ANALYTICAL NOTE — PUBLIC DEBT AND SUSTAINABILITY

Senegal's Public Debt After the Statistical Revision Shock

From the 2023 technical diagnosis to the 2026 credibility crisis: what three years of divergence between reported and audited figures reveal about the debt management framework

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EXECUTIVE SUMMARY · Résumé analytique

In July 2023, a technical note (J. Lepain & J. Rollins, 2023) concluded that Senegal's central issue was not solvency but the shrinking of fiscal space, and that its debt management framework suffered from weak articulation with fiscal policy, an incomplete perimeter and an obsolete information system. Three years later, the diagnosis has been vindicated — but through a route nobody anticipated: it was not only the projections that were fragile, but it was also the data themselves.

The Court of Auditors' report of 12 February 2025 established that debt stock and deficits published between 2019 and 2024 had been substantially under-reported. In June 2026, the IMF characterized the gap as **misreporting of roughly 44 percentage points of GDP — the largest ever recorded by the Fund**. The debt statistics bulletin published on 14 July 2026, underpinned by reconciliation work entrusted to Forvis Mazars, puts public sector debt at **CFAF 25,583 billion at end-2024, or 128.6 percent of GDP**, against 81.8 percent in 2019. The **2027-2029 Medium-Term Budget and Economic Programming Document (DPBEP)**, published in June 2026, adds the first official figure beyond that date: a provisional stock of **CFAF 25,198.5 billion for central government alone at end-2025**, up 6.5 percent year on year.

The consequences have compounded: the IMF program has been frozen since September 2024 with no successor; sovereign ratings have fallen to **Caa1** (Moody's) and **CCC+** (S&P); debt service is projected to peak at roughly **CFAF 5,498 billion in 2026**; reliance on the short-dated regional market has grown, with 46 percent of that stock maturing before end-2027; and some **CFAF 1,400 billion in arrears** are owed to domestic private suppliers against only CFAF 300 billion budgeted for clearance in the 2026 finance act — though CFAF 474 billion was in fact paid in 2025.

The adjustment is real — the deficit fell from 13.4 percent of GDP in 2024 to 6.44 percent in 2025, well below the 7.82 percent target of the second supplementary finance act — but it rests on compressed capital spending. The February 2026 oil shock exposed its fragility: the government cut its 2026 growth forecast from 5 percent to **3.2 percent**, saw energy subsidies rise from CFAF 250 billion to **CFAF 729 billion**, and imposed **CFAF 687.2 billion in cuts**, almost entirely on investment. This note argues that the way out depends less on the choice between restructuring and reprofiling than on three governance tasks: publishing a complete and reconcilable statistical series, clearing domestic arrears, and anchoring the new Directorate General for Financing and Debt in a credible external control framework.

1. What the 2023 diagnosis said — and why it was right

The July 2023 technical note on the debt management framework and debt sustainability (J. Lepain & J. Rollins, 2023) made four findings. First, the 2023-2025 Debt Management Strategy covered only central government, leaving out state-owned enterprises, several off-budget agencies and state guarantees. Second, the macroeconomic assumptions underpinning it — 10.1 percent growth in 2023, a deficit cut to 3 percent of GDP by 2024, oil at 85 dollars a barrel — carried no explicit justification and diverged from the rest of the administration's forecasts. Third, the link between debt strategy and fiscal policy was tenuous: borrowing decisions were taken without reference to available fiscal space. Fourth, the D-AIDA system, developed in-house more than a decade earlier, could neither incorporate non-central-government debt, nor manage guarantees, nor exchange data with other government applications, imposing a heavy burden of manual processing.

The analytical conclusion was unambiguous: **"the real question is not one of debt sustainability, but of the diminishing fiscal space available for future budgets."** No indicator then signaled an imminent threat to repayment capacity; what was worrying was the trajectory — debt service set to absorb a growing share of the budget year after year, at the expense of public investment.

That reasoning proved correct. It rested, however, on a flaw the note could not have detected from available data: the aggregates it relied upon — a stock of CFAF 11,782.7 billion at end-2022, a debt-to-GDP ratio of 68.2 percent, broader public sector debt at 76.62 percent of GDP — were themselves wrong—public debt statistics bulletin, Q4 2022, Treasury. The institutional diagnosis was sound; the numerical base was not.

