INTERNATIONAL MONETARY FUND

IMF Country Report No. 26/83

GUINEA-BISSAU

April 2026

NINTH AND TENTH REVIEWS UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR REPHASING OF ACCESS, EXTENSION OF THE ARRANGEMENT, WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; STAFF STATEMENT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR GUINEA-BISSAU

In the context of the Ninth and Tenth Reviews Under the Extended Credit Facility Arrangement, Requests for Rephasing of Access, Extension of the Arrangement, Waivers of Nonobservance of Performance Criteria and Financing Assurances Review, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on March 20, 2026, following discussions that ended on February 13, 2026, with the officials of Guinea-Bissau on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility. Based on information available at the time of these discussions, the Staff Report was completed on March 9, 2026.
- A **Staff Supplement** updating information on recent development.
- A **Statement by the Executive Director** for Guinea-Bissau.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
PO Box 92780 • Washington, D.C. 20090
Telephone: (202) 623-7430 • Fax: (202) 623-7201
E-mail: publications@imf.org Web: http://www.imf.org
Price: $18.00 per printed copy

International Monetary Fund
Washington, D.C.

IMF Executive Board Completes the Ninth and Tenth Reviews under the Extended Credit Facility Arrangement for Guinea-Bissau

FOR IMMEDIATE RELEASE

- *The IMF Executive Board today completed the Ninth and Tenth Reviews under the Extended Credit Facility (ECF) arrangement for Guinea-Bissau. The completion of the reviews allows for an immediate disbursement of SDR 2.37 million (about US$3.2 million), bringing total disbursements under the arrangement to SDR 37.41 million (about US$50.8 million).*
- *Program implementation experienced delays in some areas following the change in government in November 2025. Despite this setback, the transitional government has expressed a strong commitment to the objectives of the ECF-supported program.*
- *The IMF Executive Board approved the authorities' request for the program extension through December 29, 2026, with a rephasing of access to help anchor economic policies and support implementation of the 2026 budget.*

Washington, D.C. - March 20, 2026: The Executive Board of the International Monetary Fund (IMF) today completed the ninth and tenth reviews under the Extended Credit Facility (ECF) arrangement for Guinea-Bissau. The three-year arrangement, approved on January 30, 2023, aims to secure debt sustainability, improve governance, and reduce corruption, while creating fiscal space to foster inclusive growth. The Executive Board granted an augmentation of access on November 29, 2023. The completion of the reviews enables the disbursement of SDR 2.37 million (about US$3.2 million) to help meet the country's balance-of-payments and fiscal financing needs. This brings total disbursements under the arrangement to SDR 37.41 million (about US$50.8 million).

Program performance since the Eighth Review in June 2025 has been weaker than expected. Three out ten end-June 2025 Quantitative Performance Criteria (QPCs) and five out of ten end-December 2025 QPCs were missed. Of the 15 Structural Benchmarks set for June–December 2025, five were met, while ten were implemented with delays, and all three Continuous Structural Benchmarks were missed. In completing the reviews, the Executive Board granted waivers for the nonobservance of Quantitative Performance Criteria, approved the authorities' requests for modifications of Performance Criteria and Indicative Targets, and completed the financing assurances review. The Executive Board also approved the authorities' request for a program extension through December 29, 2026, along with a rephasing of access.

Economic growth in 2025 is estimated at 5.5 percent, driven by strong cashew production and favorable terms-of-trade developments, while average inflation eased to 0.9 percent. The current account deficit is estimated to have narrowed to 6.2 percent of GDP in 2025. The fiscal deficit was larger than expected due to weaker revenue performance, higher interest payments, and lower-than-anticipated budget support. Although public debt declined to an estimated 75.3 percent of GDP, maintaining a firm downward debt trajectory over the medium term will require sustained fiscal consolidation and prudent borrowing policies.

At the conclusion of the Executive Board's discussion, Mr. Li, Deputy Managing Director and Chair, made the following statement:

"The economy of Guinea-Bissau has shown continued resilience reflecting favorable terms of trade developments and continued strong investment spending. Program performance was negatively affected by policy slippages as well as the political disruptions at the end of 2025, but the authorities have since moved to address this through corrective measures. There are significant downside risks to the outlook and strong program ownership and engagement with the Fund remain paramount.

"The fiscal deficit declined significantly in 2025 despite being above program targets. Continuing the path of fiscal consolidation is essential to underpin further improvements in debt sustainability. To that end, the 2026 budget accelerates fiscal consolidation with a view to maintaining a surplus on the primary balance and reducing the overall deficit to 4.0 percent of GDP. This is underpinned by close control of the wage bill on the expenditure side and a series of measures on the revenue side, including updated customs valuations, a more rigorous pursuit of arrears, and a stronger focus on large taxpayers. It is paramount to avoid any future fiscal slippages and avoid any recurrence of underreported expenditure and arrears.

"Further steps have been taken to address financial sector vulnerabilities. The divestment from the undercapitalized bank has been completed and its recapitalization is underway. The first capital injection has been completed, and an additional capital injection is expected shortly to help the bank restore its solvency. The authorities should ensure that the restructuring process is completed in a timely manner, including the additional capital injection that is necessary to bring the capital adequacy ratio in line with regulatory requirements.

"Energy sector reforms are essential to both reduce fiscal risks and boost growth potential. Recent reforms in the public electricity generator have stemmed losses and ensured cost recovery whilst also driving increased consumer and industrial connectivity. The authorities are exploring options to boost capacity through the regional market or additional private suppliers.

"Progress in governance reforms is encouraging with increased transparency in public tender information and beneficial ownership data. However, stronger efforts are needed in the area, including to boost accountability and transparency, and improve the business climate."

Table 1. Guinea-Bissau: Selected Economic Indicators, 2025-27

	2025	2026		2027	
	Prel.	SR 9th/10th Proj.	New Proj.	SR 9th/10th Proj.	New Proj.
Output					
Real GDP Growth (%)	5.5	5.0	4.9	5.0	4.9
Prices					
CPI inflation (annual average, %)	0.9	2.0	2.5	2.0	2.1
Central government finances					
Revenue (% GDP)	13.2	13.7	13.7	14.7	14.7
Expenditure (% GDP)	19.9	17.7	17.7	18.2	18.2
Overall balance (% GDP)	-6.7	-4.0	-4.0	-3.5	-3.5
Public debt (% GDP)	75.3	73.6	73.6	71.8	71.8
Money and credit					
Broad money (% change)	4.3	6.4	4.6	7.9	6.5
Credit to the economy (% change)	15.5	16.6	16.1	16.3	15.2
Balance of payments					
Current account (% GDP)	-6.2	-5.8	-6.3	-4.7	-5.1
Trade balance (% GDP)	-13.4	-12.4	-13.0	-11.7	-12.1
Petroleum import (%GDP)	-3.6	-3.2	-3.8	-3.0	-3.4
Overall balance (% GDP)	1.9	-0.1	-0.3	0.5	0.1

Source: IMF staff calculation

INTERNATIONAL MONETARY FUND

GUINEA-BISSAU

March 9, 2026

NINTH AND TENTH REVIEWS UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR REPHASING OF ACCESS, EXTENSION OF THE ARRANGEMENT, WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The social situation is relatively calm following the military takeover of the government in November 2025. The transitional government renewed its commitments to the ECF-supported program and has been accelerating the implementation of policies and reforms for maintaining economic stability and debt sustainability. A strong increase in cashew production and higher international prices for cashews supported economic growth and improved the balance of payments in 2025. Inflation fell to below 1 percent for the year, reflecting lower food prices. The economic outlook continues to be positive for 2026, although downside risks could arise from negative terms of trade shocks, adverse weather conditions, and additional tightening of regional financing conditions.

Program performance. Program performance was weaker than expected. The authorities met five out of ten Quantitative Performance Criteria (QPC) for December 2025. There was unrecorded expenditure (DNT) until August, which caused breaches of the QPCs on DNT and "other common expenditure." While revenue of the Directorate-General of Customs (DGA) performed well, that of the Directorate-General of Duties and Taxes (DGCI) underperformed and caused breaches of the QPCs on tax revenue and domestic primary balance. The QPC on the wage bill was missed by a small margin. For June 2025, the QPCs on DNT, other common expenditure, and the wage bill were missed. Since September 2025, the authorities have been implementing corrective measures and complying with very tight spending limits.

Program and policy commitments. Despite a weaker-than-expected performance, program engagement has led to stronger outcomes that would have otherwise been the case. In particular, spending cuts since September 2025, which were essential to contain the fiscal deficit, would not have been implemented without continued program engagement. The inclusion of many measures in the 2026 budget, which correct for the impact of the deficit widening in 2025, was also facilitated by the program engagement. The authorities also introduced a mechanism to save the liquidity raised by Treasury securities issuance for debt service, which has helped stabilize the fiscal financing situation.

Staff views. Staff assesses that despite the missed QPCs, continued program engagement ensured implementation of critical fiscal measures, especially spending cuts in 2025 Q4, and will be essential to achieve the fiscal target for 2026. For this reason, staff supports the authorities' requests for the program extension for five months to December 29, 2026 with two additional quarterly reviews and associated rephasing of access. Staff also supports completion of the ninth and tenth reviews under the Extended Credit Facility arrangement and waivers for the missed QPCs based on corrective actions taken by the authorities.

Approved By
Montfort Mlachila (AFR) and Jacques Miniane (SPR)

An IMF team consisting of Messrs. Hobdari (Head), Koshima, Jenkinson (all AFR), Majuca (SPR), Sarr (Resident Representative) and Ms. Sani (local economist) held discussions with the authorities in Bissau during February 3-13, 2026. Mr. Varela (Advisor OED) participated in the discussions. Ms. Derrouis contributed to the preparation of this report. The mission met with Prime Minister and Minister of Finance Mr. Té, Minister of Economy Mr. Djaló, National Director of BCEAO Ms. Cassama, and other senior officials of the government and BCEAO and representatives of development partners.

CONTENTS

ANNEX

APPENDIX

CONTEXT

1. **The social situation is relatively calm following the military takeover of the government in November 2025.** The presidential and legislative elections took place peacefully on November 23, 2025. Before the release of the election results, the military took control over the government on November 26 without casualties. The Chief of Staff of the Army, General Inta-a became the transitional president and appointed a transitional government led by Prime Minister Té who is also the Minister of Finance.[1] The next elections are scheduled for December 6, 2026. Guinea-Bissau has been suspended from the decision-making bodies of the Economic Community of West African States and the African Union.

2. **The transitional government renewed its commitments to the ECF-supported program.** Prior to the November elections, the authorities were on track to fully implement the prior actions included in the Staff Level Agreement (SLA) of the ninth ECF review mission in October 2025. However, the implementation of some measures was delayed by the government change, and the transitional government has expressed its firm commitment to the ECF-supported program.

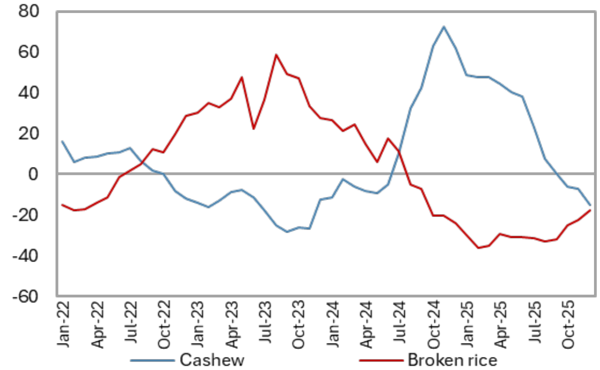
RECENT ECONOMIC DEVELOPMENTS

3. **Growth has been strong and inflation has declined.** Real GDP growth is estimated to have increased to 5.5 percent in 2025. This reflects mainly strong growth in cashew production, contributing to an increase in the export of cashew nuts from 167,000 tonnes in 2024 to 211,000 tonnes in 2025. The higher export price for cashews, which increased from US$975 in 2024 to US$1,236 in 2025, increased rural households' income and consumption. Private investment in the energy, transportation, and telecommunication sectors also contributed to economic growth. Positive changes in the terms of trade led to a higher deflator (Text Figure 1), while average inflation declined to 0.9 percent in 2025.

4. **The current account deficit is estimated to have narrowed in 2025 and the fiscal financing situation has stabilized following shocks to financing in the regional markets immediately after the coup.** Positive changes in terms of trade helped improve the external balance. The current account deficit for 2025 is estimated at around 6.2 percent of GDP, reduced from 7.4 percent in 2024. On the financing side, there was a drop in demand for Treasury securities at the issuance in December 2025 (Text Figure 2). However, actions taken by the authorities have since reduced risk perceptions and stabilized demand for GNB issuance. These steps include the front loading of the issuance of securities well ahead of debt service due dates and introducing a new mechanism to ring fence the proceeds of auctions in a special account at the BCEAO.

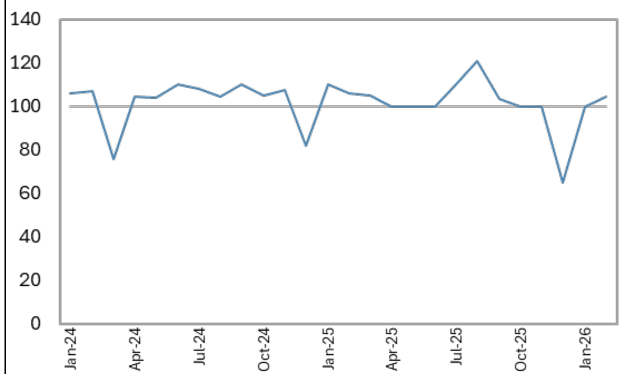
[1] Mr. Té has been the Minister of Finance since December 2023.

Text Figure 1. Changes in International Prices
(Y-o-y percent)



Source: IMF staff calculations.

Text Figure 2. Issuance of Treasury Securities
(Percent of tendered amount)



Source: IMF staff calculations.

5. **Available data suggests a mixed picture of financial sector's soundness.** FSI data for June 2025 remained broadly unchanged from December 2024. However, these data do not reflect the positive impact of increased cashew exports in 2025, which impacted banks' balance sheets in the second half of the year, or from the capital infusion of CFAF 7 billion to the undercapitalized bank that took place in November 2025. Meanwhile, vulnerabilities related to exchange rate exposures remain limited, and there has been good progress in financial sector inclusion especially through mobile money transfers (Annex I).

OUTLOOK AND RISKS

6. **Robust growth, low inflation, and improvements to external balances are expected to continue in the medium-term.** Growth is projected to moderate to around 5 percent in 2026. Cashew's export volume and prices are expected to be at levels similar to 2025, while strong private investment and consumption are likely to continue. Growth is projected to remain close to potential over the medium term. Inflation is expected to converge to the regional target of around 2 percent. In the external sector, the current account deficit will gradually narrow to around 4 percent of GDP.

7. **Risks to the outlook are tilted to the downside.** Potential political instability in the run up to the elections planned for December 2026, limited state capacity, negative terms-of-trade shocks, and adverse weather conditions represent risks. Another tightening of financial conditions and additional shocks to demand for treasury securities pose risks to government financing. Financial risks from state-owned enterprises and the banking system could generate contingent liabilities. There are risks of slippages both on the revenue and spending sides, which will be mitigated by the proposed program extension through December 29, 2026.

PROGRAM PERFORMANCE

8. **Five out of ten Quantitative Performance Criteria (QPC) for December 2025 were met.** The QPC on tax revenue was missed due mainly to underperformance of the Directorate-General of

Duties and Taxes (DGCI). The QPC on the wage bill was missed by a relatively small margin due to salaries of seasonal education workers. Between January and August 2025 there was CFAF 11.8 billion (0.8 percent of GDP) of unreported expenditure ("DNT"), which was composed mainly of security spending and expenditure of the presidency. This caused breaches of the QPCs on DNT and "other common expenditure," in which DNT is included, as well as the QPC on the domestic primary balance. Two Indicative Targets (IT) for December 2025were met.

9. **For June 2025, seven out of ten QPCs were met.** The QPCs on DNT and other common expenditure were missed due to DNT noted above. The QPC on the wage bill was missed by a small margin due to the frontloading of some seasonal workers' salaries. For September 2025, the ITs on DNT, other common expenditure, wage bill, and domestic primary balance were missed for the same reasons.

10. **Out of fifteen Structural Benchmarks (SB), five were met and seven were completed with delay.** The remaining three SBs are transformed into prior actions for the ninth and tenth reviews. The continuous SB on the Technical Committee of Arbitration of Budget Expenditure (COTADO) was missed due to the DNT reported above. The continuous SB on debt service was missed because of CFAF 0.5 billion of called guarantees issued to Bissau City and an individual.[2] The continuous SB on approval of project loan disbursements was missed because some creditors are yet to participate in the process.

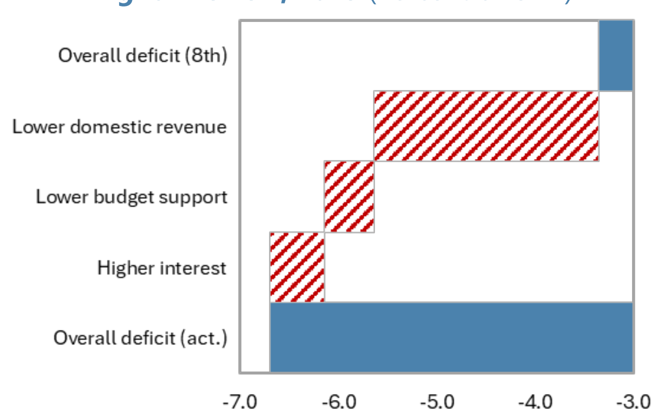
POLICY DISCUSSIONS

A. Fiscal Policy

Fiscal Consolidation

11. **The overall deficit in 2025 is estimated to have declined to 6.7 percent of GDP compared to 7.3 percent of GDP in 2024.** Nevertheless, the 2025 deficit was 3.3 percentage points of GDP higher than targeted at the eighth review, despite tight control of primary expenditure. The higher deficit in 2025 was primarily due to lower domestic revenue, lower budget support following the coup, and higher interest payments (Text Figure 1). There was also 0.9 percent of GDP of DNT and overruns of "other common expenditure" through August 2025. However, since September the

Text Figure 3. Changes in Overall Deficit from Eighth Review, 2025 (Percent of GDP)



Source: IMF staff calculations.

[2] Called guarantees to Bissau City have been recovered through collaterals. The government is taking a debt recovery action against the individual.

authorities have implemented significant spending cuts in non-priority areas, resulting in primary expenditure remaining broadly unchanged from the eighth review.

12. There was good progress in revenue mobilization in 2025, but with some setbacks. Supported by measures introduced at the past reviews, revenue of the Directorate-General of Customs (DGA) and that from cashew nuts grew strongly from 2024 and were close to the targets set at the eighth review (Text Table 2). However, there was a significant shortfall on revenue from DGCI, reflecting mainly low tax collection from telecom companies and other large taxpayers.

Text Table 1. Tax Revenue (CFAF billion)

	2024	2025		
	Est.	8th review	Prel.	% GDP
Tax revenue	109.0	133.8	123.1	8.0
DGCI	55.0	66.1	57.7	3.8
DGA	38.7	46.4	44.2	2.9
Cashew	15.3	21.3	21.2	1.4

Source: IMF staff calculations.

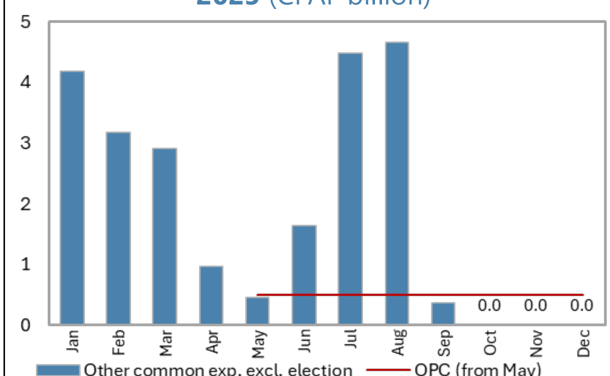
13. Following significant spending overruns through August 2025, the authorities have since September implemented strong expenditure controls. In particular, the authorities adopted very tight spending limits for the fourth quarter of the year, including a zero ceiling on "other common expenditure" and the Public Investment Program (PIP) (Text Table 3). "Other common expenditure" since September was much lower than the QPC limit, in sharp contrast to the January-August period, despite the spending pressures from elections and the government change (Text Figure 4).

Text Table 2. Monthly Spending, 2025 (CFAF billion)

	Av. Jan-Sep	Av. Oct-Dec
Goods and service	2.5	2.7
Transfer	2.1	1.9
Other common exp (incl. election)	3.2	0.0
Domestic PIP	2.9	0.0

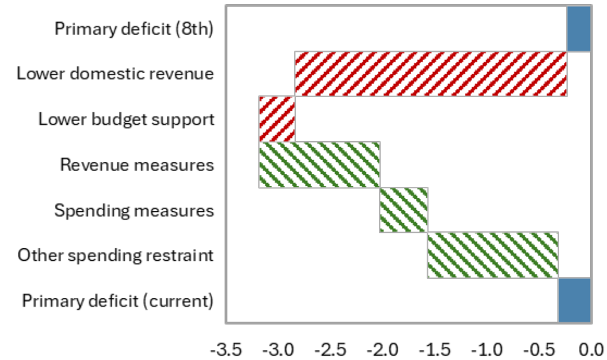
Source: IMF staff calculations.

Text Figure 4. Other Common Expenditure, 2025 (CFAF billion)



Source: IMF staff calculations.

Text Figure 5. Changes in Primary Deficit from Eighth Review, 2026 (Percent of GDP)



Source: IMF staff calculations.

14. The 2026 budget corrects for the widening of the 2025 deficit. Without these measures, the 2026 primary deficit would be larger by 2.9 percent of GDP compared to the eighth review (Text Table 5). The authorities have already been implementing several revenue and expenditure measures, with additional ones included as prior actions for the ninth and tenth ECF reviews (MEFP Text Table 1). The measure for seasonal workers will be implemented at the beginning of the next school year in October 2026. These measures will reduce the deficit by 1.6 percent of GDP. Together with spending restraint through continued adherence to the no-new-hiring policy and rationalization of operating costs and non-priority projects, the 2026 primary deficit is projected to be only marginally higher relative to the eighth review. Risks to the targeted fiscal adjustment are high as there is not much room for maneuver in case of further exogenous shocks or if the revenue measures do not yield the projected effect. The fiscal program for 2026 already targets a reduction in nominal spending in 2026 relative to 2025 (implying a reduction of over 2 percentage points of GDP) and changes in tax policy are not possible in the absence of Parliament.

