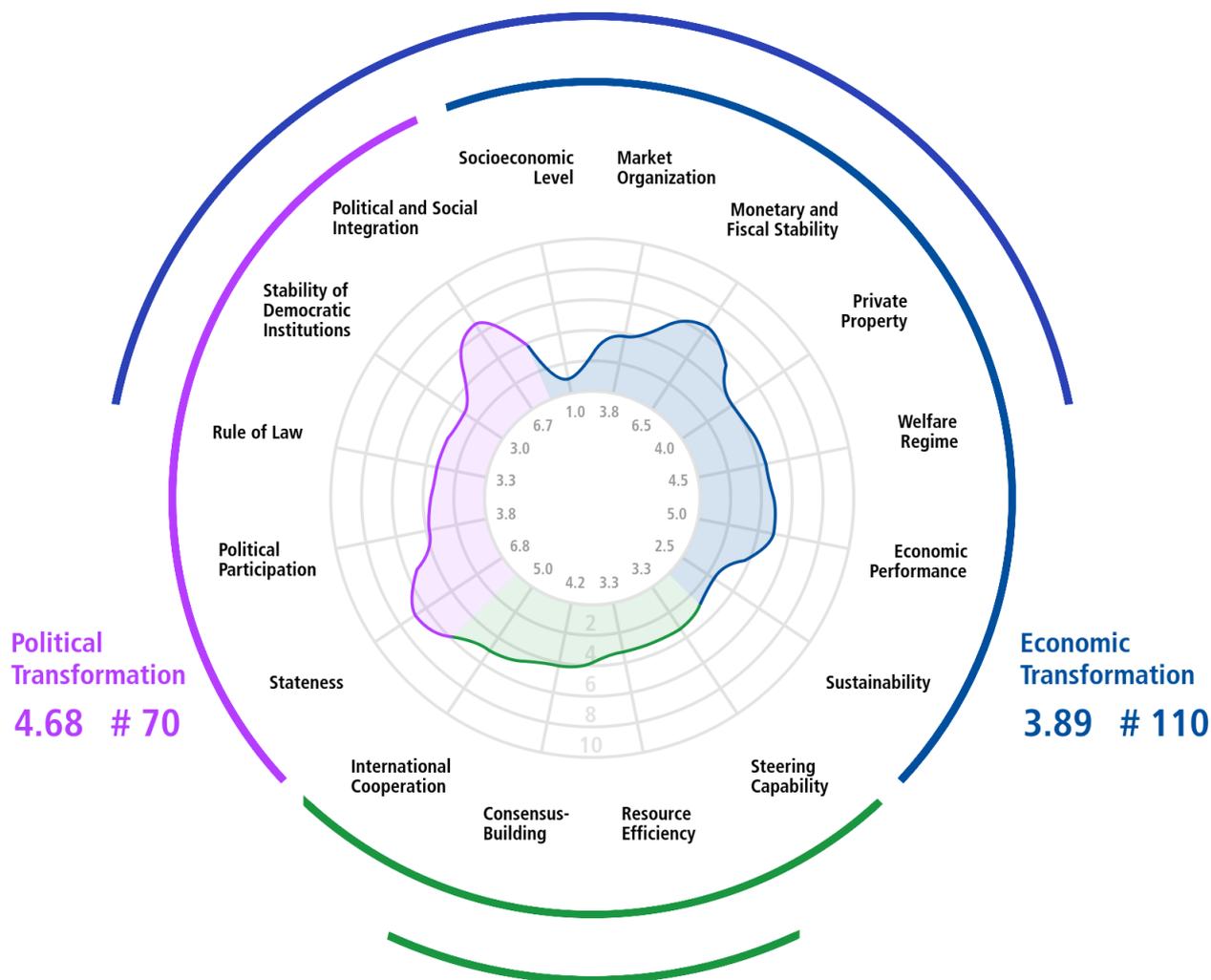


# Guinea-Bissau

## Status Index

**4.29 # 97**

on 1-10 scale out of 137



**Political Transformation**  
**4.68 # 70**

**Economic Transformation**  
**3.89 # 110**

## Governance Index

**3.70 # 105**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### **Sabine Donner**

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### **Hauke Hartmann**

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### **Sebastian Plate**

Phone +49 5241 81 81263  
[sebastian.plate@bertelsmann-stiftung.de](mailto:sebastian.plate@bertelsmann-stiftung.de)

### **Sabine Steinkamp**

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>2.2</b>	HDI	<b>0.514</b>	GDP p.c., PPP \$	<b>3053</b>
Pop. growth <sup>1</sup>	% p.a.	<b>2.2</b>	HDI rank of 193	<b>174</b>	Gini Index	<b>33.4</b>
Life expectancy	years	<b>64.1</b>	UN Education Index	<b>0.418</b>	Poverty <sup>3</sup>	% <b>60.2</b>
Urban population	%	<b>45.9</b>	Gender inequality <sup>2</sup>	<b>0.632</b>	Aid per capita \$	<b>87.7</b>

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

During the period under review, developments in Guinea-Bissau continued to be significantly influenced by deep political tensions that have contributed to a deteriorating human and civic rights situation and to increased political instability.

President Umaro Sissoco Embaló has continued to show increasingly authoritarian tendencies. To secure his grip over state and civilian institutions, Embaló has employed a divide-and-rule strategy and attempted to subjugate opposing political, military and civilian forces, trying to control the formal and informal rules of the game. The primary target of this strategy was the legislature that resisted Embaló's claim to power after the African Party for the Independence of Guinea and Cape Verde (PAIGC) and its coalition partners had secured a majority in elections in June 2023.

Following these elections, Embaló sought to delay the convening of parliament and the formation of a new government, ultimately appointing Geraldo Martins (PAIGC) as prime minister. On November 30, 2023, Minister of Economy and Finance Suleimane Seidi and Secretary of State António Monteiro were arrested on suspicion of corruption. On December 1, the National Guard attempted to free them, and the Presidential Guard responded. Embaló accused the National Guard of staging a coup and used the incident – as in 2022 – as a pretext for once again dissolving parliament. Afterward, Embaló prevented members of parliament from assembling. As part of this strategy, the government banned any demonstrations in January 2024, with security forces enforcing this measure with a heavy-handed approach. In August 2024, Embaló sought to discredit opposition circles, accusing both Pereira and former Prime Minister Nuno Gomes Nabiam (Assembly of the People United – Democratic Party of Guinea-Bissau, APU-PDGB) of being behind the alleged coup attempt of February 2022.

Embaló and his inner circle have also used the judiciary to obstruct political processes. In November 2024, the Supreme Court rejected the candidacy of the PAIGC coalition for upcoming legislative polls on the grounds that, after its formation in the run-up to the 2023 elections, it had not sought formal renewal through an assembly. Embaló, who had emerged victorious from

controversial, contested elections in 2019 – 2020, did not convene presidential elections in 2024, although his term of office was scheduled to come to an end in February 2025. At the same time, he postponed the parliamentary elections originally scheduled for Nov. 24, 2024, citing logistical difficulties and a lack of money, thus continuing his unrestricted rule. To achieve this, Embaló relied as he had in the past on a government “on “presidential initiative,” meaning without parliamentary approval. Critics accused Embaló of establishing a government composed of presidential advisers from different political parties and of using a divide-and-rule strategy. Numerous journalists and human rights activists have been subjected to threats, assaults and intimidation. Opposition and civil society groups, as well as media outlets, reported an atmosphere of intimidation and repression. Former prime ministers Aristides Gomes and Domingos Simões Pereira (both PAIGC, the largest parliamentary party) continued to face persecution by the authorities.

Despite these developments, the international community largely remained silent and complicit. Internationally, Embaló gained significant prominence after he was elected ECOWAS president in July 2022 for one year. Embaló maintained strong relations with Senegalese President Macky Sall – who shares his Fula/Fulani/Peulh ethnic background – and has apparently continued to do so with Sall’s successor, Bassirou Diomaye Faye (since April 2024). Critics have described this as a dependent relationship, citing the deployment of the ECOWAS mission with Senegalese participation, the ongoing defense cooperation and the division of the offshore oil field shared by the two countries to the detriment of Guinea-Bissau as examples. Embaló also developed ties with French President Emmanuel Macron; for example, Macron received Embaló in January 2023 and December 2024. In October 2023 – triggering heavy criticism – Portuguese President Marcelo Rebelo de Sousa also received Embaló. A fisheries agreement with the EU was renewed in July 2024. Meanwhile, the country also cultivated connections with Russia and China. During a visit to Moscow and Grozny in May 2024, Embaló assured Russian President Vladimir Putin that Guinea-Bissau was a “permanent ally” of Russia, highlighting the partial training of the country’s military officers by Russia and the Soviet Union. Strong economic and technical cooperation with China has been maintained, as were economic ties with India, the main importer of the country’s cashew kernels.

Economically, Guinea-Bissau remains one of the least developed countries in the world. Although some economic development strides have been made in recent years, low incomes and poor-quality government services particularly in the areas of education, health care and security have contributed to the country’s low overall performance. The economy remains poorly diversified and concentrated on exports of the main cash crop, cashew. Moreover, it is marked by multilevel corruption and narco-trafficking, in which – according to rumors and some evidence – high-ranking political figures (including the president himself, according to opposition politicians), military officials and businessmen are involved. Despite the ongoing political instability due to the long political stalemate, reforms have been implemented quite successfully, according to a 2024 report by the IMF. Over the past two decades, Guinea-Bissau has attracted a large number of migrants from across the region, especially from Guinea, Senegal, The Gambia and Mauritania, many of whom work in the commercial sector. Simultaneously, Guinea-Bissau has become both a transit country and country of origin for migrants on their way north.

## History and Characteristics of Transformation

Portuguese colonization of Guinea-Bissau dates to the 15th century, but remained weak and limited to the coastal lands until the late 19th century. Portuguese colonial exploitation contributed little to the country's socioeconomic and infrastructural development in the modern era. Excluded from political participation, the vast majority of the colonized population remained illiterate and without formal education. The liberation movement, the African Party for the Independence of Guinea and Cabo Verde (PAIGC), founded in 1956, launched a successful but bloody independence war in 1963. Guinea-Bissau declared independence from Portugal in September 1973, but the Portuguese did not recognize the act until September 1974. Following independence, a left-wing autocratic centralized political system emerged that gained support from the Eastern Bloc and from nonaligned countries. The state ideology – shaped by charismatic PAIGC founding father Amílcar Cabral – was based on a strong appeal to national unity. Growing authoritarianism, severe economic problems and a projected intensification of cooperation with Cape Verde by the political elites led to a coup in November 1980. This putsch brought to power former independence fighter João Bernardo “Nino” Vieira, who had also been the first president of the parliament. Vieira managed to play rivals off against each other, thus surviving both actual and alleged coup attempts. From the mid-1980s on, economic structural adjustment led to economic liberalization, followed by political liberalization that resulted in the first multiparty elections in 1994. Vieira became the country's first democratically elected president. Nonetheless, Guinea-Bissau remained one of the least developed countries in the world, with increasingly disintegrating underfunded state structures and underpaid officials, as well as high levels of corruption. The country has remained heavily dependent on foreign assistance through the present day. In 1998, a conflict between President Vieira and dismissed General Chief of Staff Ansumané Mané resulted in an 11-month armed conflict. A U.N. peacebuilding mission was present in the country from the end of that war until 2020. Free and fair democratic elections in 2000 brought to power the opposition Party for Social Renewal (PRS), with its leader Kumba Yalá elected president. However, Yalá's erratic and increasingly autocratic governance led to a coup in September 2003. A transitional government prepared for new elections, held in 2005, that resulted in Vieira returning from exile to become president. However, political instability continued, culminating in the assassination of President Vieira and General Chief of Staff Batista Tagme Na Waie in March 2009. This fragility was further compounded by the country's role in the trafficking of cocaine from Latin America. Despite formally democratic elections in 2009, political tensions continued. In April 2012, conflicts over a security sector reform led to another military intervention. A transitional government brokered the deployment of an ECOWAS peace force through 2020. Free and fair elections were held in mid-2014. They brought the PAIGC to power with an absolute majority, with PAIGC candidate José Mário Vaz winning the presidency. Subsequent developments were positive: Governance quality rose, political tensions decreased considerably, the economy grew and structural investments increased due to the substantial resumption of international cooperation, which had been largely suspended. However, conditions of crisis returned in mid-2015 after deep political divisions emerged between President Vaz on one side and Prime Minister Domingos Simões

Pereira and the PAIGC majority on the other. Since that time, cohabitation between the presidency of the republic and the government has been tense. In August 2015, Vaz dismissed Pereira and, in the years following, unilaterally appointed prime ministers who did not have parliamentary backing. Vaz also politicized the judiciary. Legislative elections took place in March 2019, resulting in a PAIGC victory, despite minor losses. The presidential elections that took place in November and December 2019 were won by former prime minister and Vaz ally Umaro Sissoco Embaló, although the results were contested. To this day, the PAIGC does not recognize Embaló's victory; he unilaterally declared himself president in early 2020. Embaló's inauguration in February 2020, supported by outgoing President Vaz, took place in a hotel in Bissau, in contravention of the constitution. Embaló sidelined PAIGC despite the party's victory in the 2019 legislative elections, and instead, on the day of his inauguration, formed a government on "presidential initiative," thus violating the constitution. He dismissed Prime Minister Aristides Gomes (PAIGC), who had been appointed by Vaz as a consensus candidate in 2018, instead nominating Nuno Gomes Nabiam (Assembly of the People United – Democratic Party of Guinea-Bissau, APU-PDGB), whose party had just five deputies. The overall human rights situation worsened, the media and opposition forces were targeted by an increasingly authoritarian president and security forces, and narco-trafficking continued. New legislative elections were held in June 2023 – one year after the parliament was dissolved by the president – in which the PAIGC coalition won a majority. However, Embaló dissolved the parliament again in December 2023, and appointed Rui de Barros to be prime minister without legislative approval. Neither legislative nor presidential elections took place in 2024, leaving "strongman" Embaló ample room for maneuver.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The Bissau-Guinean state's monopoly on the use of force theoretically extends across its national territory, as there are no paramilitaries, racketeering mafias or clans in territorial enclaves that control parts of the country. However, drug-trafficking networks with links to the military and political figures have emerged over the past two decades. Similarly, there is no systematic banditry. Small forest areas along Guinea-Bissau's northwestern border with Senegal have served for decades as a retreat for guerrilla factions of the Senegalese Movement of Democratic Forces of Casamance (MFDC). In previous years, the MFDC used areas along the border as a sanctuary zone, although their actions targeted the state of Senegal, not Guinea-Bissau. Since 2021, Guinea-Bissau and Senegal have taken joint action against the MFDC presence, establishing joint patrols, among other measures. In August 2022, both countries signed a peace deal with one MFDC faction.

