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EDITORIAL

Dear Readers,

We are pleased to share with you the lattest release of our Newsletter, which is devoted to a number of key legislative and regulatory developments over the last few months.

In this new publication, we wanted to continue to inform you about the changes in the legal framework governing the electricity sector, which started since 2021.

In the first article, our editors will outline the key ideas and information contained in **decree no. 2023-285 dated 07 February 2023** on decentralised rural electrification (ERD) projects. In the second article, they will outline the procedures for issuing permits for regulated activities in the electricity sector, as set out in **decree no. 2023-444 dated 28 February 2023.**

On a different note we have taken the advantage of inactment of **Decree no. 2023-463 of 6 March 2023** amending Decree no. 71-860 of 28 July 1971 on the conditions governing the entry, residence and establishment of foreign nationals to inform you about the changes to the regulatory framework.

We hope that this newsletter will be of interest to you and that you will be happy to read it.



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Rural electrification : the establishment of a new legal framework

Rural electrification is a crucial issue for Senegal.

First of all, under the former regulations, the rural electrification sector was already governed by **Decree no 2006- 655 dated July 18, 2006, relating to calls for tender to award rural electrification** concessions and its implementing ministerial orders. In this context, the term «local-initiative rural electrification projects (ERIL)» was coined to encompass all related activities.

Subsequently, the procedures and modalities for implementing ERIL projects, as set out in the aforementioned decree, became too complex, justifying the need to overhaul the legal framework.

In this perspective a reform was initiated with Law no 2021-31 dated July 09, 2021, being the Electricity Code⁽¹⁾, which set out the main principles of decentralized rural electrification. The adoption of Decree no 2023-285, dated February 07, 2023, relating to decentralized rural electrification projects (ERD) supplements the legal framework applicable to rural electrification.

The purpose of this decree is to establish the terms and conditions for implementing **article 52 of law No 2021-31 of July 09, 2021, being the Electricity Code.** It repeals and supersedes the provisions of **decree no 2006-655 of July 18, 2006,** and its implementing orders.

It is, however, worth pointing out that the transitional provisions of this decree grant eighteen (18) months to ERIL concessionaires and temporary ERIL operators to bring themselves into line with the new provisions.

The highlights of the new regulatory framework for decentralized rural electrification revolve around :

- the conditions for implementing ERD projects (I) ;
- the methods of implementing ERD projects (II) ;
- the development and monitoring of ERD projects (III) ;
- the transfer of ERD operations (IV).

I- CONDITIONS FOR IMPLEMEN-TING ERD PROJECTS

Decree no 2023-285 of February 07, 2023, on Decentralized Rural Electrification (ERD) projects, governs the implementation of ERD projects by setting conditions related to the project and the person desirous to develop, build or operate an ERD project.

Article 4 of the decree provides that the ERD project shall be initiated by private or public operators wishing to set up and/or operate an electricity public service exclusively in areas not included in a concessionaire's priority or investment program.

With regard to project developers, the decree establishes a national preference by requiring Senegalese nationality for individuals or legal entities wishing to develop, build or operate ERD.

Furthermore, eligibility criteria govern project promoters, who must therefore :

- demonstrate technical and financial capabilities to undertake the project ;
- have five (5) years of general business experience and two (2) years in similar or comparable projects ;
- make a firm commitment to hand over the operation of the project to the concessionaire who requests it, according to the conditions and terms defined in the specifications ;
- commit to involving rural populations in the project.

II. METHODS OF IMPLEMENTING ERD PROJECTS

Decree no. 2023-285 of February 07, 2023 decentralized rural electrification projects (ERD) provides for three methods of implementing ERD projects, namely: implementation through public funding (A), implementation on the project promoter's initiative (B) and implementation by private financing (C).

A. Publicly funded implementation

ERD projects can be carried out with government funding and the support of development partners.

To this end, the Senegalese Rural Electrification Agency (ASER) has been entrusted with the delegated management of ERD projects. Its functions have been renewed as part of the reform and its prerogatives extended.

Thus, the procedure to implement ERD project through public funding is initiated by ASER which opens an award procedure for the implementation and/or operation of electrical installations.

