

AFRICA RISK CONSULTING

Senegal Briefing November 2019

Senegal Summary 15 November 2019

Senegal's government rules out the immediate possibility of revisiting the conviction against former minister Karim Wade. Senegal improves 18 places from 141 to 123 out of 190 countries in the World Bank's 2020 Doing Business rankings. United States-based Kosmos Energy and its partner, United Kingdom (UK)-based British Petroleum (BP), announce a major offshore discovery of upwards of 50 trillion cubic metres of gas off the coast of Mauritania and Senegal.

No immediate justice for Karim Wade?

The **Senegalese** government has ruled out the immediate possibility of restoring the personal rights and paying reparations to former minister **Karim Wade**.¹ The decision runs counter to recent attempts to calm Senegal's political climate and reconcile political parties. Senegalese police arrested Wade in April 2013 on suspicion of corruption, alleging that he illegally amassed about \$1.4 billion while a senior minister in charge of major infrastructure and energy projects during the rule of his father, former president **Abdoulaye Wade** (2000-2012).² The **Cour de Repression de l'Enrichissement Illicite (CREI)** (court against illicit enrichment) sentenced Karim Wade to six years imprisonment and a \$250m fine in March 2015. Wade was released from prison in June 2016 after President **Macky Sall** (2012-present) granted him clemency and he has been in exile in **Qatar** since then.³ The clemency granted to Wade did not absolve him of the guilty verdict and did not revoke the fine levelled against him.⁴ This barred Wade from running for president during the February 2019 elections.⁵

Members of the **United Nations Human Rights Committee (UNHRC)** questioned the Senegalese government about the status of Karim Wade's case on 14 October, at the 127th session of the UNHRC in **Geneva (Switzerland)**.⁶ The UNHRC enquired about the possibility of a review of Wade's trial in relation to the October 2018 request by the UN **Office of the High Commissioner on Human Rights (OHCHR)** to Senegalese authorities to re-examine Wade's guilty verdict.⁷ The OHCHR's request was based on the assertion that the CREI had not followed due process and had not allowed Wade to appeal at a higher judicial institution.⁸ Responding to the UNHRC, Senegalese justice ministry director of human rights **Mohammed Ka** noted it was too early to know if the case could be re-examined but did not rule out the possibility of exonerating Wade of the crimes he was found guilty of:

¹ RFI, 20 Oct 2019

² BBC, 15 Apr 2013

³ Jeune Afrique, 22 Oct 2019

⁴ Jeune Afrique, 7 Oct

⁵ Jeune Afrique, 7 Oct

⁶ RFI, 20 Oct 2019

⁷ Jeune Afrique, 9 Dec 2018

⁸ Jeune Afrique, 22 Oct 2019

“Senegal does not refuse to compensate, provided that the interested parties can present themselves so that the competent judges can determine the extent of the damage. We are ready. If the person concerned seizes the competent courts with a view to his reparation, there is no obstacle to this compensation being granted by the state of Senegal.”⁹

However, the foreign affairs ministry issued a communiqué on 16 October appearing to contradict Ka’s suggestion that the government was open to granting compensation:

“The Senegalese delegation has in no case and in any form whatsoever made commitments in the direction of a rehabilitation of Karim Wade or a reparation for the prejudice he allegedly suffered.”¹⁰

Amnesty International Senegal executive director **Seydi Gassama** criticised the response of the foreign affairs ministry, suggesting the state must re-examine Wade’s case and adhere to UN recommendations.¹¹ Gassama said the justice ministry officials’ statements were in line with Senegal’s international human rights obligations.¹² Gassama highlighted the lack of coherence in the two statements and said he would lead a campaign to put pressure on the government to grant a review of Wade’s trial.¹³ Wade’s lawyers also expressed dissatisfaction at the foreign affairs ministry’s declaration, calling on the government to respect the UN’s recommendations.¹⁴

A justice ministry communiqué issued on 21 October announced the dismissal of Mohammed Ka and secretary of state cabinet director for human rights **Samba Ndiaye Seck**.¹⁵ The communiqué noted their dismissal was on the basis of providing information that was not in accordance with the position of the state of Senegal.¹⁶

The revival of the Wade case follows the release of former **Dakar** mayor **Khalifa Sall** in September, as well as the public reconciliation between Wade’s father, former president Abdoulaye Wade, and President Macky Sall, also in September (see *ARC Briefing Senegal October 2019*).¹⁷ There was speculation that these two events as well as Macky Sall’s calls for a national political dialogue following his election victory would lead to the full restoration of Wade’s rights.¹⁸ President Sall has always maintained that the Senegalese judiciary acted responsibly and independently in relation to Wade’s case, and that the judiciary is not being used to settle political scores.¹⁹ However, recent events indicate that the Wade saga has some way to go before it is resolved.

