Simplified Detailed Analysis of Senegal's 2026 Budget

budgIT
SENEGAL

About BudgIT Senegal

BudgIT Senegal is a civic organization committed to making Senegal's budget and public data understandable and accessible to citizens at all levels of literacy.

Our innovation lies in the creative use of government data, translated into simple tweets, interactive tools, and engaging infographics that simplify complex public finance information.

Through the use of creative technology, BudgIT bridges citizen engagement and institutional development, empowering citizens to participate meaningfully in public discourse and driving positive societal change in Senegal.

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7 Things Every Citizen Should Know About Senegal's 2026 Budget

What the government is planning, what it means for your pocket, and what to watch.

01

The government is spending CFAF 7,433.9 billion in your name

Every franc in the 2026 budget, covering salaries, roads, hospitals, and debt payments, is public money. That means it belongs to you, the taxpayer. Understanding how it is being spent is not optional. It is your right.

02

The government is spending more than it earns by CFAF 1,245 billion

Revenue is projected at CFAF 6,188.8 billion. Spending is CFAF 7,433.9 billion. Borrowing will fill the gap of CFAF 1,245 billion, or 5.37% of GDP. That borrowed money will need to be repaid, with interest, by future Senegalese citizens.

03

Debt repayment is swallowing CFAF 5,497.9 billion

This is the single largest number in the entire budget, and it is not building a school or paving a road. It is paying back old loans:

CFAF 4,307.4 billion in principal repayments
CFAF 1,190.6 billion in interest and charges

Every franc spent here is a franc that cannot go to healthcare, education, or jobs. This is the cost of yesterday's borrowing — and it is enormous.

04

You and other citizens are funding over 92% of this budget

More than 92% of government revenue comes from domestic sources, especially taxes. Tax revenue alone is projected at CFAF 5,384.8 billion, meaning citizens and businesses are carrying most of the burden.

05

New tax measures are coming, and they will likely affect your daily costs

To close the revenue gap, the government's Economic and Social Recovery Plan (PRES) introduces measures expected to generate an additional CFAF 703.6 billion in tax revenue. Many of these are indirect taxes, which means higher prices on goods and services you buy every day. Low-income households, who spend more of their income on essentials, will feel the impact the most.

06

International support is declining

External grants and aid are expected to drop by 21.8%. Senegal is increasingly on its own — which makes domestic tax collection and responsible borrowing more critical than ever. It also means there is less room for error.

07

The budget makes big promises. Delivery is the only thing that counts.

It promises infrastructure, energy, and social services, but a number in a budget document is a promise, not an outcome. Senegal has seen allocations before that did not translate into completed roads, functioning health centres, or consistent electricity. The 2026 budget will be judged by what actually gets built and by who benefits.

This is where you come in.

The budget is not the government's document; it is yours. Citizens who track projects, ask hard questions, and refuse to accept silence are Senegal's most powerful accountability mechanism.

Use Tracka (tracka.sn) to monitor projects in your community. Report what is abandoned. Escalate what is stalled. Engage your local representatives with evidence, not just frustration.

Because rising taxes affect your expenses today. Reckless borrowing affects your children tomorrow. And every line in this budget determines the quality of your daily life.

Understanding it is the first step. Demanding results is the next step.

Executive Summary

The 2026 national spending plan is built on the strategic framework of the existing National Transformation Agenda (ANT) Vision "Senegal 2050," which seeks to promote four goals: a competitive economy, high-quality human capital and social equity, sustainable planning and development, and good governance and African engagement.

This bill is the second budget under the administration of President Bassirou Diomaye Diakhar Faye, and it promises to build a “sovereign, just, and prosperous Senegal.” However, this is a daunting task to fulfill, as the total revenues are projected at CFAF 6,188.8 billion, while total expenditures are projected at CFAF 7,433.9 billion, leaving a financing gap (overall deficit) of CFAF 1,245.1 billion, estimated at 5.37% of GDP (GDP projection: CFAF 23,170.0 billion).

These totals include Comptes spéciaux du Trésor (CST, Special Treasury Accounts), which are budget mechanisms that can fund specific activities outside the main “general budget” lines. The CST envelope is projected at CFAF 256.7 billion (balanced in revenue and spending).

Revenue growth is being driven mainly by domestic resource mobilization. Taxes are projected at CFAF 5,384.8 billion. The government also explicitly expects CFAF 762.6 billion in additional revenue from the economic and social recovery plan (“PRES”), with CFAF 703.6 billion expected from tax measures and CFAF 59.0 billion from non-tax measures.

In the 2026 budget, Senegal is expected to spend CFAF 5,497.92 billion servicing its public debt. Only about CFAF 1,190.55 billion (roughly 22%) of this amount is interest and commissions. The much larger share, CFAF 4,307.37 billion (about 78%), is the repayment of principal, meaning the government is paying back the original loans it previously borrowed. The most critical question to ask when reviewing this budget is, is the pace of borrowing sustainable relative to economic growth?
A stronger tax effort is often necessary to finance development, but it must be perceived as fair and credible to maintain public legitimacy.

Citizens and civic actors must serve as watchdogs to ensure that the government’s tax efforts to finance development are fair and credible, ensuring that the tax burden is shared equitably, for example, whether enforcement targets large taxpayers and high-income sectors as seriously as it targets small businesses and wage earners. The government also has the responsibility to ramp up public investment procurement, which becomes a critical gateway between budget promises and real infrastructure. Without transparent procurement, large capital projects risk cost overruns, delays, or corruption.

Debt sustainability depends heavily on how governments manage refinancing. Citizens must actively demand government accountability and transparent reporting, which allows observers to assess whether refinancing is stabilizing public finances or creating hidden risks. Opaque refinancing practices can mask liquidity stress until it becomes a crisis.

Senegal's 2026 budget lays out an ambitious framework for repositioning the country toward greater economic stability, inclusive growth, and long-term resilience. However, ambition alone will not guarantee results. The true test will lie in the government’s ability to translate projections into credible revenues, execute spending efficiently, and uphold strong standards of transparency and accountability. For citizens, civil society, and institutions, this budget is not only a policy document but also a shared social contract that requires collective monitoring of budget implementation, particularly in priority sectors that affect livelihoods. It will be essential to ensure that promised reforms deliver visible improvements in jobs, services, and economic opportunity. The goals of the 2026 budget can only be turned into real improvements in the daily lives of Senegalese people through disciplined execution and ongoing civic engagement.

Introduction

This report is designed as a practical guide for citizens, civil society organizations, journalists, and public decision-makers, with the aim of facilitating understanding of Senegal's 2026 national budget and its concrete implications for everyday life. Rather than replicating the technical language of official budget documents, this simplified analysis translates key budget choices into clear, simple, and accessible information.

The 2026 budget is set within a particularly sensitive context, marked by increased fiscal effort required from citizens, strong pressure on public finances due to a high debt burden, and ambitious public investment plans. In this environment, understanding the budget is no longer an exercise reserved for experts; it is a necessary condition for strengthening public accountability and sustaining trust in government action.

This document is intended as a monitoring tool to be used throughout the year. It helps assess whether projected revenues are effectively mobilized, whether funded projects are implemented on the ground, and whether public spending translates into visible improvements in jobs, services, and living conditions.

Overview of the Budget: Understanding the 2026 Budget at a Glance

How Big Is the National Budget?

For the year 2026, total government expenditure is estimated at CFAF 7,433.9 billion, up from CFAF 6,614.8 billion in 2025, representing an increase of 12.4%. This growth reflects a controlled expansion of public spending in a context where the authorities have expressed a clear commitment to containing the budget deficit.

The increase in expenditure remains lower than the growth in revenues, which points to a shift toward more prudent public finance management while still preserving the State’s ability to intervene in priority sectors.

The 2026 budget reflects the government's efforts to strike a balance between fiscal consolidation and the continued funding of key public policies and development goals.

Where Does Government Money Come From?

This year's budget is financed predominantly through domestic resources, which now account for over 92% of general budget revenues. Total revenues are expected to reach CFAF 6,188.8 billion, an increase of CFAF 1,174.5 billion from 2025.

Tax revenues, estimated at CFAF 5,384.8 billion, are the main driver of this growth. They increased by CFAF 1,025.2 billion year-on-year, equivalent to a 23.5% rise, confirming that the government's budgetary strategy relies heavily on strengthening domestic tax mobilization. A significant share of this increase is expected to come from measures introduced under the Economic and Social Recovery Plan (PRES), which is projected to generate CFAF 703.6 billion in additional tax revenues.
This stance reflects a strategic shift toward increased fiscal autonomy and less reliance on external funding. However, it raises important questions about the economy's ability to absorb such a large tax effort, as well as how the tax burden is distributed among households, businesses, and productive sectors.

Despite an 87% relative increase, non-tax revenues remain limited in absolute terms at CFAF 355.9 billion, and they continue to play a structurally minor role in overall budget financing. Meanwhile, external resources fell by 21.8%, owing primarily to a reduction in capital grants, indicating more limited access to concessional financing in a less favorable international environment.

Where Does Government Money Go?

The structure of public expenditure in 2026 highlights clear budgetary choices. Debt service constitutes one of the main expenditure items. In 2026, it amounts to CFAF 5,497.9 billion, of which CFAF 1,190.6 billion is allocated to interest and commissions and CFAF 4,307.4 billion to the repayment of principal.

Personnel expenditures amount to CFAF 1,532.8 billion, representing a slight increase of 3.2% compared to 2025. This moderate increase reflects efforts undertaken to control the wage bill, notably through recruitment ceilings and strengthened workforce oversight.

