



## Presentation of the 2025 Finance Bill

### Introduction

In a global economic context strongly characterized by uncertainties due to the persistent effects of climate change, geopolitical tensions and global financial adjustments, the 2025 Finance Bill (LFI) is both **an appropriate response to the challenges of our time and a clear vision for Senegal's future.**

The bill reflects the firm determination of the new authorities **to overhaul our economic model and lay the foundations for national sovereignty.** It is built around the strategic axes defined in the National Agenda for Transformation "Senegal 2050", presented by His Excellency Bassirou Diomaye Diakhar FAYE.

The purpose of this document is to :

- ▶ **Inform our partners about the key budgetary orientations of the 2025 LFI.**
- ▶ **Highlight major structural reforms and measures to boost investment.**
- ▶ **Present an ambitious economic outlook for 2025 and beyond.**

### 2025 Finance Bill

The 2025 LFI is based on a dual ambition. To **consolidate our achievements while reinventing our future.** With economic growth projected at **8.8%**, driven by our entry into the oil and gas era, and a commitment to fiscal consolidation, this strategic budget is positioned as a real lever to :

Ensure **energy and food sovereignty.**

Promote **social justice and modernize administration.**

Stimulate **job creation through education and training.**

Through major investments, targeted tax reforms and innovative measures for financial inclusion and infrastructure development, the 2025 LFI provides **a framework conducive to investment, in a stabilized and transparent environment.**

We invite our partners and investors to explore the promising opportunities offered by this budget, which is a guarantee of sustainable and inclusive growth for our country.



## General context

- ▶ The Finance Bill submitted to Parliament is the first milestone in **translating the choices and options of the new public policy framework into budgetary terms**. It is the first means of action by which the government begins to translate its commitments to the people and for the consolidation of public finances.



The new "**Senegal 20250**" reference framework, **whose vision is that of a sovereign, just and prosperous nation**, is structured around four main areas:

**1 Competitive economy**

**3 Sustainable planning and development**

**2 Quality human capital and social capital**

**4 Good governance and African engagement**



## Strategic objectives of the Draft 2025 LFI

- ▶ **A clear determination to make a clean break with the governance model of the past**, marked by heavy dependence on external resources
- ▶ **The continuous recovery of public finances**, with milestones set in 2024, will also initiate the desired changes, based on the four pillars of Senegal's National Development Strategy, which will drive structural change at the economic and social levels, by allocating the budgetary resources needed to achieve their objectives to priority sectors.



## Macroeconomic framework of the Draft 2025 Finance Bill

### GDP growth rate

8.8% of GDP

### Inflation<sup>1</sup>

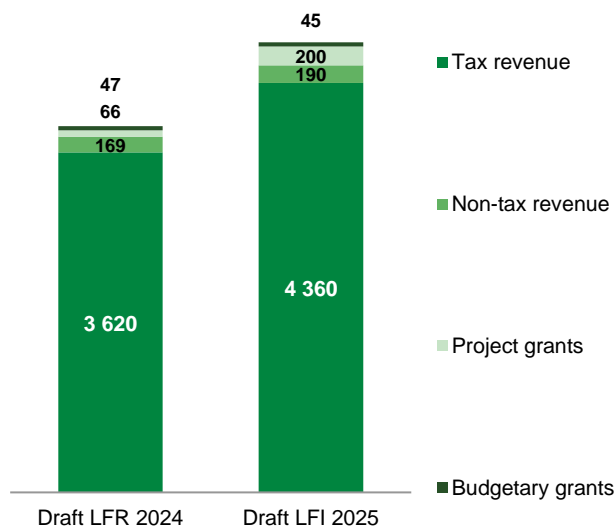
1.9% of GDP

All the actions in the Draft 2025 LFI are supported by **10 allocations** and **129 budget programs**, including 11 for special Treasury accounts, spread across **25 ministries** and **7 institutions**.

