

## AFRICA RISK CONSULTING

### Côte d'Ivoire Briefing December 2016

#### Côte d'Ivoire Summary 16 December 2016

**President Alassane Dramane Ouattara (2011-present) sacks foreign minister Albert Mabri Toikeusse and housing minister Gnamien Konan. The African Development Bank (AfDB) announces a decentralisation of its headquarters in Abidjan, with operations to move to Tunis (Tunisia), Johannesburg (South Africa) and Nairobi (Kenya). A France-based Total-led consortium announces it will invest \$100m to develop a liquid natural gas (LNG) import terminal in Abidjan, to facilitate energy supply.**

#### Ouattara sacks foreign minister Toikeusse and housing minister Konan

Presidency secretary general **Amadou Gon Coulibaly** announced on 25 November the sacking of foreign minister **Albert Mabri Toikeusse** and housing minister **Gnamien Konan**.<sup>1</sup> The decision is due to alleged disloyalty to the **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** coalition ahead of the legislative elections on 18 December. The government did not make any official communication regarding the reason for Toikeusse or Konan's dismissals, but members within the RHDP say that this was in response to Toikeusse's alleged plan to undermine the RHDP during the legislative election on 18 December.<sup>2</sup> The decision is likely to weaken the coalition ahead of presidential elections in 2020.

Toikeusse was one of the last members of former president **Laurent Gbagbo's** (2000-2011) government to support the transition to president **Alassane Dramane Ouattara** (2011-present).<sup>3</sup> Sources claim that Toikeusse sought to bolster his own party, the **Union pour la Démocratie et pour la Paix en Côte d'Ivoire (UDPCI)**, in the **Assemblée Nationale** (parliament).<sup>4</sup> Toikeusse is the president of the UDPCI. The UDPCI is arguably the third strongest party in the RHDP after the **Parti Démocratique de Côte d'Ivoire (PDCI)** of former president **Henri Konan Bédié** (1993-1999), and Ouattara's **Rassemblement des Républicains (RDR)**. The UDPCI is strategically important for the RHDP, as it remains a powerful party in **Montagnes District**, bordering **Guinea** and **Liberia**, with strong support from the **Mandé (Dan and Yacouba)** ethnic group in particular.<sup>5</sup> The Montagnes District accounts for approximately 11% of the national population; hence a significant share of the electorate.<sup>6</sup>

The RHDP has sought, in the lead up to the legislative elections, to have its member parties run under the RHDP banner.<sup>7</sup> The RHDP reportedly told the UDPCI that it could put forward 11 candidates in its stronghold constituencies, while Toikeusse pushed to increase his party's number of candidates.<sup>8</sup> The UDPCI currently has ten members of parliament (MPs) in parliament, and has pledged to put forward 23 candidates for the election.<sup>9</sup>

Ouattara appointed Toikeusse foreign minister in January, after he served as planning minister for the duration of Ouattara's first mandate (see *ARC Briefing Côte d'Ivoire January 2016*). Ouattara reportedly

<sup>1</sup> Jeune Afrique, 26 Nov 2016.

<sup>2</sup> Source, journalist, Abidjan

<sup>3</sup> Source, journalist, Abidjan

<sup>4</sup> Source, journalist, Abidjan

<sup>5</sup> Source, journalist, Abidjan

<sup>6</sup> www.ins.ci

<sup>7</sup> Jeune Afrique, 26 Nov 2016.

<sup>8</sup> Source, journalist, Abidjan

<sup>9</sup> www.assnat.ci

tasked Toikeusse with leading a strategic rapprochement with **Middle East** countries, lobbying in particular for the political and economic backing of the **United Arab Emirates (UAE)**, **Kuwait** and **Saudi Arabia** (see *ARC Briefing Côte d'Ivoire January 2016*). However, his sacking reportedly has no relation to foreign policy,

*“Even though Toikeusse... was an important asset for the rapprochement between Côte d'Ivoire and the Middle East, his sacking has nothing to do with relations between these two regions. He was treated like this because the current president [Ouattara] is anything but a democrat. Toikeusse's wish to have a few more seats in parliament wasn't to Ouattara's taste and he got rid of him right away.”<sup>10</sup>*

A source close to the minister says that Toikeusse knows that the RHDP no longer values him as a member of the coalition,

*“Toikeusse does not ignore the fact that he no longer matters for other members of the RHDP, who think they have found new people to replace him. The battle for the succession of Ouattara rages and only God knows who's next. If, due to political convictions, Toikeusse is chased from government, we will certainly pay him homage for his loyalty and service to his country.”<sup>11</sup>*

