

AFRICA RISK CONSULTING

Senegal Monthly Briefing May 2024

Senegal Summary 20 May 2024

President Bassirou Diomaye Faye (2024-present) embarks on a regional diplomatic tour focused on issues including the exit of Burkina Faso, Niger and Mali from the regional bloc, the Economic Community of West African States (ECOWAS). Prime minister Ousmane Sonko gives a highly politicised speech regarding France's role in Senegal and the region. The Grand-Tortue Ahmeyim (GTA) gas project achieves a key milestone on 11 May when the floating production storage and offloading (FPSO) vessel arrives after several months of delays.

Faye embarks on regional diplomatic offensive...

President **Bassirou Diomaye Faye** (2024-present) has embarked on a regional diplomatic tour following his election on 24 March. While meeting and hosting fellow **African** leaders, he has sought to establish himself as the regional ambassador. His diplomatic tour began on 18 April in **Mauritania**, a key partner with which Senegal shares the **Grand-Tortue Ahmeyim (GTA)** gas project. Faye met with Mauritania's President **Mouhamed Ould Cheikh El Ghazouani** (2019-present) to discuss the progress of GTA as well as other issues including strengthening cooperation in defence and security along their border.¹ The two presidents also committed to revitalising cooperation in the fisheries and maritime sectors and progress on the **Rosso** bridge along their border. Both presidents expressed regret at the delays surrounding the GTA project and committed to forming a "single united bloc" to tackle problems with the project's operator, **United Kingdom**-headquartered **BP**.²

From Mauritania, Faye travelled to **Gambia** on 20 April. Senegal and Gambia have strong ties, and between 1982 and 1989 were part of a loose confederation. More recently, following the election of Gambia's **Adama Barrow** (2017-present), Senegal deployed a peacekeeping mission to support Barrow, which remains in the country.³ Faye and Barrow expressed satisfaction with their countries' bilateral ties and committed to further consultations around agreements signed in areas such as security, defence and trade.⁴ The two established a presidential council in 2018 that serves as a cooperation mechanism on a higher level, a less common cooperation mechanism signifying their shared ties. Faye also made a short stop in **Guinea Bissau** on 30 April to assess the state of bilateral cooperation and discuss the **Dakar-Bissau** corridor, a project supported by the **African Development Bank (AfDB)**.⁵

Faye arrived in **Côte d'Ivoire** on 7 May to meet his Ivorian counterpart, **Alassane Ouattara** (2010-present). During the visit, Faye pushed for the joint commission between Senegal and Côte d'Ivoire to meet for the first time since 2014, reiterating that the two countries share fraternal and friendly ties.⁶ The two presidents encouraged their respective ministries to bolster trade ties and cooperation in priority sectors such as agriculture. Faye emphasised that the two countries must continue to "act in solidarity" with the **Economic Community of West African States (ECOWAS)**, while promoting the regional bloc's reforms to promote the unity, cohesion and sovereignty of ECOWAS.⁷ Faye indicated in his post-election speech that ECOWAS would form a large part of his regional diplomatic focus and he has followed through on this.

¹ APA News, 26 Apr 2024

² APA News, 26 Apr 2024

³ Le Quotidien, 22 Apr 2024

⁴ APA News, 20 Apr 2024

⁵ APA News, 29 Apr 2024

⁶ Lejecos, 8 May 2024

⁷ APA News, 7 May 2024

While taking a break from his regional tour, Faye hosted **Rwanda's** President **Paul Kagame** (2000-present) between 11 and 13 May. Prime minister **Ousmane Sonko**, who has previously expressed his admiration for Kagame's sovereigntist policy and development in Rwanda, also met with Kagame.⁸ Rwanda and Senegal had strong ties under former president **Macky Sall** (2012-2024), with Kagame seeking to maintain these ties under Faye. Rwanda has also sought to bolster defence cooperation with other **African** countries. Before Kagame's visit, between 5 and 9 May, Senegal's chief of staff of the armed forces, General **Mbaye Cissé**, visited Rwanda to strengthen defence and security cooperation between the two countries.

Faye visited **Nigeria** on 16 May, meeting with President **Bola Tinubu** (2023-present), who also serves as chairman of ECOWAS. The visit was largely focused on the role Tinubu believes Faye can play in reconciling ECOWAS' differences with the three junta-led countries – **Burkina Faso, Mali and Niger** – which announced on 28 January that they will be leaving the regional bloc.⁹ Faye has accepted this challenge, telling Tinubu he hopes to convince these countries to re-join ECOWAS and "*share our common democratic values and what we represent*".¹⁰ The two also discussed the development of Senegal's oil and gas sector.

