



CASE STUDY

Due diligence investigation in West Africa's telecommunication sector

Sofala was engaged to conduct a comprehensive investigation into a national telecommunications company.



LOCATION

Cameroon, Gabon, Equatorial Guinea

REQUIREMENT

In 2017, Sofala was engaged to conduct a comprehensive investigation into a national telecommunications company in West Africa. The country's telecoms sector had been stagnating for decades due to a state monopoly in key market segments. However, a decision to liberalise parts of the sector created an opportunity - via a competitive bidding process - for our end-client, an international Mobile Network Operator, to inject new investment and technology into the market as a Joint Venture partner to the state telecoms utility.

APPROACH

Our in-country research team spoke to individuals in the presidency, senior government officials, individuals working at key regulatory bodies, and executives at all the main telecoms companies in the market. The enquiry included a detailed look at corruption and embezzlement allegations levelled against existing and former executives of the state telecoms company, as well as the degree of overt political interference in the company's finances and operations.

OUTCOME

We identified the state company's key stakeholders and supporters within government, as well as the extent to which those individuals have influenced the government's decision-making. We also provided an informed view on the credibility of historic corruption allegations. Finally, we assessed the likely outcome of the country's forthcoming presidential elections and advised on whether this was likely to alter the company's leadership team and privatisation strategy. Our findings enabled the client to decide whether or not to proceed with a bid to develop broadband (fixed and mobile) infrastructure in a PPP with the state company, given the potential integrity and corruption risks.

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