As such, ASER works with the concerned concessionaire as well as local and decentralized authorities to facilitate the project implementation.

B. Implementation on the project promoter's initiative

ERD projects can also be carried out on the initiative of an ERD project promoter.

To that end, the project promoter must identify the locality in which it would like to implement the project.

Subsequently, it must further express its interest to ASER by submitting a letter of expression of interest, the compulsory details of which are specified in Article 8 of the decree.

ASER shall issue its opinion within forty-five (45) days.

If the latter is favorable, the should parties will sign a memorandum of understanding, which may not exceed twelve (12) months. A technical and financial feasibility study must be submitted to ASER for appraisal. Their validation is followed by the concession negotiation procedure's launch and the contract's transmission and studies to the Ministry of Energy for referral to the Energy Sector Regulatory Commission (CRSE).

If the CRSE issues a favorable opinion, the Minister of Energy has thirty (30) days from receipt of the said decision to grant the ERD concession to the ERD project promoter.

Failure by the Minister of Energy to reply

within the aforementioned deadline constitutes automatic granting of the authorization.

C. Implementation based on public-private financing.

This procedure is initiated based on a call for proposals from ASER.

The call for proposals covers the financing and construction of off-grid rural electrification infrastructures and their operation under a public service delegation contract within a perimeter not included in the concessionaire's investment program.

The application file must include the elements listed in article 15 of decree n°2023-285 of February 07, 2023, relating to decentralized rural electrification (ERD) projects.

A monitoring committee which include representatives of ASER, CRSE, and the Ministry of Energy evaluates the proposals. It also draws up minutes containing the files' ranking and the reasoned conclusions of its work.

Following appraisal of the application, ASER shall negotiate the financing agreement, setting out the terms and conditions for awarding the investment grant with the project promoters appearing on the list of selected projects from the call for proposals.

When negotiations are unsuccessful with the first project promoter on the list, ASER shall draw up a minute of disagreement and negotiations then continue with the next project developer on the negotiation list.

Once negotiations are successful, ASER and the ERD project promoters sign a financing agreement.

III- IMPLEMENTATIOM AND MONI-TORING OF ERD PROJECTS

To ensure the efficient running of ERD projects, the law has laid down rules for the execution (A) and monitoring (B) of ERD projects.

A- Execution of ERD projects

Project promoters can benefit from ASER's technical assistance as part of the execution of the project.

Obtaining an ERD concession entails a series of obligations at the expense of the concessionaire. These include the responsibility to renew its electrical installations in line with their technical lifespan under the specifications appended to the ERD concession. It must also set aside a provision for renewing the electrical installations in its accounting entries.

The duration of the ERD concession is limited to twenty (20) years.

The project is carried out following the specifications, which specify, among other things, the scope of the project, the pricing structure to be applied, the applicable quality standards, the agreed maintenance measures, and the equipment renewal terms and conditions.

B- Monitoring of ERD projects

Under article 24 of Decree no 2023-285 of February 07, 2023, relating to decentralized rural electrification projects (ERD), the CRSE has the power to monitor the proper execution of the concession agreement by the ERD concessionaire.

As part of its monitoring of ERD projects, the CRSE may obtain from the ERD concessionaire any accounting, technical, economic, financial, or commercial document relating to the concession.

Similarly, all operating data are transmitted by the ERD concessionaire to CRSE and ASER under the requirements of the ERD concession specifications.

Furthermore, the ERD concessionaire must authorize access to its electrical installations to CRSE, ASER, or any person mandated by either entity.

IV- TRANSFER OF THE ERD CONCESSIONNAIRE'S OPERA-TION

The operation of the ERD concessionaire may be transferred.

The latter shall intervene only in the case of extension of the network of a distribution network concessionaire within the scope of an ERD concession after five (5) years and before the end of the concession on that perimeter.

As such, pursuant to Article 28 of Decree n° 2023-285 dated February 07, 2023, relating to Decentralized Rural Electrification («ERD») projects, ASER shall notify the arrival of the network to the ERD concessionaire in writing twelve (12) months before the coming of the network. The ERD contract promoter and the concessionaire must agree on the interconnection point during this period.

