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Karim Wade boycotts his illicit enrichment trial to highlight its political nature. Wade's team claims President Macky Sall (2012 – present) is using the trial to weaken the Wades, his political opponents. They also point to a prosecution investigation in Singapore to demonstrate the flaws in the case against Wade. The International Monetary Fund (IMF) gives Senegal's economy a mixed review. It confirms improved growth but says structural reforms remain slow. Despite this, the government improves relations with donors and commences large projects under its Plan Senegal Emergent (PSE) economic programme. Trade and diplomatic relations with Guinea improve following the reopening of the southern border with Guinea, as the Ebola outbreak in Guinea wanes.

Karim Wade boycotts his corruption trial

Karim Wade, the former number two in the administration of his father, former president **Abdoulaye Wade** (2000 – 2012), has boycotted his trial at the **Cour de Répression de l'Enrichissement Illicite (CREI)** to highlight its political nature. Wade started his boycott on 14 January after the CREI judge, **Henri Grégoire Diop**, dismissed Wade's lawyer **Amadou Sall** from the court. Wade claims prison guards injured him when they forcibly tried to bring him to the courtroom.¹ The events prompted youth supporters of Wade's opposition **Parti Démocratique Sénégalais (PDS)** to protest outside the party headquarters in Dakar. Security forces used tear gas to disperse the protest.² Wade and the defence lawyers have since boycotted the trial, labeling the process a "*travesty of justice*" and a "*political conspiracy*".³ They repeatedly claim that President **Macky Sall** (2012 – present) has targeted Wade to eliminate him from the political scene. Wade also went on a four-day hunger strike from 15-19 January.⁴ However, despite the absence of Wade and the lawyers, a number of key prosecution witnesses have appeared before the court.

"I don't think it will change much. The trial is continuing without Wade and the judge has said he is not needed for the moment. I'm sure that Wade will not get out of prison before the next election (2017). That (next election) is the only thing that matters."⁵

Since the trial of Wade and seven co-accused (alleged business partners) started on 31 July 2014, the prosecution has failed to present documented evidence to support its illicit enrichment claims. The trial follows a controversial two-year investigation launched from the Research Section of the **Gendarmerie**.⁶ After the CREI took control of the investigation it charged and detained Wade and his co-accused on 17 April 2013. The CREI case is based on a list of alleged Wade assets, or "ill-gotten gain" totaling CFA117 billion (\$201m), originally revised down from CFA694 billion (\$1.2 billion). The list is divided into companies, bank accounts, a vehicle fleet and real estate.

"Wade and the defence lawyers believe that whatever proof they present, it will not convince the judge that Karim doesn't own these companies."⁷

¹ Jeune Afrique, 21 Jan 2015.

² Le Soleil, 15 Jan 2015.

³ Le Soleil, 15 Jan 2015.

⁴ World Bulletin, 19 Jan 2015.

⁵ Source, investigative journalist, Senegal

⁶ See ARC Senegal August 2014 Briefing

⁷ Source, lawyer, Senegal

“Wade has taken a political stance and is saying that this court is not legitimate to try him and that the judge has already decided the verdict. But this stance is a bit late. The trial has been going on for some time now. And the co-accused are still attending the trial...if they (the co-accused) decided to boycott the trial, too, it would be more effective.”⁸

Wade’s team is increasingly pointing to a CREI investigation in **Singapore** to highlight the flaws of the prosecution’s case. Wade’s lawyers claim they have significant evidence indicating that CREI investigator **Pope Albouroy Ndao** forged documents that linked a Singapore bank account of CFA47 billion (\$90m) to Wade and companies on the alleged asset list.⁹ On 30 January francophone publication *Jeune Afrique* published its own enquiries that reportedly supported their claims, concluding that the account number Pope provided was not valid. Wade’s lawyers have launched a defamation case against Ndao at the **Tribunal Correctionnel de Dakar**. However, Wade’s lawyers have had to postpone the trial on several occasions because the CREI judge will not allow Wade to attend the hearing while the CREI trial is ongoing.¹⁰

At the same time, several local press reports claim that the CREI deputy special prosecutor **Antoine Felix Diome** is close to Sall and influential first lady **Marième Faye Sall**. *“He reports daily to the palace and takes instructions.”¹¹* Local sources have previously made similar claims.

