

AFRICA RISK CONSULTING

Côte d'Ivoire Briefing April 2020

Côte d'Ivoire Summary 13 April 2020

The government draws up a 1,700 billion FCFA (\$2.8 billion) plan to support the national economy amidst the Covid-19 outbreak. The economy is predicted to contract by half, as growth will slip to 3.6% if the pandemic is contained by June. The ruling presidential coalition, the Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP), selects prime minister Amadou Gon Coulibaly as the party's candidate for the 30 October presidential election. Cote d'Ivoire raises 126 billion FCFA (\$210m) in Assimilable Treasury Bonds in March through three bond issues on the West African Economic and Monetary Union (WAEMU) regional financial market.

Covid-19 cases mount in Cote d'Ivoire

During a nationally televised speech on 23 March, President **Alassane Ouattara** (2010-present) declared a state of emergency from 24 March to stem the outbreak of **coronavirus (Covid-19)**, which includes a 9 pm to 5am curfew.¹ Since reporting its first case of Covid-19 on 11 March,² **Cote d'Ivoire** has recorded 574 cases on its territory, with 85 recoveries and five deaths at time of publication.³ Security and civil protection minister **Vagando Diamondo** announced on 25 March that **Abidjan** would be placed under lockdown from 26 March and movement in and out of the city restricted.⁴ The new measure was applied after the number of Covid-19 cases had risen to 80⁵ and prime minister **Amadou Gon Coulibaly** had declared he would self-isolate after coming into contact with an individual who had tested positive for Covid-19.⁶ Gon Coulibaly subsequently tested negative for the virus.⁷ Defence minister **Hamed Bakayoko** revealed on 6 April he had also contracted the virus, despite not showing any symptoms, and would go into self-isolation.⁸ Cote d'Ivoire registered its first Covid-19 related death on 29 March.

The **Conseil Nationale de Sécurité (CNS)** (national security council) on 16 March outlined 13 measures to address the Covid-19 outbreak, including:

- A 15-day suspension from 16 March of non-Ivorian travellers onto national territory from countries with more than 100 cases, and 14-day quarantine at a designated location for Ivorian citizens and permanent residents upon arrival;
- School closures for 30 days from 16 March;
- Renewable closure of cinemas, nightclubs and restaurants and prohibition of gatherings of more than 50 people for a period of 15 days;
- The creation of Covid-19 support centres in Abidjan, **Abengourou, Aboisa, Bondoukou, Bouake, Bouna, Daloa, Gagnoa, Korhogo, Man, Odienne, San Pedro** and **Yamoussoukro**.⁹

¹ FratMat.info, 23 Mar 2020

² RFI, 12 Mar 2020

³ Gouv.civ, 12 Apr 2020

⁴ FratMat.info, 26 Mar 2020

⁵ FratMat.info, 26 Mar 2020

⁶ FratMat.info, 25 Mar 2020

⁷ FratMat.info, 30 Mar 2020

⁸ FratMat.info, 6 Apr 2020

⁹ FratMat.info, 17 Mar 2020

The defence ministry and security and civil protection ministry issued a joint declaration on 20 March, stating that all national air, maritime and terrestrial borders would be closed from 22 March.¹⁰

In a separate announcement, public health minister **Aka Akouele Eugene** said the **Institut National de Jeunesse et Sports** (national institute of youth and sports) in Abidjan would be used to quarantine travellers who arrived in Cote d'Ivoire during the spread of the pandemic.¹¹ The facility has a 2,000-bed capacity and was used to house athletes during the 2017 **Francophonie Games**.¹² Latest measures announced on 4 April include compulsory wearing of facemasks in public.¹³ On 9 April, the health ministry announced that elderly people and individuals with chronic illnesses would not be allowed to leave their residences and that 13 testing centres would be established in Abidjan.¹⁴

The regional office of the **World Health Organization (WHO)** earmarked Cote d'Ivoire as one of 12 **African** countries at high risk of receiving Covid-19 cases.¹⁵ There have been notable difficulties in managing the crisis, as residents of the **Youpougon** district in Abidjan on 5 April destroyed a testing centre under construction.¹⁶