More fundamentally, the capacity of Guinea-Bissau's security forces remains limited, and remote rural areas in particular lack state structures. Thus, although there are no political or armed groups that explicitly challenge the state's use of force, it is the state's absence rather than the presence of challengers that impedes its monopoly on force. Nonetheless, narco-traffickers linked to politicians and high-ranking military officials have emerged as significant actors. Drug-trafficking is connected to the absence of state control over the territory, especially in the Bijagós archipelago, on the one hand. On the other, it is closely tied to influential state figures. Repeated major drug seizures, such as in 2019 (2.85 tons) and in September 2024 (2.633 tons), drew attention to Guinea-Bissau. The constitutionally questionable assumption of the office of president by Umaro Sissoco Embaló in February 2020 was secured by the security forces and attended by civilian and military individuals with strong ties to international narco-traffickers. Since then, state security forces have intimidated and harassed politicians, civil society activists and journalists. Politicians, journalists and observers drew a connection between Embaló's "takeover" and the strengthening of narco-interests that challenge democratic state institutions and procedures, including the judicial and security sectors.

Question  
Score

Monopoly on the  
use of force

7

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7

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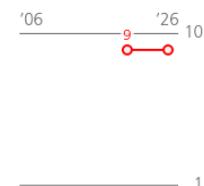
The vast majority of Guinea-Bissau's population accepts the nation-state as legitimate, and all individuals and groups enjoy the right to acquire citizenship without discrimination. Although there are conflicts over governance and policy, the nation-state's validity is generally not questioned. Even though Bissau-Guinean state institutions are widely known and regarded as "weak," and corruption is often lamented, all relevant groups in society accept and recognize state institutions in principle. Although isolated and minor conflicts sometimes occur between individuals and groups at the village level, there are no conflicts over the question of national citizenship. In fact, national identity and cohesion across ethnic and religious boundaries have been very strong since independence. This is a consequence of the war of independence against Portugal, in which Amílcar Cabral and the PAIGC used a national ideology and a national language – Kriol – as unifiers of different identities.

However, civil registration remains an important issue to resolve in the field of citizenship. Especially in rural areas, because administrative facilities are lacking, it is common for children to be registered with authorities only when they enter school or even later.

Guinea-Bissau's population is highly heterogeneous in terms of religion, characterized by "religious forum shopping" and parallel adherence to multiple faiths. According to the last census, conducted in 2009, 45.1% of the population was Muslim (mostly in the eastern part of the country), 22% was Christian (mostly in the coastlands) and 14.9% were adherents of local religions. Both Islam and Christianity are represented by diverse denominations in Guinea-Bissau. In the *Vozes do Povo* survey taken in 2018, 47% of respondents identified as Muslim, 39% as Christian and 9% as "animist." In recent decades, as in other parts of Africa, evangelical churches – mostly from Brazil – have gained ground, while conservative Muslim countries have donated grants and scholarships, thus competing with firmly anchored Sufi Islam. The state is legally secular, and this is respected by the government. However, politicians must consider the public's religious sentiments. Some political decisions may to some extent be influenced by the beliefs of individual politicians, although this impact is not considerable. For example, former President Vaz (2014 – 2019) was widely believed to rely on local religious practices of divination in making political decisions. Acting President Embaló is known to often rely on Muslim countries, mainly for financial reasons. Some Bissau-Guineans fear that Embaló might favor Muslim individuals and groups. There is concern that religious issues may become more influential in politics, especially considering that Islam is the religious belief of the current president. One example was the destruction of a natural park in Bissau in December 2022 and January 2023 in order to construct a mosque with Turkish funding. As of March 2024, the Bissau-Guinean Human Rights League (LGDH) warned of a rise of political extremism in the Muslim eastern part of the country, where radicalized interpretations of Islam were spreading.

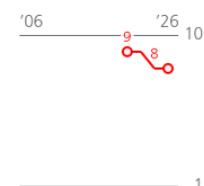
#### State identity

9



#### No interference of religious dogmas

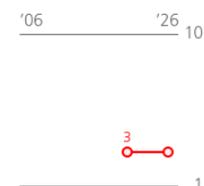
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The state provides only very basic, barely effective administrative, health care, security, judicial, infrastructural and education services. These are all weak throughout the country but especially vulnerable outside the capital. Although numerous attempts have been made to reform governance, security and the rule of law in Guinea-Bissau, the state continues to have an insufficient presence in rural areas. For example, registering a newborn within the legally defined time frame is highly complicated due to the lack of services, so many citizens are only registered with authorities when they enter primary school or later. Services are often inconsistent and personalized, and citizens often must pay individual civil servants for delivery of the services. This applies within the security and judicial sectors as well. The security forces are poorly equipped, underpaid and often insufficiently trained, although a few model police stations have been established with international assistance. Some prisons and justice buildings have been renovated. Access to judicial facilities has been facilitated in the context of international cooperative efforts, yet the state struggles to keep services operational. Road infrastructure is largely maintained through international loans and donations, and connects only the country's major centers. Reaching villages can be difficult especially in remote areas. Mobility across the country is particularly challenging during the rainy season. Regular ship connections to the islands are very rudimentary. The state-run telecommunication company, Guinétel, went bankrupt in 2013. Currently, private companies maintain a mobile phone network and provide slow, limited internet access outside the capital, although in 2023 it was (again) announced that Guinea-Bissau would be connected to a faster submarine cable. Electricity provision is unreliable and power cuts are frequent, although the situation in the capital has improved in recent years. The health care and education sectors are especially affected by strikes due to low or unpaid salaries, and classes in public schools are often canceled. The quality of education is inadequate, especially in rural areas. Even in cities, schooling may be provided by informal community schools due to the lack of public facilities. The health care sector continues to suffer from significant deficiencies; even the main public hospital in the capital offers only basic services. As a result, the COVID-19 pandemic posed a real challenge, and access to basic health care is heavily dependent on donors and NGO initiatives. Reliable ambulance and firefighting services do not exist, and the number of adequately trained specialists is very limited and mostly concentrated in the capital. Guinea-Bissau's very low score on the Human Development Index confirms these observations. Similar constraints are evident even for basic services. Based on 2022 data, access to a basic water source (61.8% of the population), basic sanitation (27.8%) and electricity (37.4%) remains severely limited, although this situation is slowly improving.

Basic  
administration

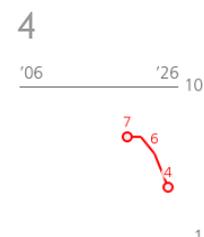
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## 2 | Political Participation

Guinea-Bissau held free and fair multiparty legislative and presidential elections in 2014. Elections scheduled for November 2018 were postponed several times because a voter census had not yet been completed. The delay resulted from a lack of financial and material resources as well as disputes over the legitimacy of voter registration. Legislative elections ultimately took place in March 2019, and the presidential poll followed in late 2019. The outcome of the presidential election has been heavily criticized, with some political and civil society actors alleging manipulation and fraud. After candidate Umaro Sissoco Embaló declared himself president in February 2020, the Supreme Court dismissed the opposition's appeal disputing the election results in September 2020 in a nontransparent process. This has led to doubts about the impartiality of the electoral commission, the registration of voters and polling procedures, as well as the fairness of media access. Voter registration began only in December 2022 – well after parliament had already been dissolved in May 2022. During the review period, the PAIGC-led electoral alliance called Inclusive Alliance Platform – Terra Ranka won a majority in the June 2023 polls. However, the PAIGC's party congress was obstructed by the authorities, and one opposition politician was attacked. Parties were thus unable to act freely. After parliament was again dissolved in December 2023, contrary to constitutional provisions that prohibit dissolution until at least one year after the elections, no legislative elections took place in 2024. They were postponed in November 2024 due to financial and logistical problems, according to the president. For more than a year, Guinea-Bissau has thus once again been without a parliament, in violation of the constitution. Moreover, no presidential elections were held in 2024, violating the established election rhythm and the law. Political parties and politicians criticizing the president were again subjected to Embaló's intimidation and divide-and-rule tactics. Embaló aims to destabilize and divide the parties by using the judiciary to allow pro-Embaló wings to take power within the parties (as seen with the PRS and APU-PDGB parties in 2024) or to block electoral alliances from participating in elections. Nevertheless, the party/alliance (PAIGC) that won the 2019 and 2023 legislative elections was supposed to hold executive power, but was dismissed by the president. In December 2023, Embaló appointed a government of presidential initiative, led by Rui de Barros (PAIGC) and including members of different parties, thereby creating divisions within the parties. Despite 30 years of debate on the subject, no devolution of powers to the local level has taken place, and no local elections have been held, although recent years have seen discussion on the introduction of a customary leadership system. Universal suffrage by secret ballot is ensured by law. Guinea-Bissau has an established multiparty system. However, both Presidents Vaz and Embaló have tried to control the appointment of prime ministers since 2016, thus idiosyncratically interpreting the constitution and creating an ongoing political and constitutional crisis. Both Vaz and Embaló have ignored the right to participation in the government

Free and fair elections



by the leadership of the party with majority representation in parliament. Election management remains barely effective and dependent on foreign aid. The opposition has accused the National Election Commission of partiality. The ongoing vacancy of the commission's chair position has further damaged its image. In the past, the body was criticized for a lack of transparency, and scattered duplicate registrations were reported. However, apart from 2019, polling processes were considered transparent, accessible, free and fair, as was formal media access for campaigners. Currently, the problem is not only the quality of elections or the run-up to them – but primarily whether elections are taking place at all.

While the president and parliament were elected democratically in 2014, the presidential polls held in late 2019 left many doubts about current President Embaló's legitimacy in his role, despite independent international observers having declared the elections to be free and fair. Events after the elections suggested that the military – allegedly spurred on by politicians with close ties to individuals involved in narco-trafficking and other illicit activities – again exercised its veto power in politics. However, this is difficult to prove. Moreover, some politicians and officials were allegedly paid off in order to strengthen support for the president's politics. In the past, the military has had the ability to influence the appointment or dismissal of the general chief of staff, leading in some cases to coups and coup attempts. The last successful putsch occurred in April 2012, although events in early 2020 implied that the military played a crucial role in securing Embaló's self-proclamation as president. The role of the military in the alleged coup attempt of February 2022 remains unclear. The confrontation between the National Guard and the Presidential Guard in December 2023, following the arrest of two government members, prompted accusations of a coup as justification for yet another dissolution of parliament. The event remains controversial and unexplained. It appears that some figures in the military or security forces have found more subtle ways of accessing political power, as opposed to the coups of the past. While military interference has not resulted in an unconstitutional regime change in recent years, the possibility of a successful military coup remains, and many people in Guinea-Bissau still think that the military remains influential behind the scenes, and that real power lies in the hands of Biaguê na N'Tan, the chief of staff of the Armed Forces of Guinea-Bissau.

President Embaló has been accused of progressively monopolizing power. He has interfered with institutions and the political party system, encouraging divisions within parties and the creation of new political parties. Embaló has systematically shut down the parliament and sought to prevent election winners from gaining power – thereby reducing the relevance of the government. Under his rule, judicial and electoral institutions have been no more than rubber stamps.

