

## Senegal

Senegal's reform commitments/initiatives	Progress in meeting commitments/initiatives	Partner support
<b>Macro Framework</b>		
<u>Macro stability</u>		
<b>2018</b>		
Reduce fiscal deficit	<p>COVID-19 has derailed fiscal consolidation efforts and the 2020 headline deficit was 6.5% of GDP. WAEMU Finance Ministers agreed to converge to the 3% target by 2023.</p> <ul style="list-style-type: none"> <li>· VAT refund for firms faster and more efficient.</li> </ul> <p>Fiscal space will be key for recovery and fiscal sustainability:</p> <ul style="list-style-type: none"> <li>· Implementation of the Medium-Term Revenue Strategy (MTRS)</li> <li>· VAT exemptions rationalization</li> </ul> <p>In 2022, the Government has reported that the implementation of the Medium-Term Revenue Strategy (MTRS) will contribute to improved domestic resource mobilization and reduce the use of debt. Streamlining VAT exemptions</p>	World Bank (DPO, PER) IMF PCI
Ensure debt sustainability	<p>Public Debt remains sustainable. New monitoring framework for annual evaluation of progress on MTDS. In 2022, the Government has reported: Advances: The framework for the development and monitoring and evaluation of the medium-term debt strategy and the annual financing plan was established by decree. Perspectives : 1-publication of quarterly debt bulletins, including information on the debt of state-owned enterprises and PPPs 2- quarterly evaluations of the implementation of the medium-term debt management strategy (MTDS) and the annual financing plan. 3- development and validation (by decree) of the legal framework governing the process of granting public guarantees and loans retroceded to public companies and the monitoring of the credit risk of public companies</p>	World Bank (DPO and SDFP PPAs) IMF PCI
Reduce current account deficit	<p>COVID shock increased CAD. However, imports were largely induced by investment related to oil/gas development. Fiscal management of oil/gas revenues that will come onstream by 2023</p>	World Bank IMF
<b>New Reform Commitments/Initiatives</b>		
Improve tax system efficiency	<p>Reduction of the processing time for taxpayers' tax requests to 15 days as soon as the file is complete (improvement of the quality of the service provided to taxpayers under the SRMT) Set up detailed monitoring instruments on a daily basis of the activities and performance of revenue administrations by regularly informed statements (monitoring implemented SRMT) Abolish tax rolls and generalize the enforceability of tax returns, regardless of the type of tax, to bring the payment closer to the operative event (simplification and security of the revenue procedure under the SRMT)</p>	
Dematerialization of the procedures of the National Committee of Public Debt (CNDP)	<p>Dematerialization of the procedures of the National Committee of Public Debt (CNDP): submission of files, verification of their completeness, acceptance/rejection; programming and transmission of the files on the agenda accompanied by their analysis notes, for examination; reporting of information on cndp activities (texts; publications: bulletins, reports; acts: opinions/decisions</p>	
<u>Domestic Resources mobilization:</u>		

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<b>2018</b>		
Modernize revenue administrations and increase tax returns under the SRMT	The tax administration has undertaken a series of reforms that have led to the adoption of an electronic tax return system for large and some medium-sized enterprises. These businesses can now download and submit tax return forms electronically and pay online for some of them. In addition, the risk assessment process has improved slightly. Enhance the digitalization of tax administration and improve the tax compliance	World Bank
Law on Special Economic Zones and incentive schemes granted in 2017	Taking decrees of applications 4 erected zones and six -connectivity issues for Diass, Sandiara and Sendou Bargny to be addressed in order to: Increase the rate of development and occupancy of SEZs to facilitate plug & play installations; Improve the rate of realization of private investment intentions in SEZs. Mobilization of financing for connectivity works and reference investors	
Streamlining tax expenditures	Under the Mid-Term Revenue Strategy (MTRS) program agreed to with IMF and WB, the MinFin committed to an indepth review of tax incentives. Rationalize VAT tax exemptions that lack progressivity. In 2022, the Government reported the adoption of the new Investment Code and its implementing decrees. Income Tax Review to Correct Unintended Effects of the 2013 Reform on High Incomes Reform the Evaluation Committee and the Tax Expenditure Submission Template to align with the objectives of the SRMT and shorten the time it takes to gather information and report on tax expenditures Ensure the control of the effective implementation of investment commitments and apply sanctions in case of non-compliance (Reform of the Joint Tax-Customs Brigade) Remove derogation provisions identified as counterproductive (SRMT diligence)	World Bank (DPO), IMF
Harmonize Senegal's transfer pricing regime and anti-abuse rules with international best practices	A legislative framework for the transfer pricing regime in accordance with the best standards (Actions 8, 9, 10 and 13 of the BEPS Project) was adopted with the adoption of Law No. 2018-10 of 30 March 2018. Limitation of the deductibility of interest between related parties (See Action 4 of the BEPS Project) Perspective : Implementation of the regulatory framework for transfer pricing (details on the main and local files, country-by-country reporting). In 2022, the Government has reported the introduction of the concept of beneficial ownership with a view to enhancing tax transparency in the fight against tax evasion and fraud. The adoption of rules for the automatic exchange of tax information on financial accounts Ratification of the Multilateral Convention for the Implementation of Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI)	WB/OECD
Strengthening the powers of local tax administration and reforming local taxation	Local tax commissions established in some local administrations. Since March 2018, the "patent" has been replaced by the "local economic contribution", which remains a rather complex tax treatment, however, the main improvement is that, unlike the "patent", it is more investment-friendly because it does not tax productive assets such as machinery, etc. PACASEN project supports the expansion of local tax commission	World Bank
<b>New Reform Commitments/Initiatives</b>		

