

AFRICA RISK CONSULTING

Côte d'Ivoire Briefing January 2017

Côte d'Ivoire Summary 30 January 2017

The Commission Électorale Indépendante (CEI) (independent electoral commission) publishes official results that show the Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP) coalition won 66% of seats in the 18 December legislative election. President Alassane Dramane Ouattara (2011-present) appoints prime minister Daniel Kablan Duncan vice president. Ouattara also appoints secretary general at the presidency Amadou Gon Coulibaly prime minister. Coulibaly appoints a 27-member government cabinet, including new appointees Marcel Amon Tanoh, foreign minister; Thierry Tanoh, oil, energy and renewable energy minister; and Adama Koné, finance minister. Members of parliament re-elect former Forces Nouvelles (FN) leader Guillaume Soro parliamentary president for a second mandate. Strikes and mutiny within the armed forces lead to the government agreeing to pay \$166m in bonuses to soldiers.

Ouattara faces setback at legislative elections

The **Commission Électorale Indépendante (CEI)** (electoral commission) on 31 December published official results for the 18 December legislative election, with the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** coalition winning 167 seats, 66% of the total.¹ The results are a setback for president **Alassane Dramane Ouattara's** (2011-present) legislative position. The surge of independent candidates running for office, all former members of the RHDP, presents the greatest risk to Ouattara. Independent candidates now hold 29.6% of parliamentary seats.²

The low election turnout – 34.1% – was not necessarily the result of an opposition boycott.³ Former president **Laurent Gbagbo's** (2000-2011) party, the **Front Populaire Ivoirien (FPI)**, had in early December announced that it would boycott the legislative elections.⁴ However, participation rates during the 2016 legislative elections were much in line with previous years, dropping only slightly from a 36.6% rate in 2011 and up compared to the 31.5% rate in 2000.⁵

The election maintains the FPI's weakness in parliament, as it retains just 3 seats in the **Assemblée Nationale** (parliament).⁶ The FPI today operates largely outside of parliament – the party held not a single seat in parliament in the 2011-2016

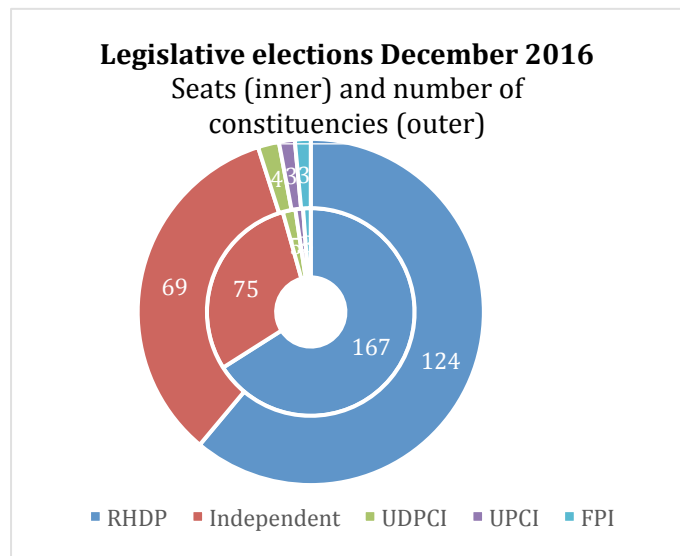


Figure 1: www.cei-ci.org

¹ www.cei-ci.org

² www.cei-ci.org

³ www.cei-ci.org

⁴ Ivoire Matin, 1 Dec 2016.

⁵ www.cei-ci.org

⁶ www.cei-ci.org

period.⁷ As local sources confirm,

*“The boycott above all worked against the FPI. The example would be the FPI candidate for **Port-Bouet (Abidjan)**. Had they not run the boycott, he would certainly be the member of parliament (MP) for Port-Bouet. However, it is so hard to judge, because Ivoirians in general have turned their backs on politics.”⁸*