Fiscal Structural Reforms

15. Expenditure controls have been strengthened through bank reconciliation. The authorities completed bank reconciliation of all active Treasury accounts for 2025. This has proven effective in minimizing the stock-flow discrepancy, which was reduced from 1.0 percent of GDP in 2024 to 0.2 percent of GDP in 2025.[3] Regular bank reconciliation has successfully eliminated DNT since its introduction. Completion of bank reconciliation for the months of January and February 2026 will be a prior action for the ninth and tenth review, and the regular performance of monthly bank reconciliation exercises is proposed as a new continuous SB.

Public Debt

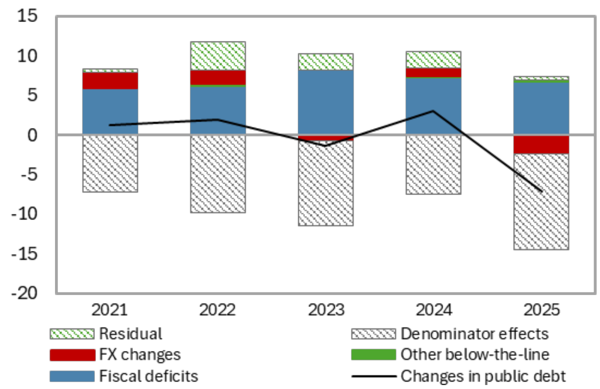
16. Guinea-Bissau is at a high risk of debt distress, but debt is assessed as sustainable.[4] Public debt stock decreased to 75.3 percent of GDP in 2025 (from 82.4 percent in 2024) and was 3.2 percentage points of GDP smaller than projected at the eighth review. The decline was driven mainly by larger nominal GDP growth, exchange rate appreciation, and smaller stock-flow discrepancies (Text Figure 6). The public debt is projected to decline below the WAEMU criteria of 70 percent of GDP by 2028, two years earlier than projected at the eighth review. As per the latest DSA, the PV of public debt-to-GDP ratio breaches the benchmark for a prolonged period. Nonetheless, public debt

[3] This residual discrepancy in 2025 is explained mostly by non-cash revenue items.

[4] See Country Report No. 2025/167 for the DSA, last updated at the eighth review. The DSA is planned to be updated at the eleventh ECF review.

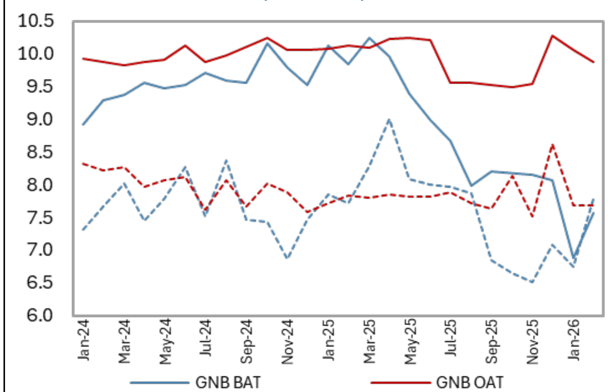
is assessed as sustainable based on the authorities' commitments to fiscal consolidation.

Text Figure 6. Changes in Public Debt
(Percent of GDP)



Source: IMF staff calculations.

Text Figure 7. Yields of Treasury Securities
(Percent)



Source: IMF staff calculations.

17. The steps taken by the authorities have stabilized the demand for Guinea-Bissau's treasury securities in the regional market. These include: (i) front loading the issuance of securities well ahead of debt service due date; (ii) limiting issuance of Treasury securities to the amount necessary to cover debt service; and (iii) depositing proceeds of Treasury securities in a sequestered account at the BCEAO to assure market participants that the proceeds will be used for debt service. These mechanisms have proven effective in restoring market confidence and allow a more balanced mix between BAT (short-term bills) and OAT (long-term bonds), the latter of which has been popular but more expensive (Text Figure 6). Underpinning this, as a prior action, the authorities have committed to maintaining tight spending limits for the first four months of the year while revenue is typically low, until cashew revenues begins to flow.

18. The authorities are strengthening debt management. The borrowing plan includes only one new loan to finance cost increases of an ongoing energy project for 2025 and no new loans for 2026 (Text Table 7).[5] The Directorate-General of Debt is controlling disbursements of project loans within the budget limit through approval of disbursement requests under the continuous SB. However, there were disbursements higher than projected in 2025 because some projects incurred commitments

Text Table 3. External Borrowing Plan
(In USD million)

PPG external debt contracted or guaranteed	Volume of new debt[1]		PV of new debt[1]	
	2025	2026	2025	2026
Sources of debt financing	**12.5**	**3.0**	**8.3**	**2.0**
Concessional debt[2]	12.5	3.0	8.3	2.0
Multilateral debt	12.5	3.0	8.3	2.0
Uses of debt financing	**12.5**	**3.0**	**8.3**	**2.0**
Energy	12.5	-	8.3	-
Transportation	-	3.0	-	2.0

Source: Guinea-Bissau authorities and IMF staff estimates.

1/ Contracting and guaranteeing of new debt excluding IMF. The present value of debt is calculated using the terms of individual loans and applying the 5 percent program discount rate.

2/ Debt with a grant element of at least 35 percent.

[5] This project is financed by BOAD and constructing a half of the ring transmission line and a backup powerplant with 15MW of capacity.

exceeding the limits and would have accumulated arrears in the absence of disbursements. To further strengthen controls, the authorities are piloting a process where spending commitments of loan-financed projects should first be approved by the MoF.

Fiscal Risks from the Public Utility Company

19. EAGB has made significant progress in restoring its financial viability. Since the cancellation of the Karpower contract in December 2024, EAGB has remained at break-even. With CFAF 2.0 billion on-lending from the Treasury, it cleared arrears owed to the new supplier. To mobilize revenue, EAGB has strengthened tariff enforcement and installed 26,902 pre-paid meters since January 2025, significantly exceeding the SB (16,000 meters). These meters capture 14,223 new clients recently connected to the grid outside Bissau and are expected to expand EAGB's revenue base. EAGB is also developing the connection to a soap factory, which will be its first industrial customer. To further develop infrastructure, the priorities include completion of the ring transmission line project with 15MW of a backup powerplant, for which additional financing was signed in August 2025.

B. Financial Sector

20. The divestment from the undercapitalized bank has been completed and the recapitalization is underway. Following the approval by the regional banking commission in February 2025, the contract to transfer the government shares was signed in October 2025. To strengthen the bank's capital, the government also agreed to provide up to CFAF 3.0 billion as a guarantee against non-provisioned NPLs and also to forgo CFAF 0.8 billion of revenue from the sale of its equity. In addition, the investor injected CFAF 7.0 billion of capital in November 2025 and is expected to pay an additional CFAF 3.0 billion shortly. Together, these measures are expected to restore the bank to solvency. However, as outlined in the recapitalization plan, a further injection of CFAF 10 billion is still needed to bring the capital adequacy ratio in line with regulatory requirements.

C. Governance

21. The government has continued to make progress in governance reforms. The Directorate-General of Public Tenders continues to publish beneficial ownership information of public contracts. The Center of Formalization of Enterprises (CFE) has gathered beneficial ownership information of companies that are recorded in the electronic register and have individual shareholders. The CFE plans to expand the scope of the register by digitalizing paper-based information of older companies in 2026. In October 2025, the Court of Auditors published an audit of COVID-19 spending, supplementing the two audits of spending of the COVID-19 High Commissioner published in 2022 and 2023.

PROGRAM MODALITIES AND OTHER ISSUES

22. Staff supports the request to extend the program until December 29, 2026 and to add two quarterly reviews. The program extension for five months will provide the authorities with more time to implement fiscal consolidation policies and reforms. The extension will also support fiscal sustainability and macroeconomic stability during the transitional period. The quarterly reviews will ensure close monitoring of program performance and mitigate risks of slippage. Rephasing of access is requested to provide a disbursement of 8.3 percent of quota (SDR 2.36 million) at the combined ninth and tenth reviews and split the remaining 8.3 percent equally over the two additional reviews. Availability date of the tenth review is requested to be brought forward from April 17 to February 17, 2026. New QPCs and ITs for March, June, and August 2026 are proposed. Staff also supports the request for waivers for the missed QPCs for June and December based on corrective actions included in prior actions (MEFP ¶10, 11, and 12).

23. Prior actions and structural benchmarks. Prior actions include measures for (i) revenue mobilization, (ii) expenditure controls, and (iii) Treasury management (MEFP ¶10, 11, and 12). A new continuous SB on bank reconciliation is proposed. Modifications to the continuous SBs on the COTADO and disbursement controls are proposed to reflect the prior action on spending limits and update the participating creditors.

24. The program is fully financed. There are firm commitments of financing for the remainder of the program period.[6]

25. Guinea-Bissau's capacity to repay is adequate but subject to significant risks. Outstanding Fund credit will peak at 2.5 percent of GDP in 2026. Debt service to the Fund based on existing and prospective drawings would peak at 21.3 percent of debt service, 2.6 percent of revenues (excluding grants), or 2.5 percent of exports in 2030. Capacity to repay the Fund is subject to significant downside risks, including those from shocks to cashew exports, ongoing political uncertainty and fiscal underperformance, particularly in the context of an already high risks of debt distress. Risks are partially mitigated by the government's commitment to fully implement the program as well as its strong track record of servicing debt to the Fund. Reforms in the financial and energy sectors have also significantly reduced contingent liability risks.

26. Safeguards assessment. The most recent safeguards assessment of the BCEAO was completed in August 2023. Progress on implementing the recommendations has been slow. A key recommendation was to align the BCEAO's Statute with the amendments introduced in the 2019 cooperation agreement with France. Staff continue to engage with the authorities to support follow-up efforts. The BCEAO welcomed the 2023 safeguards assessment finding that it "continues to have strong internal and external audit arrangements, sound financial reporting, and a well-established robust control environment". The BCEAO also noted that following the assessment, it adopted a roadmap and incorporated related actions into its strategic plan to ensure effective implementation.

[6] The updated framework includes a budget support grant of AfDB (CFAF 4.0 billion) for 2026.

On the pending recommendations, the BCEAO noted that progress is being made on aligning the BCEAO's Statute with the amendments introduced in the cooperation agreement with France. Thus far, four of the eight Member States have ratified the revised cooperation agreement.

27. Legacy external arrears. Guinea-Bissau has legacy external arrears, totaling US$4.1 million at end-2024, to Brazil and Pakistan. Negotiations with Brazil (US$1.9 million) are pending final approval from the Brazilian Parliament. Since November 2021, requests have been sent to Pakistan (US$2.2 million) to resolve such arrears.[7]

STAFF APPRAISAL

28. Economic growth remains strong, but risks are mostly on the downside. An increase in cashew production and exports is driving economic activity. With positive changes in terms of trade, the current account deficit has improved, and inflation has fallen below 1 percent. Public and private sector investment in the transport, energy, and telecommunication sectors are also supporting growth. However, the economy is vulnerable to negative terms of trade shocks and adverse weather conditions. Tight financial conditions can trigger another shock to the demand for treasury securities in the regional markets, posing risks to government financing.

29. Staff assess that despite weaker-than-expected program performance, continued program engagement has led to stronger outcomes than would have otherwise been the case. While there was significant spending overrun through August 2025, program engagement ensured significant expenditure restraint since September 2025. The cornerstone of this turnaround has been the maintenance of a zero ceiling on "other common expenditure," which was the main source of the overrun. Implementation of other corrective actions to mobilize revenue and strengthen fiscal discipline has been also ensured by the authorities' commitment to prior actions.

30. There are significant downside risks to the targeted fiscal adjustment under the program. The fiscal program for 2026 already targets a reduction in nominal spending in 2026 relative to 2025 and changes in tax policy are not possible in the absence of Parliament until after the elections planned for December 2026. Therefore, there is not much room for maneuvering in case of further exogenous shocks or if the revenue measures do not yield the projected effect.

31. To that end, continued commitments to fiscal consolidation and improving debt management are essential to reduce risks. The authorities' adherence to spending limits, which aim to maintain a domestic primary surplus, is encouraging and should continue. Staff also welcome the steps taken by the authorities regarding the issuance of treasury securities that have supported the demand and the moderation of borrowing costs. Sustaining the pace of fiscal consolidation in line with the 2026 budget and beyond is projected to bring public debt below 70 percent of GDP of the WAEMU convergence criterion in 2028 and reduce risks to debt sustainability.

---

[7] Staff has obtained from the relevant Executive Directors consent to move ahead with the completion of the review notwithstanding the arrears. In addition, the bilateral agreement with Portugal covering the pre-HIPC arrears is being finalized and, in the meantime, Portugal consents to move ahead with the completion of the review.

32. In addition, the efforts to mobilize revenue that are underway should be bolstered further. The authorities should make more progress in domestic revenue mobilization, which is essential to increase the fiscal space for priority social and other development-related spending. Revenue of the DGA and from cashew nuts have increased markedly. The DGA has turned the situation around following a long period of revenue stagnation. Nevertheless, more effort is needed by the DGCI whose revenue collection fell significantly short of target. Underperformance of the DGCI has been a major constraint to more successful fiscal consolidation. Implementation of the prior actions will help address this, including identification and collection of arrears and elimination of exemptions.

33. The authorities should continue to pursue structural reforms. Staff welcome progress in recapitalization of the undercapitalized bank and improvements to EAGB's financial situation. To mitigate contingent fiscal risks, the authorities should accelerate EAGB's revenue mobilization and strengthen controls of government guarantees. The authorities should also continue bank reconciliation which has proven effective in reinforcing expenditure controls.

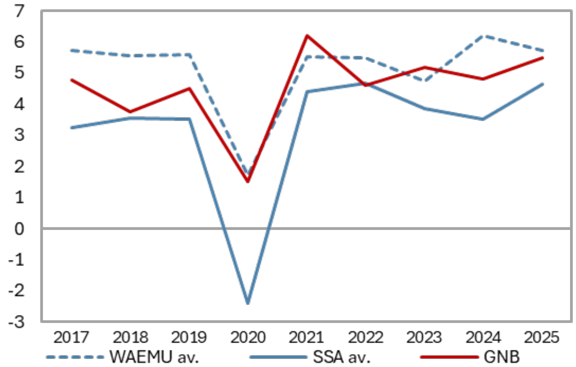
34. Staff support the authorities' request for completion of the combined ninth and tenth reviews under the ECF arrangement, based on corrective action undertaken. Staff also support the authorities' request for extension of the program, rephasing of access, waivers for the missed QPCs, a disbursement of SDR 2.37 million, and completion of the financing assurances review.

Figure 1. Guinea-Bissau: Growth and Inflation

Growth has been resilient, supported by public and private investments as well as consumption…

Real GDP Growth

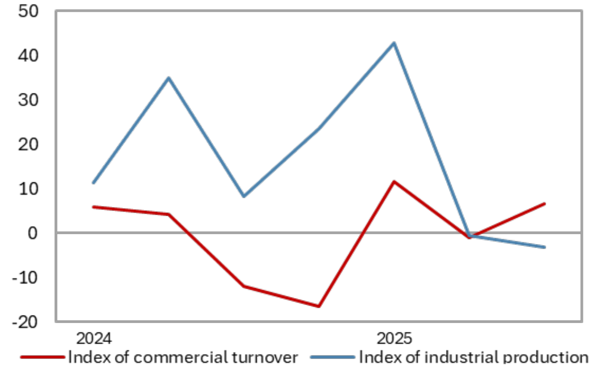
(Percent)



…and growth of commercial activities has been recovering…

Indicators of Economic Activities

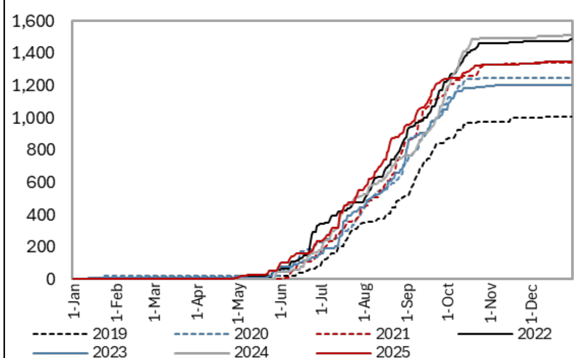
(Quarterly growth rate)



…while weather conditions were normalized in 2025, supporting agricultural production.

Cumulative Precipitation

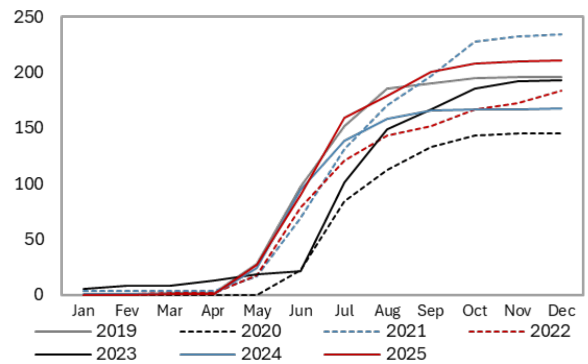
(mm, north of Bafata and Gabu regions)



For 2025, growth was supported by high export volume of cashew nuts…

Export Volume of Cashew Nuts

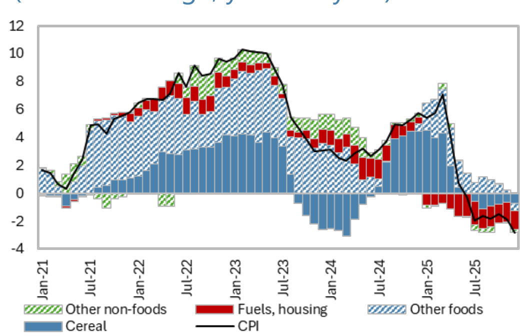
(Thousand tonnes)



…while inflation has declined after the effects of rice subsidy reversal wore out…

CPI inflation

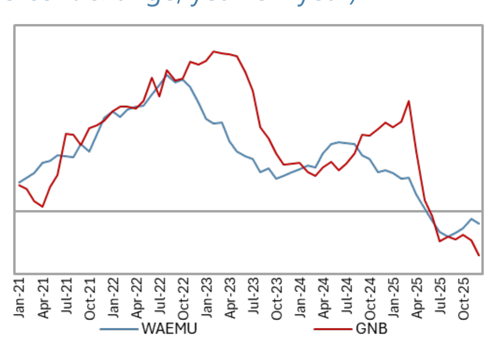
(Percent change, year-on-year)



…and is largely converging to the WAEMU average.

CPI inflation

(Percent change, year-on-year)

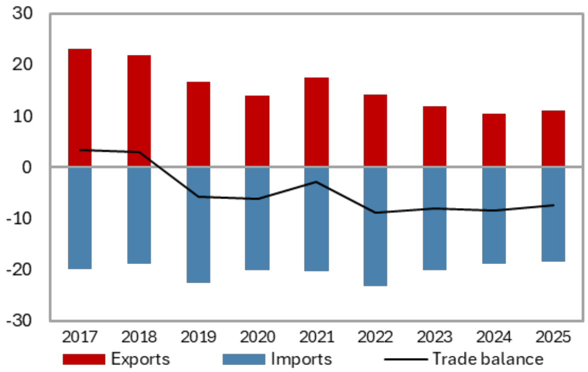


Source: Guinea-Bissau authorities and staff calculations.

Figure 2. Guinea-Bissau: External Sector

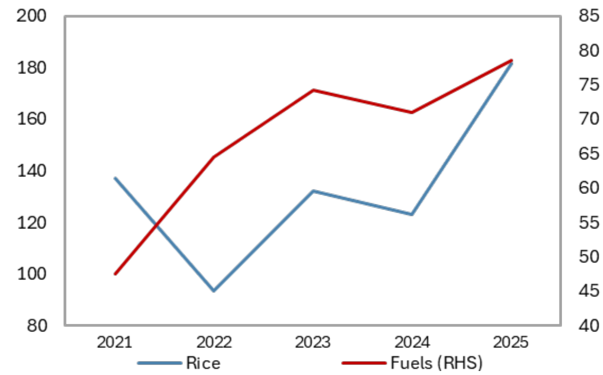
In 2025, a trade balance was improved slightly with increased exports…

Trade Balance
(Percent of GDP)



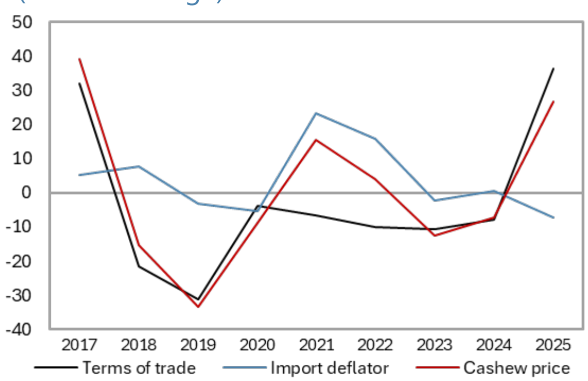
…although the positive impact was partially offset by an increase in import volumes.

Import Volume
(Thousand tonnes)



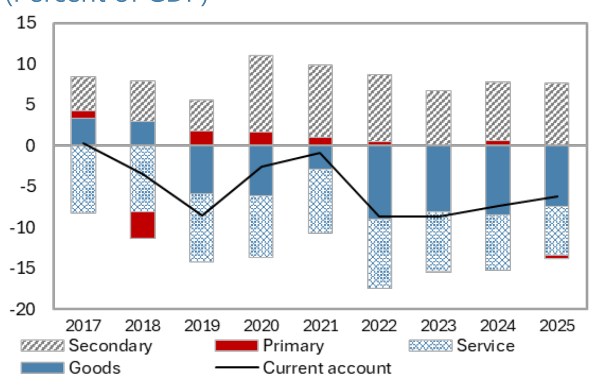
In 2025, rise of cashew prices and drop of commodity prices caused positive terms-of trade changes…

Terms of Trade
(Percent change)



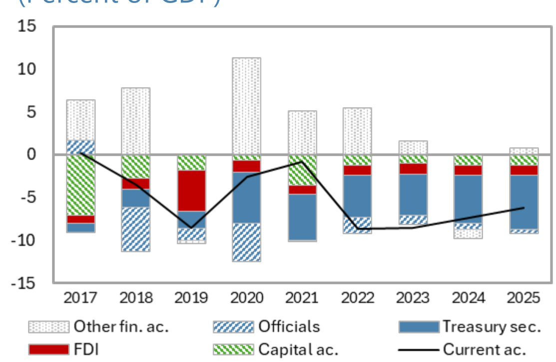
…which appear to have improved the current account balance.