A two-month period of collaboration between the concessionaire and the ERD concessionaire will follow.

As a result of the arrival of the network, the ERD concessionaire will benefit from compensation under the conditions set out in Article 30 of Decree n°2023-285 dated February 07, 2023, relating to Decentralized Rural Electrification (ERD) projects.

However, a portion of the compensation may be withheld for the concessionaire's dismantling and recycling of non-transferable equipment. Thus, the transfer also implies the assumption of responsibility by the concessionaire of the ERD concessionaire's staff.

In principle, interconnection costs are the responsibility of the concessionaire unless requested otherwise by the ERD concessionaire.



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Harmonization of procedures for issuing license for regulated activities in the electricity sector



On February 28, 2023, the enactment of the **Decree no 2023-444**⁽¹⁾ marked a crucial step in unifying procedures for issuing permits for regulated activities in the electricity sector.

This unification, undertaken as part of the electricity sector reform initiated by the adoption of the new Electricity Code⁽²⁾, has been essential in streamlining and clarifying procurement procedures.

Prior the harmonization of procedures, the award procedures framework were governed by a plurality of texts which made the understanding of the process more complex, namely :

- Law no 98-29 of April 14, 1998, on the electricity sector (repealed by Law n°2021-31 of July 9, 2021, on the Electricity Code);
- Law no 2010-21 of December 20, 2010, on renewable energies (repealed by Law n°2021-31 of July 9, 2021, on the Electricity Code); and
- Decree no 2006-655 of July 18, 2006, on calls for tender awarding rural electrification⁽³⁾ concessions (repealed by Decree no 2023-444 of February 28, 2023).

From now on, these procedures will be simplified and unified in a single law⁽⁴⁾ and decree⁽⁵⁾.

In this vein of rationalization, the Energy Sector Regulatory Commission (CRSE) was created to supervise and monitor the entire process of awarding agreements and licenses in the energy sector.

Furthermore, the CRSE is assisted by the parties in charge of supervising the award procedures, namely :

- the **Ministry of Energy**, which initiates invitations to tender and can delegate this power to any entity;
- the **entity responsible for rural electrification**, in this case, ASER, which initiates invitations to tender for rural electrification ;
- the **tender committee** which is set up within each competent authority, whose tasks, organization, and composition will be defined by order of the Minister of Energy.

The scope of **Decree no 2023-444** of February 28, 2023, is restricted to regulated **production**, **transport**, **distribution**, **sales**, **and storage activities with an installed capacity of over 500 kW**. Therefore, it does not apply to the regulated activities of self-production, export, import, or **the procedures for awarding decentralized rural electrification concessions**.

Analysis of Decree no 2023-444 of February 28, 2023 highlights four significant breakthroughs, namely :

- the reinforcement and enlargement of the missions of the Energy Sector Regulatory Commission (CRSE) in direct negotiation and private initiative offer;
- the unification of rules and procedures for awarding contracts for regulated activities(6);
- the obligation to obtain the CRSE's consent before any call for tenders to ensure that the project is included in the Integrated Low-Cost Plan and complies with the principles and objectives defined therein;
- the requirement to meet electricity service cost reduction targets for projects not included in the Integrated Low-Cost Plan before any direct negotiation or acceptance of a private initiative offer.

⁶Except for decentralized rural electrification for which the responsibilities for awarding agreements are exercised by the structure in charge of rural electrification according to terms determined by decree (Article 35, paragraph 5 of law no. 2021-31 of July 9, 2021, relating to the Electricity Code).

¹OJ n° 7620 of Thursday, April 20, 2023, p.507 to 516.

²Law n° 2021-31 of July 9, 2021, on the Electricity Code, published in OJ n° 7446 of August 5, 2021, p 1087 to 1111.

³Under article 35, paragraph 5 of law n° 2021-31 of July 9, 2021, on the Electricity Code, on decentralized rural electrification, the responsibilities for awarding agreements are exercised by the entity responsible for rural electrification according to terms determined by decree. ⁴Law n° 2021-31 of July 9, 2021 on the Electricity Code

⁵Decree n° 2023-444 of February 28, 2023, establishing procedures for awarding work permits for regulated activities in the electricity sector.

