated continent that is politically united and grounded in Pan-Africanism and the African Renaissance. Its goals include a United Africa in federal or confederal form, functional continental financial and monetary institutions, world-class infrastructure, greater movement of people and capital, and stronger African influence in global affairs. [1][3]

The financial dimension of this project is explicit. Article 19 of the AU Constitutive Act provides for an African Central Bank, African Investment Bank, and African Monetary Fund. The AU describes these institutions as mechanisms for implementing the economic integration envisaged by the Abuja Treaty.

The proposed African Central Bank is intended to support a common monetary policy and ultimately a single African currency. [2]

The significance of these objectives is that Africa's monetary question cannot be reduced to payment-system modernization. The long-term agenda concerns the institutional architecture through which a continental economy can trade, finance development, manage liquidity, coordinate monetary conditions, mobilize African capital, and increasingly operate as an integrated economic space.

DCMS should therefore be assessed against the direction of the African integration project rather than against a narrower benchmark of whether it can move a payment from one country to another. Its potential contribution is to provide a monetary architecture that is useful during the long transition between today's heterogeneous sovereign systems and any future deeper form of continental monetary integration.

2. Africa's Existing Monetary Landscape

Africa already contains multiple forms of monetary integration. The continent is not beginning from a single institutional baseline. Some states participate in established monetary unions, others retain fully national monetary arrangements, and several regional communities are pursuing future convergence.

Integration Environment	Current Monetary Character	Integration Significance
WAEMU	Common central bank and common CFA franc across participating West African states	Established regional monetary union with shared monetary policy
CEMAC	Common central bank and common CFA franc across participating Central African states	Established regional monetary union and regional reserve and settlement structures
East African Community	National currencies with a treaty-based objective of monetary union and a future single currency	Convergence and institutional construction remain necessary before full union
ECOWAS / WAMZ	National and regional currency environments with continuing work toward the ECO	Regional exchange-rate, convergence, and institutional preparation continues
Other African states and RECs	Predominantly national currencies and national central banks	Require interoperability across differing monetary, banking, and regulatory systems
Continental level	AfCFTA, AU financial institutions agenda, African Monetary Institute initiative	Creates the long-term framework for continental economic and monetary integration

These differences should be treated as institutional assets rather than obstacles to be eliminated prematurely. Existing monetary unions demonstrate the benefits and requirements of pooled monetary authority. National monetary systems preserve sovereign flexibility for states that have not chosen that path. Regional communities provide intermediate structures through which convergence can deepen.

A continent-wide architecture must therefore support interactions among national currencies, regional common currencies, central banks, regional central banks, payment systems, commercial banks, mobile-money issuers, development institutions, and other authorized monetary actors without requiring them to become institutionally identical.

3. The African Integration Sequencing Problem

Traditional monetary union generally follows a demanding sequence. Macroeconomic convergence, fiscal discipline, debt sustainability, exchange-rate coordination, institutional harmonization, common monetary governance, and political commitments normally precede or accompany the adoption of a common currency. The experience of the East African Monetary Union and the continuing ECO process illustrates the depth of the institutional work required.

Traditional Monetary-Union Sequence
MACROECONOMIC AND FISCAL CONVERGENCE
↓
EXCHANGE-RATE AND FINANCIAL POLICY COORDINATION
↓
COMMON MONETARY INSTITUTIONS
↓
COMMON MONETARY POLICY
↓
COMMON CURRENCY
↓
INTEGRATED MONETARY FUNCTIONALITY

The sequence is institutionally coherent, but it can require extended time horizons. Countries differ in inflation, debt, reserve adequacy, fiscal structures, market depth, banking systems, regulatory capacity, political priorities, and tolerance for shared monetary authority. Requiring all of these conditions to converge before substantial monetary interoperability can occur delays some of the economic benefits that integration is intended to produce.

DCMS introduces a parallel sequence. It does not remove the long-term institutional requirements of monetary union. It permits common monetary functions to be shared earlier, while the political and macroeconomic convergence process continues.