Current Account Balance
(Percent of GDP)



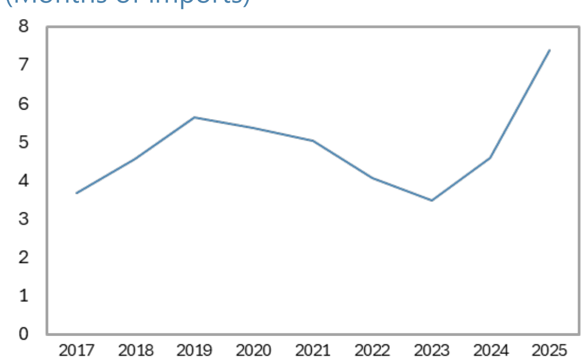
The current account deficit has been financed mostly by issuance of Treasury securities in the regional market.

Current Account Deficit and Financing
(Percent of GDP)



At the WAEMU level, the regional reserve recovered to 7.4 months of imports at end-2025.

WAEMU Regional Reserve
(Months of imports)



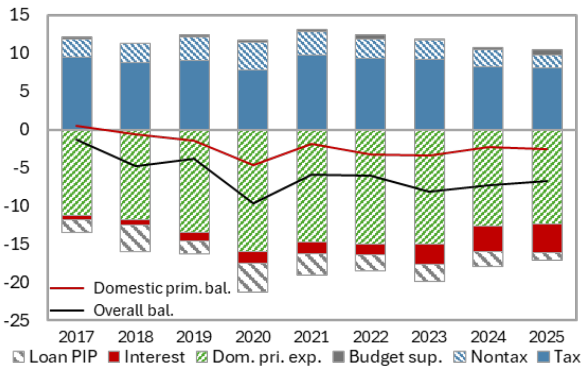
Source: Guinea-Bissau authorities and staff calculations.

Figure 3. Guinea-Bissau: Fiscal Development

In 2025, an overall deficit was narrowed with spending cuts for 4Q, despite overrun until Aug. and revenue drop.

Fiscal Balance

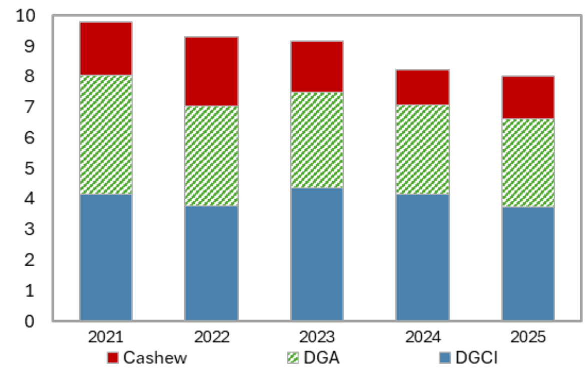
(Percent of GDP)



While underperformance of DGCI caused a decline of tax revenue in 2025….

Tax Revenue

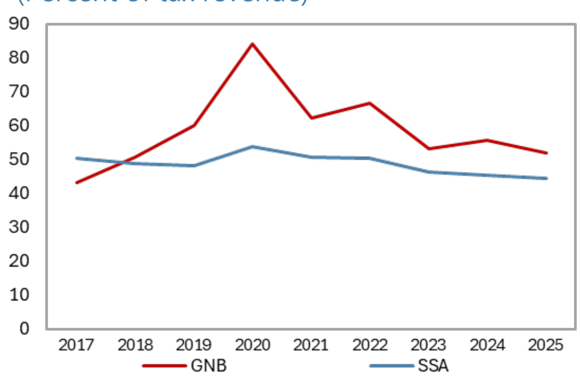
(Percent of GDP)



…the wage bill declined in terms of tax revenue…

Wage Bill

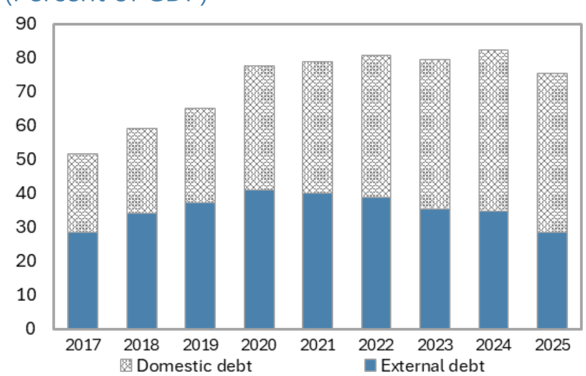
(Percent of tax revenue)



…and with progress in fiscal consolidation, both domestic and external debt decreased in 2025.

Public Debt

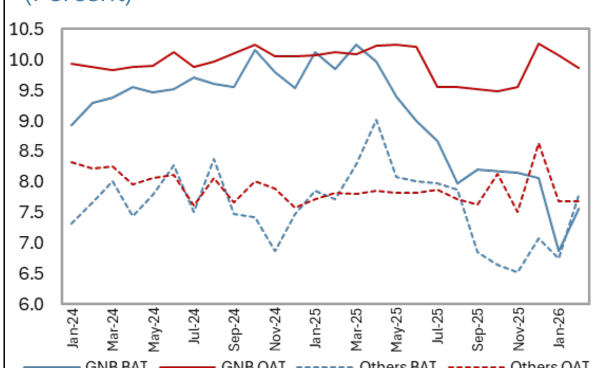
(Percent of GDP)



In recent months, interest of short-term bills declined but long-term bonds remain expensive…

Yield of Treasury Securities

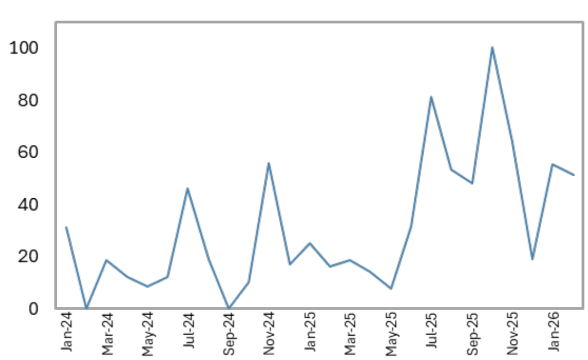
(Percent)



…and have become popular, pushing up borrowing costs.

Share of OAT in Treasury Securities Issuance

(Percent of total issuance)



Source: Guinea-Bissau authorities and staff calculations.

Table 1. Guinea-Bissau: Selected Economic and Financial Indicators, 2022–30

	2022	2023	2024	2025 8th Review	2025 Prel.	2026 8th Review	2026 Proj.	2027 Proj.	2028 Proj.	2029 Proj.	2030 Proj.
(Annual percent change, unless otherwise indicated)											
National accounts and prices											
Real GDP at market prices	4.6	5.2	4.8	5.1	5.5	5.0	5.0	5.0	4.5	4.5	4.2
Real GDP per capita	2.3	3.0	2.6	3.0	3.3	2.9	2.9	2.9	2.4	2.5	2.2
GDP deflator	7.3	7.9	4.0	3.0	10.0	2.8	2.8	2.8	2.8	2.8	3.1
Consumer price index (annual average)	7.9	7.2	3.7	2.0	0.9	2.0	2.0	2.0	2.0	2.0	2.0
External sector											
Exports, f.o.b. (CFA francs)	-8.1	-4.8	-4.3	1.3	21.5	25.5	-3.8	8.2	8.3	8.3	8.3
Imports, f.o.b. (CFA francs)	28.2	-1.8	2.7	2.2	12.9	8.9	-3.1	4.6	4.5	7.6	7.9
Terms of trade (deterioration = -)	-10.2	-10.6	-7.8	11.2	36.5	21.2	-3.6	2.4	2.4	3.0	3.0
Real effective exchange rate (depreciation = -)	-2.0	5.9	1.5	…	…	…	…	…	…	…	…
Exchange rate (CFAF per US$; average)	622.4	606.5	606.2	…	580.8	…	…	…	…	…	…
Government finances											
Revenue excluding grants	3.4	11.8	-2.8	25.4	9.5	9.6	18.6	13.7	11.1	7.7	7.9
Expenditure	-4.5	16.8	1.4	3.5	13.3	6.5	-3.7	11.0	6.5	7.8	8.0
Current expenditure	8.0	21.6	2.0	-3.2	12.0	5.2	-5.2	6.7	6.2	5.0	2.9
Capital expenditure	-25.0	5.3	-0.4	22.4	16.9	9.3	0.2	22.1	7.1	14.0	18.3
Money and credit											
Domestic credit	26.5	9.4	3.0	6.8	7.8	5.7	7.6	7.2	7.4	6.1	6.3
Credit to the government (net)	32.8	46.0	21.5	0.1	1.0	-2.5	-1.4	-3.7	-3.4	-4.7	-6.4
Credit to the economy	23.5	-9.4	-12.2	14.4	15.5	13.8	16.6	16.3	14.9	12.4	12.6
Net domestic assets	55.4	2.0	8.5	8.2	5.1	6.7	10.2	9.4	9.4	7.7	7.8
Broad money (M2)	3.5	-1.1	6.2	5.6	4.3	5.4	6.4	7.9	7.4	7.4	8.6
(Percent of GDP, unless otherwise indicated)											
Investments and savings											
Gross investment	18.1	17.2	17.5	18.5	17.0	19.1	17.2	18.2	18.8	19.8	21.0
Of which: government investment	4.3	4.0	3.6	4.1	3.7	4.1	3.4	3.8	3.8	4.1	4.5
Gross domestic savings	0.4	2.0	2.4	4.3	3.6	6.4	5.1	6.8	8.1	9.2	10.6
Of which: government savings	-4.6	-6.2	-6.1	-2.2	-5.8	-2.3	-3.3	-2.5	-2.0	-1.7	-1.4
Gross national savings	9.4	8.6	10.0	12.7	10.8	14.2	11.5	13.5	14.5	15.6	17.0
Government finances											
Revenue excluding grants	11.8	11.6	10.4	12.0	9.8	12.2	10.8	11.3	11.7	11.8	11.8
Domestic primary expenditure	15.0	15.0	12.7	12.1	12.4	11.2	10.0	10.3	10.4	10.5	10.7
Domestic primary balance	-3.2	-3.4	-2.3	-0.1	-2.6	1.0	0.8	1.0	1.3	1.3	1.1
Overall balance (commitment basis)											
Including grants	-6.1	-8.2	-7.3	-3.4	-6.7	-3.5	-4.0	-3.5	-3.0	-3.0	-3.0
Excluding grants	-9.5	-10.3	-10.0	-7.4	-10.1	-7.0	-7.0	-6.9	-6.3	-6.4	-6.4
External current account	-8.6	-8.6	-7.4	-5.8	-6.2	-5.0	-5.8	-4.7	-4.3	-4.2	-4.0
Excluding official current transfers	-11.0	-10.0	-9.2	-8.7	-8.5	-7.3	-7.6	-6.9	-6.6	-6.4	-6.2
Stock of public and publicly guaranteed debt	80.7	79.4	82.4	78.5	75.3	76.3	73.6	71.8	69.9	68.0	66.4
Of which: external debt	39.0	35.4	34.7	32.0	28.4	30.9	26.9	26.0	25.1	24.5	23.6
Memorandum items:											
Nominal GDP at market prices (CFAF billions)	1071.3	1216.1	1325.4	1434.7	1538.1	1548.7	1660.3	1792.1	1925.2	2068.1	2221.7
WAEMU gross official reserves (billions of US$)	18.4	15.8	21.6	…	…	…	…	…	…	…	…
(percent of broad money)	22.3	19.6	26.3	…	…	…	…	…	…	…	…

Sources: Guinea-Bissau authorities; and IMF staff estimates and projections.

Table 2a. Guinea-Bissau: Balance of Payments, 2022–30
(CFAF billions)

	2022	2023	2024	2025 8th Review	2025 Proj.	2026 8th Review	2026 Proj.	2027 Proj.	2028 Proj.	2029 Proj.	2030 Proj.
Current Account Balance	-92.4	-104.5	-98.2	-83.4	-94.8	-77.2	-95.6	-84.7	-83.6	-86.3	-88.5
Goods and services	-185.9	-186.5	-201.0	-208.3	-205.4	-198.8	-206.4	-209.3	-211.5	-222.6	-234.7
Goods	-96.0	-98.8	-111.6	-115.2	-114.1	-102.0	-111.6	-110.8	-109.0	-116.0	-124.3
Exports, f.o.b	152.8	145.4	139.1	141.0	169.0	176.9	162.6	176.1	190.7	206.5	223.7
Of which: cashew nuts	138.6	128.8	121.4	121.8	151.3	156.3	143.6	155.5	168.6	182.5	197.4
Imports, f.o.b.	-248.8	-244.2	-250.7	-256.2	-283.1	-278.9	-274.2	-286.8	-299.7	-322.5	-347.9
Of which: food products	-71.6	-69.2	-67.0	-72.2	-77.5	-74.8	-70.1	-70.7	-72.0	-73.1	-79.2
petroleum products	-52.5	-54.1	-56.5	-56.0	-55.0	-54.5	-52.9	-53.0	-56.0	-58.6	-62.2
Services	-89.9	-87.7	-89.4	-93.0	-91.3	-96.8	-94.8	-98.5	-102.5	-106.6	-110.4
Credit	21.8	27.2	28.9	31.3	33.5	33.8	36.2	39.1	42.0	45.1	48.4
Debit	-111.7	-114.9	-118.3	-124.3	-124.8	-130.5	-131.0	-137.6	-144.5	-151.7	-158.8
Incomes	5.3	-0.1	7.6	1.8	-6.7	0.4	-5.6	-3.5	-3.7	-2.4	-0.9
Credit	20.9	22.0	22.8	23.3	20.3	24.6	24.5	25.9	27.2	28.3	29.8
Of which: EU fishing compensation	8.9	11.5	12.1	11.1	8.2	11.1	11.1	11.1	11.1	11.1	11.1
Other license fees	6.6	4.3	4.1	5.3	5.0	6.4	6.0	7.1	7.9	8.6	9.6
Debit	-15.6	-22.1	-15.2	-21.5	-27.0	-24.2	-30.0	-29.3	-30.9	-30.7	-30.7
Of which: government interest	-7.5	-15.6	-19.0	-21.5	-27.0	-24.2	-30.0	-29.3	-30.9	-30.7	-30.7
Current transfers (net)	88.2	82.2	95.2	123.1	117.3	121.2	116.4	128.0	131.6	138.7	147.1
Official	25.6	17.1	23.1	41.8	35.2	36.1	31.1	39.8	42.7	46.8	50.3
Private	62.6	65.1	72.2	81.3	82.1	85.0	85.2	88.3	88.8	91.9	96.8
Of which: remittances	59.4	61.8	70.0	75.3	76.1	78.9	79.1	81.9	82.4	85.3	89.9
Capital account	12.8	10.9	16.5	19.4	19.3	20.8	20.6	22.5	24.1	26.2	28.0
Of which: official transfers	10.8	8.4	13.9	16.8	16.8	18.1	18.1	19.9	21.4	23.4	25.2
Financial account	-32.9	-68.6	-113.8	-61.6	-111.4	-56.8	-73.5	-71.4	-66.4	-73.8	-83.5
FDI	-13.2	-15.0	-15.9	-17.2	-18.5	-18.6	-19.9	-21.5	-23.1	-24.8	-26.7
Other investment	-19.7	-53.6	-97.9	-44.4	-92.9	-38.2	-53.6	-49.9	-43.4	-49.0	-56.9
Official medium- and long-term disbursements	-23.8	-26.8	-24.9	-18.2	-15.2	-28.3	-22.0	-30.8	-30.7	-37.7	-42.2
Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projects	-23.8	-26.8	-24.9	-18.2	-15.2	-28.3	-22.0	-30.8	-30.7	-37.7	-42.2
Amortization	3.8	13.6	16.3	7.6	6.8	7.9	8.6	9.4	10.8	10.6	17.7
Treasury bills (regional financing)	-58.1	-58.7	-74.3	-43.8	-95.7	-37.9	-55.2	-48.6	-43.5	-42.0	-52.4
Commercial bank net foreign assets	-12.8	-7.4	-24.8	10.0	-18.8	10.0	10.0	10.0	10.0	10.0	10.0
Other net foreign assets	71.1	25.9	9.7	0.0	30.0	10.0	5.0	10.0	10.0	10.0	10.0
Errors and Omissions	-3.8	22.5	4.0	0.0	-7.2	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-50.5	-2.6	36.1	-2.4	28.6	0.4	-1.5	9.3	6.9	13.7	23.1
Financing	50.5	2.6	-36.1	2.4	-28.6	-0.4	1.5	-9.3	-6.9	-13.7	-23.1
Net foreign assets excluding IMF (increase -)	53.6	-5.1	-46.3	-0.6	-29.7	1.2	1.2	-5.7	-4.1	-9.0	-16.2
IMF purchases	0.0	10.7	13.6	5.8	3.8	1.9	3.6	0.0	0.0	0.0	0.0
IMF repurchases	-3.1	-3.1	-3.3	-2.8	-2.7	-3.4	-3.3	-3.6	-2.8	-4.7	-6.9
Grant for debt relief under the IMF CCRT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Cashew export quantity (thousands of tons)	183	193	167	200	211	215	215	226	237	249	261
Cashew export prices (US$ per ton)	1,200	1,050	975	1,000	1,236	1,200	1,200	1,236	1,273	1,311	1,351
Import volume of goods (annual percentage change)	-2.6	3.9	2.1	8.0	25.4	9.8	1.9	3.9	3.7	7.1	7.2
Oil prices (international, US$ per barrel)	96.4	80.6	79.2	66.9	67.7	62.4	64.7	62.9	63.4	64.4	65.2
Scheduled debt service											
Percent of exports and service credits	5.0	12.2	7.5	8.3	9.5	9.2	9.0	8.8	9.0	11.9	11.9
Percent of total government revenue	6.8	14.9	10.0	9.2	10.5	10.0	9.5	9.1	9.3	12.3	12.3
Current account balance (percent of GDP)	-8.6	-8.6	-7.4	-5.8	-6.2	-5.0	-5.8	-4.7	-4.3	-4.2	-4.0
Official transfers (percent of GDP)	3.4	2.1	2.8	4.1	3.4	3.5	3.0	3.3	3.3	3.4	3.4
WAEMU gross official reserves (billions of US$)	18.4	15.8	21.6	…	…	…	…	…	…	…	…
(percent of broad money)	22.3	19.6	26.3	…	…	…	…	…	…	…	…

Sources: BCEAO; and IMF staff estimates and projections.

Table 2b. Guinea-Bissau: Balance of Payments, 2022–30
(Percent of GDP)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
				8th Review	Proj.	8th Review	Proj.	Proj.			
Current Account Balance											
Including all official transfers	-8.6	-8.6	-7.4	-5.8	-6.2	-5.0	-5.8	-4.7	-4.3	-4.2	-4.0
Excluding official transfers	-11.0	-10.0	-9.2	-8.7	-8.5	-7.3	-7.6	-6.9	-6.6	-6.4	-6.2
Goods and services	-17.3	-15.3	-15.2	-14.5	-13.4	-12.8	-12.4	-11.7	-11.0	-10.8	-10.6
Goods	-9.0	-8.1	-8.4	-8.0	-7.4	-6.6	-6.7	-6.2	-5.7	-5.6	-5.6
Exports, f.o.b	14.3	12.0	10.5	9.8	11.0	11.4	9.8	9.8	9.9	10.0	10.1
Of which: cashew nuts	12.9	10.6	9.2	8.5	9.8	10.1	8.6	8.7	8.8	8.8	8.9
Imports, f.o.b.	-23.2	-20.1	-18.9	-17.9	-18.4	-18.0	-16.5	-16.0	-15.6	-15.6	-15.7
Of which: food products	-6.7	-5.7	-5.1	-5.0	-5.0	-4.8	-4.2	-3.9	-3.7	-3.5	-3.6
petroleum products	-4.9	-4.5	-4.3	-3.9	-3.6	-3.5	-3.2	-3.0	-2.9	-2.8	-2.8
Services (net)	-8.4	-7.2	-6.7	-6.5	-5.9	-6.2	-5.7	-5.5	-5.3	-5.2	-5.0
Credit	2.0	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Debit	-10.4	-9.4	-8.9	-8.7	-8.1	-8.4	-7.9	-7.7	-7.5	-7.3	-7.1
Incomes (net)	0.5	0.0	0.6	0.1	-0.4	0.0	-0.3	-0.2	-0.2	-0.1	0.0
Credit	2.0	1.8	1.7	1.6	1.3	1.6	1.5	1.4	1.4	1.4	1.3
EU fishing compensation	0.8	0.9	0.9	0.8	0.5	0.7	0.7	0.6	0.6	0.5	0.5
Other license fees	0.7	0.4	0.3	0.4	0.4	0.5	0.4	0.4	0.5	0.5	0.5
Debit	-1.5	-1.8	-1.1	-1.5	-1.8	-1.6	-1.8	-1.6	-1.6	-1.5	-1.4
Of which: external interest	-0.7	-1.3	-1.4	-1.5	-1.8	-1.6	-1.8	-1.6	-1.6	-1.5	-1.4
Current transfers (net)	8.2	6.8	7.2	8.6	7.6	7.8	7.0	7.1	6.8	6.7	6.6
Official[2]	2.4	1.4	1.7	2.9	2.3	2.3	1.9	2.2	2.2	2.3	2.3
Private	5.8	5.4	5.4	5.7	5.3	5.5	5.1	4.9	4.6	4.4	4.4
Of which: remittances	5.5	5.1	5.3	5.2	4.9	5.1	4.8	4.6	4.3	4.1	4.0
Capital account	1.2	0.9	1.2	1.4	1.3	1.3	1.2	1.3	1.3	1.3	1.3
Financial account	-3.1	-5.6	-8.6	-4.3	-7.2	-3.7	-4.4	-4.0	-3.5	-3.6	-3.8
FDI	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2
Other investment	-1.8	-4.4	-7.4	-3.1	-6.0	-2.5	-3.2	-2.8	-2.3	-2.4	-2.6
Official medium- and long-term disbursements	-2.2	-2.2	-1.9	-1.3	-1.0	-1.8	-1.3	-1.7	-1.6	-1.8	-1.9
Amortization	0.4	1.1	1.2	0.5	0.4	0.5	0.5	0.5	0.6	0.5	0.8
Treasury bills and regional financing	-5.4	-4.8	-5.6	-3.1	-6.2	-2.4	-3.3	-2.7	-2.3	-2.0	-2.4
Commercial bank net foreign assets	-1.2	-0.6	-1.9	0.7	-1.2	0.6	0.6	0.6	0.5	0.5	0.5
Other net foreign assets	6.6	2.1	0.7	0.0	2.0	0.6	0.3	0.6	0.5	0.5	0.5
Errors and Omissions	-0.4	1.8	0.3	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-4.7	-0.2	2.7	-0.2	1.9	0.0	-0.1	0.5	0.4	0.7	1.0
Financing	4.7	0.2	-2.7	0.2	-1.9	0.0	0.1	-0.5	-0.4	-0.7	-1.0
Net foreign assets excluding IMF (increase -)	5.0	-0.4	-3.5	0.0	-1.9	0.1	0.1	-0.3	-0.2	-0.4	-0.7
IMF purchases	0.0	0.9	1.0	0.4	0.2	0.1	0.2	0.0	0.0	0.0	0.0
IMF repurchases	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.3
Grant for debt relief under the IMF CCRT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: BCEAO; and IMF staff estimates and projections.

