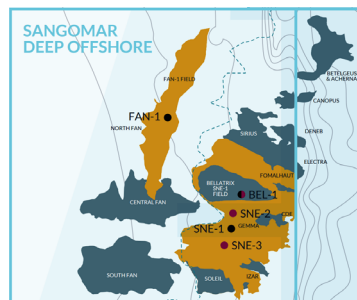


## WHAT WILL OIL AND GAS MEAN FOR SENEGAL?

By Dr. Ashley N. Bybee

In [2014](#), Edinburgh-based Cairn Energy announced it had discovered oil off the shores of Senegal. In [February 2017](#), the Australian company FAR Ltd announced that its data indicated that more than [1.5 billion barrels](#) of crude may exist off the coast of Senegal; Cairn suggested it could begin to reach markets by [2021](#). Meanwhile, the international oil companies BP and Kosmos Energy announced in [May 2017](#) that they had discovered large reserves of natural gas in the deep offshore waters of Mauritania and Senegal. Believing there to be up to [50 trillion cubic feet \(tcf\)](#) of gas off these shores, the partners plan to construct a near-shore liquefied natural gas (LNG) facility and expect to be extracting gas by [2021](#). Senegal's economy is already one of the [fastest growing](#) in sub-Saharan Africa, and its reputation as one of Africa's most politically stable countries is well-deserved. What impact will these newfound oil and gas discoveries have on Senegal? Can its economy withstand an influx of oil and gas revenues without succumbing to deleterious effects common in other oil and gas exporting nations? Can government officials minimize corruption and effectively manage these revenues to support Senegal's rapid development? [more...](#)



Senegal offshore oil exploration by Cairn Energy. (Source: Map adapted from "Building on Success: Cairn in Senegal." <http://tinyurl.com/ybj4ldxr>.)

Dr. Ashley Neese Bybee is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.

## KASAI CONFLICT HIGHLIGHTS NEW CHALLENGES FOR DEMOCRATIC REPUBLIC OF THE CONGO

By Sarah Graveline

Accelerating violence in the previously peaceful Kasai region of the Democratic Republic of the Congo (DRC) has [killed](#) 500 and displaced 1.3 million people since January 2017. The current conflict in Kasai began in August 2016 when Congolese security forces killed Jean-Pierre Mpandi, a traditional leader ("tribal chief") agitating against the national government. In response, his supporters took up arms against local security forces. While the grievances underlying the conflict reflect historic frustration with the central government's treatment of the Kasai region, the violence has quickly spread along ethnic lines, creating a cycle of tit-for-tat killings and a proliferation of self-defense militias in the region. This violence is a concerning reflection of the DRC's overall fragility. [more...](#)



Riot police patrol on the streets following protests against President Joseph Kabila's hold on power, in Kinshasa, Democratic Republic of the Congo, Tuesday, December 20, 2016. (Source: AP Photo/John Bompengo.)

Sarah Graveline is a Research Associate in the Africa Program at the Institute for Defense Analyses.

### About IDA

The Institute for Defense Analyses is a non-profit corporation operating in the public interest.

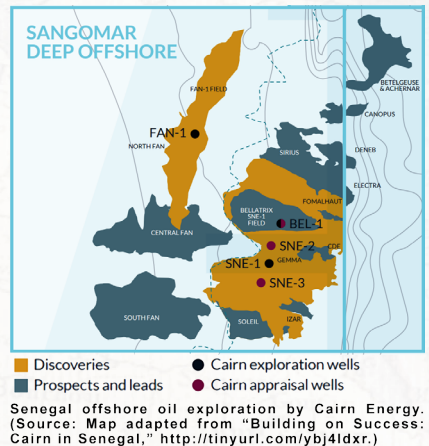
IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.

# WHAT WILL OIL AND GAS MEAN FOR SENEGAL?

By Dr. Ashley N. Bybee

In [2014](#), Edinburgh-based Cairn Energy announced it had discovered oil off the shores of Senegal. In [February 2017](#), the Australian company FAR Ltd announced that its data indicated that more than [1.5 billion](#) barrels of crude may exist off the coast of Senegal; Cairn suggested it could begin to reach markets by [2021](#). Meanwhile, the international oil companies BP and Kosmos Energy announced in [May 2017](#) that they had discovered large reserves of natural gas in the deep offshore waters of Mauritania and Senegal. Believing there to be up to [50 trillion cubic feet \(tcf\)](#) of gas off these shores, the partners plan to construct a near-shore liquefied natural gas (LNG) facility and expect to be extracting gas by [2021](#). Senegal's economy is already one of the [fastest growing](#) in sub-Saharan Africa, and its reputation as one of Africa's most politically stable countries is well-deserved. What impact will these newfound oil and gas discoveries have on Senegal? Can its economy withstand an influx of oil and gas revenues without succumbing to deleterious effects common in other oil and gas exporting nations? Can government officials minimize corruption and effectively manage these revenues to support Senegal's rapid development?



