

AFRICA RISK CONSULTING

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Senegal Summary 30 September 2026

Prime minister Ahmadou Al Aminou Lô presents his general policy statement to the Assemblée nationale (national assembly) on 8 September in a tense environment, facing his predecessor, Ousmane Sonko, who now serves as speaker of the national assembly and whose Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (Pastef) party dominates the assembly. The International Monetary Fund (IMF) confirms on 1 September that it has reached a staff-level agreement with Senegal on key policies that could support a \$2.2 billion Extended Credit Facility (ECF) arrangement, ending nearly two years of negotiations. National power utility Société nationale d'électricité du Sénégal (Senelec) introduces load shedding in Dakar and other parts of Senegal through the end of August and most of September as it faces high fuel prices and cash flow issues.

Prime minister presents general policy statement

Prime minister **Ahmadou Al Aminou Lô** presented his general policy statement to the **Assemblée nationale** (national assembly) on 8 September in a tense environment, facing his predecessor, **Ousmane Sonko**, who now serves as speaker of the national assembly and whose **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (Pastef)** party dominates the assembly. Lô [framed](#) his general policy statement as a continuation of policies introduced by President **Bassirou Diomaye Faye** (2024-present) and Sonko, when he was prime minister. Even if Lô were to pursue a change in policy, he and Faye would face challenges from Pastef with its overwhelming parliamentary majority. However, he did address the government's new approach to its debt crisis, namely its recently agreed programme with the **International Monetary Fund (IMF)** (see below).

Sonko had opposed an IMF programme, seemingly a key reason why Faye removed him as prime minister. Lô sought to frame the agreement as necessary, [noting](#) that “we [Senegal] are a poor country that is currently heavily indebted”. He outlined that the programme will entail prudent fiscal management and reforms to restore macroeconomic stability. Specifically, Lô noted that the country must clear 1.95 trillion FCFA (\$3.5 billion) in arrears to help restore financial stability. In addition, according to Lô the programme will include a reduction in vulnerabilities, increased social spending and a focus on private sector driven growth. Notably, Lô clarified that Senegal would reprofile, not restructure, its debt. This will involve extending maturities and renegotiating interest rates, which some investors consider a form of restructuring.

This failed to appease the national assembly, with Pastef members debating Lô on the programme's guidelines. Pastef member of parliament (MP) **Guy Marius Sagna** [stated](#) that Faye and his recently launched **Kiiray** party “do not represent a sovereign Senegal, but a subjugated Senegal”. Sonko and Faye had campaigned on a platform of pan-Africanism and sovereignty, and so pursuing a programme with the IMF is a contentious issue for Pastef. Sagna went further in his criticism of the government, stating that at times he feels as though he is not addressing the prime minister but rather the “chairman of the board of directors representing the interests of the IMF”. The criticisms were present across the political spectrum, with opposition and former ruling **Alliance pour la république (APR)** MP **Abdou Mbow** [accusing](#) the government of not being aware of the daily challenges facing people, especially as the government will now need to pursue subsidy cuts.

The national assembly will need to adopt an amendment to the finance law for 2026 to include the IMF programme, and will extensively review the programme, which is why it formed the central focus

of the general policy statement. Other issues, such as the pending local elections, for which a date has still not been set, did not feature.

While Lô's general policy statement overall went smoothly, with the opposition not requesting a vote of confidence – a procedure in a legislative body where members vote to remove a prime minister from office – Pastef's reaction indicates that the IMF programme will be a sticking point.

Senegal and IMF agree on \$2.2 billion programme

The IMF confirmed on 1 September that it had [reached](#) a staff-level agreement with Senegal on key policies that could support a \$2.2 billion **Extended Credit Facility (ECF)** arrangement, bringing an end to nearly two years of negotiations. The IMF arrived in **Dakar** on 19 August for its eighth mission since Faye's elections. Following his election in 2024, a court of auditors found in February 2025 that the former administration had misreported/not disclosed true levels of debt, pushing Senegal's debt to 132% of GDP. The country's undisclosed debt is [estimated](#) to be \$13 billion.

Any new programme remains subject to the IMF executive board's approval, although the board is usually guided by the staff-level agreements. The IMF announcement also noted that corrective action on the misreporting is required before the programme can move forward.

As outlined in Lô's general policy statement (see above), the programme's key measures include increasing domestic revenue mobilisation, streamlining expenditure, strengthening social safety nets, improving public debt management, monitoring domestic arrears and tightening oversight of state-owned enterprises.

