

GUINEA-BISSAU

UNITARY COUNTRY

AFRICA

BASIC SOCIO-ECONOMIC INDICATORS

Income group - **LOW-INCOME** Local currency - **Franc CFA (XOF)**

POPULATION AND GEOGRAPHY

AREA: **36 125** km²

POPULATION: **1.8** million inhabitants (2014),
an increase of 2.5% per year (2010-14)

DENSITY: **50** inhabitants/km²

URBAN POPULATION: **49.3%** of national population

CAPITAL CITY: **Bissau** (26.3% of national population)

Sources: World Bank World Development Indicators, UN World Urbanisation Prospects, <http://publications.europa.eu>, ILO

ECONOMIC DATA

GDP: **28.5** billion (current PPP international dollars)
i.e. 1 619 dollars per inhabitant (2014)

REAL GDP GROWTH: **2.54%** (2014 vs 2013)

UNEMPLOYMENT RATE: **7.6%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **21** (BoP, current USD
millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **7.0%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.420**(low), **rank 178**

TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
37 MUNICIPALITIES (SECTORES)	-	-	37

MAIN FEATURES OF TERRITORIAL ORGANISATION. Guinea-Bissau is a unitary country with one tier of sub-national governments (sectors). The 37 sectors include special status municipalities (towns and cities) and are further sub-divided into 185 *sections*. Towns consist of municipalities of more than 1500 inhabitants with at least 50% of urban territory, and providing specific services (see below); cities consist of municipalities of more than 6000 inhabitants with at least 60% of urban territory, and providing additional services (see below). Municipalities are enshrined in the Constitution. They are led by a Municipal Assembly composed by 9 to 27 elected by a Municipal College. The country is also divided into 8 regions and one autonomous sector for administrative purposes. The regions are sub-divided in administrative sectors, which in turn are sub-divided in administrative sections. Regions and administrative sectors are led by a representant of the central government.

MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES. Municipalities' functions include the construction and maintenance of roads, primary education, parks, cementaries, markets, swater supply, waste collection, culture, sports, health centers, etc. However these functions are not mandatory and can vary according to the municipalitie's size. In order to be recognised as a town, a municipality (besides the requirements mentioned above) must provide water supply, electricity, possess a cementary, a market, a health center, etc. Cities must, in addition, possess a well-developed road network, provide basic sanitation, etc.

SUBNATIONAL GOVERNMENT FINANCE

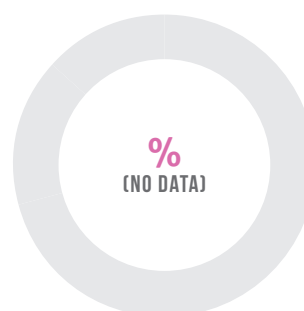
EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2013)	-	-	-
CURRENT EXPENDITURE	-	-	-
STAFF EXPENDITURE	-	-	-
INVESTMENT	-	-	-

The institutional environment of Guinea Bissau remain very weak and not in favor of local and municipal action. There is no official statistics on the levels of spending of lcoal authoritiesand no accountability mechanism.

EXPENDITURE BY FUNCTION

% SUBNATIONAL GOVERNMENT EXPENDITURE

- GENERAL PUBLIC SERVICES
- DEFENCE
- SECURITY AND PUBLIC ORDER
- ECONOMIC AFFAIRS
- ENVIRONMENTAL PROTECTION
- HOUSING AND COMMUNITY AMENITIES
- HEALTH
- RECREATION, CULTURE AND RELIGION
- EDUCATION
- SOCIAL PROTECTION



In Guinea Bissau, the blurred allocation of responsibilities between the central and local level restrains the actions of the latter for the provision of basic public services.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2013)	-	-	-
TAX REVENUE	-	-	-
GRANTS AND SUBSIDIES	-	-	-
OTHER REVENUES	-	-	-

Municipalities in Guinea Bissau mainly perceives grants from the central government, as well as various taxes, with the approval of the central level, and a few other revenues.

TAX REVENUE. Municipal tax revenues include a property tax, a tax on motor vehicles, a tax for firefighting services, a tax on capital gains, and a property transfer tax. Moreover, municipalities can levy a surtax on the personal income tax (10% maximum), in order to finance investments or balance the municipalities' finances. The introduction of this surtax must be approved by the central government.

GRANTS AND SUBSIDIES. Transfers to municipalities include shared taxes and grants from the central government. Shared taxes consist in 50% of the receipts from the tourism tax. As far as grants are concerned, by far the largest source of grants to municipalities is the Fund for Financial Balance (*Fundo do Equilíbrio Financeiro*, FEF). The FEF amounts to 10% (at minimum) of national tax receipts from the previous year, and provides both current and capital grants (capital grants must represent at least 40% of all transfers). Funds from the FEF are distributed according to the following formula: 50% on an equal share to all municipalities; 15% based on municipal population; and the remaining 25% based on the size of municipal area. Moreover, municipalities may receive additional transfers from the central government, for instance in case of natural disaster, urban renovation, for new municipalities, etc.

OTHER REVENUES. Other revenues for municipalities include service charges and fees, fines, interests, property revenues, etc.

OUTSTANDING DEBT	% GDP	% GENERAL GOVERNMENT
OUTSTANDING DEBT (2013)	-	-

Municipalities are able to borrow through loans, securities, etc, at all maturities. Short-term borrowing can be used to cover liquidity problems, but it must remain lower than 10% of FEF receipts. Medium- and long-term borrowing should not exceed 3/12 of FEF receipts or 20% of investment spending over the previous year (whichever is larger).

A joint- study of:



Sources: http://www.stat-guineebissau.com/pais/organizacao_administrativa.htm • Lei nº 5/97, de 2 de Dezembro • Lei nº 7/96, de 9 de Dezembro • M. do Rosário Caleiro da Costa (2005), "Redes intermunicipais: Uma nova dimensão económica no quadro da CPLP?" • J. L. Eichelsheim (2014), compilation bibliographique, IDEE Casamance • M. Lemos Gabriel (2014), "Poder local e autarquias locais: institucionalização e modelos para sua implementação", Justiça do Direito v. 28