

## AFRICA RISK CONSULTING

### Côte d'Ivoire Briefing October 2018

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#### Côte d'Ivoire Summary 10 October 2018

*The Parti Démocratique de Côte d'Ivoire (PDCI) decides to contest the 13 October municipal and regional elections after initial threats to boycott, while an Abidjan court suspends any decision taken by the PDCI political bureau till further notice. The International Monetary Fund (IMF) forecasts a positive economic outlook for Cote d'Ivoire at the end of its fourth review under current Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements. President Alassane Ouattara (2010-present) signs six bilateral accords with the Emir of Qatar, Sheikh Tamim bin Hamad al-Thani (2013-present), during a visit to Qatar.*

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#### PDCI decides to contest elections

The **Parti Démocratique de Côte d'Ivoire (PDCI)** decided at its 8<sup>th</sup> political bureau meeting in **Daoukro** on 24 September to take part in the municipal and regional elections scheduled for 13 October.<sup>1</sup> PDCI leader and former president **Henri Konan Bédié** (1993-1999) had suggested postponing the elections during a meeting on 8 August with President **Alassane Ouattara** (2010-present), to enable a full-scale reform of the **Commission Electorale Indépendante (CEI)** (independent electoral commission) (see *ARC Briefing Cote d'Ivoire August and September 2018*).<sup>2</sup> In September, Bédié and the two PDCI vice-presidents, **Charles Konan Banny** and **Emile Constant Bombet**, declared they were in favour of an election boycott in reaction to Ouattara's announcement that CEI reform would only take place with respect to the 2020 presidential election.<sup>3</sup> Bédié, Banny and Bombet argued that CEI and electoral law reform should be implemented for the municipal and regional elections.<sup>4</sup>

The **Jeunesse Urbain du PDCI (JUPDCI)** (urban youth of the PDCI) supported the PDCI leaders' position.<sup>5</sup> JUPDCI president **Valentin Kouassi** stated that elections should be rescheduled for December to enable reforms to take place.<sup>6</sup> Kouassi said the PDCI is no longer part of the **RHDP** and therefore has no representation in the CEI.<sup>7</sup> Kouassi threatened to organise protests if the government does not heed the call to reform the CEI.<sup>8</sup>

Bédié called on the political bureau to validate the decisions taken at the 17 June political bureau meeting, including the withdrawal of the PDCI from the ruling **Rassemblement des Houphouétistes pour la Démocratie et la Paix (RHDP)** coalition and the **Accord Politique** (political accord) that was signed in April (see *ARC Briefing Cote d'Ivoire April 2018*).<sup>9</sup> The

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<sup>1</sup> RFI, 25 Sep 2018

<sup>2</sup> FratMat.info, 5 Sep 2018

<sup>3</sup> RFI, 11 Sep 2018

<sup>4</sup> RFI, 11 Sep 2018

<sup>5</sup> FratMat.info, 14 Sep 2018

<sup>6</sup> FratMat.info, 14 Sep 2018

<sup>7</sup> FratMat.info, 14 Sep 2018

<sup>8</sup> FratMat.info, 14 Sep 2018

<sup>9</sup> FratMat.info, 24 Sep 2018

political bureau followed Bédié's directive and decided officially to leave the RHDP.<sup>10</sup> The political bureau justified the decision to participate in the municipal and regional elections noting the significance of the elections on the daily lives of Ivoirians.<sup>11</sup> However, the political bureau called for CEI reform to take place "*as soon as possible*".<sup>12</sup> The PDCI political bureau also renewed Bédié's mandate as PDCI leader until 2020.<sup>13</sup>

The PDCI is still beset with a multitude of challenges in the lead up to the elections. The (**Tribunal de Première Instance du Plateau (TPI)** (Plateau court of first instance) decided on 19 September to suspend any decision taken by the political bureau.<sup>14</sup> The court's decision came after PDCI political bureau member **Jerome Nguessan** lodged a complaint at the court opposing the decision to push the ordinary congress till 2020.<sup>15</sup> The TPI stipulated that Bédié could no longer exercise duties as PDCI president after 6 October.<sup>16</sup> In response, Bédié has called for an extraordinary congress to take place on 15 October.<sup>17</sup> PDCI parliamentarian **Patrice Kouame** claims the RHDP is using the court proceedings to destabilise the PDCI.<sup>18</sup>

The PDCI will need to resolve its legal matters, with the possibility that Bédié may not be allowed to perform his duties as PDCI leader. The PDCI's decision to quit the RHDP officially puts the party in the opposition ranks and will allow it to see how much support it commands throughout the country. Assessing local support will help to inform the party how to develop a national strategy for the 2020 presidential elections.