Effective power to govern

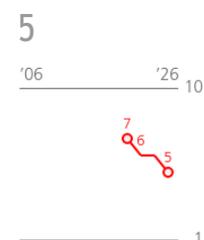
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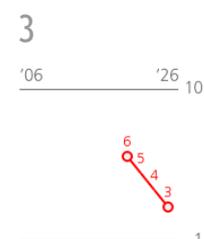
Guinea-Bissau's constitution and legal framework guarantee the freedoms of assembly and association. Formally, the government is committed to respecting the freedom of association. However, during the review period, security forces confronted peaceful demonstrations with force and at times prohibited demonstrations. Authorities repeatedly prevented the PAIGC from holding its congress in 2022 and also hampered free association in the political arena. In May 2023, authorities blocked access to the PAIGC headquarters, and in the same month also blocked access to the trade union federation building in Bissau. After parliament was dissolved in December 2023, police used tear gas to prevent legislators from entering the parliament building. In January 2024, the Interior Ministry issued a ban on demonstrations that lasted several months. Although the opposition civil society group Popular Front was able to organize, its demonstration in May 2024 was met with police violence; some activists were detained, while others were reportedly tortured and kidnapped, according to the Bissau-Guinean Human Rights League (LGDH). In July 2024 police again prohibited two demonstrations – one in favor of and one against the Embaló regime – and some demonstrators were arrested. In mid-November 2024, President Embaló again allowed demonstrations to be held “within the framework of order and discipline.”

The Bissau-Guinean constitution guarantees the freedom of expression, and the state does not practice any formal censorship. Yet journalists have practiced self-censorship on issues such as the involvement of public officials and influential businessmen in drug and timber trafficking. Conditions have deteriorated even further in recent years. Since President Embaló's takeover, leading politicians in the previous PAIGC-led governments have been persecuted, have sought protection in foreign embassies or foreign countries, or have been prohibited from leaving the country. Human rights activists and journalists have repeatedly been beaten by unknown armed and masked men. In addition, they have been intimidated and, in some cases, prosecuted. During the review period, two private radio stations were threatened with closure in April 2023 for not having paid their license fees. A private radio journalist was detained and assaulted by the rapid intervention police in July 2024. The service of the public Portuguese broadcaster was temporarily inaccessible in July 2023. Opposition politicians, journalists and human rights activists have repeatedly pointed to the severe erosions in the freedom of expression and the right of political participation throughout the 2023 – 2024 period, referring to a climate of intimidation and fear and accusing the president of attacking press freedom.

#### Association / assembly rights



#### Freedom of expression



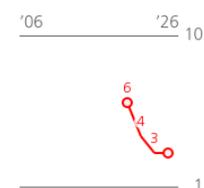
### 3 | Rule of Law

Guinea-Bissau's constitution stipulates the separation of executive, legislative and judicial powers. Although the separation of powers exists in theory, checks and balances are occasionally subject to interference. For years, President Embaló has sought to dominate the legislature and the judicial system, notably the Supreme Court, testing the limits of the constitution. Ongoing personnel disputes and repeated one-sided rulings in favor of the presidential camp indicate a politicization of the Supreme Court. Apart from this, President Embaló – like his predecessor Vaz – has also appointed attorney generals who have been widely believed to act in his favor. After Embaló took office, the balance of power shifted even more to the executive, with the armed forces practically assisting Embaló in bypassing the Supreme Court and the parliament, persecuting opposition members, and intimidating dissenters. Most visibly, the president regularly presided over cabinet meetings, taking over the executive power. The judiciary came increasingly under pressure in 2020 after Embaló declared himself the winner of the presidential election run-off in December 2019. President Embaló repeatedly stated that he stood above all other powers – contrary to the country's constitution. The dissolution of the parliament in May 2022 resulted from the fact that the members of parliament had refused to discuss a constitutional revision proposal presented by the head of state; moreover, the parliament had asked the government to clarify the presence of ECOWAS troops in the country, and the dissolution made it possible to avoid a response. Similarly, Embaló dissolved the parliament again in December 2023 because legislators and the government had questioned whether his power was unlimited. Additionally, the late election dates set both in 2022 – 2023 and in 2023 – 2025, in each case far beyond constitutional mandates, demonstrated a clear imbalance between the (silenced) legislative and executive powers. The position of National Election Commission chair remained vacant throughout 2023 – 2024, thus limiting the credibility and assertiveness of this body.

Guinea-Bissau's constitution and several laws establish that the judiciary is independent. An independent body, a Superior Council of Magistrates composed of elected judges, administers the judiciary. Judges on the Supreme Court – which also acts as the Constitutional Court – are nominated by the Superior Council of Magistrates and appointed by the president. However, judges often fear retaliation, and lament their poor working conditions and a lack of security when involved in politically delicate cases, particularly those related to drug-trafficking. Especially in the countryside, the judiciary often fails to function or operate effectively. As a result, citizens often turn to alternative providers of justice to solve family and local disputes (e.g., elders, qadis and traditional authorities). In June 2020, President Embaló referred to the judges of the Supreme Court as “corrupts” and “bandits.” In doing so, Embaló underlined his disrespect for the rule of law. In February 2021, the military, supposedly acting on behalf of the president, temporarily occupied the seat of the

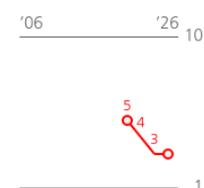
Separation of powers

3



Independent judiciary

3



Bissau-Guinean bar association. Critics interpreted the action as an attempt by the government to intimidate the lawyers' association. During the review period, personnel disputes and one-sided rulings against the PAIGC indicated a politicization of the Supreme Court. In July 2024, three judges of the Military Court were arrested two days after they had ordered the release of the suspects in the alleged February 2022 coup attempt.

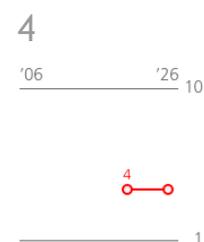
Public officeholders who benefit illegally from their positions are rarely held accountable through legal prosecution when they break the law or engage in corrupt practices. This includes all top government officials, including the president, as well as lower-level public officeholders. The degree of public condemnation depends on the reputation of the individual officeholder. As a rule, corrupt officials are widely seen as able to avoid consequences for their crimes. Officeholders who break the law may be dismissed rather than prosecuted – or else prosecution is impeded and delayed for political reasons. In recent years, it has become increasingly evident that the government and attorneys general use allegations of corruption to silence, prosecute, arrest and remove opposition politicians, particularly those from the PAIGC, such as Aristides Gomes, Domingos Simões Pereira, Suleimane Seidi and António Monteiro. For example, on Nov. 30, 2023, Minister of Economy and Finance Suleimane Seidi and Secretary of State António Monteiro were arrested on suspicion of corruption (and on December 1 the National Guard tried to free them, and the Presidential Guard responded).

Members of the government accused of corruption often return to official positions after the passage of some time. Conflicts of interest and ethical misconduct are often not addressed. For the most part, the rule of law does not exist within the judiciary, and too many resources are devoted to political infighting. This allows space for corruption to thrive.

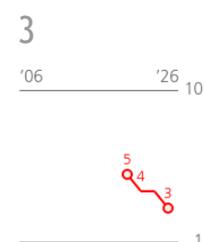
Generally, civil rights are codified in Guinea-Bissau. However, fundamental rights are only partially respected in practice. The U.S. State Department's report on human rights practices identifies significant human rights issues, including credible reports of torture by the government, harsh prison conditions and serious problems with the independence of the judiciary, serious government corruption, and extensive gender-based violence. The report concludes that the government has not taken credible steps to identify and punish officials who may have committed human rights abuses.

The police forces in particular have repeatedly been accused of torture and using excessive force. Although this is not a mass phenomenon, complaints of intimidation and violation of civil rights by agents of the various security forces increased in frequency during the review period. Mechanisms and institutions for prosecuting, punishing and redressing violations of civil rights are in place, but they are not consistently effective. Conditions in the few prisons can be harsh. Discrimination based on sexual orientation is usually not an issue. Women do not enjoy the same rights as men, an issue that is more acute in areas dominated by Islam and customary

#### Prosecution of office abuse



#### Civil rights

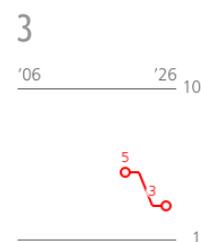


law. Though legally prohibited, child marriage and female genital mutilation continue to be practiced in rural areas. Although in February 2018, the Bissau-Guinean Human Rights League (LGDH) reported a decline of 5% in this latter practice, almost 45% of all Bissau-Guinean women between the ages of 15 and 49 have reportedly undergone this procedure. More generally, women still experience discrimination in the areas of political representation, employment, pay and education. Women are also victims of moral and sexual harassment by various social actors. Human rights and civil society activists as well as journalists and opposition politicians are frequently harassed.

#### 4 | Stability of Democratic Institutions

Democratic institutions exist and have been legitimized through popular votes, although the outcome of the run-off presidential election of December 2019 continues to be contested. However, key Bissau-Guinean institutions have been hampered in the recent past by extensive counterproductive frictions. This has particularly concerned the parliament – the National People’s Assembly – and the president. Partly due to unclear provisions in the semi-presidential constitution, they have engaged in a serious conflict for years, which has left the parliament unable to operate. During the review period, the parliament continued to oppose government policies and was again dissolved by the president in December 2023 (after the previous dissolution in May 2022). Following the renewed dissolution in December 2023, the election originally scheduled for November 2024 was quickly canceled by the president and postponed indefinitely. Some observers have interpreted the dissolutions as an effort to eliminate a competing source of power. Guinea-Bissau adopted a Parity Law in 2018, establishing quotas of 36% women on candidate lists, but this did not translate into a similar ratio in the parliaments resulting from the 2019 and 2023 elections (in which 9.8% of legislators were women). The Parity Law does not provide for punitive measures for parties that do not comply with it, so there is no incentive to abide by it. The remaining institutions, such as the judiciary and public administration, only partially perform their functions. The judiciary has faced increasing pressure over the course of President Embaló’s term. In October 2020, he described himself as the only constitutional institution that possessed popular legitimacy – while admitting that a separation of powers existed. Embaló has repeatedly stated that he is “in charge” and that all other powers are answerable to him. These statements run counter to constitutional provisions, which state that the government is answerable to the parliament. President Embaló claims executive duties for himself. For instance, he has headed most cabinet meetings since December, rather than Prime Minister Rui de Barros. The president has also made minor cabinet reshuffles at his own discretion. Local governments independent of central state institutions do not exist.

Performance of democratic institutions



In contrast to the past, the legitimacy of key democratic institutions – including the presidency and the parliament – seems to be less accepted by some relevant actors. In particular, the opposition has refused to recognize the president, accusing him of manipulating the presidential election run-off in December 2019. Similarly, Prime Minister Nuno Gomes Nabiam, who was unilaterally appointed by President Embaló in February 2020, was regarded as illegitimate by opposition forces, as his party (APU-PDGB) had secured only five parliamentary seats in elections won by the PAIGC.

The same applies to Rui de Barros, who was appointed prime minister by Embaló in December 2023 following an unconstitutional dissolution of parliament. Parties opposing the president, mainly PAIGC, have accused him of usurping the office and buying parliamentary support. Democratic legitimacy and commitment to democratic freedoms have been undermined by the government's repressive measures, as well as by attacks against media representatives, human rights activists and opposition politicians by unidentified armed and masked actors throughout the period under review. The Supreme Court and the National Electoral Commission operate unconstitutionally. The multiparty system was also challenged when the Supreme Court dissolved 14 minor parties in November 2022 because they had reportedly failed to prove that they existed or had failed to comply with electoral law. In a nutshell, the review period was characterized by threats to individuals and parties and attacks on democratic institutions. Notably, former Prime Minister Aristides Gomes feared for his life after returning from exile in November 2022, and was subsequently searched by police while attending the PAIGC congress. He currently lives again in exile. The PAIGC and its leader, Domingos Simões Pereira, are targets of constant harassment. The party was prevented from holding congresses and its election alliance was restricted by the judiciary. Without any justification, Simões Pereira has been banned from traveling, and was – like Nabiam – accused by Embaló in August 2024 of being a mastermind of the February 2022 alleged coup attempt. Previously, Nabiam had accused Embaló of drug-trafficking, human rights abuses and an intention to ignore the results of the upcoming parliamentary polls. In September 2024, former Movement for Democratic Alternation, Group of 15 (MADEM-G15) leader Camará accused Embaló of wanting to murder him. In the same month, Embaló dissolved the Standing Committee of Parliament after it had discussed the return of institutions such as the Court of Justice and the National Electoral Commission to the constitutional order. Following the dissolution, Satu Camará, leader of a dissident MADEM faction close to Embaló and a member of the Standing Committee, proclaimed herself president of parliament in the presence of the military. Thus, since 2020, opposition and critical voices have been increasingly regarded as illegitimate, democracy has been eroded, and Embaló has acted arbitrarily in all political affairs.