On 17 May, Faye arrived in **Ghana**, meeting with his counterpart, **Nana Akufo-Addo** (2017-present), also to discuss the position of Burkina Faso, Mali and Niger within ECOWAS.¹¹ Like Tinubu, Akufo-Addo expressed his belief that Faye's election would help bring the three countries back into ECOWAS. Akufo-Addo noted that Senegal's successful election served as reassurance to those watching democratic developments in the region.¹² It appears that regional powers are hoping Faye's age and pan-Africanist ideology will resonate with the junta leaders, who ascribe to the same ideology.

... while Sonko punts reassessment of French ties

Prime minister Ousmane Sonko delivered a speech to the **University of Dakar** on 16 May, in the presence of **French** opposition politician **Jean-Luc Mélenchon**, attacking the French government for its lack of action during Senegal's electoral crisis and questioning the future of Senegal's relationship with France. Sonko caveated his political speech by saying he was speaking as a party leader and not a government leader; however, his high-level role as prime minister makes it difficult to separate the two.

Despite the caveat, Sonko touched on a particularly sensitive issue for the region – the presence of the French military, stating that Senegal wishes to control its own control, which is "*incompatible with the lasting presence of French bases in Senegal*".¹³ Sonko noted how the presence of French military bases in the region impacts sovereignty and autonomy – reasoning which the junta-led countries (Mali, Burkina Faso and Niger) used when expelling the French military from their countries. Senegal is unlikely to cut ties with the French military anytime soon, but Sonko's statement would have appealed to the junta leaders who may wish to reengage with Senegal. This is in line with Faye's push to reform ECOWAS and bring these countries back into the fold. To this point, Sonko said:

*"We will not let go of our brothers in the **Sahel** and we will do everything necessary to strengthen the ties."*¹⁴

Sonko further discussed the CFA Franc, which is pegged to the euro, saying that Senegal would prefer a flexible currency that is pegged to at least two currencies to better absorb economic shocks and make a more competitive currency. While Faye mentioned abandoning the CFA franc during his

⁸ Jeune Afrique, 14 May 2024

⁹ Jeune Afrique, 17 May 2024

¹⁰ Jeune Afrique, 17 May 2024

¹¹ Jeune Afrique, 18 May 2024

¹² Jeune Afrique, 18 May 2024

¹³ AP News, 17 May 2024

¹⁴ Business Insider Africa, 17 May 2024

election campaigning, he has retreated on this. Sonko also called on Western countries to show respect and restraint for African countries' decisions on issues such as LGBTQ+ rights, saying homosexuality has always existed in Senegal and been "*managed*" but that Senegal will not legalise same-sex relations.¹⁵

Sonko's speech made the press across Africa and France, with Sonko affirming on 17 May that his remarks were not aimed at the French people but rather at the current governing elite. During his speech, he accused French president **Emmanuel Macron** (2017-present) of welcoming Sall "*at the worst moment of repression*", a critical statement in the presence of Mélenchon who is a vocal critic of Macron.¹⁶

Sonko, before he was disqualified from running for president, campaigned on "*restoring*" Senegal's sovereignty, fighting corruption, distributing wealth more evenly and renegotiating mining, oil and gas contracts signed with international companies.¹⁷ Once Faye was declared the opposition candidate, he adopted this fire-brand campaign style but has since assumed a more diplomatic position. This was seen in Faye's address during a visit by **European Council** president **Charles Michel** when he called for a "*rethought, renovated partnership*" with Europe while still welcoming European investors with skills in different sectors to look at Senegal as an investment opportunity.¹⁸

Despite his attempts to separate his roles as party leader and prime minister, Sonko will be viewed as a polarising figure. His close relationship with Faye is well known and the extent to which he can sway Faye will be seen in developments around relations with France and other policy decisions.

GTA gas project milestone met amid questions over audit of contracts

The GTA gas project achieved a key milestone on 11 May when the floating production storage and offloading (FPSO) unit arrived after several months of delays. The FPSO was constructed by **China's Cosco**, however, delays resulting from the **Covid-19** pandemic meant the vessel only left China in January 2023 for the **United States (US)**, where one of GTA's operators – **Kosmo Energy** – is based.¹⁹ Further delays occurred, with the vessel initially meant to arrive in the second quarter of 2023 only arriving now. Production is expected in the third quarter of 2024, two years after the initial 2022 date. This delay prompted Senegal and Mauritania's petroleum ministries to ask for an audit of costs to understand how much has been spent and how much the delays have cost.²⁰ Mauritanian estimates have put the extra costs at \$6 billion. At the end of 2023, the **International Monetary Fund (IMF)** revised downwards Senegal's 2024 growth forecast from 10.6% to 8.3% due to the delay.²¹ During its mission between 26 April and 3 May, the IMF further lowered Senegal's 2024 economic growth forecast from 8.3% to 7.1%.