Table 2c. Guinea-Bissau: Financing Needs and Sources, 2022–30
(CFAF billions)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
				8th Review	Proj.	8th Review	Proj.	Proj.			
Financing requirements	**-71.3**	**-143.3**	**-187.2**	**-136.2**	**-169.2**	**-123.6**	**-137.5**	**-143.1**	**-144.0**	**-157.4**	**-179.6**
Current account deficit excl. official transfers	-118.0	-121.6	-121.3	-125.2	-130.1	-113.3	-126.8	-124.5	-126.4	-133.2	-138.8
Public debt amortization	-3.8	-13.6	-16.3	-7.6	-6.8	-7.9	-8.6	-9.4	-10.8	-10.6	-17.7
Changes in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in official reserves	53.6	-5.1	-46.3	-0.6	-29.7	1.2	1.2	-5.7	-4.1	-9.0	-16.2
IMF repurchases	-3.1	-3.1	-3.3	-2.8	-2.7	-3.4	-3.3	-3.6	-2.8	-4.7	-6.9
Available financing	**64.7**	**131.9**	**170.1**	**113.7**	**155.4**	**112.6**	**129.8**	**133.2**	**133.4**	**145.8**	**167.1**
Project grants	29.8	24.9	33.5	41.9	41.9	45.2	45.2	49.8	53.5	58.6	63.0
Net foreing direct investment	13.2	15.0	15.9	17.2	18.5	18.6	19.9	21.5	23.1	24.8	26.7
Treasury bills (regional financing)	58.1	58.7	74.3	43.8	95.7	37.9	55.2	48.6	43.5	42.0	52.4
Official creditors	23.8	26.8	24.9	18.2	15.2	28.3	22.0	30.8	30.7	37.7	42.2
Other net flows[1]	-60.2	6.5	21.6	-7.4	-15.9	-17.3	-12.5	-17.4	-17.3	-17.2	-17.2
Financing needs	**6.6**	**11.4**	**17.1**	**22.5**	**13.8**	**10.9**	**7.6**	**9.9**	**10.6**	**11.7**	**12.5**
Budget support grants	6.6	0.7	3.5	16.7	10.1	9.0	4.0	9.9	10.6	11.7	12.5
o/w Multilateral grants	0.0	0.0	0.0	12.8	10.1	0.0	4.0	0.0	0.0	0.0	0.0
IMF disbursements	0.0	10.7	13.6	5.8	3.8	1.9	3.6	0.0	0.0	0.0	0.0
o/w ECF program	0.0	10.7	13.6	5.8	3.8	1.9	3.6	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: BCEAO, IMF staff estimates and projectio

[1] Includes net private capital transfers, changes in NFA of commercial banks and non-financial private sector, SDR allocations, and errors and omissions

Table 3a. Guinea-Bissau: Consolidated Operations of the Central Government, 2022–30
(CFAF billions)

	2022	2023	2024	2025		2026		2027	2028	2029	2030
				8th Review	Prel.	8th Review	Proj.	Proj.			
Revenue and grants	163.0	167.1	173.7	231.2	202.7	243.4	228.0	263.0	290.1	313.7	338.1
Tax revenue	99.7	111.3	109.0	133.8	123.1	159.0	140.9	170.9	191.4	207.0	223.7
Nontax revenue	27.0	30.3	28.6	38.8	27.6	30.2	37.9	32.4	34.6	36.4	38.8
Grants	36.4	25.5	36.1	58.6	52.0	54.2	49.2	59.7	64.1	70.3	75.5
Budget support	6.6	0.7	3.5	16.7	10.1	9.0	4.0	9.9	10.6	11.7	12.5
Project grants	29.8	24.9	32.6	41.9	41.9	45.2	45.2	49.8	53.5	58.6	63.0
Expenditure	227.9	266.2	269.8	279.3	305.6	297.3	294.2	326.6	347.9	375.1	405.2
Expense	160.2	194.9	198.8	192.4	222.6	202.3	211.0	225.0	239.1	251.0	258.4
Wages and salaries[1]	66.3	59.2	60.6	62.0	63.8	65.1	64.1	70.4	75.5	81.1	86.4
Goods and services[1]	27.7	27.5	28.9	24.5	29.8	27.7	28.2	30.1	32.2	34.2	35.5
Transfers[1]	23.0	30.3	23.1	22.9	24.4	25.2	25.1	27.1	28.6	30.6	31.3
Interest	14.6	31.9	44.1	45.8	57.5	50.2	61.0	60.7	63.3	62.5	62.0
Other	28.7	45.8	42.1	37.1	47.1	34.1	32.6	36.8	39.5	42.6	43.2
Net acquisition of nonfinancial assets	67.7	71.3	71.0	86.9	83.1	95.0	83.2	101.6	108.8	124.1	146.8
Domestically financed	15.2	19.6	13.6	26.8	25.9	21.5	16.0	21.0	24.7	27.8	41.7
Foreign financed (including BOAD)	52.5	51.7	57.5	60.1	57.1	73.5	67.2	80.6	84.1	96.3	105.2
Overall balance, including grants (commitment)	-64.9	-99.1	-96.2	-48.1	-103.0	-53.9	-66.2	-63.6	-57.8	-61.5	-67.2
Overall balance, excluding grants (commitment)	-101.3	-124.6	-132.2	-106.7	-154.9	-108.1	-115.4	-123.3	-121.9	-131.7	-142.6
Change in arrears	0.2	-5.8	-0.4	-2.2	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Domestic payment arrears[2]	0.2	-5.8	-0.4	-2.2	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Accumulation current year	6.8	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payment previous years (-)	-6.7	-6.8	-0.4	-2.2	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
(o/w) Legacy Arrears	0.0	0.0	0.0	-2.2	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Net external arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net BOAD interest arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Float and statistical discrepancy	-23.0	-12.9	-13.4	0.0	-3.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance, including grants (cash)	-87.7	-117.8	-110.0	-50.3	-106.5	-53.9	-66.2	-63.6	-57.8	-61.5	-67.2
Financing	87.7	117.8	110.0	50.3	106.5	53.9	66.2	63.6	57.8	61.5	67.2
Net acquisition of financial assets (- = build up)	-1.3	-1.2	-13.1	-4.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Bank deposits	-0.1	-1.2	-10.3	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
BCEAO	1.1	3.0	-10.6	0.0	11.3	0.0	0.0	0.0	0.0	0.0	0.0
Local commercial banks	-1.3	-4.1	0.3	0.0	-5.3	0.0	0.0	0.0	0.0	0.0	0.0
Other[3]	-1.2	0.0	-2.8	-4.3	-4.3	0.0	0.0	0.0	0.0	0.0	0.0
Domestic financing	69.1	105.7	113.6	44.0	96.4	33.6	52.8	42.2	37.9	34.4	42.7
BCEAO credit	-3.6	7.1	9.7	0.2	-1.7	-4.3	-2.4	-6.4	-5.6	-7.5	-9.7
(o/w) IMF	-3.1	7.6	10.2	3.0	1.1	-1.5	0.4	-3.6	-2.8	-4.7	-6.9
Other domestic (net)	72.7	98.6	103.9	43.8	98.1	37.9	55.2	48.6	43.5	42.0	52.4
Local commercial banks	14.6	39.8	29.6	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Regional commercial banks	58.1	58.7	74.3	43.8	95.7	37.9	55.2	48.6	43.5	42.0	52.4
Foreign financing (net)	20.0	13.3	9.5	10.6	8.4	20.3	13.4	21.4	19.9	27.0	24.5
Disbursements	23.8	26.8	24.9	18.2	15.2	28.3	22.0	30.8	30.7	37.7	42.2
Projects	23.8	26.8	24.9	18.2	15.2	28.3	22.0	30.8	30.7	37.7	42.2
Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	-3.8	-13.6	-16.3	-7.6	-6.8	-7.9	-8.6	-9.4	-10.8	-10.6	-17.7
Debt relief	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Memorandum item:											
Domestic primary balance (commitment)	-34.2	-41.0	-30.7	-0.8	-40.3	15.6	12.8	18.0	25.5	27.1	24.5

Sources: Guinea-Bissau authorities; and IMF staff estimates and projections.

[1] Adjusted for embassy salaries.

[2] Excluding debt service arrears.

[3] Including BOAD capital increase in 2024 and 2025 and Treasury's on-lending to EAGB in 2025.

Table 3b. Guinea-Bissau: Consolidated Operations of the Central Government, 2022–30

(Percent of GDP)

	2022	2023	2024	2025 8th Review	2025 Prel.	2026 8th Review	2026 Proj.	2027	2028	2029	2030
								Proj.			
Revenue and grants	15.2	13.7	13.1	16.1	13.2	15.7	13.7	14.7	15.1	15.2	15.2
Tax revenue	9.3	9.2	8.2	9.3	8.0	10.3	8.5	9.5	9.9	10.0	10.1
Nontax revenue	2.5	2.5	2.2	2.7	1.8	2.0	2.3	1.8	1.8	1.8	1.7
Grants	3.4	2.1	2.7	4.1	3.4	3.5	3.0	3.3	3.3	3.4	3.4
Budget support	0.6	0.1	0.3	1.2	0.7	0.6	0.2	0.6	0.6	0.6	0.6
Project grants	2.8	2.0	2.5	2.9	2.7	2.9	2.7	2.8	2.8	2.8	2.8
Expenditure	21.3	21.9	20.4	19.5	19.9	19.2	17.7	18.2	18.1	18.1	18.2
Expense	15.0	16.0	15.0	13.4	14.5	13.1	12.7	12.6	12.4	12.1	11.6
Wages and salaries[1]	6.2	4.9	4.6	4.3	4.1	4.2	3.9	3.9	3.9	3.9	3.9
Goods and services[1]	2.6	2.3	2.2	1.7	1.9	1.8	1.7	1.7	1.7	1.7	1.6
Transfers[1]	2.1	2.5	1.7	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.4
Interest	1.4	2.6	3.3	3.2	3.7	3.2	3.7	3.4	3.3	3.0	2.8
Other	2.7	3.8	3.2	2.6	3.1	2.2	2.0	2.1	2.1	2.1	1.9
Net acquisition of nonfinancial assets	6.3	5.9	5.4	6.1	5.4	6.1	5.0	5.7	5.7	6.0	6.6
Domestically financed	1.4	1.6	1.0	1.9	1.7	1.4	1.0	1.2	1.3	1.3	1.9
Foreign financed (including BOAD)	4.9	4.3	4.3	4.2	3.7	4.7	4.0	4.5	4.4	4.7	4.7
Overall balance, including grants (commitment)	-6.1	-8.2	-7.3	-3.4	-6.7	-3.5	-4.0	-3.5	-3.0	-3.0	-3.0
Overall balance, excluding grants (commitment)	-9.5	-10.3	-10.0	-7.4	-10.1	-7.0	-7.0	-6.9	-6.3	-6.4	-6.4
Change in arrears	0.0	-0.5	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic payment arrears[2]	0.0	-0.5	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accumulation current year	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payment previous years (-)	-0.6	-0.6	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(o/w) Legacy Arrears	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net external arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net BOAD interest arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Float and statistical discrepancy	-2.1	-1.1	-1.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance, including grants (cash)	-8.2	-9.7	-8.3	-3.5	-6.9	-3.5	-4.0	-3.5	-3.0	-3.0	-3.0
Financing	8.2	9.7	8.3	3.5	6.9	3.5	4.0	3.5	3.0	3.0	3.0
Net acquisition of financial assets (- = build up)	-0.1	-0.1	-1.0	-0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Bank deposits	0.0	-0.1	-0.8	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
BCEAO	0.1	0.2	-0.8	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Local commercial banks	-0.1	-0.3	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Other[3]	-0.1	0.0	-0.2	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Domestic financing	6.4	8.7	8.6	3.1	6.3	2.2	3.2	2.4	2.0	1.7	1.9
BCEAO credit	-0.3	0.6	0.7	0.0	-0.1	-0.3	-0.1	-0.4	-0.3	-0.4	-0.4
(o/w) IMF	-0.3	0.6	0.8	0.2	0.1	-0.1	0.0	-0.2	-0.1	-0.2	-0.3
Other domestic (net)	6.8	8.1	7.8	3.1	6.4	2.4	3.3	2.7	2.3	2.0	2.4
Local commercial banks	1.4	3.3	2.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Regional commercial banks	5.4	4.8	5.6	3.1	6.2	2.4	3.3	2.7	2.3	2.0	2.4
Foreign financing (net)	1.9	1.1	0.7	0.7	0.5	1.3	0.8	1.2	1.0	1.3	1.1
Disbursements	2.2	2.2	1.9	1.3	1.0	1.8	1.3	1.7	1.6	1.8	1.9
Projects	2.2	2.2	1.9	1.3	1.0	1.8	1.3	1.7	1.6	1.8	1.9
Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	-0.4	-1.1	-1.2	-0.5	-0.4	-0.5	-0.5	-0.5	-0.6	-0.5	-0.8
Debt relief	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Memorandum item:											
Domestic primary balance (commitment)	-3.2	-3.4	-2.3	-0.1	-2.6	1.0	0.8	1.0	1.3	1.3	1.1

Sources: Guinea-Bissau authorities; and IMF staff estimates and projections.

[1] Adjusted for embassy salaries.

[2] Excluding debt service arrears

[3] Including BOAD capital increase in 2024 and 2025 and Treasury's on-lending to EAGB in 2025.

Table 4. Guinea-Bissau: Monetary Survey, 2022–30

	2022	2023	2024	2025		2026		2027	2028	2029	2030
				8th Review	Prel.	8th Review	Proj.	Proj.			
Net foreign assets	274.4	264.4	275.7	262.0	285.5	272.4	294.0	313.2	330.1	353.8	386.9
Central Bank of West African States (BCEAO)	174.1	171.5	207.5	183.8	236.1	184.2	234.6	243.8	250.7	264.4	287.5
Commercial banks	100.4	92.9	68.2	78.2	49.4	88.2	59.4	69.4	79.4	89.4	99.4
Net domestic assets	225.1	229.7	249.2	292.4	262.0	312.0	288.6	315.6	345.4	371.9	401.0
Credit to the government (net)	97.4	142.3	172.9	173.1	174.6	168.8	172.2	165.8	160.2	152.7	143.0
BCEAO	64.8	75.0	75.1	75.3	86.9	71.0	84.4	78.1	72.5	64.9	55.2
Deposits (-)	5.8	3.3	13.6	13.6	2.2	13.6	2.2	2.2	2.2	2.2	2.2
Credit	70.6	78.3	88.7	88.9	89.0	84.6	86.6	80.3	74.7	67.1	57.4
Commercial banks	32.6	67.3	97.8	97.8	87.7	97.8	87.7	87.7	87.7	87.7	87.7
Deposits (-)	23.5	15.8	21.6	21.6	33.5	21.6	33.5	33.5	33.5	33.5	33.5
Credit	56.1	83.2	119.4	119.4	121.2	119.4	121.2	121.2	121.2	121.2	121.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credit to the economy	190.8	172.9	151.9	173.7	175.4	197.7	204.5	237.9	273.3	307.3	346.1
Other items (net)	-63.0	-85.5	-75.6	-54.5	-88.1	-54.5	-88.1	-88.1	-88.1	-88.1	-88.1
Money supply (M2)	499.6	494.1	524.9	554.4	547.5	584.4	582.5	628.8	675.5	725.7	787.8
Currency outside banks	298.0	287.7	292.4	308.8	316.0	325.5	336.3	363.0	389.9	418.9	454.8
Bank deposits	201.6	206.4	232.5	245.6	231.4	258.9	246.3	265.8	285.6	306.8	333.1
Base money (M0)	324.1	311.1	332.0	350.6	361.3	369.6	384.5	415.0	445.8	478.9	520.0
Contribution to the growth of broad money (M2)											
Net foreign assets	-13.1	-2.0	2.3	1.4	1.9	1.9	1.5	3.3	2.7	3.5	4.6
BCEAO	-10.5	-0.5	7.3	-0.5	5.4	0.1	-0.3	1.6	1.1	2.0	3.2
Commercial banks	-2.7	-1.5	-5.0	1.9	-3.6	1.8	1.8	1.7	1.6	1.5	1.4
Net domestic assets	16.6	0.9	3.9	4.2	2.4	3.5	4.9	4.6	4.7	3.9	4.0
Credit to the central government	5.0	9.0	6.2	0.0	0.3	-0.8	-0.4	-1.1	-0.9	-1.1	-1.3
Credit to the economy	7.5	-3.6	-4.3	4.2	4.5	4.3	5.3	5.7	5.6	5.0	5.3
Other items (net)	4.1	-4.5	2.0	0.0	-2.4	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Broad money (M2, annual percentage change)	3.5	-1.1	6.2	5.6	4.3	5.4	6.4	7.9	7.4	7.4	8.6
Base money (M0, annual percentage change)	-7.5	-4.0	6.7	5.6	8.8	5.4	6.4	7.9	7.4	7.4	8.6
Credit to the economy (annual percentage change)	23.5	-9.4	-12.2	14.4	15.5	13.8	16.6	16.3	14.9	12.4	12.6
Velocity (GDP/M2)	2.1	2.5	2.5	2.6	2.8	2.6	2.9	2.9	2.9	2.9	2.8
Money multiplier (M2/M0)	1.5	1.6	1.6	1.6	1.5	1.6	1.5	1.5	1.5	1.5	1.5

Sources: BCEAO; and IMF staff estimates and projections.

Table 5. Guinea-Bissau: Selected Financial Soundness Indicators, 2020–25

	2020	2021	2022	2023	2024	2025	Excluding undercapitalized bank				
							2020	2021	2022	2023	2024
						June	Dec	Dec	Dec	Dec	Jun
Capital Adequacy											
Capital to risk-weighted assets	-3.6	-1.4	-4.0	-33.8	-16.3	-22.1	25.6	25.5	26.6	23.1	21.7
Tier 1 capital to risk weighted assets	-3.6	-1.4	-4.0	-33.8	-16.3	-22.1	25.6	25.5	26.6	23.1	21.7
Provisions to risk-weighted assets	20.4	20.3	9.9	10.1	12.7	15.3	2.3	8.0	4.3	4.9	5.8
Capital to total assets	-1.3	-0.5	-1.3	-8.3	-5.0	-6.6	12.8	7.2	12.1	13.7	12.6
Asset Composition and Quality											
Total loans to total assets	40.4	38.1	45.5	48.4	46.7	46.3	36.5	36.8	45.5	41.0	43.9
Concentration: loans to 5 largest borrowers to capital	-379.3	-2344.0	-273.5	-155.0	-249.1	-187.7	...	...	...	...	...
Sectoral distribution of loans											
Agriculture and fishing	0.8	1.4	1.5	2.0	1.8	2.2	0.8	1.4	1.5	2.8	1.8
Extractive industries	1.2	1.1	0.8	0.5	0.1	0.1	1.2	1.1	0.8	1.2	0.1
Manufacturing	15.7	14.8	15.4	6.0	13.4	12.2	15.7	14.8	15.4	9.2	13.4
Electricity, water and gas	10.5	10.7	4.9	12.2	11.0	8.3	10.5	10.7	4.9	8.0	11.0
Construction	7.7	8.1	3.2	8.3	1.3	7.4	7.7	8.1	3.2	9.1	1.3
Retail and wholesale trade, restaurants and hotels	25.2	24.1	40.5	35.7	39.4	32.5	25.2	24.1	40.5	30.1	39.4
Transportation and communication	7.1	7.4	7.1	9.4	2.9	9.1	7.1	7.4	7.1	12.0	2.9
Insurance, real state and business services	1.1	1.1	1.0	2.3	2.1	2.2	1.1	1.1	1.0	2.0	2.1
Other services	30.7	31.5	25.6	23.6	27.9	26.0	30.7	31.5	25.6	25.6	27.9
Gross NPLs to total loans	21.8	19.4	10.4	13.9	19.8	22.3	9.1	7.4	5.9	20.0	16.6
General provisions to gross NPLs	68.8	80.8	61.6	35.0	38.8	40.1	32.7	63.0	71.4	31.6	35.4
Net NPLs to total loans	8.0	4.4	4.3	9.5	13.1	14.6	6.2	2.7	1.7	13.4	9.7
Net NPLs to capital	-257.0	-333.9	-154.5	-55.8	-122.5	-103.4	15.9	7.7	6.5	34.9	58.3
Earnings and profitability											
Average cost of borrowed funds	1.2	1.3	1.6	2.3	2.4	...	1.2	1.3	1.6	...	...
Average interest rate on loans	9.7	7.4	9.3	11.0	10.9	...	9.7	7.4	9.3	...	...
Average interest margin	8.5	6.1	7.7	8.7	8.5	...	8.5	6.1	7.7	...	...
After-tax return on average assets (ROA)	0.8	0.7	1.7	1.7	0.7	...	0.8	1.5	1.7	...	...
After-tax return on average equity (ROE)	9.9	8.7	21.3	16.4	6.9	...	9.9	11.2	21.3	...	...
Non-interest expenses to net banking income	70.0	67.3	69.2	68.0	68.7	...	70.0	61.6	69.2	...	...
Personnel expenses to net banking income	31.8	29.2	29.9	30.2	30.6	...	31.8	26.7	29.9	...	...
Liquidity											
Liquid assets to total assets	17.3	18.0	24.9	24.0	21.9	20.1	17.3	18.0	24.9	23.8	25.5
Liquid assets to total deposits	30.4	31.3	46.7	41.4	35.6	33.3	30.4	31.3	46.7	40.8	41.1
Total loans to total deposits	83.6	78.9	91.0	87.8	82.3	84.4	93.3	81.6	92.7	86.7	84.8
Total deposits to total liabilities	56.9	57.3	53.4	58.0	61.4	60.3	42.1	45.5	47.3	47.3	51.8

Source: BCEAO.

