

AFRICA RISK CONSULTING

Côte d'Ivoire Briefing June 2018

Côte d'Ivoire Summary 9 June 2018

President Alassane Ouattara (2010-present) states he is open to running for a third presidential term despite the constitutional two-term limit. Le Parti Démocratique de Côte d'Ivoire (PDCI) has yet to formalise its membership of the Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP). The Commission Electorale Indépendante (CEI) announces it will undertake a voter registration exercise from 17 to 24 June. Côte d'Ivoire, Burkina Faso and Mali establish the SKBO Special Economic Zone. The Côte d'Ivoire government takes steps to promote local transformation of agricultural products.

President **Alassane Ouattara** (2010-present) stated in a media interview on 3 June that he is open to running for a third presidential term when his current term of office ends in 2020.¹ Both the 2000 constitution and the newly adopted 2016 constitution set a two-term presidential limit.² However, Ouattara claims that his two terms of office do not count under the new 2016 constitution.³ Ouattara says he will make his decision based on the prevailing situation in Côte d'Ivoire and that "*stability and peace come before everything else, including my principles*".⁴

Ouattara's stance on standing for a third term has evolved over the past three years. From 2015 he repeatedly indicated his desire to vacate the presidency in 2020.⁵ However, when asked during the **African Union-European Union Summit** in November 2017 about the possibility of a third term, he said he would only make his intentions public in 2020.⁶

Ouattara's announcement has received criticism from a wide range of actors on the Ivorian political scene. Civil society and opposition platform **Ensemble pour la Démocratie et la Souveraineté (EDS)** head **Georges Armand Ouegnin**, called the possibility of a third term "*unconstitutional, unacceptable and unreasonable*".⁷ Opposition **Front Populaire Ivoirien (FPI)** leader **Pascal Affi Nguessan** also describes a third presidential term as a violation of the constitution and says Ouattara is not the sole guarantor of peace and stability in Côte d'Ivoire.⁸ Members of the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** coalition have also weighed in against Ouattara's possible third term: **Parti Démocratique de Côte d'Ivoire (PDCI)** executive secretary **Maurice Guikahue** claims Ouattara will not be allowed to run because it would be unconstitutional.⁹ However, Ivorian vice-president **Donald Kablan Duncan**, who is also the PDCI vice president, took a more

¹ Reuters, 3 June 2018

² RFI, 3 June 2018

³ Reuters, 3 June 2018

⁴ Reuters, 3 June 2018

⁵ Jeune Afrique, 5 June 2018

⁶ Jeune Afrique, 5 June 2018

⁷ Jeune Afrique, 4 June 2018

⁸ RFI, 4 June 2018

⁹ RFI, 6 June 2018

conciliatory stance, noting Ouattara has not confirmed his intentions regarding a third term.¹⁰

Ouattara's announcement comes amid an increasingly tense social climate in Côte d'Ivoire. Since 2017, Côte d'Ivoire has experienced civil servant strikes and army mutinies (see *ARC Briefing Cote d'Ivoire January, May 2017*).¹¹ Despite attempts to appease these two groups, soldiers have accused defence officials of not listening to their demands.¹² In addition, water shortages in **Bouaké**, the second largest city,¹³ and mass evictions in **Abidjan** in May have called into question government efforts to address the basic needs of ordinary citizens.¹⁴ If Ouattara continues to pursue a third term in office, social unrest over these problems, coupled with longstanding issues relating to land, ethnicity and religious division, may come to the fore.¹⁵

PDCI delays formalising membership of new RHDP party

The PDCI appears in no hurry to formalise its membership of the newly formed **Rassemblement des Houphouétistes pour la Démocratie et la Paix (RHDP)** party. Although the PDCI signed a memorandum to join the RHDP in April (see *ARC Briefing Cote d'Ivoire April 2018*),¹⁶ it has yet to set a date for a party congress to formalise the decision.¹⁷ Division between PDCI party members may explain the apparent lack of urgency. PDCI vice president Daniel Kablan Duncan supports the merger, while the faction led by businessman **Jean-Louis Billon** is against it.¹⁸

The question of the 2020 presidential elections and whether the RHDP candidate will come from the PDCI or Ouattara's **Rassemblement des Républicains (RDR)** is a major issue stalling the merger. The PDCI believes it should be able to present the ruling coalition's candidate for the 2020 presidential elections because it supported the RDR in the 2010 and 2015 elections. Ouattara claims he did not make any promises to the PDCI and insists that an RHDP primary will take place in order to decide on the candidate for the elections. There is some speculation that Ouattara made his statement regarding a third term (see above) in order to stoke confusion amongst possible successors within the presidential coalition.¹⁹

