

AFRICA RISK CONSULTING

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Incidents of violence and allegations of vote tampering mark Cote d'Ivoire's December municipal and regional council election re-runs. Ivorian vice-president Daniel Kablan Duncan announces the creation of a splinter movement from the opposition Parti Démocratique de Côte d'Ivoire (PDCI), the PDCI Renaissance, which aims to bring the PDCI back into the presidential Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP) coalition. The International Monetary Fund grants Cote d'Ivoire a \$133.7m loan and projects a positive economic outlook for the nation. France-based Eranove's subsidiary, Cote d'Ivoire-based Compagnie Ivoirienne de Production d'Électricité (Ciprel), is set to construct a 390 megawatt thermal plant in Jacquerville to increase Cote d'Ivoire's power production capacity.

Violence mars municipal and regional council by-elections

Violent incidents and allegations of voting irregularities marked election reruns for six municipal and two regional councils on 16 December. The violence sparks fears of escalating tensions ahead of the 2020 presidential elections in an increasingly volatile Ivorian political climate. The **Commission Electorale Indépendante (CEI)** organised the election rerun after the **Chambre Administrative de la Cour Suprême** (administrative bench of the supreme court) cancelled results of the 13 October election in some localities in November (see *ARC Briefing Cote d'Ivoire December 2018*).¹ The affected municipalities include **Port-Bouët**, **Lakota Bingerville**, **Boko**, **Grand Bassam** and **Rubino**, while regional councils of **Loh-Djiboua** and **Guemon** also re-ran elections.²

The re-run election results did not have a major impact on the overall results of the municipal and regional council elections. The presidential coalition, the **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**, won the majority of municipal and regional councils during the first round of voting (see *ARC Briefing Cote d'Ivoire November 2018*).³ Despite the relatively low stakes, there were nevertheless fears that there would be a re-emergence of the violence that led to the death of five people during the 13 October elections.⁴ This fear was particularly palpable in the highly contested and strategically important municipalities of Grand Bassam and Port Bouët. The government has earmarked Grand Bassam for real estate projects, while Port Bouët hosts the **Aéroport International Felix Houphouët-Boigny**.⁵

In Grand Bassam, the electoral contest pitted the incumbent mayor and opposition **Parti Démocratique de Côte d'Ivoire (PDCI)** member, **George Ezaley**, against the RHDP's **Jean-Louis Moulot**. Supporters of both candidates clashed during and after the first round, in

¹ Koaci.com, 3 Dec 2018

² Koaci.com, 3 Dec 2018

³ Jeune Afrique, 17 Oct 2018

⁴ Koaci.com, 17 Oct 2018

⁵ Jeune Afrique, 17 Dec 2018

which Ezaley was victorious before the administrative bench cancelled the result.⁶ The RHDP sent cabinet ministers including **Hamed Bakayoko, Kandia Camara, Marcel Tanoh** and **Kobenan Adjoumani** to campaign on behalf of Moulot.⁷ The CEI also replaced commissioners for Grand Bassam during the first round, assigning electoral supervision to CEI vice president **Gervais Coulibaly**.⁸ Despite security measures to prevent a repeat of the 13 October violence in Grand Bassam, protesters attacked polling stations and disrupted voting at 15 of 104 polling stations, according to local authorities. Ezaley condemned the violence and claimed voting stations were targeted because they were in areas where he was likely to win.⁹ After the polls closed, the CEI declared Moulot the winner with 51.94% of votes.¹⁰ However, the results were controversial. Ezaley claimed that the CEI had not taken into account 6,000 registered voters who were unable to vote on election day and said he would appeal the result.¹¹ Moulot responded that the violent incidents were isolated and had no impact on the results, denying responsibility for the acts.¹² Clashes took place between PDCI supporters and RHDP members on 20 December when PDCI members marched to contest the exclusion of registered voters and the election results.¹³