## Background

Offshore oil and gas exploration in Senegal started in the [1950s](#), but it wasn't until 2014 that Cairn acquired licenses in three offshore blocks held by FAR Ltd and PETROSEN (Senegal's national oil company) and drilled the region's first deep-water wells. The result was the discovery of two major basins (FAN-1 and SNE-1) containing enough oil to make extraction and production commercially viable. A recent [seismic survey](#) conducted by FAR indicates that more than 1.5 billion barrels of oil may exist in these basins; other reports suggest that a peak production rate of [140,000](#) barrels per day is realistic. Since Cairn's discovery, several other energy giants have sought licenses to explore Senegal's offshore waters, the most recent being the French company [Total](#), which signed two agreements with Senegal in May 2017, including one that permits Total to explore Senegal's "ultra-deep" waters.

Also in May, BP and Kosmos [announced](#) their discovery of a major gas reserve in the waters off the shores of Senegal and Mauritania. The Tortue field that straddles Senegal and Mauritania is thought to contain more than [15 tcf](#) of gas, and the Yakaar-1 field (formerly known as Teranga West, situated 95 km northwest of Dakar) contains a similar amount. This entire area is believed to contain up to [50 tcf](#) of gas. Between the Yakaar and Teranga fields, BP and Kosmos believe there are sufficient resources to support the creation of one and possibly two [LNG hubs](#) in the basin and expect their first gas in [2021](#).

## Senegal's Responsible Management of Its Strong Economy

Senegal's [economic performance](#) in 2016 was strong, with an increase in gross domestic product (GDP) of 6.6 percent over 2015, making Senegal's economy the second fastest growing in West Africa and the fourth fastest in sub-Saharan Africa. Agriculture led growth in 2016 due in part to the government's efforts to promote production of groundnuts, rice, and flowers. Industry also contributed to growth, led by agricultural and fish processing, phosphate mining, fertilizer production, petroleum refining, zircon and gold mining, manufacturing of construction materials, and ship construction and repair. Services, which generate more than half of Senegal's total GDP, also expanded due to advances in transport and financial services.

The IMF predicts this trend will continue in [2017](#). Supporting growth in all sectors is crucial for a country that is about to add oil and gas sectors to its national economic portfolio. With a relatively small economy (GDP of [\\$14.87 billion](#) in 2016),

The opinions expressed in these commentaries are those of the authors and should not be viewed as representing the official position of the Institute for Defense Analyses or its sponsors. Links to web sites are for informational purposes only and not an endorsement.



Senegal's economic well-being could be susceptible to fluctuations in global oil and gas prices unless responsible fiscal management practices are implemented. The government's concerted effort to diversify its economy by growing all sectors is an important way to avoid overdependence on oil and gas revenue as well as to create a local market for these resources.

Senegal's responsible management of its public finances also includes its [precautionary reserve](#), which it inserted in its national budget in 2015 and continued in 2016, per the direction of the West African Economic and Monetary Union (WAEMU). In 2016, this [precautionary reserve](#) totaled approximately \$80 million, of which approximately \$20 million could be used to support the national operating budget (as long as the ministerial departments implemented the reforms in their respective economic sectors, particularly higher education, national education, health and social action) and approximately \$60 million could be used for investment projects whose profitability has been demonstrated by a feasibility study. This practice bodes well for a country that is likely to experience an influx of oil and gas revenues over the next few years.

## Other Encouraging Signs

Senegal has adopted other practical measures that suggest its intent to manage its public finances responsibly. In 2012, it joined the Extractive Industries Transparency Initiative (EITI). Complying with this initiative ensures transparency and accountability of the governance of a country's natural resources.

In May 2017 the World Bank announced it would offer Senegal a [\\$29](#) million International Development Association (IDA) credit to help it negotiate complex oil and gas contracts. The World Bank Country Director for Senegal [explained why it sought the credit](#): "We wanted to make sure that the country, which has no real background to speak of in oil and gas, had access to the best possible technical assistance." This technical assistance will help Senegal to design and negotiate oil and gas development projects that attract private sector investors while supporting the public interest.

## Looking Ahead

Some Senegalese officials have forecast energy [self-sufficiency](#) and the capacity to become a net gas exporter as a result of recent resource discoveries. A more likely scenario is that recent oil and gas discoveries will contribute modestly to much-needed [domestic power generation](#) and support to Senegal's rapidly growing economy and middle class. This assumes, however, that the governments of Senegal and Mauritania collaborate in the construction of an LNG facility and associated infrastructure to transport gas onshore. Senegal will also need to remain committed to the principles of fiscal responsibility and support to all sectors of its economy that it has demonstrated in recent years.

---

Dr. Ashley Neese Bybee is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.