Another key requirement of the programme is that Senegal must restore debt sustainability. To this end, Senegal's economy and finance ministry [confirmed](#) on 1 September that it had agreed to an enhanced version of the **G20 Common Framework**. The G20 in April 2020 offered the world's poorest countries temporary payment relief on debt owed to official creditors under its Debt Service Suspension Initiative (DSSI). In November 2020, it set up the common framework to tackle debt stocks that had become unsustainable due to the impact of **Covid-19**. **Ghana, Zambia and Ethiopia** have all restructured debt under the framework, but this enhanced version has not been used before, meaning Senegal will be the test case. Under the enhanced framework, Senegal's close to \$5 billion in **Eurobonds** will be [impacted](#).

Limited details have been released or are known about this enhanced framework, but the finance ministry has confirmed that debt denominated in the regional CFA franc – approximately a third of Senegal's outstanding debt – will be excluded from this exercise, protecting regional banks from losses and maintaining government's access to what has become its primary funding source. Just prior to the announcement, **United States (US)**-headquartered **Moody's** [downgraded](#) Senegal's credit rating further into junk status, warning that the ongoing absence of an IMF programme had increased the country's reliance on the regional market to meet financing requirements.

It remains unknown how Senegal will treat its total return swaps (TRS). In March, media reported that Senegal had borrowed a total of €650m (\$747m) from **Africa Finance Corporation (AFC)** and **First Abu Dhabi Bank** in 2025, issuing new domestic sovereign bonds using derivatives – also known as TRS. According to documents seen by the media, Senegal may have concluded a similar deal with **France's Société Générale**, with **Bank of America** estimating in December 2025 that Senegal may have borrowed up to \$1 billion through swaps (*see ARC Briefing Senegal Mar 2026*).

While the IMF programme is a success for Senegal and moves it in the right direction, it will now have to balance restoring debt sustainability, while still relying on the regional market, and negotiations with its creditors, while finding a way forward with its TRS. The government will also have to obtain national assembly approval. Indicative of the challenges still ahead, US-headquartered **S&P** on 4 September [downgraded](#) Senegal's long-term foreign-currency sovereign rating to 'CC' from 'CCC+', citing a high chance of default despite the IMF programme.

Senelec introduces load shedding

National power utility **Société nationale d'électricité du Sénégal (Senelec)** introduced load shedding in Dakar and other parts of Senegal through the end of August and most of September as it faced high fuel prices and cash flow issues. Since the outbreak of the war in **Iran**, crude oil prices have [averaged](#) \$93 per barrel, a sharp increase from the average of \$68 per barrel before the conflict.

Senelec, which relies on oil for production, has had to absorb this additional expense without subsidy assistance or further financing from the [government](#), which already owes the utility approximately 48.5 billion FCFA (\$84m). In addition, the company's difficulty in accessing fuel supplies has forced it to implement load shedding. Senegal is in the midst of its summer season and demand for electricity remains high.

Demand was [forecast](#) to reach 1,300MW by October, but already reached 1,400MW in August, adding pressure to the power network. Adding to this, Senelec has aging infrastructure and experienced equipment failures at the **Cap des Biches** power station in **Rufisque**. **Türkiye**-headquartered **Karpowership**'s facility also experienced a [technical](#) failure on 21 September, removing 200MW from the grid.

Residents have [complained](#) that the load shedding timetable has been poorly communicated, impacting their ability to prepare, especially their business operations, highlighting the operational difficulties of load shedding. In addition, those with generators face high diesel prices, which will increase operating costs or force them to operate at a limited capacity.

Senelec director general **Papa Toby Gaye** told the [media](#) on 21 September that load shedding is expected to ease from 24 September, with local media [reporting](#) on 25 September that the situation has improved. However, the utility's systemic problems, combined with high demand and financial pressures, are unlikely to ease in the short term, increasing the likelihood of further power disruptions.

Planner

31 Oct – 13 Nov 2026 **Dakar (Senegal) Youth Olympic Games**
 2027 **(Senegal) Yakaar-Teranga** gas project set to begin production
 Jan 2027 **(Senegal)** Local elections
 2029 **(Senegal)** Presidential elections

Chronology

28 Sep 2026 **Dakar (Senegal)** *CNBC Africa*. Finance minister **Cheikh Diba** confirms via a media brief that the government has hired **United States (US)**-headquartered **Sodali & Co** as part of efforts to identify bondholders and assist with communications as the country starts the process to reprofile its debt;

25 Sep 2026 **Dakar (Senegal)** *Bloomberg*. President **Bassirou Diomaye Faye** says Senegal's top priority is securing a \$2.2 billion loan from the **International Monetary Fund (IMF)** and aims to quickly finalise a debt restructuring under a streamlined version of the **Group of 20 Common Framework**;