Conversely, investment expenditures financed by domestic resources recorded a marked increase, rising from CFAF 880 billion to CFAF 1,448.9 billion, representing a 64% increase. This development reflects a clear intention to reorient spending toward public investment, particularly projects executed directly by the State, which amount to CFAF 1,081.2 billion.

This recomposition of expenditures is accompanied by a reduction in operating expenditures, notably current transfers, reflecting an effort to rationalize recurrent charges.

The Budget Deficit Explained in Simple Terms

Senegal's 2026 Budget records a budget deficit of CFAF 1,245.1 Billion, equivalent to 5.37% of GDP, which is projected at CFAF 23,170 billion. In practical terms, the expectation is that government spending will surpass projected revenues, resulting in an additional financing gap.

Three factors primarily drive this deficit. First, despite strong revenue growth, overall expenditure remains high, largely due to the weight of debt service and obligations carried over from previous fiscal years. Second, the government has chosen to maintain a significant level of public investment to support economic growth and structural transformation. Third, the gradual decline in concessional external funding has increased pressure on domestic resources and borrowing.

Although the deficit remains above the West African Economic and Monetary Union (WAEMU) convergence criterion of 3% of GDP, the authorities present it as temporary, within a trajectory aimed at a gradual return to fiscal balance from 2027 onward. The 2026 budget is therefore positioned as a transition phase, seeking to preserve public investments while initiating a gradual fiscal consolidation.

However, the sustainability of this trajectory will be heavily reliant on the effective realization of projected revenues, the control of expenditure growth, and, most importantly, the quality of budget execution, which necessitates citizen oversight.

How Senegal plans to finance the deficit in 2026

To finance the budget deficit and support public investment, the Government of Senegal relies significantly on borrowing, both on the domestic market and on external markets. The level of indebtedness is reflected in total public debt service, projected at CFAF 5,497.9 billion in 2026. CFAF 4,307.4 billion of this amount is set aside for paying back the principal, and CFAF 1,190.6 billion is set aside for paying interest and fees. Increased reliance on borrowing allows the State to maintain a high level of public investment in the short term, but it gradually reduces fiscal space.

Senegal's 2026 Budget records a budget deficit of CFAF 1,245.1 Billion, equivalent to 5.37% of GDP, which is projected at CFAF 23,170 billion.

Economic context: Why the Budget is Structured this Way

A. Senegal's economic situation in 2026

Senegal is now entering 2026 in an economic environment that is both fragile and potentially transformative. Public investment and increased oil and gas production (Sangomar oil field and GTA gas project) help to boost growth prospects, but fiscal and institutional pressures remain significant.

1. Public Finance Credibility Shock

In 2024, the report of the Court of Accounts (Cour des Comptes du Sénégal) identified major irregularities in past public finance management, including unrecorded commitments and debt-related discrepancies. The integration of these liabilities into official statistics increased the reported public debt level and altered Senegal's risk profile. Moreover, strong demand on the regional financial market by WAEMU member states creates increased competition for available resources, contributing to higher borrowing costs and reducing room for maneuver for an expansionary fiscal policy. The 2026 budget thus reflects the need to remain attractive to investors while containing the risks associated with excessively costly debt.

Public debt is estimated at around

80–85% of GDP

Debt service in 2026 reaches

CFAF 5,497.9bn

absorbing a substantial share of revenues.

2. Inflation and Purchasing Power Pressures

Although the projected budget deficit of 5.37% of GDP remains above the community threshold of 3%, the 2026 budget is presented as a transitional step toward the gradual rebalancing of public finances to preserve the country's financial credibility and its access to the regional market.

There are still worries about rising prices because Senegal relies heavily on imports of rice, wheat, petroleum products, and industrial inputs, which makes food prices unstable. This structural import dependence means global price fluctuations are quickly transmitted to domestic markets, affecting household purchasing power, particularly low-income households who spend a larger share of income on food and transport.

The government's limited fiscal space constrains its ability to sustain large-scale subsidies, underscoring the importance of targeted social protection.

3. Labor Market and Youth Unemployment

Senegal's demographic profile remains youthful, with more than 60% of the population under 25 (ANSD data); however, youth unemployment and underemployment remain structurally high. Economic growth has not consistently resulted in sufficient formal job creation.

This justifies why the 2026 budget prioritizes infrastructure projects, agricultural value chains, industrial processing, and youth-linked projects (e.g., university expansion, agropoles). However, the employment impact will depend heavily on project execution speed and private-sector participation.

4. Private Sector Under Pressure

While increasing tax revenue strengthens the State, it can also strain small businesses if growth remains modest. Stronger tax enforcement, limited access to affordable credit, rising compliance requirements, and delays in public payments pose challenges for businesses, particularly SMEs. The 2026 budget demands more revenue from small and medium enterprises while maintaining sufficient growth to sustain the economy. The government is looking internally to generate funds without slowing economic activity while maintaining investment to support growth.

How Vision Sénégal 2050 Shapes the Budget

Vision Senegal 2050 is the strategic framework guiding the government’s long-term economic transformation, including the structure of the 2026 budget. Unlike previous short-term development plans, this 25-year roadmap is built around four pillars: a competitive and diversified economy, stronger human capital, improved governance, and sustainable territorial resilience.

Rather than focusing solely on short-term GDP growth, the Vision aims to industrialize Senegal by leveraging emerging oil and gas production (Sangomar and GTA) while decentralizing economic opportunity through rural agropoles and regional development projects. The emphasis is on reducing structural bottlenecks in energy, infrastructure, agriculture, and industrial processing that have historically limited competitiveness.

The 2026 budget functions as the fiscal instrument of this strategy. Despite a heavy debt service burden of CFAF 5,497.9 billion and a deficit of 5.37% of GDP, appropriations prioritize structural investments over broad consumption subsidies. Increased capital spending, support for national value chains, agricultural modernization, and energy infrastructure reflect a deliberate shift from short-term stabilization measures toward long-term productive capacity.

At the same time, the budget maintains allocations for education, health, and social protection, consistent with the Vision's focus on human capital and reducing territorial inequalities. The underlying bet is clear: accept short-term fiscal pressure to build the industrial, agricultural, and institutional foundations required for long-term economic sovereignty and resilience.

Key Risks to Watch in the 2026 Budget

The 2026 budget is arguably Senegal's most ambitious attempt to steer the country toward sovereignty. However, the path from a budget document to actual social transformation is littered with what we might call "economic gravity."

However, there are the four primary risks that could derail the implementation of the 2026 fiscal plan. The first issue is the sheer volume of capital leaving the country to service past debt obligations. With debt-to-GDP sitting at 80–85%, Senegal is effectively running a race with a heavy debt burden. There is a huge risk that if tax revenue collection falls even slightly short of the ambitious new targets, the government will be forced to choose between defaulting on debt or infrastructure projects meant to drive growth. As global interest rates remain high, the cost of rolling over domestic and regional debt could further eat into the discretionary budget.

The second risk is the social stability dilemma; the 2026 budget attempts to reduce consumption subsidies on fuel and electricity to fund structural investments. While Inflation may have slowed, the cumulative cost of living is still crushing for the average household in Dakar or Kaolack. If the transition from subsidies to "structural solutions" takes too long to manifest as lower prices or better services, the resulting social friction could force the government to backtrack. With 60% of the population under 25, "patience" is a scarce resource. If youth unemployment doesn't see a visible dent from these new investments, fiscal discipline may be sacrificed for social order.

Senegal's budget is highly sensitive to factors it cannot control. Being a net importer of food and energy inputs, a spike in global oil prices or a poor global harvest for wheat/rice could significantly impact the budget's inflation assumptions. With capital grants declining by over 21%, Senegal is increasingly reliant on the regional bond market. Any tightening of liquidity within the WAEMU zone would make financing the 5.37% deficit significantly more expensive than projected.