Senegal improves 18 places in World Bank Doing Business rankings

Senegal improved 18 places from 141 to 123 out 190 countries in the **World Bank’s 2020 Doing Business** rankings, published on 24 October.²⁰ This is an indication that Senegalese authorities are taking meaningful steps towards improving the business environment in

⁹ RFI, 20 Oct 2019

¹⁰ RFI, 20 Oct 2019

¹¹ Sud Quotidien, 21 Oct 2019

¹² Sud Quotidien, 21 Oct 2019

¹³ Sud Quotidien, 21 Oct 2019

¹⁴ Sud Quotidien, 21 Oct 2019

¹⁵ Agence Presse Senegalaise, 21 Oct 2019

¹⁶ RFI, 23 Oct 2019

¹⁷ Jeune Afrique, 28 Sep 2019

¹⁸ Jeune Afrique, 7 Oct 2019

¹⁹ RFI, 13 Nov 2018

²⁰ World Bank, 24 Oct 2019

order to attract local and international investors. The rankings are an annual barometer that uses a variety of indicators to assess the business environments of World Bank member states.²¹ These indicators include starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.²²

In addition to increasing its ranking, Senegal registered a 4.9 point improvement, increasing its overall score to 59.3 from the 54.4 score obtained in the 2019 assessment.²³ This places Senegal as the **sub-Saharan African** country with the 16th best business environment.²⁴

World Bank's 2020 Doing Business Rankings		
	2019 Ranking	2020 Ranking
Togo	137	97
Cote d'Ivoire	122	110
Ghana	114	118
Senegal	141	123
Nigeria	146	133
Niger	143	132
Mali	145	148

The World Bank attributes Senegal's significant improvement to the application of two key reforms, notably, the enlargement of the credit bureau database and the establishment of an electronic platform for the declaration and payment of taxes online.²⁵ World Bank representative **Maria Anthonia Gomez** said these two innovations have helped to reduce the length of business-related procedures.²⁶ Gomez said Senegal has made great progress with respect to providing access to electricity, facilitating business creation and loan agreements.²⁷

World Bank senior private sector specialist **Laurent Corthay** indicated that the Doing Business rankings earmark reforms that contribute to the formalisation and expansion of small and medium-sized enterprises (SMEs), and foreign investment, which promote job creation and poverty reduction.²⁸ Corthay noted that Senegal's progress reflects the government's commitment to the **Plan Senegal Emergent (PSE)**, Senegal's medium-term economic development programme.²⁹ Corthay said sub-Saharan African countries adopted 73 reforms in relation to the 2020 report:

²¹ World Bank, 24 Oct 2019

²² Agence Presse Senegalaise, 24 Oct 2019

²³ Agence Presse Senegalaise, 24 Oct 2019

²⁴ Agence Presse Senegalaise, 24 Oct 2019

²⁵ Agence Presse Senegalaise, 24 Oct 2019

²⁶ Agence Presse Senegalaise, 24 Oct 2019

²⁷ Agence Presse Senegalaise, 24 Oct 2019

²⁸ Agence Presse Senegalaise, 24 Oct 2019

²⁹ Lejecos.com, 25 Oct 2019

“In this sense, Senegal is not left out, since the country has gained 40 positions in the Doing Business rankings over the last six years, accounting for a total of 23 reforms recognised by Doing Business since the 2015 report.”³⁰

Category	Sub-Saharan Africa average	Senegal's Score
Starting a Business	80.1	91.2
Dealing with Construction Permits	58.5	62.1
Getting Electricity	50.4	65.2
Paying Taxes	57.8	51.2
Protecting Minority Investors	38.5	44
Enforcing Contracts	49.6	50
Trading Across Borders	53.6	60.9

Corthay suggested the Senegalese government can make further improvements to the business climate. He called on the government to encourage competition, which will enable the private sector to play a more active role in the economy by applying structural reforms in the energy, telecommunications and digital economy domains.³¹ Corthay also appealed for further simplification of taxation and import/export as well as other administrative procedures.³² He noted that modernisation of regulatory and institutional framework for Public-Private Partnerships (PPPs) and increased investment in human capital would better prepare the youth for the job market.³³

