

**EXECUTIVE  
BOARD  
MEETING**

SM/22/180  
Supplement 1

July 12, 2022

To: Members of the Executive Board

From: The Secretary

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

Board Action:	Executive Directors' <b>consideration</b> (Formal)
Tentative Board Date:	<b>Monday, July 25, 2022</b>
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

July 11, 2022

## STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION— INFORMATIONAL ANNEX

Prepared By

The African Department (in consultation with other  
departments)

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# FINANCIAL POSITION IN THE FUND

As of May 31, 2022

<b>I. Membership Status:</b> Joined: December 22, 1969		Article VIII
<b>II. General Resources Account:</b>		<b>SDR Million</b>
<u>Quota</u>	157.50	<b>%Quota</b> 100.00
<u>IMF's Holdings of Currency (Holdings Rate)</u>	229.11	145.46
<u>Reserve Tranche Position</u>	4.94	3.14
<b>III. SDR Department:</b>		<b>SDR Million</b>
<u>Net cumulative allocation</u>	182.25	<b>%Allocation</b> 100.00
<u>Holdings</u>	20.63	11.32
<b>IV. Outstanding Purchases and Loans:</b>		<b>SDR Million</b>
Emergency Assistance <sup>1/</sup>	47.25	<b>%Quota</b> 30.00
Extended Arrangements	29.29	18.59
<sup>1/</sup> Emergency Assistance may include ENDA, EPCA, and RFI.		

<b>V. Latest Financial Commitments:</b>				
<b>Arrangements:</b>				
<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
EFF	Dec 18, 2019	Dec 17, 2022	205.01	29.29
ECF <sup>1</sup>	Feb 03, 1993	Feb 02, 1996	12.88	4.60
SAF	Dec 07, 1988	Dec 06, 1991	12.88	9.20
<sup>1/</sup> Formerly PRGF.				

<b>Outright Loans</b>				
<u>Type</u>	<u>Date of Commitment</u>	<u>Date Drawn/Expired</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
RFI	Sep 15, 2021	Sep 17, 2021	47.25	47.25

<b>VI. Overdue Obligations and Projected Payments to Fund<sup>2/</sup></b> (SDR Million; based on existing use of resources and present holdings of SDRs)					
	<u>Forthcoming</u>				
	2022	2023	2024	2025	2026
Principal			10.79	28.51	22.60
Charges/Interest	1.12	2.26	2.85	1.98	1.52
<b>Total</b>	1.12	2.26	13.04	30.49	24.12
<sup>2/</sup> When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.					

**Implementation of HIPC Initiative:** Not Applicable

**Implementation of Multilateral Debt Relief Initiative (MDRI):** Not Applicable

**Implementation of Catastrophe Containment and Relief (CCR):** Not Applicable

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

**Safeguard Assessments:** The Bank of the Central African States (BEAC) is the regional central bank of the Central African Economic and Monetary Community (CEMAC). Under the IMF safeguards policy and in line with the four-year cycle for safeguards assessments of regional central banks, an update safeguards assessment was completed in 2022. The assessment found that the BEAC maintained strong governance arrangements following the comprehensive 2017 legal reforms that strengthened both governance and autonomy arrangements, and completed the supplementary work on secondary legal instruments in 2019. The BEAC accomplished an important milestone and strengthened its financial reporting practices with its implementation of International Financial Reporting Standards. The external audit arrangements continue to be robust with joint audits conducted by experienced firms. Nevertheless, the internal audit function faces capacity constraints and has not yet achieved full alignment with international practices, and efforts are needed to develop the risk management function, cyber resilience, and business continuity and disaster recovery plans.

**Exchange Arrangements:** Equatorial Guinea participates in the CAMU and has no separate legal tender. The regional currency issued with the CEMAC is the CFA franc, which has been pegged to the euro at the rate of CFAF 655.957 per euro, since the euro was introduced in 1999. The exchange rate arrangement of the CAMU is a conventional peg. Equatorial Guinea has accepted the obligations under Article VIII, Sections 2(a), 3 and 4 and maintains an exchange system free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions.

**Article IV Consultations:** Equatorial Guinea is on the standard 12-month Article IV consultation cycle. The last Article IV consultation with Equatorial Guinea was concluded by the Executive Board on August 29, 2016.

## TECHNICAL ASSISTANCE

### 2022

May	STA mission on balance of payments
April	AFRITAC mission on GFS and PSDS
April	AFRITAC mission on implementing CEMAC directives

### 2021

September	AFRITAC training on GFS and PSDS
September	LEG desk-based review FY21
August	AFRITAC mission on real sector and national accounts
March	STA mission on external sector statistics
March	AFRITAC mission on GFS

### 2020

June	AFRITAC mission on national accounts
June	FAD mission on revenue administration FY 2021
May	MCM mission on remote debt management
February	LEG mission on legislative drafting on anti-corruption law

### 2019

October	FAD mission on assessment of revenue administration
October	MCM mission on debt management diagnostic
September	STA mission on external sector statistics
July	AFRITAC mission on national accounts
July	AFRITAC mission on GFS — implementation of the TOFE directive
April	FAD mission on capital expenditure budgeting
February	STA mission on external sector statistics
January	STA mission on data dissemination standards

### 2018

October	AFRITAC mission on GFS
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#### **Resident Representative:**

The post of IMF Resident Representative in Malabo was established in 2019. The post has been vacant since October 2021.