2. The shock: the February 2025 audit and the rewriting of the accounts

On 12 February 2025, the Court of Auditors published its **audit of the report on the state of public finances, fiscal years 2019 to 31 March 2024**. For 2023, the document establishes a debt stock of CFAF 18,558.91 billion at 31 December, of which CFAF 11,864.20 billion is external and CFAF 6,694.71 billion domestic — a level that analyses of the report place at around **99.7 percent of GDP**, against **74.41 percent officially reported**. The 2023 fiscal deficit is put at **12.30 percent of GDP** instead of 4.90 percent, and the 2022 deficit at **12.65 percent** instead of 6.08 percent—Court of Auditors of Senegal, February 2025; Agence Ecofin, 13 February 2025.

The audit documents the mechanisms: bank debt contracted outside budgetary channels and without parliamentary authorization, totaling **CFAF 2,517.14 billion** at 31 March 2024; **CFAF 481.42 billion** in irregular disbursements through over-financing; **CFAF 238.19 billion** in debt substitution agreements; **CFAF 198.29 billion** in term deposits not remitted; and revenue reattributed across fiscal years. It also records a **74.97 percent increase in the public wage bill between 2019 and 2023**, from CFAF 744.96 billion to CFAF 1,303.50 billion.

One point deserves emphasis because it clarifies the public debate: the phrase "hidden debt" is not the Court's. Its outgoing First President, Mamadou Faye, recalled on 18 June 2026 that **"the words hidden debt do not appear in our report."** Dakarposte, 18 June 2026. The Court found discrepancies, procedural irregularities and omissions of perimeter; the political characterization came afterward. The distinction is not rhetorical — it determines the nature of the remedy, which is technical and institutional before it is criminal.

The IMF initially estimated undeclared debt at around **7 billion dollars** in March 2025, close to 23 percent of 2023 GDP IMF Press Release 25/77, 26 March 2025. The Senegalese authorities themselves raised that figure to **11.3 billion dollars** in July 2025, and S&P assessed it at **13 billion**. In June 2026, the IMF settled on its final characterization: **misreporting of roughly 44 percentage points of GDP**, presented as the largest ever recorded. The progressive widening of the figure reflects not polemical inflation but the successive extension of the perimeter: off-budget bank debt, state-owned enterprise debt, domestic arrears, swap operations.

3. Where the debt stands in 2026: three perimeters, three official sources

The debt statistics bulletin published on **14 July 2026**, underpinned by reconciliation work entrusted to Forvis Mazars, is the most recent official reference. It gives the following end-2024 aggregates.

Aggregate (end-2024)	Amount	% of GDP
Consolidated public sector debt	CFAF 25,583 billion	128.6%
of which central government	CFAF 23,667 billion	119.0%
of which parastatal sector	CFAF 1,917 billion	9.6%
External debt (central government)	CFAF 16,894 billion — 71%	—
Domestic debt (central government)	CFAF 6,773 billion — 29%	—
Memo — total public debt, end-2019	CFAF 11,219 billion	81.8%

Source: Public debt statistics bulletin, Ministry of Economy, Finance and Planning, 14 July 2026.

The bulletin does not stop at that end point: it publishes the full series back to 2019, together with the nominal GDP used. The series pinpoints when the break occurred.

Year-end	2019	2020	2021	2022	2023	2024
Central govt.	10,403	11,739	13,863	16,830	20,773	23,667
as % of GDP	75.9	83.1	90.8	97.1	111.6	119.0
Parastatal	816	1,041	1,229	1,703	1,676	1,917
Public sector	11,219	12,780	15,093	18,533	22,450	25,583
as % of GDP	81.8	90.5	98.9	106.9	120.6	128.6
Nominal GDP	13,713	14,119	15,261	17,330	18,619	19,893

Source: Public debt statistics bulletin 2019-2024, table 1. Amounts in CFAF billion.

The path is not linear. The central government ratio gains **14.5 percentage points of GDP in 2023 alone**, from 97.1 to 111.6 percent — far more than in any other year of the period. That is the year for which the gap between reported and audited figures is widest. That discrepancy is worth noting: the statistical revision does not spread the debt evenly across six years; it concentrates most of the break in a single fiscal year.

A second official source, published since, completes the picture and fills the gap this note flagged until recently. The **2027-2029 Medium-Term Budget and Economic Programming Document (DPBEP)**, issued by the Ministry of Economy, Finance and Planning in **June 2026**, puts central government debt provisionally at **CFAF 25,198.48 billion at 31 December 2025**, up **6.5 percent** on the CFAF 23,667 billion of end-2024. DPBEP 2027-2029, chapter VI.