Commitment to democratic institutions

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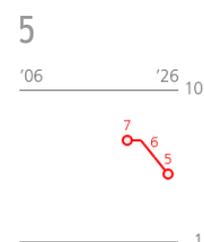


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## 5 | Political and Social Integration

Until a few years ago, the party system consisted of two major parties competing for power. The oldest party is the PAIGC, which was founded in 1956 as an independence movement and continues to be associated with the successful independence struggle. After independence, it emerged as an authoritarian left-wing party in a single-party regime. Today, the PAIGC continues to be regarded as a political party that attracts voters from all ethnic groups and religions, and claims to embody an inclusive state ideology more fully than other parties. It is also popular among intellectuals, is considered the best organized institutionally, and is regarded as being less personality-based than other parties. In the first multiparty elections in 1994, the Social Renewal Party (PRS) emerged as the second-largest party, benefiting from its charismatic but controversial leader Kumba Yalá, and from strong support among the Balantas (the largest ethnic group) and the army. Following Yalá's death in 2014, the PRS was unable to repeat its earlier successes, although the party continues to build on a stable yet diminishing, mainly rural electorate and remains popular among many ethnic Balanta voters. New parties emerged after the general elections in 2014, most of them led by dissidents from older parties. Nuno Gomes Nabiam, who received a considerable number of votes in the 2014 presidential elections, founded the APU-PDGB, which is largely perceived as a competitor to the Balanta-dominated PRS. In mid-2018, MADEM-G15 was founded by leading PAIGC dissidents, then headed by businessman Braima Camará. The legislative elections of 2019 showed that the PAIGC continued to be the largest party, even though it had lost support. That election led to the rise of MADEM-G15 as the main competitor to the PRS, while APU-PDGB was able to establish itself as the fourth-largest party. Thus, voter volatility increased and the party system transformed into a three-party system, leaving a more fragmented political landscape. The June 2023 legislative polls saw a strengthening of the alliance around the PAIGC, in part through the integration of four other minor parties. This group, called the Platform Inclusive Alliance – Terra Ranka, clearly won the elections with an absolute majority, relegating MADEM-G15 to second place and the newly founded Guinean Workers' Party (PTG) led by controversial Interior Minister Botche Candé to third place, while APU-PDGB fell into insignificance, electing only one deputy. President Embaló's attempts to control the internal affairs of his MADEM-G15 party contributed to the erosion of its leadership, resulting in a split into two competing factions in late 2024. The PRS also split into two wings. Fernando Dias was elected at the congress but was challenged by a faction close to Embaló, which chose Félix Nandungue as its leader. In addition, there are several dozen (typically personality-based) parties. In general, many citizens view political parties as networks, with the PRS and MADEM-G15 especially associated with clientelism. Programs are far less important than personalities. In the past, electoral violence has not been a prominent issue, although recent years have seen increasing levels of polarization within society. Polarization

Party system

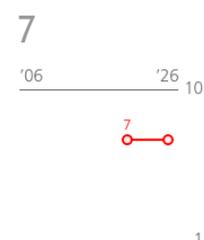


reached another peak with the latest elections; however, in view of the ongoing conflict with the president, the Camará wing of MADEM-G15 came closer to the PAIGC in late 2024, with the PAIGC portraying itself as a defender of democracy and human rights and as a victim of the president's policies.

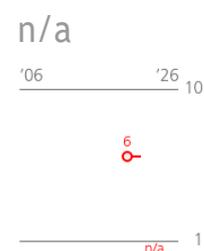
Guinea-Bissau features both a wide range of political parties and a highly differentiated civil society. The country also has a variety of trade unions organized into at least two federations, with the main platform dating back to the times of the one-party state, as well as professional organizations that largely pay lip service to fighting for better working conditions and salaries. Because most formal employment is in the state sector and state financial resources are very limited, the results of trade union activities are limited. At the same time, there are also employees' associations and trade associations, such as a chamber of commerce. In addition, there are specialized non-governmental organizations that defend women's rights and human rights; represent various religious and local communities, veterans and traditional leaders; and engage in environmental protection and the country's development generally. These groups can work together on specific occasions. In recent years, some groups have been founded that are nominally independent of party influence, but which attempt to mobilize the population politically in favor of specific parties or party coalitions. However, most organizations are dependent on foreign support and patronage from various donors, and are sometimes created specifically to access foreign funding in sectors and on issues internationally deemed worthy of support. The Catholic Church has repeatedly acted as a broker in political conflicts. So far, organizations that openly and effectively undermine democracy and civil society to mobilize radical, particular ethnic, religious or nationalist interests do not exist – although the Bissau-Guinean Human Rights League (LGDH) has warned of rising political-religious extremism in eastern Guinea-Bissau in 2023.

Quantitative surveys regarding popular support for the democratic system, its performance and its institutions are very limited for Guinea-Bissau. Results from the first – and so far the only – comprehensive quantitative EU-financed public opinion survey conducted in Guinea-Bissau, published in October 2018, indicated that 53% of respondents regarded democracy as preferable to any other form of government, compared to 9% who favored a nondemocratic government. About 48% of respondents associated democracy with freedom. Sixty-one percent agreed that political parties were necessary, while 33% said parties were unnecessary because they created dissent. Moreover, 66% agreed that the president should obey the law and court decisions, while 27% believed the president should not submit to court decisions. At the same time, 77% (against 14%) rejected a one-party system, 80% (against 11%) military rule and 82% (against 8%) a presidential dictatorship without elections or a parliament. With respect to democratic performance, 70% of respondents said they could speak freely, 67% said they could join any political organization and 75% said they could vote without being pressured. However, 43% agreed they were living in a democracy with big problems and 11% said Guinea-

#### Interest groups

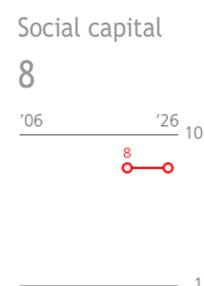


#### Approval of democracy



Bissau was not a democracy, while 14% were convinced it was a democracy with small problems. Only 7% believed they were living in a complete democracy. Additionally, 77% of respondents said they were unsatisfied with the functioning of democracy. Democratic institutions were assessed negatively. The institution in which respondents had the lowest level of confidence was the treasury (77%), followed by the parliament (68%), the prime minister (61%), the courts (59%), the police (53%), the president (43%) and the armed forces (34%), which might suggest an authoritarian fixation. About 51% said the president always or frequently ignored the constitution, while 33% said he never or rarely did so. Regarding corruption, 45% – compared to 48% who stated the opposite – said politicians involved in crimes always or in many cases went unpunished, while 88% were convinced politicians served only their own interests. These results express public ambivalence toward a political system whose performance is considered insufficient, while at the same time, a majority welcomes democracy and values civic liberties.

Although Guinea-Bissau has been shaped by the legacies of authoritarian colonial and one-party rule and the 1998 – 1999 political-military conflict, social pressures, cooperation and mutual support for self-help among citizens are well established. This is due in part to an inclusive state ideology developed and promoted by the (former) single-party PAIGC and to years of armed struggle that largely succeeded in uniting the population across cultural, ethnic, social and religious boundaries. Although ethnic and religious stereotyping exists, solidarity and trust among Bissau-Guineans remain very strong. There is a lively, voluntary and autonomous organization of cultural and social associations across the country. According to the 2018 Vozes do Povo survey, 58% of respondents took part in religious organizations, 42% in community and sports associations, 30% participated in political parties, 23% in trade and agricultural unions, and 7% in professional or employee organizations. Civil society structures with different typologies play relevant social roles in neighborhoods and villages, such as organizing lectures, supporting schools and addressing community needs. However, tensions have risen since Embaló's assumption of office, particularly in January 2022 when the president sparked controversy by warning the Catholic bishop of Bissau, José Lampra Cá, not to interfere in politics. In July 2022, a church was vandalized by unknown perpetrators in the mainly Muslim town of Gabú. However, civil society expressed broad support for the affected community. Civil society mobilizes around common causes that confront political power. A clear example of this can be seen in the human rights activists who have been harassed by the security structures under President Embaló in response to their initiatives.



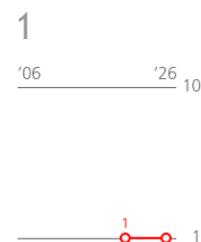
## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Guinea-Bissau is among the poorest countries in the world. It was ranked at 179th place out of 193 countries in the 2022 U.N. Human Development Index (HDI), showing no change since 2021. Guinea-Bissau had a relatively high Gini coefficient (33.4) as of 2021, suggesting a moderate level of income equality. As of 2021, 60.2% of Bissau-Guineans lived in poverty. The country relies mainly on foreign assistance, a subsistence economy and the export of cash crops (cashew kernels and fish). In 2022, aid per capita stood at \$70.60. The local processing industry remains underdeveloped, and many mineral resources (bauxite, phosphate and oil) are still unexplored. Women are relatively well represented in the workforce (accounting for 44.9% of the total labor force in 2023), a feature that has roots in the one-party socialist era, when the social advancement of women was promoted. However, girls and boys from disadvantaged social classes face significant discrimination due to the failing public education system, which is characterized by low quality, limited years of schooling, and the frequent cancellation of lessons or even of entire school years. In 2022, the country's score on the U.N. Education Index was 0.415. The gross enrollment ratio at the primary level was 113.3, according to 2024 data. The country's score on the Gender Inequality Index was 0.631 in 2022. In general, women continue to experience disadvantages, sometimes due to sociocultural or religious restrictions. This also extends to the legal sphere; according to the civil code (Art. 1676), for example, married women cannot – at least in theory – conduct business without the permission of their husbands, according to the World Bank's Women, Business and the Law 2021 report. Further, Guinea-Bissau had one of the lowest scores globally related to laws affecting women's pay.

Question  
Score

Socioeconomic  
barriers



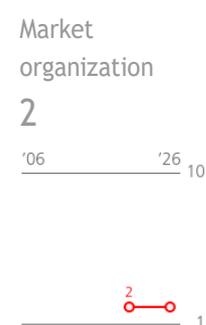
Economic indicators		2021	2022	2023	2024
GDP	\$ M	1878.7	1839.0	2077.8	<b>2119.9</b>
GDP growth	%	5.2	5.6	4.5	<b>4.8</b>
Inflation (CPI)	%	2.2	9.4	7.1	<b>3.8</b>
Unemployment	%	3.0	2.7	2.7	<b>2.6</b>

Economic indicators		2021	2022	2023	2024
Foreign direct investment	% of GDP	1.0	1.2	1.2	<b>1.3</b>
Export growth	%	20.1	-12.5	-3.0	<b>-8.7</b>
Import growth	%	3.7	10.6	-3.6	<b>1.8</b>
Current account balance	\$ M	-14.1	-146.6	-160.2	-
Public debt	% of GDP	78.8	80.7	79.4	<b>82.2</b>
External debt	\$ M	1066.4	1072.5	1128.0	-
Total debt service	\$ M	54.1	61.6	57.6	-
Net lending/borrowing	% of GDP	-7.0	-6.3	-8.7	-
Tax revenue	% of GDP	8.9	8.8	8.8	-
Government consumption	% of GDP	18.7	19.0	16.1	<b>17.8</b>
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	1.1	1.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.7	1.6	1.5	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

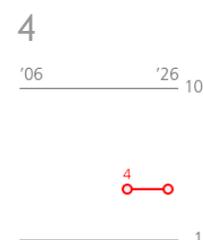
Market organization is very weak. Although various attempts and many promises have been made in the past to facilitate trade and enhance market-based competition, progress remains slow. In the Heritage Foundation's 2024 Economic Freedom Index, Guinea-Bissau was ranked 166th out of 176 countries, with the score revealing a steady decline since 2021. The country has thus experienced a fall from the "mostly unfree" category into the "repressed" category in recent years. According to the Heritage Foundation, obstacles include a weak and painfully slow legal system, poor property protection rights, political instability, an opaque regulatory environment, illicit trafficking, a large subsistence economy, subsidies on electricity and energy, bureaucratic customs procedures, and high levels of corruption. Moreover, opportunities to engage in formal, gainful economic activity are almost wholly limited to those who belong to the political and economic elite. The Bissau-Guinean market remains characterized by informality – expressed by vast amounts of petty trade; in 2022, about 94.5% of total employment was informal. This indicates the



presence of inappropriate institutional frameworks for economic and social policy, even as existing rules are frequently applied inconsistently. Illicit trade is dominated by the trafficking of narcotics and is closely linked to the army. Oligopolies exist for the importation of specific products in some segments. In the past, the state set prices for cashew kernels – the country’s main cash crop – as well as for rice and fuel. However, it had only limited success in this regard, as in the case of cashews. Another segment subject to state intervention is the export of (partly illegally harvested) timber, in which leading officials are involved. Nonetheless, state intervention has limits. With respect to the market for mobile communication, Guinea-Bissau allows for partial competition through the issuance of a limited number of licenses and full competition for local-level wireless services. Cross-border labor (many Bissau-Guineans work abroad and in neighboring countries) and the movement of capital is possible. Since 1997, Guinea-Bissau has been a member of the West African franc (CFA) zone, whose currency has been pegged to the euro, with convertibility guaranteed by France. Until recently, it was difficult to exchange banknotes for other major currencies outside the CFA franc zone. It is now becoming easier to exchange banknotes and to withdraw money with international cards from ATMs in Bissau. There are also some forms of mobile money associated with banks and telecom operators.

