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President Alassane Dramane Ouattara (2010-present) announces he intends to introduce the position of vice president and a senate as part of proposed constitutional reform. The Burkinabe and Ivorian governments sign a revised agreement with France-based Bolloré Group subsidiary Sitarail for the Abidjan-Kaya railway line, after securing the technical and commercial agreement with Pan African Minerals in March. The government issues its second sukuk, for FCFA150 billion (\$260m), which the government has secured against government administrative property.

Ouattara confirms desire to introduce vice president and senate

President **Alassane Dramane Ouattara** (2010-present) on 6 August announced that he wishes to introduce the office of vice president and a senate as part of his proposed constitutional reform referendum, which is likely to take place before the end of 2016.¹ This adds two further reform propositions to a list seemingly too complex for a simple yes or no vote. Commentators believe that the constitutional referendum proposition will be a way for Ouattara to implement sweeping reform under the veil of nationalist rhetoric (see *ARC Briefing Cote d'Ivoire July 2016*). They see the referendum as a means for Ouattara to maintain power throughout his mandate, even though this would be deemed unconstitutional due to current age limits (see *ARC Briefing Cote d'Ivoire July 2016*). Crucially, commentators claim that Ouattara will seek to redefine the controversial issue of *Ivoirité*,² which the opposition alleges would allow Ouattara to remain in power. The opposition claims Ouattara has non-**Ivorian** nationality (see *ARC Briefing Cote d'Ivoire July 2016*). Opposition members also believe that the referendum proposition is undermining reconciliation efforts with the opposition, following the post-electoral crisis of 2010-2011.

Even though the vice president/president relationship would appear straightforward, Ouattara has failed to clarify how the proposed political structure would redefine the roles of each in the present system. The current president/prime minister system is derived from the **French** system of government, with the prime minister in charge of the cabinet, its ministerial appointments and amendments. **Parti Démocratique de Côte d'Ivoire (PDCI)** stalwart **Daniel Kablan Duncan** currently occupies the position of prime minister.³ The expert committee that Ouattara tasked to draft the new constitution claims to see no reason why the introduction of the vice president role would change the function of the prime minister.⁴

Ouattara's constitutional reform envisages a vice president who is appointed rather than elected.⁵ The vice president would be able to complete the mandated term of office if the president was unable to:

"We will appoint the vice president outside of universal suffrage, and he can complete the current mandate [in case of the president's inability to do so], contrary to the legal constitutional

¹ RFI, 7 Aug 2016.

² Literally translated as Ivority – the legal definition of someone of Ivorian nationality, which Ouattara allegedly seeks to amend in order to include foreign immigrants, most notably from border countries such as **Burkina Faso** and **Mali**.

³ RFI, 7 Aug 2016.

⁴ Oeuil d'Afrique, 18 Aug 2016.

⁵ Abidjan.net, 21 Jun 2016.

successor [currently **Guillaume Soro**] who would only be able to hold the role in the interim for two months before holding elections.”⁶

Ouattara does not want the person who is chosen as an interim successor to have the absolute powers of an elected president, as is the case within the current government:

*“He would not be able to employ Article 48 [of the constitution], nor would he/she be able to dissolve government or form a new government.”*⁷

Ouattara highlighted the issue of Article 48, which, in extreme circumstances, allows a president exceptional powers (similar to a state of emergency). It would appear that this is because Ouattara fears activation of Article 48 if Soro succeeds him. Ouattara seems outwardly distrustful of Soro, who is currently his successor in case of failure to fulfil his mandate. Article 48 of the constitution states:

*“If institutions, the nation’s independence, the integrity of its territory or the execution of its international commitments are threatened in a grave and immediate manner, and the regular operation of constitutional public power is interrupted, the president will take exceptional measures, as demanded by the circumstances, after compulsory consultation with the national assembly’s president and the constitutional council.”*⁸

Several potential candidates are currently tipped for the role of vice president, but local sources believe that Kablan Duncan is the most likely person to take the role,