Konan is president of the **Union pour la Côte d'Ivoire (UPCI)** party, also an important member party of the RHDP.<sup>12</sup> Konan openly claimed from August that the UPCI would seek to obtain over 50 seats in parliament in the legislative elections.<sup>13</sup> Konan is also a former ally of Gbagbo, serving as head of the **Direction Générale des Douanes (DGD)** (customs authority), and therefore served as an important proponent of Ouattara's government from 2011 (serving as civil service minister from 2011 to 2014, and higher education minister between 2014 and 2016).<sup>14</sup> The UPCI proposed candidates in **Akan** ethnic group dominant regions – in **Vallée du Bandama District** and **Lacs District**, as well as in constituencies in the capital **Abidjan**.<sup>15</sup>

Both sackings reflect the dominance of the RHDP, and Ouattara in particular, in national politics. However, ruling party members see Toikeusse and Konan's acts as a betrayal of the coalition,

*“I think that once you are a part of a political chapel, and benefit from all the advantages that come with this, it is difficult to seek independence from this. The RHDP, in its official text, is a unified party – there is nothing to justify that the UDPCI and UPCI disassociate itself from the RHDP in order to put forward its own candidates in the legislative elections. It does not matter what we think about this, or how the opposition interprets this, their sacking is totally justified. This is because both Toikeusse and Konan were named ministers within this political alliance.”<sup>16</sup>*

Ouattara's sacking of Toikeusse could jeopardise the strength of the RHDP coalition, which completely dominates parliament, especially without any representation from Gbagbo's **Front Populaire Ivoirien (FPI)** (see *ARC Briefing Côte d'Ivoire November 2016*). Although Toikeusse is not seen as a real threat to Ouattara in the 2020 presidential elections, a weaker relationship between the two, as well as the UDPCI and the RHDP, could reduce the strength of the RHDP coalition. This is especially true in the context of the 2020 elections, where there continue to be rumours of a fracturing between the PDCI and RDR (see *ARC Briefing Côte d'Ivoire November 2016*).

*“In some way, the retreat of the UPDCI and UPCI will weaken the coalition. The signs of division at the heart of the RHDP are more than visible with the sacking of the two ministers. This is only*

<sup>10</sup> Source, opposition member, Abidjan

<sup>11</sup> Source, friend of Toikeusse, Abidjan

<sup>12</sup> www.abidjan.net

<sup>13</sup> Le 360, 12 Aug 2016.

<sup>14</sup> www.abidjan.net

<sup>15</sup> Koaci, 15 Nov 2016.

<sup>16</sup> Source, PDCI member, Abidjan

*the visible part of the iceberg – on the administrative and cabinet side of things, even within the presidency, those close to Toikeusse are paying the price for this standoff.”<sup>17</sup>*

There is reportedly an increasing number of former PDCI members running as independent candidates,

*“In any case the problem comes not from the UDPCI or UPCI but certainly from the PDCI: the party on which the RHDP coalition depends. Almost all independent candidates this year are originally from the PDCI. All of these have lost their positions within the party. If on the ground the PDCI’s proposed candidates are rejected by the people, this will be the first strong sign of division within the PDCI.”<sup>18</sup>*

The divisions within the RHDP appear to widen the political landscape in Côte d’Ivoire, as the result of the legislative election will shape the battle for the presidency in 2020,

*“Ivoirian politics is far more complex than we think. Toikeusse knew exactly the consequences of his decision to present candidates for parliament under the UDPCI banner. He did it anyway. When we look at the political landscape, with the succession and vice-presidency as pronounced issues, the UPCI and UDPCI, considered to be small parties, will not necessarily have a strong position... Toikeusse now has more room to move and has everything to gain. It’s up to him to mobilise his support base. There is a large chance that he will be a candidate for the 2020 presidential elections.”<sup>19</sup>*

### **AfDB announces decentralisation of its Abidjan headquarters**

**African Development Bank (AfDB)** vice president **Frannie Léautier** announced on 3 December that the organisation will embark on a decentralisation programme, relocating up to 900 employees, or 40% of the organisation’s employees, to sub-regional offices in **Nairobi (Kenya), Tunis (Tunisia)** and **Johannesburg (South Africa)**.<sup>20</sup> The AfDB will reportedly enact the change within the next 18 months, by the third quarter of 2018.<sup>21</sup> The move reportedly is both for strategic location – with a stronger presence in regional hubs – and in order to improve the speed and quality of the organisation’s response.<sup>22</sup> The decision is a pillar strategy within the organisation’s reform programme, initiated when the new AfDB president, **Akunwumi Adesina**, assumed his role in September 2015.<sup>23</sup> The AfDB board had discussed the strategy direction earlier in 2016, around April, before internally finalising the decentralisation plan in June.<sup>24</sup>

Local sources fear that government will interpret this as a betrayal of the Ivoirian government, which had invested a lot in the AfDB’s return to Abidjan, after Ouattara assumed power in 2011,

*“Côte d’Ivoire has invested more than \$100m in infrastructure and other logistical means for the return of the AfDB. After 10 years of negotiation with the organisation to ensure its return, now the AfDB decides it will move 40% of its employee base. Yes, we have the right to be somewhat disappointed. Even if this is a cost that the AfDB can afford, this will certainly have a real impact, even if small, on the Ivoirian economy... Politicians are talking about this as a betrayal.”<sup>25</sup>*

Other sources view the decision as a necessary step for the AfDB,

<sup>17</sup> Source, journalist, Abidjan

<sup>18</sup> Source, journalist, Abidjan

<sup>19</sup> Source, political analyst, Abidjan

<sup>20</sup> Jeune Afrique, 3 Dec 2016.