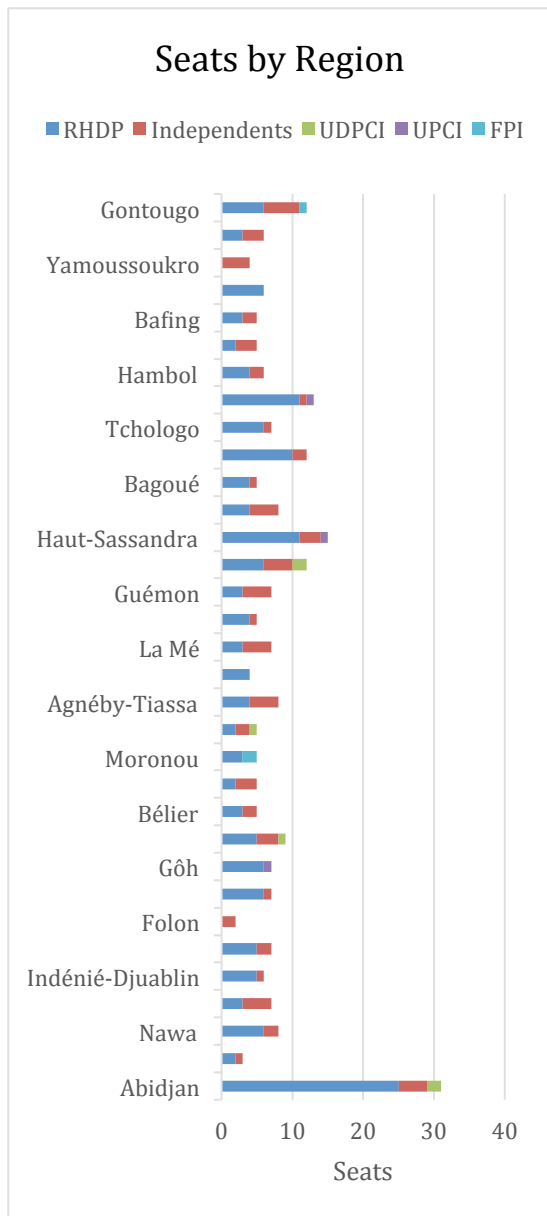


Figure 2: www.cei-ci.org

The RHDP dominated the majority of significant regions within parliament, such as the economic capital Abidjan, **Haut-Sassandra** and **Gbêkê**.⁹ Independent candidates, on the other hand, have a total majority over the administrative capital **Yamoussoukro**, and a narrow majority in **La Mé**, **Guémon**, **Béré** and **San Pédro**.¹⁰ Independent candidates hold broadly the same number of seats as the RHDP in regions such as **Gontougo**, **Bounkani**, **Marahoué** and **Agnéby-Tiassa**.¹¹

*“The rise of the independents is the result of two factors: 1) the disaffection between the fringe of voters and the RHDP, and 2) the choice of candidates. Concerning the first point, social difficulties and the lack of balance in the redistribution of wealth has led to a rupture between the RHDP and its electorate. RHDP candidates were therefore seen as an extension of the decreasingly popular **Henri Konan Bédié** (1993-1999) and Ouattara. Furthermore, the absence of primary elections within the RHDP led to independent victories, which, it is important to stress, are all for people originally from the RHDP.”¹²*

There is increasingly evidence of divisions within the ruling coalition. The RHDP is composed primarily of Bédié’s **Parti Démocratique de Côte d’Ivoire (PDCI)** and Ouattara’s **Rassemblement des Républicains (RDR)** after a symbolic unification of the two parties in February 2016 (see *ARC Briefing Côte d’Ivoire February 2016*). However, the RHDP sought to force the coalition banner onto all its legislative candidates rather than individual parties, which led to many running as independent candidates. The absence of primary elections appears to be the main reproach of the independent candidates, as well as their unwillingness to run for the RHDP as a unified party.

The RHDP also lost the support of two important members of the coalition, after the presidency in

November sacked foreign minister **Albert Mabri Toikeusse** and housing minister **Gnamien Konan**, respective leaders of the **Union pour la Démocratie et pour la Paix en Côte d’Ivoire (UDPCI)** and

⁷ www.cei-ci.org

⁸ Source, journalist, Abidjan

⁹ www.cei-ci.org

¹⁰ www.cei-ci.org

¹¹ www.cei-ci.org

¹² Source, journalist, Abidjan

Union pour la Côte d'Ivoire (UPCI) parties (see *ARC Briefing Côte d'Ivoire December 2016*). The decision showed Ouattara's firm stance on disloyalty within the RHDP ahead of the legislative elections on 18 December. This stance led to many candidates running as independents. Mabri and Konan also sought to do the same for their respective parties (see *ARC Briefing Côte d'Ivoire December 2016*). As a result, the UDPCI and UPCI now have a total of eight seats in parliament, while independent candidates retain 75 seats within the chamber.¹³ How the independents will act within parliament is unclear, although the most likely scenario appears to be that they will support the PDCI or RDR independently, rather than act as a bloc. The worst case for the RHDP would be if they unify and form a powerful opposition bloc in parliament.¹⁴ The PDCI, the coalition's most strategically important component is increasingly divided,

