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Senegal Summary 13 February 2020

Turkey's President Recep Tayyip Erdoğan (2014-present) signs seven cooperation agreements during a one-day visit to Senegal, pledging to increase commercial trade between the two countries to \$1 billion. Senegal and Mauritania sign a sale and purchase agreement (SPA) for liquefied natural gas (LNG) to be produced from the Grande Tortue Ahmeyim (GTA) offshore gas field. Senegal improves its ranking by one position to 66 out of 180 countries in Germany-based NGO Transparency International's 2019 Corruption Perceptions Index (CPI), keeping its 2018 score of 45 out of 100 and maintaining its status as the least corrupt country in the Economic Community of West African States (ECOWAS).

Turkey eyes closer cooperation with Senegal ...

Turkey's President **Recep Tayyip Erdoğan** (2014-present) undertook a one-day visit to **Senegal** on 28 January, during which he pledged to increase commercial trade between the two countries to \$1 billion over the long term.¹ Turkey is the world's 13th largest economy² and its desire to increase economic cooperation is a good sign for Senegal. Erdoğan's visit was his fourth to Senegal since 2013, with the most recent taking place in February 2018.³

Senegal's presidency stated that the aim of Erdoğan's visit was to strengthen bilateral relations between the two countries.⁴ The agenda included a meeting between Erdoğan and President **Macky Sall** (2012-present), followed by a Turkey-Senegal economic forum to bring together Turkish and Senegalese private sector actors.⁵ At the time of Erdoğan's last visit in 2018, commercial trade between Senegal and Turkey stood at \$250m, but had increased to \$400m in 2019:⁶

*"Today we have set ourselves an ambitious goal of reaching a volume of \$1 billion. I firmly believe that we will achieve the goal... We had set ourselves a trade goal of \$400m. I am pleased we were able to achieve this goal in 2019. However, the data shows we must devote more efforts towards developing trade links between our two countries."*⁷

Erdoğan did not specify by which date he wanted the trade volume goal to be attained, but in a bid to achieve this objective, Turkey has committed to invest 180 billion FCFA (\$297.5m) in projects contained in the second phase of Senegal's medium-term economic development plan, the **Plan Sénégal Emergent II (PSE II)**, with funding from **EximBank Turkey**.⁸ Turkey has already contributed significantly towards the implementation of the PSE, with Turkish companies carrying out 29 projects worth 460 billion FCFA (\$760.3m) under the PSE in 2018.⁹ Turkey-based construction firm **Summa** will also undertake the construction of the 50,000-seat **Stade Olympique de Diamondio** (Diamondio Olympic stadium), in the satellite town of Diamondio, 30 km outside of the capital, **Dakar**.¹⁰ The stadium will be used for the **2022 Youth Olympics** that Senegal is to host and

¹ Agence Ecofin, 29 Jan 2020

² Financial Afrik, 29 Jan 2020

³ RFI, 28 Jan 2020

⁴ Agence Ecofin, 29 Jan 2020

⁵ Agence Ecofin, 29 Jan 2020

⁶ Agence Ecofin, 29 Jan 2020

⁷ Agence Ecofin, 29 Jan 2020

⁸ Jeune Afrique, 29 Jan 2020

⁹ Le Monde, 30 Jan 2020

¹⁰ Jeune Afrique, 29 Jan 2020

will cost \$258.1m to build in 17 months.¹¹ In addition, seven cooperation agreements were signed in the domains of culture, defence, disaster management, energy and sports,¹² as well as a memorandum of understanding (MOU) to build the **Centre Culturel Yunus Emre**.¹³

President Sall was enthusiastic about the interest Turkey has shown in Senegal's economy, as he considers Turkey an important market for the export of products such as fish, ore (zircon and titanium) and peanuts.¹⁴ Sall also acknowledged Turkey's significant role in the realisation of projects outlined in the PSE including:

- The **Aéroport Internationale Blaise Diagne (AIBD)**;
- The **Abdou Diouf International Conference Centre**;
- The **Dakar Arena**;
- The **Train Express Regional Dakar-AIBD** (high speed train service).¹⁵