DCMS Functional-Integration Sequence
SOVEREIGN AND REGIONAL MONETARY SYSTEMS REMAIN DISTINCT
↓
COMMON DIGITAL MONETARY FUNCTIONALITY
↓
CROSS-BORDER CREDIT, MARKET, CONVERSION AND SETTLEMENT
↓
GREATER REGIONAL AND CONTINENTAL ECONOMIC INTEGRATION

↓
PROGRESSIVE POLICY AND INSTITUTIONAL COORDINATION
↓
OPTIONAL DEEPER MONETARY INTEGRATION AS DETERMINED BY AFRICAN INSTITUTIONS

4. Functional Monetary Integration Before Monetary Union

DCMA defines Functional Monetary Integration as the ability of distinct sovereign monetary systems to share common monetary functionality across borders without first consolidating their currencies, monetary authorities, or macroeconomic policies.

The concept follows directly from MSRM-7. Monetary systems can be compared through seven functions: Authority, Governance, Denomination, Issuance, Credit, Market, and Settlement. Different countries may realize those functions through different institutions and policies while participating in a common architecture that enables approved interactions among them.

Functional monetary integration therefore does not imply institutional equivalence. It means that institutions with different currencies and different policy regimes can obtain equivalent access to selected monetary capabilities where common functionality is required.

Monetary Function	National or Regional Authority Retained	Common DCMS Capability
Authority	Central banks and legally competent monetary institutions retain their mandates	DCMS recognizes the institutional authority applicable to each monetary instrument and jurisdiction
Governance	Sovereign and regional regulatory requirements remain operative	Common transaction architecture applies localized policy requirements
Denomination	Domestic pricing and legal-tender conventions remain national or regional	Multiple sovereign denominations can be recognized and converted without replacing them
Issuance	Each authorized issuer controls creation of its own money	DCMS provides interoperable issuance controls for authorized monetary instruments
Credit	Domestic and regional credit rules remain institutionally governed	Qualified credit can operate across a shared project, trade, and financing architecture
Market	National and regional market structures remain distinct	Common market functionality can support liquidity and currency interaction
Settlement	Domestic finality can remain within national or regional systems	Cross-border settlement can operate through common DCMS infrastructure

Functional integration expands common monetary capability without requiring premature consolidation of monetary authority.

5. The African Monetary Integration Continuum

The African integration project is best understood as a continuum rather than a binary choice between complete sovereignty and complete union. National monetary systems, regional economic communities, established monetary unions, continental trade integration, and future AU financial institutions all occupy different points on that continuum.

The African Monetary Integration Continuum	
NATIONAL SOVEREIGN MONETARY SYSTEMS	
↓	
REGIONAL ECONOMIC COMMUNITIES	
↓	
REGIONAL MONETARY INTEGRATION AND EXISTING MONETARY UNIONS	
↓	
AfCFTA AND CONTINENTAL TRADE INTEGRATION	
↓	
DCMS FUNCTIONAL MONETARY INTEROPERABILITY	
↓	
AFRICAN UNION FINANCIAL INSTITUTIONS	
↓	
LONG-TERM CONTINENTAL MONETARY INTEGRATION	

DCMS is positioned across the continuum rather than at its end. It can connect a national currency to another national currency, a national currency to a regional common currency, or two regional monetary systems without deciding whether those jurisdictions should ultimately share a central bank or common legal tender.

This makes the architecture transitional without being temporary. Before deeper union, it provides cross-border monetary functionality. During institutional convergence, it provides a platform for testing policy interoperability, currency interaction, liquidity, credit, and settlement. After any future common African monetary arrangement, it can continue to connect that arrangement to external sovereign currencies and other authorized monetary systems.

6. AfCFTA, PAPSS, and the Expansion of Continental Economic Connectivity

AfCFTA is one of Agenda 2063's flagship projects and is intended to accelerate intra-African trade while strengthening Africa's collective position in global commerce. [4] Trade integration, however, does not itself eliminate monetary fragmentation. Businesses still encounter differences in currencies, foreign-

exchange availability, working capital, trade credit, settlement, correspondent relationships, and regulatory requirements.