The DPBEP does not publish the corresponding ratio, but a third official source does. The **Economic and Financial Report annexed to the 2026 finance act**, published in October 2025, projected a stock of **CFAF**

25,368.3 billion in 2025, up 7.1 percent, and a ratio of **117.3 percent of GDP against 119.0 percent in 2024, a decline of 1.7 points**. The DPBEP's provisional figure, produced seven months later, comes in CFAF 169.8 billion below that projection. Economic and Financial Report, 2026 Finance Act, section III.2.5. The two documents therefore agree on the essential point: **the central government debt ratio fell in 2025 for the first time since 2019**. Its nature should be stated at once — the decline comes from nominal growth outpacing the stock, not from deleveraging: debt is still rising by 6.5 to 7.1 percent a year.

The DPBEP also provides a breakdown of the portfolio at end-2025 that the July 2026 bulletin does not contain.

Portfolio structure (central government, end-2025)	Amount	Share
Debt in currencies other than the euro	CFAF 5,864.72 bn	23.27%
Debt denominated in euro and CFA franc	CFAF 19,333.58 bn	76.73%
of which the euro share of the portfolio	—	≈ 40%
Fixed-rate debt	CFAF 19,489.75 bn	77%
Variable-rate debt	CFAF 5,708.56 bn	23%
CFAF debt maturing in 2026 (incl. T-bills)	CFAF 2,461.82 bn	9.8%
Medium- and long-term debt	CFAF 22,736.48 bn	90.2%

Source: DPBEP 2027-2029, Ministry of Economy, Finance and Planning, June 2026, chapter VI.

This structure calls for a nuanced reading. Currency risk is real but contained, the euro accounting for roughly 40 percent of the portfolio under a fixed-parity regime; the exposure sits at 23.27 percent denominated in other currencies. The share of variable-rate debt, **23 percent**, is by contrast high for an issuer in this category and reflects, according to the document, the growth of commercial financing and export credits. The government itself describes its refinancing risk as **« non-negligible »** — a notable formulation in an official budget document.

Three reading precautions are required, and they are rarely observed in public debate. **First, three perimeters coexist**: central government (119 percent), consolidated public sector (128.6 percent) and the IMF perimeter including arrears (**around 132 percent**). Quoting a ratio without specifying its perimeter compares different magnitudes. **Second, the official sources are not reconciled with one another**: the July 2026 bulletin stops at end-2024 — a gap flagged by parliamentary opposition and economists alike — while the June 2026 DPBEP gives a provisional end-2025 stock on a narrower perimeter, and the October 2025 Economic and Financial Report projected a third figure for the same year, without any of them setting out how the series connect. **Third, the GDP base is in transition**: the national statistics agency published 2021-base national accounts on 25 November 2025, raising nominal GDP by 13.5 percent, while official 2026 ratios are still computed on the old 2014 base. The bulletin concedes as much in a table footnote: « the debt ratios shown in this bulletin do not yet incorporate the results of the GDP rebasing, which is being finalized ». The wording is worth noting, since it presents as unfinished a rebasing the national statistics agency published in November 2025. Public debt statistics bulletin 2019-2024, table 1; Sikafinance, November 2025; Le Quotidien, July 2026.

A more fundamental methodological criticism compounds these reservations: the bulletin's table structure was changed without a **bridging table between the old and new series**, making it impossible to identify precisely which debt categories account for the discrepancies — a standard requirement of public finance statistics manuals. The reconciliation report itself has not been made public. Balla Khouma, Le Quotidien, July 2026. On this point, restored transparency remains incomplete.

4. The 2023 thesis confirmed: fiscal space, not solvency

Debt service more than tripled between 2019 and 2024, from **CFAF 808 billion to CFAF 2,751 billion**, and is projected to peak at around **CFAF 5,498 billion in 2026** — an order of magnitude that alone exceeds three quarters of the tax revenue budgeted in the finance act. Disbursements to creditors ran at roughly **CFAF 590 billion a month** in early 2026, about 15 percent of monthly state revenue. Sud Quotidien, February 2026.

The DPBEP now allows that burden to be tracked precisely. Interest and fees were executed at **CFAF 1,088.1 billion in 2025**, or 102.9 percent of appropriations — one of the few lines to exceed its allocation — split between external debt (CFAF 641.7 billion, 59 percent) and domestic debt (CFAF 446.4 billion, 41 percent). In the first quarter of 2026, they reach CFAF 285 billion, **73.5 percent of it on external debt**. Over the following three years, interest is projected at CFAF 1,303.9 billion in 2027, CFAF 1,328.5 billion in 2028 and CFAF 1,061.4 billion in 2029.

