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A United Kingdom (UK)-based British Broadcasting Corporation (BBC) documentary accuses Aliou Sall, younger brother of President Macky Sall (2012-present), of receiving a \$250,000 bribe from Australian-Romanian mining tycoon Frank Timis for facilitating the attribution of an oil and gas concession. The BBC report also suggests that UK-based British Petroleum (BP) agreed to pay Timis \$10 billion in royalties over 40 years, after UK-based Timis Corporation sold its oil and gas concession to BP in 2016. The Senegalese treasury successfully mobilises \$94m on the regional public securities market in its first regional debt issue since 2017. Senegal has received 46 turbines that will enable work on the first phase of the \$342m (200 billion FCFA) Taiba Ndiaye wind farm project to be completed.

BBC accuses President Sall's brother of corruption in oil and gas deal

A United Kingdom (UK)-based **British Broadcasting Corporation (BBC)** documentary has accused **Aliou Sall**, younger brother of President **Macky Sall** (2012-present), of receiving a \$250,000 bribe from **Australian-Romanian** mining tycoon **Frank Timis**.¹ If found to be true, these allegations may tarnish Senegal's good reputation with respect to corruption and could possibly deter potential investors from engaging in Senegal. The alleged bribe was reportedly a commission for Sall facilitating the attribution of offshore oil and gas blocks to UK-based **Timis Corporation** in 2012.² The BBC report, released on 2 June, also suggests that UK-based **British Petroleum (BP)** agreed to pay Timis \$10 billion in royalties over 40 years, after Timis Corporation sold its oil and gas concession to BP in 2016.³

The events in the BBC documentary date back to 2012.⁴ On 17 January 2012, former president **Abdoulaye Wade** (2000-2012) awarded Timis Corporation concession rights for two offshore oil and gas blocks.⁵ Following the election of President Macky Sall in June 2012, Frank Timis hired Aliou Sall as a consultant.⁶ Subsequently, Sall was appointed CEO of **Petro-Tim Senegal**, the Senegalese branch of Timis Corporation.⁷ During this period, President Sall confirmed Timis Corporation as the holder of the oil and gas concession, which his predecessor, Wade, had granted.⁸ The report suggests that Aliou Sall's role as a consultant was to convince President Sall not to revoke Timis Corporation's oil and gas rights.⁹ The bone of contention stems from a \$250,000 payment that was paid into the account of **AgriTrans** on

¹ RFI, 3 Jun 2019

² Jeune Afrique, 4 Jun 2019

³ RFI, 3 Jun 2019

⁴ RFI, 3 Jun 2019

⁵ Jeune Afrique, 4 Jun 2019

⁶ La Tribune Afrique, 4 Jun 2019

⁷ La Tribune Afrique, 4 Jun 2019

⁸ Jeune Afrique, 4 Jun 2019

⁹ La Tribune Afrique, 4 Jun 2019

5 May 2014.¹⁰ Aliou Sall had founded Agritrans in 2011 and his uncle, **Abdoulaye Thimbo**, ran the company.¹¹ The reportedly suspicious nature of the transaction stems from a host of emails between Timis and Sall, which fell into the hands of the BBC.¹² In one email, Timis said he intended to set aside \$250,000 as a tax payment to the Senegalese government, the amount purportedly transferred to the Agritrans account.¹³ The BBC also revealed an employee contract binding Sall to Timis, in which Sall was promised a monthly stipend of \$25,000.¹⁴ An additional twist to the tale was the sale of Timis Corporation concession rights to BP in 2016 for \$250m.¹⁵ The BBC report revealed details of a confidential agreement between Timis and BP which indicated that Timis would receive royalties of \$9-\$12m per year from BP over the next 40 years.¹⁶

The BBC's allegations made the headlines of most Senegalese media outlets and elicited significant commentary on local social media.¹⁷ In a press conference on 3 June, Aliou Sall formally denied the allegations.¹⁸ Sall said that he had not received any payment of \$250,000 directly or indirectly from Timis Corporation or Agritrans and called it an "*imaginary payment*".¹⁹ Sall added that he had "*never made any request for payment of any tax for Senegal*" while he was in charge of Petro-Tim Senegal.²⁰ Sall claimed there was nothing illegal or unusual about the \$25,000 stipend he received from Timis, and accused his political opponents of orchestrating the story.²¹ Sall also blamed his former partners at Timis Corporation, with whom he is currently in conflict.²² Sall concluded that he could not have influenced the retention of the Timis concession because the agreement was signed before President Macky Sall became president.²³ Sall's lawyers stated that they would launch a complaint of defamation against the BBC in **London** (UK) and would take similar action against local media organs in domestic courts.²⁴ Sall is currently the director general of the **Caisse des Depots et Consignations** (deposit and consignment fund of Senegal) and mayor of **Guediawaye**, a **Dakar** commune.²⁵