PAPSS and other African payment initiatives are important responses to this problem. They increase the capacity to process and settle cross-border payments in African currencies and reduce dependence on extra-continental payment routing.

MSRM-7 nevertheless distinguishes payment interoperability from complete monetary-system interoperability. Payments primarily address the movement and settlement of claims. A complete monetary architecture must also address authority, governance, denomination, issuance, credit, and market functionality.

The relationship should therefore be complementary. AfCFTA integrates the legal and commercial market for African trade. PAPSS strengthens continental payment connectivity. DCMS can add a broader monetary layer incorporating currency interaction, credit, markets, institutional money, settlement, and jurisdiction-aware governance.

7. Global Localization and Continental Policy Interoperability

Africa's 55 sovereign states operate under different monetary statutes, foreign-exchange rules, banking regimes, capital-account policies, sanctions obligations, tax systems, data laws, and financial-sector structures. A continental architecture that requires identical policy would reproduce the convergence problem that slows deeper monetary union.

DCMS applies a different principle. Global Localization treats the requirements of the relevant sovereign or regional jurisdiction as governing conditions of participation and transaction processing. The common architecture does not erase policy difference. It operationalizes permitted activity across those differences.

A Kenyan transaction can remain subject to Kenyan requirements. A transaction within WAEMU can remain subject to applicable BCEAO and member-state requirements. A Nigerian transaction can remain subject to Nigeria's monetary, banking, and foreign-exchange rules. The transaction architecture is common, while the governing conditions remain localized.

This creates Continental Policy Interoperability: the capacity of different policy environments to interact through common monetary infrastructure without requiring those policies to become identical before interoperability can occur.

8. UMu as a Monetary Bridge Across African Currency Environments

The Universal Monetary Unit should not be characterized as a proposed African common sovereign currency. The African Union's future common currency, if and when established, is a sovereign institutional project to be determined by African states and the competent AU institutions.

UMU performs a different function. As DCMA's implementation of the Universal Monetary Commodity, it provides system-native Institutional Private Money capable of supporting reference, conversion, reserve, financing, market, and settlement functions within DCMS.

The distinction preserves monetary sovereignty. Domestic goods and services remain priced in the applicable sovereign or regional fiat currency. National and regional currencies retain their established

unit-of-account and legal-tender functions. UMU provides an additional monetary bridge where cross-border or system-level monetary functionality is required.

This architecture means that a participant in Kenya can transact across DCMS with a participant in a WAEMU jurisdiction without requiring either side to adopt the other's currency as a domestic monetary unit. The common capability exists between the systems rather than replacing them.

9. Financial Inclusion as a Requirement of Monetary Integration

Continental monetary integration must extend beyond central banks and financial institutions if it is to affect economic life at scale. Africa's distribution environment makes this requirement particularly important. A significant share of economic activity occurs through mobile money, agent networks, cash, feature phones, and telecommunications channels rather than through conventional branch-based banking or smartphone applications.

DCMA's earlier Public Digital Currency Monetary System research therefore treats distribution architecture as part of monetary architecture. It expressly recognizes that systems dependent upon bank-account penetration, smartphone ownership, or application-based access can exclude economically active populations. Telecommunications operators, USSD channels, financial agents, merchants, and regulated intermediaries are treated as essential components of access rather than as peripheral integrations. [5]

This principle is consequential for the AU agenda. A continent may achieve institutional interoperability among central banks while leaving large portions of the population outside the resulting architecture. Functional integration is incomplete if it exists only at the wholesale level.

Digital monetary integration must be technologically inclusive. Access to monetary functionality should not depend upon ownership of a particular class of device.

10. Telecommunications as African Monetary Distribution Infrastructure

In many African markets, telecommunications networks already operate as one of the most widely adopted financial-access infrastructures. Mobile network operators provide wallet services through USSD and smartphone applications and maintain extensive agent networks for cash-in and cash-out.

