

## AFRICA RISK CONSULTING

Côte d'Ivoire Briefing December 2019

### Côte d'Ivoire Summary 14 December 2019

*President Alassane Ouattara (2010-present) indicates he will run in the 2020 presidential elections, if former presidents Henri Konan Bédié (1993-1999) and Laurent Gbagbo (2000-2010) decide to submit candidatures. Former Assemblée Nationale (national assembly) president Guillaume Soro and former minister Charles Blé Goudé meet at The Hague (Netherlands) for the first time since the 2010 presidential elections. The International Monetary Fund grants Cote d'Ivoire 79.12 billion FCFA (\$133.4m) on completion of the sixth review of the Extended Credit Facility (ECF).*

### President Ouattara alludes to possible 2020 presidential candidacy

President **Alassane Ouattara** (2010-present) has indicated that he will run in the 2020 presidential elections if former presidents **Henri Konan Bédié** (1993-1999) and **Laurent Gbagbo** (2000-2010) submit their candidatures.<sup>1</sup> This increases speculation about the 2020 presidential election candidates as well as fears of possible electoral violence. The presidency said Ouattara would undertake an official visit from 27-30 November to the **Hambol** region in centre-north Cote d'Ivoire.<sup>2</sup> This follows a similar trip to **N'Zi** region in September (see *ARC Briefing Cote d'Ivoire October 2019*).<sup>3</sup> Hambol is a cotton and cashew nut production basin controlled by the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** after it obtained 58% of votes there in the October 2018 regional elections.<sup>4</sup> During his visit, President Ouattara promised to carry out a 150 billion FCFA (\$254.2m) water distribution project and establish a cashew processing plant in the first quarter of 2020.<sup>5</sup>

During a rally at the **Stade Ouattara Thomas Aquinas** in the regional capital **Katiola** on 30 November, Ouattara reiterated his intention to hand over power to a new generation provided that people of his generation agree not to participate in the 2020 election.<sup>6</sup> Ouattara said he will declare his candidature if they run, saying the 2016 constitution allows him to run for a third presidential term.<sup>7</sup> Ouattara was clearly referring to his political foes, former presidents Bédié and Gbagbo, respectively the leaders of the opposition **Parti Démocratique de Côte d'Ivoire (PDCI)** and the **Front Populaire Ivoirien (FPI)**. Ouattara said he does not want Cote d'Ivoire to return to the hands of those who have "destroyed the country and squandered our public goods".<sup>8</sup> Ouattara added:

*"Cote d'Ivoire belongs to the next generation. But I see some hesitation in some of my generation, that's why I have not announced my decision yet. Rest assured, my intention is to transfer power to a new generation... I want everyone in my generation to understand that our time has passed*

<sup>1</sup> Koaci.com, 30 Nov 2019

<sup>2</sup> Jeune Afrique, 27 Nov 2019

<sup>3</sup> Jeune Afrique, 27 Nov 2019

<sup>4</sup> Jeune Afrique, 27 Nov 2019

<sup>5</sup> Jeune Afrique, 27 Nov 2019

<sup>6</sup> Koaci.com, 30 Nov 2019

<sup>7</sup> Koaci.com, 30 Nov 2019

<sup>8</sup> Koaci.com, 30 Nov 2019

*and we must all sit aside. So if they decide to be a candidate, I will be a candidate. This is what I do not want.”<sup>9</sup>*

Cote d’Ivoire-based political analyst **Sylvain N’Guessan** claims Ouattara pursued the visit to Hamdol in order to counteract a similar trip to the region made earlier in the year by former president of the **Assemblée Nationale** (national assembly) and 2020 presidential candidate **Guillaume Soro**.<sup>10</sup> FPI deputy secretary general **Jean-Bonin Kouadio** suggested that the president cannot be in office for more than two terms and therefore Ouattara cannot run in 2020.<sup>11</sup>