Table 6. Guinea-Bissau: Indicators of Capacity to Repay the Fund, 2026–36

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
						Projections					
						(SDR millions, unless otherwise indicated)					
Fund obligations based on existing credit											
Principal	4.26	4.66	3.62	6.11	8.90	8.43	7.48	6.06	3.74	0.95	0.00
Charges and interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund obligations based on existing and prospective credit											
Principal	4.26	4.66	3.62	6.11	8.90	8.78	8.43	7.01	4.68	1.89	0.59
Charges and interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total obligations based on existing and prospective credit											
SDR millions	4.26	4.66	3.62	6.11	8.90	8.78	8.43	7.01	4.68	1.89	0.59
CFAF billions	3.26	3.58	2.79	4.72	6.89	6.81	6.54	5.43	3.63	1.47	0.46
Percent government revenue	1.82	1.76	1.23	1.94	2.62	2.42	2.16	1.68	1.06	0.40	0.12
Percent exports of goods and services	1.64	1.66	1.20	1.88	2.53	2.32	2.04	1.57	0.97	0.37	0.11
Percent debt service	17.29	18.50	13.62	20.86	21.27	21.72	21.00	17.69	12.16	5.13	1.55
Percent GDP	0.20	0.20	0.14	0.23	0.31	0.29	0.26	0.20	0.13	0.05	0.01
Percent quota	15.00	16.40	12.74	21.52	31.35	30.93	29.67	24.67	16.48	6.65	2.07
Outstanding Fund credit											
SDR millions	54.66	50.00	46.39	40.28	31.37	22.59	14.17	7.16	2.48	0.59	0.00
CFAF billions	41.81	38.39	35.76	31.11	24.29	17.53	10.99	5.56	1.92	0.46	0.00
Percent government revenue	23.38	18.88	15.83	12.78	9.25	6.21	3.63	1.72	0.56	0.12	0.00
Percent exports of goods and services	21.02	17.84	15.37	12.36	8.93	5.97	3.44	1.60	0.51	0.11	0.00
Percent debt service	221.79	198.64	174.66	137.51	74.96	55.88	35.30	18.08	6.44	1.60	0.00
Percent GDP	2.52	2.14	1.86	1.50	1.09	0.74	0.44	0.21	0.07	0.02	0.00
Percent quota	192.46	176.07	163.33	141.81	110.47	79.54	49.88	25.21	8.73	2.07	0.00
Net use of Fund credit	0.46	-4.66	-3.62	-6.11	-8.90	-8.78	-8.43	-7.01	-4.68	-1.89	-0.59
Disbursements	4.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayments and repurchases	4.26	4.66	3.62	6.11	8.90	8.78	8.43	7.01	4.68	1.89	0.59
						(CFAF billions, unless otherwise indicated)					
Memorandum items:											
Nominal GDP	1,660.3	1,792.1	1,925.2	2,068.1	2,221.7	2,368.1	2,524.2	2,677.6	2,840.4	3,013.1	3,196.3
Exports of goods and services	198.9	215.1	232.7	251.6	272.1	293.6	319.8	347.2	374.2	400.8	420.2
Government revenue	178.8	203.3	226.0	243.4	262.6	282.1	302.5	322.6	344.0	367.6	392.6
External debt service	18.9	19.3	20.5	22.6	32.4	31.4	31.1	30.7	29.9	28.6	29.5
CFAF/SDR (period average)	764.9	767.7	771.0	772.4	774.1	775.9	775.9	775.9	775.9	775.9	775.9
Quota (SDR millions)	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4	28.4

Source: IMF staff estimates and projections.

Table 7a. Guinea-Bissau: Public Debt Holder Profile, 2025–27[1]

	Debt Stock (end of period)			Debt Service					
	2025			2025	2026	2027	2025	2026	2027
	(In US$ million)	*(Percent of total debt)*	*(Percent of GDP)*	*(In US$ million)*			*(Percent of GDP)*		
Total	2,067.9	100.0	75.3	535.8	684.3	763.8	20.2	22.9	23.7
External	778.8	37.7	28.4	26.0	33.9	34.0	1.0	1.1	1.1
Multilateral creditors[2]	656.6	31.8	23.9	22.6	30.0	27.8	0.9	1.0	0.9
IMF	74.1	3.6	2.7						
World Bank	229.2	11.1	8.3						
AfDB	57.5	2.8	2.1						
BOAD	233.4	11.3	8.5						
Other Multilaterals	62.4	3.0	2.3						
o/w: Islamic Development Bank	28.1	1.4	1.0						
BADEA	8.7	0.4	0.3						
Bilateral Creditors	122.3	5.9	4.5	3.5	3.9	6.2	0.1	0.1	0.2
Paris Club	6.5	0.3	0.2	0.7	1.2	1.4	0.0	0.0	0.0
o/w: Brazil	1.9	0.1	0.1						
Non-Paris Club	115.7	5.6	4.2	2.8	2.7	4.8	0.1	0.1	0.2
o/w: Angola	49.1	2.4	1.8						
Kuwait	28.9	1.4	1.1						
EximBank India	19.3	0.9	0.7						
Saudi Fund	13.1	0.6	0.5						
Libya	3.1	0.2	0.1						
Pakistan	2.2	0.1	0.1						
Domestic	1,289.1	62.3	47.0	509.8	650.4	729.8	19.3	21.8	22.7
Held by residents, total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Held by non-residents, total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Regional T-bills	896.4	43.4	32.7	362.5	495.1	573.7	13.7	16.6	17.8
BCEAO	225.1	10.9	8.2	4.9	5.1	5.3	0.2	0.2	0.2
Loans local commercial banks[3]	145.5	7.0	5.3	141.5	150.2	150.8	5.3	5.0	4.7
Payment Arrears	22.0	1.1	0.8	1.0	-	-	0.0	-	-
Memo items:									
Collateralized debt	0	0.0	0.0						
Contingent liabilities	9.2	0.4	0.3						
Public guarantees	9.2	0.4	0.3						
Nominal GDP	2,648.2			2,648.2	2,983.7	3,216.1			

1/ As reported by the country authorities according to their classification of creditors, including by official and commercial.

2/ "Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

3/ Including public guarantees.

Table 7b. Guinea-Bissau: Key Public Debt Indicators, 2024-31

	2024	2025	2026	2027	2028	2029	2030	2031
	Est.	Prel.	Proj.					
Public debt to GDP ratio	82.4	75.3	73.6	71.8	69.9	68.0	66.4	65.3
o/w External debt	34.7	28.4	26.9	26.0	25.1	24.5	23.6	22.5
o/w Domestic debt	47.7	47.0	46.7	45.8	44.7	43.5	42.7	42.8
Debt service to revenue and grants ratio	129.9	158.6	139.1	133.0	144.1	125.3	102.5	95.8
Real GDP growth	4.8	5.5	5.0	5.0	4.5	4.5	4.2	4.2
GDP deflator (% change)	4.0	10.0	2.8	2.8	2.8	2.8	3.1	2.3
Overall fiscal deficit (% GDP)	-7.3	-6.7	-4.0	-3.5	-3.0	-3.0	-3.0	-3.0

Table 8. Guinea-Bissau: Proposed Schedule of Disbursements under the ECF Arrangement, 2023–26

Approved at the Eighth ECF Review

Available Date	Disbursements		Conditions for Disbursement
	In millions of SDR	In percent of Quota	
January 30, 2023	2.37	8.3	Executive Board approval of the three-year ECF arrangement.
April 17, 2023	2.37	8.3	Observance of the performance criteria for January 31, 2023 and completion of the first review under the arrangement.
July 17, 2023	2.37	8.3	Observance of the performance criteria for March 31, 2023 and completion of the second review under the arrangement.
October 17, 2023	6.16	21.7	Observance of the performance criteria for June 30, 2023 and completion of the third review under the arrangement.
January 17, 2024	6.16	21.7	Observance of the performance criteria for September 30, 2023 and completion of the fourth review under the arrangement.
April 17, 2024	0.01	0.0	Observance of the performance criteria for December 31, 2023 and completion of the fifth review under the arrangement.
August 17, 2024	5.44	19.2	Observance of the performance criteria for April 30, 2024 and completion of the sixth review under the arrangement.
October 17, 2024	5.43	19.2	Observance of the performance criteria for June 30, 2024 and completion of the seventh review under the arrangement.
April 17, 2025	4.73	16.7	Observance of the performance criteria for December 31, 2024 and completion of the eighth review under the arrangement.
October 17, 2025	2.36	8.3	Observance of the performance criteria for June 30, 2025 and completion of the ninth review under the arrangement.
April 17, 2026	2.36	8.3	Observance of the performance criteria for December 31, 2025 and completion of the tenth review under the arrangement.
Total Disbursements	**39.76**	**140.0**	

Source: IMF staff estimates and projections.

Table 8. Guinea-Bissau: Proposed Schedule of Disbursements under the ECF Arrangement, 2023–26
(concluded)
Proposed

Availability Date	Disbursements		Conditions for Disbursement
	In millions of SDR	In percent of Quota	
January 30, 2023	2.37	8.3	Executive Board approval of the three-year ECF arrangement.
April 17, 2023	2.37	8.3	Observance of the performance criteria for January 31, 2023 and completion of the first review under the arrangement.
July 17, 2023	2.37	8.3	Observance of the performance criteria for March 31, 2023 and completion of the second review under the arrangement.
October 17, 2023	6.16	21.7	Observance of the performance criteria for June 30, 2023 and completion of the third review under the arrangement.
January 17, 2024	6.16	21.7	Observance of the performance criteria for September 30, 2023 and completion of the fourth review under the arrangement.
April 17, 2024	0.01	0.0	Observance of the performance criteria for December 31, 2023 and completion of the fifth review under the arrangement.
August 17, 2024	5.44	19.2	Observance of the performance criteria for April 30, 2024 and completion of the sixth review under the arrangement.
October 17, 2024	5.43	19.2	Observance of the performance criteria for June 30, 2024 and completion of the seventh review under the arrangement.
April 17, 2025	4.73	16.7	Observance of the performance criteria for December 31, 2024 and completion of the eighth review under the arrangement.
October 17, 2025	2.36	8.3	Observance of the performance criteria for June 30, 2025 and completion of the ninth review under the arrangement.
February 17, 2026	0.01	0.0	Observance of the performance criteria for December 31, 2025 and completion of the tenth review under the arrangement.
May 17, 2026	1.18	4.2	Observance of the performance criteria for March 31, 2026 and completion of the eleventh review under the arrangement.
October 17, 2026	1.17	4.1	Observance of the performance criteria for August 31, 2026 and completion of the twelfth review under the arrangement.
Total Disbursements	**39.76**	**140.0**	

Source: IMF staff estimates and projections.

Annex I. Financial Inclusion in Guinea-Bissau

1. **Financial inclusion in Guinea-Bissau has continued to deepen, supported by widespread phone ownership and growing mobile money usage, although overall activity remains concentrated in basic transactions.** Preliminary data reports a phone penetration rate of about 75 percent and a financial inclusion rate near 60 percent, with around 3.6 million registered mobile money accounts, often with several accounts held by the same individual. More people now access financial services through mobile money than through bank accounts, and usage is largely transactional, with most users cashing out funds upon receipt or cashing in only to initiate transfers. In Bissau, mobile money is already widely used for bill payments, demonstrating how government and utility-linked channels can pull more users into formal finance. Connectivity is generally adequate, though coverage is weaker in island regions and in the south, which affects the consistency of access.

2. **Mobile money has expanded steadily through the partnership model between operators and banks, and this has supported broad access to transfer-based services while other uses remain limited for now.** Mobile money has grown on the basis of operators providing the technical platform and banks issuing e-money, given the documentation required for an issuance license. This arrangement has facilitated widespread person-to-person transfers and enabled 24-hour bill payments, including for electricity, and has encouraged greater interaction with formal financial services. Operators highlighted competitive agent networks and shared transaction fees. Current usage continues to focus largely on transfers, with other functions such as salary payments or more diversified payments developing at a relatively slow pace.

3. **Interoperability remains low and operationally difficult at this stage, but BCEAO's regional interoperability platform that is being rolled out represents a key structural reform that could significantly improve financial access.** Current mobile money activity is mostly confined within individual operator systems, making cross-operator transactions difficult and reinforcing the dominance of simple transfer-based usage. BCEAO has begun rolling out a regional interoperability platform, although the initial phase is open only to banks. Stakeholders view this reform as an important development that, once extended to mobile money providers, is expected to reduce transfer costs, expand transaction possibilities, and support wider adoption.

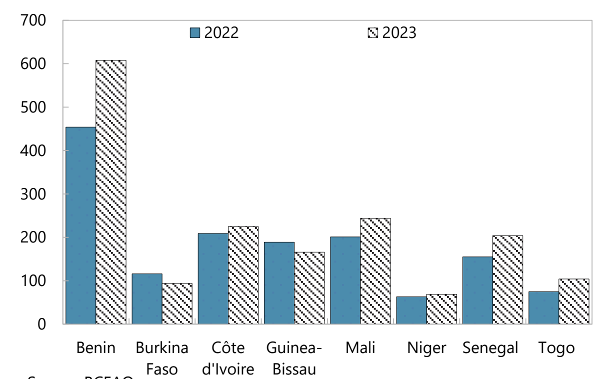
4. **Government initiatives are beginning to broaden financial inclusion by promoting access, usage, and integration of digital payments into public services.** The authorities launched the 2023–27 National Financial Inclusion Strategy, which aims to strengthen both access and usage among households and SMEs. A pilot social-transfer program in Bolama-Bijagós, Gabú and Tombali has opened mobile money accounts for approximately 1,500 low-income families, enabling them to receive transfers and access digital services. The "Kontaktu" platform now allows taxpayers to pay taxes digitally, reinforcing the role of mobile money in public-service delivery. In 2025, about 94 percent of taxes on cashew intermediaries were paid through mobile money, which has helped facilitate the collection of cashew-related revenues, particularly at control posts outside Bissau,

benefiting both the tax authority and taxpayers by simplifying compliance and reducing transaction frictions.

5. **Low digital financial literacy remains a core barrier to deeper inclusion, limiting users' ability to adopt more sophisticated services even where access exists.** In Guinea-Bissau, digital literacy levels are generally low, which constrains effective use of mobile money and shapes the predominance of transfer-only activity. A joint training program with the government and development partners is underway, currently in its first phase, focusing on training trainers who will later support broader outreach. Mobile operators expressed willingness to support such efforts and observed that higher transaction volumes should help reduce effective costs over time, suggesting that literacy gains and cost reductions could reinforce each other.

6. **Regional comparisons indicate that Guinea-Bissau continues to lag most WAEMU peers across key financial inclusion indicators, although the extent of the gap differs by measure.** The demographic penetration rate declined from 189 to 166 between 2022 and 2023 (Text Figure 1), placing Guinea-Bissau below the levels observed in Benin, Côte d'Ivoire or Mali, though still above Niger, Burkina Faso, and Togo. The expanded bankarization rate fell slightly to 15.2 percent and remains among the lowest in the region, broadly comparable only to Niger (Text Figure 2). The synthetic financial inclusion index shows a modest decline, keeping Guinea-Bissau below most peers but still above Niger and Mali, which remains at relatively low levels despite a slight improvement (Text Figure 3). Taken together, these indicators point to persistent structural gaps relative to higher-performing countries, while also showing that Guinea-Bissau maintains similar outcomes to some lower-access peers and has scope for gradual improvement. These shifts, however, also indicate that the country's progress in digital finance has not yet translated into broader gains in access and usage, and that structural gaps in penetration, account ownership, and functional inclusion remain significant compared to regional peers.

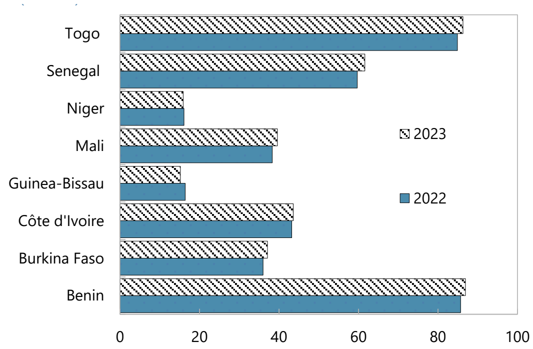
Text Figure 1. Demographic Penetration Rate of Financial Services



Source: BCEAO

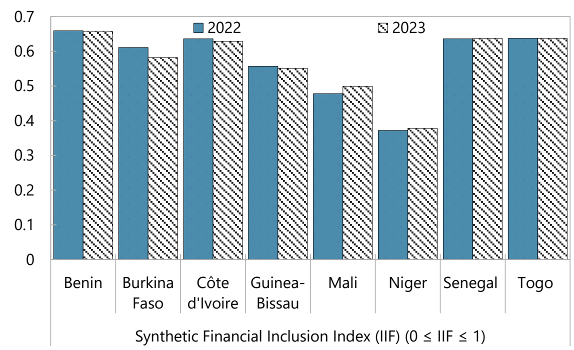
7. **Overall, Guinea-Bissau's financial inclusion landscape reflects gradual but fragile progress, with digital channels delivering the most visible gains and ongoing reforms holding potential to deepen usage.** Sustaining improvements will require extending network coverage to underserved areas, maintaining affordable transaction costs, accelerating interoperability, and strengthening digital financial literacy to help users shift from basic transfers to a broader set of financial services. As reforms mature, these efforts could significantly expand both access and usage, positioning digital finance as a central driver of inclusion.

Text Figure 2. Expanded Bankarization Rate
(Percent)



Source: BCEAO

Text Figure 3. Financial Inclusion Index
(Index)



Source: BCEAO

Appendix I. Letter of Intent

Bissau, March 9, 2026

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Dear Ms. Georgieva,

Despite the recent government change, Guinea-Bissau continues to maintain fiscal discipline and social stability. After the elections in November 2025, the military took control of the government. The transitional government has restored normality and is building towards the next elections scheduled for December 6, 2026. The social situation has been calm and public order is maintained. Economic stability is sustained despite some challenges in financing. With the government's tireless efforts, we have contained spending consistently with the approved 2026 budget and have avoided accumulation of arrears.

Our program performance since the completion of the eighth review has faced challenges from a complex domestic environment. Until August 2025, there was a significant overrun of spending, including through non-recorded expenditure. In response, for the last three months of 2025, we significantly tightened expenditure controls and stopped all spending under "other common expenditure", despite spending pressures during the elections. In addition, the Directorate-General of Customs (DGA) performed well against the target and its revenue increased strongly as result of the measures implemented under the program. However, the Directorate-General of Duties and Taxes (DGCI) underperformed, and its revenue did not increase from 2024, setting aside cashew revenue. As a result, we missed five out of ten Quantitative Performance Criteria (QPC) for December 2025.

Despite these setbacks, I would like to assure you that the government is strongly committed to the ECF supported program. While it took longer than expected, we implemented several corrective measures agreed at the ninth ECF review mission in October and have been implementing additional measures as prior actions of the combined ninth and tenth reviews. Our fiscal discipline has been very strong in recent months, as demonstrated in our compliance with tight spending limits, including a zero ceiling on "other common expenditure" for almost a half year.

The ECF-supported program has since its approval in January 2023 provided a strong anchor for Guinea Bissau's economic reforms and has been a catalyst for highly concessional funding, unlocking financing from other IFIs and bilateral donors. For this reason, we request extension of the program for five months until December 29, 2026. We also request two additional quarterly reviews until the program ends, to intensify our engagement and facilitate the implementation of economic reforms. We further request rephasing of access to spread over the two new requested reviews the disbursement remaining after the combined ninth and tenth reviews and bringing forward the availability date of the tenth review to February 17, 2026.

We hereby request the completion of the combined ninth and tenth reviews under the ECF arrangement, the financing assurances review, and the disbursement of SDR 2.37 million. We also request waivers for the missed QPCs for June and December 2025.

The government believes that the policies outlined in the attached Memorandum of Economic and Financial Policies (MEFP) are adequate to achieve the program objectives. We stand ready to take additional measures as necessary. The government will consult with the IMF before making any revision to the policies contained in the MEFP. We will provide timely information for monitoring economic development and policy implementation, as agreed under the attached Technical Memorandum of Understanding, or upon the IMF's request. We agree to the publication of this letter and its attachments, as well as the related staff report, on the IMF's website.

We are grateful to the IMF for ongoing support for Guinea-Bissau and look forward to continuing our close engagement under the ECF arrangement.

Yours sincerely,

/s/
Ilídio VIEIRA TÉ

Prime Minister and Minister of Finance
Guinea-Bissau

Attached: - Memorandum of Economic and Financial Policies.
- Technical Memorandum of Understanding.

Attachment I. Memorandum of Economic and Financial Policies

Recent Development and Program Performance

A. Introduction

1. Policies and reforms under the Extended Credit Facility (ECF) supported program have been promoting inclusive growth and poverty reduction. Our strategies and policies for growth and poverty reduction are described in the National Development Plan (PND). The existing PND was approved in 2020 and has been extended until the finalization of the new PND. After extensive diagnostic exercises and stakeholder consultations, the preparation of the next PND is at the final stage. Policies and reforms under the ECF-supported program are consistent with the objectives of the existing and new PND. Engagement through the ECF-supported program has been essential to build a reform momentum and catalyze highly concessional financing for meeting our development needs and fostering macroeconomic stability and sustainable growth.

B. Economic Development and Outlook

2. Growth for 2025 was higher than 2024. Growth for 2025 is estimated to be 5.5 percent. The export volume of cashew nuts increased significantly from 167,500 tonnes in 2024 to 211,400 tonnes in 2025. The logistical process brought to Bissau around 250,000 tonnes of cashew nuts, indicating strong growth of agricultural production. The producer prices were around CFAF 500/kg, comparable to the historically high level in 2024. The export price was around USD 1,230/tonnes, about 27 percent higher than in 2024. Together with a decline of import prices, this favorable evolution in the terms of trade have improved the current account balance. At the same time, the average CPI inflation decreased to 0.9 percent. There was also strong private sector investment, especially in the energy, transportation, and telecommunication sectors.

