

SENEGAL

COUNTRY ASSESSMENT

● Dakar

SENEGAL

Debt treatment opens a demanding new phase for Senegal

DATE | 29 September 2026
COVERAGE | Sovereign & Markets
STATUS | Ongoing situation

Senegal has entered a decisive phase in the effort to restore debt sustainability. The 1 September launch of the Senegal Debt Treatment Plan (PTDS), together with a staff-level agreement on a new US\$2.2 billion IMF programme, has given the adjustment a clearer institutional path. Creditor negotiations are only beginning, international market access is severely constrained and fiscal consolidation is already weighing on investment and growth.¹

¹ Senegal Ministry of Economy, Finance and Planning, PTDS communiqué, 1 September 2026; IMF, staff-level agreement on a new ECF arrangement, 1 September 2026.

01 EXECUTIVE READOUT

Senegal's debt strategy moved into a new phase at the beginning of September. The Government formally launched the PTDS on 1 September and said CFA-franc-denominated debt would remain outside its scope, while notifying official partners of its intention to use an enhanced G20 Common Framework. On the same day, IMF staff reached agreement with the authorities on the policies that could underpin a 36-month Extended Credit Facility of about US\$2.2 billion. The arrangement still requires IMF Management and Executive Board approval, together with financing assurances and completion of the remaining corrective measures linked to the earlier debt-misreporting case. President Bassirou Diomaye Faye's subsequent meetings with the IMF and World Bank in Washington have kept the process moving at senior level.¹

GSF Risk Momentum: Next 3–6 Months

FISCAL ↑ Rising	FINANCING ↑ Rising	EXTERNAL → Stable	POLITICAL ECONOMY ↑ Rising	GLOBAL CONDITIONS ↑ Rising	
6.7% 2025 real GDP growth	2.7% 2026 govt growth projection	6.4% 2025 fiscal deficit, % GDP	US\$2.2bn IMF ECF (staff-level agreement)	3.00% BCEAO policy rate	0.4% WAEMU Q2 inflation, y/y

What changed

- **The debt treatment process is formally under way.** The PTDS is intended to improve the debt profile and ease debt-service and refinancing pressure, while CFA-franc-denominated debt is currently outside the announced perimeter. (Senegal MEFP, PTDS communiqué, 1 September 2026.)
- **The IMF relationship has advanced materially.** Staff-level agreement has been reached on a 36-month ECF of about US\$2.2 billion, creating a potential policy anchor and route back to concessional financing once the remaining conditions are met. (IMF, ECF staff-level agreement, 1 September 2026.)
- **Credit conditions have tightened further.** S&P lowered the foreign-currency sovereign rating to CC and the local-currency rating to CCC on 4 September, both with negative outlooks, reflecting the agency's assessment of elevated restructuring and payment risk after the treatment announcement. (S&P Global Ratings, Research Update, 4 September 2026.)
- **Growth has slowed sharply after the hydrocarbon-led expansion of 2025.** The Government projects real GDP growth of 2.7% in 2026, while the IMF reported a rebound in non-hydrocarbon activity to 4.7% year-on-year in the first quarter. (Senegal MEFP, PTDS communiqué, 1 September 2026; IMF, ECF staff-level agreement, 1 September 2026.)

¹ Senegal MEFP, PTDS communiqué, 1 September 2026; IMF, 'IMF Reaches Staff-Level Agreement on an Extended Credit Facility Arrangement with Senegal', 1 September 2026; Reuters, 15–16 September 2026.

GSF ASSESSMENT

Attention now turns to reform execution. Progress on the debt treatment could ease the debt-service burden and reopen access to IMF and partner financing, although the transition will require the Government to manage several pressures at once. The creditor perimeter and treatment terms remain to be settled; the WAEMU market will carry greater importance while international access is constrained; and fiscal consolidation is unfolding as public and private investment have weakened. The interaction between these pressures will determine how quickly the debt operation translates into greater fiscal space and more durable financing conditions.

Reconciled debt-to-GDP readings — same country, different perimeters

119.0%	128.6%	≈132%	117%
Govt — central govt, end-2024	Govt — public sector, end-2024	IMF — public sector, end-2024	S&P reference, Dec-2025

Government ratios use a pre-rebasing GDP base in the July 2026 debt bulletin. The IMF figure reflects a broader public-sector perimeter, including about 4% of GDP in domestic expenditure arrears pending audit. S&P's reference is a later, December-2025, pre-rebasing rating-agency figure; it is not part of the Government's end-2024 statistical series. These are four different readings of related but non-identical questions — not four competing estimates of the same number.

