

AFRICA RISK CONSULTING

Côte d'Ivoire Briefing January 2020

Côte d'Ivoire Summary 16 January 2020

The state prosecutor issues an international arrest warrant for former prime minister, Assemblée Nationale (National Assembly) president and 2020 presidential election candidate Guillaume Soro, accusing him of embezzling public funds and attempting to destabilise state authority. President Alassane Ouattara (2010-present) announces his intention to modify certain aspects of the 2016 constitution, amidst growing speculation that he intends to run for a third presidential term. Cote d'Ivoire raises 56.6 billion FCFA (\$96m) in Assimilable Treasury Bonds during a bond issue on the West African Economic and Monetary Union (WAEMU) financial market. President Ouattara and France's President Emmanuel Macron (2017-present) announce that the ECO currency will replace the CFA franc for WAEMU member states by July 2020.

International arrest warrant for Guillaume Soro ...

The **Ivorian** state prosecutor issued an international arrest warrant for former prime minister and president of the **Assemblée Nationale** (National Assembly) and 2020 presidential election candidate **Guillaume Soro** on 23 December.¹ The unexpected development is likely to prevent Soro from returning to Cote d'Ivoire and participating in the October presidential elections. Soro's possible exclusion could also increase socio-political tensions, which have been on the rise since January 2019.

Soro was set to return to Cote d'Ivoire on 23 December, six months after his departure in May.² He intended to officially launch his presidential campaign, which would be coordinated through his political movement, the **Génération et Peuples Solidaires (GPS)**, which was established in July.³ His private jet was scheduled to land at the **Abidjan** air force base, en route from **Paris (France)**, but eventually landed in **Accra (Ghana)**.⁴ According to Soro's entourage, the inability to guarantee Soro's security and the fear that he would be arrested on arrival led to their decision not to land in Abidjan.⁵ Earlier that day, Ivorian security official had raised suspicions by blocking all roads leading to Soro's residence in the Abidjan district of **Marcory** and refusing to grant his family members access to his house.⁶ After landing in Accra, Soro redirected his flight to **Tenerife (Spain)**, from where he returned to Paris.⁷

After learning that Soro would not return to Cote d'Ivoire, his supporters carried out a protest, which security forces used tear gas to disperse.⁸ The demonstration led to the arrest of 15 individuals including former minister and current MP **Alain Lobognon**, Soro's brother, **Simon Soro**, and his head of protocol, **Souleymane Kamagate**.⁹ Later that day, state prosecutor **Richard Adou** announced on the state broadcaster **Radio Television Ivoirienne (RTI)** that Soro had been issued with an international arrest warrant on suspicion that he intended to destabilise the authority of the state and

¹ Jeune Afrique, 23 Dec 2019

² Jeune Afrique, 23 Dec 2019

³ Jeune Afrique, 12 Dec 2019

⁴ Jeune Afrique, 23 Dec 2019

⁵ Koaci.com, 23 Dec 2019

⁶ Jeune Afrique, 23 Dec 2019

⁷ Jeune Afrique, 23 Dec 2019

⁸ Koaci.com, 23 Dec 2019

⁹ Jeune Afrique, 24 Dec 2019

Cote d'Ivoire's territorial integrity.¹⁰ The prosecutor stated the allegations were based on evidence provided by the **Direction de surveillance territoire** (Ivorian intelligence services), which had discovered an audio recording in which Soro stated his desire to organise a civilian and military insurrection against the state.¹¹ Adou said weapons to be used for this operation were discovered at an undisclosed location.¹² Adou said Soro and two co-defendants would be charged for embezzlement of public funds amounting to 1.5 billion FCFA (\$2.5m), which Soro reportedly used to purchase his personal residence.¹³ Adou stated that the Treasury had lodged a complaint concerning the misappropriation of funds on 20 December.¹⁴

Soro's lawyer and special adviser, **Affoussiata Bamba-Lamine**, described the charges as "*an ill-mounted spy operation*" as well as a "*political machination*" to remove Soro from the presidential race.¹⁵ The opposition **Parti Démocratique de Côte d'Ivoire (PDCI)** and **Front Populaire Ivoirien (FPI)** denounced the arrest of Soro supporters and the use of force against protesters. **Charles Blé Goudé**, president of the opposition **Congres Panafricain pour la Justice et Egalité des Peuples (Cojep)**, decried "*the decline in individual freedoms and the lack of democracy*" in the recent events.¹⁶

