

AFRICA RISK CONSULTING

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The Senegalese public elects left-wing Pan-Africanist Bassirou Diomaye Faye as president on 24 March. Faye is sworn in on 2 April and shortly after appoints Ousmane Sonko as his prime minister. Sonko appoints a new cabinet, comprising 25 ministers and five secretaries of state. Faye inherits an economy that is on the brink of great growth thanks to oil and gas discoveries, but that is also facing high unemployment and a cost-of-living crisis. Following through on a campaign promise, on 4 April, Faye announces an audit of all oil, gas and mining contracts in Senegal.

Senegal elects new president

After months of political uncertainty and a delayed election, the **Senegalese** public on 24 March elected a new president. As predicted, the decision of former president **Macky Sall** (2012-2024) to delay the election negatively impacted his chosen candidate, former prime minister **Amadou Ba**. By 25 March, it was clear that opposition candidate **Bassirou Diomaye Faye** had taken the lead in the election.¹ Later that day, Ba conceded defeat based on the preliminary results, and that evening, Faye gave his first speech as president-elect. On 29 March, the constitutional council confirmed that Faye had won the election with more than 54% of the vote, with Ba achieving 35%, with voter turnout of 61%.² Faye was officially sworn in as Senegal's youngest president on 2 April.

The election was preceded by years of political unrest and a perceived clampdown on the opposition, including Faye's ally, **Ousmane Sonko**, which created concerns over democratic backsliding in Senegal, often called a 'beacon of democracy' in an unstable **West African** region. The pushback by institutions against Sall's decision to postpone the election and the fact that a peaceful election went ahead is indicative that there is still a strong democracy in Senegal and that these ideals are entrenched, especially in key institutions.

"This is a democracy-affirming result in a region which has been beset by military coups. It restores Senegal's reputation as a beacon of democratic stability in the region."³

What the new government looks like ...

Following his drawn-out legal battle over a defamation case that ultimately disqualified him from running in the election, Sonko in December elected Faye as his replacement (*see ARC Briefing Senegal Dec 2023*). Faye, who was also in pre-trial detention on charges of calling for insurrection and contempt of court, was released from prison alongside Sonko on 14 March thanks to the passing of an amnesty bill in February (*see ARC Briefing Senegal Mar 2024*). The two share a close relationship, with Faye even naming his son after Sonko, and given that it has always been Sonko's ambition to be in the highest political office, it was no surprise when Faye appointed Sonko as his prime minister on 2 April.

Faye, during his time as a tax inspector with the **Direction Générale des Impôts et Domaines (DGID)**, met Sonko, also a tax inspector, and subsequently helped Sonko establish the opposition party, **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (PASTEF)** in 2014. Faye went on to help coordinate Sonko's 2019 presidential election bid in which he came third.⁴ Faye

¹ Le Monde, 25 Mar 2024

² Africanews, 30 Mar 2024

³ Tara O'Connor, Monocle Radio, 27 Mar 2024

⁴ AP News, 26 Mar 2024

was named general secretary of PASTEF in 2021 following Sonko's initial arrest in February 2021 on charges of sexual assault, for which he was never prosecuted. While in the background compared to Sonko, Faye was reportedly a key negotiator with political allies ahead of the 2022 local elections and during the establishment of the now-ruling **Yewwi Askan Wi (YAW)** coalition.⁵

Sonko on 5 April appointed a cabinet of 25 ministers and five secretaries of state, calling the government a *"breakaway government that embodies the project, a system transformation voted for by Senegalese people"*.⁶ Almost half of his appointees come from Pastef.

- **Chiekh Diba**, the finance ministry's former director of budget programming, will serve as finance minister. Diba has 16 years of experience working in the public finance environment in various roles including as a tax and property inspector and as an auditor.
- **Abdourahmane Sarr** will serve as economic minister. Sarr, described as a specialist in monetary issues, was educated in the **United States (US)** and has previously worked for the **International Monetary Fund (IMF)**.⁷
- Head of Pastef internal affairs, **Yassine Fall**, will serve as foreign affairs minister. Fall is an economist and has previously worked for the **United Nations, World Food Programme** and other international organisations. She is one of only four women in Sonko's cabinet.
- Sonko appointed General **Birame Diop** as armed forces minister. Diop previously served as chief of defence staff and has experience as a military adviser to the UN and as chief of staff of the private staff of the president (who was Sall at the time). Diop was reportedly in disagreement with Sall when protests kicked off in 2021 over the use of the army for law enforcement operations.⁸

... and its priorities

Faye, a left-wing Pan-Africanist, centred his short campaign on *"restoring"* Senegal's sovereignty, fighting corruption, distributing wealth more evenly and renegotiating mining, oil and gas contracts signed with international companies.⁹ During his initial speech on 25 March, Faye announced the key priorities of strengthening institutions through reform, national reconciliation, fighting corruption, improving resource management and reducing the power of the presidency and empowering the office of the prime minister to effectively run government affairs.¹⁰ Sparking some investor unease as a relatively unknown figure promising several drastic changes, Faye has sought to allay fears by stating that Senegal *"will remain a friendly country and a sure and reliable ally for any partner that engages with us in virtuous, respectful and mutually productive cooperation."*¹¹

Regionally, Faye has indicated his desire to reform the **Economic Community of West African States (ECOWAS)**, of which Senegal is a key member, and bring **Burkina Faso, Mali** and **Niger** back into the bloc.¹² The leaders of Mali, Burkina Faso and **Guinea** all welcomed Faye's election, potentially a positive sign for his ambitions.