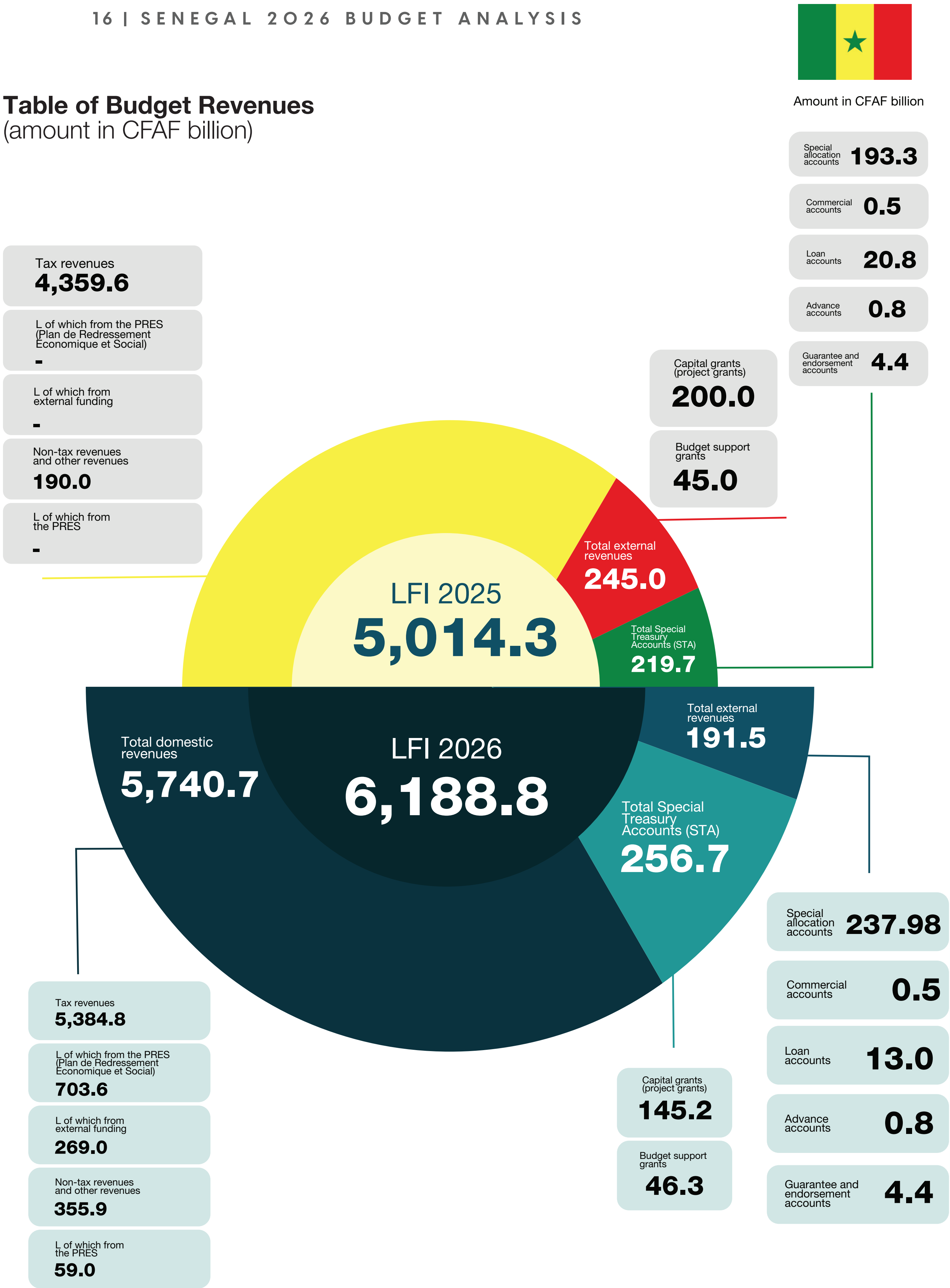
Lastly, the Vision 2050 requires a level of institutional precision that Senegal has historically struggled to maintain. The Court of Accounts recently highlighted significant weaknesses in public finance management. Turning billion-CFAF allocations into functional agropoles and industrial value chains requires a high-functioning civil service and transparent procurement.

There is a risk that the "aggressive" tax collection needed to fund the budget might inadvertently stifle the very SMEs (Small and Medium Enterprises) that are supposed to be the engine of job creation.

With capital grants declining by over 21%, Senegal is increasingly reliant on the regional bond market. Any tightening of liquidity within the WAEMU zone would make financing the 5.37% deficit significantly more expensive than projected.

Revenue: How the Government Raises Money

Table of Budget Revenues
(amount in CFAF billion)



Revenue: How the Government Raises Money

Tax Revenues Explained

Tax revenues are the main driver of revenue growth in the 2026 Finance Law. This year, the government expects to raise CFAF 5,384.8 billion from taxation, driven in particular by revised excise duties (notably on tobacco and alcohol), taxes on gambling activities, a levy on mobile money transactions, an expanded stamp duty on cash payments, and adjustments to selected customs duties.

They increased by CFAF 1,025.2 billion, from CFAF 4,359.6 billion in 2025 to CFAF 5,384.8 billion in 2026, representing a rise of approximately 23.5%. This amount confirms the central role of taxation in the government's budgetary strategy.

This increase is mainly due to actions in the Economic and Social Recovery Plan (PRES), which adds CFAF 703.6 billion to tax income, along with an estimated CFAF 269 billion from tax income related to external funding.

These figures reflect an intensification of the tax effort, relying in particular on:

- the broadening of the tax base;
- the revision of certain tax and customs measures;
- There is also a targeted reduction in tax expenditures.

However, in the absence of a detailed breakdown by type of tax (VAT, direct taxes, customs duties), it remains essential to assess to what extent this increase is borne by households, businesses, or specific sectors of the economy. However, the question remains: how does the government ensure that tax measures are delivered without hurting the poorest?

Non-Tax Revenues and External Financing

Non-tax and other revenues record a significant increase, rising from CFAF 190 billion in 2025 to CFAF 355.9 billion in 2026, an increase of CFAF 165.9 billion (+87%). Despite this strong relative growth, these revenues remain structurally marginal within the State's overall resources, accounting for less than 6% of domestic revenues, and are characterized by a degree of volatility.

The contribution of the PRES to non-tax revenues is estimated at CFAF 59 billion, reflecting efforts to enhance fees, administrative charges, and revenues from public enterprises. However, the sustainability

External revenues, composed of disbursements from capital grants (projects) amounting to CFAF 145.2 billion, and budget support grants totaling CFAF 46.3 billion, by contrast, decline from CFAF 245 billion in 2025 to CFAF 191.5 billion in 2026, a decrease of CFAF 53.5 billion (-21.8%).

of these resources will largely depend on the quality of governance of the entities concerned.

External revenues, composed of disbursements from capital grants (projects) amounting to CFAF 145.2 billion, and budget support grants totaling CFAF 46.3 billion, by contrast, decline from CFAF 245 billion in 2025 to CFAF 191.5 billion in 2026, a decrease of CFAF 53.5 billion (-21.8%). This contraction is mainly due to reduced capital grants for projects, which fall from CFAF 200 billion to CFAF 145.2 billion, while budget support grants remain broadly stable.

What New Tax Measures Mean for Citizens and Businesses

In a context of high living costs and heavy reliance on indirect taxes (such as VAT and excise duties), new tax measures are likely to affect households unevenly. Low-income families spend a larger share of their income on essential goods like food, transport, and fuel. As a result, increases in consumption-based taxes are often felt quickly through higher prices, reducing disposable income.

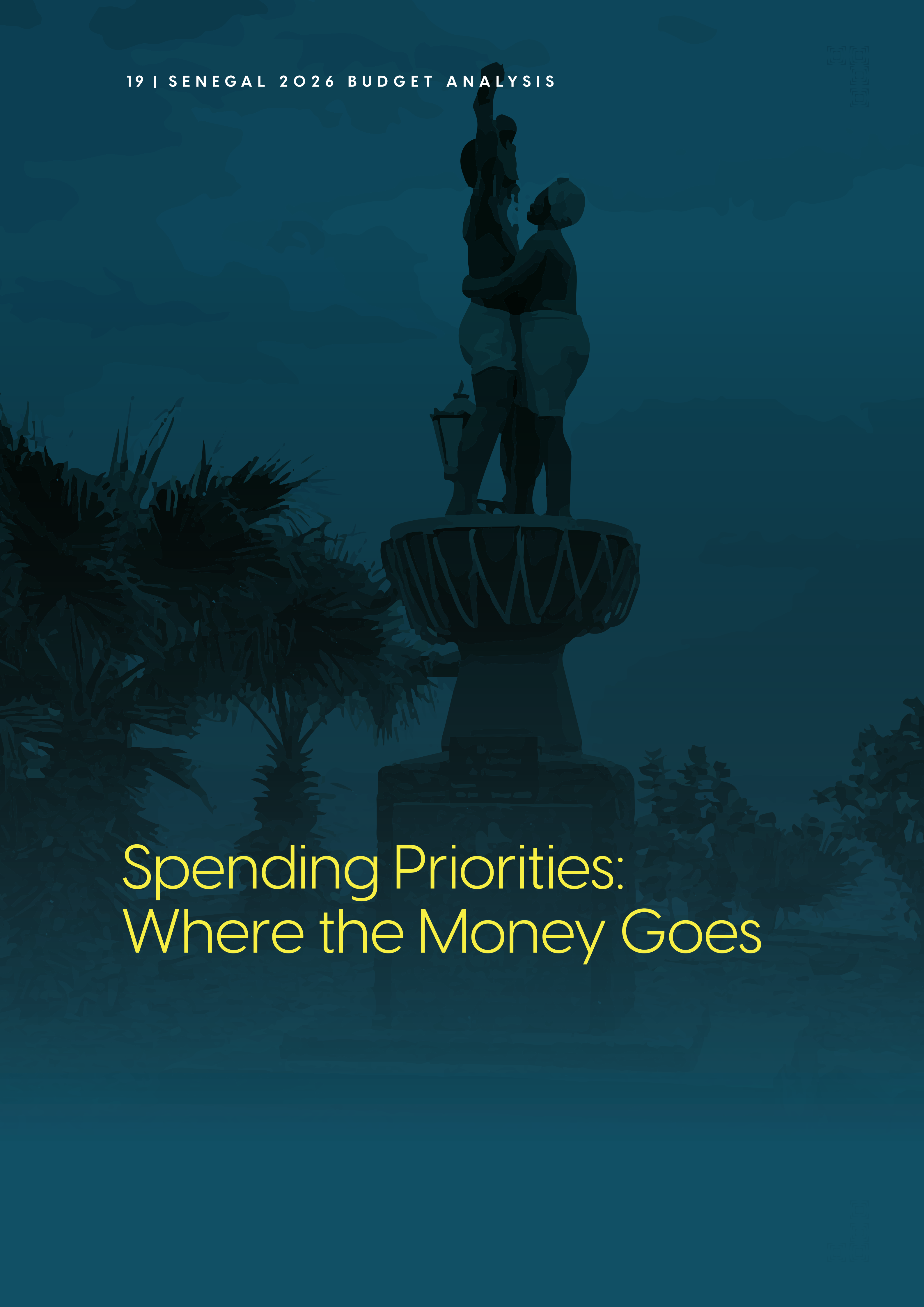
Recent measures expanding taxation to certain payment methods, gaming winnings, and excise goods may directly influence everyday expenses. While strengthening domestic revenue is necessary to reduce borrowing and finance long-term investments, the fairness of the tax burden remains critical.