Ouattara followed his state visit with a mega-meeting in the political capital, **Yamoussoukro**, on 7 December that the RHDP organised.<sup>12</sup> The official objective of the event was to commemorate the 26<sup>th</sup> anniversary of the death of Cote d’Ivoire’s founding president, **Felix Houphouet Boigny** (1960-1993).<sup>13</sup> RHDP supporters encouraged Ouattara to pursue an additional term of office.<sup>14</sup> Ouattara promised that elections would free and held in a peaceful and secure environment.<sup>15</sup> The RHDP claimed that 200,000 people attended the ceremony, although the figure could not be verified, which appeared to be a response to a similar meeting at the same location that the PDCI and FPI alliance held in October and which brought together thousands of members of both parties.<sup>16</sup>

Suspense is increasing ahead of the October 2020 elections, for which the deadline to submit candidatures is in July.<sup>17</sup> Ouattara said in January at the launch of the RHDP that he would make his decision to run or not in 2020 (see *ARC Briefing Cote d’Ivoire February 2019*). However, the provisional release of Gbagbo and the subsequent establishment of a political alliance between the FPI and PDCI in September, as well as Soro’s announcement in October that he will run for president, have put Ouattara in a tight corner. Sources within the RHDP believe that Ouattara does not think that his preferred successor, prime minister **Amadou Gon Coulibaly**, or other coalition heavyweights such as vice president **Donald Kablan Duncan** or defence minister **Hamed Bakayoko** can win against a formidable opposition coalition.<sup>18</sup> It had been rumoured that Ouattara would attempt to modify the constitution and establish a 75-year age limit to be eligible to run for president, in order to prevent Bédié and Gbagbo from running.<sup>19</sup> However, during his trip to Hambol, Ouattara ruled out the possibility of changing the constitution.<sup>20</sup> The potential involvement of the three most prominent Ivorian politicians since the death of Houphouet Boigny raises concerns about the repeat of the election-related violence that occurred after the 2010 presidential elections as well as the 2018 local and regional contest (see *ARC Briefing Cote d’Ivoire November 2018*).

### **Soro and Blé Goudé meet for first time since 2010**

Guillaume Soro and former minister **Charles Blé Goudé** met on 24 November at **The Hague (Netherlands)** for the first time since the 2010 presidential elections. The meeting increases speculation about the possibility of a broadened opposition alliance against the ruling coalition.<sup>21</sup> Soro, head of the **Généralions et Peuples Solidaires (GPS)** political movement, and Blé Goudé, president of **Congrès Panafricain pour la Justice et Egalité des Peuples (Cojep)**, held face to face talks for two hours, during which they called on the current government to host a national political dialogue.<sup>22</sup> The two leaders were allies in the 1990s in the influential Ivorian student union, the

<sup>9</sup> Koaci.com, 30 Nov 2019

<sup>10</sup> Jeune Afrique, 27 Nov 2019

<sup>11</sup> RFI, 30 Nov 2019

<sup>12</sup> Koaci.com, 7 Dec 2019

<sup>13</sup> Koaci.com, 7 Dec 2019

<sup>14</sup> Koaci.com, 7 Dec 2019

<sup>15</sup> Koaci.com, 7 Dec 2019

<sup>16</sup> RFI, 7 Dec 2019

<sup>17</sup> Jeune Afrique, 1 Dec 2019

<sup>18</sup> RFI, 30 Nov 2019

<sup>19</sup> Jeune Afrique, 1 Dec 2019

<sup>20</sup> Jeune Afrique, 1 Dec 2019

<sup>21</sup> Koaci.com, 24 Nov 2019

<sup>22</sup> Koaci.com, 24 Nov 2019

**Fédération Etudiantine et Scolaire de Cote d'Ivoire (FESCI).**<sup>23</sup> Soro said he would like to see Blé Goudé return to Cote d'Ivoire and participate in the nation's reconciliation process.<sup>24</sup> Soro, who has already declared his candidacy for the 2020 presidential elections, stated the meeting was not intended to obtain an endorsement from Blé Goudé.<sup>25</sup> Soro said his objective was to help build the Ivorian nation, without looking at personal conflicts and ambitions.<sup>26</sup> Blé Goudé's chief of cabinet, **Yousouff Diaby**, described the discussions as frank and said both sides recognised that mistakes had been made in the past.<sup>27</sup> The meeting was held at the behest of Soro, who had been in contact with Blé Goudé since his provisional release by the **International Criminal Court (ICC)** in February (see *ARC Briefing Cote d'Ivoire February 2019*). Soro's emissaries, including his special adviser, **Affoussaita Bamba Lamine**, lay the groundwork for the event to take place.<sup>28</sup>