Paris (France)-based **Centre d'Etudes Diplomatiques et Stratégiques** professor **Oumar Ba** says the strong ties between Senegal and Turkey are bolstered by the fact that both are predominantly **Sunni Islam** practising countries, and are both members of the **Organisation of the Islamic Conference**, which facilitates a privileged framework for economic and commercial cooperation.¹⁶ Turkish engagement with Senegal is premised on Turkey's "*Opening Up to Africa*" foreign policy agenda, which was established in 1998.¹⁷ Trade with Senegal has risen from \$113m in 2013.¹⁸ With Erdoğan's recent commitments to Senegal and the upcoming **Africa-Turkey Summit** scheduled for April, cooperation between these countries is likely to increase.¹⁹

... as Senegal and Mauritania sign agreement for LNG

Senegal and **Mauritania** have signed a sale and purchase agreement (SPA) for liquefied natural gas (LNG), which will be produced from the **Grande Tortue Ahmeyim (GTA)** offshore gas field.²⁰ The agreement brings the two countries a step closer towards reaching their goal of producing exploitable quantities of LNG by the established target date of 2022. Senegal's petroleum and energy minister, **Makhtar Cissé**, and his Mauritanian counterpart, **Mohamed Abdel Vetah**, signed the SPA in Dakar on 11 February, in the presence of representatives of GTA's two main shareholders, **United Kingdom (UK)**-based **British Petroleum (BP)** and **United States**-based **Kosmos Energy**.²¹ BP subsidiary **BP Gas and Marketing (BPGM)** was selected to be the buyer of the LNG.²²

Cissé said the GTA offshore gas field will be developed in three phases. The first phase will see the production of 2.45m metric tonnes of LNG per year for an initial period of 20 years, which will be used for exportation.²³ An additional 70m cubic feet of LNG will be produced in order to provide 500 megawatts (MW) of electricity for Mauritania and Senegal.²⁴ The GTA holds estimated reserves of 480 billion cubic metres of gas.²⁵ Cissé estimates the development of the first phase will require an investment of \$5 billion while BP, the project's main shareholder, has said it will require \$10 billion to develop the entire gas field.²⁶

¹¹ Jeune Afrique, 29 Jan 2020

¹² Agence Ecofin, 29 Jan 2020

¹³ Jeune Afrique, 29 Jan 2020

¹⁴ Le Monde, 30 Jan 2020

¹⁵ Le Monde, 30 Jan 2020

¹⁶ Le Monde, 30 Jan 2020

¹⁷ Le Monde, 30 Jan 2020

¹⁸ Le Monde, 30 Jan 2020

¹⁹ Jeune Afrique, 29 Jan 2020

²⁰ Jeune Afrique, 12 Feb 2020

²¹ Jeune Afrique, 12 Feb 2020

²² Jeune Afrique, 12 Feb 2020

²³ Offshore Mag, 12 Feb 2020

²⁴ Jeune Afrique, 12 Feb 2020

²⁵ Offshore Mag, 12 Feb 2020

²⁶ Offshore Mag, 12 Feb 2020

Vetah said the choice of BPGM as the buyer of the LNG produced from the GTA is a logical choice that stems from a transparent process led by Senegal and Mauritania’s state petroleum operators, respectively **Petrosen** and **Société Mauritanienne des Hydrocarbures et Patrimoine Minière**, and the consortium of private operators in GTA.²⁷ Vetah added that the signing of the SPA confirms the desire of both countries to pool efforts with a view to better their position on the international market:

“The culmination of this marketing step will allow us to speed up discussions for the next phases of the GTA offshore gas field development.”²⁸

BP regional president for Mauritania and Senegal **Normen Christie** described the SPA as a positive step for the GTA project, while Kosmos Energy senior vice president and head of the Mauritania-Senegal business unit **Todd Niebruegge** noted:

“With the signing of this agreement, we have materially increased the proven reserve base of the company and the project remains on track to deliver gas in the first half of 2022.”²⁹

Senegal improves by one place in Corruption Perceptions Index

With Senegal set to receive significant interest resulting from the imminent start of oil and gas production, its ranking in **Germany-based NGO Transparency International’s Corruption Perceptions Index (CPI)** is a useful barometer for potential and actual investors. Senegal improved its ranking by one position to 66 out of 180 countries in the 2019 CPI, maintaining its 2018 score of 45 out of 100.³⁰ The index, designed to give a sense of public sector corruption, rates countries on a scale of zero (highly corrupt) to 100 (very clean). Senegal thus maintains its status as the least corrupt country in the **Economic Community of West African States (ECOWAS)**.³¹