In a meeting between Ouattara and PDCI leader and former president **Henri Konan Bedié** (1993-1999), Ouattara said he intended to form an RHDP government by June or July.²⁰ Ouattara also said he hopes to host an RHDP congress by August, ahead of the September regional and municipal elections.²¹ These declarations will put more pressure on the PDCI to make a decision.²² However, the PDCI may be clearer about its next move after its political bureau meeting scheduled for 17 June.²³

¹⁰ RFI, 6 June 2018

¹¹ Reuters, 3 June 2018

¹² RFI, 30 May 2018

¹³ RFI, 2 May 2018

¹⁴ Jeune Afrique, 25 May 2018

¹⁵ Reuters, 3 June 2018

¹⁶ Jeune Afrique, 17 Apr 2018

¹⁷ Jeune Afrique, 16 May 2018

¹⁸ Jeune Afrique, 22 May 2018

¹⁹ RFI, 4 June 2018

²⁰ Jeune Afrique, 29 May 2018

²¹ Jeune Afrique, 29 May 2018

²² Jeune Afrique, 29 May 2018

²³ RFI, 6 June 2018

If the PDCI formalises its membership of the RHDP, it faces the possibility of not fielding the presidential candidate for the 2020 elections. The failure to uphold the agreement of reciprocal support for presidential candidates may ultimately result in the PDCI faction leaving the RHDP. This could provide a significant boost to the ailing opposition. In addition, if Ouattara goes ahead with his third term ambitions, this could produce a split in the RDR between members who support a third term and those who do not. National assembly president **Guillaume Soro**, whose presidential ambitions are well known, has the most to lose from a third Ouattara term. Soro still commands respect amongst the former rebels whom he rallied behind Ouattara during the 2010-2011 post-electoral crisis. An RDR split might result in an opposition coalition of convenience between the PDCI, FPI (Nguessan-led wing) and disgruntled Soro supporters. Given Côte d'Ivoire's recent history, there is a risk that political violence will increase leading up to the 2020 presidential race.

CEI announces start of voter registration exercise

Commission Electorale Indépendante (CEI) (independent electoral commission) vice president **Gervais Coulibaly** announced on 8 May that the CEI will begin voter registration in preparation for the municipal and regional elections that are set to take place in September.²⁴ Government spokesperson **Anne Desire Ouloto** confirmed that the registration exercise will take place from 17 to 24 June.²⁵ Coulibaly said there are currently 6,318,331 eligible voters on the electoral roll.²⁶ The CEI will increase the number of registration offices from 1,500 in 2016 to 10,500 to facilitate voter registration.²⁷

The CEI's announcement has attracted some controversy amid opposition calls for reform. The opposition claims the CEI is not impartial and that the mandate of CEI president **Yousouf Bakayoko** mandate has expired.²⁸ In November 2016, the **African Court on Human and Peoples Rights (AfCHPR)** ruled that the CEI lacks the necessary independence and impartiality to organise free and fair elections.²⁹ The government's failure to act on the AfCHPR ruling was one of the reasons the opposition boycott gave for its boycott of the March senatorial elections (see *ARC Briefing Cote d'Ivoire March 2018*). The **Ensemble pour la Démocratie et la Souveraineté (EDS)** political platform referred to the government's failure to reform the CEI at a press conference on 25 May and said it considers the CEI "*an illegitimate and illegal*" institution.³⁰ The EDS cited the government's disregard for **United Nations Resolution 2026**, which calls on the government to organise free and transparent elections, and said it would boycott the September elections.³¹ The "*Gbagbo or nothing*" faction of the FPI, led by **Abouramane Sangare**, has also said it will boycott the elections.³²

Despite opposition criticism, the government appears to have no intention of reforming the CEI before the September elections. The opposition's boycott of the December 2016 parliamentary elections has left the opposition with no legislative representation. The opposition will only be further weakened if it fails to participate in the regional and municipal elections, leaving it with no voice on regional or municipal councils either.