... as government establishes \$2.8 billion support plan

The government has drawn up a 1,700 billion FCFA (\$2.8 billion) plan to support the national economy in the wake of the Covid-19 outbreak.¹⁷ The plan will see an equivalent of 5% of Cote d'Ivoire's gross domestic product (GDP) go towards mitigating the effects of the Covid-19 outbreak.¹⁸ Prime minister Amadou Gon Coulibaly presented the support package on 31 March.¹⁹ The plan is premised on three major points: assisting businesses, preserving jobs and production, and protecting the most vulnerable.²⁰

- Tax payments are deferred for three months;
- The tourism and hotel industry is exempted from capital income tax for three months;
- Reimbursement of Value Added Tax (VAT) credits will be made available as well as payment of internal debts to companies with invoices below 100m FCFA (\$166,942);
- Tax duties are removed for all imported medical equipment and material used in the fight against Covid-19.²¹

The government has also established three funds amounting to 750 billion FCFA (\$1.25 billion), to directly support small and medium-sized (SME) firms and the informal economy.²² This includes a 250 billion FCFA (\$417.3m) guarantee fund from which SMEs can access credit, and 100 billion FCFA (\$166.8m) for informal sector actors. The government has set aside 250 billion FCFA (\$417.3m) to support the main agriculture sectors including cocoa, coffee, cotton, cashew, rubber and palm oil, to compensate farmers who will be affected by international price fluctuations.²³ The government will also direct 50 billion FCFA (\$83.4m) towards subsistence farming initiatives.

¹⁰ FratMat.info, 20 Mar 2020

¹¹ FratMat.info, 18 Mar 2020

¹² FratMat.info, 18 Mar 2020

¹³ FratMat.info, 6 Apr 2020

¹⁴ Abidjan.net, 9 Apr 2020

¹⁵ Le Nouveau Reveil, 3 Mar 2020

¹⁶ Jeune Afrique, 6 Apr 2020

¹⁷ Sika Finance, 1 Apr 2020

¹⁸ Sika Finance, 1 Apr 2020

¹⁹ Sika Finance, 1 Apr 2020

²⁰ Sika Finance, 1 Apr 2020

²¹ Sika Finance, 1 Apr 2020

²² Sika Finance, 1 Apr 2020

²³ Sika Finance, 1 Apr 2020

The assistance package provides 170 billion FCFA (\$283m) for emergency humanitarian aid to the country's most vulnerable residents.²⁴ The government has pledged to pay water and electricity bills from April until June.

The effects of Covid-19 on Cote d'Ivoire's economy are significant. Gon Coulibaly noted that in a best-case scenario, growth would fall from the initially projected figure of 7.2% in 2020 to 3.6% if the crisis stabilises by June.²⁵ This would be the lowest growth attained in Cote d'Ivoire since 2011 following the post-electoral crisis, when the economy contracted by 4.4%.²⁶

Ruling coalition selects Gon Coulibaly as presidential candidate

The political council of the ruling presidential coalition, the **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**, selected prime minister Amadou Gon Coulibaly on 12 March as its candidate for the 30 October presidential election.²⁷ Gon Coulibaly's selection will enable the RHDP to outline its campaign strategy significantly earlier than the opposition groups. President Ouattara said Gon Coulibaly is his preferred successor for the presidency:

*"Whether on a personal, professional and political level, in my soul and conscience, Amadou Gon Coulibaly is the person I leave you to be head of state."*²⁸

The decision to name the RHDP's presidential candidate came a week after President Ouattara announced on 5 March that he would not run for a third presidential term when his current mandate ends in October (see *ARC Briefing Cote d'Ivoire March 2020*).²⁹ It appears that fast tracking the announcement of the presidential candidate was intended to prevent a leadership void or emergence of factions within the RHDP following Ouattara's decision not to pursue a third term.³⁰ Many in the RHDP hierarchy had reportedly anticipated an announcement about the RHDP presidential candidate at the end of March.³¹ However, Ouattara reportedly held a meeting on 8 March with members of his inner circle and told them the announcement would be made at the upcoming political council.³²

Despite the surprise timing of the announcement, senior RHDP leaders publicly declared their support for Gon Coulibaly. Defence minister and RHDP vice president **Hamed Bakayoko**, who had also been considered a potential successor to Ouattara, endorsed Gon Coulibaly as the best person to ensure continuity, *"if we want to continue the achievements of Alassane Ouattara"*.³³