Ultimately, Decree no 2023-444 of February 28, 2023, organizes the procedures for awarding permits in the electricity sector, distinguishing between :

- Call for tenders, the standard procurement procedure gathering
 - International Call for Tenders opened in one or two stages and may include a prequalification phase aimed at (i) identifying candidates with appropriate technical and financial guarantees and (ii) assessing their ability to ensure the continuity of the public service ;
 - **Restricted Call for Tenders,** under which only candidates selected by the person in charge of the contract may submit their bids, subject to a prerequisite characterization of an emergency justified because of general interest.
 - Direct agreement as a derogatory procurement method that allows the contracting authority to engage in direct negotiations with a single candidate with the aim of concluding a contract or license ;
 - Private Initiative Offer is when a private partner submits an offer to the competent authority for the implementation of a regulated activity. When the competent authority intends to favorably consider the offer, the private initiative offer is forwarded to the tender board after obtaining the consent of the CRSE for competitive bidding through a tender procedure.



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Presentation of residence conditions for entry, stay and exit from Senegal within the current regulatory framework

Like many countries, Senegal faces migration issues.

Although Senegal is primarily a transit and departure country, it remains a land of warm hospitality thanks to its political, economic, and social stability.

As a result, the number of foreign nationals living in Senegal is increasing.

To regulate this flow, the Senegalese government has set up legal and administrative mechanisms to organize the situation of foreign nationals on its territory.

Under law no 71-25 of January 25, 1971, relating to the conditions of entry, residence, and establishment of foreign nationals⁽¹⁾, amended by law no 78-12 of January 29, 1978⁽²⁾, shall be considered as foreign national, as defined by the said regulation, any person who does not have Senegalese nationality, either having a foreign nationality or having no nationality at $all^{(3)}$.

Decree no 71-860 of July 28, 1971⁽⁴⁾, on conditions for the entry, residence, and establishment of foreign nationals, supplemented the legal framework by adapting its provision to the new requirements to which Senegal has committed itself.

However, after several decades, the Senegalese legislature deemed necessary to overhaul the regulatory framework governing the conditions of entry, residence, establishment, and exit from Senegal.

There are three reasons that motivate that change:

- the provisions of decree no 71-860 of July 28, 1971, have become obsolete and outdated;
- the forthcoming exploitation of oil and gas resources will be a significant factor in increasing investor flows to Senegal;

• the political will to make the visa and residence procedures in Senegal more flexible, to resolve problems linked to the absence of diplomatic or consular representations in certain countries, and to transform Blaise DIAGNE International Airport (Diass) into a benchmark airport platform in the sub-region.

To this end, decree no 2023-463 of March 06, 2023, was issued, amending decree no 71-860 of July 28, 1971, relating to foreign nationals' entry, residence and establishment conditions⁽⁵⁾.

This new regulatory framework repeals the provisions of articles 7, 24, 29, 30, 31, 32, 65, 66, 67, 68, 69 and 70 of decree n° 71-860 dated July 28, 1971.

The regulatory framework analysis will consist in reviewing the provisions governing the conditions of entry, residence (I), establishment (II), and exit of foreign nationals on Senegalese territory (III).

I- ENTRY AND RESIDENCE **CONDITIONS FOR FOREIGN** NATIONALS IN SENEGAL

In addition to a valid passport or travel document in lieu thereof, a visa is required for entry into Senegal, together with one of the repatriation guarantees provided for in Title IV of Decree no 71-860 of July 28, 1971, and the international vaccination certificates required by health regulations⁽⁶⁾.

The entry visa to Senegal is issued by the competent services of the Home Ministry or by a service provider designated for this purpose at the country's official points of entry upon request by the interested party⁽⁷⁾.

⁷The list of countries concerned by this formality is to be determined by a joint order of the Home Minister and the Minister of Foreign Affairs and Senegalese Abroad.