The Economic and Financial Report supplies two further indicators that budget documents rarely highlight, and which measure the scale of the constraint. In 2025 external debt service reached **46.1 percent of budget revenue, against a community ceiling of 22 percent**; measured against exports of goods and services it came to **30.6 percent against a 25 percent ceiling**. The first ratio exceeds its threshold by more than double. These figures appear in a document annexed to the Finance Act and laid before the National Assembly: the breach is neither disputed nor concealed; it is on the record.

The July 2026 bulletin finally publishes the six-year debt service profile for central government, on a commitment basis.

Debt service (CFAF bn)	2025	2026	2027	2028	2029	2030
Principal	3,374	4,307	3,383	4,096	3,546	2,347
Interest	1,088	1,191	1,032	878	699	619
Total	4,462	5,498	4,415	4,974	4,245	2,966

Source: Public debt statistics bulletin 2019-2024, chart 2.

The primary source thus confirms the CFAF 5,498 billion peak in 2026. One discrepancy nonetheless emerges, and it is substantial. The bulletin states that « the projections are consistent with those used in the 2026 finance act and in the DPBEP »; yet the DPBEP's financing table puts amortization at **CFAF 4,388 billion in 2027**, against **CFAF 3,383 billion** in the bulletin — over a thousand billion apart for the same year, between two documents from the same ministry published three weeks apart. The explanation probably lies in a difference of perimeter — on-lent debt, T-bill rollover — but neither document says so. It is the clearest illustration of the reconciliation failure this note describes.

The DPBEP's financing table gives the measure of the maturity wall, and it had no public equivalent until now.

Financing need (CFAF bn)	2027	2028	2029
Debt amortization	4,388.0	5,679.2	5,148.7
Deficit financing	1,160.3	950.2	794.6
Domestic arrears	300.0	300.0	300.0
On-lending and OPEX deficit	222.8	222.8	222.8
Total need	6,071.1	7,152.2	6,466.2
of which covered by « other borrowing »	4,730.1	5,778.5	5,094.6
of which project loans	1,168.2	1,201.0	1,198.8

Source: DPBEP 2027-2029, table 7. Total need over the three years: CFAF 19,689.4 billion, an annual average of CFAF 6,563.1 billion.

Two conclusions follow. First, **amortization alone accounts for CFAF 15,215.9 billion over three years, more than seven times the cumulative deficit-financing** need: Senegal's problem is a refinancing problem, not a current deficit problem. Second, the « other borrowing » line — essentially market access — must supply **CFAF 15,603.2 billion** over the period, against only CFAF 3,568 billion of project loans. Set against the CFAF 19,227.9 billion of total finance act revenue programmed for the same three years, total debt service, interest and amortization combined, represents roughly **98 percent**. That figure does not mean debt absorbs almost all revenue — amortization is refinanced, not paid out of revenue — but it measures exactly the rollover to be secured each year, and therefore the country's dependence on continuous market access.

The composition of financing has also deteriorated. In 2025, some 75 percent of financing came from the domestic and regional market, at short maturities and rates well above external terms: at end-2024, domestic debt cost an average **5.3 percent for a 3.6-year maturity**, against **3.4 percent for 8.7 years** externally. On the regional WAMU market, **CFAF 4,654 billion** in securities mature before end-2030, of which **46 percent is before end-2027**, with an average residual life below two years—Agence Ecofin, June 2026; Finance for Development Lab, January 2026.

The risk is therefore not primarily payment default — Senegal met, and partly pre-paid, its March and June 2026 maturities, including the **333.3 million euro** amortization on the 2028 eurobond. The risk is a **refinancing risk** compounded by a **crowding-out effect**. This is precisely the thesis set out in 2023, but on a markedly tighter trajectory than was then envisaged.

The crowding-out mechanism is visible in budget execution, and the DPBEP now documents it precisely. In **2025**, general budget revenue was collected at 98.8 percent of target and spending executed at 93.9 percent. Still, the shortfall falls entirely on capital: investment spending was executed at only **78.4 percent**, and externally financed investment at **72 percent**, against 100.6 percent for current spending. The deficit was thus held to **CFAF 1,387.5 billion, or 6.44 percent of GDP**, well below the 7.82 percent target — but through under-execution of investment as much as through revenue effort. In the **first quarter of 2026,** the same mechanism repeats more sharply: revenue rises 11.9 percent year on year, the deficit stays contained at 1.44 percent of GDP, capital spending is executed at **10.6 percent** of program — and the line for investment executed directly by the state at **0.3 percent**, CFAF 3.3 billion out of CFAF 1,088.6 billion appropriated. DPBEP 2027-2029, chapter II. Adjustment falls on what is most compressible in the short run and most costly in the long run.