Soro is an MP for **Ferkessedougou** constituency and it has been argued that his parliamentary immunity should prevent him from being issued a warrant of arrest. In an interview with France-based publication, **Le Journal du Dimanche**, Soro said the charges against him were politically motivated and likened his situation to that which former **Brazilian** president **Lula da Silva** (2003-2010) faced when he left office. Soro added that the actions taken against him were arbitrary and signs of an "*authoritarian drift, worthy of the worst dictatorial regimes*".¹⁷ Soro went on to blame France's President **Emmanuel Macron** (2017-present) for not advising African leaders to respect democracy and called President **Alassane Ouattara** (2010-present) an autocrat.¹⁸ Soro accused Ouattara of sponsoring the September 2002 rebellion, which led to the civil war from 2002 to 2007.¹⁹ Soro said he would organise a political resistance from Paris and called on the political class in Cote d'Ivoire to fight President Ouattara.²⁰

The arrest warrant is the culmination of years of tension between Ouattara and Soro. Soro initially expressed anger at Ouattara following the adoption of the 2016 constitution. The new constitution made newly appointed vice president **Donald Kablan Duncan** Ouattara's successor at the expense of Soro, who was the erstwhile successor.²¹ Relations further soured following Soro's alleged involvement in the May 2017 army mutiny, in which an arm cache was found at the **Bouake** residence of **Souleymane Kamagate**, Soro's chief of protocol.²² The point of no return was Soro's refusal to join the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**, followed by his resignation as national assembly president in February. Following his resignation, Soro has established a political alliance with former president **Henri Konan Bédié** (1993-1999) who appears likely to run for president on the PDCI ticket.²³ Soro presents a formidable challenge to Ouattara as they both hail from **Tchologo** region in northern Cote d'Ivoire. This might cause Ouattara to lose votes in a region that has traditionally been his electoral stronghold.

¹⁰ Koaci.com, 23 Dec 2019

¹¹ Jeune Afrique, 26 Dec 2019

¹² Jeune Afrique, 26 Dec 2019

¹³ Koaci.com, 23 Dec 2019

¹⁴ Koaci.com, 23 Dec 2019

¹⁵ Jeune Afrique, 26 Dec 2019

¹⁶ RFI, 25 Dec 2019

¹⁷ RFI, 29 Dec 2019

¹⁸ RFI, 29 Dec 2019

¹⁹ Koaci.com, 29 Dec 2019

²⁰ RFI, 29 Dec 2019

²¹ Jeune Afrique, 30 Dec 2019

²² Jeune Afrique, 30 Dec 2019

²³ RFI, 29 Dec 2019

... as Ouattara declares plan to modify the constitution

President Alassane Ouattara announced his intention on 6 January to modify certain aspects of the 2016 constitution but did not specify the elements that he wishes to amend.²⁴ However, there is speculation that the proposed changes might be in order to prevent challengers to the ruling RHDP coalition from running in the 2020 presidential election.²⁵ Ouattara made his intentions to amend the constitution known during the annual presentation of new year's wishes to the diplomatic community in Cote d'Ivoire.²⁶ He declared that the aim of the constitution change was "to make it coherent" and "to take into account suggestions received by the drafting committee of the constitution".²⁷ Ouattara said the institutional reforms would consolidate the rule of law and bring institutions closer to citizens.²⁸ However, there has been speculation that Ouattara intends to reinstate the presidential age limit to 75, as the previous constitution stipulated. This would prevent his political foes, former presidents Henri Konan Bédié and **Laurent Gbagbo** (2000-2010), respectively 85 and 74 years old, from running for president if they declare their candidatures.²⁹ Ouattara stated in December that he would run for president if Bédié and Gbagbo decided to participate, but he would also be excluded if this age limitation were to be instituted, as he is 78 years old.³⁰ However, Ouattara assured that the constitutional modifications would not exclude anyone from taking part in the electoral contest. Ouattara underscored that the peace, stability and social cohesion attained over the last decade would not be compromised.³¹ Ouattara promised that the organisation of the October elections would be smooth and that the **Commission Électorale Indépendante (CEI)** (independent electoral commission), would finalise the electoral code in January.³²

Ouattara has not been clear about the nature of the constitutional amendment.³³ However, if the modification enables him to run for a third presidential term or prevents Bédié and Gbagbo from running, this could raise already high political tensions. This scenario could be exacerbated by the possible exclusion of Soro from the 2020 presidential race and see a repeat of the election-related violence that beset Cote d'Ivoire in 2010-2011.

