

AFRICA RISK CONSULTING**Senegal Monthly Briefing February 2015**

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The Cour de Repression de l'Enrichissement illicite (CREI) schedules a verdict on 23 March for the seven-month corruption trial of former minister Karim Wade. The state prosecutors maintain their claims that Wade is the beneficial owner of assets on the CREI's controversial alleged asset list. However, Wade's defence team maintains its boycott of the trial and claims that President Macky Sall (2012-present) is pursuing the case for his political ends. To deflect these accusations Sall conducts an economic tour of the southern Casamance region. The International Monetary Fund (IMF) backs Sall's Plan Senegal Emergent (PSE) economic programme, but urges the government to implement business sector reforms. The Wades' supporters will hold protests around the Karim Wade verdict, however protests are likely to remain isolated.

Wade's corruption trial nears an end

The end of the seven-month corruption trial of **Karim Wade**, number two in the administration of his father, former president **Abdoulaye Wade** (2000 – 2012), will increase political tensions in **Dakar**. On 11 February the **Cour de Repression de l'Enrichissement Illicite (CREI)** finished hearing witness testimony. After the prosecution and defence pleas on 19 February judge **Henri Gregory Diop** adjourned the hearing and scheduled the verdict for 23 March.

The prosecution asserted its claim that Wade is the beneficial owner of the CREI's controversial alleged 'asset list' totaling CFA 117 billion (\$200m). The state lawyers requested a seven-year prison term for Wade, as well as a CFA 250 billion (\$430m) fine and confiscation of the assets that the CREI had attributed to him. The state lawyers also requested between four and 10 years prison for Wade's alleged "business accomplices" and similar fines and confiscation of assets. The CREI deputy prosecutor **Antoine Felix Diome** who led the prosecution's arguments focused on Wade's "spider web" business network and other emotive phrases.¹

Wade and his lawyers maintained their boycott of the trial during the plea hearings. Wade has opted for this "victimisation strategy" since 14 January.² He and his lawyers claim that President **Macky Sall** (2012-present) has pursued the trial to eliminate him from the political scene and that the trial has not followed due process. On 12 February Wade's lawyer **Amadou Sall** said that their request for "minimum requirements" to ensure a fair trial had not been met.³ However, during the plea hearings several of Wade's alleged "business accomplices" – representing themselves – highlighted the key points of the defence: that the prosecution found no documented evidence linking Wade to the targeted companies on the 'asset list' and the prosecution had built its case on compromised testimony of former employees of these companies.⁴ They pointed out that letters rogatory sent to authorities in several international jurisdictions had failed to link the company assets to Wade.⁵ Several sources among the political and business elite – as well as several human rights monitors –

1 Jeune Afrique, 18 Feb 2015.

2 RFI, 17 Feb 2015.

3 Sud Online, 12 Feb 2015.

4 Jeune Afrique; Sud Quotidien, 20 Feb 2015.

5 Jeune Afrique; Sud Quotidien, 20 Feb 2015.

agree with the claims of the defence legal team and have questioned the legal process around the trial.⁶

“Everyone seems already convinced that Mr. Wade Junior will be condemned. Wade’s lawyers hold regular press conferences to try to convince the public that the trial is political and that the fate of their client is known in advance. They are convinced that their client will be handed a long sentence, which should prevent him from running in the next presidential elections in 2017.”⁷

The verdict will receive heightened media – and donor – attention at a time when the Senegalese government wants to position its judicial system as an avenue for war crimes and other human rights cases across the continent. Notably, on 14 February judges at the **Extraordinary African Chamber** in Dakar said they had found sufficient evidence against former **Chadian** president **Hissene Habré** (1982-1990) to try him for alleged war crimes, torture and crimes against humanity.⁸ The Senegalese government and the **African Union** established the Extraordinary African Chamber in 2013. The trial will be the first to make use of “*universal jurisdiction*” in Africa and is expected to start in May or June.⁹

Sall focuses on economic development in the south

Sall has conducted a week-long ‘economic tour’ of the southern **Casamance** regions with a view to improving its agriculture and tourism based economy. Sall said the government had designated Casamance as a “*national priority area of tourist interest*” and the **Assemblée Nationale** would pass legislation to promote the economy through special projects and tax exemptions.¹⁰ On 19 February Sall started the trip by inaugurating two new boats for the Dakar to **Ziguinchor** (capital of Casamance) route.¹¹ Sall also announced that the government would subsidise the price of the boat ticket by 50% to encourage travel and trade. The following day Sall inaugurated the **Hôpital de la Paix**, which included a new CFA 400m (\$700,000) scanner and 120 beds.¹²

Sall hopes economic and social improvements will result in a resolution of the 30-year low intensity separatist conflict in the Casamance. Factions of the separatist rebel grouping **Mouvement des forces démocratiques de Casamance (MFDC)** signed a ceasefire in 2005 and have entered continuing mediation. However, the MFDC remains fractured and some factions refuse to join the process, while others continue their involvement in criminal activities.¹³

Sall’s third visit to the region since coming to power in April 2012 also has political undertones.