In Port Bouët, PDCI candidate **Sylvestre Emmou** defeated RHDP candidate and tourism minister **Siandou Fofana**.¹⁴ Fofana has accused Emmou of orchestrating electoral fraud and, like Ezaley, has launched an appeal at the Supreme Court.¹⁵ If the appeals are successful, there will be a third round of local elections.¹⁶ The last time such a scenario occurred was in 2011, when it took three rounds for the municipalities of **Facobly** and **Banon** to decide a winner.¹⁷

The violence in Grand Bassam overshadowed the generally calm nature of the municipal and regional elections. However, the re-emergence of election-related violence sparks memories of the 2010-2011 post-election crisis that led to over 3,000 deaths. The political climate in Cote d'Ivoire has been increasingly tense and polarised since the PDCI left the presidential coalition in August (see *ARC Briefing Cote d'Ivoire August 2018*) and may become more so as the 2020 elections draw closer.

Division persists in PDCI amidst changing Ivorian political landscape

Cote d'Ivoire's vice president, **Daniel Kablan Duncan**, announced the creation of a new movement within the opposition PDCI, known as **PDCI Renaissance**, on 17 December. The splinter group is likely to create further division within the PDCI and increase political tension in the lead-up to elections in 2020. Duncan described its main objective as reconciliation between **Rassemblement des Républicains (RDR)** leader, President **Alassane Ouattara** (2010-present), and former president and PDCI leader **Henri Konan Bedie** (1993-1999).¹⁸ The two leaders have been at odds since the PDCI withdrew in August

⁶ RFI, 30 Oct 2018

⁷ RFI, 16 Dec 2018

⁸ RFI, 16 Dec 2018

⁹ RFI, 18 Dec 2018

¹⁰ RFI, 18 Dec 2018

¹¹ Jeune Afrique, 21 Dec 2018

¹² RFI, 18 Dec 2018

¹³ Jeune Afrique, 21 Dec 2018

¹⁴ Jeune Afrique, 29 Dec 2018

¹⁵ Jeune Afrique, 29 Dec 2018

¹⁶ Jeune Afrique, 29 Dec 2018

¹⁷ Jeune Afrique, 29 Dec 2018

¹⁸ RFI, 24 Dec 2018

from the RHDP presidential coalition (see *ARC Briefing Cote d'Ivoire August 2018*).¹⁹ The PDCI Renaissance initiative is led by PDCI ministers supporting the PDCI's reintegration into the RHDP.

At the movement's launch in **Abidjan**, Duncan underlined the importance of the two leaders resolving their differences in order for Cote d'Ivoire to sustain the socio-economic development it has achieved over the last eight years.²⁰ Duncan claimed that the violence that occurred during the recent local and regional elections (see above) would not have taken place if the coalition were still intact.²¹ State inspector general **Theophile Ahoua N'Doli** also underscored that the PDCI's rightful place is with the RHDP.²² Forestry and water minister **Alain Richard Donwahi** denied allegations that the movement was trying to split the PDCI,²³ while PDCI Renaissance spokesperson and minister of cities **Albert François Amichie** reiterated that the group aims to facilitate inclusive and frank dialogue amongst members of the RHDP.²⁴ However, PDCI executive secretary **Maurice Guikahue** described the establishment of PDCI Renaissance as a "*non-event*".²⁵ Guikahue said that the PDCI's decision to leave the RHDP was taken at the party's congress and not by individuals, thus the dissenting opinions of a few members would not have a major impact on the functioning of the party.²⁶ Bedie sacked Duncan, N'Doli, **Jean Claude Kouassi**, **Aka Aouele** and Amichie as PDCI vice presidents on 4 January on the basis of their creation of the PDCI Renaissance and support for the RHDP.²⁷