It is visible too in arrears. The national employers' confederation put unpaid state obligations to the domestic private sector at roughly **CFAF 1,400 billion** at end-June 2026, while the 2026 finance act allocates only **CFAF 300 billion** to clearance against **CFAF 4,307 billion** for financial debt repayment — a ratio of one to fourteen. Sud Quotidien, July 2026. In an economy where SMEs make up 90 percent of the private sector and depend heavily on public procurement, this trade-off transfers the liquidity constraint from the state to its suppliers. The DPBEP adds a qualification that should be credited to execution, however: **CFAF 474 billion of arrears were actually paid in 2025**, out of the CFAF 500.9 billion budgeted in the supplementary finance act, a 94.6 percent completion rate; and the 2027-2029 program renews CFAF 300 billion a year. The effort is real, but its pace — some CFAF 900 billion over three years — remains far below the stock claimed by employers.

5. The February 2026 oil shock: a real-time test

An event postdating most available analysis has now tested this trajectory, and the DPBEP draws the consequences without evasion. The outbreak in late February 2026 of a major Middle East conflict, pitting Iran against the United States and Israel, and the near-total closure of the Strait of Hormuz drove Brent from **73 dollars in February to over 110 dollars in April 2026**. The 2026 finance act had been built on a **64-dollar** assumption; the impact assessment now uses an annual average of 89 dollars, in line with IMF projections of April 2026.

The budgetary effects are quantified and concentrated. **Energy subsidies rise from CFAF 250 billion to CFAF 729 billion**, an overrun of CFAF 479 billion on a single line. The scale of the backlash reflects how bold the initial assumption was: the Economic and Financial Report had set those subsidies at CFAF 250 billion based on a 64.3 dollar barrel, a **93.94 percent cut** — CFAF 412.6 billion — against the 2025 supplementary finance act. The 2026 budget was therefore built on the near-disappearance of a charge that the shock instead tripled.

Domestic revenue is revised down by **CFAF 321.6 billion**, from CFAF 5,740.7 billion to CFAF 5,419.1 billion, most of the shortfall arising from measures under the Economic and Social Recovery Plan (**–CFAF 381.3 billion**) whose implementation has stalled on the gambling tax, the levy on money transfers and the identification of the tax base. In the first quarter of 2026, the plan's revenue reached only CFAF 54.2 billion against a CFAF 94.8 billion target, and its customs component CFAF 5.5 billion against CFAF 17.5 billion.

That under-performance was written into the budget's construction. The Economic and Financial Report expected the plan to deliver **CFAF 762.6 billion of additional revenue in 2026 alone**: CFAF 300 billion from taxing games of chance, CFAF 100 billion from land parcel registration, CFAF 100 billion from rationalizing tax expenditure, CFAF 76.5 billion from the mobile money levy, CFAF 50 billion from renegotiating telecom concession agreements, the remainder spread over some fifteen measures. The same document noted that **the tax ratio would stand at 19.0 percent of GDP without those measures, against 23.2 percent with them** — in other words, **4.2 points of the tax ratio rested entirely on arrangements not yet operational**. The CFAF 381.3 billion shortfall recorded six months later is therefore not a cyclical accident: it was lodged in the architecture of the finance act itself.

The response was a budget modulation exercise of **CFAF 687.2 billion in cuts**, covering CFAF 386.3 billion of domestically financed investment and CFAF 300.9 billion of externally financed investment, plus CFAF 19.8 billion on operating expenditure. A supplementary finance act is being prepared, all three conditions of article 47 of the organic budget law being met simultaneously.

The episode also settles a divergence this note had flagged: the government has **cut its 2026 growth forecast from 5 percent to 3.2 percent**, moving closer to its own forecasting services and to the IMF. It has likewise revised its path back to the community norm: the deficit is now programmed at **4.9 percent of GDP in 2027, 3.8 percent in 2028 and 3.0 percent in 2029** — no longer in 2027. The tax ratio would cross the 20 percent community threshold in 2027, at 21 percent, a notably more prudent objective than the 23.2 percent shown in the 2026 finance act.