Former president Abdoulaye Wade continues to question the Sall government’s own record on transparency and alleged corruption issues. At a press conference on 27 November Wade demanded that the government explain two issues. Firstly, Wade called on the government to account for the compensation funds from mining company **ArcelorMittal**. In September 2013 the **International Chamber of Commerce (ICC) in Paris (France)** ruled that the government had the right to cancel a 2007 deal with ArcelorMittal because the company had failed to honour its commitments (by suspending work in 2010).¹² Wade claimed that the government received \$200m in compensation, but that it only accounted for \$150m.¹³ Wade also questioned the government’s award of oil exploration permits to **Petro Tim** soon after Sall came to power in March 2012. Wade and several other commentators allege that Sall’s younger brother **Aliou Sall** has a share interest in Petro Tim.¹⁴

Sall has sought to make anti-corruption a priority despite the several recent scandals and the flaws around the Karim Wade trial. On 24 December Sall ordered prime minister **Mohamed Dione**, cabinet ministers and heads of parastatals to declare their assets before the start of the new year.¹⁵ Sall declared his assets soon after he came to power in 2012.

The government improves donor relations as large projects start

The **International Monetary Fund (IMF)** has confirmed that Senegal’s economic performance improved in 2014 but remained critical of the country’s economic management. On 17 December the IMF executive board completed a review of Senegal’s economy as part of **Policy Support Instrument**, a voluntary advisory (not financial assistance) programme running since 2010.¹⁶

The IMF said that the government had *“maintained macroeconomic stability”* but *“slow implementation of structural reforms”* has resulted in *“sluggish growth”*. It estimated gross domestic product (GDP) growth of 4.5% in 2014, increasing from 3.5% in 2013 but down 0.4% below a previous estimate. The impacts of the Ebola epidemic on the tourism sector and the late rainy season weighed down growth. The fiscal outlook improved although the 2015 budget deficit target has increased from 4% to 4.7%, above the **Union Economique et Monétaire Ouest-Africaine (UEMOA)** 3% medium term target.

⁸ Source, investigative journalist, Senegal

⁹ Jeune Afrique, 20 Jan 2015.

¹⁰ Source, investigative journalist, Senegal

¹¹ Mediafrik, 8 Jan 2015.

¹² See ARC Senegal October 2014 Briefing

¹³ APA, 26 Nov 2014.

¹⁴ RFI, 13 Dec 2014.

¹⁵ The Point, 24 Dec 2014.

¹⁶ IMF, 17 Dec 2014.

The deficit is expected to fall to 5.2% in 2014, from 5.5% in 2013. However, the IMF was again critical of the slow pace of structural reforms, particularly in the energy sector. It noted repeatedly that energy subsidies drain the budget.

The IMF said that Sall's **Plan Senegal Emergent (PSE)** economic programme presents an opportunity to transform Senegal into an emerging economy. However, it said that the planned 7-8% growth "requires a broadening, deepening and acceleration of structural reforms". This included improvements "in the regulatory framework and governance, as well as in the quality and efficiency of public investment".

Despite the mixed IMF review, the Sall government has improved relations with key donors and large projects under the delayed PSE are commencing. The visit of IMF managing director **Christine Lagarde** in Dakar on 29 January will improve these relations. In mid-December **Dominique Dellicour** led a **European Union (EU)** delegation to Senegal and signed four preliminary agreements with the government amounting to CFA785 billion (\$1.35 billion), covering 2014 to 2017.¹⁷ The aid is focused on PSE projects in the agriculture, water and sanitation, transport, and energy sectors.

