

## AFRICA RISK CONSULTING

### Country briefing – Cote d'Ivoire

February 2013

## 1 Summary

*The start of International Criminal Court (ICC) proceedings against former Ivorian President Laurent Gbagbo and the arrest of his supporters trigger renewed political violence and unrest. President Alassane Ouattara dismisses calls for an amnesty, although he is considering the release of certain Gbagbo allies to lessen political tensions. International human rights monitors maintain pressure on Ouattara to investigate abuses by the Forces Républicaines de Côte d'Ivoire (FRCI) and allied militias. Political and security concerns undermine the impressive economic recovery. Lobbying for the contract to construct the second container terminal (TC2) at the Port of Abidjan is intense. Security remains the main operations risk for business. However, Ouattara is increasingly focused on security reform to limit the impact of renewed protests and militia attacks on business.*

## 2 Political dynamics

### 2.1 Former President Gbagbo prosecution is launched

The start of prosecution against former Ivorian President **Laurent Gbagbo** has triggered political tensions and thus halted the peace process. On 19-28 February Gbagbo appeared before the **International Criminal Court (ICC)** in **The Hague** to confirm four charges of war crimes. The prosecution says that pro-Gbagbo forces planned attacks during the post-election crisis (16 December 2010 – 12 April 2011) that were “widespread and systematic...against specific ethnic or religious communities”. However, Gbagbo presented himself as a “man of peace” who “fought for democracy” but succumbed to a plot by former colonial power **France** to have him overthrown<sup>1</sup>. His lawyers demand a suspension of the case and his immediate release. He remained “prepared and calm” during proceedings<sup>2</sup>. The ICC now has three months to confirm the charges and start a trial. It will probably

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<sup>1</sup> RFI, 28 February 2013

<sup>2</sup> Source, Francophone Africa journalist, France

make its decision in May 2013<sup>3</sup>. A francophone Africa journalist who visited Gbagbo in prison before the hearing says,

*“The Africans and Serbians are segregated! Gbagbo hates it in there. Largely because he is with the likes of **Charles Taylor**...he clearly believes they are beneath him. He is devouring books ....he also suffers arthritis”.*

The government is having more success in the arrest of Gbagbo supporters due to the cooperation of Ghanaian President **John Dramani Mahama**. Since his election on 7-8 December 2012 President Mahama seeks good relations with Ivorian President **Alassane Ouattara**. He shows a “new willingness” to act against Gbagbo supporters based in Ghana<sup>4</sup>. On 5 February former security official **Jean-Noel Abehi** and student union leader **Jean-Yves Dibopieu** – both considered close to Gbagbo – were arrested and extradited to **Abidjan**.

*“They were rounded up and their deportation to Abidjan was fast-tracked. There are more arrests due and quite a lot of panic among the exiles who are moving to **Togo** where they are also not particularly welcome.”<sup>5</sup>*

President Ouattara has dismissed calls for a blanket amnesty for Gbagbo’s allies. Thus, Gbagbo’s **Front Populaire Ivoirien (FPI)** refuses to participate in the regional and municipal elections postponed from 24 February to 21 April 2013. However, Ouattara is considering the release of certain former Gbagbo officials to improve the political situation. On 28 February **Laurent Akoun**, former FPI number two, was released after six months imprisonment.

*“The FPI is in a difficult situation, many officials are in jail and Gbagbo remains the boss. He is still in charge ...FPI cadres are visiting him in The Hague. The FPI is not interested in participating in the political process, they want some guarantee of the release of its officials and supporters.”*

*“Ouattara believes the courts should judge them. But he knows if he releases some he can go to the next step in the political process. There are also still links between the president’s **RDR [Rassemblement des Républicains]** and the FPI from 15 years back when they formed a coalition against then [President **Henri Konan Bédié [1993 – 1999]**. Some cooperation or even an alliance between the two parties is not impossible.”<sup>6</sup>*

<sup>3</sup> Source, Francophone Africa journalist, France

<sup>4</sup> International Crisis Group, 5 February 2013

<sup>5</sup> Source, longstanding investor in Côte d’Ivoire, United Kingdom

<sup>6</sup> Source, Francophone Africa journalist, France

## 2.2 ... threatening a new wave of violence

As expected Gbagbo's ICC hearing triggered a renewal of protests and violent incidents. On 17-18 February two civilians were killed in clashes with security forces in **Affery**, a pro-Gbagbo town 100 kilometres north of Abidjan, after a violent dispute between the ethnic **Attié** and **Malinké** communities<sup>7</sup>. Youth supporters of Gbagbo also staged a protest on 16 February in **Yopougon**, Abidjan. However, a large presence of security forces and **United Nations Operation in Côte d'Ivoire (UNOCI)** contained the protest<sup>8</sup>.

International human rights monitors back Gbagbo's supporters' claims of 'victors justice'. On 26 February **Amnesty International** released a report titled "*The Victor's Law*" detailing widespread accusations of torture and other abuses against Gbagbo's supporters. Amnesty highlights the government's lack of progress on reconciliation and condemns the violence against Gbagbo supporters by the Army, **Forces Républicaines de Côte d'Ivoire (FRCI)** and **Dozo**, militias made up of traditional hunters. In addition, Amnesty and the UN criticised the government for a lack of action against the perpetrators of a 21 July 2012 attack on an internally displaced persons (IDP) camp at **Nahibily**, near the unstable town of **Duékoué** in the south-west cocoa producing region. According to Amnesty 14 civilians, mostly members of the Guéré ethnic community considered close to Gbagbo, were killed in the attack.