## General budget of the Draft 2025 LFI (FCFA bn)

### REVENUES

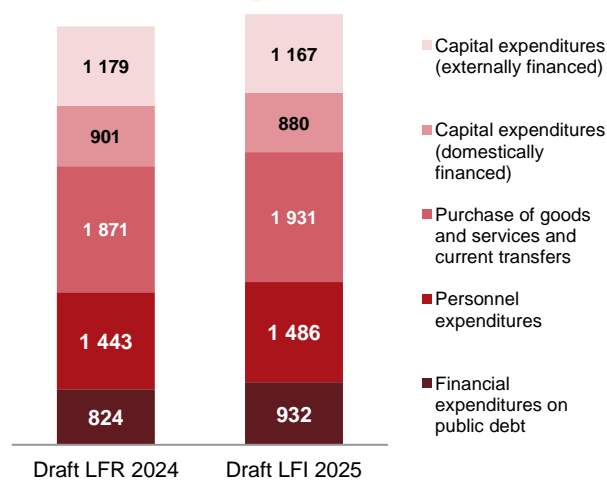
4 795



### EXPENDITURES

6 395

*Control of public spending, with an increase limited to 2.9%.*



### Budget deficit

7.1% of GDP in 2025

► **Target: 3% of GDP by 2027**

### Fiscal pressure

19.3% of GDP in 2025

### Precautionary reserve on capital expenditure

FCFA 90 billion in 2025



## Key measures in the Draft 2025 LFI (1/2)

### Debt Management

- ▶ **Mobilization of concessional resources available from traditional donors** through a rigorous selection of projects to be financed (based on the Public Investment Projects and Programs Selection Committee set up in 2024).
- ▶ **Development of domestic and innovative financing**, in line with the 2025-2029 National Development Strategy, with the aim of achieving a mix of new external and domestic financing of 41% and 59% by 2027.
- ▶ Bigger involvement of the private-sector in the economy, taking over the role of the State, notably through **public-private partnership (PPP)** contracts

*The results of the Cour des Comptes audit of public finances could lead to an upward revision of outstanding debt and debt servicing, particularly in 2024 and 2025.*

### To remember: Active management of public debt

The government's ambition relies on **active, optimized management of the public debt**, in application of the Medium-Term Debt Strategy, aimed in particular at obtaining long maturities and adequate debt servicing.

**Senegal has carried out in the past several liability management exercises on its Eurobonds**, with very convincing results, strengthening its investor base while mobilizing new liquidity.

Accordingly, **the Senegalese authorities will continue**, subject to market conditions, **to favorably consider opportunities to carry out this type of operation on its debt towards international bond markets** - an operation commonly used by sovereign issuers worldwide in their active debt management strategy.

This is part of Senegal's ongoing commitment to :

- ▶ Preserve macroeconomic stability;
- ▶ Guarantee transparency in its financial operations;
- ▶ Strengthen the confidence of investors and partners.

Senegal remains focused on its development priorities, buoyed by a solid economic outlook, with growth expected to reach 8.8% in 2025, thanks in particular to the rise of the oil and gas sectors.



## Key measures in the Draft 2025 LFI (2/2)

### Streamlining expenditure

- ▶ Nearly 150 billion FCFA for new projects in the 2025-2027 Public Investment Program (PIP), notably the intervention fund to reinforce structuring investments in territorial poles, the development of the **gas network project**, and the **Water Highways Initiative**.
- ▶ New projects included in the public investment program are the result of a rigorous process of planning, maturation, prioritization and programming, with the main criteria being gross fixed capital formation, socio-economic impact, sustainability, budgetary sustainability and alignment with the national development strategy.
- ▶ **Deletion of several capital expenditure lines with low gross fixed capital formation content**, or transfer to operating expenses for a more visible impact.

