

## AFRICA RISK CONSULTING

### Côte d'Ivoire Briefing January 2018

#### Côte d'Ivoire Summary 22 January 2018

*The Cour d'Assises d'Abidjan (Abidjan court of assizes) sentences former President Laurent Gbagbo (2000-2011), former prime minister Gilbert Aké N'Gbo, former finance minister Désiré Dallo and former government spokesperson Justin Koné Katinan to 20 years in prison for allegedly stealing funds of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) (West African central bank). The Conseil Café-Cacao (CCC) (coffee and cocoa board) maintains coffee farmgate prices at FCFA 750 (\$1.42) per kilo. Shooting breaks out at a military barracks in Bouaké between members of the Forces Armées de Côte d'Ivoire (FACI) (armed forces) and the Centre de Coordination des Opérations Décisionnelles (CCDO) (mixed elite intervention unit).*

#### Cour d'assises sentences Gbagbo and three former ministers to 20 years in prison

The **Cour d'Assises d'Abidjan** (Abidjan court of assizes) on 18 January sentenced the former president, **Laurent Gbagbo** (2000-2011), former prime minister **Gilbert Aké N'Gbo**, former finance minister **Désiré Dallo**, and former government spokesperson **Justin Koné Katinan** to 20 years in prison for allegedly stealing funds from the **Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)** (West African central bank).<sup>1</sup> The main allegation is that Gbagbo's government 'stole' over 50 billion francs (FCFA) (\$94.1m) from the accounts of the BCEAO's Côte d'Ivoire-based office during the 2010-2011 post-electoral crisis.<sup>2</sup> The court of assizes also demanded that the four former politicians pay a total FCFA 329 billion (\$618.5m) in fines and compensation.<sup>3</sup> The lawyers of the four former politicians have announced that they would appeal the sentence.<sup>4</sup> The defence of the accused had in 2016 said that the circumstances justified the 'acts',

*"All of these acts had been made during a period of crisis and for state reasons, and state reasons need not be justified... The banking institution produced no document stating that it had been prejudiced, so this trial should not have taken place. Gbagbo committed not a single infraction."<sup>5</sup>*

Lead lawyer for the defence, **Mathurin Dirabo**, said he was not surprised by the sentence,

*"For me, this is a daily occurrence. I am not even surprised because I pleaded the case, I know that the sentencing of 20 years in jail or for life are listed... I would be surprised if they had been acquitted."<sup>6</sup>*

The court made the ruling with Gbagbo in absentia, as he remains under detention in **The Hague (The Netherlands)**, on trial for crimes against humanity at the **International Criminal Court (ICC)** allegedly committed during the 2010-2011 post-electoral crisis.<sup>7</sup> N'Gbo and Dallo attended the hearings from when they began in July 2015, while Katinan missed the latter stages of the trial.<sup>8</sup> The court of assizes did not issue a warrant for detention of N'Go and Dallo, who were allowed to leave the court after the sentencing.<sup>9</sup> However, the government issued an arrest warrant for Gbagbo and

<sup>1</sup> Jeune Afrique, 19 Jan 2018.

<sup>2</sup> AFP, 23 Jul 2015.

<sup>3</sup> Jeune Afrique, 19 Jan 2018.

<sup>4</sup> Jeune Afrique, 19 Jan 2018.

<sup>5</sup> Le Quotidien d'Abidjan, 23 Mar 2016.

<sup>6</sup> RFI, 19 Jan 2018.

<sup>7</sup> Jeune Afrique, 19 Jan 2018.

<sup>8</sup> Jeune Afrique, 19 Jan 2018.

<sup>9</sup> Jeune Afrique, 19 Jan 2018.

Katinan.<sup>10</sup> It is unclear whether the completion of the ICC trial would take precedence over an extradition of Gbagbo and Katinan to Abidjan. Although Gbagbo has made requests for temporary release 11 times since his detention in November 2011, he remains under strict supervision in The Hague.<sup>11</sup> The ICC believes that Gbagbo, if approved for temporary release, could manipulate the ICC's trial proceedings.<sup>12</sup>