02 SOVEREIGN, FISCAL & DEBT POSITION

A reconciled reading of the debt stock

The debt ratio needs to be read with its perimeter and GDP vintage attached. Senegal's July 2026 Public Debt Statistical Bulletin provides the clearest government reconciliation currently available: at end-2024, central-government debt stood at FCFA 23,667 billion (≈US\$41.2bn), or 119.0% of GDP, while consolidated public-sector debt reached FCFA 25,583 billion (≈US\$44.6bn), or 128.6% of GDP. The bulletin explicitly states that these ratios do not yet incorporate the GDP rebasing that was still being finalised. The IMF subsequently used a broader end-2024 public-sector estimate of about 132% of GDP, including roughly 4% of GDP in domestic expenditure arrears pending audit. S&P's 117% reference is dated December 2025 and is also explicitly pre-GDP-rebasing; because it refers to a later date and a different analytical perimeter, it should not be read as a direct revision of the Government's end-2024 public-sector ratio.²

Published figure	As of	Perimeter	GDP vintage	Why figures differ
119.0% of GDP	End-2024	Central government debt; FCFA 23,667bn (≈US\$41.2bn)	Pre-rebasing	Government central-government perimeter
128.6% of GDP	End-2024	Consolidated public sector; FCFA 25,583bn (≈US\$44.6bn)	Pre-rebasing	Adds FCFA 1,917bn (≈US\$3.3bn) of parapublic-sector debt
≈132% of GDP	End-2024	IMF total public sector; incl. ≈4% of GDP domestic arrears pending audit	IMF base	Broader IMF perimeter and arrears treatment

² Senegal MEFP/DGCPT, Public Debt Statistical Bulletin 2019–2024, published 13 July 2026; IMF, Senegal mission statement, 6 November 2025 and IMF press briefing, 25 June 2026; S&P Global Ratings, Research Update, 4 September 2026.

Separate rating-agency reference: S&P cited 117% of GDP as of December 2025, explicitly pre-GDP-rebasing — a later date and different methodology, kept as a labelled reference rather than blended into the official series. (S&P Global Ratings, 4 September 2026.)

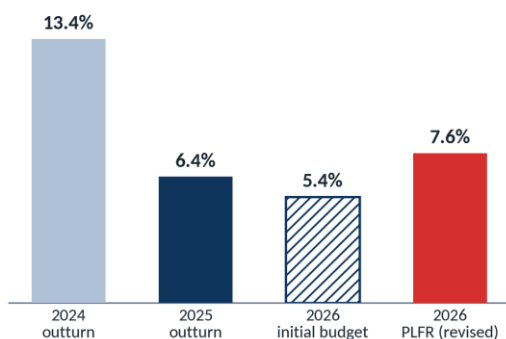
Fiscal consolidation is advancing while gross financing needs remain heavy

The fiscal position had improved markedly from the 2024 peak before this year's slippage. The Government reports that the deficit fell from 13.4% of GDP in 2024 to 6.4% in 2025. The initial 2026 budget had targeted revenues of FCFA 6,188.8 billion (≈US\$10.8bn) and expenditure of FCFA 7,433.9 billion (≈US\$13.0bn), for a deficit of FCFA 1,245.1 billion (≈US\$2.2bn), or 5.37% of GDP. A revised budget (Projet de Loi de Finances Rectificative, PLFR), submitted to the National Assembly on 18 September 2026 and awaiting Finance Committee review, instead lowers revenues to FCFA 5,848.7 billion (≈US\$10.1bn) and raises expenditure to FCFA 7,583.9 billion (≈US\$13.1bn), widening the deficit to FCFA 1,735.2 billion (≈US\$3.0bn), or 7.6% of GDP. The government attributes much of the deterioration to energy-subsidy spending rising to FCFA 790.3 billion (≈US\$1.4bn) from an initially budgeted FCFA 250 billion. The PLFR also raises the 2026 gross financing need to FCFA 6,774.2 billion (≈US\$11.7bn) and total debt service — FCFA 4,516.2 billion (≈US\$7.8bn) of principal plus FCFA 1,285.2 billion (≈US\$2.2bn) of interest and commissions — to FCFA 5,801.4 billion (≈US\$10.1bn). These budget-flow figures should be read separately from the end-2024 stock ratios above. The PLFR had not been adopted as of 29 September 2026.^{3,4}