3. The economic outlook is positive for 2026. We project that real GDP growth in 2026 would be around 5-6 percent. The export volume and prices of cashew nuts are projected to be at a level similar to 2025, while agricultural production is supported by good weather conditions so far. The positive outlook arises also from improvements to infrastructure, including the new airport terminal, which will open on March 15, 2026, and the Safim-Mpak road, civil works for which have been making good progress. In the medium term, growth is projected to be around 4-5 percent, while inflation is expected to be around 2 percent.

4. This outlook is subject to significant downside risks. The main risks arise from negative terms-of-trade shocks, adverse weather conditions, and tight regional financial conditions. Materialization of contingent liabilities in state-owned enterprises and the banking system would also increase fiscal costs.

C. Program Performance

5. We met five out of ten Quantitative Performance Criteria (QPC) for December 2025 (Table 1). The QPC on tax revenue was missed due mainly to underperformance of the Directorate-General of Duties and Taxes (DGCI), although revenue of the Directorate-General of Customs (DGA) and from cashew nuts performed well against the targets. The QPCs on non-regularized expenditure (DNT) and "other common expenditure" were missed due to CFAF 11.8 billion of unrecorded expenditure until August, which was composed mainly of security related spending and other expenditure of the presidency. The QPC on the wage bill was missed by a small margin due to higher-than-expected salaries of seasonal education workers. A drop of collection of revenue and an increase in spending caused a deviation from the QPC on the domestic primary balance. We met the two Indicative Targets (ITs) for December 2025.

6. Out of 15 structural benchmarks (SB) between June and December 2025, we met five and completed seven with delay. We have been implementing the remaining three SBs, which were transformed into prior actions (see below).

7. We missed all three continuous SB. The continuous SB on the Technical Committee of Arbitration of Budget Expenditure (COTADO) was missed due mainly to unrecorded expenditure. The continuous SB on debt service payments and sovereign guarantees was missed due mainly to around CFAF 0.5 billion of guarantees issued to an individual and the Bissau Municipality (CMB) despite the limits under the Budget Law (see below). While we made significant progress in strengthening controls of disbursements of project loans, the continuous SB was missed because some creditors are yet to participate in the new approval process (see below).

Economic and Financial Policies

D. Fiscal Policy and Reforms

Fiscal Outturns and Projections

8. The deficit for 2025 was higher than targeted under the program mainly because of lower revenue and higher interest. The overall deficit in 2025 is estimated to be 6.7 percent of GDP, higher by 3.3 percent of GDP from the eighth review. Tax and nontax revenue was lower by 2.0 percent of GDP from the eighth review (excluding EU fishing compensation for the sectoral support) primarily due to underperformance of the DGCI, which experienced disappointing collection of Industrial Contributions and other taxes from large taxpayers. Nontax revenue was also affected by delays in the single telecom license fees and sales of a confiscated airplane. Despite unrecorded expenditure and other overrun until August, primary spending was kept close to the eighth review projection, thanks to expenditure controls during the fourth quarter, including zero "other common expenditure." However, a shortfall of budget support and an increase in interest expense added pressure on the deficit.

9. For 2026, we have been implementing corrective measures that will recover a large part of the last year's slippages. The 2026 budget accelerates fiscal consolidation and aims to reduce the overall deficit to 4.0 percent of GDP. Because of lower budget support and higher interest expenses, achieving this target requires significant efforts in revenue mobilization and expenditure restraint. We are implementing several measures, which are expected to yield 1.2 percent of GDP of additional revenue and 0.5 percent of GDP of saving in 2026 (MEFP Text Table 1).

MEFP Text Table 1. Revenue and Expenditure Measures for 2026
(CFAF billion)

Measures	Impact	Measures	Impact
Revenue measures		(Continued from the left)	
Completed actions		Update of tax reference prices of non-food items	1.2
Collection of second part of VAT of fuels	1.6	Controls of products for informal markets	0.2
Revocation of tax exemptions for gas, IPT, raw materials	2.2	Installment of a scale at São Domingos	0.5
Update of tax reference prices of tires, refrigerators, foams, clinck	0.9	Implementation of Sydonia World	0.5
Increases in cashew taxes	1.2	**Future actions**	
Prior actions		Broadening of taxpayer base through taxpayers census	0.5
Collection of VAT on port fees of APGB at the port	1.2	Collection of arrears of Santy Group	0.4
Collection of ongoing tax payments of Telecel	1.8	**Expenditure measures**	
Collection of arrears from a commercial bank	0.7	**Ongoing measures**	
Purchase of receipt books	0.3	Prohibition of mixing goods and service with tax collection incentiv	2.7
Issuance of license plates at borders	0.3	Reduction of fishing expenditure	0.8
Collection of single telecom license fees	3.5	**Prior actions**	
Audits of large importers that do not pay to DGCI	1.0	Operationalization of cofre geral of education and health	0.6
Collection of arrears of fish-powder ships	0.4	Fuels spending based on actual consumption	0.5
Enforcements of missing declarations of Santy Group	0.2	Fixing a calendar of football games with limits to transfer	0.5
Eliminate exemptions of ASECNA from PIT consistent with Treaty	0.2	**Future actions**	
Audits of nontax fee collection by other ministries	0.4	Census of workers of Ministries of Interior and Defense	1.4
(Continued on the right)		Pay-by-hours-worked for seasonal workers	1.0

Prior Actions for completion of the ninth and tenth reviews

10. The following are prior actions for revenue measures.

DGCI

- **To obtain the invoice data of the Port Authority of Guinea-Bissau (APGB) for 2025 that are not captured by the DGCI.** Currently, the VAT on port fees of the APGB is collected at the port but through a passive process. The DGCI verifies only the payments of importers who come to the window of the DGCI's representatives at the APGB building, but it does not have information on invoices of importers who do not come to the window. Around 90 percent of importers do not come to the window and are unlikely to pay VAT on port fees. To prevent revenue losses, we will obtain the data on APGB's invoices for 2025 that are not captured by the DGCI. After verifying these data of missing invoices, we will send tax bills to importers who did not pay VAT on port fees. We will also make sure that the DGCI's representatives have access to data of all APGB's invoices on an ongoing basis through an interface between APGB's invoicing system and Kontaktu.

- **To collect one month of VAT, IET, and PIT of Telecel.** Given their cash constraint, we granted a moratorium to Telecel for unpaid taxes between January-July 2025 for one year on condition that they stay current with tax payments starting from August 2025. Telecel paid VAT, IET (telecommunication taxes), and PIT for August and September 2025, but stopped payments since October, accumulating additional tax arrears.

- **To collect CFAF 829 million of tax arrears.** The recently concluded tax audits identified CFAF 829 million of arrears from a commercial bank (including penalties) of various taxes dating back to 2022. These arrears should be paid at one time without installments.

- **To replenish receipt books for nontax fees.** The DGCI is responsible for controlling collection of fees by autonomous funds and other ministries. These nontax fees shared with the Treasury dropped by 33 percent in 2025. One of the causes has been the lack of receipt books, which are essential tools for the DGCI's controls but have been depleted for several months. We will replenish the receipt books, which are printed in Portugal.

- **To undertake tax audits of at least 5 largest importers that do not pay VAT to the DGCI at all.** We will undertake tax audits of those who imported CFAF 0.5 to 1.5 billion of goods that are not rice, wheat, or fuels but did not pay the second part of VAT to the DGCI at all in 2025. Because these importers are likely to be transportation agents, audits should identify true importers behind these taxpayers as well as their warehouses. In addition, to audit importers who are individuals with little information, their NIF (taxpayer identification number) have been blocked.

- **To start collecting tax arrears of exporters of fish powder and fish oil (transformed from the missed SB for December 2025).** Exporters of fish powder and fish oil should pay CFAF 75/kg of CPR (local production taxes) to the DGCI. Based on the customs data, two exporters owe CFAF 419 million of CPR arrears in 2025. As a prior action, we will collect some part of these arrears.

- **To require filing of missing tax returns of Santy Group and notify penalties for non-declarations.** The five companies under Santy Group failed to declare Industrial Contributions since 2023. Some also filed blank returns for IVA.

- **To withdraw the PIT exemptions granted under domestic law to ASECNA staff in accordance with the international agreements to which Guinea-Bissau is a party..**

- **To undertake tax audits of 4 ministries that experienced a significant drop of nontax revenue collection in 2025.** We will audit the following ministries, nontax revenue from which decreased by 40 to 70 percent from 2024: the Ministry of Natural Resources, the Ministry of Agriculture, the Ministry for Fisheries, and the Ministry of Interior. The audits should identify the types of fees that these ministries are collecting and the causes of decreases and recover any revenue that was not registered and/or not shared with the Treasury.

- **To undertake physical inventory-taking of 2025 cashew nuts and update the inventory**

data in Kontaktu. DGCI has not undertaken such physical inventory-taking yet. It is rather relying on data of Kontaktu which indicates that the exporters would still have 22.000 ton of stock. However, there is very little quantity of inventories in exporters' warehouses at this moment. Because exporters will get tax credits for inventories that were lost without being exported, 22.000 ton of inventories that appear in Kontaktu but do not exist in warehouses would generate around CFAF 2.2 billion of tax credits and reduce paid revenue during the 2026 campaign. We will urgently undertake physical inventory-taking of the last year's cashew nuts, which should be led by the Ministry of Commerce and participated by the DGCI representative who did not take part in the 2025 campaign. We will then cancel inventories data of Kontaktu that do not exist in warehouses.

DGA

- **To update tax reference prices of 10 non-food products.** To prevent under-declarations of invoice values, we will update tax reference prices of the following products based on studies of market prices: paints, batteries, generators, televisions, air conditioners, doors, mattresses, plastic pipes, palm oil, and soap.

- **To strengthen controls of used clothes and other goods in informal markets.** In recent years, there were several entries of new importers of used clothes, which are common items in informal markets. These entries resulted in doubling import volumes of used clothes while halving their import prices. There are similar tendencies in other goods common in informal markets. These imply a possibility of under or misdeclarations. To strengthen controls, we will update tax reference prices of used clothes and other goods common in informal markets, while investigating Bills of Landing (BL) and invoices of large importers of these goods.

- **To conclude a contract for acquisition of a scale to be installed at the São Domingos border post (transformed from the missed SB for December 2025).** Despite receiving payments, the contractor failed to complete the paving works of the Safim Entry Post, which was a commitment in a SB. As an alternative option to invest in infrastructure for customs controls at land borders, we will acquire a scale to weigh trucks and install it at the border post of São Domingos.

- **To pilot the value module of the Sydonia World.** In January 2025, we operationalized Sydonia World. This new system includes several new functionalities for strengthening custom controls. These include the value module, which alerts an invoice that has risks of under-declarations and updates the tax reference prices through AI.

Ministry of Transport

- **To operationalize the outpost of Gabú to issue license plates of imported cars.** Currently, cars imported through land borders obtain license plates in Bissau. As a result, many cars are running without license plates, making it difficult to identify smuggled cars. The project Quipux has been making progress in creating outposts where imported cars are registered and given license plates before leaving the border. Such outposts will be first opened in Gabú and shortly afterwards in São Domingos, through which two thirds of imported cars enter the country.

- **To collect the first installment payment of single license fees from Orange.** As per the prior action of the eighth review, the single license fees were set at CFAF 4.0 billion comprising the significant source of nontax revenue under the 2026 budget. Negotiations of all other licensing conditions have been completed. Orange will pay the fees in installment. The amount of the first payment is under negotiations and expected to be around CFAF 1.0 billion.

11. The following are prior actions for expenditure measures.

DGO

- **To execute domestic spending for January and February 2026 within the spending limits in MEFP Text Table 2.** The spending limits have the objective to keep expenditure within revenue for the first four months of 2026 when revenue is low, but debt service is high. We also request to revise the continuous SB on the COTADO to reflect this spending limit.

MEFP Text Table 2. Spending Limits for January and February 2026 (CFAF billion)

	Limits
Goods and service and transfer	8.3
Incentive and restitution excluding salaries and "percentage"	0
Other common expenditure	0
Domestic PIP	0

- **To centralize revenue of schools of Bissau Autonomous Sector (SAB) in accounts co-signed by the Treasury.** Currently, all income from tuition and other revenue of the education sector are spent by schools without any control from the Ministry of Education. In absence of revenue sharing, in 2025, the Ministry of Education was unable to cover salaries of some casual workers and other operating costs, which were paid by the Treasury and increased the deficit. The situation is similar in the health sector. In January 2025, the joint ministerial order was signed to establish the *cofre geral* of education and health in which all revenue of schools and hospitals is deposited and through which all spending is made in accordance with the budget, as with the case of the existing *cofre geral* of justice. As the first step, schools in SAB will deposit all their tuition and other revenues in accounts co-signed by the Treasury. We will further develop a platform for mobile money transfers for schools in regions where there is no bank nearby. We will operationalize the *cofre geral* by issuing the regulations on their management by end-June 2026.

- **To undertake (i) reconciliations of actual consumption and payments of fuels by the Ministries of Defense and Interior with Petromar; and (ii) investigations of loss and irregular use of vehicles of the Ministry of Finance (transformed from the missed SB for September 2025).** In the case of the Ministry of Defense, the largest user of fuel, Petromar (the gas station company) receives CFAF 90 million per month of fixed payments. The audit report in 2017 suggests that actual consumption is likely to be lower than CFAF 90 million and the gas station company be overpaid. A similar issue is likely to exist in the Ministry of Interior, the second largest user. As the first step to reduce fuel spending, we will reconcile uses of fuel vouchers and tank replenishments by these ministries with the amounts of fixed payments for recent months. For the MoF, the third largest user, the National Secretary of State Property (SNPE) will identify the quantity of fuels lost or used outside works by 50 vehicles through the system for monitoring of government vehicles (see below).

- **To fix a calendar of football games with limits to transfers from the Treasury based on co-financing from partners.** In 2025, the national football team and other sport teams received CFAF 1.4 billion of transfers, which created significant overrun. To reduce spending, transfers will be provided only to football games specified in the calendar and limited to the costs after deducting co-financing from FIFA and other partners. If the national football team requests transfers for additional games or costs increases outside the calendar, the government will decline such requests and require the team to seek financing from partners.

12. The following are prior actions for Treasury management.

DGTCP

- **To undertake bank reconciliation of all active Treasury accounts for January and February 2026.** We completed bank reconciliation for 2025, which has proven effective in identifying unrecorded expenditures and minimizing discrepancies between above and below-the-line reporting. We will also continue bank reconciliation throughout 2026 (**new continuous SB**).

- **To establish the strategies for Treasury management in the first quarter of 2026.** A large amount of debt service is concentrated in the first quarter. The strategies will focus on an issuance plan of Treasury securities to develop liquidity ahead of debt service due.

- **To close bank accounts, closure of which was instructed in 2024 and 2025 but has not been implemented by banks yet.** The Treasury is concluding the updated census of bank accounts, which found that there were around 179 accounts, closure of which was instructed by the Minister of Finance in 2024 and 2025 but has not been implemented by banks. Although the Treasury paid negative balances of these accounts to prepare for the closure, they keep incurring fees and commissions, which may create another negative balances. As the first step to streamline the bank accounts, we will ensure that banks will comply with the instructions and close these accounts as soon as possible.

Future Actions

13. We will begin implementation of the following measures, which should be completed in future reviews.

DGCI

- **To undertake a census of taxpayers in Bissau.** The census will investigate all venders in Bandim and other markets and register those who are informal and do not have Taxpayer Identification Number (NIF). The census will also investigate owners and contents of all warehouses around Bissau, which are the key to capture flows of goods that remain informal. The census will further update the status of existing taxpayers and upgrade them from the tax office level to the headquarters level. The census is expected to have significant revenue impact through broadening the taxpayer base and reducing informality.

- **To collect tax arrears of Santy Group.** The group currently owes CFAF 460 million in tax arrears. The amount is likely to increase after receiving the missing declarations required under the above prior action.

DGO

- **To undertake a census of workers of the Ministries of Interior and Defense.** Especially, the Ministry of Interior has not undertaken such a census for years and is likely to have many employees who are not working and should not be paid. The census will be led by the Human Resource Directorates of these ministries with participation by the Ministry of Finance.

- **To pay salaries of seasonal education and health workers based on actual hours worked.** Currently, many seasonal education workers teach only a few hours a week, but receive the salary for the entire month. The situation is similar in the health sector. To strengthen the control of the wage bill, at the beginning of the next school year in October 2026, salaries of seasonal workers will be paid based on actual hours worked.

DGTCP

- **To require commercial banks to disaggregate debt service payments that appear in bank statements for 2025 to amortization, interest, fees, and taxes.** Currently, debt services for commercial bank loans are paid by direct debit and recorded on an ex-post basis by verifying bank statements. However, bank statements typically clump up debt service payments in one line without separating amounts of amortization, interest, fees, and taxes. Based on disaggregated data to be submitted by commercial banks, we will reconcile and update the PNT for 2025.

Ministry of Transport

- **To undertake an independent third-party audit of Telecel.** The underlying causes of Telecel's financial problems are yet to be investigated. They could be due to capital withdrawals or anti-competitive practices. To establish the strategies for tax collection as well as regulatory actions, the National Regulatory Authority (ARN) will contract an independent third-party auditor to audit both financial and technical aspects of Telecel. This audit is expected to be completed in mid-2026 and financed by the World Bank project (WARDIP).

Fiscal Structural Reform

14. We will continue to strengthen the control over the disbursements of project loans. In 2025, we established a new process where all requests for project loan disbursements should be sent to the Director-General of Debt (DG Debt) for validation. The DG Debt does not validate a disbursement request if it exceeds the budget allocation or is not accompanied by invoices and delivery notes. This validation by the DG of Debt has been implemented with the Islamic Development Bank (IsDB) and the World Bank as well as with the International Fund for Agricultural Development (IFAD) through the Treasury. While this process took critical roles in controlling disbursements, there were CFAF 3.2 billion of overrun in 2025 because BOAD and AfDB are yet to participate in the process. There were also disbursements of an IFAD project in excess of the budget limits because the project already made spending commitments and would accumulate arrears without disbursements. We request to revise the continuous SB to reflect this situation, while continuing to request BOAD and AfDB to participate in the process. In addition, we will pilot a new process where an externally financed project should request spending commitment authorization from the DGO and register it in the SIGFIP system.

Debt Management

15. We continue to improve debt management procedures by maintaining compliance with the continuous SB. We will continue to send to the Central Bank a single batch of payment instructions for all external debt services, ten days before the beginning of each month, which has been the key measure to prevent recurrence of technical debt service arrears. We will also continue to submit to the Treasury Committee a monthly Net Treasury Position (PNT) report that includes breakdowns to each loan contract and bank account and calculates discrepancies of the fiscal balance between above-and below-the-line flows. To strengthen the control of government guarantees, we will operationalize the new decree that was approved in January 2026 and sets a high bar for new guarantees, while recovering from debtors the guarantees executed in 2025.

16. The government will reduce debt vulnerabilities through sustained fiscal consolidation and prudent borrowing. In 2025, total public debt of Guinea-Bissau was 75.3 percent of GDP and external debt 28.4 percent of GDP. The share of credits from the IMF, World Bank, and African Development Bank in total external public debt is estimated at 46.1 percent in 2025. While the share of all multilateral creditors in total external public debt is relatively high (84.2 percent in 2025), the World Bank increased its share, with reduction of non-concessional borrowing from the BOAD. Through our commitments to the fiscal consolidation path, the zero ceiling on new non-concessional borrowing, and the ceiling on new concessional borrowing, total public debt and external debt will decline steadily to 69.9 percent and 25.1 percent of GDP, respectively, by 2028. We will address ongoing issues as follows:

- **The government is committed to clearing outstanding domestic arrears.** The government plans to clear the stock of domestic legacy arrears (CFAF 12.2 billion) in the medium-term.

- **The government remains committed to solving all legacy external arrears.** The outstanding legacy external arrears (US$4.1 million) include those to Brazil and Pakistan. The settlement of arrears with Brazil (US$1.9 million) is pending final approval from the Brazilian parliament. Since November 2021, we have sent to Pakistan several requests to resolve our arrears (US$2.2 million) to them.

- **The government will contract external debt only on highly concessional terms within the ceiling.** To ensure that the risk of debt stress remains manageable, the government is committed not to contract non-concessional external loans. We will also adhere to the ceiling on new concessional borrowing. The government will consult with the IMF on evaluation of the financial terms of new proposed loans.

- **The government will improve debt transparency.** We will expand the coverage of the published annual debt bulletin to cover debt from the two largest SOEs that pose the largest fiscal risks (EAGB and APGB) and publish quarterly debt bulletins that include central government debt and guarantees.

Energy Sector Reforms

17. We will continue to push for revenue mobilization of EAGB. After cancellation of the Karpower contract in December 2024, EAGB resolved its operating losses. With CFAF 2.0 billion of on-lending from the Treasury, EAGB repaid arrears owed to the new supplier (EDG). However, its financial situation remains precarious and mobilization of revenue is critical. Since January 2025, EAGB installed 26,902 pre-paid meters, much higher than the target in the relevant SB. Out of these, 14,223 meters were installed at new clients outside Bissau, to whom EAGB will begin to sell electricity shortly. In addition, construction is underway to connect the Bissau Soap factory, which will be EAGB's first industrial client, and negotiations are ongoing with CIMAF, which would bring significant revenue to EAGB. With these new clients, revenue is likely to continue increasing in 2026. We also undertook the debt recovery campaigns to collect tariff arrears of post-paid clients through door-to-door visits and continue negotiations with Santy Group, who pays only 50 percent of invoiced amount and has accumulated significant arrears.

18. We will continue to develop infrastructure and secure backup of power-supply. The priority project includes the 15MW project, which constructs the backup powerplant with 15MW of capacity. The loan to finance the costs increase was signed in August 2025 and the work is expected to resume shortly. The World Bank solar project is also preparing construction of the remaining section of the ring transmission line, which is needed to achieve redundancy in critical infrastructure. We will continue to look for options of back-up power supply contracts with SENELEC or at the regional electricity market, although expensive costs of bank guarantees create the bottleneck.