According to the African Development Bank (AfDB), Guinea-Bissau does not have a national competition law or a national competition authority. However, it is a member of the West African Economic and Monetary Union (WAEMU), which adopted antitrust competition legislation in 2002 that has been operative since January 2003. Hence, as the AfDB reports, Guinea-Bissau applies the regional legal framework promulgated by the WAEMU to national anti-competitive practices. On paper, Guinea-Bissau had a planned economy from independence until the 1980s, characterized by state monopolies. Although these monopolies were largely abolished, some de facto continue to exist, such as the Bissau Port Authority and the Bissau water and electricity supply enterprise. Moreover, some market segments are dominated by a few entrepreneurs, indicating a partly concentrated market. Chinese influence is increasing in this regard, with Chinese firms monopolizing the logging and fishing industries. As of 2024, Guinea-Bissau is not a member of the International Competition Network (ICN). In general, law enforcement and control capacities are weak in Guinea-Bissau and can be biased. Economic free zones do not exist. Public electricity and water supplies, which exist only in the capital, are subsidized by the state and donors.

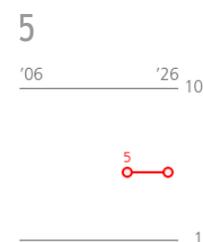
#### Competition policy



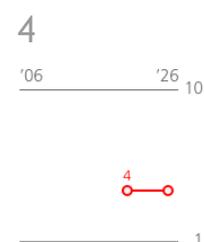
Guinea-Bissau has been a member of the World Trade Organization (WTO) since the liberalization of foreign trade on May 31, 1995, and has been part of the West African Economic and Monetary Union (WAEMU) since May 2, 1997. Given its dependence on the export of cash crops and foreign aid, Guinea-Bissau's integration into the world market is limited and one-sided. Chinese logging quasi-monopolies can be mentioned in this regard. There are no formal protectionist measures or limitations on market access resulting from non-tariff measures. In principle, both people and goods can travel freely across borders within the ECOWAS zone, of which Guinea-Bissau was a founding member in 1975. However, in practice, cross-border trade is time-consuming and costly, according to World Bank assessments. Merchants can be exposed to demands for bribes at the borders. According to the WTO, the simple average of applied most favored nation tariffs was 12.1% in 2021. The WTO further reports that the 2023 simple average most favored nation tariff rate of Guinea-Bissau stood at 12.0%, which represents neither a substantial decline nor increase compared to previous years.

Guinea-Bissau's banking system was monopolized by the state during the socialist era, but was liberalized in the 1980s. However, only since the 2000s have commercial banks become increasingly active in the Bissau-Guinean market. This development was in part prompted by the government's decision to switch from cash payments to bank transfers, including for salary payments to civil servants. In practice, there appears to be little supervision of the sector by the state. According to the Heritage Foundation, the financial sector remains underdeveloped and continues to provide a very limited, somewhat costly range of services. Many people rely on informal lending and have no bank accounts, although the number of account holders has increased in recent years and the presence of banks in the interior of the country has greatly improved. Currently, there are several commercial banks in the country, including Banco da África Ocidental (BAO), Banco da União (BDU), Orabank, Banque Atlantique Guinée-Bissau, Coris Bank and Ecobank. A great deal of economic activity remains outside the formal banking sector – including, for instance, rotating savings and credit associations, money transfer companies (Western Union, MoneyGram) and informal money transfer services. Thus, both the banking system and capital markets are poorly differentiated. The bank capital-to-assets ratio was reported to be 10.32% in 2022, according to the World Bank. Currently, no data regarding the share of bank non-performing loans are available.

#### Liberalization of foreign trade



#### Banking system



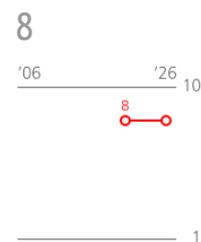
## 8 | Monetary and fiscal stability

On May 2, 1997, Guinea-Bissau abolished its own currency, the Bissau-Guinean peso (GWP), in favor of the CFA franc (XOF). The peso had been devalued by high inflation. Since then, the Central Bank of the West African States (BCEAO) has served as the country's central bank. The exchange rate is pegged to the euro (€1 = XOF 655.957). Since the introduction of the CFA franc, inflation rates have generally been low, but reached 9.4% in 2022. For 2024, the IMF estimated the inflation rate to be 3.4%, additionally forecasting a rate of 2.4% for 2025 and 1.8% for 2026 due to slowing imported inflation for major commodities like fuel and rice. The BCEAO is independent of political interference. In 2010, the bank assigned its monetary policy to the Monetary Policy Committee. Stability is maintained by the BCEAO's main lending rate and marginal lending rate, which were set at 3.5% and 5.5% respectively in December 2023 and reaffirmed in December 2024. Its communication with actors in the financial markets is comparatively transparent.

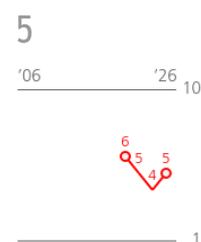
The IMF expected fiscal consolidation in December 2024. Guinea-Bissau's overall fiscal deficit was projected to reach 5% of GDP in 2024, while authorities officially remained committed to achieving a deficit of 3% of GDP in 2025. This was expected to be driven by a shift toward fiscal sustainability due to IMF-backed reforms and a rise in cashew production, the gradual implementation of a value-added tax, the monetization of 5G licensing, and the gradual elimination of import tax exemptions. By contrast, the budget deficit widened in 2023 (8.2%) relative to 2022 (6.1%), given a high level of budget overrun between the elections and the formation of a new government. Tax revenues totaled XOF 99.7 billion in 2022 and XOF 111.3 billion in 2023; the IMF projected tax revenues worth XOF 117.7 billion for 2024, and XOF 136 billion for 2025. However, Guinea-Bissau's Directorate-General of Duties and Taxes identified XOF 4.7 billion of tax arrears from the beginning of 2024.

The current account balance was -\$146.6 million in 2022 (2021: -\$14.1 million). External debt decreased to \$1.02 billion in 2022 (2021: \$1.07 billion), signaling a downward trend. According to the World Bank, total debt service payments in 2022 amounted to \$68 million (2021: \$47.2 million). No current data on net borrowing were available. Government consumption amounted to 19% of GDP in 2023 (2022: 19.6%, 2021: 19.1%). No current data on total reserves were available. In April 2020, Guinea-Bissau was among the 25 beneficiary countries of IMF debt service relief provided through the Catastrophe Containment and Relief Trust (CCRT). During the pandemic era, the government increased spending. A set of five controversial new taxes was introduced in January 2021 (as a tax on democracy, to pay for elections whenever they are held). This affected the vast number of poor people in Guinea-Bissau, which provoked popular unrest and discontent in 2021. Owing to spillover effects from Russia's invasion of Ukraine, the country's economic recovery stalled in 2022, with expenditure exceeding revenue mobilization. This constrained the pace of fiscal consolidation. The IMF reported that the country had a high public debt of 79.4% of GDP in 2023 (2022: 80.8%, 2021: 79%).

### Monetary stability



### Fiscal stability

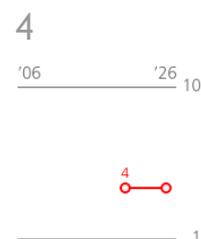


## 9 | Private Property

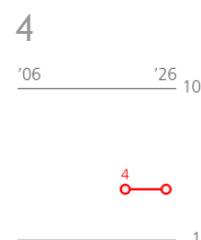
Property rights – including acquisition, benefits, use, sale and registration – are legally well defined. However, protection of property rights in Guinea-Bissau is generally weak in practice, according to the Heritage Foundation. Because of this, there is significant vulnerability in how these rights are implemented. After independence, property owned by foreigners, mainly Portuguese colonial settlers, was nationalized. Some of these nationalized assets were later appropriated by politically influential actors. According to the African Development Bank, all land belongs to the people of Guinea-Bissau – that is, in practice, to the state – ruling out private property rights. This means only the state can grant concessions to individuals and groups. The country’s corrupt, nontransparent and inefficient legal and administrative system has hampered the registration and ownership of property. The military’s February 2021 occupation of the Bissau-Guinean bar association’s seat – which the association had legally owned since 2011 – demonstrated the vulnerability of property rights in the country, even though the building had to be returned to the lawyers’ association in response to a court ruling.

Data on the private sector’s contribution to Guinea-Bissau’s economy is unavailable, but its contribution can be estimated at 5%, according to an AfDB report from 2022. Private companies are legally allowed and, in principle, can operate in the country. Political offices can serve as gateways to economic opportunity, and vice versa. Examples include former President José Mário Vaz, considered one of the country’s greatest entrepreneurs; former Prime Minister Carlos Gomes Júnior, regarded as the richest man in Guinea-Bissau; and Braima Camará, leader of MADEM as well as founder and first president of the Chamber of Commerce, Industry, Agriculture and Services. President Embaló is said to provide business advantages to businessmen from neighboring Guinea and other countries, with critics arguing that he favors his own Fulani ethnic group. However, private companies are often seen by the population primarily as providers of employment, not primarily as profit-oriented enterprises that compete for tenders and contracts. This aligns with widespread expectations of a strong state that is supposed to provide welfare, even though its capacities are very limited in various ways, a fact that negatively affects the population’s human development. Privatization processes as part of the economic liberalization campaign in the 1980s were often not conducted transparently and were inconsistent with market principles. Furthermore, foreign enterprises in some cases marginalize domestic private entrepreneurs. Legal protections afforded to private enterprise are generally weak, and tend to depend on personal contacts and/or corruption.

Property rights



Private enterprise



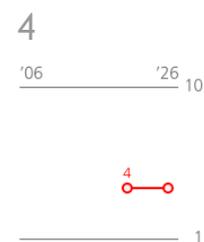
## 10 | Welfare Regime

The vast majority of Guinea-Bissau's population is at risk of poverty. Most people are forced to rely on extended networks of family, friends, colleagues and neighbors, as well as private charity, for social security. Despite some improvements – for example, average life expectancy rose from 45.9 years in 1980 to 59.9 years in 2022 – public expenditure on health has remained at a low level (1.1% of GDP in 2021 and 1.2% in 2020, in contrast to 0.4% in 2011) and social security remains highly precarious. The public National Institute of Social Security of Guinea-Bissau (INSS) is nominally responsible for providing social welfare functions, notably medical assistance and pensions. However, it is incapable of doing so adequately. In theory, all employees and employers must be registered with the INSS – but not all those working outside the state sector or in the large informal sector do so. In principle, both employees (8% of income) and employers (14%) – citizens and non-citizens alike – are obliged to pay monthly social security contributions to the INSS. In 2024, only about 4,300 retirees received INSS pensions (out of a total population of about 2.2 million in 2023), and another 20,600 received further benefits. According to the INSS, the system had only 2,300 contributors in that year. To counter the effects of the COVID-19 pandemic, the government increased spending on medicines, food, services and medical equipment, particularly for disadvantaged parts of the population. However, the country's health system remains dependent on foreign aid.

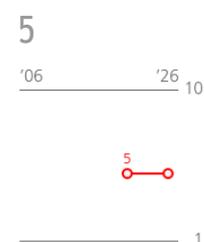
Precise data on equality of access to public elected office is not available. However, socioeconomic factors, personal relationships and access to elites certainly play a role. Profound gender inequalities continue to prevail in Guinea-Bissau, affecting access to education, employment and public office. The overall literacy rate of 53.9% masks serious gender discrepancies: According to World Bank figures, while 67.6% of men (aged 15 and above) were literate in 2022, only 41% of women in the same age group were able to read and write. The ratio of female-to-male enrollment (GPI) was 0.9 at the primary level of education and 0.5 at the secondary level, according to 2024 data. The gross enrollment ratio was 113.3% at the primary level, 34.8% at the secondary level and 2.5% at the tertiary level in 2024. Although the gross enrollment ratio at the primary level earns the country a good ranking, the quality of education is often below average, and classes are frequently canceled due to teacher strikes. During the pandemic, whole academic years were canceled and classes suspended, with a huge impact on the vast majority of the population that relies on public educational facilities. Women made up 44.9% of the total labor force in 2023, a share that has remained almost unchanged over the past decade. Women generally face pay gaps and are less likely to be hired than men. However, women make up a majority of the labor force in informal economic settings.

Although some discursive ethnic and religious stereotyping exists, there is no generalized ethnic violence, as isolated conflicts in villages usually occur not for ethnic reasons but for other reasons, such as disputes over property or access to land. However, favoritism based on kin and ethnic grounds may occur.

### Social safety nets



### Equal opportunity



As the U.S. State Department wrote in its 2023 Country Report on Human Rights Practices, no law criminalized sexual orientation – that is, lesbian, gay, bisexual, transgender or intersex (LGBTQ+) individuals. However, according to the report, LGBTQ+ persons faced discrimination in hiring, while persons with disabilities faced discrimination both in hiring and access to the workplace.