*“[Ouattara’s] first choice for the vice presidency is none other than the current prime minister, Daniel Kablan Duncan... He could leave the prime minister role, which is a position which may be removed entirely – unless Cote d’Ivoire wishes to instil confusion in the administration.”*⁹

However, there are also rumours that secretary general at the presidency, **Amadou Gon Coulibaly**, may be Ouattara’s preferred option,

*“[Gon Coulibaly] is tipped for the post of vice president, and is in pole position to run for president after the departure of Ouattara in 2020... Ouattara is multiplying the signs that he seeks to push through his loyal friend [Gon Coulibaly] to the vice presidency.”*¹⁰

Ouattara also reiterated his desire to introduce a senate in addition to parliament. He provided no details about the number of senators and their appointment.¹¹ However, he described the new system as:

*“...a bi-chamber parliament, but [one] which would guarantee the primacy of the **Assemblée Nationale** (national assembly)”*.¹²

Crucially, Ouattara has the full backing of the PDCI, the second largest party within the **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** coalition, which will help him to promote the initiative and push the reform agenda,

*“The PDCI has no reservations about the constitution. The president has decided, within the context of the constitutional reform, to introduce several changes. He wishes to introduce the vice president role. The PDCI agrees. He proposes a senate. The PDCI agrees.”*¹³

⁶ Abidjan.net, 21 Jun 2016.

⁷ Abidjan.net, 21 Jun 2016.

⁸ www.gouv.ci

⁹ L’Intelligent d’Abidjan, 7 Nov 2015.

¹⁰ Source, journalist, Abidjan

¹¹ Abidjan.net, 21 Jun 2016.

¹² Abidjan.net, 21 Jun 2016.

¹³ www.pdci.ci

Burkina Faso, Côte d'Ivoire and Sitarail sign revised concession

The **Burkinabe** and Ivorian governments, and France-based **Bolloré Group** subsidiary **Sitarail** – on 29 July signed a revised concession agreement for the **Abidjan (Cote d'Ivoire)-Kaya (Burkina Faso)** railway line.¹⁴ Although details were not made public, the renewed contract will give Sitarail greater control over investment in the maintenance and rehabilitation of the network support infrastructure of the railway line linking the Ivorian capital to Kaya via the Burkinabe capital **Ouagadougou**.¹⁵ Sitarail will thus extend its management of the line beyond the railway line into both industrial maintenance and transit stations.¹⁶

Sitarail had previously stipulated that it would not agree to signing the renewed agreement until **Vasile Frank Timis'** mining conglomerate **Pan African Minerals** had signed a technical agreement for operations at its **Tambao** mine in **Oudalan Province** in north-eastern Burkina Faso.¹⁷ Pan African Minerals and Bolloré Group had signed the memorandum of understanding (MoU) for the railway concession, worth close to \$900m, in August 2014.¹⁸ However, the Burkinabe government suspended Pan African Minerals' licence to export manganese from its Tambao mine in March 2015.¹⁹ It lifted the suspension in December.²⁰

Once Tambao is fully operational, Pan African Minerals will export around three million tonnes of manganese per year through Sitarail's railway line and the **Port of Abidjan**.²¹ Landlocked Burkina Faso will export most of its mineral exports on the Sitarail line after it is completed.²² In response to Pan African Minerals' announcement of renewed exploitation of the mine, Sitarail confirmed that it will restart investment on the line in September, but did not confirm the amount of investment.²³ However, Sitarail did confirm that the rehabilitation process would apply to over 850km of railway and several stations along the line.²⁴ Sitarail had in early January announced that it would invest over €400m (\$447m) in the line over the next five years but retracted this commitment in March, making the investment conditional on Pan African Minerals resumption of operations.²⁵ In May, Sitarail announced that it would reduce investment in the first year to €40m (\$45m) from €130m (\$145m), and spread the total investment over the remaining years of the concession, i.e. 29 years.²⁶ This signals Sitarail's reluctance in its investment, but also appears to indicate that Sitarail is less confident that Pan African Minerals will not experience setbacks in resuming activities at Tambao mine.

