

## AFRICA RISK CONSULTING

### Senegal Monthly Briefing May 2015

#### Senegal Summary 22 May 2015

*President Macky Sall (2012 – present) deploys soldiers to Saudi Arabia for a Saudi military campaign in Yemen, despite public criticism. Economic and security motivations are behind the deployment, with the government eager to attract Saudi financing for its Plan Senegal Emergent (PSE) economic programme. An International Monetary Fund (IMF) mission lends support to the PSE, as the government presents a ‘shopping list’ of projects that require investment. The government delays a tender for 4G mobile telecommunications licences after halting a test phase.*

#### Sall sends troops to Saudi Arabia

The Senegalese government has confirmed it will deploy its soldiers to **Saudi Arabia** for a Saudi military campaign in **Yemen**. On 4 May foreign minister **Mankeur Ndiaye** said that the government would send 2,100 soldiers (known locally as *jambars*) to Saudi Arabia to join a coalition to combat the **Houthi**, a **Shia** rebel group allied to **Iran**, in neighbouring Yemen.<sup>1</sup> Saudi officials made the request to President **Macky Sall** (2012- present) during his visit to Saudi Arabia in April. Ndiaye framed the deployment on religious grounds: "*The international coalition is aiming to protect and secure the holy sites of Islam, Medina and Mecca.*"<sup>2</sup>

The Senegalese government also deployed soldiers to Saudi Arabia as part of the **United States (US)**-led alliance during the **First Gulf War** against **Iraq** in 1991. During that mission a Saudi transport aircraft crashed, killing 92 Senegalese soldiers in 1991. Currently, the Senegalese soldiers are deployed to four peacekeeping missions in Africa. Since 2013 Senegal has played a role in counter-terrorism operations in **West Africa**, through a peacekeeping deployment to **Mali**.

*“People have asked where is Yemen, why should we die for this cause and are concerned about repercussions. But Senegal has always used peacekeeping deployments to keep the military satisfied. Senegal has never had a coup and the generals are well fed. The soldiers are happy because they can earn some extra pay (on these deployment).”<sup>3</sup>*

Senegal is the only non-**Arab** state member of the 10-country coalition. The other countries include **Bahrain, Kuwait, Qatar, United Arab Emirates (UAE), Morocco, Egypt, Jordan and Sudan**. The **US, United Kingdom (UK) and France** are providing logistical support. The Saudi army started airstrikes against the Houthi rebels in March.<sup>4</sup>

Several analysts, politicians, human rights activists and social media users criticised the move and questioned the official reasoning behind the deployment to "*secure the holy sites of Islam*". Several members of parliament (MPs) – including some in Sall’s coalition – criticised the move, particularly due to approval of the deployment without debate in the **Assemblée Nationale**.<sup>5</sup> Human rights activists also raised legal issues around the intervention. **Seydi Gassama**, president of **Amnesty International** in Senegal, said:

*“There is no legal ground, according to international law, to intervene... We are intervening without any [United Nations] UN mandate. The bombardment of Yemen is totally illegal under international law. We cannot get involved.”<sup>6</sup>*

<sup>1</sup> Reuters, 4 May 2015.

<sup>2</sup> Reuters, 4 May 2015.

<sup>3</sup> Source, former journalist and security researcher, Dakar

<sup>4</sup> Washington Post, 5 May 2015.

<sup>5</sup> RFI, 5 May 2015.

<sup>6</sup> Quoted in RFI, 12 May 2015.

Civil society activists and the press also raised the prospect of reprisals. *"Terrorism is already upon us, in Mali or Nigeria, why send troops to Saudi Arabia?"*<sup>7</sup> Social media users shared the view that, *"Why would Senegalese troops go to Yemen to fight a war that is not theirs?"*<sup>8</sup> A coalition of civil society groups also held a demonstration in **Dakar** on 13 May against the deployment.<sup>9</sup>

Several local and international sources suggested economic motivations were behind the Senegalese deployment.

*"The most obvious potential benefit of a Senegalese military engagement alongside Saudi Arabia would be in the form of closer political and economic ties between the two, and almost certainly direct cash payments from Saudi Arabia to Senegal."*<sup>10</sup>

In particular, several commentators linked the move to Sall's recent announcement that Saudi Arabia would provide funding for the delayed and underfunded **Plan Senegal Emergent (PSE)** economic programme.<sup>11</sup>

*"The government has said that Saudi Arabia is a reliable economic partner and that the country can count on its leaders to help Senegal finance the Plan Senegal Emergent. The government expects over \$370m [from Saudi Arabia] for various projects. Macky Sall and his government believe that if we send soldiers, the Saudi's will be eager to give us money for those projects."*<sup>12</sup>

**Bakary Sambe**, an academic at the **Gaston Berger University of Saint-Louis** (Senegal) said that Senegalese officials should have instead focused on diplomacy and played a mediation role.

*"Senegal is one of very few countries in the world that can talk to all countries in the Muslim world, including Iran and Saudi Arabia."*<sup>13</sup>

### The IMF lends support to the Plan Senegal Emergent (PSE)

An **International Monetary Fund (IMF)** team visited Senegal from 24 April to 7 May.<sup>14</sup> The IMF team provisionally agreed a new three-year IMF programme under its **Policy Support Instrument (PSI)**, but it is subject to an executive board final decision in June 2015. The PSI is an instrument for countries that do not need balance of payments financial support, but instead assists governments to develop economic programmes which secure the IMF's endorsement and pave the way for multilateral funding.