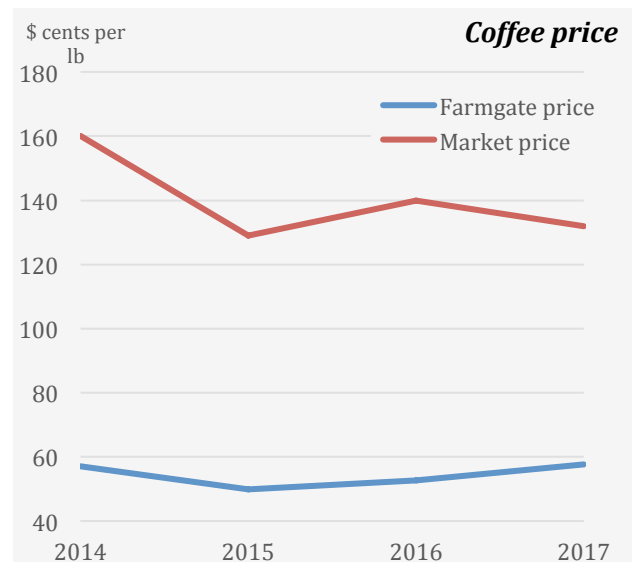
If Gbagbo's sentence is upheld, it would compromise a recovery of the opposition **Front Populaire Ivoirien (FPI)** whose political standing has been weakened in his absence. The majority of the FPI's members boycotted the December 2016 legislative elections, with the result that the party now has only 1% of seats in the **Assemblée Nationale** (lower parliamentary chamber) (see *ARC Briefing Côte d'Ivoire January 2017*). The FPI's boycott was a poor strategic decision as it is now unable to influence policy-making in parliament.<sup>13</sup> The FPI has made several poor strategic political decisions in Gbagbo's absence, under the leadership of **Pascal Affi N'Guessan**, who is limited to street protests and a near grassroots form of politics to garner support. Although some analysts say the party is dependent on Gbagbo's personality cult for its electoral and organisational success, the Ivorian electorate now views N'Guessan as a strong enough candidate to challenge the **Rassemblement des Républicains (RDR)** and the **Parti Démocratique de Côte d'Ivoire (PDCI)** party in the 2020 presidential election.<sup>14</sup> Rather than being able to capitalise on the weakened FPI, the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** coalition has begun to see internal tensions develop, as the PDCI and RDR parties seek to position themselves ahead of the 2020 presidential election (see *ARC Briefing Côte d'Ivoire April 2017*).

Gbagbo's sentencing has gained less traction in international media than the significance of the event merits. Doubts remain about the Ivorian judiciary's ability to obtain Gbagbo's extradition to Côte d'Ivoire to face his sentence and the appeal process could continue for several months. The ongoing litigation against Gbagbo and his former government members is likely to weaken the FPI for the foreseeable future. Unless Gbagbo is absolved of responsibility in both cases at the Abidjan court of assizes and the ICC, the political outlook looks almost certain to be dominated between the RDR and PDCI.

### CCC holds the coffee farmgate price

The **Conseil Café-Cacao (CCC)** (coffee and cocoa board) on 21 December maintained coffee farmgate prices at FCFA 750 (\$1.42) per kilo.<sup>15</sup> The CCC has maintained coffee prices around this level for the past four years, while international market prices have dropped almost 20%.<sup>16</sup> As in the cocoa sector, the CCC's coffee farmgate prices have been seen as political tools to garner support for an incumbent government during electoral campaigns (see *ARC Briefing Côte d'Ivoire October 2017*).

The CCC and the government are targeting higher national coffee output.<sup>17</sup> Coffee is Côte d'Ivoire's



<sup>10</sup> Jeune Afrique, 19 Jan 2018.

<sup>11</sup> Jeune Afrique, 19 Jan 2018.

<sup>12</sup> Jeune Afrique, 19 Jan 2018.

<sup>13</sup> Source, journalist, Abidjan

<sup>14</sup> Source, analyst, Abidjan

<sup>15</sup> RFI, 22 Dec 2017.

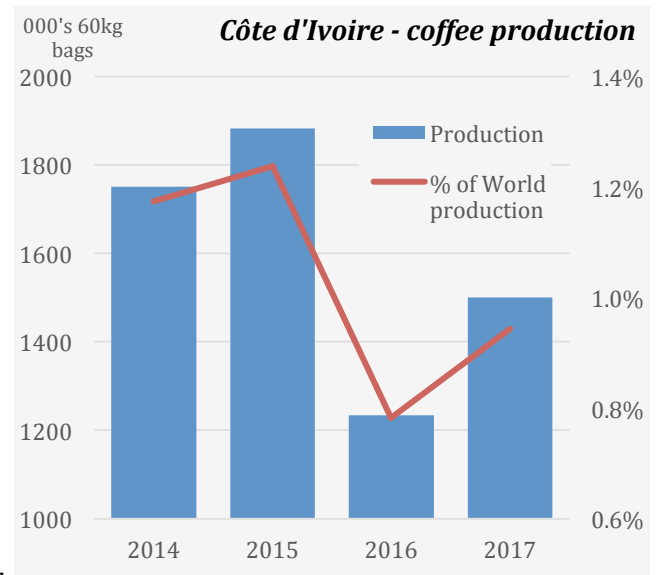
<sup>16</sup> www.ico.org

<sup>17</sup> RFI, 22 Dec 2017.