The objective of the meeting is unclear, as Blé Goudé did not officially endorse Soro's candidature nor did his political party establish an alliance with Soro. However, the meeting shows an anti-Ouattara alliance that is being built against the ruling coalition, as Blé Goudé's Cojep party also belongs to the **Coalition pour la Democratie, la Reconciliation et la Paix (CDRP)**, an opposition coalition formed by Bédié.<sup>29</sup>

### IMF grants Cote d'Ivoire \$133.4m

The **International Monetary Fund (IMF)** has granted Cote d'Ivoire 79.12 billion FCFA (\$133.4m) loan following the completion of its sixth review of the Extended Credit Facility (ECF).<sup>30</sup> This indicates the IMF's continued confidence in the Ivorian government's ability to steer the economy in the right direction. The ECF is a three-year economic support programme worth \$896.7m that Cote d'Ivoire adopted in December 2016.<sup>31</sup> The ECF aims to foster inclusive growth and poverty reduction, support fiscal discipline, enhance domestic revenue mobilisation, ensure debt sustainability and achieve a positive balance of payment (BOP) position.<sup>32</sup> According to IMF deputy managing director **Mitsuhiro Furusawa**:

*"Cote d'Ivoire has been pursuing a development-oriented policy agenda which the IMF has supported since 2016. This entailed encouraging private sector development in order for it to become the driver of economic growth."*<sup>33</sup>

The IMF projects a positive economic outlook for Cote d'Ivoire in the medium term, with 7.5% economic growth in 2019 and 2020.<sup>34</sup> The IMF encouraged the Ivorian government to improve domestic revenue mobilisation in order to have the resources to pursue development projects.<sup>35</sup> These measures would include broadening the tax base, curtailing tax exonerations, digitising revenue administration, and exercising expenditure restraint. The IMF praised the government for significantly improving its business climate, which it says will stimulate private sector activity and inclusive growth.<sup>36</sup> The IMF says improvement of the business climate will help to improve the energy sector, human capital and financial inclusion, and also enhance trade connectivity and governance.<sup>37</sup>

<sup>23</sup> RFI, 25 Nov 2019

<sup>24</sup> Koaci.com, 24 Nov 2019

<sup>25</sup> Koaci.com, 24 Nov 2019

<sup>26</sup> Koaci.com, 24 Nov 2019

<sup>27</sup> Jeune Afrique, 11 Dec 2019

<sup>28</sup> Jeune Afrique, 11 Dec 2019

<sup>29</sup> RFI, 28 Nov 2019

<sup>30</sup> IMF, 6 Dec 2019

<sup>31</sup> IMF, 6 Dec 2019

<sup>32</sup> IMF, 6 Dec 2019

<sup>33</sup> IMF, 6 Dec 2019

<sup>34</sup> IMF, 6 Dec 2019

<sup>35</sup> IMF, 6 Dec 2019

<sup>36</sup> IMF, 6 Dec 2019

<sup>37</sup> IMF, 6 Dec 2019

The IMF has decided to extend the ECF to 2020 to assist the government in its attempts to carry out structural reforms. This will increase the amount of overall support from the ECF to \$1.16 billion.<sup>38</sup>