Cote d'Ivoire raises \$96m on the regional financial market...

Cote d'Ivoire announced on 14 January that it has raised 56.6 billion FCFA (\$96m) in **Assimilable Treasury Bonds** in a bond issue on the **West African Economic and Monetary Union (WAEMU)** financial market.³⁴ This was Cote d'Ivoire's first bond issue of 2020 and its positive outcome will attract more investors to pursue opportunities in the Ivorian debt market.³⁵ The treasury declared its intention on 13 January to raise 55 billion FCFA (\$93.4m) from regional markets in order to provide budget support for Cote d'Ivoire's 5,807 billion FCFA (\$9.8 billion) 2020 budget, in line with public debt director **Jules Coulibaly's** declaration on 7 January that Cote d'Ivoire would raise \$2.5 billion from international financial markets in the course of 2020.³⁶ For this exercise, the maturity rates for the treasury bonds were to range from three months to 12 months, with a maturity deadline of April 2020 and January 2021 respectively.³⁷ The unit value for each treasury bond was set at 1m FCFA

²⁴ Le Point, 6 Jan 2020

²⁵ Le Point, 6 Jan 2020

²⁶ Le Point, 6 Jan 2020

²⁷ Le Point, 6 Jan 2020

²⁸ Le Point, 6 Jan 2020

²⁹ Le Point, 6 Jan 2020

³⁰ Le Point, 6 Jan 2020

³¹ Le Point, 6 Jan 2020

³² Le Point, 6 Jan 2020

³³ RFI, 6 Jan 2020

³⁴ Sika Finance, 14 Jan 2020

³⁵ Sika Finance, 13 Jan 2020

³⁶ Sika Finance, 8 Jan 2020

³⁷ Sika Finance, 13 Jan 2020

(\$1,696).³⁸ At the conclusion of the bond issue, investors had purchased 152.46 billion FCFA (\$258.6m) worth of treasury bonds.³⁹ However, Ivorian authorities decided to retain 56.6 billion (\$96m).⁴⁰ Investors subscribed to 25 billion FCFA (\$42.4m) worth of three-month treasury bonds, with an interest rate of 4.03%, while the 12-month maturity treasury bond saw an investment of 31.63 billion FCFA (\$36.7m), with a 5.6% interest rate.⁴¹

Cote d'Ivoire has registered great success in mobilising funds from regional and international financial markets recently. In 2019 it raised 1,382.78 billion FCFA (\$2.3 billion) to finance development projects.⁴² In March 2018, Cote d'Ivoire raised \$1.8 billion following the issue of a Eurobond.⁴³ The noteworthy investor confidence is due in large part to the robust economic growth that Cote d'Ivoire has registered since 2012. The **International Monetary Fund (IMF)** projects that Cote d'Ivoire will achieve economic growth of 7.5% in 2019 and 2020 (see *ARC Briefing Cote d'Ivoire December 2019*).⁴⁴

... and Ouattara and Macron announce phasing out of CFA franc

President Ouattara and France's President Emmanuel Macron announced in December that WAEMU member states will cease to use the CFA franc in its current format from July 2020 and the newly created ECO will replace CFA franc.⁴⁵ The decision was taken during a press conference on 21 December, during President Macron's three-day visit to Cote d'Ivoire. The two leaders said the phasing out of the CFA franc will be premised on three key reforms namely:

- The CFA franc will be replaced by the ECO currency;
- WAEMU member states will no longer keep 50% of their reserves at the French treasury;
- France will no longer have representatives on the currency management bodies of the WAEMU countries.⁴⁶