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Dematerialization of taxes, duties, levies and charges	Adopt an electronic payment system for taxes, duties, levies and charges for the administrations of the Ministry of Finance: Generalize the use of the unique identifier to allow personalized follow-up of the taxpayer, in particular within the framework of a unified and integrated ministerial portal (Axis II SRMT: digital maturity) Establishment, at the MFB level, of a unified and integrated portal for tele-declaration, telepayment and tele-application (for all public levies) allowing taxpayers to be able to address all revenue administrations thanks to secure online access, through the use of the civil or professional identifier (Axis II SRMT: digital maturity) Implementation of a managerial tool, integrated into the digital tool at the MFB level, for monitoring the processing of taxpayers' requests and control actions (Axis III SRMT: reform of human capital management) Interconnect the tax, customs, treasury and budget administrations (DGID, DGD, DGCPT and DGB) by a system backed by the unified and integrated portal allowing the collection, processing and exploitation of data for control purposes to better fight against fraud and the expansion of the informal sector (Axis II SRMT: digital maturity) Ensure the coherence and security of initiatives by adopting regulations on the management of MFB information systems	
New reform of the legal and institutional framework of SEZs	A new reform of the legal and institutional framework of SEZs is planned (adoption of a new law on SEZs in June 2023) Development and adoption of standard specifications for developers Update the national SEZ development strategy and carry out its technical and policy validation	
<b>Public investment management</b>		
<b>2018</b>		
Introduce a precautionary reserve	In 2022, the Government reported that the precautionary reserve is a definitive option of the government and was instituted in the BIA 2022 for an amount of 66 billion FCFA.	
Set up a bank of integrated projects describing their life cycle	In 2022, the Government reported that there has been a significant increase in the number of projects evaluated ex ante since 2015. The number of projects/programs evaluated ex ante annually increased from eleven (11) in 2019, to fifty (50) in 2020 and to eighty-six (86) in 2021. From 2015 to 2021, the Planning Directorate (DP) studied and analyzed two hundred and twenty-nine (229) projects/programs proposed to be included in the Finance Act. In 2017, a computerized platform for monitoring the life cycle of projects/programs, the objective of which was to coordinate actions related to ex-ante evaluation, was set up at the RFP. However, it has not been operational.	
Establish a public investment selection Committee	First phase of reform program Plan d'Actions Prioritaires (PAP) allowed both public and private investment to increase and boost key sectors, including agriculture, energy, construction, and infrastructure; continuation under PAP2 In 2022, the Government has reported the establishment of the Public Investment Committee was established by Ministerial Order No. 008618 of 20 April 2018 in order to prioritize and decide on the budgetary sustainability of new projects evaluated ex ante. However, it should be noted that this committee has not been operational so far.	
Grant a facility to finance preparatory studies for the PPP necessary for the technical, financial and legal set-up, etc.	The new PPP law adopted in January 2021 enshrined the creation of: - a PPP Project Preparation Fund whose objective is to support public authorities in the preparation, procurement and execution of PPP projects. A pipeline of 76 PPP projects is being validated. - a National PPP Support Unit (UNAPPP) whose mission is to accompany the contracting authorities throughout the project cycle.	WB support proposed through forthcoming operation