¹OJSR no 4148 of February 20, 1971, pp. 158 and 159

⁴OJSR no 4148 of February 25, 1978, pp. 262 and 195 ³Article 1 of Act no 71-10 of January 25, 1971, as amended, referred to above. ⁴OJSR no 4148 of September 18, 1971, pp 861 to 866

⁵OJ no 7632 of Saturday June 03, 2023, p 664 to 666 ⁶The conditions for issuing entry visas on arrival are laid down in a decree issued by the Home Minister

The visa shall specify the duration of the residence permit, which should be valid for no more than ninety (90) days from the date on which it is issued to the beneficiary.

At the request of the interested party, it may be extended for a period not exceeding nine (9) months.

However, under cooperation agreements between the Senegalese government and Third-party countries, foreign nationals may be exempted from the visa application procedure⁽⁸⁾.

Foreign nationals exempt from the entry visa application procedure may reside in Senegal for (3) three months unless the Home Minister grants authorization to extend the duration of their residence at the interested party's request.

The residence permit obliges the foreign national to comply with the residence conditions and leave the country by the visa's expiry date unless renewed.

In addition to the visa requirement, any foreign national entering Senegal without a return or circular ticket or a ticket for a destination outside Senegal must pay a repatriation deposit to the Senegalese Deposit and Consignment Office or have a document guaranteeing unconditional repatriation.

This document takes the following forms :

- a certificate from a government-approved banking institution guaranteeing the repatriation of the foreign national concerned if the latter is unable to cover the costs themselves ;
- an exemption⁽⁹⁾ from remittance of repatriation deposit.

In principle, residence permits are issued to individuals. However, it can be extended to foreign national's children under (15) fifteen years old.

A visa waiver is available for travelers in transit or crew members of ships and aircraft on stopovers. For travelers in transit, visa waivers are possible in the cases provided for in article 3 of decree no 71-860 of July 28, 1971. Unless they have obtained a residence permit, and if they cannot continue their residence, travelers may only remain in Senegal for a maximum of ten (10) days.

Regarding ships and aircraft crew members on stopover duty, it should be noted that the law provides that they may be admitted to the territory on presentation of the crew member's booklet, license, or certificate.

II- ESTABLISHMENT CONDITIONS FOR FOREIGN NATIONALS IN SENEGAL

Foreign nationals wishing to settle in Senegal must submit an establishment permit application to the Home Minister , enclosing the information in article 9 of decree no 2023-463.

Moreover, when these documents are written in a language other than French, a certified translation into French endorsed by the diplomatic or consular authority representing Senegal is required.

Non-immigrant foreign nationals possessing a residence permit may also apply to the Home Minister for permission to settle in Senegal⁽¹⁰⁾.

When the establishment in Senegal is motivated by the exercise of a salaried or non-salaried activity, in addition to the application for authorization, the Home Minister must be provided with all supporting documents deemed necessary to enlighten the Home Minister as to the means of subsistence at the applicant's disposal.

Like the residence permit, the establishment permit is individual and can be extended to the foreign national's children under (15) fifteen if they request it.

Settlement in Senegal is evidenced by the issuance to any immigrant who has reached the age of (15) fifteen⁽¹¹⁾ of a foreign national identity card⁽¹²⁾. which bears the holder's photograph and left index fingerprint and is valid for (5) five years.

⁹ The repatriation deposit waiver is valid for three years from the date of issue. It may be renewed.

¹⁰ To this end, the applicant must provide the documents or proof referred to in article 9, paragraph 2 and, depending on the case, arcle 10 or 11 of the present decree.

The foreign national's identity card must be approved by the competent administrative authority in the holder's residence during the first quarter of each year.

However, it may be revoked under the conditions laid down by law.

Fees are charged for issuing the foreign national's identity card, its duplicate, its renewal, and the affixing of the annual visa.

In addition to the foreign nationals' identity card, foreign nationals authorized to practice a liberal, commercial, industrial, or craft activity receive a card to exercise that profession^{(13).}

III- THE EXIT OF FOREIGN NATIONALS FROM SENEGALESE TERRITORY

Foreign nationals may leave Senegal voluntarily (normal exit) or involuntarily (deportation and expulsion).

