

## AFRICA RISK CONSULTING

## Senegal Monthly Briefing May 2023

## Senegal Summary 23 May 2023

*Senegalese authorities and the International Monetary Fund (IMF) reach a staff-level agreement for three financing facilities totalling approximately \$1.9 billion on 11 May. The deal with the IMF comes less than a year ahead of the February 2024 presidential elections in which the economy will be a decisive factor. The Dakar court of appeal increases opposition Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (PASTEF) leader Ousmane Sonko's two-month sentence to a six-month suspended sentence for defaming tourism minister Mame Mbaye Niang. The new sentence could jeopardise Sonko's ability to run in the upcoming presidential elections. President Macky Sall (2012-present) announces that national dialogue between the government and various political and civil society actors will open on 30 May and will last two weeks.*

## IMF agrees \$1.9 billion funding arrangements ahead of elections

Senegalese authorities and the **International Monetary Fund (IMF)** reached a staff-level agreement for three financing facilities totalling approximately \$1.9 billion on 11 May. The financing facilities will include a 36-month **Extended Fund Facility (EFF)** and **Extended Credit Facility (ECF)**, worth approximately \$1.52 billion, in addition to the **Resilience and Sustainability Facility (RSF)** worth approximately \$327m.<sup>1</sup> The IMF introduced the RSF in 2022 as a lending mechanism to help low-income countries face macroeconomic issues such as climate change or pandemics.<sup>2</sup>

The RSF is aimed at supporting climate change mitigation and adaptation. This will include helping the government reach the commitments it made under the 2015 **Paris Climate Agreement**. The EFF and ECF have policies focused on reducing vulnerabilities, tightening terrorism financing and anti-money laundering frameworks and creating inclusive economic growth that promotes employment.<sup>3</sup>

IMF mission head **Edward Gemayel** and finance minister **Mamadou Moustapha Ba** addressed the media on 11 May. Gemayel noted that while Senegal's debt is still considered sustainable at 76% of GDP, decreasing debt will help protect the economy against future external shocks.<sup>4</sup>

The conflict between **Russia** and **Ukraine** has highlighted Senegal's dependence on external trade for necessities such as cereals. The government has struggled to import these products and has been forced to subsidise them, demonstrating why building resilience to external shocks will serve its economy and budget well.<sup>5</sup> The IMF echoed this sentiment, noting that the conflict has "strained" public finances, increased the current account deficit and debt, and further delayed post-**Covid-19** economic recovery.<sup>6</sup>

The deal with the IMF comes less than a year ahead of the February 2024 presidential elections in which the economy will be a decisive factor.<sup>7</sup> Senegal has not been immune to the cost-of-living crisis many countries are facing. With lower purchasing power, citizens will be taking note of economic developments ahead of the election, especially as Senegal's hydrocarbons sector is set to boom from Q4 this year, bringing in increased revenues.

<sup>1</sup> International Monetary Fund, 11 May 2023

<sup>2</sup> Agence Ecofin, 12 May 2023

<sup>3</sup> Reuters, 12 May 2023

<sup>4</sup> APA News, 12 May 2023

<sup>5</sup> ARC Senegal analyst

<sup>6</sup> International Monetary Fund, 11 May 2023

<sup>7</sup> Jeune Afrique, 5 May 2023

## Appeal Court increases Sonko's suspended sentence

The **Dakar** court of appeal on 8 May increased opposition **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (PASTEF)** leader **Ousmane Sonko's** initial two-month sentence to a six month suspended sentence for defaming tourism minister **Mame Mbaye Niang**. Sonko was initially sentenced on 30 March in the court of first instance and ordered to also pay 200m FCFA (\$333,000) in damages. However, Niang's lawyers appealed the sentence on 17 April. The appeal court handed down the longer suspended sentence and confirmed the payment of damages.<sup>8</sup>

The new sentence has called into question Sonko's ability to run in the February 2024 presidential elections. Article 29 of the electoral code notes that an individual sentenced to more than three months in prison without suspension or a suspended prison sentence of six months will be removed from the electoral lists and the individual deemed ineligible to run.<sup>9</sup> No authorities have commented on Sonko's eligibility thus far.