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Finalize and harmonize the institutional and legal framework for PPPs	The PPP Law was adopted on 22 January 2021; The implementing decrees were adopted on 4 March 2021.	World Bank (DPO and P4R, TA) IMF ICP
<b>Performance of public services</b>		
<b>2018</b>		
Improve access to economic and financial information for citizens and stakeholders	In 2022, the Government reported the economic information for the Directorate of Economic Studies and Forecasts (MEPC) and the financial information for the Directorate-General for the Budget (MFB) is regularly published in the form of reports, studies and dashboards on the following websites: dpee.sn budget.sec.gouv.sn	
Modernizing public administration: implementing an integrated approach to modernizing public administration; Professionalize human resources management, etc. (MFPRSP)	In 2022, the Government reported that the Programme d'Appui à la Modernisation de l'Administration (PAMA) has been finalized and launched. As part of the optimization of the organizational framework of the Administration, Decree No. 2017-313 of 15 February 2017 establishing a General Secretariat in ministries is adopted. Adoption of Decree No. 2020-1784 on the Charter of Deconcentration. Simplification and dematerialization of 10 procedures.	
<b>Business Framework:</b>		
<b>Investor protection and disputes resolution</b>		
<b>2018</b>		
Systematize and professionalize the amicable settlement of disputes	The legal framework for (a) <u>arbitration</u> was modernized in 2017 through a revision of OHADA Uniform Act, and (b) mediation and conciliation through a 2014 Decree. In 2022, the Government has reported that the Commercial Court Act makes an attempt at conciliation mandatory before the litigation phase. The National Chamber of Conciliation and Mediation is established but not functional. Additional reforms include Strengthening the National Chamber of Conciliation and Mediation Project to set up a framework for Mediation and conciliation within the Commercial Court Follow at the level of the commercial court the files that are dealt with by an amicable settlement Publish statistics on mediation and conciliation by the dedicated national chamber	IFC/WB on OHADA reforms.
Operationalize the commercial court (electronic referral, training of legal assistants, mediation)	Reforms were implemented to improve ease of doing business (Commercial Court, electronic operations, G2B services, registering property and competition in key markets). In 2022, the Government reported the amendment of the Law on the Establishment, Organization and Functioning of Commercial Courts Issue of a decree implementing the Law on Commercial Courts and Chambers) relating to communication by electronic means before the commercial courts holding training sessions for actors (lawyers, magistrates) on the improved version of the commercial court's electronic platform. Full use of online procedures at TCHCD Adoption of a text making the use of electronic procedures mandatory in a progressive manner (follow the rate of referral to the court electronically)	
Operationalize an electronic register of securities and guarantees	In 2022, the Government has reported the establishment of the electronic register of securities security is formalized by Decree No. 2021-420 of 2 April 2021 on the operating procedures of the Trade and Movable Credit Register. Perspective : Making of an Order Establishing the Electronic Safety Directory Existence of a database on safety accessible via the SENINFOGREFFE platform.	

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	Operationalization of the electronic register of sureties (security/guarantees) Adoption of an order that makes SENINFOGREFFE the site for access to the database on security (August 2022) Establishment of the interconnection with the electronic land register (2023)	
Operationalize the electronic Company and Moveable Credit Registry (eRCCM)	In 2022, the Government has reported that Senegal has a functional electronic register accessible online for public operators, notaries and banks. Users cannot do the procedure online and pay the fees online via orbus-entreprise.sn Perspectives : Application of Articles 8 and 9 of the Decree on the Operating Procedures of the RCCM Finalization and Entry into Force of the Unified Telepayment System (SUT) (June 2022). Take the joint order MFB and Min justice to set the fixed rights of way on orbus-entreprise - Signature of memoranda of understanding between TRESOR, banks and mobile payment operators	
Improve the investment climate beyond the Dakar metropolitan area, by creating one-stop-shops in at least three economic centers outside Dakar	Under the PDTE, at least one One-Stop-Shop was operationalized in Saint-Louis, with plans to develop another one in the Saly/Mbour area, and a third one in the Ziginchor area. In 2022, the Government reported the finalization of the renovation and construction of the Premises of the Platforms in Ziguinchor, Saly and St Louis Start the implementation of the Centre (in Kaolack) and Est platforms in Kédougou to ensure coverage of the Eco-geographical Zones	World Bank
<b>Reforms / actions to strengthen governance and investment climate:</b>		
<b>2018</b>		
Simplify land registration procedures and transfer of ownership	Reforms were implemented to improve ease of doing business (Commercial Court, electronic operations, G2B services, registering property and competition in key markets). In 2022, the Government reported the need to make the e-land register effective.	
Simplify and harmonize taxes and charges levied by local authorities	In 2022, the Government reported the replacement of the patent by the CEL in 2018 Studies on the reform of local taxation with the objectives of: departmental taxation and simplification (ongoing) Studies on internal tax governance (ongoing) Study on Local Tax Expenditures. Carry out an audit of the taxes and fees collected by local authorities and propose a harmonization of the nomenclature	WB Urban Project
Electronic payment of fees for the administrative acts and taxes	Under DPO3, the GoS (i) operationalized digital consultation of taxes (through the Ministry of Finance's personalized taxpayer webpage, "my personal space"), which covers at least 10% of eligible taxpayers. The GoS is also working on developing mTax it will be aimed at enabling mobile payment of small taxes and fees	World Bank DPO3, AfDB