²⁴ RFI, 9 May 2018

²⁵ Le Patriote, 11 May 2018

²⁶ FratMat.info, 8 May 2018

²⁷ FratMat.info 8 May 2018

²⁸ Jeune Afrique. 6 Mar 2018

²⁹ IJCR, 7 Dec 2016

³⁰ RFI, 28 May 2018

³¹ Koaci.info, 28 May 2018

³² Koaci.info, 25 May 2018

Burkina Faso, Côte d'Ivoire and Mali establish Special Economic Zone

The governments of **Burkina Faso**, Côte d'Ivoire and **Mali** inaugurated the **SKBO Special Economic Zone (SEZ)** on 14 May.³³ The SEZ includes the regions of **Sikasso** (Mali), **Korhogo** (Côte d'Ivoire) and **Bobo-Dioulasso** (Burkina Faso).³⁴ Ivorian prime minister **Amadou Gon Coulibaly** and his counterparts **Paul Thieba** of Burkina Faso and **Soumeylou Maiga** of Mali commissioned the initiative in Sikasso.³⁵ The SKBO SEZ is the first project of its kind in **West Africa** and aims to improve regional integration through the implementation of socio-economic development projects.³⁶ While the three governments have signed the agreement acknowledging the creation of the SKBO SEZ, they have not yet set the modalities to identify the projects they will undertake as well as the fiscal and tax exemptions that the SEZ will provide to investors.³⁷ However, it appears the target areas of public-private investment will be agriculture, mining and industrial development. The government hopes the creation of the SEZ will serve as a catalyst for industries to establish themselves outside of Abidjan, which is where 90% of Côte d'Ivoire's industrial units are currently located.³⁸

The establishment of the SKBO SEZ will help to promote trade between Burkina Faso and Côte d'Ivoire. The two countries signed a "*traité d'amitié et de coopération*" (treaty of friendship and cooperation) in 2009.³⁹ The agreement has led to the identification of projects such as the construction of the **Yamoussoukro-Ouagadougou** highway and the rehabilitation of the **Abidjan-Ouagadougou-Kaya** railway.⁴⁰ France-based **Groupe Bolloré** is undertaking the railway project at a cost of €400m (\$471m).⁴¹ Groupe Bolloré will finance the project under the Rehabilitate-Operate-Transfer (ROT) mechanism.⁴² Groupe Bolloré will operate the railway concession for 30 years after completion of the project through its Ivorian branch, **Sitarail**.⁴³ Trade between Burkina Faso and Côte d'Ivoire generated \$346m in 2016.⁴⁴

On the sidelines of the SEZ inauguration ceremony, Ivorian petroleum, energy and renewable energy development minister **Thierry Tanoh** inaugurated a 225 KV electrical connection between Mali and Côte d'Ivoire.⁴⁵ This increases to 60 MW the 30 MW of electricity Côte d'Ivoire has provided annually to Mali since 2012.⁴⁶ Côte d'Ivoire exports 15% of its electricity to Burkina Faso and Mali annually.⁴⁷

The establishment of the SEZ and the increase in electricity provision to its regional neighbours is an indication that Côte d'Ivoire sees regional integration as an important component of its economic development. The SEZ also demonstrates the Ivorian

³³ FratMat.info, 14 May 2018

³⁴ FratMat.info, 14 May 2018

³⁵ Jeune Afrique, 18 May 2018

³⁶ Jeune Afrique, 18 May 2018

³⁷ Jeune Afrique, 18 May 2018

³⁸ Deloitte Invest in Côte d'Ivoire, Mar 2017

³⁹ Jeune Afrique, 18 May 2018

⁴⁰ Jeune Afrique, 18 May 2018

⁴¹ Jeune Afrique, 18 May 2018

⁴² Jeune Afrique, 29 Dec 2018

⁴³ Jeune Afrique, 29 Dec 2018

⁴⁴ Jeune Afrique, 18 May 2018

⁴⁵ AllAfrica.com, 16 May 2018

⁴⁶ AllAfrica.com, 16 May 2018

⁴⁷ AllAfrica.com, 16 May 2018

government's encouragement of investment in the north, a region that has historically not attracted as much public and private investment as the southern part of the country.