The IMF has been optimistic about Cote d'Ivoire's economy throughout 2019. In October, it predicted a positive economic outlook for Cote d'Ivoire as a result of increasing private investment and efforts to improve export diversification (see *ARC Briefing Cote d'Ivoire October 2019*).<sup>39</sup> The IMF also praised Cote d'Ivoire's development of policies to reduce poverty and promote inclusive growth, in a bid to support the achievement of government objectives.<sup>40</sup> This optimism was reiterated by **United Kingdom (UK)-based Standard Chartered Bank**, which ranked Cote d'Ivoire as the country with the largest trade and growth potential in the world in its "**Standard Chartered Trade20: The Rising Stars of Global Trade**" report (see *ARC Briefing Cote d'Ivoire October 2019*).<sup>41</sup> This year Cote d'Ivoire improved from 122<sup>nd</sup> to 110<sup>th</sup> place out of 190 countries in the **World Bank's 2020 Doing Business** rankings.<sup>42</sup>

### 2019 in review and what to look forward to in 2020

The ICC's acquittal on 15 January of former president Laurent Gbagbo on charges of crimes against humanity committed during the 2010-2011 post-election crisis launched Cote d'Ivoire's political year with a bang. This was followed by the provisional release of Gbagbo and his subsequent transfer to **Brussels (Belgium)** (see *ARC Briefing Cote d'Ivoire February 2019*). The development added a new dimension to the Ivorian political landscape, which had been marked by the withdrawal of the PDCI from the ruling RHDP coalition in 2018. PDCI leader and former president Henri Konan Bédié cited unfulfilled promises by president Ouattara and opposition to the idea of a merged party as reasons for his exit from the PDCI coalition (see *ARC Briefing Cote d'Ivoire January 2019*). In February, Guillaume Soro resigned as president of the national assembly, ending months of speculation about such a move (see *ARC Briefing Cote d'Ivoire February 2019*). After months of planning, Konan Bédié and Gbagbo met in Brussels in July for the first time since the 2010 presidential elections and promised to work towards reconciling Ivorians (see *ARC Briefing Cote d'Ivoire August 2019*). In September, the FPI and PDCI held a joint political rally, officialising their alliance in the lead-up to the 2020 elections. This was followed by Soro's declaration in October that he would run for the presidential elections (see *ARC Briefing Cote d'Ivoire October 2019*).

Ouattara was no idle bystander as these scenarios were unfolding. During the launch of the RHDP in January, he stated he would make his decision on whether to run for a third term in 2020 (see *ARC Briefing Cote d'Ivoire February 2019*). However, his recent visit to Hambol region indicates that he is increasingly contemplating the idea of seeking another term in office. The 2020 political cycle will be full of intrigue, with what looks to be the last political showdown between Gbagbo, Bédié, Ouattara and Soro. It is uncertain if Gbagbo will have direct involvement, due to an ICC appeal against his acquittal and the Ivorian government's request to have his parole conditions revoked (see *ARC Briefing Cote d'Ivoire November 2019*). Gbagbo was sentenced to 20 years' imprisonment and fined \$568m by Ivorian courts in January 2018 for robbing the **Abidjan** branch of the **Banque Central de l'Afrique de l'Ouest (BCEAO)** (central bank of west African states). A formidable opposition coalition could force an election run-off, which may lead to a repeat of the violence experienced after the 2010 presidential elections and 2018 local elections.

In the economic realm, Cote d'Ivoire maintained the positive growth trajectory it has embarked on since 2012. The **African Development Bank (AfDB)**, IMF and World Bank projected growth rates of above 7% for Cote d'Ivoire in 2019 and have predicted a positive medium-term economic outlook for the country (see *ARC Briefing Cote d'Ivoire January, March, April, July, October and December 2019*). Cote d'Ivoire has been successful in improving its business climate, moving from 139<sup>th</sup> in the 2018