E. Governance Reforms

19. We will continue to strengthen public procurement transparency and external audits. The Directorate-General of Public Tenders (DGCP) has been publishing beneficial ownership information of all public contracts on its website. For COVID-19 spending, the report of the independent third-party audit of the High Commissioner for COVID-19 (AC) was published on the MoF's website in December 2022, and the audit reports by the Audit Court of the AC and broader COVID-spending were published on the website in November 2023 and October 2025, respectively.

20. We will enhance the AML/CFT effectiveness. In the 2022 Mutual Evaluation Report (MER), the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) gave Guinea-Bissau low effectiveness ratings in all eleven criteria. To coordinate implementation of recommendations of MER and the 2020 National Risk Assessment (NRA), we have established the Inter-ministerial Committee. In the medium-term, we will: (i) update the NRA based on MER recommendations; (ii) publish the national AML/CFT policy and finalize the action plan to address findings of MER and NAR; and (iii) prepare the legal framework for designating CENTIF as the AML/CFT supervisor for designated non-financial businesses and professions (DNFBPs).

21. The government will strengthen the anti-corruption framework. The priority reforms include the following:

- **Disclosure of beneficial ownership information in the company's register:** As required by the SB, the Center of Formalization of Enterprises (CFE) has identified beneficial ownership information of legal entities that are included in the electronic register ("platform") and has individual shareholders. To continue to improve transparency, in 2026, the CFE will develop the expanded electronic register with better data fields for shareholding and beneficial ownership information and digitize all companies' information dating back to the CFE's establishment, many of which is kept in a paper-form.

- **Medium-term reforms** include (i) strengthening of the legal framework for the judicial sector, asset recovery and cooperation in economic crime investigations, (ii) development of the new asset declaration regime law, which was submitted to Parliament in October 2023 but not approved when Parliament was dissolved in December 2023, and (iii) revival of the inspectorate of non-governmental organizations, some of which were reportedly disguised to obtain tax exemptions, and registration of financial accounts at the DGCI, which is required by law but complied with by few legal entities.

22. We will continue improving the rule of law. The government has established the Center for Access to Justice (CAJ), which has programs for supporting public access to the judicial system. The government is planning to construct or buy buildings for the CAJ in Bubaque and Catio, the two remaining provinces that do not have the CAJ. We will also continue to provide financial resources to meet operational costs without delay. To improve access to CAJ, we will develop a mobile app that includes basic information on legal awareness and functionality to request services from CAJ. The justice sector in Guinea-Bissau is in dire financial conditions. Several regional courts have closed because of lack of rent payments or magistrates. To develop minimum infrastructure, we will construct three Houses of Justice which accommodate regional courts, Identity Services, and all other justice-related services.

23. We will accelerate reforms of the State property management. To strengthen controls of government vehicles, which are vulnerable to abuse, ahead of the deadline of the SB, we have operationalized the system for monitoring of government vehicles, which keeps track of movement of vehicles by GPS devices and allows the SNPE to block remotely those abused for private use. By using the system, we will monitor 50 vehicles of the MOF, at which GPS devices were installed, and identify the quantity of fuels that are lost or wasted for private use, with a view to reducing fuel spending (see above). We will continue to make investments to support activities of the SNPE, including development of a parking lot for confiscated vehicles and an accounting system for government property. To meet the WAEMU Directive's requirements for accounting of non-financial assets, the Ministry of Finance will station one of its accountants at other ministry to work as an accountant of the SNPE and record new acquisitions. We have fully recovered all ministers' houses that were illegally occupied by former ministers and their family for decades after their appointment ended. The old houses have been demolished for redevelopment. To solve the problem of *casas/viaturas avaliadas sem pagamentos*, which are government houses/cars sold to public servants and others who however did not pay the value, we have been recovering payments by withholding their salaries and pensions. To accelerate reforms further, we will update the legal framework for State property management, which is currently based on the outdated 1960 regulation made in the colonial time.

F. Financial Sector Reforms

24. The disengagement from the undercapitalized bank has been completed. After the approval by the regional banking commission in February 2025, the contract to transfer the government shares was signed in October 2025. The investor injected CFAF 7.0 billion of capital in November and is expected to pay additional CFAF 3.0 billion in the first quarter of 2026. With this, the bank is expected to bring the regulatory capital adequacy ratio back to positive and restore compliance with the regulatory requirement by end-2026 in line with the approved recapitalization plan. To help strengthening the bank's capital base, the government agreed to guarantee up to CFAF 3.0 billion for non-provisioned NPLs that existed at the time of the transfer, while giving up on revenue from the transfer of the government shares (CFAF 800 million).

G. Statistics Reforms

25. We will continue statistical reforms. The government has been supporting the National Institute of Statistics (INE) and financed its hiring to fill the vacancies and meet the increased establishment number under the new decree on the organizational structure and human and technological resources of the INE. Despite our support, the INE is yet to publish the national accounts for 2019 and onward. We implemented the Enhanced General Data Dissemination System (e-GDDS) by launching the National Summary Data Page in June 2024.

H. Program Monitoring

26. The program will be monitored through QPCs and ITs (Table 1) and structural benchmarks (Table 2). Assessment will use periodical and continuous performance criteria (PC) throughout the program period as presented in Table 1. Assessment will take place on a quarterly basis with the eleventh review based on March 31, 2026 PCs and the twelfth review based on August 31, 2026 PCs. The TMU defines the scope and frequency of data to be reported for program monitoring purposes and presents the detailed definitions that form a basis for the performance assessments. The government will:

- Adhere to the QPCs on the floors on domestic tax revenues, the domestic primary balance and social and priority spending; the ceilings on wages and salaries and new concessional external debt contracted or guaranteed by the central government; and the zero ceilings on new non-concessional external debt contracted or guaranteed by the central government, new external payments arrears, new domestic payments arrears, and non-regularized expenditures.
- Prepare an external borrowing plan to facilitate assessment of the QPCs on external debt.
- Refrain entering or guaranteeing new external borrowing contracts at non-concessional rates.
- Agree not to: (1) impose or intensify restrictions on payments and transfers for current international transactions; (2) introduce or modify multiple currency practices; (3) enter into bilateral payment agreements that are inconsistent with Article VIII of the IMF Articles of Agreement; and (4) impose or intensify import restrictions for balance of payments purposes (standard continuous PC); and
- Adopt any new financial or structural measures that may be necessary for the success of its policies, in consultation with the IMF.

Table 1. Guinea-Bissau: Quantitative Performance Criteria (QPC) and Indicative Targets (IT) under the ECF, 2025-26

(Cumulative from beginning of a calendar year to end of month indicated, CFAF billion, unless otherwise indicated)

	2025												2026		
	End-Mar IT			End-Jun QPC			End-Sep IT			End-Dec QPC			End-Mar QPC	End-Jun IT	End-Aug QPC
	Target	Prel.	Status	Target	Prel.	Status	Target	Prel.	Status	Target	Prel.	Status	Proposed	Proposed	Proposed
Quantitative Performance Criteria															
Total domestic tax revenue (floor)	20.4	24.2	Met	52.4	61.3	Met	91.7	96.2	Met	131.0	123.1	Not met	21.0	53.0	85.0
Wages and salaries (ceiling)	15.9	16.0	Not met	31.7	32.0	Not met	47.2	47.7	Not met	62.0	63.8	Not met	16.5	33.0	44.0
Ceiling on new non-concessional external debt contracted or guaranteed by the central government (US$ millions)[1]	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	0.0
Ceiling on new concessional external debt contracted or guaranteed by the central government (US$ millions)[1,2,6]	5.0	0.0	Met	12.5	0.0	Met	12.5	12.4	Met	12.5	12.4	Met	0.0	0.0	0.0
New external payment arrears (US$ millions, ceiling)[1]	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	0.0
New domestic arrears (ceiling)	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	Met	0.0	0.0	0.0
Social and priority spending (floor)[3,7]	12.5	10.1	Not met	15.4	19.6	Met	23.0	29.2	Met	30.6	39.0	Met	7.4	15.4	20.5
Domestic primary balance (commitment basis, floor)[4,5]	-18.9	-27.5	Not met	-39.3	-29.1	Met	-19.3	-44.1	Not met	-0.8	-40.3	Not met	-5.0	-5.0	-5.0
Other common expenditure (ceiling)	…	…	…	9.1	12.1	Not met	10.0	21.0	Not met	10.9	21.1	Not met	0.0	2.0	4.0
DNT and DSAP (ceiling)[7]	0.0	0.0	Met	0.0	5.2	Not met	0.0	6.6	Not met	0.0	6.6	Not met	0.0	0.0	0.0
Indicative Targets															
Ceiling on disbursements of external project loans	11.0	3.4	Met	17.6	8.8	Met	20.0	10.1	Met	22.3	15.2	Met	11.0	18.0	20.0
Spending for targeted projects and activities (CFAF millions, floor)	47	88	Met	500	1077	Met	600	1135	Met	1000	1158	Met	90	180	240

[1] These apply on a continuous basis.
[2] Adjusted upward by the amount of budget support loans not included in the baseline.
[3] Defined as spending by the Ministries of Health, Education and the Ministry of Women, Family and Social Assistance.
[4] Excludes grants, foreign and BOAD financed capital spending, and interest.
[5] Adjusted downward by the amount of budget support that is not included in the baseline.
[6] Excludes IMF disbursements.
[7] The revised definition applies to the targets for June 2025 and onward.

Table 2. Guinea-Bissau: Prior Actions and Structural Benchmarks				
Measures	Rationale	Status	Date	Comments
Prior Actions for Completion of Combined Ninth and Tenth Reviews				
Implement revenue measures prescribed in ¶10 of MEFP	Revenue mobilization		Prior Action	
Implement spending measures prescribed in ¶11 of MEFP	Expenditure controls		Prior Action	
Implement measures for treasury management prescribed in ¶12 of MEFP	Cash management		Prior Action	

Table 2. Guinea-Bissau: Prior Actions and Structural Benchmarks
(Continued)

Measures	Rationale	Status	Date	Comments
Structural Benchmarks for June 2025				
Operationalize the integrated system for monitoring of cashew nuts, rice, wheat, suger, and cooking oil	Revenue mobilization	Not met	June 2025	Completed in October 2025
Connect POS or billing systems of large taxpayers that are hotels, supermarkets, and cement venders and factories to Kontaktu	Revenue mobilization	Not met	June 2025	Completed in August 2025 by connecting the largest taxpayer (telecom)
Implement data exchange between DGCI and INSS, roll out Kontaktu to taxes on vehicles and regional and district tax offices, and simplify its functions of data exports	Revenue mobilization	Not met	June 2025	Completed in September 2025
Transfer to the TSA held with the BCEAO all tax revenue deposited into commercial bank accounts at the end of every day	Cash management	Not met	June 2025	Completed in August 2025 for tax revenue net of expenditure paid
Revise processes and forecasting methodologies enhancing the forecasting of cash flows.	Cash management	Met	June 2025	
Install 16,000 pre-paid electricity meters at residential clients and enforce CFAF 0.7 billion of verified tariff arrears from large clients	SOE oversight	Not met	June 2025	Completed in December 2025
Complete and publish an audit of EAGB's power purchase agreement and its amendments	SOE oversight	Not met	June 2025	Completed in September 2025
Include in the company's register maintained by the Center for Formalization of Enterprises beneficial ownership information of legal entities included in the electronic register ("platform").	Anti-corruption, AML/CFT	Not met	June 2025	Completed in July 2025

Table 2. Guinea-Bissau: Prior Actions and Structural Benchmarks
(Continued)

Measures	Rationale	Status	Date	Comments
Structural Benchmarks for September and December 2025				
Undertake audits of 10 large taxpayers with high risks of under-declarations of Industrial Contributions	Revenue mobilization	Met	September 2025	
Install the Sydonia World and begin the training	Revenue mobilization	Met	September 2025	
Undertake a census of public workers at a ministry other than the Ministry of Health	Expenditure controls	Met	September 2025	
Conclude public contracts for all purchases of fuels	Expenditure controls	Not met	September 2025	Transformed into a prior action
Collect tax arrears from fish-powder ships	Revenue mobilization	Not met	December 2025	Transformed into a prior action
Complete pavement and begin physical inspection of all trucks at the Safim Entry Post	Revenue mobilization	Not met	December 2025	Transformed into a prior action
Operationalize the system for monitoring of government vehicles	Governance	Met	December 2025	

Table 2. Guinea-Bissau: Prior Actions and Structural Benchmarks
(Continued)

Measures	Rationale	Status	Date	Comments
Continuous Structural Benchmarks for Combined Ninth and Tenth Reviews				
(i) Commitments of all expenditure, except for the wage and debt service, should be approved by the COTADO, (ii) purchases of vehicles, large construction works, and other spending specified in Article 34(1) of the 2022 Budget Law should obtain the prior authorization of the Prime Minister, and (iii) travel expenses should be executed within the quarterly ceilings shown in MEFP Text Table 3.	Expenditure control	Not met	Continuous	Proposed to be modified (see below)
(i) Issue to BCEAO, 10 days before the beginning of a month, a single batch of payment instructions for all external debt services that become due during the month and send their copies to the Treasury Committee, (ii) submit to the Treasury Committee a monthly PNT report that includes breakdowns to each loan contract and bank account and calculates discrepancies of the fiscal balance between above and below the line, and (iii) issue government guarantees only to state-owned enterprises and ongoing infrastructure projects and send copies of all guarantee contracts to the Treasury Committee.	Debt management	Not met	Continuous	
Director-General of Debt should validate all disbursement requests of project loans, beginning with the Islamic Development Bank and expanding the process to the World Bank, AfDB, and BOAD by September 2025	Debt management	Not met	Continuous	Proposed to be modified (see below)

Table 2. Guinea-Bissau: Prior Actions and Structural Benchmarks
(Concluded)

Measures	Rationale	Status	Date	Comments
Continuous Structural Benchmarks for Next Reviews				
Commitments of all expenditure, except for the wage and debt service, should be approved by the COTADO	Expenditure control		Continuous	Continuous SB as modified
Undertake bank reconciliation of all active Treasury accounts	Cash management		Continuous	New proposed continuous SB
(i) Issue to BCEAO, 10 days before the beginning of a month, a single batch of payment instructions for all external debt services that become due during the month and send their copies to the Treasury Committee, (ii) submit to the Treasury Committee a monthly PNT report that includes breakdowns to each loan contract and bank account and calculates discrepancies of the fiscal balance between above and below the line, and (iii) issue government guarantees only to state-owned enterprises and ongoing infrastructure projects and send copies of all guarantee contracts to the Treasury Committee.	Debt management		Continuous	
Director-General of Debt should validate all disbursement requests of project loans of donors that participate in the process	Debt management		Continuous	Continuous SB as modified

Attachment II. Technical Memorandum of Understanding

Introduction

1. This memorandum sets out the understandings between the Bissau-Guinean authorities and the International Monetary Fund (IMF), regarding the definitions of the Quantitative Performance Criteria (QPCs) and Indicative Targets (ITs) supported by the Extended Credit Facility (ECF) arrangement, as well as the related reporting requirements. Unless otherwise specified, all quantitative targets will be evaluated in terms of cumulative flows from the beginning of the period, as specified in Table 1 of the Memorandum of Economic and Financial Policies (MEFP).

2. Program exchange rates[1]. For the purpose of the program, foreign currency denominated values will be converted into local currency (CFAF) using program exchange rates of CFAF 600/US$ for 2025 and 2026.

Quantitative Performance Criteria/Indicative Target

A. Total Domestic Tax Revenue

3. Definition. Tax revenue is defined to include direct and indirect taxes as presented in the central government financial operations table.

B. Wage Bill

4. Definition. For the purpose of program monitoring, the wage bill is defined to include (i) personnel expenditure ("despesas de pessoal"), such as staff salaries and benefits, subsidies, and gratuities, and (ii) 50 percent of transfers to embassies. These definitions are as presented in the central government financial operations table.

C. New Non-Concessional External Debt Contracted or Guaranteed by the Central Government

5. Definition of Central Government. Central government is defined for the purposes of this memorandum to comprise the central administration of the Republic of Guinea-Bissau and does not include any local administration, the central bank nor any other public or government-owned entity with autonomous legal personality not included in the government flow-of-funds table (TOFE).

6. Definition of debt. Those are defined as all forms and maturities of new non-CFAF denominated debt contracted or guaranteed by the central government and CFAF denominated debt contracted with BOAD. For program purposes, a debt is considered to be contracted when all

[1] The source of the cross-exchange rates is International Financial Statistics.

conditions for its entry into effect have been met, including approval by the Minister of Finance.[2] For this purpose, new non-concessional external debt will exclude normal trade credit for imports and other debt denominated in CFAF, but will include domestically held foreign exchange (non-CFAF) debts. This QPC applies not only to debt as defined in the Guidelines on Public Debt Conditionality in Fund Arrangements attached to Decision No. 16919-(20/103), adopted October 28, 2020, point 8, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this QPC are disbursements from the IMF and those debts subject to rescheduling or for which verbal agreement has been reached. This QPC will apply on a continuous basis. For program purposes, a 'guaranteed debt' is an explicit promise by the public sector to pay or service a third-party obligation (involving payments in cash or in kind).

7. Concessionality. For program purposes, a debt is concessional if it includes a grant element of at least 35 percent, calculated as follows: the grant element of a debt is the difference between the present value (PV) of debt and its nominal value, expressed as a percentage of the nominal value of the debt. The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt. For debts with a grant element equal or below zero, the PV will be set equal to the nominal value of the debt. The discount rate used for this purpose is the unified discount rate of 5 percent set forth in Executive Board Decision No. 15248-(13/97). For debts carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month USD Secured Overnight Financing Rate (SOFR) and the six-month Euro Interbank Offered Rate (EURIBOR) are, respectively, 2.73 percent and 2.00 percent and will remain fixed for the duration of the program. Where the variable rate is linked to a benchmark interest rate other than the six-month USD SOFR and the six-month EURIBOR, a spread reflecting the difference between the benchmark rate and the six-month USD SOFR will be added.

8. Reporting requirement. The government will report any new external borrowing and its terms to Fund staff before external debt is contracted or guaranteed by the government.

D. New Concessional External Debt Contracted or Guaranteed by the Central Government

9. Definition. This QPC applies to the nominal value in US dollars of new external debt contracted or guaranteed by the central government which is not considered non-concessional as defined in ¶5, 6 and 7 of TMU. Excluded from this QPC are disbursements from the IMF and those debts subject to rescheduling.

10. Adjustor. The ceiling on new concessional external debt contracted or guaranteed by the central government will be adjusted upward by the amount by which budget support loans exceed

[2] Contracting of credit lines (which can be drawn at any time and entered into effect) with no predetermined disbursement schedules or with multiple disbursements will be also considered as contracting of debt.

the projected amount.

E. Ceiling on Disbursement of External Project Loans

11. Definition. This IT applies to disbursements of external loans allocated to finance investment projects, including those contracted before the program approval date.

F. New External Payment Arrears of the Central Government

12. Definition. For the purposes of this quantitative target, external payment arrears, based on the currency test, are debt service payments that have not been paid on due dates (taking into account the contractual grace periods, if any) and that have remained unpaid 30 days after the due dates. Arrears not to be considered arrears for the quantitative target, or "non-program" arrears, are defined as: (i) arrears accumulated on the service of legacy HIPC external debt for which there is a pre-existing request for rescheduling or restructuring; and/or (ii) the amounts subject to litigation. For the purposes of this QPC, central government is as defined in paragraph 5 above. This QPC will apply on a continuous basis effective on the date of approval of the ECF arrangement.

13. Reporting. The government will provide copies of a batch of payment instructions to the BCEAO for external debt services to be issued 10 days before the beginning of a month as required under the continuous SB as well as any other payment instructions for external debt services, within one week after the issuance.

G. New Domestic Arrears of Central Government

14. Definition. Domestic arrears are defined as CFAF-denominated accounts payable (*resto-a-pagar*) accumulated during the year, and still unpaid by three months after the end of the month for wages and salaries (including pensions), and three months after the due dates for goods, services and transfers. Domestic arrears also include CFAF-denominated debt service payments that have not been paid on due dates (taking into account the contractual grace periods, if any) and that have remained unpaid 30 days after the due dates and non-CFAF denominated accounts payable that remains unpaid three months after the due dates. For the purposes of this QPC, central government is as defined in paragraph 5 above.

H. Social and Priority Spending

15. Definition. Social and Priority spending is defined to include spending in the Ministries of Health, Education and the Ministry of Women, Family and Social Assistance. For June, September and December 2025, social and priority spending excludes externally financed spending of these ministries.

I. Domestic Primary Balance (Commitment Basis)

16. The domestic primary fiscal deficit on a commitment basis is calculated as the difference between government revenue and domestic primary expenditure on commitment basis. Government revenue includes all tax and nontax receipts and excludes external grants. Domestic primary expenditure consists of current expenditure plus domestically financed capital expenditure, excluding all interest payments and capital expenditure financed by project loans or grants. Government commitments include all expenditure for which commitments have been approved by the Ministry of Finance; automatic expenditure (such as wages and salaries, pensions, utilities, and other expenditure for which payment is centralized); and expenditure by means of offsetting operations.

17. Adjuster. The floor for the domestic primary balance will be adjusted downward by the amount of disbursements of budget support that is not included in the baseline estimate.

J. Other Common Expenditure

18. Definition. Other common expenditure includes spending made under the budget item 6691 "outras despesas comuns". The ceiling excludes spending for the election census and logistics.

19. Reporting requirement. The government will report a list of individual payments for other common expenditure on a monthly basis.

K. DNT and DSAP

20. Definition. DNT (despesa não titulada) includes (i) "expenditure to be regularized", which means expenditure paid but unrecorded, (ii) "regularized expenditure", which means unrecorded expenditure that is ex-post regularized, and (iii) any treasury outlay not properly accounted for by the National Budget Directorate and/or not included in the budget. DSAP (despesa sem aprovação do primeiro-ministro) includes purchase of a vehicle, large construction works, and other spending that did not obtain the prior approval of the Prime Minister required under Article 34(1) of the 2022 Budget Law.