President Sall warned that he would not tolerate false accusations and highlighted that Senegal has taken many steps to avoid the pitfalls that have befallen other nations as a result of mineral resource exploitation.²⁶ Government spokesperson **Ndeye Ticke Ndiaye** read a statement on 5 June in which she called the BBC investigation

"... a fabrication of untruths....deliberately intended to manipulate opinion and discredit the government and the state of Senegal".²⁷

¹⁰ RFI, 3 Jun 2019

¹¹ La Tribune Afrique, 4 Jun 2019

¹² Jeune Afrique, 4 Jun 2019

¹³ Jeune Afrique, 4 Jun 2019

¹⁴ La Tribune Afrique, 4 Jun 2019

¹⁵ RFI, 3 Jun 2019

¹⁶ RFI, 3 Jun 2019

¹⁷ RFI, 4 Jun 2019

¹⁸ RFI, 4 Jun 2019

¹⁹ Jeune Afrique, 4 Jun 2019

²⁰ Jeune Afrique, 4 Jun 2019

²¹ La Tribune Afrique, 4 Jun 2019

²² La Tribune Afrique, 4 Jun 2019

²³ La Tribune Afrique, 4 Jun 2019

²⁴ RFI, 4 Jun 2019

²⁵ La Tribune Afrique, 4 Jun 2019

²⁶ Jeune Afrique, 6 Jun 2019

²⁷ RFI, 7 Jun 2019

Ndiaye also addressed the \$10 billion royalty that BP is alleged to have agreed to pay Timis.²⁸ Ndiaye claimed the amount is an imaginary figure that does not correspond with the economic and financial reality of the project and concluded that the “*government reserves the right to take any appropriate action regarding this matter*”.²⁹

BP has denied any wrongdoing and called the BBC report a misleading representation of its Senegal activities, calling the figures advanced with respect to royalty payments “*absurd and fanciful*”.³⁰ BP insists the company followed due process and performed all ethics checks before signing a contract with Timis Corporation.³¹

The opposition has been vocal about the allegations. Former opposition presidential candidate and current MP **Ousmane Sonko** claimed “*it is undeniable that Aliou Sall’s position in Petro Tim was the engine behind President Sall renewing Timis Corporation’s concession*”.³² Sonko said without Aliou Sall’s involvement, Timis would never have been an actor in the Senegalese hydrocarbons sector.³³ Sonko also accused President Sall and the government of hiding behind the logic of accusing people of manipulation and destabilisation whenever matters pertaining to corruption are revealed.³⁴ Sonko has been critical of the management of Senegal’s energy. He highlighted the situation in his 2017 book, entitled ‘*Petrole et Gaz au Senegal:-Chronique d’une Spoilation*’.³⁵ In 2016, while he was still a tax inspector, he accused Aliou Sall of violating the petroleum code.³⁶ Civil society has also formed a collective of 13 civic organisations and political movements called the **Front Citoyen** (citizens’ movement) in order to hold the government more accountable in relation to this matter.³⁷ The Front Social has also called for the removal Aliou Sall as head of the Caisse des Depots et Consignations.³⁸

The justice ministry announced on 10 June that President Sall has instructed the state prosecutor to investigate the allegations, insisting that Senegalese must be fully enlightened on this matter.³⁹ The government will need to treat the accusations levied against Aliou Sall and BP with care and dexterity. Senegal is set to produce its first exploitable amounts of gas and petroleum by 2022 and potential investors may be deterred if there is a perception of corruption in this domain. Senegal has a reputation as being one of the least corrupt nations in **Africa**, scoring 45 points in **Transparency International’s 2018 Corruption Perceptions Index**, where the average score in **sub-Saharan Africa** was 32/100.⁴⁰ President Sall will be keen to uphold this reputation, and also convince the population that he is keen to uproot corruption.

Senegal carries out first successful regional bond issue since 2017

The Senegalese treasury successfully mobilised \$94m (55 billion FCFA) on the regional public securities market in its first regional debt issue since 2017.⁴¹ The money raised will be