### IMF mission presents positive economic outlook for Cote d'Ivoire

An **International Monetary Fund (IMF)** mission to Cote d'Ivoire from 19 to 30 September reiterated the positive outlook it forecast during its visit in June (see *ARC Briefing Cote d'Ivoire July 2018*).<sup>19</sup> The purpose of the visit, led by country representative **Celine Allard**, was to hold discussions on the fourth review of the three-year economic and financial programme supported by the IMF, through arrangements under the Extended Credit Facility (ECF).<sup>20</sup> Cote d'Ivoire signed a three-year ECF with the IMF worth \$917.8m in December 2016.<sup>21</sup> The IMF announced in June that it would grant Cote d'Ivoire \$136.6m under this agreement.<sup>22</sup>

Allard thanked the Ivorian government for the sound management of the economy as indicated by the three previous IMF evaluations.<sup>23</sup> Allard praised the resilience of the Ivorian economy despite the exogenous and endogenous shocks the country was exposed to in 2017.<sup>24</sup> These include a drop in global cocoa prices since 2016 as well as a slowdown in economic activity due in large part to socio-political instability resulting from repeated army

<sup>10</sup> FratMat.info, 24 Sep 2018

<sup>11</sup> RFI, 25 Sep 2018

<sup>12</sup> RFI, 25 Sep 2018

<sup>13</sup> RFI, 25 Sep 2018

<sup>14</sup> Jeune Afrique, 8 Oct 2018

<sup>15</sup> Jeune Afrique, 8 Oct 2018

<sup>16</sup> L'Intelligent d'Abidjan, 19 Sep 2018

<sup>17</sup> Jeune Afrique, 8 Oct 2018

<sup>18</sup> RFI, 21 Sep 2018

<sup>19</sup> IMF Press Release, 3 Oct 2018

<sup>20</sup> IMF Press Release, 3 Oct 2018

<sup>21</sup> IMF Press Release, 18 Jun 2018

<sup>22</sup> IMF Press Release, 18 Jun 2018

<sup>23</sup> FratMat.info, 20 Sep 2018

<sup>24</sup> FratMat.info, 20 Sep 2018

mutinies in 2017.<sup>25</sup> Despite these challenges, Cote d'Ivoire attained 7.8% gross domestic product (GDP) economic growth and an inflation rate of around 2%.<sup>26</sup> This is below the 3% inflation rate benchmark set by the **West African Economic and Monetary Union (WAEMU)**.<sup>27</sup> Moreover, Cote d'Ivoire has a budget deficit of 4.3%, which is below the target of 4.5% and a debt to GDP ratio of 42.7%.<sup>28</sup> This also falls below the 70% threshold established by the WAEMU regulations.<sup>29</sup>

The IMF acknowledged that Cote d'Ivoire has performed well under the ECF support programme:

*"All performance criteria and indicative targets for end-June 2018 were met. Structural benchmarks on public debt management, public enterprise monitoring, and tax policy and administration were also met. The fiscal budget deficit is expected to be contained to 4% of GDP in 2018, in line with the program target, with a small revenue shortfall offset mostly by lower public investments."*<sup>30</sup>

The IMF mission and Cote d'Ivoire authorities agreed on fiscal policy measures for the 2019 budget to secure key programme objectives:

*"These measures should enable the projected fiscal deficit to decrease to 3% of GDP in 2019 and thus comply with the WAEMU regional deficit norm."*<sup>31</sup>

IMF staff and the authorities also agreed on policies to secure debt sustainability while increasing efforts to finance the **Plan National de Développement (PND)** (national development plan).<sup>32</sup> According to finance minister **Adama Kone**, the IMF has already contributed \$507.9m towards the implementation of the PND, which runs from 2016-2020.<sup>33</sup>

Allard stated the IMF visiting delegation had reached a staff level agreement subject to approval by the IMF management and executive.<sup>34</sup> Consideration by the board is expected by December.<sup>35</sup> The IMF also commended the Ivorian government for improvements in monitoring public-private partnerships and their fiscal related risks as well as the steps it had taken to strengthen the energy sector and ensure sector sustainability over the medium-term.<sup>36</sup> Allard met with President Ouattara, vice-president **Daniel Kablan Duncan** and the prime minister, **Amadou Gon Coulibaly**, on 3 October before the mission's departure.<sup>37</sup>