second largest crop after cocoa.<sup>18</sup> The coffee sector is a significant source of employment due to the small scale of crop agriculture in Côte d'Ivoire.<sup>19</sup> The government also sees the coffee sector as an opportunity to develop local industry, as just 20-25% of the coffee crop is processed in-country.<sup>20</sup> The government is also seeking to improve the quality of Ivorian coffee, which currently has a reputation for irregular quality and taste.<sup>21</sup>

Côte d'Ivoire is currently the world's 10<sup>th</sup> largest producer of coffee, with approximately the same level of production as **Costa Rica**, and the third largest in **Africa** after **Uganda** and **Ethiopia**.<sup>22</sup> In gross terms, Côte d'Ivoire's contribution to world production is low, around 1% of total world production.<sup>23</sup> **Brazil, Vietnam** and **Colombia** combined produce over three quarters of world production.<sup>24</sup> As a member of the chamber of agriculture says,

*"We must return to our status under President Félix Houphouët-Boigny (1960-1993), when we were the world's 3<sup>rd</sup> largest producer of coffee and largest producer of cocoa. Even if we managed to keep our spot as 1<sup>st</sup> in cocoa, we must recognise that with the eruption of new primary resources, farmers have preferred to plant rubber, which had more stable market prices than coffee... In order to get producers to increase production of this crop we must incite them ... by increasing or at least maintaining the price, but never by decreasing it. The success of this country relies on agriculture."*<sup>25</sup>



Although Côte d'Ivoire is a small player in the world coffee sector, the government appears to be betting on a recovery of the sector, The government hopes that buttressing or maintaining the coffee farmgate price, in spite of declining world prices, will help revive its former status in the sector.

### Shooting in Bouaké barracks raises fears of another mutiny

Shooting broke out on 5 January at a military barracks in **Bouaké (Vallée du Bandama District, Gbêkê Region)** between members of the **Forces Armées de Côte d'Ivoire (FACI)** (armed forces) and the **Centre de Coordination des Opérations Décisionnelles (CCDO)** (mixed elite intervention unit).<sup>26</sup> Flare-ups of violence and tension in the armed forces are among the main sources of insecurity in Côte d'Ivoire since President **Alassane Dramane Ouattara** (2011-present) entered office. The government has made efforts to quell internal tensions within the armed forces after repeated mutinies in January and May 2017 (see *ARC Briefing Côte d'Ivoire January & May 2017*). Flare-ups and partial mutinies have mostly been related to demands for improved working conditions and remuneration.<sup>27</sup>

<sup>18</sup> RFI, 22 Dec 2017.

<sup>19</sup> www.ico.org

<sup>20</sup> RFI, 22 Dec 2017.

<sup>21</sup> RFI, 22 Dec 2017.

<sup>22</sup> www.ico.org

<sup>23</sup> www.ico.org

<sup>24</sup> www.ico.org

<sup>25</sup> Source, agriculture ministry employee, Abidjan

<sup>26</sup> Jeune Afrique, 5 Jan 2018.

<sup>27</sup> Source, analyst, Abidjan

The shooting occurred near the third infantry battalion barracks in the **Sokoura** neighbourhood of Bouaké, Côte d'Ivoire's second largest city.<sup>28</sup> Bouaké is historically significant as it was on the border between the northern rebel-controlled and southern Gbagbo-controlled areas during the politico-military crisis (also known as a civil war) of 2002-2007.<sup>29</sup> A former rebel military member describes Bouaké as the centre of any security tension in Côte d'Ivoire:

*"Why Bouaké and always Bouaké? Why not Abidjan where there is largest military contingent? Bouaké is a symbol. The various mutinies from 2014 to 2017 all took place in this city. After the last mutiny, the government no longer trusts the former rebels which gave them power... But the government isn't done treating us with disdain. They shifted **Hamed Bakayoko** (current defence minister) to the defence ministry in order to coax us. He has shown himself to be very attentive to us. He tries to charm us so that there will be no more mutinies, which could lead to a return of [our leader] **Guillaume Soro** (current parliamentary president)... He is trying to divide us... We know who is behind all of this. It's Bakayoko."<sup>30</sup>*

The tensions at the beginning of 2017 were related to factions within the armed forces that belonged, and remain loyal, to the former rebel **Forces Nouvelles (FN)** group, which were reintegrated into the army after the politico-military crisis (see *ARC Briefing Côte d'Ivoire May 2017*). In January and May, the government agreed to pay bonuses that they had promised for their loyalty during the transition in 2011, which ended the tensions.<sup>31</sup> However, the promise to pay FCFA 12m (\$19,550) per former rebel, a total of \$166m, has created tensions and movements for separate demands.<sup>32</sup> Press sources claim that in the latest incident, armed forces infantry apparently suspected that members of the CCDO had been dispatched to military barracks to "*spy on*"<sup>33</sup> them, purportedly to contain mutinous movements such as in January and May 2017.<sup>34</sup> However, other sources claim that this may be related to a personal quarrel between members of the military and the CDDO.<sup>35</sup> One **French** press source claims that a soldier and a CDDO member had quarrelled, and the shots fired (in the air) resulted from the soldier's indignation when another CDDO proceeded to detain him.<sup>36</sup> There may also be a link to former rebels within the army.<sup>37</sup>