<sup>38</sup> Sika Finance, 9 Dec 2019

<sup>39</sup> IMF, 1 Oct 2019

<sup>40</sup> IMF, 1 Oct 2019

<sup>41</sup> Standard Chartered, 30 Sep 2019

<sup>42</sup> World Bank, 24 Oct 2019

World Bank Doing Business rankings to 110<sup>th</sup> out of 190 countries in the 2020 classification). Cote d'Ivoire launched a \$1.1 billion social welfare plan to address the 47% poverty rate and improve the livelihoods and human capital of Ivorian's (see *ARC Briefing Cote d'Ivoire January 2019*). In addition, Ivorian cocoa authorities announced in June that they would establish a guaranteed minimum price of \$2,600 per tonne of cocoa as well as a Living Income Differential (LID) of \$400 for farmers (see *ARC Briefing Cote d'Ivoire July 2019*). These measures, as well as initiatives to increase cocoa transformation, are intended to make the Ivorian cocoa sector a larger contributor to economic development.

Cote d'Ivoire has also made attempts to develop its hydrocarbons sector. In May, the government granted four offshore oil and gas blocks to oil majors **France**-based **Total** and **Italy**-based **Eni** (see *ARC Briefing Cote d'Ivoire June 2019*). In November, mines minister **Abdourahmane Cissé** announced the sale of 18 offshore oil blocks in 2020 (see *ARC Briefing Cote d'Ivoire November 2019*). Cote d'Ivoire will look to build on its economic progress by tackling poverty and inequality, improving the business climate to attract private sector investment and stimulate inclusive growth. Nascent sectors such as construction, hydrocarbons, mining, tourism and transport will be significant new sources of national wealth.

### Planner

21 Dec 2019 **Abuja (Nigeria)** *Jeune Afrique*. **Economic Community of West African States (ECOWAS)** summit;

9-10 Mar 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. **African CEO Forum**;

24-25 Mar 2020 **Accra (Ghana)** *Togonews*. **Invest West Africa Forum**;

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

### Chronology

11 Dec 2019 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Public transport company **Société de Transport Abidjanais (Sotra)** signs an agreement to purchase 500 buses from **Sweden**-based **SCANIA**;

10 Dec 2019 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The **International Monetary Fund (IMF)** grants Cote d'Ivoire a \$133.4m loan in line with the **Extended Credit Facility (ECF)** economic reform package;

10 Dec 2019 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. Cote d'Ivoire-based **Sifca**, and **France**-based **EDF** and **Meridiam**, have signed a 25 year concession agreement to build a 129 billion FCFA (\$218.6m), biomass plant which will generate 46 MW;

7 Dec 2019 **Abidjan (Cote d'Ivoire)** *Koaci.com*. Thousands of supporters attend a political rally organised by the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**;

6 Dec 2019 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. Agriculture ministry data shows Côte d'Ivoire recorded a food self-sufficiency rate of 105% over the period 2014-2017;

4 Dec 2019 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** announces that cabinet ministers and heads of state institutions can only undertake foreign trips with his authorisation;

3 Dec 2019 **Abidjan (Cote d'Ivoire)** *RFI*. President **Alassane Ouattara** says the **CFA Franc** should continue to be pegged to the **Euro**;

30 Nov 2019 **Abidjan (Cote d'Ivoire)** *Koaci.com*. President **Alassane Ouattara** indicates that he will run in the 2020 presidential elections if former presidents **Laurent Gbagbo** and **Henri Konan Bédié** declare their candidatures;

29 Nov 2019 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** commences a four-day state visit to the north-central region of **Hambol**;

26 Nov 2019 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Canada-based **Westbridge Mortgage Reit** reportedly intends to lodge a complaint at the **International Centre for the Settlement of Investment Disputes (ICSID)** regarding its sale of shares in **Banque de l'Habitat de Côte d'Ivoire (BHCI)** to the Ivorian government;

25 Nov 2019 **Hamburg (Germany)** *Agence Ecofin*. Tourism minister **Siandou Fofana** announces that Cote d'Ivoire has mobilised around \$ 6.4 billion in commitments for its tourism sector;

23 Nov 2019 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. China-based **Civil Engineering Construction Corporation (CECC)** wins the contract for the reinforcement of the **Man-Danané-Zouan-Hounien** road axis, which will cost \$84m;

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