Agence pour la Promotion de l'Investissement et Grands Travaux (APIX) (investment promotion and strategic projects agency) director general **Montagna Sy** expressed satisfaction at Senegal's performance.³⁴ Sy lauded the tax system reform, which he says has significantly benefitted SMEs and noted that **Plan Senegal Emergent II (PSE II)** (second phase of PSE) will provide greater direction for current and potential investors.³⁵ Sy added that the government will continue to play its role as a regulator and ensure all conditions are in place to enable the private sector to contribute positively to economic development. Sy said measures to attain this objective include the simplification of the pricing system at the **Port Autonome de Dakar** (Dakar autonomous port).³⁶ Sy indicated the government will establish a trade framework and an investment code as well as support companies that have a strong social impact.³⁷ Sy said with these reforms, Senegal intends to enter the top 90 of the Doing Business rankings within two years.³⁸ Although former investment promotion minister

³⁰ Agence Presse Senegalaise, 24 Oct 2019

³¹ Lejecos.com, 25 Oct 2019

³² Lejecos.com, 25 Oct 2019

³³ Lejecos.com, 25 Oct 2019

³⁴ Agence Presse Senegalaise, 24 Oct 2019

³⁵ Lejecos.com, 25 Oct 2019

³⁶ Agence Presse Senegalaise, 24 Oct 2019

³⁷ Agence Presse Senegalaise, 24 Oct 2019

³⁸ Lejecos.com, 25 Oct 2019

Diene Farba Sarr called into question the relevance of the Doing Business reports in 2014, the government now appears to take the report seriously.

The notable improvement of Senegal's business climate has been a hallmark of President Sall's tenure – Senegal improved from 148 in 2017³⁹ to its current position of 123.⁴⁰ Nonetheless, Senegal lags behind **Economic Community of West African State (ECOWAS)** counterparts including **Cote d'Ivoire, Ghana** and **Togo**.⁴¹ Senegal will need to make improvements in categories such as paying taxes, enforcing contracts, protecting minority investors and resolving insolvency in order to catch up with its regional peers.

Major hydrocarbons discovery for Kosmos Energy

United States-based **Kosmos Energy** and its partner, **United Kingdom (UK)**-based **British Petroleum (BP)**, announced on 28 October a major discovery of upwards of 50 trillion cubic metres of gas off the coast of **Mauritania** and Senegal.⁴² This development is the largest deep-water hydrocarbon discovery of 2019 and indicates there are enough resources to support a full-fledged liquefied natural gas (LNG) project.⁴³

The uncovering of the gas deposit occurred following drilling at **Orca-1** well 125 km off the coast of Mauritania and Senegal, near the area covering the **Grand Tortue Ahmeyim** gas project.⁴⁴ The drilling results were adjacent to the **Moncousin-1** well where Kosmos Energy made a discovery in 2015. Kosmos Energy CEO **Andrew Inglis** noted the Orca-1 well has enjoyed a good year of exploration and evaluation in Mauritania and Senegal:

*"Orca-1, which we consider to be the world's largest deepwater hydrocarbon discovery so far this year, once again demonstrates the quality of the Mauritanian gas basin on a global scale. With sufficient resources in place in the **BirAllah** hub, Kosmos looks forward to working with the Mauritanian government and its partners to bring benefits to the Mauritanian people through the development of competitive, low-carbon projects."*⁴⁵

As a result of this development, Kosmos has announced that it will delay the sale of its interests in the GTA basin, which it had declared to do in May.⁴⁶ Kosmos stated that it will postpone the sale to the end of 2020, rather than 2019 to give potential buyers more time to analyse the new data.⁴⁷

Offshore exploration of the coast of Senegal and Mauritania has produced positive news for the project stakeholders and attracted important investors such as BP and UK-based **Woodside Petroleum**.⁴⁸ The project is set to produce its first commercially exploitable deposits by 2022/2023.⁴⁹

³⁹ World Bank, 31 Oct 2018

⁴⁰ World Bank, 24 Oct 2019

⁴¹ World Bank, 24 Oct 2019

⁴² La Tribune Afrique, 31 Oct 2019

⁴³ La Tribune Afrique, 31 Oct 2019

⁴⁴ Jeune Afrique, 31 Oct 2019

⁴⁵ Agence Ecofin, 28 Oct 2019

⁴⁶ Upstreamonline.com, 8 May 2019

⁴⁷ Jeune Afrique, 31 Oct 2019

⁴⁸ La Tribune Afrique, 31 Oct 2019

⁴⁹ La Tribune Afrique, 31 Oct 2019

Planner

18-19 Nov 2019 **Dakar (Senegal)** Sixth Dakar International Forum on Peace and Security in Africa;
 2020 **Dakar (Senegal)** Municipal elections;
 2022 **Grand Tortue Ahmeyim (GTA)** offshore gas field: production of natural gas set to begin.