21. Reporting requirement. The government will report any DNT and DSAP on a continuous basis.

L. Floor on Spending for targeted projects and activities

22. Definition. Targeted project and activities spending is defined as total of expenditure measured on a commitment basis for projects and activities described as follows:

- **a.** Purchase of Medicines for the National Hospital of Simão Mendes, the Raul Follerau Hospital, and other hospitals (Chapter 621211501: Item 6219)
- **b.** Transfers to Social Protection under the Ministry of Women, Family, and Social Assistance (Chapter 661210101: Item 6439)
- **c.** Transfers to the National Institute of Agricultural Research (INPA) (Chapter 843420101:

Item 6312)

d. Project to Expand the INPA (Project ID 865940101)

e. Projects to Acquire School Furniture and Repair School Buildings (Project ID 411920501 and 411920601)

f. Transfers to the Office of Judicial Information and Consultation (GICJU) (Chapter 192292201: Item 6312)

g. Project to Purchase Medicines and Vaccines (Project ID 611126303)

23. **Reporting requirement.** The government will report spending of each project and activity monthly.

24. The authorities will transmit promptly to the IMF staff any data revisions.

Table 1. Guinea-Bissau: Summary of Reporting Requirements

Information	Frequency	Reporting Deadline	Responsible
Fiscal Sector			
Central Government budget and execution	Monthly	30 days after the end of the month	DGPEE[1]/MF[2]
Budgetary grants	Quarterly	30 days after the end of the quarter	DGPEE/MF
Project grants	Quarterly	30 days after the end of the quarter	DGPEE/MF
Change in the stock of domestic arrears	Monthly	30 days after the end of the month	DGPEE/MF
Unpaid claims	Monthly	30 days after the end of the month	DGPEE/MF
Arrears on interest and principal	Monthly	30 days after the end of the month	DGPEE/MF
Proceeds from bonds issued in the regional WAEMU market	Monthly	30 days after the end of the month	DGPEE/MF
Social and priority spending	Quarterly	30 days after the end of the quarter	DGPEE/MF
DNT and DSAP	As occuring		DGPEE/MF
Extrabudgetary expenditure for force majeure	As occuring		DGPEE/MF
All decisions to change tax reference prices and tax exemptions	As occuring		DGPEE/MF
All bank instructions for external debt service	Weekly	7 days after the payments	DGPEE/MF
Real and External Sector			
Updates on annual National Accounts by sector	Annually	30 days after approval	DGPEE/MF
Balance of Payments data	Annually	30 days after approval	BCEAO[3]
Balance of Payments data	Quarterly	45 days after the end of the quarter	BCEAO
Commercial data	Monthly	45 days after the end of the month	DGPEE/MF
CPI Monthly	Monthly	45 days after the end of the month	DGPEE/MF
Debt sector			
External and domestic debt and guaranteed debt by creditor	Monthly	30 days after the end of the month	DGPEE/MF
Disbursements	Monthly	30 days after the end of the month	DGPEE/MF
Amortization	Monthly	30 days after the end of the month	DGPEE/MF
Interest payments	Monthly	30 days after the end of the month	DGPEE/MF
Stock of external debt	Monthly	30 days after the end of the month	DGPEE/MF
Stock of domestic debt	Monthly	30 days after the end of the month	DGPEE/MF
Exceptional domestic financing	Monthly	30 days after the end of the month	DGPEE/MF
Copies of any new agreements of domestic and external loans	As occuring		DGPEE/MF
Copies of any new agreements of government guarantees	As occuring		DGPEE/MF
Monetary/Financial sector			
Detailed consolidated balance sheet of commercial banks	Monthly	45 days after the end of the month	BCEAO
The monetary survey	Monthly	45 days after the end of the month	BCEAO
Detailed net position of central government (PNG/PNT)	Monthly	45 days after the end of the month	BCEAO
Financial soundness indicators	Semi-annually	90 days after the end of the half year	BCEAO
Interest rates	Monthly	45 days after the end of the month	BCEAO
Deposit rates on all types of deposits at commercial banks	Monthly	45 days after the end of the month	BCEAO
Short- and long-term lending rates of commercial banks	Monthly	45 days after the end of the month	BCEAO

[1] Directorate General for Projections and Economic Studies
[2] Ministry of Finance
[3] Central Bank of West African States

GUINEA-BISSAU

March 18, 2026

NINTH AND TENTH REVIEWS UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR REPHASING OF ACCESS, EXTENSION OF THE ARRANGEMENT, WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW—SUPPLEMENTARY INFORMATION

Approved By
Abebe Aemro Selassie (AFR) and Jacques Miniane (SPR)

Prepared by the African Department in consultation with SPR and LEG.

This supplement provides an update on economic development since the issuance of the Staff Report circulated to the Executive Board on March 9, 2026. The Thrust of the staff appraisal remains unchanged.

Recent Economic Development

1. **Higher fuel prices following the conflict in the Middle East are likely to have some adverse impact on Guinea Bissau's economic outlook, but not one that, at this stage, changes staff's support for the completion of the reviews and associated decisions.** Compared to the projections of the Staff Report, average CPI inflation is likely to increase from 2.0 percent to 2.5 percent in 2026 and from 2.0 percent to 2.1 percent in 2027. Relative to the Staff Report projections, due to higher petroleum imports, the current account deficit could widen by around 0.5 percent of GDP in 2026 and 0.4 percent in 2027. Given the structure of the economy, domestic growth is not that dependent on global growth, and so far the price of the country's main export commodity has stayed relatively unchanged. Because of this, real GDP growth is likely to be marginally lower, by about 0.1 percent for 2026 and 2027 relative to the Staff Report. However, staff do not expect a material impact on the fiscal deficit and hence the achievability of the fiscal targets, assuming the authorities stay at unchanged policies. This is because the country has abolished fuel subsidies since 2024, and effects of higher prices on fuel revenue will broadly be offset by the expected lower volume of the imports. There are downside risks to these projections, including those

from even higher oil prices, possible spillovers to prices of other goods, and a longer duration to the conflict. Crucially, in very recent discussions, the authorities have reiterated their commitment to taking any measures needed to achieve the program targets outlined in the Staff Report. Staff will re-evaluate the situation and implications for the program (financing gap, fiscal financing, achievability of targets) at the next review; in this sense, the move to quarterly reviews is very timely.

Prior Actions

2. All prior actions for the completion of the combined ninth and tenth reviews have been met. All 23 measures included in the prior actions for revenue mobilization, expenditure control, and Treasury management have been implemented as follows:

Revenue Measures (MEFP ¶10)

- **Invoice data of the Port Authority of Guinea-Bissau (APGB).** The Directorate-General of Duties and Taxes (DGCI) has obtained the invoice data of the APGB for 2025. The data indicates a possibility of around CFAF 500 million arrears in value added tax (VAT) on port fees.

- **Tax collection from Telecel.** The DGCI has collected CFAF 144 million from Telecel since it previously stopped tax payments in late 2025. This corresponds to one month of the taxpayer's VAT, special telecom tax, and personal income tax.

- **Tax arrears.** Since October 2025, the DGCI has collected CFAF 1,771 million tax arrears including from commercial banks.

- **Receipt books.** The DGCI has replenished receipt books for nontax fees.

- **Tax audits of importers.** The DGCI has undertaken tax audits of five largest importers who did not pay VAT to the DGCI at all or paid small amounts. The preliminary audit results are being discussed with the taxpayers.

- **Tax arrears of exporters of fish powder and fish oil.** The DGCI has collected CFAF 67 million tax arrears from exporters of fish powder and fish oil.

- **Declarations of Santy Group.** The DGCI has requested filing of missing returns of CIT (corporate income tax) of Santy Group and notified the group of penalties for non-declarations.

- **Tax exemptions.** The PIT exemptions granted under domestic law to ASECNA staff have been withdrawn.

- **Tax audits of ministries.** The DGCI has undertaken audits of the following five ministries and equivalent, which experienced a significant drop of nontax revenue collection in 2025: the Ministry of Natural Resource, the Ministry of Agriculture, the Ministry of Fishing, the Directorate-General of Artisanal Fishing, and the Ministry of Transport. The preliminary audit results are being discussed with the ministries.

- **Inventory-taking of 2025 cashew nuts.** The joint team of the Ministry of Commerce and the DGCI has undertaken the inventory-taking of 2025 cashew nuts, which identified no inventory in warehouses. On this basis, all inventory data in the DGCI's Kontaktu system have been cancelled.

- **Tax reference prices.** The Directorate-General of Customs (DGA) has established tax reference prices for the following 11 non-food products including one additional product: batteries, air conditioners, ventilators, mattresses, generators, palm oil, doors, soap, televisions, paint, and plastic tubes.

- **Goods in informal markets.** The DGA has strengthened controls of imports of used clothes and plastic goods for domestic use, which are common in informal markets, by establishing their tax reference prices and investigating Bills of Landing and invoices of large importers.

- **Scale at the border post.** For a scale to be installed at the border post of São Domingos, a contract has been concluded with a supplier selected following comparison of multiple quotes.

- **Sydonia World.** The value module of Sydonia World has been piloted through testing with 81 products.

- **Outpost of Gabú.** The Directorate-General of Vehicles has operationalized the Center for Integrated Service of Gabú where imported cars are being registered and given license plates.

- **Single license fees.** Orange has agreed to pay CFAF 3.5 billion of the single license fees in 10 monthly installment and has already paid the first installment of CFAF 350 million.

Expenditure Measures (MEFP ¶11)

- **Spending limits.** The spending limits for January and February 2026 have been complied with, as shown in Text Table 1.

Text Table 1. Spending Limits for January and February 2026
(CFAF billion)

	Limits	Actual Jan-Feb 2026
Goods and service and transfer	8.3	8.1
Incentive and restitution excluding salaries and "percentage"	0.0	0.0
Other common expenditure	0.0	0.0
Domestic PIP	0.0	0.0

- **Centralization of school revenue.** In Bissau Autonomous Sector, 30 schools have opened accounts co-signed by the Treasury and began depositing revenue, 80 percent of which will be shared with the Treasury.

- **Fuel consumption.** The gas station company (Petromar) has provided data on actual consumption of fuels by the Ministries of Defense and Interior and all other ministries. The results indicate limited possibility of over-payments to the company. The National Secretary of State Property has been monitoring movement of 37 cars of the Ministry of Finance on a real time basis through the GPS system and identified several vehicles that are suspected for irregular use.

- **Calendar of football games.** The joint ministerial order has been issued to fix a calendar of games of the national football team with limits to transfer from the Treasury.

Measures For Treasury Management (MEFP ¶12)

- **Bank reconciliation.** Bank reconciliation of all active Treasury accounts has been undertaken for January and February 2026. No significant discrepancies have been identified.

- **Strategies for Treasury management.** The Government has operationalized the mechanisms where proceeds of issuance of Treasury securities are deposited into a sequestered account of the BCEAO and safeguarded until they are used for debt service payments.

- **Closure of bank accounts.** The authorities have closed 172 bank accounts, closure of which was previously instructed but not implemented, have been closed. The number of all relevant bank accounts has been updated to 172 accounts from 179 accounts estimated in the Staff Report.

Table 1. Guinea-Bissau: Selected Economic Indicators, 2025-27

	2025	2026		2027	
	Prel.	SR 9th/10th Proj.	New Proj.	SR 9th/10th Proj.	New Proj.
Output					
Real GDP Growth (%)	5.5	5.0	4.9	5.0	4.9
Prices					
CPI inflation (annual average, %)	0.9	2.0	2.5	2.0	2.1
Central government finances					
Revenue (% GDP)	13.2	13.7	13.7	14.7	14.7
Expenditure (% GDP)	19.9	17.7	17.7	18.2	18.2
Overall balance (% GDP)	-6.7	-4.0	-4.0	-3.5	-3.5
Public debt (% GDP)	75.3	73.6	73.6	71.8	71.8
Money and credit					
Broad money (% change)	4.3	6.4	4.6	7.9	6.5
Credit to the economy (% change)	15.5	16.6	16.1	16.3	15.2
Balance of payments					
Current account (% GDP)	-6.2	-5.8	-6.3	-4.7	-5.1
Trade balance (% GDP)	-13.4	-12.4	-13.0	-11.7	-12.1
Petroleum import (%GDP)	-3.6	-3.2	-3.8	-3.0	-3.4
Overall balance (% GDP)	1.9	-0.1	-0.3	0.5	0.1

Source: IMF staff calculations.

Statement by Ouattara Wautabouna, Executive Director for Guinea-Bissau, and Romao Lopes Varela, Advisor to the Executive Director
March 20, 2026

INTRODUCTION

On behalf of our Bissau-Guinean authorities, we thank Staff for their constructive engagement, candid dialogue, and continued support under the Extended Credit Facility (ECF) arrangement, during a challenging period marked by a political transition, financing pressures, and institutional fragilities.

The authorities underscore that continued Fund engagement is critical given the country's status as a fragile and conflict-affected state, where political volatility, institutional weaknesses, and limited administrative capacity underscore the importance of a credible policy anchor. The ECF has played a pivotal role in sustaining macroeconomic stability, preserving fiscal discipline, and reinforcing confidence during a period of heightened uncertainty, and the authorities view its continuation as essential for maintaining policy continuity ahead of the December 2026 elections. They emphasize that the corrective actions implemented since September 2025 have directly addressed the sources of earlier slippages and demonstrate renewed strong program ownership, even under difficult political conditions. In this context, the authorities particularly welcome Staff's acknowledgement that, in the absence of the program, spending cuts and other difficult measures would likely not have been undertaken.

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Economic performance has been strong, and the authorities intend to use the favorable cashew cycle to consolidate stability and rebuild buffers. Real GDP growth is estimated at 5.5 percent in 2025, driven by a sharp rebound in cashew production and higher international prices, as well as private investment in energy, transport, and telecommunications. Inflation rate has fallen to below 1 percent, reflecting lower food prices and favorable terms-of-trade developments, while the current account deficit has narrowed on the back of higher exports. For 2026, the authorities project real growth of around 5 percent, with cashew exports maintaining robust growth, supported by improved infrastructure investments, including the construction of the new airport terminal and the Safim-Mpak road.

Over the medium term, growth is expected to remain close to its potential and inflation within the WAEMU target range, underpinned by prudent macroeconomic policies. At the same time, the authorities recognize downside risks from political uncertainty ahead of the December 2026 elections, adverse weather, and tight regional financing conditions, and they view the program extension as an important anchor for policies during this period.

PROGRAM PERFORMANCE

The authorities fully acknowledge the weaker-than-expected program performance through August 2025 and stress that a comprehensive and credible corrective package has since restored fiscal discipline. Five of the ten end-December 2025 Quantitative Performance Criteria (QPC) were met, while those on tax revenue, wages, the domestic primary balance, non-regularized expenditure (DNT), and "other common expenditure" were missed due to revenue shortfalls at the Tax Directorate (DGCI) and unrecorded, mainly security-related, spending earlier in the year. The authorities recognize these slippages as serious and have moved promptly and firmly to address their root causes, including by enforcing a zero ceiling on "other common expenditure", sharply tightening spending commitments, and strengthening ex ante controls through the Technical Committee of Arbitration of Budget Expenditure (COTADO). Comprehensive bank reconciliation of all active Treasury accounts has eliminated new DNT and reduced stock-flow discrepancies, while strict quarterly spending limits since September have contained outlays within program parameters, despite heightened political and institutional pressures.

On the structural front, most benchmarks due in 2025 have been completed on time or with some delay, and the remaining priority measures have been transformed into prior actions and are now being implemented, underscoring the authorities' determination to establish a credible implementation track record, and bring the program back on track.

POLICIES AND REFORMS FOR 2026 AND THE MEDIUM-TERM

Fiscal Policy and Corrective Measures

The authorities' recent fiscal actions demonstrate strong ownership of the consolidation strategy and a clear shift from ad hoc spending practices to more rules-based execution. In response to the 2025 overruns, they implemented exceptionally tight expenditure controls in the last quarter of the year, including a binding zero ceiling on "other common expenditure" and domestic capital spending, even during a politically sensitive electoral period. They have also reinforced COTADO's role by requiring that virtually all expenditure commitments, other than wages and debt service, receive prior approval, and they have requested that this enhanced framework be reflected in the continuous structural benchmarks. To address weaknesses in the wage bill, they have initiated a census of workers in the Ministries of Interior and Defense and have committed to paying seasonal education and health workers strictly on the basis of hours worked starting in the 2026/27 school year. The authorities have also centralized own-revenues of schools and hospitals through Treasury-co-signed accounts, paving the way for the full operationalization of unified sectoral "cofre geral" accounts which will help strengthen control over autonomous spending. In addition, they are tightening controls over fuel spending through systematic audits of consumption and are enforcing stricter limits on transfers to the national football team, thereby reducing the scope for discretionary and non-priority outlays.

2026 Budget and Medium-Term Fiscal Strategy

The 2026 budget embodies a front-loaded and carefully calibrated fiscal correction anchored in concrete revenue and expenditure measures already being implemented. The authorities aim to reduce the overall deficit to 4 percent of GDP in 2026, despite lower budget support and higher interest payments, through a well-specified package of actions yielding about 1.6 percent of GDP in net adjustment. On the revenue side, they are strengthening DGCI by collecting VAT on port fees through systematic access to the Port Authority's invoice data, recovering tax arrears from key taxpayers, including telecom operators and large importers, updating reference prices for selected imports, and conducting targeted audits in sectors with signs of under-declaration. On the expenditure side, they are maintaining a strict no-new-hiring policy, rationalizing goods and services, and cutting non-priority projects, while preserving social and priority spending in health, education, and social assistance. Recognizing that tax policy changes are constrained until a new Parliament is in place, the authorities are focusing on tax administration, broadening the taxpayer base through a census in Bissau, and improving non-tax revenue collection through better control over fees in key ministries. Over the medium term, they are committed to maintaining a domestic primary surplus consistent with placing public debt on a firmly declining path and reducing it below the WAEMU convergence criterion.

Debt Management and Financing Conditions

The authorities are actively implementing a comprehensive debt-management strategy that stabilizes market access, aims to safeguard debt sustainability, and tightens the use of guarantees. Public debt has improved markedly, declining to 75.3 percent of GDP in 2025 from 82.4 percent in 2024, outperforming projections at the time of the previous review, reflecting higher nominal GDP growth and tighter control over new borrowing. They have stabilized demand for treasury securities in the regional market by front-loading issuances ahead of debt-service peaks, limiting new issuance to the amounts needed for debt service, and sequestering proceeds in a dedicated account at the BCEAO, thereby reassuring investors that funds are used exclusively for debt repayment. The authorities are strictly observing the zero ceiling on non-concessional external borrowing and the ceiling on new concessional borrowing, with the 2025–26 borrowing plan limited to one concessional energy project and no new loans in 2026 beyond the agreed envelope. In line with staff recommendations, they have strengthened operational debt management by sending a single monthly batch of external-debt payment instructions to the BCEAO and producing a detailed monthly Net Treasury Position report for the Treasury Committee, which better aligns above and below-the-line data. A new decree on sovereign guarantees sets a higher bar for new guarantees, and the authorities are pursuing recovery from beneficiaries of guarantees called in 2025, including Bissau Municipality and private counterparties. They are also expanding the annual debt bulletin to cover the largest state-owned enterprises (EAGB and the port authority) and committing to regular quarterly bulletins to further enhance transparency.

Mitigating Fiscal Risks, especially from the Energy Sector

Decisive reforms in the energy sector are already delivering tangible reductions in fiscal risks and will be deepened in line with staff advice. The cancellation of the Karpower contract in late 2024 allowed the public utility, EAGB, to return to a near break-even position. Treasury on-lending has been used selectively to clear arrears and prevent accumulation of new liabilities. Accelerated installation of prepaid meters and improvements in billing practices are helping reduce commercial losses and expand the revenue base. The authorities are prioritizing completion of the ring transmission line and the 15-MW backup power plant to reduce outages and avoid reliance on costly emergency power solutions. Strengthened oversight of EAGB, including monitoring of guarantees and on-lending arrangements, is helping contain contingent liabilities.

Financial Sector Developments

The authorities have taken determined action to resolve a long-standing banking weakness and are committed to preserving financial stability. They have completed disengagement from the undercapitalized bank that posed a major contingent fiscal risk, following approval of the transaction by the regional Banking Commission. The new strategic investor has already injected substantial fresh capital, with further injections planned under the agreed recapitalization plan, and the bank is expected to restore compliance with prudential standards by end-2026. The authorities have contributed to the solution by providing a capped guarantee for legacy non-provisioned NPLs and by forgoing a portion of proceeds from the sale of their stake, ensuring that the burden-sharing arrangement supports a durable resolution. Together with strengthened regional supervision and continued vigilance over bank soundness indicators, these steps will help cement confidence in the banking system. The authorities are also advancing broader financial-sector reforms, including measures to deepen financial inclusion through mobile money and improve data reporting, in line with the broader program objectives.

Structural Reforms and Governance

The authorities are pressing ahead with governance and structural reforms that underpin fiscal sustainability, private-sector development, and social inclusion. On public financial management, they have institutionalized monthly bank reconciliation across all active Treasury accounts as a new continuous benchmark, which has eliminated new DNT and significantly reduced discrepancies. This reform is materially strengthening expenditure control and improving the consistency between above and below-the-line reporting. On governance and anti-corruption, they continue to publish beneficial ownership information for public contracts, are expanding the company register to capture beneficial ownership for a broader set of legal entities, and are modernizing state-property management, including through GPS-based monitoring of government vehicles and recovery of illegally occupied state housing. The authorities have also strengthened accountability and transparency, underscored by the Court of Auditors' publication of a comprehensive audit of COVID-19 spending. They are reinforcing the AML/CFT framework in response to GIABA's Mutual Evaluation by operationalizing an inter-ministerial committee, updating the national risk assessment, and clarifying supervisory responsibilities for non-financial entities. In parallel, they are expanding the Centers for Access to Justice and are committed to improving working conditions for magistrates in regional courts, with the aim of enhancing access to justice, strengthening legal certainty, and reinforcing the rule of law.

CONCLUSION

The authorities remain fully committed to the ECF-supported program and consider the current corrective and reform package adequate to achieve its objectives, while standing ready to act further if needed. They emphasize that recent fiscal tightening, strengthened control frameworks, and front-loaded structural measures demonstrate renewed ownership and a decisive and credible response to earlier slippages. They concur with Staff that continued engagement under the ECF is essential to anchor the 2026 fiscal adjustment, safeguard debt sustainability, and mitigate heightened political and financing risks during the transition. Against this background, the authorities request Directors' support for completion of the combined ninth and tenth reviews, the requested waivers, the rephasing of access, and the extension of the arrangement to December 29, 2026, with two additional quarterly reviews. They reaffirm their commitment to maintaining prudent macroeconomic policies, advancing structural and governance reforms, and ensuring that the benefits of stability and growth are shared broadly across the population.