The DCMS distribution model builds upon that infrastructure rather than requiring a replacement consumer network. Telecommunications operators may participate institutionally in settlement and compliance while also providing the retail interface through existing wallet platforms. End users can continue interacting with familiar providers, while DCMS supplies interoperability, conversion, and settlement functionality underneath the customer interface. [5]

Distribution Level	Participating Institutions	DCMS Role
Wholesale	Central banks, commercial banks, telecom operators, fintechs, regulated financial institutions	Institutional balances, settlement, conversion, governance and compliance
Retail institutional distribution	Telecom wallets, banking apps, fintech interfaces	Peer-to-peer access, merchant functions, receipts, balance access and customer servicing

Cash distribution	Telecom and financial agent networks	Physical cash conversion into and out of digital monetary balances
Connection-constrained access	USSD, feature phones, low-bandwidth channels	Financial access without requiring smartphone applications or broadband
Point-to-point digital cash	Eligible wallets and devices	Cash-like transfer capability designed to operate without continuous network connectivity

The institutional design is deliberately two-tiered. DCMA integrates with regulated institutions. Those institutions retain the customer relationship, applicable trust-account structures, KYC responsibilities, cash-agent networks, and local service obligations. This preserves existing institutional capacity while extending it into a continentally interoperable monetary environment.

11. USSD, Feature Phones, and Accessible Digital Money

USSD is particularly important because it allows financial transactions through non-smartphone devices and can operate in lower-bandwidth environments. DCMA's PDCMS framework identifies USSD as a critical access mechanism for users without smartphones or reliable internet access and as a means of maintaining continuity across varying communications environments. [5]

The strategic significance extends beyond financial inclusion. A continental monetary architecture becomes more resilient when its access layer does not depend entirely upon sophisticated end-user hardware. Telecommunications channels can support multilingual interfaces, tiered KYC, cash conversion through agents, customer receipts through SMS, and localized transaction limits.

The architecture therefore supports a layered model in which advanced smartphone applications can coexist with feature-phone access and other regulated distribution channels. Technological diversity becomes an implementation condition rather than an exclusion criterion.

12. Point-to-Point Digital Cash

DCMA's point-to-point digital cash model addresses a further limitation of conventional digital payments. Many peer-to-peer payment systems remain dependent upon continuous connectivity to a remote ledger or centralized processing environment. Point-to-point digital cash is designed to extend transactional capability into circumstances in which uninterrupted connectivity cannot be assumed.

The current PDCMS framework describes a three-phase deployment model. Phase 1 establishes institutional and wholesale functionality. Phase 2 extends retail access through existing institutional platforms. Phase 3 introduces direct point-to-point digital cash functionality, including potential wallet-to-wallet transfers that can operate independently of continuous network connectivity, subject to technical design and regulatory approval. [5]

Three-Phase Inclusion Architecture	
PHASE 1: INSTITUTIONAL AND WHOLESALE DCMS INTEGRATION	
↓	
PHASE 2: RETAIL ACCESS THROUGH BANK, FINTECH AND TELECOM PLATFORMS	
↓	

PHASE 3: POINT-TO-POINT DIGITAL CASH AND CONNECTION-INDEPENDENT CAPABILITY

This capability should not be confused with an effort to eliminate physical cash. The stronger objective is monetary continuity across physical cash, institutionally held digital money, telecom-based access, and point-to-point digital cash. Users should be able to move between forms of money according to local infrastructure, institutional rules, and economic need.

For Africa, this is a monetary-system question. If digital integration reaches only users with continuous connectivity, then the architecture reproduces existing technological inequality. Point-to-point digital cash provides a path toward broader transactional continuity.