*"The PDCI is 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."*¹⁵

Reportedly, the FPI will also seek to draw the independents away from the RHDP parliamentary bloc,

*"In parliament, it is very likely that the RHDP and FPI groups will contest each other more. **Pascal Affi N'Guessan** (current FPI leader) will seek to tempt independents to join him against the ruling majority. Independents could also create their own parliamentary group... However, seeing the closeness between these and Bédié (PDCI), it seems most likely that it will be an extension of the RHDP. The majority of the independents should re-join their respective formations."*¹⁶

The independents will not dramatically change the political landscape, but could have greater influence over the dynamics within the RHDP,

*"I don't think the rise of the independents will have a major influence in Ivorian politics in the sense that it will not lead to a major upheaval of the dominant forces in national politics. However, this rise in the independents' strength will certainly change the way in which PDCI and RDR select their candidates. The independents for the most part will return to their respective political stables... Ouattara will still have a firm grasp of decision-making."*¹⁷

The RHDP appears more fractured, despite Bédié's and Ouattara's efforts to unify the support base.¹⁸ This manifests not only through divisions between RDR and PDCI supporters, but equally within the PDCI itself (see above). Furthermore, this reveals Ouattara's greatest political weakness – an overdependence on the PDCI electorate's backing. Although the RHDP remains the single most powerful force in Côte d'Ivoire, there are signs that this coalition will weaken ahead of presidential elections in 2020.

Ouattara reshuffles government

Ouattara carried out a major government reshuffle on 10 and 11 January. On 10 January, Ouattara appointed **Daniel Kablan Duncan**, until then prime minister, vice president.¹⁹ The new constitution allows for the appointment of both a vice president and prime minister (see *ARC Briefing Côte d'Ivoire November 2016*). The vice president, according to the new constitution, will succeed the president if he is unable to complete his term of office.²⁰ This was previously the role of the parliamentary

¹³ www.cei-ci.org

¹⁴ *Jeune Afrique*, 21 Dec 2016.

¹⁵ Source, journalist, Abidjan

¹⁶ Source, journalist, Abidjan

¹⁷ Source, social science professor and member of political bureau, Abidjan

¹⁸ www.cei-ci.org

¹⁹ *Jeune Afrique*, 10 Jan 2017.

²⁰ Known in French as *dauphin constitutionnel*

president (see below). Duncan is a veteran PDCI stalwart, with a solid reputation for competence and tirelessness. Many local sources believe this puts Kablan in pole position to succeed Ouattara,

*"What I keep hearing is that Ouattara wants to retire before 2020. This is partially why he wanted to change the constitution, so that Kablan could take his place when he does."*²¹

Duncan's role as vice president appears vague,

*"The constitution doesn't really mention a specific role, other than replacing the president in case of an unexpected vacancy. If this happens, the RDR would retract to the benefit of the PDCI (Kablan is a PDCI member), which would take over power in 2020. Ouattara would prefer to have somebody from the PDCI, but whom he trusts."*²²

Later on 10 January, Ouattara appointed **Amadou Gon Coulibaly** prime minister.²³ Coulibaly was mayor and MP for **Korhogo (Savanes District)** from 2001, serving as secretary general at the presidency between 2011 and 2017, and agriculture minister between 2006 and 2010 under Gbagbo.²⁴ Coulibaly is especially close to Ouattara, as he claims that "[Ouattara] trained me – my career will always be by his side."²⁵

*"Gon Coulibaly is Ouattara's right arm – I think his nomination shows the preference Ouattara gives him when it comes to his succession at the RDR. I would even say that he is in the running for the presidency, if the PDCI and RDR coalition fails."*²⁶

Ouattara tasked Coulibaly with appointing a new government cabinet "as soon as possible".²⁷ Coulibaly appointed a 27-member cabinet, which includes:²⁸