For businesses, especially small and medium enterprises (SMEs), stronger enforcement and expanded compliance requirements can increase operating costs and strain cash flow. This may lead to higher prices, delayed hiring, or postponed investment, particularly in a fragile economic environment.

To ensure tax reforms support both fiscal stability and economic growth, citizens should monitor:

- Whether the tax burden is fairly distributed between households and large taxpayers;
- Whether indirect taxes are rising faster than direct taxes;
- Whether vulnerable groups are protected through targeted social support;
- Whether increased revenues translate into visible improvements in public services.

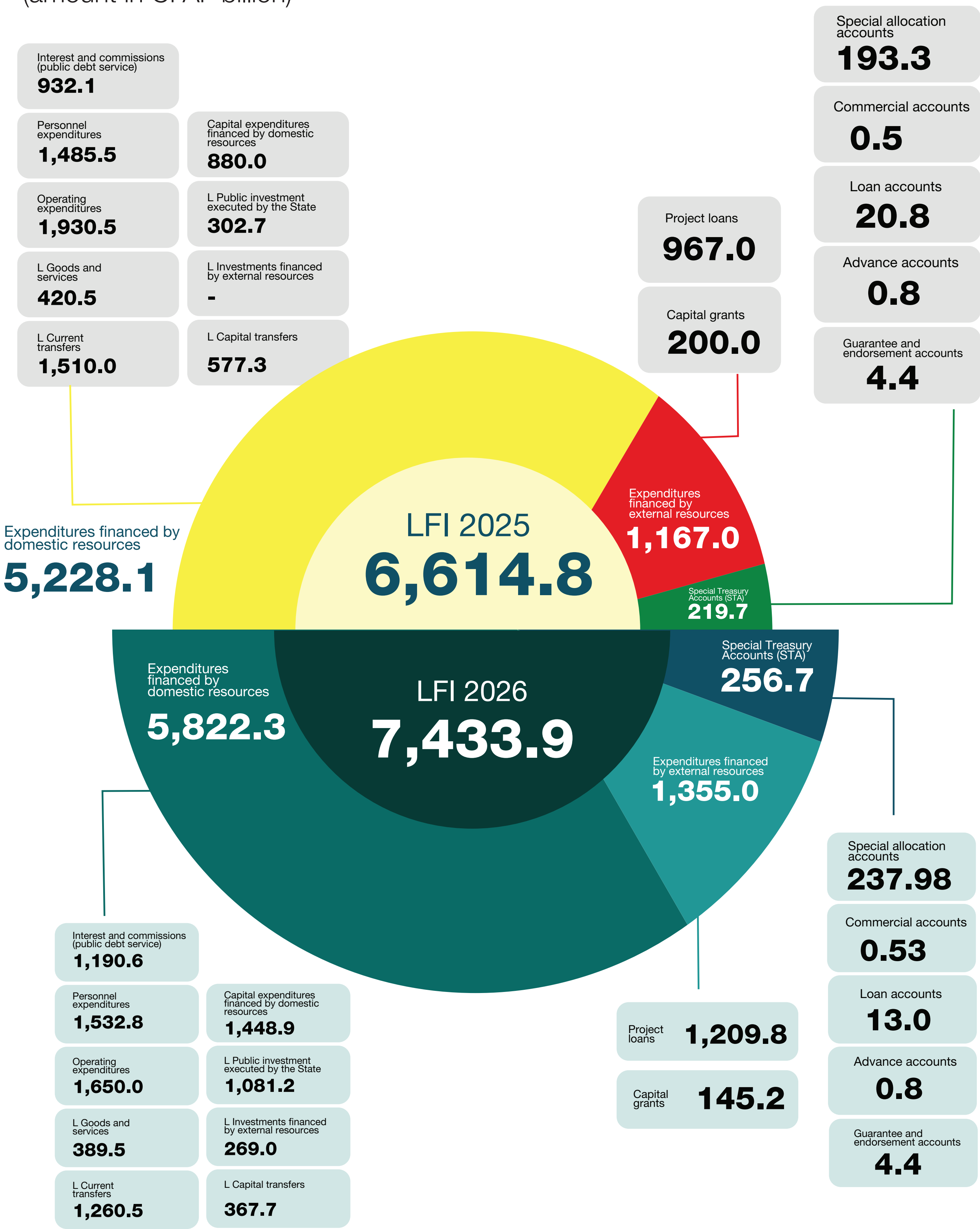
Effective tax reform must strengthen public finances without undermining household welfare or private-sector growth.



Spending Priorities: Where the Money Goes

Amount in CFAF billion

Table of Budget Expenditures
(amount in CFAF billion)



Overall Spending Structure

Total budget expenditures projected for 2026 amount to CFAF 7,433.9 billion, up from CFAF 6,614.8 billion in 2025, representing an increase of CFAF 819.1 billion (+12.4%). This growth remains well below the pace of revenue expansion, reflecting the authorities' intention to contain expenditure growth as part of the ongoing public finance consolidation effort.

The increase in spending is mainly driven by expenditures financed by domestic resources, which rose by CFAF 594.2 billion, reaching CFAF 5,822.3 billion in 2026. Expenditures financed by external resources grow more moderately (+CFAF 188.0 billion), confirming a gradual shift toward domestically financed public action.

Salaries and Government Operations

Personnel expenditures increase modestly from CFAF 1,485.5 billion in 2025 to CFAF 1,532.8 billion in 2026, an increase of CFAF 47.3 billion (+3.2%). This contained growth reflects efforts to control the wage bill through tighter recruitment policies and workforce management. However, in absolute terms, the wage bill remains structurally high and continues to contribute to the rigidity of public spending.

In contrast, operating expenditures declined significantly by CFAF 280.5 billion (-14.5%), falling to CFAF 1,650.0 billion in 2026. This reduction is driven mainly by lower current transfers (-CFAF 249.5 billion), while spending on goods and services decreases more moderately (-CFAF 31.0 billion). This adjustment reflects a deliberate policy choice to curb recurrent spending in order to free up resources for investment.

Investment in Infrastructure and Development

Public investment is the main driver of spending growth in the 2026 budget. Capital expenditures financed by domestic resources increased sharply from CFAF 880.0 billion to CFAF 1,448.9 billion, an increase of CFAF 568.9 billion (+64.6%).

This surge is largely explained by the expansion of public investment executed directly by the State, which rises from CFAF 302.7 billion in 2025 to CFAF 1,081.2 billion in 2026. This reorientation signals the government's intention to strengthen direct control over public investment and reduce project fragmentation.

At the same time, capital transfers declined by CFAF 209.7 billion, suggesting a recentralization of public action and raising questions about the administration's capacity to effectively absorb and manage this increased investment volume.

Externally financed investment reaches CFAF 1,209.8 billion through project loans, while capital grants fall to CFAF 145.2 billion. As a result, externally financed investment increasingly relies on debt rather than non-repayable resources, with implications for medium-term fiscal sustainability.

Social Transfers and Public Services

The reduction in current transfers, from CFAF 1,510.0 billion in 2025 to CFAF 1,260.5 billion in 2026, represents one of the most significant adjustments in the 2026 budget. While this contributes to controlling operating expenditures, its social impact will depend on the government's ability to effectively target vulnerable populations and preserve essential public services.

In a context marked by inflation and social pressures, the key challenge remains improving spending efficiency, ensuring that the reallocation of resources toward investment does not undermine access to basic social services.

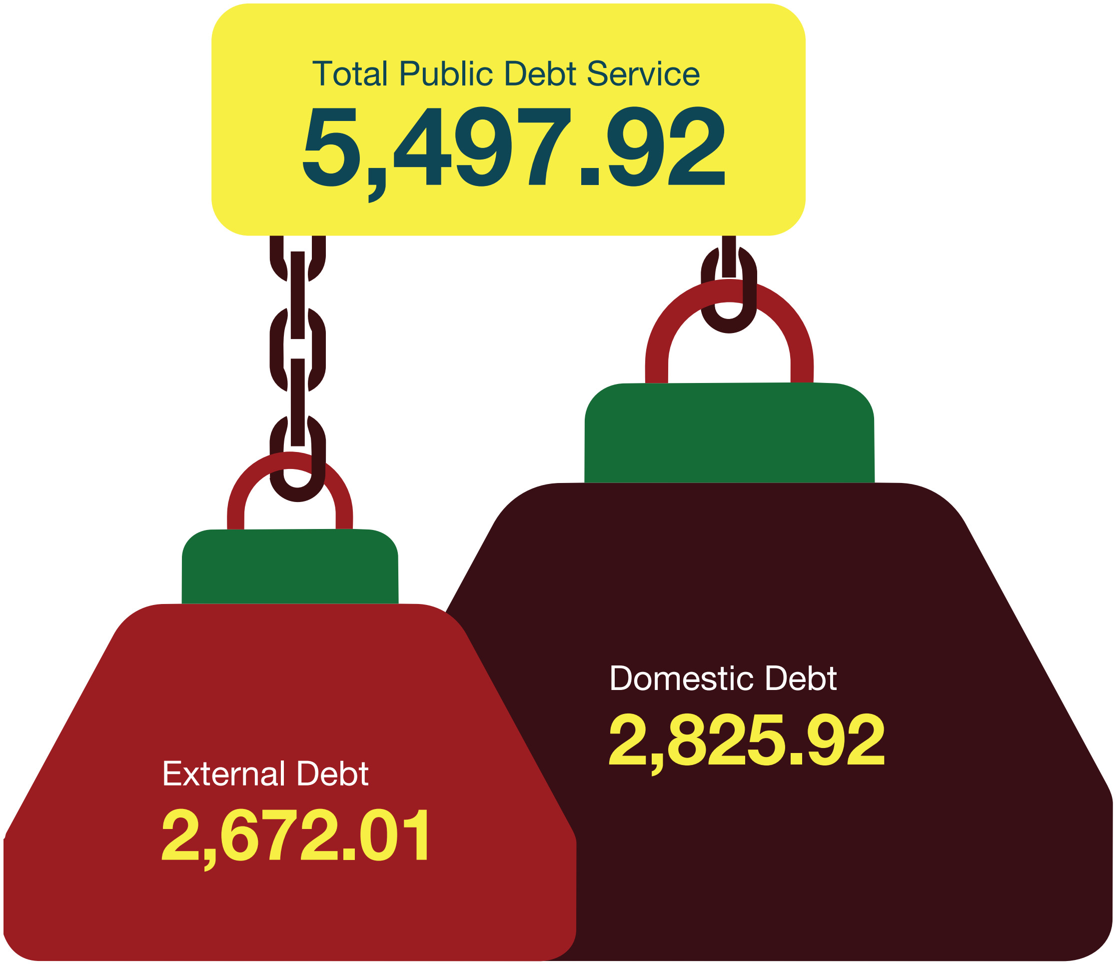
Special Treasury Accounts (STA) Expenditures