While the IMF has lauded the government's management of the economy, measures are still necessary to reduce the poverty rate of 46.3%, despite the robust GDP economic growth.<sup>38</sup> The proposed 8.6% increase in the 2019 budget, which aims to allocate more resources towards poverty alleviation might facilitate this objective.<sup>39</sup> As the IMF suggested during its

<sup>25</sup> World Bank, 12 July 2018

<sup>26</sup> FratMat.info, 20 Sep 2018

<sup>27</sup> FratMat.info, 20 Sep 2018

<sup>28</sup> FratMat.info, 20 Sep 2018

<sup>29</sup> FratMat.info, 20 Sep 2018

<sup>30</sup> IMF Press Release, 3 Oct 2018

<sup>31</sup> IMF Press Release, 3 Oct 2018

<sup>32</sup> IMF Press Release, 3 Oct 2018

<sup>33</sup> FratMat.info, 20 Sep 2018

<sup>34</sup> IMF Press Release, 3 Oct 2018

<sup>35</sup> IMF Press Release, 3 Oct 2018

<sup>36</sup> IMF Press Release, 3 Oct 2018

<sup>37</sup> Koaci.com, 3 Oct 2018

<sup>38</sup> FratMat, 17 Sep 2018

<sup>39</sup> Koaci.com, 26 Sep 2018

June visit, the government also need to introduce reforms to encourage private sector generated economic growth.<sup>40</sup> These steps will enable Cote d'Ivoire to fully realise the economic potential that the IMF has projected.

### Cote d'Ivoire strengthens bilateral ties with Qatar

President Ouattara made a bid to strengthen economic relations with **Qatar** during a state visit from 15-18 September.<sup>41</sup> Ouattara's visit to Qatar follows that of Qatar's emir, **Sheikh Tamim bin Hamad al-Thani** (2013-present), to Cote d'Ivoire in December 2017 during which four bilateral accords were signed.<sup>42</sup> The visits highlight the growing interest of both countries in pursuing broad-based cooperation.

Ouattara presided over a meeting between Ivorian and Qatari businesspeople on 16 September, themed "*Investir en Cote d'Ivoire*" (invest in Cote d'Ivoire).<sup>43</sup> Ouattara pointed out that Cote d'Ivoire registered a 9% GDP economic growth rate from 2012-2016.<sup>44</sup> Ouattara encouraged potential investors to channel investments in the domain of agricultural transformation.<sup>45</sup> Ouattara paid special attention to encouraging private sector involvement in the transformation of cocoa and cashew products.<sup>46</sup> Cote d'Ivoire is the largest global producer of these products. According to **Qatar Chamber of Commerce** vice chairman **Mohamed bin Towar al-Thani**, Qatari business people are keen to explore investment opportunities in the agriculture, mining, tourism and real estate sectors.<sup>47</sup>

Ouattara met with Sheikh Tamim bin Hamad al-Thani on 17 September and signed six bilateral accords to boost cooperation between Cote d'Ivoire and Qatar.<sup>48</sup> The first agreement established a joint committee of co-operation that will establish a framework to improve bilateral cooperation in the socio-cultural, economic and diplomatic domains. A second agreement will consolidate relations in the areas of higher education and scientific research.<sup>49</sup> A further accord was signed to promote and protect mutual investments to ensure both countries mutually benefit from economic interaction.<sup>50</sup> An additional agreement was signed in relation to the recruitment of Ivorians wishing to work in Qatar.<sup>51</sup> An accord was also established in the domain of maritime transport that will open up lines of transport between the two countries and grant greater access to their ports.<sup>52</sup> Lastly, a memorandum of understanding (MOU) was signed to promote tourism.<sup>53</sup> Ouattara and Emir al-Thani discussed how to further promote relations and develop cooperation and development in the areas of investment, infrastructure and agriculture.<sup>54</sup>

Ouattara subsequently met with Qatari finance minister **Ali Sherif Al-Elmadi**, energy and industry minister **Saleh Al-Sada**, and **Qatari Development Fund** president **Khalifa Al**