---

# KASAI CONFLICT HIGHLIGHTS NEW CHALLENGES FOR DEMOCRATIC REPUBLIC OF THE CONGO

By Sarah Graveline

Accelerating violence in the previously peaceful Kasai region of the Democratic Republic of the Congo (DRC) has [killed](#) 500 and displaced 1.3 million people since January 2017. The current conflict in Kasai began in August 2016 when Congolese security forces killed Jean-Pierre Mpandi, a traditional leader (“tribal chief”) agitating against the national government. In response, his supporters took up arms against local security forces. While the grievances underlying the conflict reflect historic frustration with the central government’s treatment of the Kasai region, the violence has quickly spread along ethnic lines, creating a cycle of tit-for-tat killings and a proliferation of self-defense militias in the region. This violence is a concerning reflection of the DRC’s overall fragility.



Riot police patrol on the streets following protests against President Joseph Kabila's hold on power, in Kinshasa, Democratic Republic of the Congo, Tuesday, December 20, 2016. (Source: AP Photo/John Bompengo.)

## Legacy of Government Neglect Inflames Current Conflict

The current violence in Kasai, a region located in southern DRC, has its basis in long-standing grievances between locals and the central government. Kasai residents attribute their region's socioeconomic neglect to Kasai's historic position as an opposition stronghold. Following independence from Belgium in 1960, South Kasai launched a [secession](#) attempt, which was violently put down by the central government in 1962. Although the region was largely peaceful both under Mobutu Sese Seko's rule and the post-1997 governments of Laurent and Joseph Kabila, it has remained politically marginalized and under-resourced.

Kasai residents have complained that the central government of the current Kabila administration takes punitive action against the region in response to its widespread [support](#) for the opposition Union for Democracy and Social Progress (UDPS), whose recently deceased leader Etienne Tshisekedi hailed from Kasai. Many saw the 2015 [decision](#) to split the region into five separate provinces as a tactic by the central government to weaken the region politically and economically. Further, residents expressed frustration with the central government's propensity to control the appointment of local government officials.

This issue came to a head when the central government [refused](#) to recognize locally chosen Jean-Pierre Mpandi as a traditional leader, preferring a candidate who was not perceived to be allied with the opposition. Mpandi began publicly agitating against the central government and was killed by security forces on August 12, 2016. In response, his supporters took up arms, calling themselves [Kamuina Nsapu](#), after the title for Mpandi's hereditary position.

## Violence Is Evident, But Culpability Difficult to Prove

Proliferating violence has made conflict-resolution efforts in Kasai more difficult. There are credible allegations of extrajudicial killings and widespread violence by both Kamuina Nsapu and Congolese security forces. In [March](#), the DRC government reported that Kamuina Nsapu militants had killed 30 police officers in an ambush, while the UN has documented [40](#) mass grave sites likely containing the remains of civilians and militants killed by Congolese forces. In addition, multiple [videos](#) allegedly showing Congolese forces killing unarmed civilians have circulated online.

Although the UN High Commissioner for Human Rights has [called](#) for an investigation of the violence, the allegations have proven difficult to verify. In March, two UN experts were [killed](#) while conducting interviews, the first such incident targeting independent UN investigators in the DRC. The targeted murders have raised [questions](#) about the international community's ability to conduct independent investigations in the DRC. UN [discussions](#) with the DRC government over access are stalled,



presenting a significant challenge to efforts to establish culpability and bring justice. Although the UN High Commissioner for Human Rights has promised to [impose](#) an investigation should the DRC government refuse to participate, a robust investigation could prove difficult to launch if the DRC government continues to oppose it.

### **Conflict Entrenched Ethnically and Politically**

As discussions about investigations continue, there are worrisome signs that the conflict is becoming more entrenched along ethnic and political lines. Although fighting began locally near Mpandi's home community in Kasai-Central, it has spread to Kasai and Kasai-Oriental. Observers report the Kamuina Nsapu militia has split into many autonomous groups pursuing different aims. This fracture has brought existing [ethnic-political conflict](#) to the fore as some Kamuina Nsapu militants, largely from the Luba and Lulua ethnic groups, have allegedly begun to attack Tchokwe and Pende civilians, who the militants claim are not native to the region. In response, Tchokwe and Pende communities have formed self-defense militias, which are themselves accused of attacks against civilians.

National political concerns have also continued to influence the conflict. As [Africa Watch](#) has reported, Kabila is currently in a standoff with the opposition over when and how to hold elections. A December 31, 2016, political agreement negotiated by the Catholic Church [broke down](#) in March, although voter registration continues. The opposition coalition has [accused](#) Kabila's government of purposefully exacerbating the situation in Kasai to prevent voter registration and, thereby, postpone elections. Elections have become a salient issue for Kamuina Nsapu as well. In [February](#), the group issued a statement calling for implementation of the December 31 agreement.

### **Conclusion**

In March, talks between the Minister of Interior and Mpandi's family members resulted in an agreement for the return of Mpandi's remains. Given the spreading violence and politicization of the conflict, however, steps like that are not likely to lead to resolution of the conflict. Likewise, robust outside intervention appears unlikely. The United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) peacekeeping mission is already stretched thin and faces personnel cutbacks. Thus, for now, formerly peaceful Kasai seems likely to remain one of the focal points of conflict in the DRC.

---

Sarah Graveline is a Research Associate in the Africa Program at the Institute for Defense Analyses.

---