- **Hamed Bakayoko**, state minister, interior and security minister;
- **Marcel Amon Tanoh**, foreign minister; Amon Tanoh replaces the recently ousted Mabri (see above). Amon Tanoh previously held the role of chief of staff at the presidency, from 2011 to 2017.²⁹
- **Thierry Tanoh**, oil, energy and renewable energy minister;
- **Amede Koffi Kouakou**, infrastructure minister;
- **Jean Claude Brou**, industry and mines minister;
- **Nialé Kaba**, planning and development minister;
- **Bruno Nabagné Koné**, communications, digital economy and postal minister, government spokesperson;
- **Mamadou Sangafowa Coulibaly**, agriculture and rural development minister;
- **Adama Koné**, finance minister; Adama Koné obtained his first major portfolio with the finance minister post. Adama Koné was deputy director general of the treasury between 2001 and 2010, before becoming director general of the treasury from 2010 to 2016.³⁰
- **Abdourahmane Cissé**, budget minister.³¹

Ouattara also named new positions at the presidency, including:

- **Patrick Achi**, secretary general at presidency;
- **Alain Richard Donwahi**, defence minister at presidency.³²

²¹ Source, retired military veteran, Abidjan

²² Source, social science professor and member of political bureau, Abidjan

²³ Jeune Afrique, 10 Jan 2017.

²⁴ www.abidjan.net

²⁵ Jeune Afrique, 10 Jan 2017.

²⁶ Source, social science professor and member of political bureau, Abidjan

²⁷ Jeune Afrique, 10 Jan 2017.

²⁸ www.presidence.ci

²⁹ www.abidjan.net

³⁰ www.abidjan.net

³¹ www.presidence.ci

Local commentators view Ouattara's move as a strategic bet to ensure a successor for 2020, when constitutional term limits require him to cede his position,

*"A successful election is planned several years in advance. This explains the cabinet reshuffle – with Amadou Gon Coulibaly, Duncan and Tanoh."*³³

Bakayoko, Brou, Sangafowa, Cissé and Bruno Koné are all Ouattara loyalists with highly credible profiles and retain their portfolios. Bruno Koné, married to Ouattara's niece, **Masséré Touré**, director of communications at the presidency, gains the communications portfolio at the expense of now out of favour **Affoussiata Bamba-Lamine**. Bamba-Lamine also lost her position as MP in her constituency – **Cocody** (Abidjan) – in the December election.³⁴

Oil minister Tanoh replaces the outgoing **Adama Toungara**. Tanoh is **Harvard University (United States)**-educated and former CEO of pan-African **Ecobank**, vice president for Africa and **Latin America** and the **World Bank Group's International Finance Corporation (IFC)** and deputy secretary general at the presidency since 2014.³⁵ His profile appears to be a positive sign for investors in the Ivoirian oil and gas sector,

*"You will get more rigour from Tanoh, who will now expand his political future with his first high-level political role. He has no interest in continuing the bad governance that outgoing Toungara carried out at the head of this ministry."*³⁶

According to a second source,

*"Toungara had begun to build a reputation for being corrupt. This is a good move from Ouattara – his replacement looks credible before the investor community."*³⁷

Newly elected MPs also re-elected former **Forces Nouvelles (FN)** leader **Guillaume Soro** as parliamentary president for a second mandate on 9 January.³⁸ Soro first obtained the role in 2012, after resigning as prime minister.³⁹ On this occasion, Soro obtained 230 of 252 votes, or over 91% of votes.⁴⁰ Local sources believe he maintains national political significance with the position,

*"Soro maintains unquestionable importance on the political chessboard, especially within the army. Even if his position in parliament does not give him the role of automatic successor to Ouattara (with the creation of the vice president role), he retains a certain weight in national protocol. Soro would not be happy if he were relegated to be only MP for **Ferkéssédougou** (current MP role)."*⁴¹

The rumours surrounding his potential candidacy for the presidential election in 2020 appear not to have subsided. Soro is likely to remain in the framework, but will undoubtedly be second favourite to potential candidates such as Kablan, Coulibaly or Bakayoko,

*"Soro keeps on to his 'little position' that he glorifies, and which allows him to exist. This still gives him a platform to build from, with the 2020 elections in mind. I think Soro was more in search of a position that gives him visibility but that he does not risk him disappearing from the political landscape. He still has some manoeuvrability due to his ability to be a nuisance."*⁴²

³² www.presidence.ci

³³ Source, social science professor and member of political bureau, Abidjan

³⁴ www.cei-ci.org

³⁵ www.abidjan.net

³⁶ Source, social science professor and member of political bureau, Abidjan

³⁷ Source, analyst, Abidjan

³⁸ Jeune Afrique, 9 Jan 2017.

