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President Macky Sall (2012 – present) aims to secure support for his economic programme during the Organisation Internationale de la Francophonie (OIF) summit in Dakar on 29-30 November. Sall suspends the illicit enrichment trial of his political opponent, Karim Wade. The political scene remains tense as the opposition Parti Démocratique Sénégalais (PDS) – which Wade’s father, Abdoulaye Wade (2000 – 2012), still leads – defies a protest ban. Senegal improves 10 places on the World Bank’s annual ‘Doing Business’ rankings. However, Senegal still sits beside or below unstable regional neighbours on the index and well below the sub-Saharan Africa average. The government lifts air and sea restrictions on Ebola-affected countries.

Sall focuses on francophonie summit

President **Macky Sall** (2012 – present) hopes to improve the investor image of Senegal as **Dakar** hosts the bi-annual **Organisation Internationale de la Francophonie (OIF)** summit on 29-30 November. Under the theme ‘*Women and young people: peace and development vectors*’, the summit will attract over 77 heads of state and representatives of various international organisations. An economic forum on 1-2 December will follow. The summit will be held at the newly built **Centre International de Conférence de Diamniadio**.

*“The conference is based on the outskirts of Dakar at the new centre, which is near the new airport under construction and allows Sall to point to the new projects in the vicinity which are part of his economic plan, **PSE [Plan Senegal Emergent, see below]**. He wants some good PR to attract investment.”¹*

Sall has ordered the suspension of the illicit enrichment trial of **Karim Wade**, former number two in the administration of his father, **Abdoulaye Wade** (2000 – 2012), during the OIF summit. On 12 November, Sall executed a decree sacking the **Cour de repression de l’enrichissement illicite (CREI)** special prosecutor **Alioune Ndao**. The same day CREI judge **Henri Grégoire Diop** “*technically suspended*” the trial due to Ndao’s sacking until 1 December, a day after the close of the OIF summit.² In a move to avoid disruptions to the summit, the government has also banned all political gatherings and protests until 5 December.³

“Sall doesn’t want anyone to rain on his parade. He doesn’t want international coverage of the trial, which is viewed as highly political, during the summit. He doesn’t want any bad publicity...”⁴

Sall invited former president Wade to attend the summit to ease tensions resulting from his son’s trial. Sall wrote to Abdoulaye Wade on 11 November inviting him to the opening ceremony, but Wade rejected the invitation.⁵ Wade also defied the ban on political gatherings and protests.⁶ His **Parti Démocratique Sénégalais (PDS)** held a party rally on 21 November in Dakar.⁷ At the rally Wade again criticised Sall over the illicit enrichment trial.⁸ He also asked Sall for clarification over the illicit

¹ Source, journalist, Senegal

² Jeune Afrique, 12 Nov 2014.

³ RFI, 10 Nov 2014.

⁴ Source, journalist, Senegal

⁵ RFI, 22 Nov 2014.

⁶ RFI, 10 Nov 2014.

⁷ Jeune Afrique, 4 Nov 2014.

⁸ RFI, 22 Nov 2014.

enrichment investigations concerning several PDS figures.⁹ Wade has pledged to hold another rally during the summit.

Once the francophonie festivities are over, Sall will no doubt refocus his attention on the illicit enrichment trial. **Cheikh Tidiane Mara** replaces Ndao as special prosecutor. He was part of the **International Criminal Tribunal for Rwanda (ICTR)** for 17 years before returning to Senegal in 2013 to serve as director of legal services in the justice department.¹⁰ Sall reportedly removed Ndao due to disagreements with justice minister **Sidiki Kaba** over the trial and the tensions he created after threatening to launch investigations into other barons of the Wades' PDS.¹¹

*"Ndao was threatening to bring charges to three members of the Wade's PDS. He was acting on his own without considering political consequences."*¹²

Senegal improves 'Doing Business' rank but remains poorly placed...

The **World Bank's** annual '*Doing Business*' report noted a slight improvement in the business environment in Senegal. Senegal increased 10 places from 171st to 161st (out of 189 economies) in the rankings. The report is based on 10 "ease of doing business" topics, which in turn include several indicators.

Senegal still sits beside or below unstable regional neighbours on the index and well below the sub-Saharan Africa average. Senegal is placed below the autocratic regimes of **Sudan** (160th) and **The Gambia** (138th), as well as post-conflict **Sierra Leone** (140th) and **Mali** (146th). According to the report, Senegal improved significantly from 133rd in 2014 to 90th on the "starting a business" index, particularly through reducing the time and number of procedures involved. It also improved 31 places for protecting minority investors and 14 places for registering property.