During his campaign, Faye also indicated a desire to move away from **France**. Under Sall, Senegal's ties to France became more entrenched. With French exports worth \$1 billion entering Senegal in 2022 and several key French businesses – **TotalEnergies, BNP Paribas** and **Société Générale** - having an interest in the country, it would place Senegal in a difficult position to drastically decrease ties too hastily.¹³ Faye has said there will be a focus on growing ties with other international partners,

⁵ Le Monde, 23 Mar 2024

⁶ Le Monde, 6 Apr 2024

⁷ Le Monde, 7 Apr 2024

⁸ Jeune Afrique, 11 Apr 2024

⁹ Le Monde, 25 Mar 2024

¹⁰ The Africa Report, 26 Mar 2024

¹¹ Le Monde, 2 Apr 2024

¹² AP News, 26 Mar 2024

¹³ Daily Maverick, 8 Apr 2024

something that may guide his government's foreign policy.¹⁴ Overall, Faye may have campaigned in Sonko's firebrand politics style, but is likely not to be as dramatic a change as portrayed.

The economic inheritance

Faye is inheriting an economy that is on the brink of great growth thanks to oil and gas discoveries, but that is also facing high unemployment and a cost-of-living crisis. One of Sall's legacies will be Senegal's position as a future oil and gas producer, something he likely sought to preserve by electing Ba as his successor. The **Sangamor** oil field is expected to begin production in mid-2024 and will produce approximately 100,000 barrels per day. The **Grand-Tortue Ahmeyim (GTA)** gas project, located along the Senegal-**Mauritania** border, is expected to produce 2.3 million tonnes of natural gas per year before reaching annual production of 10 million tonnes per year by 2030.¹⁵ Senegal also has the **Yakaar-Teranga** gas field, set to start production in 2027, that will mainly be used for local consumption.

Petrosen CEO **Thierno Seydou Ly** said in September 2023 that between GTA and Sangamor, combined revenues are expected to be 700 billion FCFA (\$1.16 billion) per year over 30 years.¹⁶ Outside of revenues, the gas project will also help the government to reduce the cost of electricity production and adopt a 'greener' energy source. In September 2023, the IMF forecast that if oil and gas operations commence, growth will reach 8% in 2024 and 6% even if they do not.

Sall has also been hailed for his infrastructure development, extending several projects beyond the capital and focusing on areas including roads, railways, ports, airports and electrification. Under his 12-year presidency, economic growth averaged 5%.¹⁷

An area where Sall did not succeed and which will be a key issue is unemployment. The official unemployment rate is 20% despite Senegal having the highest number of graduates ever in its history, a fact that has led to many citizens attempting to cross into **Europe** (see *ARC Briefing Sep 2023*). Employment needs to be a priority as Faye was likely pushed through by the youth vote. Of Senegal's 18 million population, 75% are under the age of 35.¹⁸

Throughout his campaign, Faye made some drastic promises, largely in line with Sonko's 2019 campaign, including quitting the CFA franc and establishing a national currency, however, by his first speech on 25 March he had indicated that he would rather focus on reforming the currency.¹⁹ The CFA franc is pegged to the euro, and quitting the currency would lead to economic turmoil. The ruling YAW coalition does not have a majority in parliament that could easily pass drastic change such as this, and when it comes to implementing any policy, will need to convince the former ruling coalition **Benno Bok Yakaar (BBY)** which still holds 82 seats of out 165. Faye could call for parliamentary elections once parliament can be dissolved in July which will give the ruling coalition more sway. However, Faye may be less willing to take measures that would scare investors away now that he has secured the presidency. While more specific economic and fiscal policy proposals are yet to be announced, Faye has asked for a general review of current programmes, projects and public-private partnerships to gain a better understanding of the public finance situation.²⁰

Oil and gas audit planned

Faye has remained steadfast on planning a re-evaluation of all mining, oil and gas contracts in Senegal, as well as the disclosure of ownership of extractive companies, in a bid to identify any corruption.²¹

¹⁴ Le Monde, 29 Mar 2024

¹⁵ Jeune Afrique, 9 Aug 2023

¹⁶ Jeune Afrique, 20 Sep 2024

¹⁷ Reuters, 27 Mar 2024

¹⁸ France24, 3 Apr 2024

¹⁹ AP News, 26 Mar 2024

²⁰ Jeune Afrique, 10 Apr 2024

²¹ RFI, 4 Apr 2024

While Faye's manifesto promised to renegotiate contracts, he has just announced an audit of the contracts.²² However, in his 4 April speech, Faye pledged:

*"Investor rights will always be protected, as well as the interests of the state and the people."*²³

Sangamor is operated by **Australia's Woodside Energy** while the GTA field is being developed by **United Kingdom-based BP** and US-based **Kosmo Energy**. Kosmo Energy is also involved in the Yakaar-Teranga field. France-headquartered TotalEnergies also has an agreement to explore oil and gas, while **Nigeria-headquartered Oranto Petroleum** is also exploring two blocks. Mining operations in Senegal include **Canada-headquartered Endeavour** and **Moroccan mining company Managem**.²⁴

Senegal, despite being an investor favourite, is not without its corruption issues. In 2019, an investigation revealed that **Aliou Sall**, president Sall's brother, benefited from a \$250,000 payment from a businessman who was awarded two key offshore gas blocks. In December 2022, the **Cour des comptes** (court of auditors) report on Senegal's **Covid-19** response fund indicated that there has been embezzlement, mismanagement and overspending of Covid-19 funds (*see ARC Briefing Senegal Jan 2023*).

Faye will need to find the balance between following through on campaign promises and not scaring away investors as oil is expected to be produced. Sonko, who was a whistleblower in an offshore tax haven case in 2016, is the likely driver behind the renegotiations and audit, and may push for Senegal's benefits to increase in these projects as a way to bolster funds for social spending. However, given that many of these contracts have been in place for years and projects are set to come online this year, he may face challenges.

²² AP News, 26 Mar 2024

²³ RFI, 4 Apr 2024

²⁴ Reuters, 4 Apr 2024

Planner

Q3 2024 **(Senegal) Grand Tortue Ahmeyim (GTA)** offshore gas field production of natural gas is set to begin;

2024 **(Senegal) Sangomar** offshore oil field production set to begin;

2027 **(Senegal) Yakaar-Teranga** gas project set to begin production;

Chronology

8 Apr 2024 **Dakar (Senegal) France24.** French foreign minister **Stéphane Séjourné** says Senegal's democratic transition "*sends a positive message to other regimes who believe that power only comes through force*";

8 Apr 2024 **Dakar (Senegal) APA News.** Six police officers are arrested in connection with the death of a protestor from injuries sustained during a protest as the new government proposes a policy of combating cases of excessive use of force against citizens;

7 Apr 2024 **Dakar (Senegal) Le Monde.** Prime minister **Ousmane Sonko** unveils Senegal's new cabinet, comprising 25 ministers and five secretaries of state, with almost half of them from Sonko's and President **Bassirou Diomaye Faye's** party - **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (PASTEF)**;

5 Apr 2024 **Dakar (Senegal) Jeune Afrique.** Former prime minister and presidential candidate in the March election, **Mahammed Boun Abdallah Dionne**, dies in **Paris (France)** of illness;

4 Apr 2024 **Dakar (Senegal) CNBC Africa.** President **Bassirou Diomaye Faye** announces an audit of the oil, gas and mining sector;

3 Apr 2024 **Dakar (Senegal) Le Monde.** President **Bassirou Diomaye Faye** appoints **Ousmane Sonko** as prime minister;

2 Apr 2024 **Dakar (Senegal) Le Monde.** **Bassirou Diomaye Faye** is set to be inaugurated as president today;

30 Mar 2024 **Dakar (Senegal) Le Quotidien.** President **Macky Sall** meets his successor, **Bassirou Diomaye Faye**, to discuss issues facing Senegal and the hand over between them;

29 Mar 2024 **Dakar (Senegal) France24.** Constitutional council, Senegal's highest court, confirms **Bassirou Diomaye Faye's** presidential election victory;

29 Mar 2024 **Dakar (Senegal) Le Monde.** France's President **Emmanuel Macron** tells president-elect **Bassirou Diomaye Faye** that he wants to continue and intensify the partnership between France and Senegal;

28 Mar 2024 **Dakar (Senegal) RFI.** Official provisional results indicate **Bassirou Diomaye Faye** won the presidential election with 54.28%, followed by former prime minister **Amadou Ba** with 35.79% and **Aliou Mamadou Dia**, with just 2.8%;

26 Mar 2024 **Dakar (Senegal) France24.** Opposition leader **Bassirou Diomaye Faye** is declared winner of the presidential election;

25 Mar 2024 **Dakar (Senegal) France24.** Voting continues following the presidential election on 24 March, with opposition candidate **Bassirou Diomaye Faye** taking an early lead;

25 Mar 2024 **Dakar (Senegal) APA News.** **Collectif des organisations de la société civile pour les élections (COSCE)** (collective of civil society organisations for elections) estimates a participation rate of 61.6% in the election, with an error margin of approximately 0.8%, and declares that the results were decided by a single round of voting;

24 Mar 2024 **Dakar (Senegal) RFI.** Voters cast their ballots in the presidential election, with initial reports indicating a high voter turnout of 7.3 million registered voters;

22 Mar 2024 **Dakar (Senegal)** *APA News*. The presidential election campaign ends after 15 days;

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