TI CPI Rankings for Senegal ³²					
	2019	2018	2017	2016	2015
Ranking	66/180	67/180	66/180	64/176	61/168
Score (out of 100)	45	45	45	45	44

Throughout the last decade, Senegal made progress in the fight against corruption, largely due to the anti-corruption narrative that President Macky Sall adopted upon assuming the presidency in 2012.³³ Senegal’s positive results are largely due to the creation of anti-corruption institutions or the revival of previous anti-corruption structures. The **Office National de la Lutte Contre la Fraude et la Corruption (OFNAC)** (anti-corruption and fraud office) was established in 2012 as the central body in the fight against corruption.³⁴ The **Cour de Repression de l’Enrichissement Illicite (CREI)** (court of illicit enrichment), which was largely dormant since its creation in 1981, was brought back to action during Sall’s presidency.³⁵ The CREI sentenced former minister **Karim Wade** in 2015 to six years’ imprisonment and fined him \$241m for various acts of corruption, although he was controversially granted a presidential pardon in 2016.³⁶ The **Autorité de Régulation des Marchés**

²⁷ Jeune Afrique, 12 Feb 2020

²⁸ Mohamed Abdel Vetah quoted in Jeune Afrique, 12 Feb 2020

²⁹ Offshore Mag, 12 Feb 2020

³⁰ Corruption Perceptions Index, 23 Jan 2020

³¹ Corruption Perceptions Index, 23 Jan 2020

³² www.transparency.org

³³ Transparency International Senegal, 23 Oct 2018

³⁴ Transparency International Senegal, 23 Oct 2018

³⁵ Transparency International Senegal, 23 Oct 2018

³⁶ Transparency International Senegal, 23 Oct 2018

Publics (public procurement agency) and **Code des Marchés Publics** (public procurement code) have been in place since 2008, in order to curb malpractice in public procurement.³⁷

There have, however, been some notable shortcomings in the fight against corruption. In June, a UK-based **British Broadcasting Corporation (BBC)** documentary accused **Aliou Sall**, President Sall's younger brother, of receiving a \$250,000 bribe from **Australian-Romanian** mining tycoon **Frank Timis** in what became known as the **Sallgate** oil scandal (see *ARC Briefing Senegal June 2019*).³⁸ The alleged bribe was reportedly a commission for Sall facilitating the award of offshore oil and gas blocks to UK-based **Timis Corporation** in 2012.³⁹ The BBC report suggested that UK-based BP had agreed to pay Timis \$10 billion in royalties over 40 years, after Timis Corporation sold its oil and gas concession to BP in 2016.⁴⁰ After significant pressure Aliou Sall eventually resigned from his positions as the mayor of a Dakar commune and director-general of a state enterprise (see *ARC Briefing Senegal July 2019*).

The judiciary has also been accused of exposure to political influence and of being used to fight political battles.⁴¹ Former Dakar mayor **Khalifa Sall** was arrested on corruption charges in 2018 but President Sall released him in September (see *ARC Briefing Senegal October 2019*). Supporters of both Khalifa Sall and Karim Wade say their convictions were politically motivated with the intention to prevent both men from running in the 2019 presidential elections.

Despite its shortcomings, Senegal still largely outperforms its counterparts in the ECOWAS region, surpassing Ghana (41), **Cote d'Ivoire** (35), **Guinea** (29) and **Nigeria** (26).⁴² Sall is regarded as a reformist and enjoys strong political and financial support from the international community. Senegal has a long-standing reputation as a country that respects the rule of law, democratic governance and openness to civil society and free press.⁴³ This, together with its stable political climate, gives Senegal an advantage in attracting potential investors.

TI 2019 CPI Rankings: Regional comparison					
	Senegal	Ghana	Cote d'Ivoire	Guinea	Nigeria
Ranking	66/180	80/180	106/180	130/180	146/180
Score	45	41	35	29	26

³⁷ Transparency International Senegal, 23 Oct 2018

³⁸ Jeune Afrique, 3 June 2019

³⁹ Jeune Afrique, 3 June 2019

⁴⁰ Jeune Afrique, 3 June 2019

⁴¹ Transparency International Senegal, 23 Oct 2018

⁴² Transparency International 2019 Corruption Perceptions Index, 23 Jan 2020.