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Strengthen competition policy and practices in key sectors (telecoms, agribusiness, etc.)	<p>Reforms were implemented to improve ease of doing business (Commercial Court, electronic operations, G2B services, registering property and competition in key markets)</p> <p>On Telecoms: a new sector law (and some of its key decrees) was adopted and facilitates the entry of new players; 3 ISPs entered the telecom market under the authorization regime; 4G frequencies were attributed to Tigo/Free introducing competition on 4g; dominant players ARTP regulation was strengthened, and an international call for tenders for the concessioning of the ADIE public fiber optic network was launched in November 2019. In 2020 the GoS requested the WB support for a digital operation that would continue supporting pro-competition reforms in telecoms.</p> <p>The full achievement of the reform regarding the concessioning of the ADIE public fiber optic network is facing implementation delays despite repeated government commitments. The WB is supporting the continuation of this process through DPO dialogue.</p>	World Bank (DPO, TA) Note: Criticality of the ADIE reform for digital inclusion and digital transformation (especially at the public administration level).
Develop the Dakar-Mbour-Thies Triangle of Prosperity in anticipation of the future economic and demographic growth around the capital city of Dakar	Two new ports are being developed: Sendou (30km south of Dakar for bulk/mineral Development of the transport hub around the AIBD airport, and the development of the Diamniadio area (both as an administrative center, industrial parks/SEZ, and as a new city/residential developments) and Ndayane (50km south of Dakar for containers).	
Support to the regional pilot project for market development (in CFAF) for long-term bonds		
Create a risk mitigation fund by issuing bonds		
Solving structural problems that hinder the provision of loans to SMEs	<p>In the 2022, the Government reported that on the topic of credit Bureaus: On December 31, 2019, Senegal published Decree No. 2019-2280 authorizing the implementation of automated processing of personal data for the integration of large billers into the electronic platform for sharing credit information. This operation allowed the regional credit bureau to collect data from utility companies in order to increase the percentage of the Senegalese population registered at the credit bureau. - Institutional strengthening of FONGIP: Audit and risk committees chaired by independent directors have been established by the new organizational chart of FONGIP. At the operational level, audit and risk departments will be set up.</p> <p>Increase the availability of long-term resources for banks, such as La Banque Agricole, active in financing shrub crops.</p>	KfW, CDP, World Bank
Supporting access to finance in the agriculture sector using warehouse receipt financing	<p>Following the adoption of the warehouse receipt system (WRS) law in 2017, WRS regulations have been enacted in 2019 and in 2021 the WRS regulatory agency has been setup in Feb 2021 (ORSRE, <i>Organe de régulation du système de récépissé d'entrepôt</i>). A WRS demonstration pilot</p> <p>Institutional strengthening of ORSRE and development of an incentive framework to promote investments in warehousing services and infrastructures. was organized in 2020 in the cashew sector by the Ministry of Commerce and SME, 4 financial financed \$1.5M on 2.100 metric tons of raw cashew nuts.</p> <p>In 2022, the Government reported the institutional strengthening of ORSRE and development of an incentive framework to promote investment in warehousing services and infrastructure.</p>	IFC, World Bank
<b>New Reform Commitments/Initiatives</b>		

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Reform of the legal and tax framework for private equity Operationalization of the SME Fund (OYASS Capital)	Reform of the legal and tax framework for private equity Operationalization of the SME Fund (OYASS Capital)	