

**EXECUTIVE
BOARD
MEETING**

SM/22/180
Supplement 3

July 21, 2022

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Republic of Equatorial Guinea—Staff Report for the 2022 Article IV Consultation—Supplementary Information**

Board Action:	Executive Directors' consideration (Formal)
Tentative Board Date:	Monday, July 25, 2022
Publication:	Yes*
Questions:	Ms. Colacelli, AFR (ext. 36090) Mr. Nicholls, AFR (ext. 38514) Mr. Amui, AFR (ext. 39690)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	After Board Consideration—African Development Bank, European Investment Bank, Food and Agriculture Organization, Organisation for Economic Cooperation and Development, United Nations Development Programme, World Trade Organization

***Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**



REPUBLIC OF EQUATORIAL GUINEA

STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION— SUPPLEMENTARY INFORMATION

July 20, 2022

Approved By
Vitaliy Kramarenko (AFR)
and **Andrea**
Schaechter^o (SPR)

Prepared by the African Department

This supplement provides an update on developments since the issuance of the staff report for the 2022 Article IV Consultation (SM/22/180). The update does not affect the thrust of the staff appraisal.

1. Publication of asset declarations of senior members of the government has begun. As of July 19, 2022, asset declarations for twelve senior officials (including the Prime Minister, the Second Vice Prime Minister, and nine Ministers) were published on the Ministry of Finance, Economic and Planning website ([Declaración de patrimonio e intereses – Ministerio de Hacienda y Planificación](#)). A few of the published declarations use the final template form from June 2022, while most use a first template form issued in March 2022 which was later amended—with support from Fund staff—to ensure that the final template complies with the declaration of all the categories of information required by the 2021 anti-corruption law, such as assets abroad and beneficially owned.

2. The authorities have published more details on the beneficial ownership information of companies that do business with the government. For public procurement contracts regarding COVID and Bata-related spending (that were done after the finalization of the related legislation), the authorities published additional information including: a description of the type of goods and services acquired; the contracting ministry; value and date of the contract; and a copy of the declaration with the name of the beneficial owners of the entity. As of July 19, 2022 this information was provided for seven declared relevant transactions ([Beneficiarios finales COVID-7M – Ministerio de Hacienda y Planificación](#)). However, the authorities have not yet published the actual awarded contracts.

3. The authorities published the preliminary audit report on COVID-related spending. The audit was conducted by an international, independent audit firm, covering

COVID-related spending between February 2020 and September 2021. The published audit report reads that—with the exception of two reservations—no material misstatements were identified that may call into question the accuracy and eligibility of the expenditure appearing on the Statement of Expenditure (<https://minhacienda-gob.com/auditoria-covid-19/>). The auditor’s reservations relate to spending incurred for construction work of yet-unfinished hospitals and for the lack of supporting documents in some transactions—with reservations amounting to about 30 percent of the amount audited.

4. Latest macroeconomic data suggest developments are broadly in line with staff projections.

- The quarterly index of economic activity indicates that real output grew by 3.2 percent (year-on-year) in the first quarter of 2022, led by growth in hydrocarbon output, along with a recovery of public investment. Meanwhile, hydrocarbon output in the first half of 2022 expanded by 3.3 percent (year-on-year), with dry gas increasing by 10 percent.
- Headline inflation stood at 5.1 percent (year-on-year) in May, the highest since September 2020, primarily driven by fuel and food prices.
- Equatorial Guinea’s NFA at BEAC remained positive from January to April 2022. In April, NFA at BEAC was CFA 126 billion, after falling from a high of CFA 278 billion in February. This performance was supported by accumulation of government deposits at BEAC of over CFA 100 billion between end-2021 and end-April 2022—compared with an accumulation of CFA 43 billion in the same period a year earlier.