## **WORK PROGRAM WITH PARTNER INSTITUTIONS**

The World Bank work program can be found on the following website:

<http://www.worldbank.org/en/country/equatorialguinea>

The African Development Bank work program can be found on the following website:

<https://www.afdb.org/en/countries/central-africa/equatorial-guinea>

## STATISTICAL ISSUES

### I. Assessment of Data Adequacy for Surveillance

(As of June 24, 2022)

**General:** Although some efforts are being made at improving data provision, it has serious shortcomings that significantly hamper surveillance. There are data shortcomings in national accounts, monetary, fiscal, and external sector statistics. There is significant scope for improvements in quality, timing, and coverage.

**Real sector statistics:** The National Statistics Institute (INEGE) publishes national accounts series according to the recommendations of the System of National Accounts, 1993 (1993 SNA). Quarterly GDP estimates compiled by the production approach were developed by INEGE (still pending publication) and would benefit from further coordination to facilitate data sharing. INEGE has launched benchmark surveys needed for a GDP rebasing exercise, including an economic census of enterprises and a household consumption and expenditure survey. Compilation of the official CPI resumed in January 2009, with data collected in five major cities. However, several deficiencies remain, including outdated weights and composition of the basket of goods and services, and gaps in the time series corresponding to the period for which data was not collected. The authorities are working on a new household expenditure survey to update the weights and base year of the CPI.

**Government finance statistics:** The authorities provide budget execution data to the Fund, including annual data to the Statistics Department's (STA) GFS database, albeit with delays. The data on transactions in financial assets and liabilities (below-the-line transactions) is limited, and is not fully reconciled with the monetary accounts. The internal process of verification of the fiscal data among the different departments involved in the production and use of statistics is still weak. The authorities should advance work on the functional classification of spending and improve the reporting of below-the-line transactions, as well as extending the fiscal statistics beyond the budgetary central government to include local governments and other relevant subsectors of general government.

**Monetary and financial statistics (MFS):** Monetary statistics are reported to the Fund by the Bank of Central African States (BEAC) monthly in the standardized report forms (SRFs), for central bank and other depository corporations but with significant delays. The last MFS data, which were submitted to STA, referred to November 2020, while the last submission of monthly balance sheet data from BEAC was for January 2022. The depository corporation survey does not include data from deposit-taking microfinance institutions. The BEAC reports data for Equatorial Guinea on several indicators of the Financial Access Survey (FAS), including the two indicators (commercial bank branches per 100,000 adults and ATMs per 100,000 adults) adopted by the UN to monitor Target 8.10 of the Sustainable Development Goals (SDGs).

**Financial sector surveillance:** The Banking Commission of Central African States (COBAC) reports on (i) a monthly basis, nine core and four additional Financial Soundness Indicators (FSIs) for deposit-takers (DTs) as well as two FSIs on Real Estate Markets, and (ii) semi-annual basis, four core and two additional FSIs for DTs to STA for Equatorial Guinea for dissemination on IMF's FSI Website. The last FSI data, which were submitted to STA, referred to August 2021.

**External sector statistics:** The National Directorate of the Bank of Central African States is responsible for the compilation of the balance of payments statistics of Equatorial Guinea. The BEAC produces balance of payments data for its monetary programming exercise, but these largely rely on estimations. Trade transactions processing and data compilation are complicated by the fact that customs authorities have not yet fully implemented a computerized system. Data are disseminated with a substantial lag. Annual balance of payments and IIP statistics for 2016–17 is expected to be disseminated by August 2022, and quarterly data for 2018–19, by October 2022. Staff capacity remains a concern and is being addressed through training.

## II. Data Standards and Quality

Participant in the IMF Enhanced General Data Dissemination System (e-GDDS), Equatorial Guinea launched the National Summary Data Page in May 2019, but data has not been updated regularly. Metadata is posted on the Dissemination Standards Bulletin Board (<http://dsbb.imf.org>).

No data ROSC has been conducted.

**Equatorial Guinea: Table of Common Indicators Required for Surveillance**

(As of June 1, 2022)

	Date of latest observation	Data received	Frequency of data	Frequency of reporting	Frequency of publication
Exchange rates	May 2022	May 2022	D	D	D
International reserve assets and liabilities <sup>1</sup>	Jan 2022	Apr 2022	M	M	M
Reserve/Base money	Jan 2022	Apr 2022	M	M	M
Broad money	Jan 2022	Apr 2022	M	M	M
Central bank balance sheet	Jan 2022	Apr 2022	M	M	M
Consolidated balance sheet of the banking system	Jan 2022	Apr 2022	M	M	M
Interest rates <sup>2</sup>	Jan 2022	Apr 2022	M	M	I
Consumer price index	Mar 2022	Apr 2022	M	Q	Q
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – General government <sup>4</sup>	NA	NA	NA	NA	NA
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – Central government	2021	Apr 2022	M	Q	I
Stocks of debt contracted or guaranteed by the central government <sup>5,6</sup>	2021	Apr 2022	A	A	I
External current account balance	2016	Jun 2021	A	A	I
Exports and imports of goods and services	2016	Jun 2021	A	A	I
GDP/GNP	2021	May 2022	A	A	I
Gross external debt	2021		A	A	I
International Investment Position <sup>7</sup>	NA	NA	NA	NA	NA

<sup>1</sup> Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

<sup>2</sup> Both market-based and officially determined, including discount rates, money market rates, and rates on treasury bills, notes and bonds.

<sup>3</sup> Foreign and domestic bank, nonbank financing.

<sup>4</sup> The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Includes currency and maturity composition.

<sup>6</sup> Includes external gross financial asset and liability positions vis-à-vis nonresidents.

<sup>7</sup> Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).