However, there was not unanimous support for the decision. Scientific research minister **Albert Toikeusse Mabri**, who had known presidential ambitions, remained seated during the acclamation of Gon Coulibaly and was visibly upset by the decision to nominate him as the RHDP candidate. Former foreign affairs minister **Marcel Amon-Tanoh** was also among those disappointed by the announcement. Amon-Tanoh's presidential ambitions had reportedly led to Ouattara summoning him in January to clarify his position, although Amon-Tanoh denied he had any such intentions.³⁴ Amon-Tanoh had not participated in RHDP activities in recent months and was absent from the 12 March political council meeting.³⁵ He announced his resignation from cabinet on 18 March.³⁶

²⁴ Sika Finance, 1 Apr 2020

²⁵ RFI, 1 Apr 2020

²⁶ RFI, 1 Apr 2020

²⁷ Koaci.com, 12 Mar 2020

²⁸ Koaci.com, 12 Mar 2020

²⁹ Koaci.com, 5 Mar 2020

³⁰ Jeune Afrique, 15 Mar 2020

³¹ Jeune Afrique, 15 Mar 2020

³² Jeune Afrique, 15 Mar 2020

³³ France 24, 13 Mar 2020

³⁴ Jeune Afrique, 19 Mar 2020

³⁵ Jeune Afrique, 19 Mar 2020

³⁶ Jeune Afrique, 19 Mar 2020

Ouattara's selection of Gon Coulibaly as his successor is no surprise. Ouattara and Gon Coulibaly have had a close working relationship for approximately 30 years.³⁷ Gon Coulibaly served as Ouattara's technical adviser while the latter was prime minister from 1990-1993. When Ouattara resigned as prime minister and left the then ruling party, the **Parti Démocratique de Côte d'Ivoire (PDCI)**, in 1994 to form the **Rassemblement des Republicains (RDR)**, Gon Coulibaly helped to write the party's founding texts.³⁸ As a cabinet member, Gon Coulibaly was agriculture minister for the RDR under former President **Laurent Gbagbo's** (2000-2010) government of national unity.³⁹ From 2011 to 2017, Gon Coulibaly was secretary general at the presidency. His January 2017 appointment as prime minister was likely a move to prepare him as potential presidential successor.⁴⁰ Gon Coulibaly also served as mayor of Cote d'Ivoire's fourth largest city, **Korhogo**, from 2001 to 2018.⁴¹ Despite his political credentials, some factions of the RHDP reportedly believe Gon Coulibaly does not have the requisite charisma and popularity to succeed Ouattara as president.⁴²

The RHDP's recent decisions have caught the opposition off guard. Until December, it appeared an anti-Ouattara opposition coalition was being developed. Former presidents **Henri Konan Bedié** (1993-1999) and Gbagbo had reconciled in July (see *ARC Briefing Cote d'Ivoire August 2019*) and in September their respective parties, the opposition PDCI and the **Front Populaire Ivoirien (FPI)**, established a political alliance see (*ARC Briefing Cote d'Ivoire October 2019*). Neither party has yet revealed its electoral strategy. The PDCI will name its candidate at its 14 June convention and it appears Konan Bedié might position himself as the party candidate or directly influence who will be the party's choice.⁴³ Gbagbo's direct involvement in the October election is unlikely as he is still under provisional release conditions in **Belgium** while the **International Criminal Court (ICC)** examines his acquittal for crimes against humanity.⁴⁴ If the legal proceedings are not concluded in time, he will not be able to stand as a candidate. Even if Gbagbo's acquittal is upheld, he still faces a 20-year prison sentence and 328 billion FCFA (\$547.5m) fine imposed by the **Cour d'Assises d'Abidjan** (Abidjan Court of Assizes) in January 2018. Gbagbo was sentenced along with three co-accused for the alleged robbery of the Ivorian branch of the **Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)** (central bank of West African states) during the 2010-2011 post-election crisis.⁴⁵

The sole opposition figure to have declared his candidacy is former prime minister and **Assemblée Nationale** (national assembly) president **Guillaume Soro**. However, his participation is also unlikely at this stage, after the Ivorian state prosecutor issued him with an international arrest warrant in December on allegations of embezzlement of public funds and attempts to destabilise Cote d'Ivoire's internal security (*ARC Briefing Cote d'Ivoire October 2019*).⁴⁶ Soro has been in exile in **Paris (France)** ever since.