“Sall’s trip shows that he is already preparing for the next presidential campaign...he is taking the lead over potential competitors who are still struggling in Dakar on details. While the Wade trial reaches its end, Sall wants to show that he has something more important to do.”¹⁴

The IMF supports Sall’s PSE economic roadmap

The **International Monetary Fund (IMF)** has increased its support for Sall’s **Plan Senegal Emergent (PSE)** economic programme, but urged the government to push through business sector reforms. On 14-17 December the IMF and Senegalese authorities organised a three-day peer-to-peer conference titled “*Transforming Senegal into an Emerging Economy*”.¹⁵ Following, on 29 January

⁶ See also previous briefings

⁷ Source, investigative journalist, Senegal

⁸ BBC, 14 Feb 2015.

⁹ BBC, 14 Feb 2015.

¹⁰ RFI, 20 Feb 2015.

¹¹ RFI, 20 Feb 2015.

¹² RFI, 21 Feb 2015.

¹³ Source, several local sources

¹⁴ Source, investigative journalist, Senegal

¹⁵ Venture Africa, 6 Feb 2015.

Christine Lagarde became the first IMF head to visit Senegal in 15 years. She addressed the **Assemblée Nationale** on 30 January, saying that “*Senegal is indeed at a turning point.*” She said the PSE was an “*ambitious yet feasible path towards emerging economy status*”. Lagarde said the international donor community has pledged more than \$7 billion to finance the PSE.

However, Lagarde said delays in implementing business sector reforms had resulted in only 3-4% economic growth and that “*action is urgent*” because 45% of the population is under 14 years of age. She called for a “*big push*” reform agenda in order for the government to:

- strengthen public financial management and bridge infrastructure gaps;
- strengthen the business climate to accelerate structural transformation; and
- make growth more inclusive.

Lagarde noted that the low level of foreign direct investment as a percentage of gross domestic product (GDP) – 2% in Senegal, compared to 7% of GDP recorded in other African countries – reflected the need for improvements of the regulatory framework.

Following Lagarde’s visit, Senegal continues the trend of increasing business activity and donor support in recent months. In early February the media announced that **Indian** group **Jindal Steel and Power** would soon sign an agreement with the government to build a \$900m 300 MW thermal power plant at **Kayar**, northeast of Dakar.¹⁶ Also in early February, telecommunications minister **Yaya Abdoul Kane** said that construction of digital city **Diarniadio Valley** on the outskirts of Dakar is expected to start before July.¹⁷ He claims that the government has sent a request for \$100m funding to the **African Development Bank**. The 25 x 150 hectares digital city aims to position Senegal as an information and communications technology hub.

Some risk of violent political protests

Supporters of the Wades’ opposition **Parti Démocratique Sénégalais (PDS)** will hold several protests around the trial verdict on 23 March. Sall has sought to quell protests around the trial by placing a ban against PDS rallies in late January. However, the PDS has repeatedly defied the ban, with police forces breaking up several protests, including one on 31 January.¹⁸ Sall removed the ban on 4 February after a grouping of five local human rights organisations issued a joint statement to denounce the protest ban.¹⁹ The same day ex-president Abdoulaye Wade led a protest at the **Obelisk** area in Dakar on 4 February involving several thousand activists demanding the release of Karim Wade.²⁰ Several government sources have told the press that the Wades sought a strategy to increase street unrest.²¹ Sall reportedly agreed to start “*political dialogue*” with Wade, although meetings have yet to be held.²²

However, the Wades’ ability to maintain large and sustained street protests is limited, while an extensive security forces presence is likely to quell protests.

“PDS activists and Wade supporters expect major events if Karim Wade were to be convicted, but many observers do not think this will have a big impact. The government seems to have prepared for this eventuality, and has declared that it has taken all provisions to avoid violence. Also, it seems unlikely that the PDS will be able to mobilise its supporters for several days. The PDS that relies on Abdoulaye Wade to mobilise and defend Karim Wade, is not a very popular topic here.”²³

¹⁶ Jeune Afrique, 3 Feb 2015.

¹⁷ Biztech Africa, 5 Feb 2015.

¹⁸ RFI, 3 Feb 2015.

¹⁹ RFI, 3 Feb 2015.

²⁰ RFI, 5 Feb 2015.

²¹ RFI, 13 Feb 2015

²² RFI, 5 Feb 2015.

²³ Source, investigative journalist, Senegal

Implications

Several well-placed sources expect Karim Wade to receive a guilty verdict and a prison sentence that will exclude him from the political scene until after the 2017 presidential election. The same sources claim that Sall has personally driven the two-year investigation and seven-month trial. Wade's conviction will consolidate Sall's support base in the lead up to the 2017 election. However, the trial raises questions over the independence of Senegal's judiciary and therefore risks a donor backlash. Moreover, the weakening of the judiciary will increase business risk, as leading investors in the country factor in the risks involved in seeking legal recourse. Wade's business accomplices will also accuse the government of asset expropriation, if, as expected, the CREI orders the confiscation of assets on Wade's alleged 'asset list'.

The timing of Sall's economic tour in the Casamance serves well to deflect attention of his personal involvement in the Wade trial. At the same time it aims to highlight the lack of economic development in the region under Wade's administration and Wade's failure to bring the separatist conflict to an end. The IMF's increasing attention to Senegal also follows a trend of increasing donor support and business activity.

The Karim Wade verdict scheduled for 23 March is a potential security flashpoint. Street protests will centre around the **Palais de Justice** where the trial is being held and the Obelisk square. However, due to the popular grievances against Wade's rule, the protests are unlikely to gain support outside of the PDS core supporters.