²⁸ RFI, 7 Jun 2019

²⁹ RFI, 7 Jun 2019

³⁰ RFI, 7 Jun 2019

³¹ Jeune Afrique, 6 Jun 2019

³² La Tribune Afrique, 4 Jun 2019

³³ La Tribune Afrique, 4 Jun 2019

³⁴ Jeune Afrique, 6 Jun 2019

³⁵ La Tribune Afrique, 4 Jun 2019

³⁶ Jeune Afrique, 17 Aug 2018

³⁷ RFI, 9 Jun 2019

³⁸ RFI, 9 Jun 2019

³⁹ RFI, 10 Jun 2019

⁴⁰ www.transparency.org, 29 Jan 2019

⁴¹ Agence Ecofin, 6 Jun 2019

allocated towards the 2019 budget and indicates that regional capital markets have a high degree of confidence in Senegal.⁴² **UMOA-Securities** agency, in partnership with the **Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)** (central bank for **West African** states), carried out the treasury bond issue on 6 June.⁴³ Senegalese authorities had set an initial target to raise 50 billion FCFA (\$86.2m).⁴⁴ However, the markets offered 129 billion FCFA (\$222m) to UMOA-Securities, for a subscription rate of 258%.⁴⁵ However the **Direction Générale de la Comptabilité Publique et du Trésor du Sénégal** (general directorate of public accounting and treasury of Senegal) retained the amount of 55 billion FCFA (\$94m).⁴⁶ The treasury bonds had maturing periods of three, five and seven years.⁴⁷ Senegalese authorities favoured the retention of long-term bonds, as 96.51% of seven-year bonds and 41% of five-year bonds subscribed for were accepted.⁴⁸

Senegal made use of international financial markets in 2017 and 2018.⁴⁹ Two successive bond issues enabled Senegal to raise a cumulative amount of \$3.3 billion.⁵⁰ These funds were utilised to support the implementation of the first phase of Senegal's medium-term development programme, **Plan Senegal Emergent I (PSE I)**.⁵¹

The successful regional bond issue signals growing interest in using regional structures to raise funds.⁵² According to **Mac Davies Anouma**, head of investor relations and communication at UMOA-Securities, the institution wants to develop an integrated market for government securities to be issued by auction.⁵³ This will enable members of the **West African Economic and Monetary Union (WAEMU)** to borrow from financial markets at a more affordable rate.⁵⁴ Anouma said he hoped more WAEMU members would use the financial markets to finance their economic development projects.⁵⁵

The successful bond issue occurs as Senegal is set to implement phase two of PSE II. Senegalese authorities are likely to make use of this option in the near future. In addition to a stable political climate, Senegal has enjoyed a robust economic growth trajectory, which has not seen growth dip below 6% since 2015.⁵⁶ However, Senegal's rising public debt may become an area of concern. Currently public debt stands at 62.9% of GDP (\$10.9 billion).⁵⁷ Although this is below the threshold of 70% that WAEMU has set for its members, the level of debt has attracted considerable criticism from the opposition, in particular, 2019 presidential candidate Ousmane Sonko (*see ARC Briefing Senegal February 2019*).

⁴² Jeune Afrique, 6 Jun 2019

⁴³ Financial Afrik, 6 Jun 2019

⁴⁴ Agence Ecofin, 6 Jun 2019

⁴⁵ Agence Ecofin, 6 Jun 2019

⁴⁶ Agence Ecofin, 6 Jun 2019

⁴⁷ Financial Afrik, 6 Jun 2019

⁴⁸ Agence Ecofin, 6 Jun 2019

⁴⁹ Jeune Afrique, 6 Jun 2019

⁵⁰ Jeune Afrique, 6 Jun 2019

⁵¹ Jeune Afrique, 6 Jun 2019

⁵² Jeune Afrique, 6 Jun 2019

⁵³ Jeune Afrique, 6 Jun 2019

⁵⁴ Jeune Afrique, 6 Jun 2019

⁵⁵ Jeune Afrique, 6 Jun 2019

⁵⁶ Jeune Afrique, 29 Jan 2019

⁵⁷ Jeune Afrique, 29 Jan 2019

Major boost for first phase of \$342m Taiba Ndiaye wind farm project

Senegal received 46 turbines on 23 May that will enable work on the first phase of the \$342m (200 billion FCFA) **Taiba Ndiaye** wind farm project to be completed.⁵⁸ Upon completion, an additional 158.7 megawatts (MW) of energy will be injected into the Senegalese power production grid, helping to achieve President Macky Sall's goal of deriving 30% of energy from renewable sources in a bid to diversify the country's sources of energy and be a producer of clean energy. Taiba Ndiaye will avoid the production of 300,000 of carbon dioxide emissions.⁵⁹ The wind farm aims to provide 15% of Senegal's energy production upon completion in 2020.⁶⁰

The project is being carried out by UK-based **Lekela Power**, a joint venture created by UK-based capital investor **Actis** and Ireland-based **Mainstream Renewable Power**.⁶¹ Lekela Power also has operations in **Egypt, Ghana** and **South Africa**.⁶² Lekela Power took full control of the project in July 2018, after initially being a co-developer in the project with France-based **Sarreole** since 2016.⁶³ Work on the Taiba Ndiaye wind farm, which is located 90km north of the capital, **Dakar**, started in October.⁶⁴