### Economic recovery, to stimulate growth and massive job creation

- ▶ Substantial budget allocations to growth sectors: **agriculture, mining, tourism and high value-added services**, to ensure economic diversification.
- ▶ Allocation of resources to the **education and training sector**, promoting employability and preparing young people for the job market, through the Délégation à l'Entreprenariat rapide des Femmes et des Jeunes (DER/FJ) and the Fonds pour la formation professionnelle et technique (3FPT).
- ▶ More than 600 billion FCFA for **land, air, sea and digital communication infrastructures**.

### Effective, efficient and cost-effective health and social protection system

- ▶ **Improving the quantity and quality of healthcare services** by reforming and improving healthcare governance, digitizing the system, introducing performance contracts for hospitals and revising the hospital-university agreement.
- ▶ More than CFAF 1,885 billion (compared with CFAF 1,844 billion in 2024) in social spending, i.e. 34.5% of the general budget excluding debt servicing costs



The priorities of the Draft 2025 LFI are based on five key themes:

1

### Energy sovereignty

With a focus on securing hydrocarbon supplies, providing access to reliable and affordable electricity, promoting modern cooking fuels, adopting innovative technologies, developing green industries, and ensuring the equitable involvement of local stakeholders in the exploitation of oil and gas resources.

2

### Food sovereignty

A budget of 1,070 billion FCFA by 2025 to boost agricultural productivity, develop agropastoral and fisheries value chains, promote local processing industries and support SMEs via incubators. Investments will also be made in the craft industry. In addition, 120 billion FCFA in subsidies will stimulate agricultural production.

3

### Employability of young people

Building high-quality, attractive and accessible vocational and scientific education and training aligned with the needs of the world of work. More than 1,377 billion FCFA will be devoted to education and vocational training.

4

### Environmental protection and sustainable regional development

Better integration of the environmental dimension in public policies, with strategies that internalize the climate dimension through education, training and awareness-raising, quantification of environmental budgetary risks and identification of mitigation and attenuation mechanisms, through a budgetary risk statement document.

5

### Greater social and territorial justice

A gradual reduction in social inequalities and territorial inequities through a significant increase in the incomes of rural workers and entrepreneurs, particularly farmers, livestock breeders and fishermen, by diversifying their sources of income and increasing the productivity of their activities.



## Key reforms of the Draft 2025 LFI

- ▶ **Innovations for a more dynamic tax system capable of supporting economic growth**, through the in-depth renovation of tax and customs provisions, with **reforms to the General Tax Code and the Customs Code**.
- ▶ Reform and improvement of **healthcare governance**, through the complete digitization of the system, the introduction of performance contracts for hospitals and the revision of the hospital-university agreement.
- ▶ **Rebuilding institutions** so that they best serve the aspirations of the Senegalese people - this will involve far-reaching reforms to the various levels of power, notably through a **national strategy to actively fight corruption**, ensuring that resources allocated to development are used efficiently and equitably.
- ▶ **Modernize the administration** by implementing public governance and an efficient, digitized, transparent and user-oriented administration capable of meeting the country's environmental, socio-economic and institutional challenges, while making digitalization a central lever for improving public services and strengthening trust between the citizen and the administrative apparatus.
- ▶ Internalization of **performance monitoring/evaluation** systems at sectoral and national levels, with the establishment of appropriate frameworks to lay the foundations for a sustainable **results-based management and performance culture**. Accountability mechanisms will also be strengthened.
- ▶ **Restructuring the State's portfolio**: a comprehensive restructuring of the portfolio will be undertaken to improve governance and optimize performance through more rigorous financial management, thereby reducing the risks that the sector generates for public finances and saving resources that can be channeled towards other priorities.
- ▶ **Financial inclusion**: meeting the challenges of **financial education** through the implementation of the National Financial Education Program (PNEF) and the promotion of digitalization and consumer protection. All these challenges are addressed in the implementation of the National Strategy for Financial Inclusion (2022-2026), scheduled for review from 2025.



## Contact

The Ministry of Finance and Budget attaches great importance to transparency and active communication with its partners. Questions, feedback or comments can be sent to the following address:

**[investor.relations@minfinances.sn](mailto:investor.relations@minfinances.sn)**

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