Three readings follow. First, the **fiscal space thesis is validated in real time**: faced with an external shock of under CFAF 500 billion on subsidies, adjustment fell almost entirely on investment, for want of margin on interest, wages and transfers. Second, **exposure to the oil price now runs both ways**: Senegal absorbs the shock as an importer of refined products and a subsidizing consumer before it benefits as a producer, with the net effect negative in the short run. Third, the episode mechanically weakens the deleveraging path, since the cuts fall on the spending that builds the future growth on which the ratio's denominator depends.

One methodological caveat should accompany these figures: the breakdown of cuts published by the DPBEP (386.3 + 300.9 + 19.8, or CFAF 707.0 billion) exceeds the announced total of CFAF 687.2 billion by CFAF 19.8 billion. The gap is minor, but in a document whose very purpose is to restore statistical credibility, it deserves to be noted.

6. The dispute with the IMF: a blockage that has become political

The program approved in June 2023 — 1.51 billion dollars under the Extended Fund Facility and Extended Credit Facility, plus 324 million under the Resilience and Sustainability Facility — has been frozen since September 2024. No disbursement has taken place since. IMF press release, 12 September 2024.

The technical work, by contrast, is largely complete. The Director of Public Debt stated in April 2026 that Senegalese statistics were now **"in perfect alignment with IMF figures,"** and the mission led by Mercedes Vera Martín from 15 to 19 June 2026 acknowledged that the accounting work was essentially finished, welcoming the creation of a unified debt management directorate. The 22 June 2026 communiqué records **6.7 percent growth in 2025** and a deficit reduced from **13.4 percent of GDP in 2024 to 6.4 percent in 2025**. IMF Press Release 26/216, 22 June 2026.

What is blocking is no longer accounting. The Fund's Executive Board must still **formally characterize the misreporting and grant the corresponding waiver**; until that vote takes place, no formal negotiation of a new program can open. As of 10 August 2026, neither the vote, nor an agreement, nor an amount, nor a timetable is secured — even though the Minister of Economy, Finance and Planning had pointed in late June to a 15 July deadline.

The stakes go beyond the Fund's own financing. The 2026-2028 medium-term debt strategy **explicitly assumes a program will be concluded** to reopen access to concessional resources, which it aims to raise to 50 percent of new financing. Without an agreement, the country remains tied to the short-dated regional market — the exact opposite of what its debt structure requires. The DPBEP is more explicit still than the debt strategy on this point: it states that the strategy « is based on the assumption that a program with the IMF will be concluded », that such a program « opens favorable prospects for refinancing the eurobonds, whose repayment begins in 2026 », and that an alternative strategy has been modeled for the opposite case — reliance on domestic financing alone, which the document acknowledges would raise risk. In the same document, the government concedes that the tightening of its external financing conditions follows directly from the downgrade of its sovereign rating and from the delay in signing the program.

The Economic and Financial Report documents the cost of the suspension for 2025 alone, and the passage reads like a repayment. Treasury drawings, programmed at **CFAF 595.4 billion, were mobilized to the extent of only CFAF 20.8 billion** — under 4 percent — because of the suspension. The commercial and bank drawing program was cut by **CFAF 1,052 billion**, a 500 million euro bilateral commercial loan having been suspended and a 210 billion international bridge sukuk substituted for a CFAF 656 billion operation; drawings on the Abu Dhabi Fund fell from CFAF 328 billion to CFAF 189.5 billion, against an Afreximbank guarantee.

A « contingency plan » filled the hole through the regional market: public savings offerings were raised from CFAF 570.7 billion to **CFAF 1,255 billion** across four issues, and total government securities issuance to **CFAF 3,472 billion**, notably through total return swap instruments. This is the mechanism by which domestic financing reached 75 percent of the mix in 2025: not a strategic choice but a forced shift onto the most expensive and shortest segment. The use of total return swaps is now the subject of a parliamentary inquiry committee.

7. Restructure, reprofile, or hold? An unresolved debate

The official position is stable and explicit. The government ruled out restructuring in November 2025, and Minister Cheikh Diba confirmed it on 1 July 2026: **"the objectives sought through a debt restructuring can be achieved through our treatment plan with significantly lower risks."** SeneNews, 1 July 2026. The argument is defensible: restructuring a debt stock that is largely multilateral and regional would deliver limited relief relative to the reputational cost and the lasting closure of market access.