Bedie claims that the PDCI will cease to exist if it joins the RHDP. In an interview with **France**-based media organ **France 24**, Bedie stated that the PDCI had left the RHDP because of a multitude of differences.²⁸ These include the refusal to have a PDCI member as the RHDP presidential candidate in the 2020 elections.²⁹ Bedie confirmed that the PDCI will present its own candidate for the upcoming elections.³⁰ As a sign that the PDCI has turned its back on the RHDP, Bedie has been taking steps to create a new political platform that will compete against the RHDP in 2020.³¹ Bedie confirmed that he obtained the support of former president **Laurent Gbagbo** (2000-2010) to contact the opposition **Front Populaire Ivoirienne** to discuss joining an alliance with the PDCI.³² Bedie also received national assembly president **Guillaume Soro** at a ceremony in Bedie's hometown of **Daoukro** on 17 December³³ and discussed the possibility of a future coalition.³⁴ Soro, who is a vice president of the RDR, has been reluctant to show his support for the RHDP project and reportedly has a frosty relationship with President Ouattara (see *ARC Briefing Cote d'Ivoire December 2018*).³⁵

¹⁹ Jeune Afrique, 9 Aug 2018

²⁰ RFI, 24 Dec 2018

²¹ Jeune Afrique, 24 Dec 2018

²² Jeune Afrique, 24 Dec 2018

²³ RFI, 24 Dec 2018

²⁴ FratMat.info, 23 Dec 2018

²⁵ RFI, 24 Dec 2018

²⁶ RFI, 24 Dec 2018

²⁷ FratMat.info, 4 Jan 2019

²⁸ L'Intelligent d'Abidjan, 13 Dec 2018

²⁹ L'Intelligent d'Abidjan, 13 Dec 2018

³⁰ L'Intelligent d'Abidjan, 13 Dec 2018

³¹ RFI, 16 Dec 2018

³² L'Intelligent d'Abidjan, 14 Dec 2018

³³ Jeune Afrique, 19 Dec 2018

³⁴ Jeune Afrique, 31 Dec 2018

³⁵ Jeune Afrique, 21 Aug 2018

The Ivorian political landscape is evolving in the lead up to the 2020 elections. Ivorian political analyst **Sylvain Nguessan** claims that if Bedie can garner enough support within the PDCI against the RHDP and can convince the FPI and Soro to join his political platform, the RHDP will face a tough contest in 2020.³⁶

IMF grants Côte d'Ivoire \$133.7m loan

The **International Monetary Fund (IMF)** approved a \$133.7m loan to Cote d'Ivoire on 12 December after completing the fourth review of Cote d'Ivoire's Extended Credit Facility (ECF) and Extended Fund Facility (EFF).³⁷ The IMF provided the loan on the basis that Cote d'Ivoire is satisfactorily implementing structural economic reforms.³⁸ The IMF forecasts that Cote d'Ivoire will register 7.5% gross domestic product (GDP) economic growth in 2018-2019.³⁹ This underlines Cote d'Ivoire's healthy economy and attractiveness to potential investors.

The IMF economic reform package that Cote d'Ivoire adopted on 12 December 2016 included an ECF and EFF that have enabled Cote d'Ivoire to access \$898.4m in IMF financial assistance.⁴⁰ According to IMF acting chairman and deputy managing director, **Mitsuhiro Furusawa**, Cote d'Ivoire has taken concrete steps towards ensuring macroeconomic stability, with the fiscal deficit set to drop to 3%, the benchmark for **West African Economic and Monetary Union (WAEMU)** members.⁴¹ Furusawa commended Cote d'Ivoire for taking steps to promote strong growth, reduce poverty and promote social inclusion.⁴² Nonetheless, he suggested that Cote d'Ivoire should dedicate more resources to combatting poverty and ensure that borrowing policy remains viable in order to maintain debt stability.⁴³ Furusawa recommended improving public financial management, tax administration and the business climate.⁴⁴ Tax administration is significant, as Cote d'Ivoire aims to increase tax revenue to 20% of its GDP from the current figure of 15.9%.⁴⁵

Cote d'Ivoire's IMF representative, **Jose Gijon**, praised the country for its favourable economic situation.⁴⁶ Gijon said 2012-2017 had been a period of remarkable growth, increased investment and improved governance.⁴⁷ Côte d'Ivoire has averaged 8% GDP growth since 2011.⁴⁸

| | 2016 | 2017 | 2018 | 2019 (projected) |
|--------------------|------|------|------|---------------------|
| Growth Rate | 8.3% | 7.8% | 7.4% | 7% |