Sonko's sentence has drawn condemnation not only from his supporters, but also from other opposition political players who believe the case has been a 'witch hunt' to prevent him from running in the upcoming elections. Former prime minister **Aminata Touré** called the verdict unjust:

*"I protest against the iniquitous verdict against Ousmane Sonko, the objective of which is to prevent him from being a candidate in the presidential election. I express all my solidarity with him and call on the democrats to mobilize against the unprecedented democratic regression in our country."*<sup>10</sup>

Opposition **Parti républicain pour le Progrès (Prp)** leader **Déthié Fall** and opposition **Grand Parti (Gp)** leader **Malick Gakou** joined Touré in denouncing the verdict against Sonko.<sup>11</sup>

Sonko is also on trial for rape and issuing death threats against a beauty salon employee. On the eve of the trial, which commenced on 16 May, Sonko's supporters and security forces clashed in **Ziguinchor**, the town of which Sonko is mayor.<sup>12</sup> **Forces de Défense et de Sécurité (FDS)** (defence and security forces) dispersed demonstrators who were blocking the main roads to Sonko's home with tear gas. One police officer was killed after a van belonging to the mobile intervention group crashed into him.<sup>13</sup> Authorities also announced the deaths of two other people on 15 May; however, while they did not confirm if these deaths were linked to the clashes, they stated that they took place during the violence.<sup>14</sup> Demonstrations continued on the day of the trial and roads to Sonko's home were once again blocked. Sonko did not appear in court on 16 May, and the judge postponed the case to 23 May. Sonko has confirmed he will attend if the authorities can confirm that he, his family and the residents of Ziguinchor will be kept safe.<sup>15</sup>

## Sall pleads for national dialogue

President **Macky Sall** (2012-present) has announced that national dialogue between the government and various political and civil society actors will open on 30 May and will last two weeks. Government spokesperson **Abdou Karim Fofana** has said that those who wish to participate are welcome to present points of discussion as no terms or points have been laid out so far. Despite the government and Sall extending the invitation in a bid to calm the tense political environment, opposition leaders including Fall, Sonko and Touré have already confirmed they will not participate in the dialogue.<sup>16</sup>

<sup>8</sup> APA News, 8 May 2023

<sup>9</sup> Anadolu Agency, 8 May 2023

<sup>10</sup> Le Quotidien, 13 May 2023

<sup>11</sup> Le Quotidien, 13 May 2023

<sup>12</sup> Anadolu Agency, 17 May 2023

<sup>13</sup> Anadolu Agency, 17 May 2023

<sup>14</sup> France24, 16 May 2023

<sup>15</sup> Sud Quotidien, 19 May 2023

<sup>16</sup> RFI, 21 May 2023

Opposition **Parti démocratique sénégalais (PDS)** leader and former president **Abdoulaye Wade** (2000-2012) has agreed to participate on condition that an independent audit of the electoral register is carried out.<sup>17</sup> Several members of former Dakar mayor **Khalisa Sall's Manko Taxawu Sénégal** coalition have said they are open to discussion, conditional upon Macky Sall confirming that he will not be running for a third term.<sup>18</sup> Khalisa Sall confirmed on 13 May that he is also willing to take part in the dialogue.<sup>19</sup>

The **Forces vives de la Nation F24 (F24)** platform, which brings together over 100 political parties and civil society organisations, told the media on 3 May that it is not interested in the dialogue process and instead reiterated its demands, including that Sall does not run for a third term.<sup>20</sup> F24 held its first mass demonstration on 12 May against Macky Sall's potential third term, evoking memories of the **Mouvement du 23-juin au Senegal (M23)** coalition created in 2011 that protested against then-president Wade's third term.<sup>21</sup>

The platform, headed by **Mamdou Mbodj**, a former trader unionist and a key figure of M23, has brought together political actors from across the spectrum, including Sonko, Khalifa Sall, Fall, Touré and former energy minister **Thierno Alassan Sall**, who refused to join Sonko's coalition citing Sonko's "*radicalism*".<sup>22</sup> Thierno Alassan Sall has said the F24 platform goes beyond political parties and personal grievances and is about protecting the constitution.<sup>23</sup> These factors have presented the F24 as a united front that presents a threat to Sall, especially given the involvement of those who prevented Wade from winning a third term.<sup>24</sup>

Dialogue has been a key part of Senegal's democracy. Ruling **Benno Bokk Yaakaar** coalition spokesperson **Pape Mahawa Diouf** noted that dialogue is a "*fact of life in Senegalese democratic culture*" and that even if political actors say they are not participating, they will be forced to so they can agree on rules and other issues ahead of the election.<sup>25</sup> If so many political actors boycott this dialogue, it will be a setback for Senegal's democracy and further heighten tensions ahead of the elections.

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<sup>17</sup> RFI, 21 May 2023

<sup>18</sup> RFI, 29 Apr 2023

<sup>19</sup> Le Quotidien, 13 May 2023

<sup>20</sup> RFI, 4 May 2023

<sup>21</sup> Anadolu Agency, 13 May 2023

<sup>22</sup> Le Monde, 26 Apr 2023

<sup>23</sup> Le Monde, 26 Apr 2023

<sup>24</sup> ARC Senegal analyst

<sup>25</sup> RFI, 4 May 2023

## Planner

2023 **(Senegal) Sangomar** offshore oil field production set to begin;

2023 **(Senegal) Grand Tortue Ahmeyim (GTA)** offshore gas field production of natural gas set to begin.