13. UMOJA Africa: One Rail. One Continent.

UMOJA Africa provides a concrete implementation model for applying the DCMS architecture to Africa's existing mobile-money environment. The program begins from a practical observation: African mobile-money systems are among the most developed in the world, but cross-border interoperability remains fragmented across operators, currencies, corridors, regulatory regimes, and settlement arrangements. [6]

The proposal does not require telecom operators to abandon their wallets or customer relationships. It introduces a common institutional settlement layer that banks and licensed telecommunications platforms can integrate through APIs and standardized interfaces. Domestic monetary finality can remain connected to national RTGS systems and commercial-bank settlement or trust accounts, while UMO provides a cross-border settlement mechanism within DCMS. [6]

UMOJA Africa - One Rail. One Continent.	
EXISTING AFRICAN MOBILE MONEY AND BANKING PLATFORMS	
M-PESA MTN MOMO AIRTEL MONEY ORANGE MONEY BANKS FINTECHS	
↓	
USSD SMARTPHONE APPS AGENT NETWORKS	
↓	
UMOJA AFRICA / DCMS INSTITUTIONAL INTEGRATION	
↓	
UMU CROSS-BORDER SETTLEMENT AND MONETARY INTEROPERABILITY	
↓	
NATIONAL RTGS AND LOCAL-CURRENCY FINALITY	
↓	
PAN-AFRICAN MONETARY CONNECTIVITY	

13.1 Two Implementation Modes

UMOJA supports two implementation modes. Under an invisible settlement model, users continue to hold and transact in local-currency telecom or bank wallets while UMU operates institutionally as the cross-border settlement rail. Under a dual-balance model, a regulated institution may, where permitted, provide both a local-currency balance and a visible UMU balance within the same customer environment. [6]

UMOJA Model	Customer Experience	Institutional Settlement
Model 1: Invisible UMU settlement	Customer sees and uses the existing local-currency wallet	UMU operates behind the interface for approved cross-border conversion and settlement
Model 2: Local currency + UMU	Customer may access both local currency and UMU through the regulated provider	UMU is visible as an authorized system-level monetary balance in addition to local currency

The models can vary by jurisdiction. One country may permit only invisible institutional settlement. Another may permit a visible UMU balance. A regional monetary union may adopt a different interface from a national central bank. Global Localization allows those differences while maintaining cross-border interoperability.

13.2 Institutional Distribution Without Displacement

UMOJA follows the broader DCMS two-tier institutional model. Central banks, banks, telecom operators, fintechs, and other qualified institutions integrate at the system level. Consumers, merchants, SMEs, suppliers, and diaspora users continue interacting through those institutions. The model leverages existing agent networks for cash conversion and existing institutional KYC and compliance structures. [6]

This reduces the need to build an entirely new retail distribution network and preserves the institutional relationships through which African users already access financial services.

14. Cash, Agents, and the Physical-to-Digital Monetary Bridge

Physical cash remains an important component of African economic life. A successful digital monetary architecture should therefore create regulated conversion paths between cash and digital monetary balances rather than assume that digital adoption begins only with bank deposits.

DCMA's existing cash-to-digital designs include agent-based cash conversion, cash-in-transit procedures, and institutional cash-in-storage models for qualifying transactions. These mechanisms illustrate a broader architectural principle: physical monetary value can enter a regulated digital monetary environment through institutional custody, KYC, banking, and settlement processes. [7]

For the AU context, the most scalable form is the use of existing telecom and financial agent networks. Agents already perform the practical work of cash-in, cash-out, customer assistance, and local monetary distribution. Connecting those networks to DCMS can extend continental functionality without eliminating local cash practices or forcing immediate behavioral change.

15. The African Monetary Institute and the Transition Toward an African Central Bank

The African Union's 2026 agenda gives the transitional question particular relevance. In May 2026, the AU reported progress toward establishment of the African Monetary Institute, following the decision of the 39th Ordinary Session of the Assembly. The Institute is intended to serve as a precursor to the African Central Bank and to undertake technical and regulatory work for monetary convergence. [8]

This creates an institutional environment in which functional monetary integration can support, rather than compete with, the AU's long-term project. DCMS can provide an architecture for research, simulation, interoperability testing, cross-currency operation, jurisdictional policy implementation, and staged monetary functionality while participating states and regional institutions retain their existing authority.

A transitional architecture could allow the African Monetary Institute and participating central banks to examine how common monetary functions perform across materially different currency and policy environments before any decision to centralize those functions at the continental level.