The project is jointly funded by Lekela Power, which provided 50% of finance, while **United States (US)**-based **Overseas Private Investment Corporation** and **Denmark**-based export based credit firm **EKF** provided the remaining 50%.⁶⁵ According to Lekela Senegal CEO **Massaer Cisse**, the wind farm project will be commissioned in three phases.⁶⁶ By December 2019, 50 MW will be delivered to state power generator **Senelec**.⁶⁷ In April 2020, a second instalment of 50 MW will be added, while the remaining 58.7 MW will be provided by July 2020.⁶⁸

*"Injecting 150 MW into the grid is technically very difficult. We must ensure that Senelec can absorb such production. It is necessary that its facilities are refurbished, and this can only be done gradually."*⁶⁹

Senelec has signed a power purchase agreement with **Parc Eolien de Taiba Ndiaye (PETN)**, the project management company of the wind farm, to procure electricity for a period of 22 years.⁷⁰ Cisse said the park will provide electricity to more than two million people in Senegal.⁷¹

The Taiba Ndiaye wind farm is a manifestation of President Sall's aim to make Senegal a leader in renewable energy production in Africa.⁷² Renewable energy represents a small fraction of energy production for most African countries. Senegal will join **Morocco**, South

⁵⁸ La Tribune Afrique, 24 May 2019

⁵⁹ La Tribune Afrique, 24 May 2019

⁶⁰ La Tribune Afrique, 24 May 2019

⁶¹ Jeune Afrique, 27 May 2019

⁶² Jeune Afrique, 27 May 2019

⁶³ Jeune Afrique, 27 May 2019

⁶⁴ Jeune Afrique, 27 May 2019

⁶⁵ La Tribune Afrique, 24 May 2019

⁶⁶ Jeune Afrique, 27 May 2019

⁶⁷ Jeune Afrique, 27 May 2019

⁶⁸ Jeune Afrique, 27 May 2019

⁶⁹ Massaer Cisse quoted in Jeune Afrique, 27 May 2019

⁷⁰ Jeune Afrique, 27 May 2019

⁷¹ Agence Ecofin, 24 May 2019

⁷² La Tribune Afrique, 24 May 2019

Africa and **Tunisia** as African countries that have wind farms on an industrial scale.⁷³ To complement these efforts, Senegal has embarked on the construction of mini solar projects that will inject an additional 30 MW of electricity.⁷⁴ Senegal has made noteworthy progress in improving access to electricity with production capacity rising from 571 MW in 2011 to 1,141 MW in 2018.⁷⁵ This will increase as the second phase of Senegal's medium-term economic development programme, **Plan Senegal Emergent II (PSE II)**, has outlined energy infrastructure and renewable energy as priority areas of focus (see *ARC Briefing Senegal January 2019*).

Planner

24-25 June 2019 **Dakar (Senegal)** *Africanews*. Regional Forum on the African Continental Free Trade Area (AfCFTA) and its impact on the regions of West and Central Africa;
 2022 **Grand Tortue Ahmeyim (GTA)** offshore gas field: production of natural gas set to begin

Chronology

6 Jun 2019 **Dakar (Senegal)** *Agence Ecofin*. Senegal, with the support of the **UMOA-Securities** agency, mobilises 55 billion FCFA (\$94.8m) on the public securities market in its first regional issue in two years;

4 Jun 2019 **Dakar (Senegal)** *Jeune Afrique*. **United Kingdom (UK)**-based **BBC** report accuses President **Macky Sall's** younger brother, **Aliou Sall**, of facilitating an oil deal in which UK-based **British Petroleum** agreed to pay \$ 10 billion in royalties to **Romanian-Australian** businessman **Frank Timis** for an oil exploration licence;

31 May 2019 **Dakar (Senegal)** *La Tribune Afrique*. The **Direction de la prévision et des études économiques** (department of forecasting and economic studies) (DPEE) reports that secondary sector economic activity increased by 11.3% in March compared to 10% in February;

28 May 2019 **Dakar (Senegal)** *RFI*. National day of political dialogue held in the absence of former president **Abdoulaye Wade**;

27 May 2019 **Dakar (Senegal)** *La Tribune Afrique*. **Agence Nationale pour la Statistique et de la Démographie (ANSD)** (national agency for statistics and demography) states zinc export revenue in March 2019 rose by \$2.3m compared to March 2018;

24 May **Dakar (Senegal)** *Agence Ecofin*. **United Kingdom (UK)**-based **Lekela Power** delivers 43 turbines for the \$340m **Taiba Ndiaye** wind farm project;

⁷³ La Tribune Afrique, 24 May 2019

⁷⁴ La Tribune Afrique, 24 May 2019

⁷⁵ Jeune Afrique, 29 Jan 2019

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.

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