PLFR STATUS: SUBMITTED TO PARLIAMENT, NOT YET ADOPTED

The Projet de Loi de Finances Rectificative was formally submitted to the National Assembly's General Secretariat on 18 September 2026 and referred to the Finance Committee for review; it had not been adopted as of 29 September 2026. The reconciled PLFR figures — a deficit of FCFA 1,735.2 billion (≈US\$3.0bn), or 7.6% of GDP, against the initial budget's 5.37% — are incorporated in the fiscal figures above. GSF Intelligence will track committee amendments and final adoption in the next update.⁵

Fiscal deficit, % of GDP



Government figures. 2026 initial budget shown for reference: PLFR (revised budget) submitted to the National Assembly 18 Sep 2026, pending adoption.

FCFA 5,848.7bn

PLFR revenues, revised (≈US\$10.1bn); initial budget FCFA 6,188.8bn (≈US\$10.8bn)

FCFA 7,583.9bn

PLFR expenditure, revised (≈US\$13.1bn); initial budget FCFA 7,433.9bn (≈US\$13.0bn)

FCFA 6,774.2bn

PLFR financing need, revised (≈US\$11.7bn); initial budget FCFA 6,075.2bn (≈US\$10.6bn)

FCFA 5,801.4bn

PLFR debt service, revised (≈US\$10.1bn); initial budget FCFA 5,497.9bn (≈US\$9.6bn)

03 CREDITOR COMPOSITION

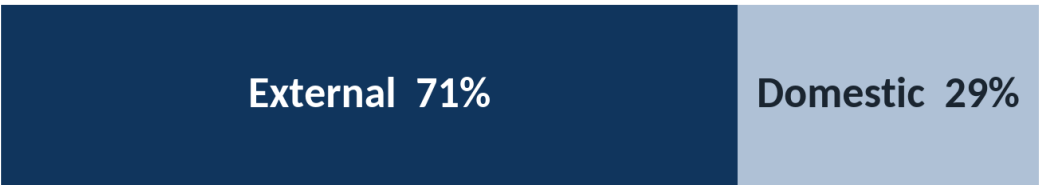
³ Senegal MEFP, PTDS communiqué, 1 September 2026; Senegal Investor Relations Portal / LFI 2026, accessed 17 September 2026.

⁴ Agence Ecofin, 'Sénégal : le déficit budgétaire réévalué à 7,6 % du PIB pour l'exercice 2026', 21 September 2026; APAnews, 'Sénégal : la LFR 2026 porte le déficit à 7,6 % du PIB', 21 September 2026; Dakaractu, 'PLFR 2026 : croissance ralentie, déficit accru et investissements réduits', 21 September 2026; Dakaractu, 'Dettes publiques : plus de 5 800 milliards de FCFA de service prévisionnel', 21 September 2026; Assemblée nationale du Sénégal, PLFR 2026 deposit communiqué, 18 September 2026.

⁵ Senegal Ministry of Economy, Finance and Planning, 'Bulletin statistique de la Dette publique 2019–2024', published 13 July 2026.

The Government's official debt bulletin, published by the Ministry of Economy, Finance and Planning on 13 July 2026, places central-government debt at FCFA 23,667 billion (≈US\$41.2bn) at end-2024. External debt accounted for 71% of that stock. The Ministry's published summary identifies multilateral creditors as the largest external creditor group, at 40% of external central-government debt, while Eurobonds represented 19%. The same bulletin puts parapublic-sector debt at FCFA 1,917 billion (≈US\$3.3bn). These figures come from the Government's reconciled 2019–2024 debt series and remain on the pre-GDP-rebasing base.⁶

Central-government debt by residency, end-2024



FCFA 23,667bn (≈US\$41.2bn) central-government stock. Source: Senegal MEFP/DGCPT bulletin, 13 July 2026.

40%	19%	FCFA 1,917bn
Multilateral share of external debt	Eurobond share of external debt	Parapublic-sector debt, end-2024 (≈US\$3.3bn)

Remaining external-creditor categories (bilateral and other commercial exposures) are not separately quantified in the Government's public summary and are not charted here.