If deeper union is ultimately achieved, the role of DCMS does not disappear. A future African common sovereign currency would itself need to interoperate with currencies and monetary systems outside Africa, with commercial-bank money, and with authorized Institutional Private Money. MSRM-7 remains applicable because the question of monetary interoperability extends beyond the internal structure of any single currency union.

16. Development Finance Interoperability and African Productive Capacity

Monetary integration is economically meaningful when it improves the continent's capacity to finance productive development. Agenda 2063 calls for industrialization, infrastructure, regional value chains, energy, agriculture, digital connectivity, employment, and greater African responsibility for financing its own development. [3]

Publication 4 introduced Development Finance Interoperability as the capacity of sovereign development finance, multilateral and regional capital, guarantees, private investment, trade credit, local currencies, and digital monetary systems to operate through a common financing architecture while preserving their institutional characteristics.

Africa provides a particularly important implementation case. The continent possesses national development institutions, regional development banks, pension assets, sovereign funds, banking systems, commodity revenues, diaspora capital, private investors, and multilateral development relationships. The challenge is not only the amount of capital available. It is the architecture through which capital is qualified, priced, issued, transferred, settled, and recycled into productive activity.

DCMS can combine continental monetary interoperability with project and trade finance. Under the MSRM-7 Credit and Issuance functions, qualified project obligations, trade transactions, guarantees, receivables, and other approved credit events can support governed issuance and settlement. This permits financing architecture to become part of the same monetary environment through which the resulting economic activity circulates.

17. African Capital Mobilization and Financing Africa's Own Development

Agenda 2063 expressly calls for Africa to take greater responsibility for financing its development. [3] This objective requires more than increased public revenue. It requires stronger mechanisms for mobilizing African savings and institutional capital across borders while preserving appropriate national and regional controls.

A continentally interoperable monetary architecture can improve the ability of African capital pools to participate in projects beyond their domestic markets. Pension funds, banks, sovereign wealth funds, development institutions, insurers, diaspora investors, and private capital can potentially access standardized financing structures with common settlement and governance while underlying projects remain subject to the jurisdictions in which they operate.

This is another form of functional integration. Capital need not become continental because ownership becomes centralized. It becomes continental because different pools of capital can interact with qualified projects through common monetary functionality.

The objective is not to dissolve national financial systems into a continental balance sheet. It is to increase the productive reach of African capital across African economies.

18. Representative AU-DCMA Collaboration Opportunities

Area	African Institutional Objective	Representative DCMS Contribution
African Monetary Institute	Support technical groundwork for monetary convergence	Functional-model research, multi-currency simulation, policy interoperability testing, MSRM-7 mapping
African Central Bank preparation	Develop future common monetary capabilities without forcing premature implementation	Transitional architecture for testing common functions while national and regional currencies remain operative
AfCFTA	Expand the monetary utility of continental trade integration	Trade finance, multi-currency settlement, credit, FX and jurisdiction-aware transaction processing
PAPSS and regional payment systems	Strengthen local-currency and cross-border payment connectivity	Broader monetary functions surrounding payment infrastructure, including Credit, Market, Issuance and Institutional Private Money
Regional Economic Communities	Support differing stages of monetary integration	Interoperability among national systems, established monetary unions and emerging convergence frameworks
Financial inclusion	Extend digital monetary access beyond smartphones and conventional banking	Telecom integration, USSD, agent networks and point-to-point digital cash
UMOJA Africa	Connect existing mobile-money ecosystems across borders	Institutional settlement rail, local-currency interfaces, UMU settlement, RTGS connectivity and localized compliance
Development finance	Mobilize African capital and productive investment	Project finance, trade finance, milestone-based issuance and Development Finance Interoperability

19. From Functional Integration Toward Deeper Monetary Union

The existence of a functional integration layer does not weaken the rationale for deeper African monetary cooperation. It can strengthen it by allowing countries to experience and measure the economic effects of common monetary functionality before determining which additional authorities should be pooled.

Functional integration can generate transaction data, policy experience, institutional trust, cross-border liquidity, common standards, and operational familiarity. These are precisely the kinds of foundations that can make later stages of monetary integration more informed and less disruptive.