The ECO will nevertheless maintain a fixed exchange rate with the euro, which will be backed by France.⁴⁷ President Macron noted that the CFA franc was a legacy of France's colonial relationship with Africa.⁴⁸ The decision to reform and phase out the CFA franc is the culmination of a reflection process that has lasted three years.⁴⁹ The ECO currency idea was initially revealed at the **Economic Community of West African States (ECOWAS)** summit in **Niamey (Niger)** in June (see *ARC Cote d'Ivoire July Briefing 2019*). According to **Benin's** finance minister, **Romuald Wadagni**, the process to fully implement the ECO currency will take several years, in a similar manner to that of the implementation of the euro.⁵⁰

The adoption of the ECO currency is likely to give WAEMU economic and financial stakeholders greater independence with respect to developing monetary policy. The fixed exchange rate will ensure that inflation is kept at a reasonable rate. However, WAEMU members must achieve several benchmarks before they are allowed to adopt the ECO.

³⁸ Sika Finance, 13 Jan 2020

³⁹ Sika Finance, 14 Jan 2020

⁴⁰ Sika Finance, 14 Jan 2020

⁴¹ Sika Finance, 14 Jan 2020

⁴² Sika Finance, 13 Jan 2020

⁴³ Jeune Afrique, 16 Mar 2020

⁴⁴ IMF, 6 Dec 2019

⁴⁵ Jeune Afrique, 21 Dec 2019

⁴⁶ Jeune Afrique, 21 Dec 2019

⁴⁷ Jeune Afrique, 21 Dec 2019

⁴⁸ Jeune Afrique, 21 Dec 2019

⁴⁹ RFI, 22 Dec 2019

⁵⁰ RFI, 22 Dec 2019

Cote d'Ivoire's risk profile in 2020

Two major possible sources of security risks in Cote d'Ivoire in 2020 are the October presidential elections and the intensification of violent extremist activity in neighbouring countries. The Ivorian political landscape changed dramatically in 2019 following the withdrawal of the opposition PDCI from the ruling coalition, the resignation of Guillaume Soro as national assembly president, and the provisional release of former president Laurent Gbagbo by the **International Criminal Court** (see *ARC Briefing Cote d'Ivoire February 2019*). Soro and Gbagbo have agreed to form an anti-Ouattara front in the lead-up to the elections. Former presidents Bédié and Gbagbo reconciled in July and established a political alliance in September (see *ARC Briefing Cote d'Ivoire August and October 2019*). Soro announced in December that he and Bédié had also created a political alliance.⁵¹ The creation of this formidable opposition led Ouattara to declare that he would run for president in 2020 despite already pursuing two terms, if Bédié and Gbagbo were to present candidatures (see *ARC Briefing Cote d'Ivoire December 2019*). With the almost certain exclusion of Soro from the presidential race due to his arrest warrant, the 2020 elections will feature the same problematic actors who were at the centre of the post-electoral violence in 2010-2011 that left 3,000 people dead. Post-electoral violence is a perennial concern: **Grand Bassam** saw electoral violence after municipal and regional elections in 2019, which left five individuals dead as a result of clashes between the RHDP and PDCI.⁵²

Cote d'Ivoire has been spared the regular attacks to which various jihadist groups have subjected its neighbours, **Burkina Faso, Mali and Niger**.⁵³ Cote d'Ivoire is ranked 72nd in the **2018 Institute of Economics and Peace Global Terrorism Index**.⁵⁴ There is a real risk that the insecurity in neighbouring countries may spill over into Cote d'Ivoire, as Burkina Faso and Mali rank high on the terrorism barometer (27th and 13th respectively).⁵⁵ Cote d'Ivoire was the victim of a terrorist attack in March 2016 when **Al-Qaeda in the Maghreb (AQMI)** launched a terrorist attack on the resort town of Grand Bassam, causing the death of 22 persons, including 16 civilians, three Ivorian security forces and three terrorists.⁵⁶

Military mutinies and teachers' strikes have also contributed to insecurity in the previous three years. Mutinies in January and May 2017 involved about 8,400 former rebels who were integrated in the Ivorian armed forces and were reportedly owed \$15,000 each in payments promised by President Ouattara.⁵⁷ The money was eventually paid in three instalments by June 2017.⁵⁸ Teachers' strikes from January to March 2017,⁵⁹ March 2019⁶⁰ and May 2019⁶¹ over wage disputes also increased political tensions.