External PPG debt (World Bank cross-check)

The World Bank's International Debt Statistics provide a separate external-debt view. For 2024, Senegal had US\$25.094 billion of external public and publicly guaranteed debt: US\$9.505 billion owed to multilateral creditors, US\$5.033 billion to bilateral creditors and US\$10.556 billion to private creditors. IMF credit of US\$2.034 billion is reported separately in the IDS table. The World Bank table covers external debt only, so these figures should not be combined directly with the Government's domestic or parapublic debt series.⁷

A country-by-country bilateral breakdown is not included in this public assessment: the World Bank's published table aggregates bilateral creditors rather than listing them individually.

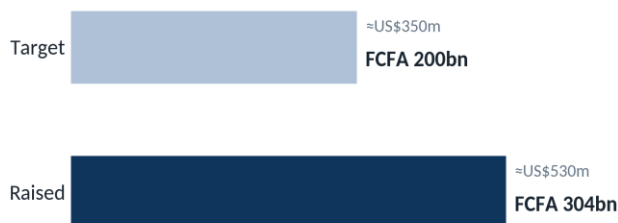
Regional demand remains an important financing buffer

The regional market has shown an ability to absorb meaningful Senegalese issuance. In March, the State raised FCFA 304.15 billion (≈US\$530m) through its first public offering of 2026 against a FCFA 200 billion (≈US\$350m) target, giving the Treasury additional near-term flexibility as external financing became more constrained. The durability of that buffer will depend on subsequent issuance volumes, subscription levels, maturity structure and the broader liquidity position of the WAEMU financial system.⁸

⁶ Senegal Ministry of Economy, Finance and Planning, 'Bulletin statistique de la Dette publique 2019–2024', published 13 July 2026.

⁷ World Bank, International Debt Statistics 2026, Senegal — Composition of External Debt by Creditor, 2024 observations; database last updated 3 December 2025.

⁸ Senegal Ministry of Finance and Budget, 'Successful conclusion of the first public offering of 2026', 29 March 2026.

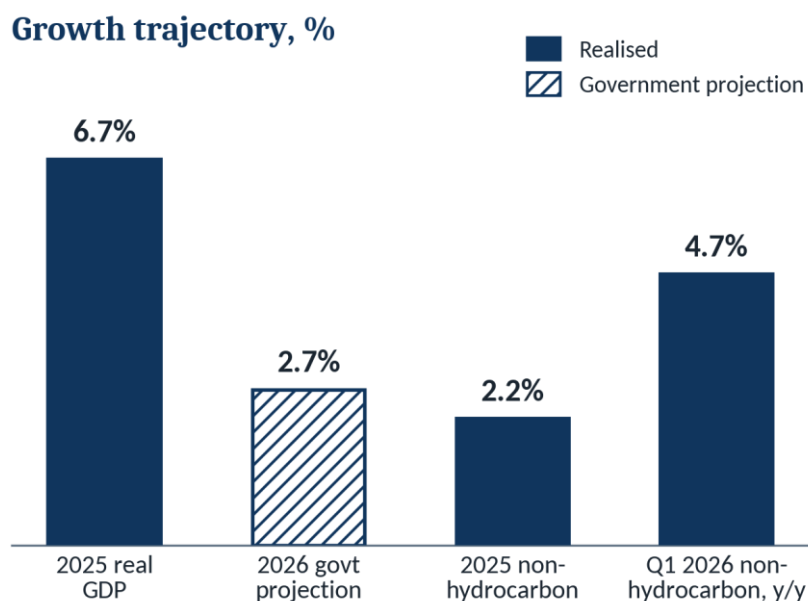
First public offering of 2026, March

Source: Senegal Ministry of Finance and Budget, 29 March 2026. USD equivalents indicative, at a reference rate of US\$1 = FCFA 577.

04 MACRO, EXTERNAL & MONETARY CONDITIONS

Hydrocarbon exports strengthen the external account as domestic growth loses momentum

Oil production transformed Senegal's headline growth and external accounts in 2025. The Government reports real GDP growth of 6.7% in 2025, while IMF staff estimate that non-hydrocarbon growth was only 2.2%. Activity outside hydrocarbons recovered to 4.7% year-on-year in the first quarter of 2026, supported by private consumption. Even so, the Government now projects overall growth of 2.7% for 2026 as tighter fiscal space, weaker investment and higher energy-related pressures weigh on activity. Hydrocarbon exports therefore provide a stronger external cushion at the same time that the domestic economy is absorbing fiscal consolidation and tighter financing.⁹



Annual outturns/projections and one first-quarter year-on-year reading are not directly comparable periods.