## 3 Business dynamics

### 3.1 Political and security concerns undermine economic gains

Despite President Ouattara's impressive economic agenda, the political and security concerns undermine the image of the country as an investment destination. The **African Development Bank (AfDB)** is in talks with the government to return to Abidjan before the institution's 50<sup>th</sup> anniversary in November 2014<sup>9</sup>. The financial institution will make a decision in May 2013 at its next general meeting in **Marrakech, Morocco**. The AfDB held its first board of directors meeting in Abidjan on 27 February 2013 since its relocation to Tunisia in 2003.

<sup>7</sup> L'Intelligent d'Abidjan, 21 February 2013

<sup>8</sup> RFI, 16 February 2013

<sup>9</sup> Le Mandat, 30 January 2013

Grand plans for the energy sector are progressing. A strategic plan to increase electricity generation running until 2030 includes some 66 projects. The private sector is expected to fund 90% of the projected \$8 billion (CFA 4,000 billion) cost<sup>10</sup>. In a step towards this goal, Ouattara inaugurated the construction of the 275 megawatt hydropower dam in the western town of **Soubré** on 25 February.

### 3.2 Competition for Abidjan Port container terminal contract

Transport infrastructure is also a government focus. Lobbying for the contract to construct the second container terminal (TC2) at the **Port of Abidjan** is described as “*intense... in Paris and Abidjan*”. Three consortiums were pre-selected for the contract in January. They include:<sup>11</sup>

- A consortium led by **Movis** (a joint-venture between **Geodis**, a subsidiary of France railway operator **Société Nationale des Chemins de Fer Français (SNCF)**, and **Société Ivoirienne des Opérations Maritimes (Sivom)**, a local port logistics operator); and includes **CMA CGM**, the French container shipping group and owner of **Terminal Link**; **Necotrans**, a French port and logistics operator; and **International Container Terminal Services Inc (ICTSI)**, a Philippines port operator.
- A second consortium which includes **Groupe Bolloré**, the French transport and logistics group; **Bouygues**, a French industrial group; and **Maersk**, a Danish shipping conglomerate.
- A third consortium of **Mediterranean Shipping Company (MSC)**, an Italian-Swiss company; and **Hanjin**, a South Korean shipping company.

The Movis-led consortium is allegedly the favourite<sup>12</sup>. The family of Trade Minister **Jean-Louis Billon** has an ownership share of Movis. Billon, formerly head of agribusiness group **Société Immobilière et Financière de la Côte Africaine (Sifca)** and president of the **Chamber of Commerce**, denies any involvement in the contract award<sup>13</sup>. Despite close links to former French administration of President **Nicolas Sarkozy**, Groupe Bolloré remains a major business player in francophone Africa. A Paris-based journalist source claims the French government asked Bolloré to transport heavy weaponry to **Dakar, Senegal**, to supply the **Mali** military intervention, “... *but Bolloré was taking time and eventually lost the contract... there is talk it was trying to gain support for the Abidjan port bid.*” The second container terminal is expected to triple the current annual capacity of the **Port Autonome**

<sup>10</sup> Jeune Afrique, 18 February 2013

<sup>11</sup> Jeune Afrique, 16 January 2013

<sup>12</sup> Jeune Afrique, 26 February 2013

<sup>13</sup> Interview, with Jeune Afrique, 28 January 2013

d'Abidjan (PAA) of 800,000 containers. The PAA will allegedly make its decision in the second half of March 2013<sup>14</sup>.

## 4 Operations

Security remains the main operations risk for business, particularly following Gbagbo's ICC hearing and numerous recent arrests of his allies. Several sources concede that both developments may trigger an increase in localised political violence as well as militia attacks on security forces, civilians and business in Abidjan and the west.

President Ouattara – alongside deputy defence minister **Paul Koffi Koffi** – is increasingly focused on the security reform process to improve the discipline and organisation of the FRCI to combat this threat. He chairs the 18-member **Conseil National de Sécurité (CNS)** formed in August 2012. A focus of the body is to coordinate and train soldiers in discipline, ethics and human rights<sup>15</sup>. The CNS oversees the disarmament, demobilization and reintegration (DDR) of ex-combatants under the **Autorité pour le Désarmement, la Démobilisation et la Réintégration des ex-Combattants (ADDR)**.

## 5 Implications

Further street protests, ethnic and political violence as well as militia attacks will probably increase in the wake of Gbagbo's appearance at the ICC, particularly in the unstable west and in Abidjan. However, President Ouattara's increasing focus on security will probably limit unrest to local incidents and it is unlikely to escalate into widespread violence in Abidjan. Moreover, Ouattara is able to make deals with certain Gbagbo allies for their release if the security situation deteriorates. Still, the security situation will remain fraught in the coming months, particularly considering that confirmation of Gbagbo's trial is expected, providing the former leader with a platform to incite unrest in Abidjan. The political and security developments will restrict the economic recovery. However, the typical long-term investors will have planned for some unrest due to Gbagbo's trial and remain confident in the government's abilities to deal with its impact.

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<sup>14</sup> Jeune Afrique, 26 February 2013

<sup>15</sup> Jeune Afrique, 25 February 2013