Source: IMF October 2018

³⁶ RFI, 16 Dec 2018

³⁷ IMF, 12 Dec 2018

³⁸ IMF, 12 Dec 2018

³⁹ IMF, 12 Dec 2018

⁴⁰ IMF, 12 Dec 2018

⁴¹ IMF, 12 Dec 2018

⁴² IMF, 12 Dec 2018

⁴³ IMF, 12 Dec 2018

⁴⁴ IMF, 12 Dec 2018

⁴⁵ The Africa Report, December 2018

⁴⁶ Le Patriote, 14 Dec 2018

⁴⁷ Le Patriote, 14 Dec 2018

⁴⁸ L'Intelligent d'Abidjan, 19 Nov 2018

Cote d'Ivoire is the only country that has improved in all 14 categories of the **Ibrahim Index for Africa Governance** over the last five years.⁴⁹ Moreover, the 2019 **World Bank Doing Business** rankings cited Cote d'Ivoire as one of the top ten global business climate reformers (see *ARC Briefing Cote d'Ivoire November 2018*).⁵⁰ Despite these improvements, 47% of Ivorians live in a state of poverty.⁵¹ To address this, President Ouattara announced on 31 December the establishment of a \$1.1 billion social welfare plan to cater to the most vulnerable in Ivorian society.⁵²

Political instability may dampen positive economic perspectives. In 2017, Cote d'Ivoire experienced an economic slowdown due in large part to soldiers and civil servant strikes.⁵³ With an increasingly volatile political climate in the lead up to the 2020 presidential elections, potential investors may decide to invest elsewhere in the region or postpone investments until the elections are over.

France-based Eranove to construct thermal plant

The Ivorian government signed a concession agreement with Cote d'Ivoire-based **Compagnie Ivoirienne de Production d'Électricité (Ciprel)**, a subsidiary of France-based **Eranove**, on 19 December for the financing, design, construction, operation and maintenance of a combined cycle thermal power plant.⁵⁴ The **Atinkou** plant (or Ciprel 5) will have a production capacity of 390 megawatts when it becomes operational in 2021.⁵⁵ This project will help increase Cote d'Ivoire's power production in the short term. Ciprel will build the thermal plant, which will cost €378m (\$435m), as part of a public-private partnership (PPP) agreement.⁵⁶ The signing of the concession with Eranove fulfils the company's announcement in September 2016 to carry out the project.⁵⁷ The thermal plant will be located in **Jacquerville**, an area outside of **Abidjan**.⁵⁸ Petroleum, energy and renewable energy minister **Abdourahmane Cisse** signed the convention on behalf of the Ivorian government, while CEO **Bernard Kouassi N'Guessan** represented Ciprel.⁵⁹ According to Cisse, the plant construction is in line with the government's desire to increase power generation and consolidate Cote d'Ivoire's position as a sub-regional energy hub.⁶⁰ Eranove noted the plant's construction intends to promote the establishment of industrial activity outside of the country's economic capital, Abidjan.⁶¹

Cote d'Ivoire currently exports electricity to **Benin, Burkina Faso, Ghana, Liberia, Mali and Togo**.⁶² Eranove currently produces 556 MW, making it Cote d'Ivoire's leading private power producer.⁶³ Work on the plant is set to begin in 2019 and its completion has been targeted for

⁴⁹ The Africa Report, Dec 2018

⁵⁰ World Bank, 31 Oct 2018

⁵¹ Koaci.com, 27 Nov 2018

⁵² Fratmat.info, 31 Dec 2018

⁵³ The Africa Report, Dec 2018

⁵⁴ La Tribune Afrique, 24 Dec 2018

⁵⁵ La Tribune Afrique, 24 Dec 2018

⁵⁶ Jeune Afrique, 20 Dec 2018

⁵⁷ Oxford Business Group, 25 Oct 2016

⁵⁸ Jeune Afrique, 20 Dec 2018

⁵⁹ Jeune Afrique, 20 Dec 2018

⁶⁰ La Tribune Afrique, 24 Dec 2018

⁶¹ La Tribune Afrique, 24 Dec 2018

⁶² Jeune Afrique, 20 Dec 2018

⁶³ Jeune Afrique, 20 Dec 2018

the end of 2020.⁶⁴ During its construction phase, Ciprel 5 will create 2,500 jobs, while 100 people will be employed during its exploitation phase.⁶⁵ According to Ivorian director of energy **Cisse Sabati**, 95% of those employed will be local residents.⁶⁶