<sup>40</sup> IMF Press Release, June 18 2018

<sup>41</sup> Presidence Ivoirienne, 15 Sep 2018

<sup>42</sup> FratMat, 18 Sep 2018

<sup>43</sup> Presidence Ivoirienne, 16 Sep 2018

<sup>44</sup> Presidence Ivoirienne, 16 Sep 2018

<sup>45</sup> Presidence Ivoirienne, 16 Sep 2018

<sup>46</sup> Presidence Ivoirienne, 16 Sep 2018

<sup>47</sup> Gulf Times, 18 Sep 2018

<sup>48</sup> FratMat, 18 Sep 2018

<sup>49</sup> FratMat, 18 Sep 2018

<sup>50</sup> FratMat, 18 Sep 2018

<sup>51</sup> FratMat, 18 Sep 2018

<sup>52</sup> FratMat, 18 Sep 2018

<sup>53</sup> FratMat, 18 Sep 2018

<sup>54</sup> Gulf Times, 18 Sep 2018

**Kuwait** on 17 September to discuss industrialisation and the transformation of agricultural products.<sup>55</sup> Ouattara also discussed the possibility of Qatar financing the construction of a highway in Abidjan, three professional training high schools, and the **University of Abengourou** (Cote d'Ivoire).<sup>56</sup> The Qatari authorities indicated a delegation will visit Abidjan to assess the possibility of financing these three projects.<sup>57</sup>

Cote d'Ivoire has taken steps over the past year to establish stronger relations with other **Gulf** countries. In April, Ouattara visited **Kuwait** (see *ARC Briefing Cote d'Ivoire May 2018*) and met the Emir of Kuwait, **Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah** (2006-present). Ouattara also visited **Saudi Arabia** from 18-22 August and was received by King **Salman Ibn Abdelaziz Al Saoud** (2015-present).<sup>58</sup> In both instances, the leaders expressed their desire to strengthen relations between their nations. The **United Arab Emirates (UAE)** also decided to open an embassy in Cote d'Ivoire in August.<sup>59</sup> The manifested interest from the Gulf nations in Cote d'Ivoire is still in its infancy, but demonstrates the growing attractiveness of Cote d'Ivoire for foreign investors.

### Planner

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

13 Oct 2018 (**Côte d'Ivoire**) *Jeune Afrique* Scheduled municipal and regional elections

July 2019: **Ouagadougou (Burkina Faso) Traité d'Amitié et de Cooperation (TAC)** conference;

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

### Chronology

8 Oct 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. PDCI leader and former president **Henri Konan Bédié** (1993-1999) announces PDCI will host an extraordinary congress on 15 October

3 Oct 2018 **Washington D.C (United States)** *International Monetary Fund Press Release*, IMF completes discussion on fourth review of the three-year economic and financial support programme to Cote d'Ivoire;

27 Sep 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. Government proposes a \$12.96 billion national budget for 2019, an 8.6% increase compared to 2018;

25 Sep 2018 **Abidjan (Côte d'Ivoire)** RFI. The **Parti Démocratique de Côte d'Ivoire (PDCI)** decides to contest upcoming local and regional elections

15 Sep 2018 **Doha (Qatar)** *Presidence Ivoirienne* President **Alassane Ouattara** undertakes a three-day visit to Qatar;

<sup>55</sup> Presidence Ivoirienne, 17 Sep 2018

<sup>56</sup> Presidence Ivoirienne, 17 Sep 2018

<sup>57</sup> Presidence Ivoirienne, 17 Sep 2018

<sup>58</sup> FratMat.info, 14 Aug 2018

<sup>59</sup> Gulfbusiness.com, 13 Aug 2018

24 Aug 2018 **Abidjan (Côte d'Ivoire)** *Agence Ecofin* Up to 20,000 tonnes of rubber is blocked at ports of Abidjan and **San Pedro** due to disagreements between producers and container owners;

14 Aug 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique* King **Salman Ibn Abelaziz Al Saoud** invites President **Alassane Ouattara** to the **Kingdom of Saudi Arabia** from 18-22 August;

14 Aug 2018 **Abidjan (Côte d'Ivoire)** *FratMat.info* **Commission Electorale Indépendante (CEI)** announces the start of candidate registration exercise for October municipal and regional elections;

13 Aug 2018 **Abu Dhabi (United Arab Emirates)** *Gulf Times* **United Arab Emirates** to establish embassy in Cote d'Ivoire after a decree by President **Sheikh Khalifa bin Zayed Al Nahyan**;

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