Regional monetary conditions remain supportive, with energy risks in view

The BCEAO kept its main policy rate at 3.00% on 9 September and its marginal lending rate at 5.00%. WAEMU inflation stood at 0.4% year-on-year in the second quarter, and the central bank projects average inflation of 1.0% for 2026. The BCEAO also highlighted the Middle East conflict as a source of upward pressure through petroleum and transport costs. For Senegal, the

⁹ Senegal MEFP, PTDS communiqué, 1 September 2026; IMF, ECF staff-level agreement, 1 September 2026.

main channels to monitor are energy-related fiscal expenditure, regional liquidity and the conditions under which the sovereign can continue to fund itself in the domestic and regional market.¹⁰

The external position has improved with oil exports

IMF staff report that the current-account deficit narrowed significantly in 2025, helped by hydrocarbon exports and weaker imports. The CFA franc's euro peg limits the scope for an independent exchange-rate response, leaving fiscal policy, regional liquidity and external financing as the main macro-financial adjustment channels. The stronger export base therefore improves Senegal's external backdrop while debt-service and refinancing pressures continue to be shaped by the treatment process and access to new financing.¹¹

GSF transmission map

Driver	First-order effect	Second-order effect	Watchpoint
Debt treatment	Potential change in debt-service profile	Possible recovery of fiscal space	Creditor perimeter, terms and sequencing
Energy shock	Higher import and fiscal costs	Pressure on subsidies and inflation	Oil prices and subsidy targeting
Regional liquidity	Capacity to fund domestically	Bank-sovereign exposure and crowding out	Issuance coverage, maturities and liquidity
Hydrocarbon exports	Higher external receipts	Stronger external buffer	Production and export performance

05 POLITICAL ECONOMY & REFORM EXECUTION

Fiscal consolidation will be implemented in a more contested political setting

Ousmane Sonko's move from the premiership to the presidency of the National Assembly has changed the institutional setting in which the fiscal programme will be debated. APS reported that he was elected on 26 May with 132 of 133 votes cast, with one abstention and no votes against; opposition deputies who disputed his return to the Assembly did not take part in the vote. Since the 1 September IMF staff-level agreement, Sonko has publicly asked the Government to disclose the commitments attached to the programme and the debt-treatment strategy. The 2027 budget will therefore be debated in an Assembly led by a senior PASTEF figure who has publicly pressed the executive for greater transparency on the IMF package.¹²

The social context is also relevant to implementation. On 8 April, hundreds of workers, trade-union members and opposition supporters marched in Dakar over cost-of-living pressures and what organisers described as unfulfilled government commitments; labour representatives also raised layoffs, taxation and working conditions. The episode provides a recent indication of the issues around which organised labour has mobilised. It does not establish how unions or the wider public will respond to future fiscal measures.¹³

¹⁰ BCEAO, Monetary Policy Committee communiqué, 9 September 2026, and September 2026 Monetary Policy Report.

¹¹ IMF, ECF staff-level agreement, 1 September 2026.

¹² APS, 'Ousmane Sonko élu président de l'Assemblée nationale', 26 May 2026; Ousmane Sonko public statement reported 1 September 2026; Le Monde, 2 September 2026.

¹³ Associated Press, 'Hundreds march in Senegal's capital over broken government promises and rising costs', 8 April 2026.

The domestic calendar will bring fiscal and political milestones into the same period. The Council of Ministers instructed the Finance Ministry to submit the 2027 draft budget to the Council by 30 September, while the Government has identified territorial elections in 2027 as the next major electoral milestone. APS reported in late August that the exact territorial-election date remained unsettled. This overlap increases the importance of parliamentary management, communication around the distributional effects of reform and the sequencing of measures that affect household incomes or public employment.¹⁴

Execution priorities

Area	Current direction	Why it matters	Evidence to watch
Debt governance	Strengthening	Credibility after the misreporting episode	Unified debt management; publication quality; corrective actions
Revenue mobilization	Tightening	Durable fiscal-space creation	2027 revenue measures and execution
Expenditure control	Tightening	Deficit reduction and prioritisation	Investment execution; subsidy reform; social spending
Domestic arrears	High relevance	Direct link to private-sector liquidity	Audit results, clearance schedule and payments
SOE oversight	Reform priority	Contingent-liability control	Reporting, guarantees and financial performance

Source framework: IMF, ECF staff-level agreement, 1 September 2026; Senegal Government, Council of Ministers communiqué, 2 September 2026.