"It's political...donors realise that Senegal is the only stable country in the region. The economy is growing if you consider the GDP rate. And big money is arriving for the PSE projects. However, the big problem for this government is unemployment. We don't see an improvement. Ebola has also seriously affected tourism, hotels are closing especially in Saly (Petite Côte tourist area)."

Sall inaugurated two PSE projects in January. On 26 January he laid the foundation stone for the construction of a second university in Dakar at **Diaminadio**. It is expected to open in 2016 with capacity for 30,000 students.¹⁸ Sall also inaugurated the start of construction of the Dakar-**Thiès-Touba** highway. Completion of the **Chinese** government-funded project is expected in 2017.¹⁹ In addition, the Senegalese and **Mauritanian** governments have requested an expression of interest from companies before 30 January to construct a 422km power interconnection between **Nouakchott** (Mauritania) and **Tobene**, in central Senegal. The **Agence Francaise de Developpement** and the **Islamic Development Bank** will reportedly provide EUR190m (\$215m) for the project.²⁰

Senegal reopens land border with Guinea

Trade with **Guinea** has improved following the reopening of the southern border with Guinea. On 26 January the interior ministry announced the reopening of the border.²¹ The government closed the border in August to prevent the spread of Ebola. On 17 November, the government removed a ban on air and maritime traffic with Guinea and the other two Ebola-affected countries, **Liberia** and **Sierra Leone**.²² In January the **World Health Organisation (WHO)** confirmed that the outbreak has waned, with new infections declining. Senegal recorded a single case of Ebola, a student who entered Senegal at the Guinea border, in late August. However, the Senegalese authorities successfully prevented an outbreak in the country. The WHO declared Senegal Ebola-free on 17 October.

The border closure strained relations between the two countries and undermined significant cross-border trade.²³ The **Economic Community of West African States (ECOWAS)** called for a removal of restrictions on the movements of people and goods in November and Guinea's President **Alpha Condé** (2010 – present) accused Senegal of 'stigmatising' Guinea.²⁴ However, Dakar has been a vital link in the international Ebola response effort. The government opened a "humanitarian corridor" for

¹⁷ Les Afriques, 26 Dec 2014.

¹⁸ RFI, 26 Jan 2015.

¹⁹ Les Afriques, 10 Jan 2015.

²⁰ Africa Energy Intelligence, 16 Dec 2014.

²¹ Reuters, 26 Jan 2015.

²² See ARC Senegal November 2014 Briefing

²³ RFI, 26 Jan 2015.

²⁴ RFI, 26 Jan 2015.

World Food Programme (WFP) flights in September.²⁵ Dakar's port is also a logistics base for the response effort.

Implications

The lack of direct evidence against Wade, the flaws in the CREI investigation and Sall's personal involvement in the case all point to the political nature of the trial. While Sall has played to his support base in pursuing the trial of Wade, he risks further undermining the Senegalese judiciary. The trial has attracted significant criticism from a broad spectrum of commentators for reversing the presumption of innocence and not following due process. This will weaken the political and business climate in the long-term.

Ultimately, Sall's prospects for re-election in 2017 will depend on the government's management of the economy, which is of greater concern to the electorate than the prosecution of Wade. The IMF review suggests early signs that the economy has turned the corner, however the IMF continues to emphasise the lack of progress on structural reforms, notably in the energy sector and the regulatory framework. The PSE has started to attract donor funding. However, Sall risks the pitfalls of the Wade era in focusing on grand projects, rather than improving economic opportunities for ordinary Senegalese. In any case, the government has an opportunity to translate its good relations with donors into social and economic improvements before the 2017 elections (note that the two PSE projects started in January aim for completion before the 2017 election).

The reopening of the border with Guinea re-establishes a vital regional trade route. Moreover, the waning of the Ebola outbreak should improve the business climate for Senegal and the region.

²⁵ See ARC Senegal November 2014 Briefing