## 11 | Economic Performance

GDP per capita (PPP) increased from \$2,090 in 2019 to \$2,630 in 2023. Guinea-Bissau has experienced a positive trend in GDP growth in recent years. Annual GDP was \$1.49 billion in 2019, rising to \$1.97 billion in 2023. Mainly because of the country's dependence on natural resource exports, notably cashew kernels, the pandemic hit Guinea-Bissau hard, leading to a temporary decrease in GDP. Growth in GDP per capita amounted to -0.8% in 2020, 4.1% in 2021, 2% in 2022 and 2.1% in 2023.

The inflation rate was 0.2% in 2019, 1.1% in 2020, 2.2% in 2021 and 9.4% in 2022. For 2024, the IMF estimated the inflation rate to be 3.4%, with forecast rates of 2.4% for 2025 and 1.8% for 2026. No current data on net borrowing were available.

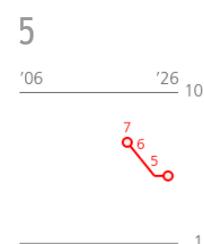
In recent years, the official unemployment rate has reported unrealistic figures, such as 3.2% in 2023. The actual rate is certainly much higher, as the informal employment share amounted to 94.5% in 2022. Foreign direct investment flows have been positive, reaching 1.2% of GDP in 2023.

## 12 | Sustainability

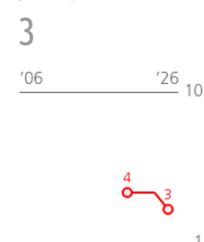
Law 1/2011 lays the foundation for environmental policies. It defines basic concepts and specifies norms and principles related to environmental protection and preservation in Guinea-Bissau. However, ecological awareness has not been very pronounced across successive Guinea-Bissau governments, even after the creation of a Ministry of Environment and Biodiversity. The government made an attempt to reduce public littering by prohibiting plastic bags in 2013; however, this prohibition is rarely observed. Moreover, there is no household waste collection.

Guinea-Bissau is a member of the Organisation pour la Mise en Valeur du fleuve Gambie (OMVG), which oversees the construction of dams to produce renewable electricity both in Guinea-Bissau and neighboring countries (Guinea, Senegal and Gambia). Guinea-Bissau holds shares in the Kaleta hydroelectric dam in Guinea. In recent years, both legal and illegal timber logging have occurred in many parts of Guinea-Bissau. The country continues to possess one of the richest fishing grounds in the region, which is, however, threatened by illegal fishing vessels. Illegal activities are facilitated by corrupt practices and an incapable state administration.

Output strength



Environmental policy



Although agriculture and wood extraction have contributed to environmental degradation, Guinea-Bissau continues to possess a rich, biodiverse natural heritage of global relevance. Supported by the International Union for Conservation of Nature (IUCN), Guinea-Bissau established the Instituto da Biodiversidade e das Áreas Protegidas (IBAP) in 2004, which oversees the parks of Cantanhez, Cufada and Cacheu as well as those in the Bijagós archipelago. Phosphate mining near the town of Farim and the extraction of bauxite and oil may begin in the future, possibly affecting the country's natural environment. In contrast to the government's inactivity in the sphere of environmental protection, civil society groups have developed nature conservation projects and sustainable economic practices linked to environmental preservation. For example, this occurs in the Bijagós archipelago, which is particularly vulnerable to climate change. When President Embaló took office, many observers expected environmental protection measures to worsen. Bissau's N'Batonha urban park was important for dredging in the rainy season and served as a breeding ground for resident and migratory birds, but was destroyed in December 2022 – January 2023. Activists trying to prevent this destruction were heavily repressed by security forces. Its replacement by a Turkish-funded building complex led President Embaló to declare that the “national interest” outweighed environmental concerns. A World Bank report released in October 2024 stated that climate change posed a severe threat to Guinea-Bissau and identified priorities to be addressed over the following three years. With regard to climate change, the 2022 ND-GAIN index identified Guinea-Bissau was the fifth most vulnerable country globally, and the 168th most prepared country.

Guinea-Bissau does not provide high-quality public education. Many teachers are poorly trained, schools are inadequately equipped or do not exist in several parts of the country, and teachers are often unpaid or underpaid. This results in frequent strikes in the education sector, the loss of many school days and, at times, the cancellation of entire school years. Additionally, single teachers may in some cases be assigned to multiple schools, preventing many students from accessing formal public education and forcing them to rely on informal community schools. Private schools exist, and offer a significantly higher standard of education. Tertiary education has been established only relatively recently. The only public university, Amílcar Cabral University, was founded in 2003, restructured between 2010 and 2013, and opened to private capital after it was closed in 2008 for quality and financial reasons. Few academic instructors hold doctorate degrees, and most are poorly paid. In addition, a number of private universities operate in the country, including Jean Piaget, Lusófona, Universidade Católica, Universidade Nova and Colinas do Boé universities. Some technical training institutions exist as well, such as the National School of Health, the Higher School of Education and the National School of Administration. Guinea-Bissau's U.N. Education Index score has increased slightly over the years: starting at 0.405 in 2017, reaching 0.412 in 2019 and stagnating at 0.415 in the years since 2020. Government expenditure on education

Education policy /  
R&D

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amounted to 2.2% of GDP in 2017, 2.1% in 2018, 2.9% in 2019 and 2.7% in 2020, thus remaining at a comparatively low level. Teachers are often insufficiently qualified. Especially in the country's interior, textbooks are scarce and buildings are often in poor condition. The education sector partly depends on foreign donations. Many students from affluent families therefore attend private schools. Data on expenditures for research and development (R&D) in Guinea-Bissau are not available, but such spending is reportedly very low. Funding for research and public tertiary educational institutions is often insufficient. For example, researchers at the National Institute of Studies and Research (INEP), formerly an R&D reference institution in West Africa, often have to rely entirely on third-party-funded projects (by the UN, development agencies, etc.). The overall literacy rate was just 53.9% in 2022 (compared to 19% in 1979). This has steadily increased over time, although Guinea-Bissau remains one of the least literate countries in the world.

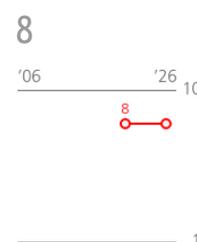
## Governance

### I. Level of Difficulty

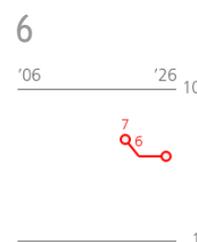
Guinea-Bissau's government performance has long been limited by several structural constraints that cannot be easily overcome and originate in the country's eventful history. Deep poverty, a very low-quality primary and secondary education sector, insufficient tertiary education, and an almost nonexistent vocational training sector have resulted in a poorly skilled labor force. This is compounded by deficient infrastructure in sectors such as roads, sea routes and ports, telecommunications, health care service provision, and water and electricity supply, as well as by a large subsistence economy and an undeveloped processing industry. The country is strongly dependent on foreign assistance and cash crops as the backbones of the export economy. HIV/AIDS is a severe issue, along with international drug-trafficking and the outmigration of both skilled and unskilled labor. The extent to which the COVID-19 pandemic directly impacted the country remains a controversial question. Indirectly, the pandemic led to the closure of educational facilities and a deterioration in living conditions. The country's vulnerable position in the international economic system has contributed to constraints resulting from the pandemic's stronger impact on marginal communities and an institutional weakening in various governance areas. In 2022, Guinea-Bissau's U.N. Education Index score was 0.415. In 2023, per capita GDP on a purchasing power parity basis (PPP) was \$2,630, making Guinea-Bissau one of the poorest countries in the world.

Although Guinea-Bissau has experienced multiple episodes of autocratic rule, both in colonial and postcolonial times, the country has developed a vibrant and diverse civil society, with some organizations demonstrating long-term engagement since the early 1990s. Civil society has also stood up against anti-democratic developments in the political sphere at different moments. Recent authoritarian developments have been countered and monitored both by long-established and newly founded civil rights groups. The latter category includes the Popular Front platform, created in 2024 by various civil society actors to fight growing authoritarianism in Guinea-Bissau. All civil rights groups face intimidation by the regime, as documented by LGDH. At the same time, many organizations depend on foreign support and assistance. Some non-governmental organizations are formed solely to tap foreign money. For instance, newly created associations often duplicate existing work in the country. In addition, many Bissau-Guineans are active in various traditional civic associations, some dating back to colonial and precolonial times. Trust in the state apparatus and

Structural  
constraints



Civil society  
traditions

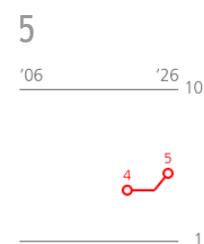


its governance is quite weak, but levels of trust among Bissau-Guineans – understood as national consciousness – are very high. Citizens readily emphasize their national identity and their pride in their country. Ethnicity and religious affiliation are subordinate to national identity, even though tensions on religious and ethnic grounds may occur. This consciousness can also be attributed to the still-powerful integrative national ideology developed by the PAIGC during the liberation war. The political-military conflict of 1998 – 1999 fostered a strong sense of solidarity among Bissau-Guineans, which has also been promoted by some traditional organizations and networks.

In recent decades, the armed forces have repeatedly intervened in politics. Despite selective outbursts of violence, including the assassination of politicians, politics have remained largely nonviolent, although the potential for polarization – that is, open conflict and violence – has increased in recent years. This has become evident in the politically motivated mass demonstrations that have repeatedly occurred in recent years. Some of these protests have been prohibited by the authorities, for instance citing anti-COVID-19 measures as justification in the 2020 – 2021 period, while in other cases the security forces have used limited violence against peaceful protesters. In contrast to the past, large segments of the population have mobilized, signaling to those in power that the scope of their rule is not unlimited. Simultaneously, political polarization has increased, receiving fresh impetus from President Embaló's assumption of office in 2020. This has affected large segments of the population, especially in the capital but also in regions with significant Muslim populations. The use of violence by police forces is not generalized, although heavy-handed police operations – followed by accusations of torture and kidnapping – have increased in frequency since Embaló's rise to power. This was particularly true during the period under review, even though demonstrators have highlighted the peaceful nature of their activities. In January 2024, anti-regime protests were banned for several months on the pretext of maintaining public order.

While anti-government movements are political in nature and not ethnic, isolated communal clashes have occurred in the countryside, but have remained very limited in both scope and number. Ethnic rhetoric and the ethnicization of politics remain limited, although occasional attempts have been made to mobilize people along ethnic or religious lines, particularly during election campaigns. However, mobilization and politico-economic alliances along ethnoreligious lines have become more important in recent years, especially under Embaló's regime. Some Muslim countries have granted subsidies and scholarships for religious studies, which could contribute to the spread of a very conservative interpretation of Islam in Guinea-Bissau, which has heretofore been comparatively moderate. Human rights activists warned in 2023 of Muslim radicalization in eastern Guinea-Bissau. The spread of evangelical churches and sects may also hold the potential to generate future intolerance.

Conflict intensity



## II. Governance Performance

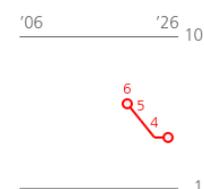
### 14 | Steering Capability

The democratically legitimate government led by Domingos Simões Pereira (PAIGC) developed, in cooperation with donors, the comprehensive Terra Ranka (meaning “a new beginning”) program that was presented in 2015. Terra Ranka was welcomed both by the international community and by Bissau-Guinean society as a strategic vision for Guinea-Bissau’s development, receiving significant funding from the European Union. However, this was the last development program to be viewed with optimism, domestically and by international partners alike. The Simões Pereira government was dissolved in August 2015 by President José Mário Vaz. After that time, the political capability and strategic capacity of subsequent governments remained restricted, as they lacked legitimacy due to the political crisis that largely paralyzed the country, hampering international cooperation and preventing the adoption of a state budget from 2015 to 2018. Despite these obstacles, all governments since have claimed to be committed to the strategy established in the Terra Ranka plan. Successive governments have followed the path agreed upon with international institutions like the IMF, which recommended strengthening investment planning in 2018. However, President Vaz (2015 – 2020) was often regarded as a defender of paternalistic clientelism and the status quo. He even developed a counter-program, the agriculture-focused Mon na Lama, thus challenging the government’s executive prerogative. The Embaló government, which has been in power since early 2020, has not elaborated clear strategic or programmatic priorities (including in response to the COVID-19 pandemic), except for impulsive statements of intent regarding reform of the inconsistent constitution and security surveillance. The dismissal of his advisers by President Embaló in October 2022 – allegedly on the recommendation of the IMF – as well as short-term government reshuffles demonstrate the shortsightedness of political decisions and the focus on egoistic power-political considerations. Often, the government communicates decisions with insufficient clarity (as with the introduction of a VAT in January 2025) and/or they are triggered by outside actors (as in the case of the IMF’s recommendation to abolish rice subsidies in mid-2024) without the government having developed its own ideas. For years, most political actors have blamed political crises on constitutional inconsistencies. Yet the dissolution of the parliament by Embaló in May 2022 and again in December 2023 undermined efforts to reach a mutually satisfactory settlement on the issue of constitutional reform, removing the central player – the legislature – from the game prospectively for at least an entire year. Furthermore, reforms of the security forces, the judiciary, and the health care and education sectors, as well as in the fight against corruption, have shown mixed results.