Expenditures under the Special Treasury Accounts increase moderately from CFAF 219.7 billion in 2025 to CFAF 256.7 billion in 2026, an increase of CFAF 37.0 billion. This growth is mainly driven by special allocation accounts, whose expenditures rise by CFAF 44.7 billion.

Debt and Fiscal Sustainability

Debt and Fiscal Sustainability

Public Debt Service



Amount in CFAF billion

Current Debt Situation

In 2026, Senegal's public debt service is projected at CFAF 5,497.9 billion, including CFAF 2,672.0 billion in external debt and CFAF 2,825.9 billion in domestic debt. This exceptionally high level means that a substantial share of public resources will be used to meet past obligations rather than finance current development priorities.

The composition of debt service raises particular concerns. On the external side, commercial debt exceeds CFAF 1,017.6 billion, making it the largest repayment component. Such debt typically carries higher interest rates and shorter maturities, increasing vulnerability to international financial conditions.

Domestically, bank debt together with Treasury bills and bonds amounts to more than CFAF 1,335.5 billion, reflecting a growing reliance on the domestic market to finance government needs.

What the 2026 Debt Service Reflects

The projected debt service for 2026 is the outcome of a steadily deteriorating debt trajectory over the past decade, with a sharp acceleration following the COVID-19 shock. Persistent fiscal deficits, large-scale infrastructure spending, and increased borrowing, both external and domestic, to support economic activity have led to a rapid accumulation of repayment obligations.

Recent developments in debt transparency have further reinforced this trend. The report published by the Court of Auditors revealed previously unrecorded commitments equivalent to hidden debt, which were subsequently integrated into the official public debt figures. This regularization mechanically increased debt service levels and further constrained fiscal space.

As such, the CFAF 5,497.9 billion projected for 2026 debt management is not merely a budgetary line item. It reflects the cost of past borrowing decisions as well as longstanding weaknesses in debt governance and transparency.

Domestically, bank debt together with Treasury bills and bonds amounts to more than CFAF 1,335.5 billion, reflecting a growing reliance on the domestic market to finance government needs.

Risks and Future Implications

The primary risk associated with the current debt burden is the compression of fiscal space. As debt repayments absorb a growing share of public revenues, fewer resources remain available for priority sectors such as education, health, social protection, and productive investment.

In addition, heavy reliance on commercial debt and financial markets, both external and domestic, exposes public finances to refinancing risks and potential increases in borrowing costs. In a tightening financial environment, debt service may continue to rise, reinforcing a cycle in which new borrowing is increasingly used to service existing debt.

Over the medium and long term, this situation also raises concerns about intergenerational equity. Future generations may bear the burden of today's debt without enjoying corresponding economic benefits if borrowed resources fail to translate into sustainable, inclusive, and value-creating growth.

Regional Comparison and Concrete Implications

Compared to some WAEMU peers, Senegal has a higher share of commercial debt. While many WAEMU countries continue to rely mainly on concessional financing from multilateral and bilateral creditors, Senegal has progressively increased its reliance on external commercial debt.

In countries such as Mali and Niger, debt sustainability analyses conducted by the International Monetary Fund in 2019 show debt structures dominated by concessional loans, characterized by lower interest rates and longer maturities. Paying back loans over time keeps the government's budget open for social spending and public investment.

By contrast, in Senegal, the growing weight of debt service increasingly competes with the financing of priority public policies. In 2026, amounts allocated to debt repayment exceed those dedicated to several social programs and key subsectors in education and health, clearly illustrating the fiscal constraints imposed by the current debt trajectory.

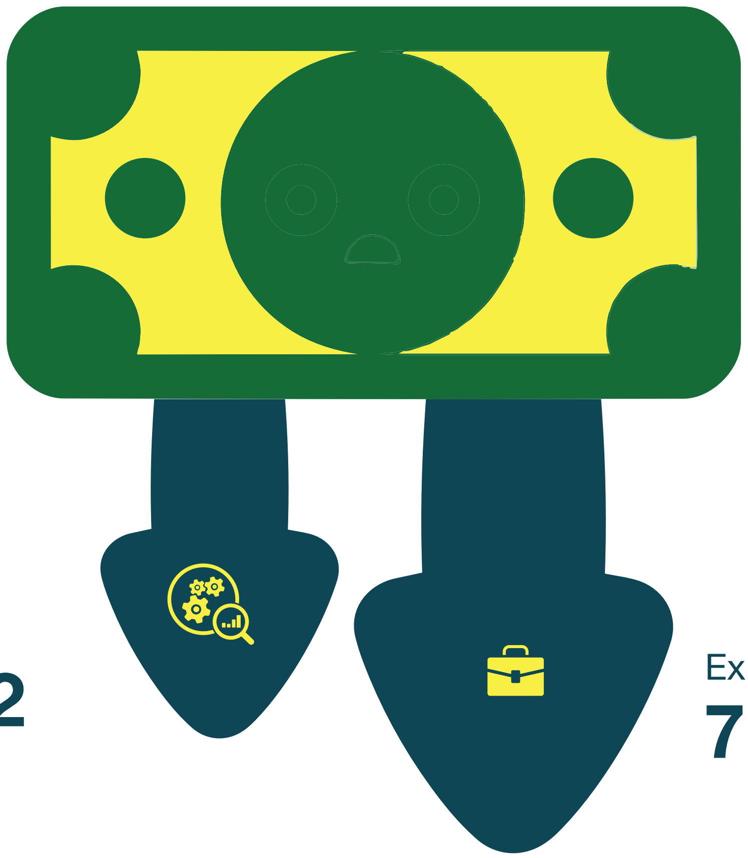
Budget Deficit and Financial Risks

Budget Deficit and Financial Risks

GDP 2026
23,170.0

Overall Budget Deficit
-1,245.06

% of GDP
-5.37%



Resources
5,932.2

Expenditures
7,177.2

Amount in CFAF billion

Why the Budget Is in Deficit

The draft 2026 Finance Law projects an overall budget deficit of CFAF 1,245.1 billion, equivalent to 5.37% of GDP, with total resources estimated at CFAF 5,932.2 billion compared to expenditures of CFAF 7,177.2 billion. This deficit reflects a persistent gap between the government's revenue-raising capacity and its spending obligations.

On the expenditure side, fiscal pressures are mainly driven by the weight of debt service, recurrent expenditures, and the financing of priority investments aimed at supporting economic transformation. On the revenue side, despite ongoing efforts to strengthen domestic resource mobilization, revenues remain insufficient in the short term to offset rising financing needs. As a result, the fiscal balance remains under strain.

Government Strategy to Reduce the Deficit

The government of Senegal has reaffirmed their commitment to fiscal consolidation, with the objective of gradually reducing the deficit from 2027 onward and reaching the 3% of GDP threshold in line with regional commitments. The 2026 deficit therefore represents a transitional phase rather than a permanent deviation from fiscal rules. The government's strategy is expected to rely on a mix of measures, including improved tax administration, a broader tax base, rationalization of current expenditures, and better prioritization of public investment. This gradual approach aims to preserve growth-enhancing spending while progressively restoring fiscal discipline and credibility. Citizens should demand publication of the 2026 financing plan specifying domestic vs. external borrowing.

Key Fiscal Risks to Monitor

Despite the announced consolidation path, several risks could weigh on deficit reduction efforts. First, higher-than-expected debt service costs, particularly on commercial debt, could further constrain public finances. Second, revenue performance remains vulnerable to economic shocks, commodity price volatility, and slower-than-anticipated growth.

Finally, delays in the implementation of structural reforms or the emergence of unforeseen expenditures, including social or security-related spending, could lead to a wider deficit. Effectively managing these risks will be essential to ensure a credible, growth-friendly fiscal consolidation and safeguard medium-term fiscal sustainability.