The project was a key discussion during Faye's visit to Mauritania (see above). During his election campaign, Faye said he would renegotiate all oil and gas contracts signed by Senegal; his visit to Mauritania may have been a chance to shore up support should Senegal look at the contract between itself, Mauritania, Kosmo Energy and fellow project partner, BP. Energy, oil and mines minister **Birame Souleye Diop**, when assuming office on 11 April, said his ministry would audit contracts but did not echo the promises of renegotiations. However, given the delays on the GTA project, Senegal may take some action on the contract, potentially now with Mauritania's support.

¹⁵ Reuters, 17 May 2024

¹⁶ Jeune Afrique, 17 May 2024

¹⁷ Le Monde, 25 Mar 2024

¹⁸ Jeune Afrique, 23 Apr 2024

¹⁹ Jeune Afrique, 13 May 2024

²⁰ The Africa Report, 27 Mar 2024

²¹ The Africa Report, 27 Mar 2024; Jeune Afrique, 19 Apr 2024

Planner

Q3 2024 **(Senegal) Grand Tortue Ahmeyim (GTA)** offshore gas field production of natural gas is set to begin;

2024 **(Senegal) Sangomar** offshore oil field production set to begin;

2027 **(Senegal) Yakaar-Teranga** gas project set to begin production;

Chronology

13 May 2024 **Dakar (Senegal) APA News**. Senegal and **Gambia** sign several bilateral agreements focused on strengthening trade ties;

13 May 2024 **Dakar (Senegal) Le Quotidien**. President **Bassirou Diomaye Faye** repeals a decree passed by his predecessor, **Macky Sall**, granting former ministers salaries varying between 1.5m FCFA (\$2,457) and 2.8m FCFA (\$4,586);

11 May 2024 **Dakar (Senegal) APA News**. President **Bassirou Diomaye Faye** hosts **Rwanda's** President **Paul Kagame** for a two-day visit;

9 May 2024 **Dakar (Senegal) AP News**. A **Boeing 737** plane carrying 85 people catches fire on a runway at **Blaise Diagne International Airport**, injuring ten people;

8 May 2024 **Dakar (Senegal) APA News**. Customs seizes \$5m in counterfeit notes in four operations;

8 May 2024 **Dakar (Senegal) Bloomberg**. President **Bassirou Diomaye Faye** announces Senegal will review fishing deals with partners, including the **European Union (EU)**, to ensure they are as beneficial to the sector as possible;

6 May 2024 **Dakar (Senegal) Le Faso**. President **Bassirou Diomaye Faye** announces he will travel to **Burkina Faso, Guinea, Mali and Niger**;

4 May 2024 **Dakar (Senegal) APA News**. **International Monetary Fund (IMF)** completes a working visit to Senegal ahead of a review of its staff-monitored programme, praising the economy's resilience in 2023 despite political tensions and external shocks, but lowers Senegal's 2024 economic growth forecast from 8.3% to 7.1% due to a delay in gas production and political uncertainty surrounding the election;

2 May 2024 **Dakar (Senegal) APA News**. Foreign affairs minister **Yassine Fall** meets with her **Moroccan** counterpart, **Nasser Bourita**, to discuss bilateral relations;

26 Apr 2024 **Dakar (Senegal) Le Quotidien**. An **International Monetary Fund (IMF)** delegation arrives in Senegal to discuss economic and financial policy guidelines with the new government;

25 Apr 2024 **Dakar (Senegal) APA News**. President **Bassirou Diomaye Faye** asks prime minister **Ousmane Sonko** to set up a commission to compensate victims of political violence between January 2021 and February 2024;

23 Apr 2024 **Dakar (Senegal) RFI**. President **Bassirou Diomaye Faye**, during a visit by **European Council** president **Charles Michel**, calls for a rethink of Senegal's relationship with the **European Union (EU)**;

22 Apr 2024 **Dakar (Senegal) APA News**. **European Council** president **Charles Michel** embarks on a **West Africa** tour, visiting **Benin, Côte d'Ivoire** and Senegal;

20 Apr 2024 **Dakar (Senegal) APA News**. President **Bassirou Diomaye Faye** arrives in **Gambia** for his second visit abroad since his election as president on 24 March;

14 Apr 2024 **Dakar (Senegal) APA News**. **Norway** confirms it will open its first embassy in Senegal towards the end of 2024;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: @ARCBriefing

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)