Markets read it differently. The likely appointment of Lazard, alongside Global Sovereign Advisory already mandated, revived speculation in July 2026; asset managers have discussed forming an ad hoc creditor group, though none has been formally constituted. Agence Ecofin, 14 July 2026. Ratings followed that reading: **Moody's cut Senegal to Caa1 with a negative outlook on 10 October 2025**; **S&P lowered the foreign currency rating to CCC+ in November 2025 and the local currency rating to CCC+ on 27 March 2026**, citing gross financing needs of 26 percent of GDP, growing reliance on short-dated domestic debt and the absence of progress toward an IMF program. Against a common confusion, it should be noted that **Fitch does not rate Senegal**.

A third route is discussed domestically: **reprofiling**—voluntary maturity extension and smoothing of the amortization profile, negotiated outside a default framework. Its merit is that it addresses the real problem, a maturity wall concentrated over 2026-2028, rather than the level of the stock. It presupposes, however, the capacity to negotiate with a particularly fragmented creditor base — multilaterals, bilaterals, eurobond holders, regional banks, WAMU securities subscribers — and therefore a properly equipped debt management team, which returns us to the institutional framework. One signal deserves noting here: among the three levers on which the DPBEP makes its trajectory depend — alongside implementation of the recovery plan and conclusion of an IMF program — is **« the treatment of the debt on a sovereign and innovative basis »**. The formula is deliberately open, but its appearance in an official budget document indicates that a liability management operation — which the document mentions explicitly — is no longer ruled out, even if the word restructuring remains banned.

8. The management framework: what has actually been fixed

Here the movement is real and rapid. A **decree of 11 June 2026 creates the Directorate General for Financing and Debt**, which centralizes functions previously spread across several entities and becomes the sole body authorized to negotiate financing contracts. It brings together six directorates — debt and risk management, audit and internal controls, capital markets, bilateral and multilateral financing, structured financing, financing monitoring — and is headed by Babacar Touré, formerly of UMOA-Titres. EnQuête+ and Sikafinance, June 2026. It is the direct institutional translation of the December 2025 commitment to the IMF to concentrate debt management in a single entity.

Other work is progressing. A centralized debt database has been established and interfaced with D-AIDA and the integrated financial management system. Publication of statistical bulletins and quarterly budget reports resumed from April 2026. Consolidation of the Treasury Single Account and closure of unauthorized public bank accounts are the subject of a dedicated disbursement-linked indicator under the World Bank's SEN-FISCALE program (115 million dollars approved on 24 June 2025), complemented by an African Development Bank operation of roughly CFAF 20 billion in summer 2026.

One methodological point belongs in the file on budget credibility. The Economic and Financial Report of October 2025 announced a deficit brought « to 3 percent as early as 2027 ». It held there, based on average growth of **6.5 percent** between 2027 and 2029, with the debt ratio falling from 114.5 percent of GDP in 2026 to under 100 percent by 2030. Eight months later, the DPBEP assumes **3.2 percent growth** over the same period and pushes the return to a 3 percent deficit back to **2029**. Between two successive official documents, the medium-term growth assumption has been halved and the convergence date deferred by two years. This is not a criticism of the new prudence, which is welcome: it is a measure of how fragile published trajectories are, and an argument for accompanying every multi-year target with its assumptions and a downside scenario.

Three of the 2023 recommendations nonetheless remain without a complete public response. The articulation between debt strategy and fiscal policy has improved on one point: the 5 percent growth assumption of the 2026 finance act, which neither the national forecasting directorate nor the IMF shared, was cut to 3.2 percent by the government itself in June 2026, and the 2027-2029 projections rest on 3.2 percent growth — 4.4 percent excluding hydrocarbons — which the document calls « deliberately prudent » assumptions. The issuance calendar is still not systematically published at the start of the year. As for state-owned enterprise debt, measured at CFAF 1,917 billion, it is still not integrated into a consolidated projection — but publication and projection must now be sharply distinguished. On the first count the progress is considerable: the July 2026 bulletin breaks parastatal debt down **entity by entity and year by year since 2019** — PETROSEN CFAF 660.2 billion at end-2024, SOGEPA 299.0, SENELEC 227.6, AIBD 188.7, FERA 170.9, Air Sénégal 88.0 — and likewise publishes central government bank debt **bank by bank**, CFAF 2,377 billion spread across some thirty institutions. That is precisely the category at the heart of the undeclared borrowing affair, and the level of detail should be credited to the exercise. The DPBEP completes the picture with the equity risk hotspots: negative equity of CFAF 86.7 billion at the national recovery company, CFAF 68 billion at Dakar Dem Dikk, CFAF 2.55 billion at Télédiffusion du Sénégal, and a CFAF 30 billion recapitalization at SONACOS through conversion of state claims. This is a transparency gain, but it does not substitute for a projection.

