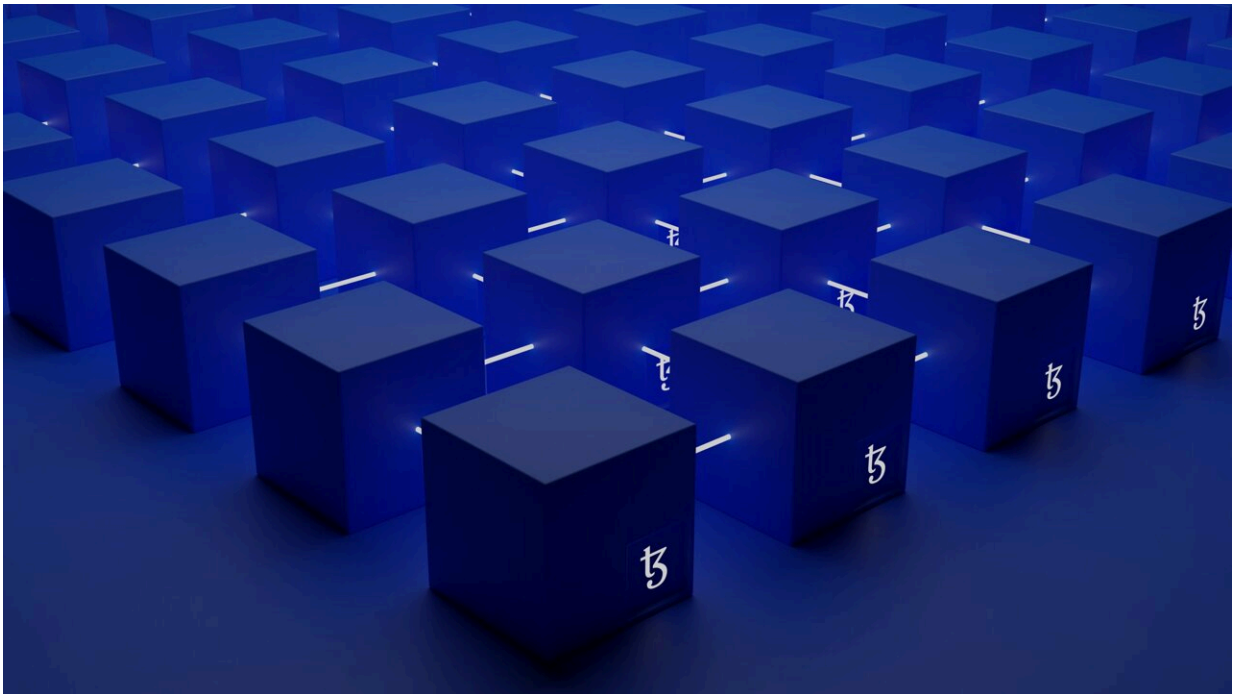


Guinea-Bissau uses blockchain to manage public finances: IMF

May 29 2024



Credit: Unsplash/CC0 Public Domain

Guinea-Bissau has launched a blockchain platform to manage civil servants' salaries and boost transparency in the corruption-plagued country, the International Monetary Fund (IMF) said Wednesday.

Blockchain technology is a virtual ledger that allows information to be stored and exchanged in a secure, secret and unmodifiable manner. Each

transaction is recorded in real time, in a tamper-proof register.

An IMF mission traveled to the West African country on Monday for the launch of a "blockchain solution to strengthen the [transparency](#) of the wage bill management at the Ministries of Finance and Public Administration", the IMF said in a statement.

"While many countries are using [blockchain](#) to address a broad spectrum of banking issues, agricultural crop securitisation or cash-based transfers, Guinea-Bissau is among the first countries to use the technology to address a structural public finance management," Concha Verdugo-Yepes, head of the mission, told AFP.

"To our knowledge, Guinea-Bissau is the first fragile state and the first sub-Saharan African country to use this solution", she added.

Blockchain [digital technology](#) will "enhance government operations in wage bill management, strengthen fiscal transparency, and tackle governance vulnerabilities," the IMF said, adding the platform "detects discrepancies and raises red flags when salaries' information is inconsistent".

"This innovation could help build trust in fiscal institutions, increase accountability and reduce any perception of public corruption," the organization said.

Guinea-Bissau, a former Portuguese colony of about two million people, is notoriously unstable, having suffered a series of military or political coups since independence in 1974.

The West African nation is one of the world's poorest and was ranked 158th out of 180 countries on Transparency International's 2023 Corruption Perceptions Index.

© 2024 AFP

Citation: Guinea-Bissau uses blockchain to manage public finances: IMF (2024, May 29)
retrieved 16 August 2024 from <https://techxplore.com/news/2024-05-guinea-bissau-blockchain-imf.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.