Sall was reportedly "*devastated*"¹³ after falling two places and recording no significant improvements across the 10 topics in the 2014 Doing Business report released in October 2013. Subsequently Sall ordered an "*ambitious programme of reform*"¹⁴ under the **Programme de Réformes de l'Environnement des Affaires (PREAC)**. The government also established an interdepartmental council on doing business, comprising two monitoring committees to facilitate improvement.¹⁵

...and implementation of economic plans remains slow

Prime minister **Mohamed Dionne** (appointed in July) aims to focus on agriculture and jobs during his tenure. On 11 November he made his first policy speech to the **Assemblée Nationale**. The speech focused on the government's economic roadmap, the Plan Senegal Emergent. Dionne said the government's economic plan was focused on increasing household income and creating jobs, particularly in the agriculture sector.¹⁶ The government claims it will create 150 commercial farms and 274 village farms to create up to 90,000 jobs by 2017.

Dionne also focused on the power sector in his speech. He claimed the government aims to increase power generation by 70% before 2017 from the current 587 megawatts (MW) to 1,018 MW.¹⁷ It plans to diversify the energy mix away from costly oil dependent generation and pursue coal and renewable sources.

⁹ RFI, 22 Nov 2014.

¹⁰ Jeune Afrique, 12 Nov 2014.

¹¹ Press Afrik, 12 Nov 2014.

¹² Source, journalist, Senegal

¹³ See ARC Senegal November 2013 Briefing

¹⁴ See ARC Senegal November 2013 Briefing

¹⁵ See ARC Senegal November 2013 Briefing

¹⁶ RF, 12 Nov 2014.

¹⁷ Reuters, 12 Nov 2014.

The energy sector is the most significant economic bottleneck in Senegal. However, the development of new plants has continued at a slow pace during Sall's administration. The government aimed to complete the 125 MW coal plant at **Sendou** (32km from Dakar) by 2016. The project was originally tendered in 2007 and has financial backing from the World Bank and the **African Development Bank (AfDB)**. Dionne also claimed that another 250 MW coal-fired plant at **Mboro (Thiès Region)** will be commissioned by 2017.¹⁸

Senegal lifts air and sea restrictions on Ebola-affected countries

The government has eased border restrictions on Ebola-affected countries. On 14 November the government re-opened air and sea borders with the three main Ebola affected countries, **Guinea**, **Sierra Leone** and **Liberia**.¹⁹ Senegal's southern land border with Guinea remains closed; however, its border with Mali, which has recorded several recent Ebola cases, is open. Sall said the decision to reopen the borders followed a request from the **Economic Community of West African States (ECOWAS)** to lift the restrictions on the movements of people and goods.²⁰ The government had closed its borders with Guinea in August, days before Senegal confirmed its first Ebola case on 27 August, a Guinean student who had travelled overland from Guinea. This was the only confirmed case in Senegal, and the **World Health Organisation (WHO)** declared the country free from Ebola on 17 October after no new cases had been reported for 42 days.²¹

Dakar continues to play a vital link in the international Ebola response effort. **United States (US)** military flights started service from Dakar in early October and the government opened a "*humanitarian corridor*" for **World Food Programme (WFP)** flights in September.²² Dakar's port is also a logistics base for the response effort. On 16 November a **European Union** shipment of vehicles and supplies left the port for the affected countries.²³

Ebola rates of infection in some of the worst affected areas in Liberia and Guinea have slowed as local and international intervention has stepped up. Slowing rates in Liberia follow the US deployment of 3,000 troops in October and show that an effective response can contain the virus. However, unsafe burials mean infection rates remain high in Sierra Leone and in Mali, where authorities have announced a seventh Ebola death. The WHO estimated on 14 November the Ebola death toll at 5,177, with 14,413 reported cases. Alarmist estimates in September that there could be 20,000 cases by 1 November have proved wrong.

Implications

Sall will find it difficult to push the controversial illicit enrichment trial aside for the week during the OIF summit. The illicit enrichment process focused on Karim Wade has dominated Sall's presidency and it has been widely viewed as politicised. The process has dominated the government's agenda and the disregard for due process has negatively affected the investor environment. Sall's move to sack the special prosecutor and suspend the trial during the summit appears to admit this. However, Wade's supporters are likely to organise some small protests and look to the media to keep the trial on the agenda during the summit to embarrass Sall.

The 2015 Doing Business ranking is a marginal improvement for the government. However, Sall will be disappointed with the latest ranking that still places Senegal alongside highly autocratic and unstable states. This highlights the continuing high business risk in Senegal. Notably, Sall's administration has failed to prioritise and move forward key power sector projects. As a result the high energy sector costs continue to exert fiscal pressure. With less than three years until the next

¹⁸ Reuters, 12 Nov 2014.

¹⁹ APS, 14 Nov 2014.

²⁰ World Bulletin, 10 Nov 2014.

²¹ See ARC Senegal October 2014 Briefing

²² See ARC Senegal October 2014 Briefing

²³ RFI, 17 Nov 2014.



presidential election, Sall will seek further improvements in the business environment, but his government's record thus far suggests it will face difficulty making significant improvement.

The impact of the Ebola outbreak on Senegal and the **West Africa** sub-region is limited outside the three main affected countries – Guinea, Sierra Leone and Liberia. The Senegalese authorities' efforts to deflect the virus have added to the investor perception that it can be brought under control. Increased international and domestic efforts in Guinea and Sierra Leone are expected to produce similar results as the US response effort in Liberia.