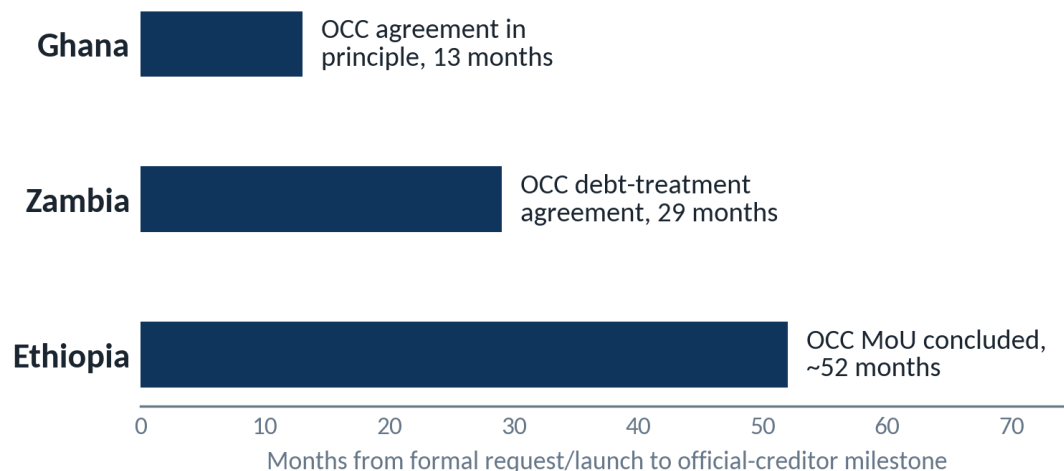
06 REGIONAL RESTRUCTURING PRECEDENTS

Recent African restructurings illustrate the institutional steps that can sit between a formal request and creditor agreements. The comparisons below are structural context only. Each case involved a different debt stock, creditor mix, IMF programme, domestic treatment and political setting, so the elapsed periods should not be used to project Senegal's own timetable or treatment terms.¹⁵

¹⁴ Government of Senegal, Council of Ministers communiqués, 2 and 10 September 2026; APS, territorial-election reporting, 22 May and 28 August 2026.

¹⁵ IMF, Zambia 2023 Article IV / First ECF Review and 22 June 2023 release; IMF, Ghana ECF documents and 12 January 2024 release; Ethiopia Ministry of Finance, OCC MoU announcement, 2 July 2025; IMF Ethiopia DSA.

Elapsed time to official-creditor milestone



COMPARATIVE CONTEXT ONLY

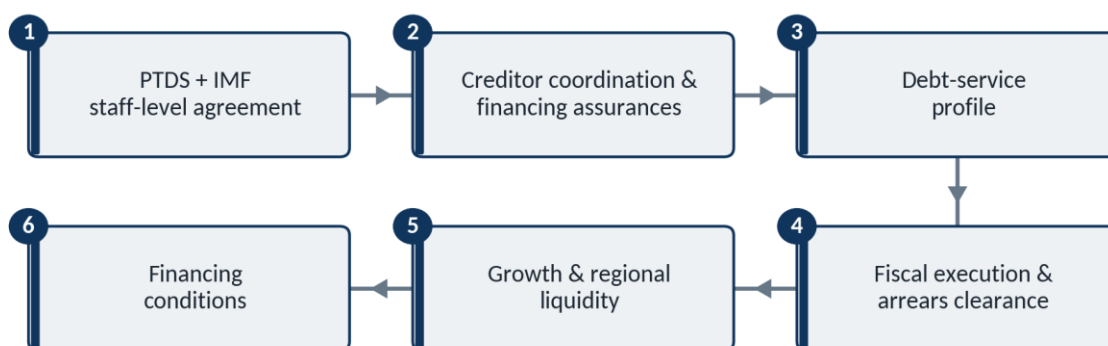
Restructuring outcomes and timelines are case-specific and should not be interpreted as projections for Senegal.