25 Feb 2024 **(Senegal)** Presidential elections;

## Chronology

23 May 2023 **Dakar (Senegal) Le Quotidien**. Former prime minister **Aminata Touré** denounces President **Macky Sall**'s decision to consult **French** lawyer **Guillaume Drago** on whether he can legally run for a third presidential term in the 2024 elections, with Drago maintaining that the 2016 constitutional review allows Sall to run for a third term legally;

22 May 2023 **Dakar (Senegal) Le Quotidien**. Workers of **Sonatel**, the principal telecommunications company in Senegal, announce they will protest on 22 May as days of negotiations with management are unsuccessful;

21 May 2023 **Dakar (Senegal) Sud Quotidien**. **Princess Astrid**, the official representative of the **Belgian** king, leads a Belgian economic mission made up of more than 360 people, 160 companies and 20 representatives of government and institutions to Dakar;

17 May 2023 **Dakar (Senegal) Le Quotidien**. Authorities confirm the government is in the process of setting up a system to monitor its climate policy, which will help it create better mitigation policies;

17 May 2023 **Dakar (Senegal) Le Quotidien**. Opposition coalition **Yewwi Askan Wi** postpones its 19 May demonstration against President **Macky Sall** running for a third election to 26 May;

16 May 2023 **Ziguinchor (Senegal) Africanews**. Unrest breaks out in Ziguinchor ahead of the start of opposition leader **Ousmane Sonko**'s rape trial in **Dakar**, leaving one person dead and several injured;

14 May 2023 **Dakar (Senegal) Sika Finance**. **Agence Nationale de Statistique et de la Démographie** (national statistics agency) indicates the trade deficit increased 8.28% in the first quarter of 2023, reaching 757 billion FCFA (\$1.25 billion) compared to 698.49 billion FCFA (\$1.15 billion) in 2022, highlighting Senegal's dependence on foreign trade;

14 May 2023 **Dakar (Senegal) Sika Finance**. Latest **Agence Nationale de Statistique et de la Démographie** (national statistics agency) data shows annual inflation slowed to 9% in April from 9.5% in March, its lowest level since June 2022;

14 May 2023 **Dakar (Senegal) Le Quotidien**. President **Macky Sall** signs a decree freezing the retirement of military personnel from 1 July 2023 to 30 June 2024 but provides no reason;

12 May 2023 **Dakar (Senegal) Sika Finance**. Agriculture ministry announces that cereal production reached 4 million tonnes in 2022, an increase of 48% since 2020, when production stood at 2.7 million tonnes, as the country seeks to reduce its reliance on food imports;

11 May 2023 **Dakar (Senegal) International Monetary Fund**. **International Monetary Fund (IMF)** confirms it has reached a staff-level agreement with Senegal on a 36-month financing arrangement under the Extended Fund Facility and Extended Credit Facility, in addition to the Resilience and Sustainability Facility, bringing funding to \$1.8 billion;

8 May 2023 **Dakar (Senegal) France24**. A Dakar appeals court increases opposition leader **Ousmane Sonko**'s suspended sentence from two months to six months in an appeal of a defamation case involving tourism minister **Mame Mbaye Niang**, potentially jeopardising Sonko's candidacy for the 2024 presidential election. Sonko will appeal the ruling;

8 May 2023 **Dakar (Senegal)** *APA News*. Forty **French** agricultural and agri-food companies will begin a prospecting mission on 9 May, meeting with public and private sector players with the aim of developing business flows and investment;

1 May 2023 **Dakar (Senegal)** *RFI*. Health ministry confirms that a patient died on 21 April of **Crimean-Congo** haemorrhagic fever, which can cause outbreaks of severe viral haemorrhagic fever, prompting the activation of the **Health Emergency Operations Center**;

28 Apr 2023 **Dakar (Senegal)** *Sika Finance*. Agriculture minister **Aly Ngouille Ndiaye** confirms that 40 billion FCFA (\$67.28m) of its 100 billion FCFA (\$168.20m) allocation for the 2023/2024 agricultural campaign is for purchasing fertiliser;

24 Apr 2023 **Dakar (Senegal)** *RFI*. President **Macky Sall** replaces former prime minister and recently declared 2024 presidential candidate **Idrissa Seck** as the president of the **Conseil économique, social et environnemental** (economic, social and environmental council) with his chief of staff **Abdoulaye Daouda Diallo**;

22 Apr 2023 **Dakar (Senegal)** *Le Soleil*. President **Macky Sall** reiterates his openness to dialogue during the **Eid el Fitr** prayer as political tensions continue rising in Senegal;

### About Africa Risk Consulting:

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