Meanwhile, the Ivorian government on 3 August gave its approval for the first phase of the 2016-2025 road development plan, totalling FCFA 3,760 billion (\$6.4 billion).²⁷ The programme aims to strengthen urban connectivity and transport links, while the interior will undergo an overlay of road network between district, regional and departmental capitals.²⁸ The government had until now not communicated the level and sources of external financing nor the official promoters of the programme.

¹⁴ L'infodrome, 12 Aug 2016.

¹⁵ Jeune Afrique, 3 Aug 2016.

¹⁶ Jeune Afrique, 3 Aug 2016.

¹⁷ Multiple sources: The Africa Report, 23 Dec 2015; Jeune Afrique, 3 Aug 2016.

¹⁸ Reuters, 1 Aug 2014.

¹⁹ Multiple sources: The Africa Report, 23 Dec 2015; Jeune Afrique, 3 Aug 2016.

²⁰ Multiple sources: The Africa Report, 23 Dec 2015; Jeune Afrique, 3 Aug 2016.

²¹ Jeune Afrique, 3 Aug 2016.

²² Jeune Afrique, 3 Aug 2016.

²³ Jeune Afrique, 3 Aug 2016.

²⁴ Jeune Afrique, 3 Aug 2016.

²⁵ Jeune Afrique, 3 Aug 2016.

²⁶ Jeune Afrique, 3 Aug 2016.

²⁷ Jeune Afrique, 5 Aug 2016.

²⁸ Jeune Afrique, 5 Aug 2016.

Government issues second *sukuk* worth \$260m

The government issued the country's second *sukuk* for FCFA 150 billion (\$260m) during the first week of August. *Sukuk* bonds are state-level bonds compliant with Islamic sharia law. The issue is the second half of a FCFA 300 billion (\$520m) *sukuk* announced in April 2015, the first half of which it launched in November 2015.²⁹ The lead organiser is the **Islamic Corporation for the Development of the Private Sector (ICD)**.³⁰ The bond will have a seven-year maturity, a 6.5% yield, and subscription will close on 31 August.³¹ The bond will be launched through the regional markets – the **Bourse Régionales des Valeurs Mobilières (BVRM)** (West Africa stock exchange).³²

The Ivorian government will secure the debt through state property – the **Centre de Commerce International d'Abidjan (CCIA)** (Abidjan international trade centre) and towers **A** and **B** in the **Cité Administrative** (government administrative district), each valued at FCFA 98 billion (\$167m) and FCFA 67 billion (\$114m).³³

Implications

Ouattara's proposal to introduce a vice president role and senate appears to reveal his true intentions behind the constitutional reform proposal, whose changes in government's operation would considerably alter the power dynamic in Cote d'Ivoire. Ouattara feels threatened by Soro's current role as his successor in case of incompleteness of his mandate, and seems likely to push either Kablan or Gon Coulibaly as candidates for the new vice presidency. With support of major parties within the RHDP coalition, Ouattara's ability to sway public opinion in favour of constitutional reform is more likely.

Sitarail's announcement of its renewed investment in the Abidjan-Kaya line is essential for the Burkina Faso economy, but the level of investment is reduced, which may indicate that there may still be hurdles to overcome before the Tambao mine is fully operational. Sitarail's marked reticence and tentativeness may reveal slower-than-expected development in the short-term, but confirmation of the investment still shows confidence in the longer-term profitability of the line.

The issuance of the second Ivorian *sukuk* in a year reveals that the country has a viable alternative for government bonds borrowing, which in the long term will afford the government to reduce its exposure to higher risk debt solutions.

²⁹ The Africa Report, 9 Aug 2016.

³⁰ The Africa Report, 9 Aug 2016.

³¹ The Africa Report, 9 Aug 2016.

³² Jeune Afrique, 5 Aug 2016.

³³ Jeune Afrique, 5 Aug 2016.

About Africa Risk Consulting:

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