Côte d'Ivoire targets improved local transformation of agricultural products

Switzerland-based cocoa and chocolate producer **Barry Callebaut** announced plans on 16 May to invest €45.7m (\$53.8m) in Côte d'Ivoire's cocoa production.⁴⁸ The investment aims to increase the cocoa transformation capacity of its Ivorian subsidiary, **Société Africaine de Cacao**.⁴⁹ Increased local cocoa transformation may alleviate the effect of the global drop in cocoa prices, which has led to a loss of €300m (\$353m) in revenue for Côte d'Ivoire since 2016.⁵⁰ The **African Development Bank** has also identified local cocoa transformation as a key domain to help to reduce youth unemployment in Côte d'Ivoire, currently 12.2%.⁵¹ Côte d'Ivoire produced 2 million tonnes of cocoa in 2016/17 with annual local cocoa transformation capacity of 703,000 tonnes.⁵² However, in 2016/17, only 540,000 tonnes were transformed locally.⁵³ Cocoa made up 43% of Côte d'Ivoire's exports in 2016.⁵⁴

The **Tony Blair Institute for Global Change** has also established a partnership with the Ivorian government to promote cashew nut and cotton production and transformation in Côte d'Ivoire.⁵⁵ The partnership aims to form a working group to attract investors into the cashew nut and cotton sectors. Côte d'Ivoire produced 711,000 tonnes of cashew nut in 2017, making it the largest producer of the crop in the world.⁵⁶ Côte d'Ivoire's cashew nut export revenue amounted to \$800m in 2017, the third highest export revenue generator after cocoa and refined petroleum products.⁵⁷ The **World Bank** approved a \$200m loan to the Ivorian government in April to help improve cashew nut production (*see ARC Briefing Cote d'Ivoire April 2018*).⁵⁸ Annual Ivorian cotton production is 442,000 tonnes, below that of regional neighbours Burkina Faso and Mali, which produce 600,000 and 700,000 tonnes respectively.⁵⁹

Côte d'Ivoire's attempts to improve agricultural production are in line with the **Plan National de Développement (2016-2020)**⁶⁰ and the **Programme National d'Investissement Agricole 2 (PNIA 2)**.⁶¹ These policy agendas both identify the transformation of agricultural products as a key to ensuring structural economic transformation of the local economy. The government appears to want to increase the current 25% share that the secondary sector contributes to Côte d'Ivoire's gross domestic product.⁶² This may signal attractive opportunities for investors interested in these domains.

⁴⁸ Jeune Afrique, 25 May 2018

⁴⁹ Jeune Afrique, 25 May 2018

⁵⁰ African Economic Outlook, May 2018

⁵¹ FratMat.info, 22 May 2018

⁵² Jeune Afrique, 25 May 2018

⁵³ Jeune Afrique, 25 May 2018

⁵⁴ Deloitte Invest in Côte d'Ivoire, Mar 2017

⁵⁵ FratMat.info, 1 June 2018

⁵⁶ World Bank, April 2018

⁵⁷ World Bank, April 2018

⁵⁸ World Bank, April 2018

⁵⁹ FratMat.info, 1 June 2018

⁶⁰ African Economic Outlook, May 2018

⁶¹ Deloitte Invest in Côte d'Ivoire, Mar 2017

⁶² African Economic Outlook, May 2018

Planner

20-24 June 2018 **(Côte d'Ivoire)** Voter registration for municipal and regional elections

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

9-11 Oct 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. 2nd Ecowas Mining and Petroleum Forum

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

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

Chronology

3 June 2018 **Abidjan (Côte d'Ivoire)** *Reuters*. President **Allasane Ouattara** announces the possibility of running for a third presidential term;

1 June 2018 **Abidjan (Côte d'Ivoire)** *FratMat.info*. **Tony Blair Global Institute for Change** signs agreement to assist Cote d'Ivoire government with cashew nut and cotton production;

25 May 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. **Switzerland**-based cocoa and chocolate producer **Barry Callebaut** invests €45.7m (\$53.8m) in local cocoa transformation in Cote d'Ivoire;

18 May 2018 **Sikasso (Mali)** *Jeune Afrique*. Côte d'Ivoire, **Burkina Faso** and Mali establish the **SKBO Special Economic Zone** in Sikasso, **Korhogo** (Côte d'Ivoire) and **Bobo-Dioulasso** (Burkina Faso);

12 May 2018 **Abidjan (Côte d'Ivoire)** *FratMat.info*. **Ethiopian Airlines** launches first direct flights from Abidjan-New York **(United States)**;

8 May 2018 **Abidjan (Côte d'Ivoire)** *FratMat.info*. **Commission Electorale Indépendante (CEI)** announces it will undertake a voter registration exercise from 17 to 24 June;

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