The IMF mission head, **Ali Mansoor**, said the government was focused on accelerating reform aimed at improving productivity and the business climate.<sup>15</sup> Mansoor emphasised *"preserving macroeconomic stability and debt sustainability...broadening the tax base...and rationalising current expenditures."*<sup>16</sup> The IMF will also focus on *"the quality of expenditure, including investment expenditure"* and *"strengthening public financing, transparency, and economic governance"*.<sup>17</sup>

The PSI aims to increase economic growth to at least 5% in 2015, up from 4.7% in 2014. It plans to maintain inflation below 2%.<sup>18</sup> Reduced government spending and increasing tax revenue should enable the government to reduce the budget deficit to 4.7%. In the medium term, the PSI aims to increase economic growth above 6% by 2017 and reduce the budget deficit to 3% by 2018. It also targets a reduction in the current account deficit from 9% of gross domestic product (GDP) in 2014 to 6.5% of GDP in 2017 due to an increase in exports. Mansoor warned that:

*"Meeting these targets will require rigorous and robust efforts to implement the PSE initiatives and the government's structural reforms."*<sup>19</sup>

<sup>7</sup> Aboubacry Mbodji of Raddho quoted in RFI, 10 May 2015.

<sup>8</sup> BBC, 5 May 2015.

<sup>9</sup> RFI, 12 May 2015.

<sup>10</sup> Andrew Lebovich quoted in Washington Post, 5 May 2015.

<sup>11</sup> BBC, 5 May 2015.

<sup>12</sup> Source, investigative journalist, Dakar

<sup>13</sup> Quoted in RFI, 12 May 2015.

<sup>14</sup> IMF, 7 May 2015

<sup>15</sup> IMF, 7 May 2015

<sup>16</sup> IMF, 7 May 2015

<sup>17</sup> IMF, 7 May 2015

<sup>18</sup> IMF, 7 May 2015

<sup>19</sup> IMF, 7 May 2015

The PSI aims to support the PSE, which has more ambitious growth targets. According to finance minister **Amadou Ba** and minister responsible for the PSE **Abdul Azziz Tall**, the PSE aims for economic growth of 7.1% annually through 2018 for the first five-year phase.<sup>20</sup> During an **AllAfrica** conference in **Washington** (US) on 17 April, Tall and Ba presented a ‘shopping list’ of PSE projects that require funding to US investors. The projects include:

- A dry port at **Kaolack**;
- A tramway in Dakar to connect the city to the new airport;
- Development of the **Falémé** iron ore project and infrastructure;
- A second university in Dakar;
- ‘City of knowledge’ technology park outside Dakar;
- High vocational training institute facilities across the country;
- University residences for students at several campuses across the country;
- A cancer prevention centre in Dakar;
- An upgrade of the **Aristide Le Dantec Hospital**;
- 100-150 agriculture projects in the agricultural regions;
- 3-4 grain corridors throughout the country;
- A sea water desalination plant outside Dakar;
- Development of three tourist sites along the **Petit Côte** tourist region;
- An integrated special economic zone at **Diass** outside Dakar;
- A business park outside Dakar; and
- Social housing projects in and around Dakar.<sup>21</sup>

The government also expects to renew US donor support under the US **Millennium Challenge Account (MCA)** aid programme. Its current \$540m MCA compact signed in 2010 comes to a close in September.<sup>22</sup> Auditor **Grant Thornton**, which is reviewing the programme, said that Senegal is well placed to renew the MCA as it meets several eligibility criteria, notably, anti-corruption efforts and respect for democratic rights.<sup>23</sup>

### The government halts 4G telecommunications services and delays tender

In late March the telecommunications ministry halted the testing phase for 4G mobile telecommunications. Service providers **Sonatel (Orange)** and **Tigo Senegal** trialed the technology as part of a two-year test phase.<sup>24</sup> Sonatel invested \$240m to deploy over 40 4G sites in Dakar, **Saly** and **Touba**. The service providers were expected to submit an evaluation of the quality of the technology after which the government would launch a study for a licence tender. However, the government has halted the test phase and seeks “international expertise” before moving forward with issuing licences.<sup>25</sup> The ministry statement said that it took the decision to “protect the interests of Senegal” and “to give it the chance to get the best results in this exercise to allocate 4G operating permits”.

*“The 4G licence was stopped because the government through the **ARTP (Autorité de Régulation des Télécommunications et des Postes)** was unsure of the price for the licence awards in the tender. They saw the funds that the Moroccan government has raised in selling 4G licences and now the government expects a large amount, but doesn't know how much. They have to choose an international consulting firm to help them in evaluating this, before they open the bids. I don't believe this process will be clear before the end of the year.”<sup>26</sup>*

<sup>20</sup> All Africa, 30 Apr 2015.

<sup>21</sup> PSE document, gcsenegal.gouv.sn

<sup>22</sup> Les Afriques, 20 Apr 2015.

<sup>23</sup> Les Afriques, 20 Apr 2015.

<sup>24</sup> Tele Geography, 2 Apr 2015.

<sup>25</sup> Les Afriques, 30 Apr 2015.

<sup>26</sup> Source, former journalist and security researcher, Dakar

## Implications

The motivations behind Sall's moves to deploy troops are twofold: keeping the military occupied, and more importantly, attracting Saudi funding for the PSE and other economic projects. However, the move carries potential high risk for Sall. The Yemen intervention is not a peacekeeping operation and Sall will face a public backlash in the event of Senegalese troop casualties.

The IMF has encouraged the Senegal authorities and their PSE programme. However, the PSE has failed to attract significant investment thus far. The delayed programme is indicative of the Sall administration's difficulties in raising foreign investment since taking power in 2012.

The halt to the 4G licence tender represents another delayed opportunity for the government to raise much-needed revenue.