1. Normal exit

Normal exit from Senegal by a foreign national remains subject to the provisions of the old regulations, although decree no 2023-463 of March 06, 2023, has reorganized the conditions⁽¹⁴⁾.

Any foreign national wishing to leave Senegal must present the following to the border control service :

- a) a valid passport or travel document in lieu thereof;
- **b**) b)international vaccination certificates required by health regulations. Holders of a foreign national's identity card and any immigrant child under fifteen 15 traveling alone must also obtain a visa from the Home Minister.

Holders of a foreign national's identity card and any immigrant child under fifteen (15) traveling alone must obtain a visa from the Home Ministry.

In the event of permanent departure from Senegal, the foreign national may, subject to compliance with the prescribed regulatory procedure, obtain reimbursement of the repatriation deposit⁽¹⁵⁾.

2. Refoulement

Like the standard exit procedure, the deportation procedure has also been amended by decree no 2023-463 of March 6, 2023⁽¹⁶⁾.

Therefore, if a foreign national enters Senegal by their means, they are escorted back to the border of entry.

3. Expulsion

The provisions relating to expulsion have undergone minor revision^{(17).}

According to the new article 35 of decree no 2023-463 of March 6, 2023 : « the expulsion of a foreign national is pronounced by order of the Home Minister . This order sets the duration of the period at the end of which the foreign national will be obliged to leave the national territory if they have not already done so. This period runs from when the person concerned has been notified of the expulsion order.

For national security or public order reasons, the administrative authority may detain the foreign national subject to an expulsion order pending implementation of the measure».

Lastly, the provisions relating to repatriation deposit remain essentially unchanged⁽¹⁸⁾.

¹¹The procedures for issuing a foreign national's identity card are described in articles 14 and 15 of decree 71-694 of June 28, 1971;

¹²The format of the foreign national's identity card is set by order of the Home Minister.

¹³The procedures for issuing the card are set out in a joint order of the Home Ministry and the Supervisory Ministry. ¹⁴The legislator has repealed one-fifth of the articles governing the normal exit of foreign nationals from Senegal.

¹⁵Repatriation deposits may also be reimbursed in the event of (i) acquisition of Senegalese nationality, (ii) subsequent exemption from payment of the repatriation deposit, or (iii) death.

¹⁶Article 32, which contained a large part of the refoulement procedure, has been repealed, and the new decree contains no provisions relating to refoulement. ¹⁷In the context of expulsion proceedings, only article 34, now article 35, has been revised. The other provisions of decree n° 71-860 of July 28,

articles 41, 43, 52 and 72.

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Informations

SOME LEGISLATIVE AND REGULATORY TEXTS PUBLISHED IN THE OFFICIAL GAZETTE DURING THE 2ND HALF OF 2023

LABOUR LAW :

• Collective Convention related to the Oil and Gas sector dated August 2nd 2019 (Journal no 7614 of April 1st 2023) ;

GAS:

- Decree no. 2023-850 of 07 April 2023 setting the conditions for connection to the gas system and the conditions for third-party access to transformation, transmission, distribution and storage infrastructures (Journal no. 7616 of 13 April 2023, special issues) ;
- Decree no. 2023-851 of 07 April 2023 setting the terms and conditions for determining and revising tariffs for the use of gas infrastructures and the transfer price of natural gas from local production (Journal no. 7616 of 13 April 2023, special issue) ;

ELECTRICITY :

• Decree no. 2023-444 of 28 February 2023 setting out the procedures for awarding licence for regulated activities in the electricity sector (Journal no. 7620 of 20 April 2023 (special issue) ;

PUBLIC-PRIVATE PARTNERSHIP :

• Ministerial order no. 009562 of 03 April 2023 setting the amount of the deposit for contentious appeals in connection with the award of public-private partnership contracts (Journal no. 7619 of 17 April 2023, special issue) ;

FOREIGNER LAW :

• Decree no. 2023-463 of 06 March 2023 amending decree no. 71-860 of 28 July 1971 relating to the conditions of entry, residence and establishment of foreigners (Journal no. 7632 of 03 June 2023).