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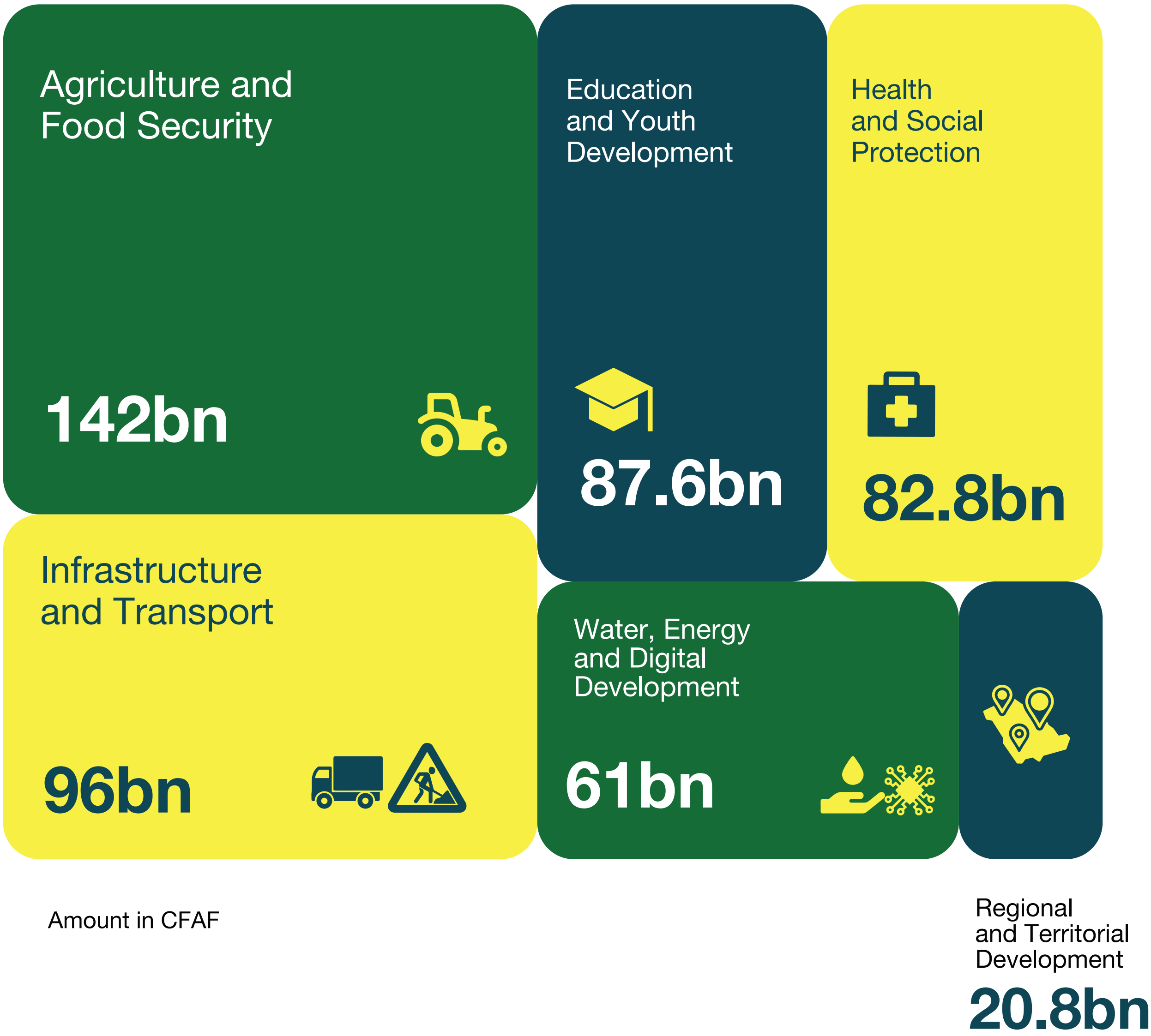
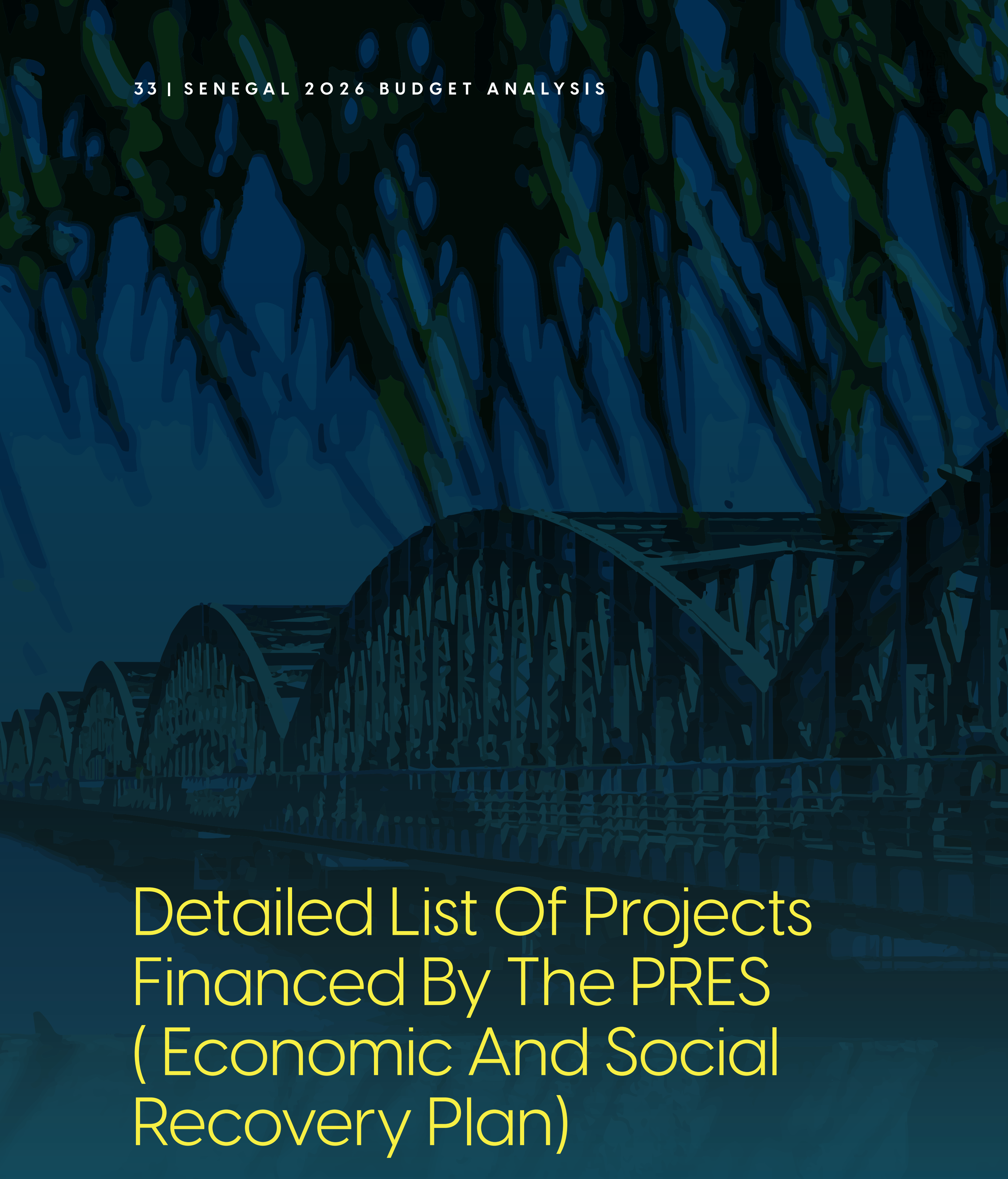
Sector Focus: Impact on Key Public Services

SECTOR FOCUS

What to Watch



Sector	What is financed?	Amount (CFAF bn)	Expected impact for citizens
Education and Youth Development	Construction and rehabilitation of universities, decentralized university centers, student housing, Virtual University of Senegal (UVS/ENO), infrastructure linked to the Youth Olympic Games (YOG)	**87.6 billion**	Improved access to higher education, increased university capacity, expanded learning opportunities for young people across the country
Health and Social Protection	Construction, rehabilitation and equipment of health centers and posts, referral health facilities, emergency services, polyclinic of the Principal Hospital of Dakar, support to public health facilities (CPOM)	**82.8 billion**	Strengthened healthcare delivery, improved access to health services, better medical coverage for populations
Agriculture and Food Security	Community agricultural cooperatives, agricultural mechanization, renovation of SONACOS facilities, development of agricultural value chains, Southern and Sine Saloum agropoles	**142.0 billion**	Increased agricultural production, job creation in rural areas, enhanced food security and local value addition
Infrastructure and Transport	Road construction and rehabilitation, railway rehabilitation, airport infrastructure, acquisition of aircraft for Air Senegal, community infrastructure programs (PUDC, PUMA)	**96.0 billion**	Improved mobility, territorial connectivity, and facilitation of economic activities
Water, Energy and Digital Development	Greater Water Transfer Project (GTE), strengthening of drinking water networks, social connections, rural electrification programs and regional concessions	**61.0 billion**	Improved access to clean water and electricity, support for local economic development
Regional and Territorial Development	Social housing projects, support to local governments, programs targeting vulnerable and border areas	**20.8 billion**	Improved living conditions, strengthened territorial cohesion, more balanced regional development



Detailed List Of Projects Financed By The PRES (Economic And Social Recovery Plan)