9. Recommendations

- **Publish a complete and reconcilable statistical series.** Three official documents now coexist without answering one another: the bulletin of 14 July 2026, which stops at end-2024; the June 2026 DPBEP, which gives a provisional end-2025 stock on a narrower perimeter; and the October 2025 Economic and Financial

Report, which projected CFAF 25,368.3 billion and 117.3 percent of GDP for that same year. The bulletin should be extended to 2025 and the 2026 quarters, with a bridging table between published series, perimeter differences made explicit—beginning with the thousand billion separating the bulletin's 2027 amortization profile from the DPBEP's—and the reconciliation report released.

- **Harmonize the calculation base.** Recompute and publish debt ratios on the 2021 GDP base, presenting both series in parallel during a transition period, so that public debate does not conflate the rebasing effect with the adjustment effect.
- **Treat domestic arrears as a macroeconomic priority.** Publish a certified stock of arrears by fiscal year and creditor category, backed by a credible multi-year clearance schedule. The CFAF 474 billion paid in 2025 shows the administration can execute; the renewal of CFAF 300 billion a year over 2027-2029 nonetheless bears no relation to the stock claimed by employers, and the gap must be either narrowed or explained.
- **Give the budget an explicit buffer against hydrocarbon prices.** Energy subsidies moving from CFAF 250 billion to CFAF 729 billion in a matter of weeks shows that an uncapped line can absorb, on its own, the equivalent of eighteen months of arrears clearance. A cap, a pump-price smoothing mechanism, or partial price-risk hedging now belong to debt management as much as to energy policy.
- **Publish the issuance calendar at the start of each year** and update it quarterly with explanations for deviations — a 2023 recommendation still unimplemented. However, it is inexpensive and directly legible to markets.
- **Consolidate the perimeter.** Integrate parastatal debt and state guarantees into the debt strategy, service projections and risk analysis, rather than into a descriptive annex.
- **Anchor the new debt directorate in external control.** Centralizing negotiation in a single entity improves coherence but also concentrates risk. It calls in return for an annual Court of Auditors audit of financing operations and regular reporting to the National Assembly's finance committee.
- **Publicly document the reprofiling option.** Whether the government adopts or rejects it, publishing a comparative analysis of scenarios — status quo, reprofiling, restructuring — would reduce the uncertainty now weighing on risk premia.
- **Publish an updated debt sustainability analysis.** The last analysis published by the IMF dates from 7 July 2023 and still carries a « moderate » risk rating. The DPBEP and the bulletin now supply most of the inputs —stock, portfolio structure, amortization profile, three-year financing need. A national analysis, published and debated before the finance committee, would fill a gap that current conditions make untenable.
- **Publish the community convergence ratios and a dated path back to them.** External debt service represented 46.1 percent of budget revenue in 2025 against a 22 percent ceiling, and 30.6 percent of exports against a 25 percent ceiling. These breaches appear in the Economic and Financial Report but not in either the debt bulletin or the strategy dashboard. Quarterly publication with a dated return path would be worth more than an isolated mention in a budget annex.

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Methodological note. This note is original work by REFT Africa, published under sole authorship. It takes as its starting point the diagnosis of a July 2023 technical note produced under the USAID Public Financial Management program implemented by Deloitte LLC, cited in the references: no element of that document is reproduced here, and all the data used come from official sources published since. Recommendations then addressed to a single donor are reformulated here for the Government of Senegal, technical and financial partners, and civil society organizations. Data are as of 10 August 2026 and rest on the following primary sources: the public debt statistics bulletin 2019-2024 of 14 July 2026, the DPBEP 2027-2029 of June 2026, the Economic and Financial Report annexed to the 2026 finance act, and the National Assembly report of 30 June 2026. Three caveats accompany their use: the DPBEP's end-2025 stock is provisional and covers central government only; ratios to GDP still rest on the 2014 base, the bulletin itself noting that the rebasing is not incorporated; and the last debt sustainability analysis published by the IMF dates from 7 July 2023, so the Fund had not updated the formal characterization of debt distress risk at the time of publication.