25 Sep 2026 **Dakar (Senegal)** *Africanews*. A lawyer confirms that four people have become the first to face charges related to the deadly political unrest in Senegal between 2021 and 2024;

24 Sep 2026 **Dakar (Senegal)** *Agence Ecofin*. Senegal's state-owned refinery, **Société Africaine de Raffinage (SAR)**, signs a memorandum of understanding with **Türkiye**-headquartered **Yamata** for the construction of a second oil refinery at a cost of between \$2 billion and \$3 billion;

23 Sep 2026 **Dakar (Senegal)** *Africanews*. President **Bassirou Diomaye Faye** meets with **French** President **Emmanuel Macron** on the sidelines of the **United Nations General Assembly (UNGA)**;

21 Sep 2026 **Dakar (Senegal)** *Senenews*. Presidency publishes a series of presidential decrees indicating a major reorganisation of the mines and geology ministry, affecting regional directorates responsible for monitoring mining activities across the country;

17 Sep 2026 **Dakar (Senegal)** *Senenews*. President **Bassirou Diomaye Faye** meets **World Bank** president **Ajay Banga** in **Washington (United States)**, where the World Bank reaffirms support for Senegal's public policies and structural economic transformation;

16 Sep 2026 **Dakar (Senegal)** *Bloomberg*. **United States (US)**-headquartered **JPMorgan** includes Senegal in a new frontier markets bond index the US company is introducing;

16 Sep 2026 **Dakar (Senegal)** *Africanews*. Senegal signs a memorandum of understanding with **Italy's ENI** to evaluate five offshore blocks;

14 Sep 2026 **Dakar (Senegal)** *Senenews*. President **Bassirou Diomaye Faye** is set to meet **International Monetary Fund (IMF)** managing director **Kristalina Georgieva** in **Washington (United States)** on 15 September to secure final approval for a proposed \$2.2 billion, 36-month programme;

12 Sep 2026 **Dakar (Senegal)** *Senenews*. The **International Monetary Fund (IMF)** says Senegal's debt management remains the responsibility of the government and its creditors, while its IMF programme under consideration could provide financing to help meet immediate needs in public services and other priority sectors;

10 Sep 2026 **Dakar (Senegal)** *Senenews*. Energy minister **El Hadji Abdourahmane Diouf** announces that Senegal will market 109 oil and gas blocks to local and foreign investors during an investor roadshow;

7 Sep 2026 **Dakar (Senegal)** *Sika Finance*. The **International Monetary Fund (IMF)** is looking to **Chad's** recent debt restructuring experience as a model for accelerating the restructuring of Senegal's debt;

6 Sep 2026 **Dakar (Senegal)** *Senenews*. The **International Monetary Fund (IMF)** is pushing Senegal to gradually reduce electricity subsidies rather than eliminate them immediately, with a more targeted system designed to protect vulnerable households while reducing pressure on public finances;

5 Sep 2026 **Dakar (Senegal)** *Benin Web TV*. More than 200 people demonstrate in Dakar against rising prices of food, housing, fuel and other essential goods, with protesters warning that the cost of living is becoming unaffordable for middle-class households;

4 Sep 2026 **Dakar (Senegal)** *Reuters*. **United States**-headquartered **S&P** downgrades Senegal's long-term foreign-currency rating to CC from CCC+, warning that a planned debt restructuring is highly likely to impose losses on foreign-currency creditors and that a distressed exchange or default is "extremely likely";

2 Sep 2026 **Dakar (Senegal)** *Senenews*. President **Bassirou Diomaye Faye** welcomes a technical agreement in principle with the **International Monetary Fund (IMF)** that could mobilise \$2.2 billion over three years to support economic and financial reforms, while prioritising debt management and fiscal consolidation;

2 Sep 2026 **Dakar (Senegal)** *Reuters*. Senegal is planning to restructure its debt as part of a proposed \$2.2 billion **International Monetary Fund (IMF)** bailout, after previously undisclosed borrowing pushed its debt-to-GDP ratio to around 130% and triggered the suspension of IMF support;

1 Sep 2026 **Dakar (Senegal)** *Reuters*. Discussions between government and the **International Monetary Fund (IMF)**, which is on a mission to the country, have reportedly been constructive and progress is expected at the end of a mission;

30 Aug 2026 **Dakar (Senegal)** *Capmad*. **United States**-based **Moody's** downgrades Senegal's sovereign credit rating from Caa1 to Caa2, maintaining a negative outlook due to liquidity pressures, high refinancing needs and debt expected to remain near 100% of GDP through 2028;

27 Aug 2026 **Dakar (Senegal)** *AP*. The ruling **Pastef** party is pressuring the government to set the date for local elections, which by law should be held no later than 17 January 2027, and to establish the required electoral deposit;

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