Ministry / Section	Project Title	Amount in AE	Amount in CP
Unallocated expenditures	Construction of large-scale infrastructure: Youth Olympic Games (JOJ), AFCON	**89,800,000,000**	**43,240,175,976**
Ministry of Armed Forces	Construction and equipment of the Polyclinic of the Principal Hospital of Dakar (HPD)	**10,560,000,000**	**10,560,000,000**
	Support to public health facilities / Multiannual Performance and Funding Contract (CPOM)	**2,100,000,000**	**2,100,000,000**
	Construction and equipment of the Diakhaye Health Center	**1,774,565,595**	**1,774,565,595**
	Construction and rehabilitation of various reference health facilities	**4,456,979,977**	**4,456,979,977**
Ministry of Health and Public Hygiene	Construction, rehabilitation and equipment of health posts (DEC BCI)	**504,000,000**	**504,000,000**
	Construction and equipment of nine (9) health centers	**1,000,000,000**	**1,000,000,000**
	Equipment of various reference health facilities	**2,100,000,000**	**2,100,000,000**
	Equipment of reception and emergency services	**300,000,000**	**300,000,000**
Ministry of Agriculture, Food Sovereignty and Livestock	Community Agricultural Cooperatives Project (CAC)	**9,627,022,781**	**9,627,022,781**
	Agricultural mechanization – former Rural Equipment Program (CAC)	**13,000,000,000**	**13,000,000,000**
Ministry of Higher Education, Research and Innovation	Creation of the Virtual University of Senegal (UVS) and implementation of Open Digital Spaces (ENO)	**600,000,000**	**600,000,000**
Ministry of Water and Sanitation	Emergency project and reinforcement of drinking water distribution systems	**10,000,000,000**	**10,000,000,000**
	Greater Water Transfer Project (GTE)	**137,000,000,000**	**50,000,000,000**
	Extension of networks and social connections in rural areas	**1,100,000,000**	**600,000,000**

Ministry / Section	Project Title	Amount in AE	Amount in CP
Ministry of Energy, Petroleum and Mines	National Emergency Rural Electrification Program	**252,150,000**	**252,150,000**
	Rural electrification concession – Kaolack, Nioro, Fatick and Gossas	**60,000,000**	**60,000,000**
	Rural electrification concession – Dagana, Podor, Saint-Louis	**60,000,000**	**60,000,000**
	Rural electrification concession – Louga, Linguère, Kébémer	**60,000,000**	**60,000,000**
Ministry of Industry and Trade	Renovation of SONACOS facilities	**25,000,000,000**	**25,000,000,000**
	Industrial development of groundnut, oilseed and by-product value chains	**1,000,000,000**	**1,000,000,000**
	Industrial development of fruit and vegetable value chains	**1,000,000,000**	**1,000,000,000**
	Industrial development of millet, fonio and sorghum value chains	**1,000,000,000**	**1,000,000,000**
	Establishment of a Southern Agropole	**40,925,154,908**	**40,925,154,908**
	Promotion of sustainable entrepreneurship and creation of decent jobs in Sine Saloum (Central Agropole)	**50,467,500,000**	**50,467,500,000**
Ministry of Urban Planning, Local Governments and Territorial Development	Support project for municipalities and urban agglomerations in Senegal (ADM)	**800,000,000**	**800,000,000**
	30,000 Housing Units Project	**20,000,000,000**	**20,000,000,000**
	Completion of works on the Mékhé–Pékés–Thilmakha road	**8,500,000,000**	**8,500,000,000**
	Completion of works on the Sandiwara–Ndiaga Niaw road	**3,500,000,000**	**3,500,000,000**
Ministry of Infrastructure	Rehabilitation of the Dakar–Kidira standard gauge railway (Phase 1 Dakar–Tambacounda)	**3,000,000,000**	**3,000,000,000**
	Rehabilitation of Ziguinchor Airport	**6,000,000,000**	**6,000,000,000**
	Construction and equipment of a decentralized university center of Assane Seck University of Ziguinchor (UASZ) in Kolda	**100,000,000**	**100,000,000**
	Construction and rehabilitation of universities	**16,000,000,000**	**16,000,000,000**
	Construction of El Hadji Ibrahima Niass University (Sine Saloum)	**11,796,840,648**	**11,796,840,648**

Ministry / Section	Project Title	Amount in AE	Amount in CP
Ministry of Infrastructure	Construction of Amadou Mahtar Mbow University (UAM)	**300,000,000**	**300,000,000**
	University infrastructure construction program	**1,000,000,000**	**1,000,000,000**
	Construction of 35 health centers	**60,000,000,000**	**60,000,000,000**
	Construction of Matam University	**400,000,000**	**400,000,000**
	Construction of Eastern Senegal University	**400,000,000**	**400,000,000**
	Construction of university residences at Amadou Mahtar Mbow University and UCAD	**829,677,689**	**829,677,689**
	Construction of university residences	**12,900,000,000**	**12,900,000,000**
	Emergency Program for the Modernization of Border Axes and Territories (PUMA)	**5,000,000,000**	**5,000,000,000**
	Emergency Community Development Program (PUDC)	**3,999,999,999**	**3,999,999,999**
Ministry of Land and Air Transport	Acquisition of two aircraft for Air Senegal	**66,000,000,000**	**66,000,000,000**
TOTAL – PRES PROJECTS		**633,273,891,597**	**499,214,067,573**

Policy Recommendations to Strengthen the 2026 National Budget

The 2026 National Budget of Senegal comes at an important moment for the country's economic trajectory. Following years of fiscal pressure, rising debt obligations, and global economic volatility, the government faces the dual challenge of maintaining macroeconomic stability while sustaining investments needed for long-term development. The budget therefore represents more than a fiscal document; it is a strategic policy tool that determines how national resources will be mobilized, allocated, and used to improve the well-being of citizens.

The budget outlines important commitments in infrastructure development, social services, and economic transformation. However, the success of these priorities will depend on the credibility of revenue projections, prudent fiscal management, and the effective implementation of public programs. Persistent fiscal deficits, increasing debt service obligations, and the need to strengthen domestic revenue mobilization continue to place pressure on public finances. These challenges require a careful balance between fiscal consolidation and sustained investments in key development sectors.

Equally important is the need to strengthen transparency, accountability, and citizen participation in the management of public resources. Citizens must be able to understand how public funds are allocated, track government projects in their communities, and hold institutions accountable for service delivery. Improving transparency and strengthening public oversight will help ensure that budget allocations translate into tangible improvements in citizens' lives.

In light of these considerations, BudgIT Senegal proposes the following policy recommendations to enhance fiscal discipline, improve public spending efficiency, and strengthen citizen engagement in the implementation of the 2026 National Budget.

Key Reform Priorities for the Government of Senegal

Strengthen Domestic Revenue Mobilization Through Structural Reforms

The government should prioritize broadening the tax base and improving tax administration rather than relying primarily on consumption-based taxes that disproportionately affect low-income households. Strengthening compliance mechanisms, expanding digital tax systems, and addressing revenue leakages in high-value sectors such as extractives and large corporate taxation will improve revenue collection while promoting fairness within the tax system.

Improve Fiscal Transparency and Public Access to Budget Information

Access to timely and simplified fiscal information remains critical for strengthening public accountability. The government should publish detailed budget implementation reports, sector expenditure updates, and simplified citizen-friendly budget documents. Improving the availability and accessibility of fiscal data will enable citizens, civil society organizations, and researchers to better track public spending and assess government performance.

Strengthen Expenditure Efficiency and Public Financial Management

Given the constraints on public resources, it is essential that government spending delivers maximum impact. Strengthening public financial management systems, improving procurement processes, and enhancing expenditure tracking mechanisms will help reduce inefficiencies and ensure that allocated resources translate into effective service delivery.

Maintain Prudent Debt Management and Fiscal Sustainability

With rising debt obligations across many developing economies, Senegal must continue to maintain a prudent approach to public borrowing. Greater transparency in debt contracting, prioritization of concessional financing, and stronger oversight of public borrowing will help safeguard fiscal sustainability. Borrowed resources should be directed toward productive investments capable of generating long-term economic growth and public value.

Protect and Expand Investments in Human Capital

Sustained investments in education, healthcare, social protection, and basic public services are critical for improving the welfare of citizens and promoting inclusive economic growth. The government should ensure that these sectors receive predictable funding and that resources allocated to social services are efficiently utilized to improve service delivery outcomes.

Support Small and Medium Enterprises and Job Creation

Small and medium enterprises remain central to job creation and economic diversification. The government should strengthen policies that improve access to finance, reduce regulatory barriers, and support entrepreneurship. Creating a more enabling environment for SMEs will contribute to sustainable economic growth and employment generation.

Institutionalize Citizen Participation and Community Monitoring

Strengthening citizen participation in public finance oversight can significantly improve accountability and service delivery. The government should promote participatory monitoring mechanisms and support collaboration with civil society organizations working to track public projects at the community level. Citizen-driven monitoring initiatives can help ensure effective implementation of public investments and delivery of the intended development benefits.

3 Quick Wins for Stronger Budget Implementation in 2026

Publish Quarterly Budget Implementation Reports

The Ministry of Finance should publish simplified quarterly reports showing how much revenue has been collected, how much has been spent, and progress on major government projects. This will allow citizens, civil society organizations, and policymakers to track whether budget promises are being fulfilled.

Launch a Public Project Tracking Dashboard

The government should create an online platform where citizens can track public projects, including their budgets, contractors, and implementation timelines. This will help communities monitor projects in their areas and report delays or abandoned projects.

Prioritize Completion of Ongoing Infrastructure Projects

Instead of starting many new projects, the government should focus on completing ongoing infrastructure projects in roads, water, energy, and schools. Completing existing projects will improve service delivery and reduce the number of abandoned projects.