Question  
Score

Prioritization

4



The government led by Domingos Simões Pereira (2014 – 2015) had a strong record with regard to implementing its own policies and needed reforms. The government’s good performance was rewarded at an international donors’ roundtable in Brussels in March 2015, where attendees offered significant financial pledges in support of the Terra Ranka program. In collaboration with the EU, Simões Pereira’s government articulated a plan for achieving medium- and long-term goals that would benefit from the support of donor countries and institutions. Subsequent domestic power games, political instability and paralysis, driven by then-President Vaz, resulted in a decline of political will and follow-through. The EU ultimately declined to resume the cooperation it had suspended in 2012 in the aftermath of that year’s coup d’état (except for cooperation programs with civil society), for example. Nonetheless, policies as agreed upon with international institutions continued to be implemented – and this at least partially applies to the Terra Ranka program. The political environment has remained unstable since 2015 and President Vaz’s dismissal of the PAIGC government, and the political crisis and power plays have continued under Embaló’s regime. This has continued to hinder the implementation of systematic, programmatic priorities. Thus, policies since President Embaló took office in 2020 have not led to the formation or implementation of any systematic or sustainable government program, being defined instead largely by shortsighted measures and some populist announcements. The COVID-19 pandemic cast government’s limited steering capability into relief. Moreover, Embaló has turned the government into a political institution stripped of capacity and relevance, and has unconstitutionally arrogated executive power to himself while disempowering the parliament especially since the 2022 – 2023 period.

After 2015, much of the euphoria around the developmental opportunities inherent to Guinea-Bissau’s political situation – which was widely regarded as an awakening after years of transitional rule – has vanished. Since then, Guinea-Bissau’s presidents have shown little innovation or flexibility, engaging instead in self-centered, power-oriented considerations and short-term “flash in the pan” projects (e.g., the planned installation of a public surveillance system in the capital, the highly controversial confiscation of buildings again in the capital city, or the proposed construction of a new and externally funded international airport). President Embaló’s assumption of office has not led to improvements; quite the contrary, the de facto disempowerment of the parliament signals a devaluation of consensus-oriented political processes. Internally, Embaló’s power circle has often followed old routines, paying little attention to effective monitoring or evaluation of their policies and failing to engage in best practices. Cooperation with international institutions and regular evaluations or reviews as part of the IMF’s extended credit facility arrangement have continued successfully. This shows how international cooperation has contributed to the adoption of new financial and macroeconomic measures and perspectives, despite the prevailing internal political conflict. At the same time, the past and the acting president have allowed democratic norms to come under increasing pressure.

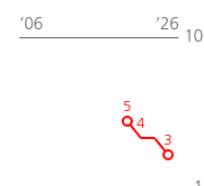
### Implementation

3



### Policy learning

3

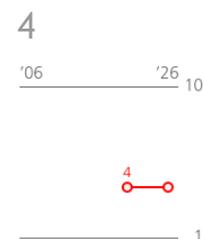


## 15 | Resource Efficiency

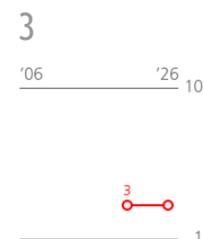
Government administrative personnel are used efficiently to only a limited extent. Many civil servants earn very little and are often not paid on time, and their salaries can be suspended for political reasons. This results in low-quality services, while, compared to the services provided, parts of the bureaucracy remain bloated. In the past, there have been reports of “phantom officials” who have continued to be paid after leaving service, retiring or dying. Public servants are frequently appointed and dismissed for political or clientelist reasons. Recruiting procedures often lack transparency. Relying on grants and loans, as well as revenue from cash crop exports, the government budget has consistently posted deficits in recent years, and both public and external debt levels have steadily risen. Auditing has improved but remains insufficient. Budget planning has also become more transparent, although previous budgets were not formally approved by parliament because of the political crisis. The dissolution of parliament in May 2022 affected the adoption of the 2023 state budget, which was approved only after a new parliament was elected in June 2023; however, after that body’s renewed dissolution in December 2023, the state budget was adopted only by the government. The public administration remains largely ineffective, especially in the country’s interior – in part because of a lack of decentralization, local self-government, infrastructure and administrative staff. Ongoing discussions have focused on reforming and modernizing the public administration, notably by pursuing decentralization. But because decentralization has yet to be implemented, the public administration cannot be considered very resource-efficient. This is due to administrative structures depending on the centralized state government in the capital, which ultimately makes decisions that render the administration cumbersome and slow and often address the needs of the local population only to a very limited degree.

Both vertical and horizontal coordination within state administration are limited, as are efforts to assess trade-offs between different policy goals. Further, there are few or no consequences for failing to deliver results. Often, responsibilities within various parts of the public administration are not defined in transparent ways. Coordination with many sectors takes place via a mix of hierarchical bureaucracies, which themselves are usually highly centralized, informal and personalized – as, for instance, in the security forces. Policies are rarely implemented in a coherent fashion, and are complicated by political infighting. This is particularly true of education, health care and security policies. For instance, the police and the military have repeatedly displayed conflicting interests and to some extent see each other as competitors. Regarding the armed forces, policies have not been coherent, oscillating between the recruitment of new, young soldiers on the one hand, and, on the other, the intention to downsize the oversized, overaged officers’ corps (by introducing a long retirement scheme, discussed internationally for almost 20 years, as well as through new recruitment) and to consolidate the military budget. Worse still, the

Efficient use of assets



Policy coordination



continued dissolution of the parliament has signaled once again that President Embaló holds an authoritarian understanding of politics that leaves little room for coordination, bargaining or negotiation.

Anti-corruption laws exist but were rarely respected during the period under review. An independent audit court was established in 1992 but has been inactive due to a lack of funding for most of its existence. In 2015, the court produced a report critically assessing government spending from 2009 to 2010. In 2018, it released reports on several public companies. Although a national public procurement agency (Agência Nacional de Aquisições, ANAP) has existed since 2012, the public procurement system as implemented is not transparent, and relevant documents are not accessible to the public and media. According to the World Bank, ANAP intends to centralize processes and competes with the Procurement Directorate (responsible for oversight), which wants to decentralize procurement. Although in recent years both the president and various administrations have expressed their commitment to fighting corruption effectively, results have been meager: In September 2017, the government blocked the salaries of about 4,000 “phantom” civil servants. Sometimes, politicians reveal conflicts of interest between the political positions they hold and their private businesses, and often they are not held accountable. Officials have not disclosed their personal finances before the Audit Court, as required by law, and the court is not authorized to impose sanctions. Since President Embaló assumed office in early 2020, the situation has not improved. Instead, rumors of money laundering stemming from shady foreign sources and increased narco-trafficking have circulated. Since 1991, a legal framework has existed that regulates the financing of political parties. However, in practice, parties have not received any of the subsidies entailed by this measure since the first multiparty elections in 1994. Parties have neither reported expenditures to the Supreme Court (with the exception of Idrissa Djaló’s National Unity Party in November 2022) nor released and submitted any financial status reports as required by law. Individuals supposedly involved in drug-trafficking and other illicit activities carry on with impunity, suggesting incapacity, intimidation and corruption within the responsible government bodies. In November 2022, President Embaló dismissed his ally, controversial Attorney General Bacari Biai, following accusations of misappropriation of confiscated drugs.

The U.S. State Department notes that while mechanisms to investigate and prosecute reports of corruption exist, the Guinea-Bissau Human Rights League (GBHRL) has also accused the government of permitting a culture of impunity to persist, with only occasional exceptions in which there were rumors of political motivation for prosecution. For instance, in December 2023, Finance Minister Suleimane Seidi was removed from office and taken into custody for allegedly misusing public funds.

Anti-corruption  
policy

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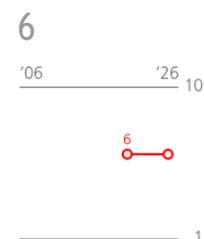
## 16 | Consensus-Building

While all major political actors (e.g., parties, leading government officials) and other stakeholders in society (e.g., civil society, entrepreneurs and intellectuals) rhetorically support democracy and a capitalist market economy in principle, there are differing interpretations of democracy. Some politicians view democracy in a patriarchal and clientelist manner, while others regard it as an all-or-nothing affair. Some may consider it a self-serving institution, while others highlight the consensus character of democracy and endorse democratic and well-functioning institutions, the freedom of expression, and respect for fundamental rights. Still others advocate for the model of democracy attributed to the Global North. Since President Embaló's assumption of office in 2020, formal allegiance to democratic principles has coincided with sometimes heavy-handed action against critical voices from within the political system (opposition and parliament), civil society (notably human rights activists) and the media. Many Bissau-Guineans complain that democracy has not improved their lives. However, while most Bissau-Guineans rhetorically complain about corruption as being undemocratic, they nonetheless often themselves take part in corrupt practices, due in part to low wages or a lack of income-generating opportunities.

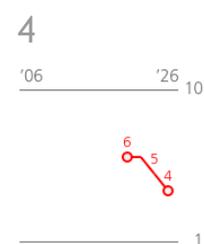
Similar observations can be made regarding the market economy. Major actors appear to agree on the surface, but underlying disagreements persist. Some older Bissau-Guineans recall the socialist period negatively, citing a lack of basic consumer goods. At the same time, they lament the decline of social cohesion, the rise of capitalist self-interest and many individuals' lack of sufficient financial means to afford many products now available on the market. Experiences with economic liberalization since the 1980s are therefore mixed, as many have been excluded from the benefits of the open market economy. President Embaló's formal commitment to market economy principles is contradicted by the persistent difficulties that enterprises face when trying to enter the Bissau-Guinean market.

In Guinea-Bissau, various definitions and imaginings of democracy exist. Key actors openly arguing against democracy could not be identified during the review period. Instead, politicians often reveal attitudes and traits that could be factually characterized as anti-democratic even as they pay lip service to democratic principles. This includes President Embaló and those in his close circle, segments of the military, and others. Sometimes, politicians from different backgrounds accuse each other of engaging in anti-democratic behavior, trading mutual accusations of being "anti-democratic." Even members of the military, which has in past decades repeatedly intervened in politics, often present themselves as "democratic" as they claim to defend the country's independence, the people's interests and the ideals of the war against colonial rule. However, it appears that in recent years the conviction has grown among members of the military that direct interventions in politics may not

Consensus on goals



Anti-democratic actors

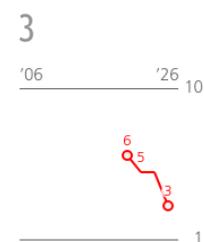


serve their best interests – although this growing conviction did not prevent sections of the army from enforcing Embaló’s takeover in early 2020 or the alleged coup attempt of February 2022. Since Embaló assumed office, he has repeatedly called into question the separation of powers and has used state power to target political opponents. According to rumors, high-ranking officials and politicians have been “bought” to ensure support for the president’s politics, with the money coming from shady sources. Reform-oriented politicians, in collaboration with the international community, have contributed to restraining anti-democratic sentiments in the armed forces – although other politicians may continue to manipulate army factions. Often, citizens complain that they feel excluded from political participation. This holds especially true for women, youth and people in the country’s interior, as no form of democratically elected, autonomous local self-government currently exists as part of the state structures.

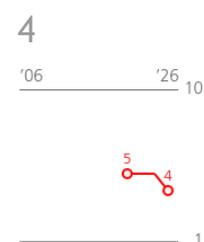
At present, the main political cleavages in Guinea-Bissau divide forces that often act as “reformers” (e.g., leading members in the PAIGC around former Prime Minister Domingos Simões Pereira, as well as allied parties and societal groups) and those who support President Embaló and his political allies. This polarization has increased considerably over the course of the last few years, and particularly in the review period. During this period, with clear interference from Embaló, there were splits in parties such as MADEM-G15 and the PRS, as well as divisions within the PAIGC. In the past, despite deep differences, political actors – pressured by international actors – found peaceful ways to resolve their disputes and reach political solutions. Now, however, the differences appear to be becoming more entrenched. As the country is very small and generally very poor, social segregation is not very pronounced. Ethnic and religious cleavages exist but are not prominent to such an extent that Guinea-Bissau could be described as an ethnically or religiously divided country. In sharp contrast, national cohesion across ethnic and religious boundaries is repeatedly emphasized by both politicians and the general public, and this has contributed to depolarizing differences. Nevertheless, some politicians have repeatedly made appeals, especially during election campaigns, intended to mobilize voters on ethnic or religious grounds. In addition, local cleavages and their management appear to be largely disconnected from the political arena in Bissau.