The PPP also demonstrates the Ivorian government's desire to attract investment in the energy sector. Cote d'Ivoire has set a target to increase its electricity production capacity to 4,000 MW by 2020 and 6,600 MW in 2030 from the current 2,200 MW.⁶⁷ The government intends to invest \$20 billion in the energy sector over the next 10 years.⁶⁸ Ivorian authorities have taken steps to encourage the diversification of the country's energy sources. At present, 75% of electricity is obtained from thermal energy sources, while the remainder is obtained from hydroelectric dams.⁶⁹ Solar power makes up only 1 MW of Cote d'Ivoire's total power production.⁷⁰ In July, Cote d'Ivoire-based **Société des Energies Nouvelles** signed an agreement with the **United States Trade and Development Agency (USTDA)** to develop a biomass power plant (see *ARC Briefing Cote d'Ivoire July 2018*).⁷¹ The power plant, which costs €234m (\$269m), will be fuelled by cocoa waste and have an installed power capacity of 60-70 MW.⁷² In addition, on 3 December the Cote d'Ivoire government announced it would build its first floating solar plant.⁷³ If the Ivorian government can continue to improve its power production capacity and enable more actors to be involved this domain, it will have a positive effect on the development of various economic activities. Increased availability of electricity will facilitate the growth of the agro-transformation sector and Cote d'Ivoire's emerging mining industry.

⁶⁴ Jeune Afrique, 20 Dec 2018

⁶⁵ La Tribune Afrique, 24 Dec 2018

⁶⁶ Le Patriote, 20 Dec 2018

⁶⁷ Jeune Afrique, 20 Dec 2018

⁶⁸ The Africa Report, Dec 2018

⁶⁹ Jeune Afrique, 20 Dec 2018

⁷⁰ Jeune Afrique, 6 Dec 2018

⁷¹ Oxford Business Group, 30 Oct 2018

⁷² Oxford Business Group, 30 Oct 2018

⁷³ Jeune Afrique, 6 Dec 2018

Planner

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

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

Chronology

7 Jan 2019 **Abidjan (Côte d'Ivoire)** *Koaci.com*. **Société Ivoirienne de Raffinage (SIR)** obtains \$655m credit from a consortium of Cote d'Ivoire based banks;

31 Dec 2018 **Abidjan (Côte d'Ivoire)** *FratMat.info*. President **Alassane Ouattara** announces establishment of \$1.1 billion social welfare programme;

19 Dec 2018 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. **Rwanda** signs four cooperation agreements with Cote d'Ivoire during President **Paul Kagame's** state visit;

19 Dec 2018 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. **France**-based **Eranove** signs an agreement with the Ivorian government to construct a 390 megawatt thermal plant which will cost €378m (\$435m) and become operational in 2021;

18 Dec 2018 **Abidjan (Côte d'Ivoire)** *Koaci.com*. The geology and mines ministry reports that \$533m was invested in the Ivorian mining sector from 2015 to 2017;

16 Dec 2018 **Abidjan (Côte d'Ivoire)** *RFI*. Run-off elections are held in six municipal and two regional councils, with incidents of violence in the locality of **Grand Bassam**;

12 Dec 2018 **Washington D.C (United States)** *IMF Press Release*. The **International Monetary Fund** approves a \$133.7m loan after completing the fourth review of Cote d'Ivoire's Extended Credit Facility and Extended Fund Facility;

12 Dec 2018 **Abidjan (Côte d'Ivoire)** *Koaci.com*. **Eximbank China** grants \$277.3m loan for the construction of the **Tiebissou-Bouake** highway;

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