The architecture also preserves political choice. A state can participate in continental monetary functionality without committing in advance to every future stage of union. Regional monetary communities can deepen at different speeds. Existing monetary unions can participate as integrated blocs. The AU and its member states remain responsible for determining whether functional integration should ultimately advance toward stronger institutional convergence.

This sequencing is consistent with the long-term AU agenda because it treats monetary technology as an instrument of African integration rather than as a substitute for African political decision-making.

Conclusion

Africa's monetary future cannot be reduced to a choice between fragmented national systems and immediate continental monetary union. The institutional landscape is more complex. Africa already contains established regional monetary unions, national monetary systems, emerging regional convergence projects, continental trade initiatives, sophisticated mobile-money ecosystems, and an African Union agenda that ultimately contemplates continental financial institutions and deeper political and monetary integration.

DCMS provides a functional architecture for this transitional environment. It enables common monetary capabilities across differing sovereign and regional systems while preserving the authority of central banks, national currencies, regional monetary institutions, and domestic policy. UMU provides a system-level monetary bridge without claiming the role of an African sovereign currency.

The architecture also recognizes that continental integration must reach ordinary economic participants. Telecommunications operators, USSD channels, mobile-money platforms, agent networks, physical cash conversion, and point-to-point digital cash are therefore not peripheral distribution features. They are part of the monetary architecture required for broad participation.

UMOJA Africa translates these principles into a concrete pan-African implementation model. Existing telecom and banking platforms can retain their customer relationships and local-currency interfaces while DCMS and UMU provide cross-border interoperability beneath them. This creates a path from today's powerful but fragmented mobile-money systems toward continent-wide monetary connectivity.

Africa need not choose between preserving monetary sovereignty today and pursuing deeper continental monetary integration tomorrow. Functional monetary integration can provide meaningful economic capability during the transition.

The long-term institutional destination remains an African decision. DCMS contributes an architecture through which the journey toward that destination can begin producing economic value now.

References

- [1] African Union. Agenda 2063: Goals and Priority Areas; Aspiration 2, An Integrated Continent, Politically United and Based on Pan-Africanism.
- [2] African Union. AU Financial Institutions. Article 19 institutions and proposed African Central Bank, African Monetary Fund, and African Investment Bank.
- [3] African Union. Agenda 2063 Aspirations, including African self-reliance, continental integration, and financing Africa's development.
- [4] African Union. Agenda 2063 Flagship Projects and African Continental Free Trade Area materials.
- [5] Digital Currency Monetary Authority. A Public Digital Currency Monetary System: A Sovereign-Compatible Framework for CBDC, Financial Inclusion, and Cross-Border Settlement, Version 2.0, March 2026.
- [6] UMOJA Africa Proposal. Proposal for a Pan-African CBDC and Cross-Border Payments Program: Integrating Telecom Wallets with Universal Monetary Unit, August 2025.
- [7] Digital Currency Monetary Authority. Cash Digital Currency Purchasing Solutions; institutional cash-in-transit and cash-in-storage models.
- [8] African Union. Opening Remarks by H.E. Amb. Selma Malika Haddadi at the African Development Bank Group Annual Meetings, 26 May 2026, addressing AU Financial Institutions and progress toward the African Monetary Institute.
- [9] Digital Currency Monetary Authority. A Digital Economic Union to Strengthen Monetary Sovereignty and Global Trade Integration, Version 2.0, April 2026.
- [10] Digital Currency Monetary Authority. MSRM-7: A Seven-Function Monetary System Reference Model for Digital Currency Monetary Systems and Sovereign Monetary Interoperability.
- [11] Digital Currency Monetary Authority. Publication 1, MSRM-7 and the Digital Currency Monetary System: A Reference Architecture for an Equitable Global Financial System.
- [12] Digital Currency Monetary Authority. Publication 4, DCMS and the World Bank Group: Development, Project and Trade Finance.



DIGITAL CURRENCY MONETARY AUTHORITY

Institutional Research • Monetary Architecture • Standards

Publication 5 of the DCMA Institutional Publication Series