Inter-communal violence has also contributed to security concerns. Violence between the **Malinké** and **Baoule** communities in **Beoumi** in central Cote d'Ivoire left 11 individuals dead, 108 injured and 300 displaced after days of clashes.⁶²

⁵¹ RFI, 29 Dec 2019

⁵² La Croix, 16 Dec 2019

⁵³ Agence Ecofin, 14 Jan 2020

⁵⁴ 2018 Global Terrorism Index, Nov 2019

⁵⁵ 2018 Global Terrorism Index, Nov 2019

⁵⁶ Jeune Afrique, 19 Mar 2016

⁵⁷ The Guardian, 15 May 2017

⁵⁸ Jeune Afrique, 12 June 2017

⁵⁹ BBC, 21 Mar 2017

⁶⁰ BBC, 4 Mar 2019

⁶¹ RFI, 14 May 2019

⁶² VOA, 22 May 2019

Planner

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

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

June 2020 **Abidjan (Cote d'Ivoire)** *FratMat.info*. **Parti Democratique de la Cote d'Ivoire (PDCI)** elective conference;

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

Chronology

14 Jan 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** will meet **United Kingdom** prime minister **Boris Johnson** on the sidelines of the **United Kingdom-Africa Summit** on 20 January;

14 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. **Japan** and Cote d'Ivoire sign an accord to ensure the reciprocal protection and promotion of investments;

14 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire has raised 66.5 billion FCFA (\$96m) during a bond issue on the **West African Economic and Monetary Union (WAEMU)** regional market;

12 Jan 2020 **Abidjan (Cote d'Ivoire)** *RFI*. Transport minister **Amadou Kone** announces that people residing within 200 metres of **Aéroport Internationale Felix Houphouet Boigny**, will be expelled following the death of a stowaway passenger on an **Air France** flight from Abidjan to **Paris** (France);

10 Jan 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. Cote d'Ivoire aims to mobilise 2,716 billion FCFA (\$4.6 billion) in tax revenue in 2020;

9 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. **Eximbank China** will provide 169.4 billion FCFA (\$285.9m) for the construction of the **Gribo Popoli hydroelectric dam**;

8 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. The education ministry signs a memorandum of understanding (MOU) with **China**-based **Jiangsu International** to finance and construct six high schools of excellence worth 34 billion FCFA (\$57.6m);

7 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Public debt director **Jules Coulibaly** says Cote d'Ivoire plans to raise 1,494 billion FCFA (\$2.5 billion) from international financial markets in 2020, an increase of 174 billion FCFA (\$102.5m) from 2019;

6 Jan 2020 **Abidjan (Cote d'Ivoire)** *Le Point*. President **Alassane Ouattara** announces to parliament his intention to submit changes to the constitution during the first semester of 2020;

6 Jan 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** announces the death of his younger brother, former republic guard and rebel forces commander, **Issiaka Ouattara**;

31 Dec 2019 **Abidjan (Cote d'Ivoire)** *RFI*. An Abidjan court sentences former minister **Charles Blé Goudé** to 20 years' imprisonment and a 200m FCFA (\$340,000) fine for his role in the 2010-2011 post-election violence;

29 Dec 2019 **Paris (France)** *RFI*. Former prime minister, national assembly president and 2020 presidential election candidate **Guillaume Soro** pledges to carry out political resistance against President **Alassane Ouattara**;

24 Dec 2019 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. The Ivorian government gives approval for **French** consortium **Bouygues Travaux Publics, Alstom, Colas Rail** and **Keolis** to construct the **Abidjan Metro**;

23 Dec 2019 **Abidjan (Cote d'Ivoire)** *Koaci.com*. The state prosecutor issues former prime minister national assembly president and 2020 presidential election candidate **Guillaume Soro** with an international arrest warrant;

21 Dec 2019 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** announces that the **Eco** currency will replace the CFA Franc in the **West African Economic and Monetary Union (WAEMU)** by July 2020;

20 Dec 2019 **Abidjan (Cote d'Ivoire)** *RFI*. France's president **Emmanuel Macron** undertakes three-day visit to Cote d'Ivoire;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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