Bakayoko created the CCDO unit in 2013 whilst interior minister.<sup>38</sup> The CCDO was initially posted exclusively in Abidjan, before being posted in Bouaké and the capital **Yamoussoukro** from 2015.<sup>39</sup> Bakayoko has publicly announced his commitment to ensuring that "*there will be no mutiny in 2018.*"<sup>40</sup>

The factionalisation of the Ivorian armed and security forces remains a significant challenge to contain infighting and avoid future flare-ups. The government has pushed for retirement of members within the armed forces to encourage the entry of a new, and non-affiliated, base of soldiers (see *ARC Briefing Côte d'Ivoire December 2017*). Reportedly, the planned retirements would affect 33.8% of the current total number of troops, roughly half of whom are former rebels (see *ARC Briefing Côte d'Ivoire December 2017*).

It is unclear at the time of writing whether the government has resolved the tensions within the barracks in Bouaké. So far there is no indication that this event comprises more than an isolated

<sup>28</sup> Jeune Afrique, 5 Jan 2018.

<sup>29</sup> Source, analyst, Abidjan

<sup>30</sup> Source, former rebel, Abidjan

<sup>31</sup> Connection Ivoirienne, 6 Jan 2017.

<sup>32</sup> Connection Ivoirienne, 6 Jan 2017.

<sup>33</sup> Jeune Afrique, 5 Jan 2018.

<sup>34</sup> Jeune Afrique, 5 Jan 2018.

<sup>35</sup> RFI, 10 Jan 2018.

<sup>36</sup> Jeune Afrique, 12 Jan 2018.

<sup>37</sup> Source, former rebel, Abidjan

<sup>38</sup> Jeune Afrique, 5 Jan 2018.

<sup>39</sup> Jeune Afrique, 5 Jan 2018.

<sup>40</sup> Jeune Afrique, 5 Jan 2018.

incident. However, there may yet be a more significant standoff, which could pose a security risk to investors in the short-term.

### Planner

2020 **(Côte d'Ivoire)** *Abidjan.net*. Scheduled presidential elections;

2018 **(Côte d'Ivoire)** *Jeune Afrique*. Scheduled municipal and regional elections;

Oct 2018 **(Côte d'Ivoire)** *Abidjan.net*. The **Conseil Café-Cacao** (coffee and cocoa board) makes its pre-season cocoa farmgate price policy announcement;

May 2018 **(Côte d'Ivoire)** *Abidjan.net*. The **Conseil Café-Cacao** (coffee and cocoa board) makes its mid-season cocoa farmgate price policy announcement;

22 Apr 2018 **(Côte d'Ivoire)** *Abidjan.net*. The **World Cocoa Conference** begins in **Berlin (Germany)**;

Apr 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. The ruling coalition member party, the **Parti Démocratique de Côte d'Ivoire**, holds its party congress;

### Chronology

18 Jan 2018 **Abidjan (Côte d'Ivoire)** *RFI*. The **Cour d'Assises d'Abidjan** (Abidjan court of assizes) sentences former President **Laurent Gbagbo**, former prime minister **Gilbert Aké N'Gbo**, former finance minister **Désiré Dallo** and former government spokesperson **Justin Koné Katinan** to 20 years in prison for allegedly stealing funds from the **Banque Centrale des Etats de l'Afrique de l'Ouest** (West African central bank);

11 Jan 2018 **Abidjan (Côte d'Ivoire)** *AIP*. The **Conseil National de Sécurité** (national security council) meets in the presence of President **Alassane Ouattara**, in order to discuss resolution of recent tensions within the armed forces in **Bouaké**;

10 Jan 2018 **Bouaké (Côte d'Ivoire)** *AFP*. Shooting continues between rival factions of the armed forces in barracks in Bouaké;

5 Jan 2018 **Bouaké (Côte d'Ivoire)** *RFI*. Gunfire erupts at the **3<sup>rd</sup> Battalion** camp of the armed forces in Bouaké;

27 Dec 2017 **Abidjan (Côte d'Ivoire)** *RFI*. The **Cour d'Assises d'Abidjan** (Abidjan court of assizes) sentences former civil service minister under former President **Laurent Gbagbo**, **Hubert Oulaye**, to 20 years in prison for complicity in the assassination of 18 people in June 2012;

21 Dec 2017 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. The government, following its council of ministers meeting, is reportedly planning to hold senatorial, regional and municipal elections in 2018;

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