Country	Framework / launch	Official-creditor milestone	Elapsed	Structural treatment
Zambia	G20 CF; request Jan 2021	OCC agreement, 22 Jun 2023	~29 mo	Official bilateral under CF; multilaterals largely excluded from standstill; private creditors negotiated separately
Ghana	G20 CF; request Dec 2022	OCC agreement in principle, 12 Jan 2024	13 mo	Domestic exchange handled separately; official bilateral under CF; external commercial negotiated separately
Ethiopia	G20 CF; request Feb 2021	OCC MoU concluded 2 Jul 2025	~52 mo	Official bilateral under CF; multilateral claims outside bilateral treatment; other external handled separately

What the precedents clarify

The common feature is sequencing: official-creditor coordination, IMF financing assurances and negotiations with private creditors often proceed on related but separate tracks, while domestic debt treatment varies by country. The length of each process has depended on data reconciliation, creditor coordination, comparability-of-treatment requirements and the design of the IMF-supported programme. Senegal's announced exclusion of CFA-franc-denominated debt gives its process a distinct starting structure. (Senegal MEFP, PTDS communiqué, 1 September 2026.)

GSF Decision Chain



07 CATALYSTS, TRIGGERS & FORWARD VIEW

The next decisions will determine how the adjustment is implemented

Catalyst / watchpoint	Timing	Why it matters	What to monitor
IMF Management / Board path	Date not yet confirmed	Would formalise the programme and associated financing	Board documentation, prior actions and financing assurances
Official-creditor process	Near term	Defines the institutional path for bilateral treatment	OCC formation / coordination, perimeter and published milestones
PTDS parameters	Pending	Clarifies the treatment architecture	Eligible debt, maturity treatment and creditor categories
2027 budget	Q4 2026	Translates consolidation into revenue and spending choices	Revenue measures, subsidy targeting, investment and social protection
Domestic arrears clearance	Before end-2026 target	Direct transmission to firms and public-sector liquidity	Audit publication, prioritisation and actual payments
Regional financing conditions	Ongoing	Tests the capacity of WAEMU markets to bridge financing needs	Subscription, maturities, issuance volume and system liquidity
S&P scheduled sovereign-rating publication	25 Sep 2026 (passed)	A pre-announced rating-calendar event during the debt-treatment process	No subsequent rating action publicly confirmed as of 29 Sep 2026; GSF Intelligence continues to monitor for a published update.

Sources: IMF, ECF staff-level agreement, 1 September 2026; Senegal Government, Council of Ministers communiqué, 2 September 2026; Senegal MEFP, PTDS communiqué, 1 September 2026; S&P Global Ratings, Research Update, 4 September 2026 (no subsequent rating action publicly confirmed as of 29 September 2026).

Three paths could shape the months ahead

These are analytical scenarios, not forecasts.

Path	Defining conditions	Transmission	Confirmation signals
Coordinated implementation	Financing assurances, IMF approval and creditor milestones advance in sequence	Debt-service pressure begins to ease while concessional financing resumes	Published creditor milestones; IMF Board decision; budget execution
Extended negotiation	Creditor coordination or treatment parameters take longer to settle	Regional financing remains more important for longer	Repeated slippage in formal milestones; continued heavy regional issuance
Execution strain	Fiscal measures, arrears clearance or financing plans encounter implementation delays	Pressure remains concentrated on budget execution and domestic liquidity	Arrears, weaker fiscal execution, delayed reform actions or tighter regional liquidity

GSF VIEW

Senegal now has the outline of a route toward a more sustainable financing position, though the benefits will depend heavily on the quality and sequencing of implementation. GSF's central judgement is that the direction of travel is credible and the execution risk is material in roughly equal measure. Creditor negotiations, IMF approval, fiscal consolidation and arrears management all need to progress in a way that gradually reduces debt-service pressure while preserving enough investment, social protection and liquidity to support the domestic economy. A more contested political setting since May has added a layer of execution risk that was less pronounced earlier in the year, and regional financing conditions will matter for longer if the official-creditor process takes time to settle. The most informative signals over the coming months will come from formal creditor milestones, IMF documentation, the 2027 budget, regional financing conditions and evidence that domestic arrears are being cleared. GSF Intelligence will continue to track each of these milestones as the treatment process unfolds.

GSF | GLOBAL ADVISORS

✉ info@gsf-global.org

🌐 www.GSF-Global.org