³⁹ www.assnat.ci

⁴⁰ Jeune Afrique, 9 Jan 2017.

⁴¹ Source, journalist, Abidjan

⁴² Source, social science professor and member of political bureau, Abidjan

Soro continues to wield significant influence over the armed forces and police, where he reportedly continues to wield discreet power over decision-making.⁴³ However, Soro currently has no direct party affiliation, which raises significant doubts surrounding his ability to successfully run for the presidency.⁴⁴ Certain sources believe that Soro currently is no major threat, although his influence could be a major factor in a deterioration of national security,

*"I think he's quite fat and happy doing what he is now. Not a major threat."*⁴⁵

The new appointments mark a significant change within Ouattara's government. Coulibaly will face a significant challenge in keeping to Ouattara's demanding criteria, which reportedly ranks ministries based on **PricewaterhouseCoopers' (PwC)** annual performance reviews.⁴⁶ New appointments such as Tanoh in the oil and energy ministry appear a positive development for the credibility of Ouattara's government, though he too will need to prove his reputation. Soro retains a position that allows him to remain relevant until the 2020 presidential elections. Rumours about his allegiance to Ouattara and personal ambitions for the presidency will continue. Currently, Soro does not appear to be a major threat to the political status quo.

Military strike leads to heightened security concerns and wider public sector strikes

Strikes within the armed forces and police began on 6 January, as mutinous soldiers in a coordinated action took control of the cities of Korhogo, **Bouaké, Daloa, Daoukro San-Pedro and Man**.⁴⁷ Following the apparent mutiny, defence minister at the presidency Donwahi immediately called for all security and military forces to return to their barracks, in order to begin negotiations.⁴⁸ Donwahi admitted that mutinous soldiers were within the national military headquarters in Abidjan.⁴⁹ Soldiers blockaded roads and took control of police stations.⁵⁰ Although this could have initially appeared to be a result of discontent with Ouattara's new government and the result of the legislative elections, it quickly became apparent that the soldiers were demanding payment of *primes* (bonuses), salary increases and faster promotions.⁵¹ Soldiers fired in the air out of protest, but not with intention to destabilise the country.⁵²

*"There were promises made to these men before the post-electoral crisis (2010-2011), so they expected to receive their money before Ouattara's exit."*⁵³

Ouattara announced on 7 January that the government would meet soldiers' demands, but criticised their methods,

*"This tarnishes the image of our country, after all our efforts to enact economic development and diplomatic repositioning."*⁵⁴

After two days of tension, Ouattara announced on 8 January that the government had struck a deal to pay bonuses to the mutinying soldiers.⁵⁵ The next day, Ouattara dismissed **Soumaila Bakayoko**, chief of staff of armed forces, **Gervais Kouakou Kouassi**, general of the armed corps, and **Brndou M'Bia**, director general of police.⁵⁶ Their successors are **Sékou Touré**, chief of staff of armed forces, **Nicolas**

⁴³ Source, journalist, Abidjan

⁴⁴ Source, journalist, Abidjan

⁴⁵ Source, retired military veteran, Abidjan

⁴⁶ Source, analyst, Abidjan

⁴⁷ Connection Ivoirienne, 6 Jan 2017.

⁴⁸ Afrique Sur 7, 6 Jan 2017.

⁴⁹ RFI, 6 Jan 2017.

⁵⁰ RFI, 6 Jan 2017.

⁵¹ Afrique Sur 7, 6 Jan 2017.

⁵² RFI, 6 Jan 2017.

⁵³ Source, social science professor and member of political bureau, Abidjan

⁵⁴ RFI, 7 Jan 2017.

⁵⁵ RFI, 8 Jan 2017.

⁵⁶ RFI, 9 Jan 2017.