How Citizens Can Engage with the Budget

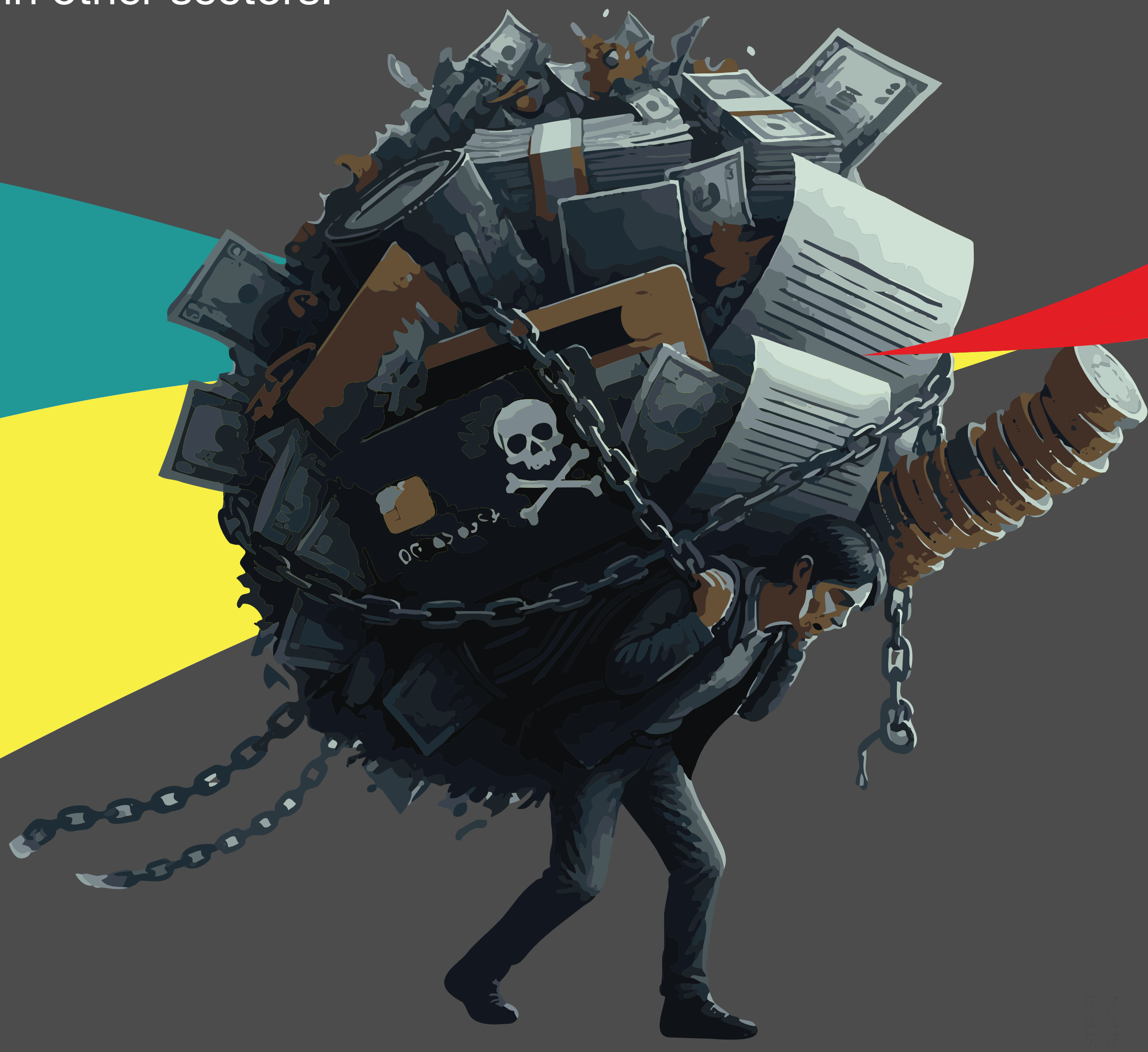
Beyond the numbers, the national budget is a formal public contract; it is not a gift from the government to the people but rather a legally binding agreement with specific moral obligations. Every CFA franc collected in taxes and every billion spent in 2026 represents the labor and the future of the Senegalese people. The success of the 2026 Budget will depend not only on government execution but also on active citizen oversight.

Why Citizen Oversight Matters in 2026

The stakes are high in 2026, with a high debt burden and citizens being asked to contribute more while the government struggles to raise revenue. This year's budget carries significant risks and responsibilities. With higher taxes and massive infrastructure bets, transparency is no longer a luxury; it is a prerequisite for stability. Oversight reduces waste, participation strengthens the democratic fabric, and vigilance prevents the "leakage" of progress.

A Debt Burden of CFAF5,497.9 Billion

This staggering amount is earmarked for debt servicing, principal and interest, leaving little margin for error in other sectors.



A 23.5% Surge in Tax Revenue

This represents a massive increase in the fiscal effort required from citizens and businesses.

A 64% Spike in Public Investment

While ambitious, such rapid scaling of investment spending creates significant opportunities for leakage if not monitored closely.

A Persistent Deficit

5.37%

At 5.37% of GDP, the deficit remains above WAEMU thresholds, requiring disciplined management to avoid a future fiscal crisis.

What Citizens Should Track in 2026

To hold the state accountable to its "Vision 2050" promises, citizens should prioritize monitoring these four critical areas:

1. Quarterly Performance Monitoring

The Ministry of Finance is obligated to publish regular execution reports. Citizens must verify:

- Are actual revenues matching these ambitious projections?
- Is capital funding reaching the intended projects, or is it being diverted to cover administrative shortfalls?
- Are social safety nets being maintained as subsidies are phased out? Red Flag: Any delay in the publication of these reports suggests fiscal stress or a lack of transparency.

2. Contract Integrity and Major Projects

When investment spending jumps by 64%, procurement becomes the primary front for accountability and public sector efficiency. Citizens should be much more involved in procurement. Citizens must exercise their oversight function by asking who won the contracts?

Was the process competitive or sole-sourced? Does the project physically exist at the stated location? Is the progress commensurate with the funds released? Citizens should watch out for repeated cost overruns or "ghost projects" that exist on paper but not in the community.

3. Debt and Refinancing Transparency

As the state seeks to refinance its obligations, the terms must be public. Citizens should insist on updated debt statistics and clear disclosures on new borrowing terms. Opaque refinancing often hides high interest rates that could cripple future budgets.

4. Service Delivery Outcomes

Budgets are only successful if they improve the human condition: Are the new regional agropoles functional? Are university facilities accessible? Are electrification projects effectively providing power to homes?

Remember: *An announcement is a promise; implementation is the reality.*

How Tracka Enables Citizen Monitoring

BudgIT Senegal's Tracka platform (tracka.sn) empowers citizens to actively monitor public projects in their communities.

Through Tracka, you can:

Locate: Identify exactly which projects are budgeted for your specific neighborhood or region.

Verify: Visit project sites and document progress with photos and time-stamped reports.

Escalate: Report abandoned or poorly executed projects directly to the public eye.

Engage: Use verified data to spark dialogue with local representatives and service providers.

The Citizen's Checklist: Practical Steps for 2026

- **Educate:** Download and share simplified versions of the 2026 budget with your network.
- **Select:** Identify one project in your locality that impacts your daily life (a road, school, or clinic).
- **Inspect:** Visit the site, take photos, and ask questions.
- **Report:** Upload your findings to Tracka to create a public record of implementation.
- **Mobilize:** Encourage youth and community leaders to join the oversight movement. Collective action is far more difficult to ignore than individual complaints.

Glossary Page

Initial Finance Law (IFL): Law adopted by Parliament that authorizes all government revenues and expenditures for a fiscal year.

General Budget: Main budget covering the State's core revenues and expenditures, excluding special treasury accounts.

Special Treasury Accounts (STA): Budgetary accounts used to manage specific transactions outside the General Budget, usually balanced.

Budgetary Appropriations: Maximum amounts approved by Parliament that the government is allowed to commit and spend.

Commitment Authorizations (CA): Legal authorizations allowing the State to commit to multi-year expenditures, mainly for investments.

Payment Appropriations (PA): Amounts actually paid during the fiscal year to honor current or past commitments.

Budget Deficit: Situation where government expenditures exceed revenues in a given year.

Financing Need: Amount of funds the government must raise, mainly through borrowing, to cover the deficit and debt repayments.

Tax Revenues: Income collected through taxes from households and businesses.

Non-Tax Revenues: Government income from sources other than taxes, such as fees, dividends, and State assets.

Direct Taxes: Taxes levied directly on income or wealth.

Indirect Taxes: Taxes included in the price of goods and services and paid at consumption.

Current Expenditures: Spending required for the day-to-day operation of government.

Glossary Page (continued)

Operating Expenditures: Non-investment spending necessary to deliver public services.

Investment Expenditures: Spending on long-term public assets that support economic development.

Capital Expenditures: Investment spending and capital transfers that increase public or productive assets.

Personnel Expenditures: Total compensation paid to government employees.

Current Transfers: Non-repayable payments supporting recurring needs of households or institutions.

Capital Transfers: Non-repayable payments intended to finance investment projects.

Debt Service vs Budget Deficit: Debt service refers to repayments of existing debt, while the budget deficit measures the annual gap between revenues and expenditures.

Project Loans vs Capital Grants: Project loans are repayable external funds, while capital grants are non-repayable investment resources.

Debt-to-GDP Ratio: Indicator measuring public debt relative to the size of the economy.

Gross Domestic Product (GDP): Total value of goods and services produced within a country over a given period.

How Tracka Enables Citizen Monitoring

The 2026 Budget aims to reposition Senegal toward economic sovereignty. But ambition without accountability is a recipe for stagnation. Citizens are not spectators; you are the primary stakeholders and the ultimate beneficiaries of every investment.

Active civic engagement ensures that tax efforts are fair, debt is manageable, and social services reach the most vulnerable. A budget monitored by the people is one that serves them.

The time to engage is now. Your oversight is the final safeguard for Senegal's future.

What the 2026 Budget Ultimately Depends On

- Revenue realism
- Investment execution
- Debt refinancing discipline
- Transparency
- Social stability

To drive development in Senegal, citizens must actively monitor the budget implementation by actively using:

- Tracka (Tracka.sn) to monitor public projects in their communities
- Monitoring execution reports
- Reviewing Procurement portals