Chronology

7 Nov 2019 **Dakar (Senegal)** *RFI*. The **United Nations Human Rights Committee** accuses the Senegalese government of violating the civil liberties of opposition leaders **Khalifa Sall** and **Karim Wade**;

5 Nov 2019 **Dakar (Senegal)** *Afrik Press*. Interior minister **Aly Ngouille Ndiaye** issues a communiqué indicating that local elections will be held by 28 March 2021;

5 Nov 2019 **Dakar (Senegal)** *RFI*. The **Gendarmerie Nationale** announces the arrest of 49 Nigerian nationals accused of cyber criminal activity targeting **Orange Senegal**, subsidiary of **France**-based telecoms operator **Orange**;

5 Nov 2019 **Dakar (Senegal)** *RFI*. The state prosecutor launches an investigation into an arms cache containing 3,900-4,500 AK-47 cartouches, discovered in the locality of **Pir** in north-west Senegal;

31 Oct 2019 **Dakar (Senegal)** *RFI*. The **Direction Générale des Douanes** (general directorate of customs) reports the seizure of 43 kg of cocaine worth 3 billion FCFA (\$5.1m) at the port of Dakar;

31 Oct 2019 **Dakar (Senegal)** *Agence Ecofin*. Senegal launches a \$132m project to electrify 300 villages through mini-photovoltaic power plants giving 20,000 households, or 180,000 people, access to electricity;

30 Oct 2019 **Dakar (Senegal)** *Agence Ecofin*. **Australia**-based **FAR** says investment to develop the **SNE** oil field in Senegalese waters has climbed 40% to \$ 4.2 billion since the project's partners will buy rather than rent the production vessel (FPSO);

29 Oct 2019 **Dakar (Senegal)** *Agence Ecofin*. The government plans to restructure national electricity company **Senelec** into a public holding grouping three autonomous entities responsible for the production, transmission and distribution-sale of electricity by 2025;

25 Oct 2019 **Dakar (Senegal)** *Agence Ecofin*. **United States**-based engineering firm **McDermott International** announces it has won a sub-contract for the manufacture of subsea equipment, umbilicals and flowlines needed for the **Grande Tortue Ahmeyim** gas project off the coast of Senegal and **Mauritania**;

21 Oct 2019 **Dakar (Senegal)** *Dakar Actu*. Former Dakar mayor **Khalifa Sall** holds his first press conference since release from jail and outlines his political programme in anticipation of the local elections in 2020;

18 Oct 2019 **Dakar (Senegal)** *RFI*. The foreign affairs ministry denies that steps have been taken towards re-examining the corruption case of former minister **Karim Wade**, despite the justice ministry invoking such a possibility;

18 Oct 2019 **Dakar (Senegal)** *La Tribune Afrique*. Local elections set to take place in December 2019 are cancelled for a second time and are now scheduled to take place in 2020;

17 Oct 2019 **Dakar (Senegal)** *La Tribune Afrique*. The **Banque Ouest-Africaine de Développement (BOAD)** raises \$830m on the international financial markets through the issue of its third Eurobond;

16 Oct 2019 **Dakar (Senegal)** *RFI*. Former state land director **Moumar Diallo** lays a defamation charge against presidential candidate and opposition MP **Ousmane Sonko** for accusing him of embezzling 94 billion FCFA (\$159.8m)

12 Oct 2019 **Dakar (Senegal)** *Dakar Actu*. President **Macky Sall** receives former president **Abdoulaye Wade** at the presidential palace, where the two hold three-hour discussions on political topics;

10 Oct 2019 **Dakar (Senegal)** *Agence Ecofin*. Petroleum minister **Mouhamadou Makhtar Cisse** announces that Senegal has postponed the launch of its oil licensing round to 4 November;

10 Oct 2019 **Dakar (Senegal)** *RFI*. Interior minister **Aly Ngouille Ndiaye** announces that only citizens from the **Economic Community of West African States (ECOWAS)** will be allowed into Senegal visa-free;

About Africa Risk Consulting:

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Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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