<sup>21</sup> Jeune Afrique, 3 Dec 2016.

<sup>22</sup> Source, journalist, Abidjan

<sup>23</sup> Jeune Afrique, 3 Dec 2016.

<sup>24</sup> Jeune Afrique, 3 Dec 2016.

<sup>25</sup> Source, consultant, Abidjan

*“The AfDB made the right move. It’s obvious that they would be disadvantaged by focusing too much on Abidjan. There is no reason for them to stay so centralised. Anyway, the government has no reason to complain: they benefitted greatly from the organisation’s return to Côte d’Ivoire.”<sup>26</sup>*

The AfDB also announced the names of the new director generals for each region:

- **Janvier Litse**, West Africa;
- **Ousmane Doré**, Central Africa;
- **Gabriel Negatu**, East Africa;
- **Mohamed El Azizi**, North Africa;
- **Tonia Kandiero**, Southern Africa.<sup>27</sup>

Rumours circulated in Abidjan that the decentralisation cost for the AfDB would be too high to make the plan feasible within the 18-month timeframe.<sup>28</sup> The AfDB has grown exponentially in stature in the past decade, now with subscribed capital exceeding \$65.5 billion, assets worth over \$25.3 billion, and approving over \$4.37 billion in loan agreements in 2015, up from \$1.7 billion in 2013.<sup>29</sup>

### Total-led consortium to invest \$100m in LNG import terminal

France-based **Total** on 25 November announced that it will head a consortium which will invest approximately \$100m in order to build a liquid natural gas (LNG) terminal in **Vridi** (Abidjan), after obtaining rights to construct and operate the terminal.<sup>30</sup> The terminal will ensure a stable supply of gas to Côte d’Ivoire’s gas-fired power plants. The terminal will be built through the consortium company, **Côte d’Ivoire GNL (CI-GNL)**.<sup>31</sup> CI-GNL should be operational by mid-2018, with a total capacity of 3 million tonnes per year.<sup>32</sup> The terminal will also include a floating storage and regasification unit (FRSU) with an initial 100 million cubic feet capacity, which later will increase to 400 million cubic feet,<sup>33</sup> and a pipeline to connect it to gas-powered power plants, possibly such as **Globeleq**-owned 450MW gas-fired power station **Azito** and **Eranove**-owned 543MW **Compagnie Ivoirienne de Production d’Électricité (CIPREL)**, both within 10 kilometres of Vridi.<sup>34</sup>

Total will hold a 34% stake in the terminal, while state-owned **Société Nationale d’Opérations Pétrolières de Côte d’Ivoire (PETROCI)** and **Société des Énergies de Côte d’Ivoire (CI-Energies)** will have 11% and 5% respectively, **Azerbaijan**-based **State Oil Company of Azerbaijan Republic (SOCAR)** 26%, **United Kingdom (UK)**-based **Royal Dutch Shell Plc** 13%, **Bermuda**-registered **Golar LNG Ltd** 6%, and **United States (US)**-owned **Endeavor Energy** 5%.<sup>35</sup>

### Implications

The dismissal of Toikeusse and Konan shows the extent of tensions within the ruling RHDP coalition, which appears to have fractured in the lead-up to legislative elections. Neither the UDPCI nor the UPCI have sought to put forward candidates under the RHDP banner, rather seeking to strengthen their parties’ positions in parliament. The decision appears a decisive move to run for the presidency from Toikeusse. Potential divisions between the PDCI and RDR are, however, more significant, which could undermine the RHDP coalition and open up the political landscape ahead of the 2020 presidential election.

<sup>26</sup> Source, journalist, Abidjan

<sup>27</sup> www.afdb.org

<sup>28</sup> Source, journalist, Abidjan

<sup>29</sup> www.afdb.org

<sup>30</sup> Capital, 25 Nov 2016.

<sup>31</sup> Capital, 25 Nov 2016.

<sup>32</sup> Capital, 25 Nov 2016.

<sup>33</sup> Reuters, 24 Nov 2016.

<sup>34</sup> Capital, 25 Nov 2016.

<sup>35</sup> Capital, 25 Nov 2016.

The AfDB's decentralisation plan is likely to have a negative impact on the economy, even though Abidjan will remain the main hub for the organisation. The AfDB's size and reach make this a logical decision from the organisation's perspective.

The construction of an LNG terminal, once complete, should guarantee a secure supply of natural gas for domestic power production.

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