⁴³ Transparency International Senegal, 23 Oct 2018

Planner

19-20 Feb 2020 **London (United Kingdom)** Oil licensing cycle promotion;

24-25 Feb **Houston (United States)** Oil licensing cycle promotion;

27-28 May **Dakar (Senegal)** Oil and Power Senegal

22 Oct-9 Nov 2022 **Dakar (Senegal)** **International Olympic Committee** Youth Olympic games;

2020 **Dakar (Senegal)** Municipal elections;

2022 **Grand Tortue Ahmeyim (GTA)** offshore gas field: production of natural gas set to begin.

Chronology

13 Feb 2020 **Dakar (Senegal)** *Agence Ecofin*. Land infrastructure minister **Oumar Youm** says the **Foundiougne** toll bridge will be completed by 2021;

11 Feb 2020 **Dakar (Senegal)** *Agence Presse Senegalaise*. **Canada's** prime minister, **Justin Trudeau**, commences a 72-hour visit to Senegal;

11 Feb 2020 **Dakar (Senegal)** *Sika Finance*. Senegal registered a commercial deficit of \$3.7 billion in 2019 due in large part to oil and rice imports;

10 Feb 2020 **Dakar (Senegal)** *Agence Ecofin*. The Senegalese government and **United Arab Emirates**-based **Dubai Ports World (DPW)** agree to accelerate the deep-water port project at **Ndayane**, which will require a \$1.5 billion investment;

8 Feb 2020 **Dakar (Senegal)** *RFI*. Former energy minister **Thierno Alassane Sall** says the **World Bank** requested the government to increase electricity prices by 10% in 2019, in order to obtain a \$180m loan;

6 Feb 2020 **Dakar (Senegal)** *Agence Ecofin*. **France**-based **Eiffage Génie Civil Marine** has appointed **Norway**-based **UPTIME International** to provide an access solution to the marine terminal of the **Grande Tortue Ahmeyim (GTA)** gas project, off the coast of **Mauritania** and Senegal;

4 Feb 2020 **Dakar (Senegal)** *Agence Ecofin*. The **World Airports Council (ACI-Airport Council International)** has accredited **Aéroport International Blaise Diagne** level 1 of the "Airport Customer Experience Accreditation" programme, the first in **Africa**;

31 Jan 2020 **Dakar (Senegal)** *Sika Finance*. The governments of **Italy** and Senegal have signed four loan agreements in terms of which Italy will provide 10.2 billion FCFA (\$17.1m) to support agriculture, education and gender equality;

30 Jan 2020 **Dakar (Senegal)** *Sika Finance*. The **United States** government announces it will allocate Senegal 350 billion FCFA (\$589.7 billion) for the second phase of the **Millennium Challenge Corporation (MCC)**, which will go towards poverty reduction efforts and improving access to electricity;

29 Jan 2020 **Dakar (Senegal)** *Jeune Afrique*. Senegal's government announces that **Turkey**-based construction firm **Summa** will construct the \$258.1m **Diomandio Olympic Stadium**;

29 Jan 2020 **Dakar (Senegal)** *Agence Ecofin*. President **Macky Sall** and **Turkey's** President **Recep Tayyip Erdogan** announce that they intend to increase bilateral trade between the two countries, which currently stands at \$400m, to \$1 billion;

28 Jan 2020 **Dakar (Senegal)** *RFI*. **Turkey's** President **Recip Tayyip Erdogan** undertakes his fourth state visit to Senegal;

27 Jan 2020 **Dakar (Senegal)** *Jeune Afrique*. Public transport company **Dakar Dem Dikk** announces it will extend bus services to neighbouring **African** countries from April, starting with **Gambia, Guinea Bissau** and **Guinea**;



23 Jan 2020 **Dakar (Senegal)** *Agence Ecofin*. **Australia**-based petroleum company **FAR Ltd** announces that **Switzerland**-based **Glencore** will commercialise the projected 15,000 barrels of oil it will produce from the **Sangomar** oil field;

22 Jan 2020 **Dakar (Senegal)** *Agence Ecofin*. The Senegalese government awards **United Kingdom**-based **Oriole Resources** an exploitation permit for 10 years at the **Senala** gold mine;

21 Jan 2020 **Dakar (Senegal)** *Agence Ecofin*. **Australia**-based petroleum company **FAR Ltd** has obtained \$300m from **Australia**-based **Macquarie Bank**, **France**-based **BNP Paribas** and **Switzerland**-based **Glencore** to finance its operations in the **Sangomar** oil field;

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