Kouadio Kouakou, general of the armed corps, and **Yousouf Kouyaté**, director general of police.⁵⁷ The soldiers hence ended their more aggressive actions in Korhogo, Bouaké, Daloa, Daoukro San-Pedro and Man.⁵⁸

Ouattara's actions appeared decisive, displaying determination to resolve the issue quickly,

*"It's interesting to see that he sacked all of his chief of staff last week, which I thought was a very brave thing to do in the middle of a mutiny."*⁵⁹

However, soldiers on 11 January said that government was yet to pay the bonuses promised to them.⁶⁰ This led to minor flare-ups, but these were insignificant in comparison to the events from 6-8 January. The government and military mutineers came to a more definitive agreement on 14 January, following negotiations between newly appointed Touré and Donwahi.⁶¹ The soldiers demanded payment of a FCFA 12m (\$19,550) bonus for each of the 8,500 soldiers involved, which they stated was non-negotiable.⁶² This is a total cost of \$166m. The government agreed to pay an initial FCFA 5m (\$8,146) per soldier in the first instance from 17 January, and a further FCFA 1m (\$1,630) every month until it had satisfied the full amount demanded.⁶³ This shows the extent to which government took the threat seriously, despite a significant cost to the government.

The security situation deteriorated again on 17 January in Yamoussoukro, Bouaké, **Dimbokro**, Man, Daloa and **Abobo** (Abidjan) after police officers began to demand their unpaid bonuses.⁶⁴ The almost \$20,000 per soldier that the government agreed to pay appeared to have triggered similar demands from police officers. The government announced an emergency plan to resolve the mutiny on 18 January, after four people died during the police protests.⁶⁵ Government spokesperson Koné stated that the government would hold meetings between the defence ministry, security forces and heads of the military, police and customs officers to ensure that living and working conditions are improved.⁶⁶

However, this appeared too late to pacify protestors. The public sector strikes extended to firefighters on 23 January, marching in Cocody, **Riviera M'pouto** and **Yopougon** neighbourhoods of Abidjan.⁶⁷ Teachers also began strikes with general civil service officers on 24 January, forcing an extension of negotiations with government to a later date, and demanding FCFA 250 billion (\$409m) in salary arrears.⁶⁸ In addition, cocoa producers blocked the **Akoupé** trade corridor, claiming that the **Conseil du Café-Cacao** (cocoa and coffee council) does not respect producer prices.⁶⁹

Despite the chain of events, the situation appears to have stabilised. However, the events are reminiscent of internal divisions in the army in the pre-2011 period. Local security experts believe that this should not expand further, and that the government has the capacity to control the situation,

*"There's evident danger of a knock-on effect, but at the moment it seems to be under control. It's just difficult to know."*⁷⁰

There were also the customary accusations about the involvement of Soro. However, these are difficult to substantiate,

⁵⁷ RFI, 9 Jan 2017.

⁵⁸ RFI, 8 Jan 2017.

⁵⁹ Source, retired military veteran, Abidjan

⁶⁰ VOA, 11 Jan 2017.

⁶¹ RFI, 14 Jan 2017.

⁶² RFI, 14 Jan 2017.

⁶³ RFI, 14 Jan 2017.

⁶⁴ RFI, 17 Jan 2017.

⁶⁵ RFI, 18 Jan 2017.

⁶⁶ RFI, 18 Jan 2017.

⁶⁷ RFI, 23 Jan 2017.

⁶⁸ Connection Ivoirienne, 24 Jan 2017.

⁶⁹ L'Intelligent d'Abidjan, 24 Jan 2017.

⁷⁰ Source, retired military veteran, Abidjan

“I have to say that the coincidence between these events and the re-election of Soro to parliamentary president left many observers perplexed. We will always have suspicions that Soro was linked to these events, but as always they are almost impossible to confirm. The troubles could have stemmed from ex-rebels, who still act as militia under certain people.”⁷¹

Local analysts believe that that the army has made significant progress in terms of leadership and unity since 2011,

“The progress has been huge. Firstly, there is centralised command. I think all soldiers recognise that they are under the authority of the defence ministry and president.”⁷²

The military strikes have proven a significant challenge for the government. Ultimately, appeasing the soldiers was only possible by agreeing to pay their bonuses. However, this strategy was only successful in the short-term, with other public sector groups demanding salary arrears payments and making other demands. The priority for the government in the short term is to calm popular tensions, without committing to further payments they cannot afford. As Ouattara stated, the impact that a security flare-up such as this can have on the image of the country, especially in the investor community, is significant.

⁷¹ Source, social science professor and member of political bureau, Abidjan

⁷² RFI, 9 Jan 2017.

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential online business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an online information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.briefing.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)