Civil society in Guinea-Bissau participates in political processes to a limited extent, but is concentrated within a small number of political fields. At present, the space for dialogue between the state and citizens remains highly centralized. This is in part due to the government’s lack of a vision or strategy that would enable coordination between the state and civil society. The lack of communication channels became more pronounced after President Embaló took office in 2020. This has further undermined collaboration between the state and civil society, with the deterioration due to the president’s apparent unwillingness to engage in consultative processes that could limit his power. In certain political fields, government departments have collaborated with civil society, international organizations and members of

Cleavage /  
conflict  
management



Public  
consultation

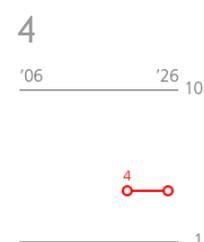


parliament in working groups. Still, the government has not invited civil society organizations to co-develop policies or participate in high-level decision-making. However, human rights groups are well established and work with international partners, non-governmental organizations and foreign donor institutions (e.g., the UN, the EU and foreign governments/embassies). In recent decades, despite financial constraints and political pressures, journalists have grown increasingly professionalized and have attempted to fulfill their role as the fourth estate, although the current government is not particularly supportive of the press, and intimidation of journalists is common. Various civil society actors working in universities and civil society organizations often comment on political issues in the local media, and some, through their work with international organizations, produce technical reports and assessments, making it possible to access up-to-date data on Guinea-Bissau in the absence of research institutions.

Since independence, various governments and heads of state, as well as the military, have committed serious human rights violations against citizens. The list of such circumstances and actions includes military coups, the political-military conflict, executions, assassinations and the disappearance of key political actors. After the end of the military conflict in 1999, both national and international actors raised the issue of implementing a reconciliation process. However, results have been meager. A dialogue process known as *Estados Gerais para a Guiné-Bissau*, advocated by civil society in 2006 – 2007, was ultimately discontinued. A bottom-up reconciliation process initiated by the United Nations Integrated Peacebuilding Office in Guinea-Bissau (UNIOGBIS) in 2010 was not completed; although some regional conferences were held, the national conference planned for 2011 did not take place. The establishment of a truth and reconciliation commission has never been seriously pursued.

The violent deaths of President João Bernardo “Nino” Vieira and General Chief of Staff Batista Tagme Na Waie in 2009, as well as of the politicians Helder Proença and Baciro Dabó in 2012, have never been properly investigated by the judiciary, and no charges have ever been filed. Instead, proceedings in the cases of Vieira and Na Waie were conducted behind closed doors, presumably because prosecutors had been targeted by threats or intimidation. Similarly, the 2012 coup was never properly investigated. While arguably less severe, the alleged coup attempt of February 2022 and the role of the National Guard and the Presidential Guard in the exchange of fire of December 2023 must also be explained. Instead of coming to terms with the past, the state has been silent on these sensitive issues, and conditions of impunity persist, especially at the level of political elites where mistrust is more pronounced. Problems such as weak governance, interpersonal conflicts and the unresolved constitutional problems (semi-presidentialism) further hinder a sound reconciliation process.

#### Reconciliation

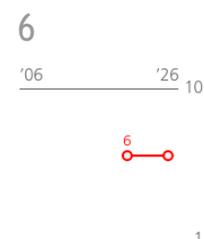


## 17 | International Cooperation

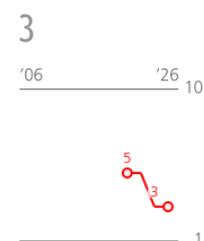
Guinea-Bissau has relied on international assistance since independence. Projects have included both technical and personnel cooperation. After independence, the country pursued a socialist development agenda, including nationalization to build a state-centered economy. To achieve this, the government received assistance from socialist, nonaligned and capitalist countries. When the shortcomings of this system became apparent, Guinea-Bissau had no choice but to adopt structural adjustment and economic liberalization in the 1980s, as recommended by the World Bank. In recent decades, the political leadership has accepted external advice on domestic issues; in the past two decades, it has adopted several strategies (e.g., the Poverty Reduction Strategy Papers 2005 – 2011 and 2011 – 2015, the Istanbul Program of Action for the Least Developed Countries for the Decade 2011 – 2020 and the resulting 2030 Agenda for Sustainable Development, adopted in 2015, as mirrored in the 2021 United Nations Sustainable Development Cooperation Framework 2022 – 2026, which is aligned with national development priorities), though with mixed results. With donor support, the government in 2015 integrated its own vision and recommendations by external actors into the Terra Ranka long-term strategy document. This road map builds on previous poverty reduction strategies and covers the 2015 – 2025 period. It targets development in several areas (e.g., the economy, public administration, social and ecological development, security, agriculture, health care, education, infrastructure, and tourism) and is believed to have been endorsed by various governments since implementation began, but with little to show in the way of the commitment necessary for genuine progress. A number of programs led by international organizations or NGOs seek to address unmet needs in social sectors such as health and education, substituting for state services. Various projects, as listed in the operational plan (first phase: 2015 – 2020), have already been implemented or prepared. However, many of Guinea-Bissau’s politicians and officials continue to focus on short-term rent-seeking. In addition, the capacity of the country’s authorities to autonomously devise strategies and road maps remains limited.

As a consequence of the protracted political conflict, which began in late 2015 after President José Mário Vaz dismissed the government led by Prime Minister Domingos Simões Pereira, much of the political process has been paralyzed, and confidence in Guinea-Bissau’s governments, which was already low domestically and internationally, has eroded even further. The government of Aristides Gomes, which held power in 2018 – 2020, was primarily tasked with organizing fresh elections to overcome the political impasse. Despite these domestic conflicts, the governments worked closely with international donor organizations such as the IMF. The 2019 elections did not improve Guinea-Bissau’s credibility. President Embaló appointed Nuno Nabiam as prime minister without complying with legislative election results. Despite the lip service paid to fighting narco-trafficking and ending the impunity from prosecution enjoyed by corrupt officials, the Nabiam government failed to

Effective use of support



Credibility

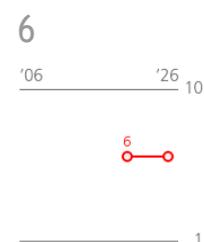


demonstrate a greater commitment to building credibility. Instead, rumors about high-level corruption and involvement in narco-trafficking multiplied. The dissolution of parliament in May 2022 and again in December 2023 contributed little to the positive perception of the country. This was also due to the fact that the democratic government headed by Geraldo Martins served only for a few months in 2023, whereas the subsequent Rui de Barros government, formed on “presidential initiative,” has been perceived by many as being dependent on the president. Guinea-Bissau’s commitment to and compliance with trade accords and climate protocols remain limited, and also depend on the demonstration of practical added value for the government. Due to a lack of in-house capacity, implementation often depends on externally financed, temporary projects and initiatives that do not always imply sustainable realization. The government should feel more committed to bilateral, practical trade agreements with the EU and other countries than to the abstract trade standards of the Organisation pour l’Harmonisation en Afrique du Droit des Affaires (OHADA) – which are sometimes interpreted or disregarded individually by customs officers, both as a result of ignorance and with corrupt intent. Practical implementation of climate measures is largely lacking.

Guinea-Bissau closely cooperates with its neighboring countries. Since 1975, it has been a member of the Economic Community of West African States (ECOWAS), which unites most West African countries. In July 2022, Guinea-Bissau assumed the ECOWAS presidency for one year for the first time. Guinea-Bissau joined the West African Economic and Monetary Union (WAEMU) in 1997. Together with its neighbors Senegal, Gambia and Guinea, it is a member of the Organisation pour la Mise en Valeur du fleuve Gambie (OMVG). Along with Cape Verde – to which it has historical ties, as both countries fought Portuguese colonialism under the umbrella of PAIGC – it is a member of the Community of Portuguese Language Countries (CPLP). Together with neighboring Senegal and Guinea, it is a member of the Organisation Internationale de la Francophonie (OIF). Although historically intimately connected to its neighboring countries, relationships with their subsequent heads of state have not always been positive. For most of history, Guinea-Bissau maintained a good relationship with Guinea for historical reasons, as Guinea’s first head of state, Ahmed Sékou Touré, supported the PAIGC’s struggle for liberation in the 1960s and 1970s. In 2017, however, the relationship became tense after leading politicians accused then-Guinean President Alpha Condé of partiality, while blaming ECOWAS for interference in Guinea-Bissau’s political crisis. In September 2022, Guinea’s new head of state, Colonel Mamady Doumbouya, accused ECOWAS President Embaló of making decisions without consultation, referring to the imposition of ECOWAS sanctions on Guinea.

After the coup in Niger in July 2023, President Embaló – who served as ECOWAS chairman from July 2022 until July 2023 – backed the ECOWAS decisions and the deposed Nigerien President Mohamed Bazoum. According to the Bissau-Guinean president, the overthrow posed an existential threat to the future of ECOWAS.

Regional  
cooperation



Guinea-Bissau's relationship with Senegal – an important trading partner – has been good, remaining so even after Senegalese President Bassirou Diomaye Faye took office in Dakar in early 2024. However, some politicians and segments of the population believe Senegal has attempted to keep Guinea-Bissau politically and economically dependent. These accusations specifically referred to former Senegalese President Macky Sall and presidents Vaz and Embaló, with the latter being accused of “selling” Bissau-Guinean interests to the country's northern neighbor. Such accusations gained new impetus with a late 2020 decision by the Bissau-Guinean government, bypassing parliament, to divide up oil deposits off the coast, largely to Senegal's advantage. In 2021 – 2022 Guinea-Bissau supported Senegal's military operations against the rebel Movement of Democratic Forces of Casamance (MFDC), which was active in the Senegalese-Bissau-Guinean and Gambian border areas. In August 2022, Sall signed a peace deal with one MFDC faction in Bissau. In the 1990s and 2000s, it had been rumored that Guinea-Bissau supported the MFDC.

After relations with Cape Verde turned frosty after the 1980 coup, there was a rapprochement after the turn of the millennium, crowned by the opening of embassies and reciprocal state visits in 2021 and 2022. Generally speaking, the administrations have largely been willing and able to cooperate regionally, especially in economic terms, as the country remains dependent on foreign investment, donations and lending. Political tensions continued throughout 2019, with international organizations involved in settling the conflict between the president and the majority in parliament regarding the legitimacy of the elections and the appointment of a new government. This produced some political tensions between Vaz and his followers and ECOWAS. Following the 2019 presidential election, ECOWAS hesitantly accepted Embaló's contested election victory. Yet these tensions did not call into question the government's willingness to pursue regional cooperation in principle, as expressed in part by the assumption of the ECOWAS presidency in 2022. Moreover, the withdrawal of the ECOWAS mission, initially obtained by President Embaló in September 2020, and the quick redeployment of the ECOWAS Mission in Guinea-Bissau (ECOMIB) force in February 2022, hastily decided by the regional organization, showed that Embaló is interested in good relations with ECOWAS and that he is able to modify positions when it serves his power interests.

## Strategic Outlook

Despite the political crises the country has faced in recent years, society in Guinea-Bissau remains relatively well integrated. However, political polarization, corruption and the recent increase in human rights violations have had a lasting impact on society and politics. National, regional and international actors have called on domestic political and civil society actors to move beyond an approach to politics that often serves only the shortsighted and self-interested goals of a few individuals, groups or networks. At the same time, it is up to international actors to support a democratically legitimate government that respects human rights instead of stepping back and ignoring violations of the constitutional order committed by the president of the republic.

In this context, donors should offer support to a process aimed at rewriting the semi-presidential constitution, which is arguably at the heart of many of the recurring political problems between presidents and prime ministers. However, there is no consensus among political actors regarding which type of government system to adopt, with many arguing that presidentialism is most appropriate. The international community should also insist on democratic, fair and transparent parliamentary and presidential elections in Guinea-Bissau as soon as possible in 2025.

At the same time, the international community should demand that the government respect civic and human rights, and exert pressure especially on President Embaló by conditioning support and aid. However, this should take into account the fact that China and other illiberal players also have considerable influence in Guinea-Bissau. Furthermore, the international community should continue supporting Guinea-Bissau in areas such as education, training and health care, in addition to efforts aimed at laying the foundations for sustainable socioeconomic development, particularly for young people.

This support should not create new dependencies, but should foster autonomy and accountability among Bissau-Guinean institutions and, in turn, help ensure that these institutions and government policies serve the needs of the population. In this way, the “dividend of democracy” could eventually become a reality for a considerable number of people.

To achieve this goal, international partners will need to work with Guinea-Bissau to ensure dignified working conditions for qualified civil servants.

In addition, much more needs to be done to reform Guinea-Bissau’s security sector. Encompassing the military, police, judiciary and related fields, the country’s security sector has often been politicized and involved in corruption and narco-trafficking.

International actors should also intensify efforts to strengthen international development cooperation by ending short-term project cycles with short-term objectives. Similarly, rushed, top-down planning and implementation processes should be replaced by bottom-up approaches that truly embody the concept of “local ownership.” In addition, a broad, bottom-up, long-term

reconciliation process should be implemented or reinstated. Media-driven participatory processes that promote debate about socially just, democratic governance should accompany this reconciliation process.

Over the past decade, the country has achieved significant progress in fiscal and macroeconomic stability (e.g., growth, debt and deficit). Although Guinea-Bissau appears to have made economic gains, further efforts should continue and focus more on social issues, as well as focus on the diversification of the country's cashew cash-crop-dominated external trade sector.