With Gon Coulibaly set to be officially endorsed as the RHDP presidential candidate at the party's convention in June, Ouattara has approved an electoral campaign budget of 75 billion FCFA for the RHDP (\$125.2m).⁴⁷

Cote d'Ivoire raises \$210m in March bond issues

Cote d'Ivoire raised 126 billion FCFA (\$210m) in Assimilable Treasury Bonds in March through three bond issues on the **West African Economic and Monetary Union (WAEMU)** regional financial

³⁷ Jeune Afrique, 25 Mar 2020

³⁸ France 24, 13 Mar 2020

³⁹ France 24, 13 Mar 2020

⁴⁰ France 24, 13 Mar 2020

⁴¹ France 24, 13 Mar 2020

⁴² Africanews, 18 Mar 2020

⁴³ Jeune Afrique, 30 Mar 2020

⁴⁴ Jeune Afrique, 30 Mar 2020

⁴⁵ Jeune Afrique, 19 Jan 2018

⁴⁶ Koaci.com, 23 Dec 2019

⁴⁷ Jeune Afrique, 25 Mar 2020

market.⁴⁸ The successful bond issues demonstrate that, despite the economic downturn and general uncertainty resulting from the ongoing Covid-19 outbreak, the regional financial markets still have a high degree of confidence in the resilience and potential of the Ivorian economy. The Ivorian public treasury launched its eighth regional bond issue on 10 March, aiming to raise 50 billion FCFA (\$83.3m).⁴⁹ Investors bought 62.5 billion FCFA (\$104.1m) in treasury bonds, for a 125% subscription rate.⁵⁰ However, Ivorian authorities retained 42 billion FCFA (\$70.1m) on the basis that the proposed interest rate was higher than expected.⁵¹ The treasury set a target of 50 billion FCFA (\$83.3m) for its ninth bond issue, set to occur on 17 March, but postponed it until 26 March.⁵² Investors purchased 51.05 billion FCFA (\$85.05m) in treasury bonds, which treasury authorities retained.⁵³ The public treasury organised its third bond issue of March and tenth of 2020 on 31 March, setting a target of 30 billion FCFA (\$49.9m) with an interest rate of 3.88% and three-month maturity period.⁵⁴ In this instance, 14 investors from six countries offered 61.8 billion FCFA (\$102m), double the amount the treasury had hoped to obtain, with 33 billion (\$54.9m) retained.⁵⁵

Public debt director **Jules Coulibaly** announced in January that Cote d'Ivoire aimed to raise \$2.5 billion from international financial markets during the course of 2020, in order to finance its budget (see *ARC Briefing Cote d'Ivoire January 2020*).⁵⁶ By the end of March, and after 10 treasury bond issues and one bond loan by public offering in February, Cote d'Ivoire had raised \$838m from the WAEMU public securities market. The treasury has also launched a second bond loan by public offering, which runs from 6 April to 20 April.⁵⁷ The aim of this operation is to raise 110 billion FCFA (\$183.2m), which will be split into two tranches of 80 billion FCFA (\$133.2m) and 30 billion FCFA (\$50m).⁵⁸ The \$133.2m tranche has a maturity of 10 years, with an annual interest rate of 5.90%, while the \$50m has a seven-year maturity period with an annual interest rate of 5.80%.⁵⁹ The operation will be carried out by Cote d'Ivoire-based **BNI Finances**, which will act as the lead partner, as well as co-arrangers **BSC Capital** and **Bridge Securities**.⁶⁰

According to the **Direction Générale de la Dette** (general directorate of debt), Cote d'Ivoire had a national public debt of 12,105 billion FCFA (\$20.5 billion) by June 2019.⁶¹ This amounts to a debt to GDP ratio of 48%, which is below the 70% threshold set for WAEMU members.⁶² In December, President Ouattara said in **Dakar (Senegal)** during a high-level panel on the risk of indebtedness that Cote d'Ivoire's debt has helped it create wealth and boost growth and development.⁶³ Cote d'Ivoire experienced 8% GDP growth over the last decade and even with the impending economic downturn, the economy is expected to generate sufficient activity to service its debts in time.

⁴⁸ Sika Finance, 31 Mar 2020

⁴⁹ Sika Finance, 10 Mar 2020

⁵⁰ Sika Finance, 10 Mar 2020

⁵¹ Sika Finance, 10 Mar 2020

⁵² Sika Finance, 26 Mar 2020

⁵³ Sika Finance, 26 Mar 2020

⁵⁴ Sika Finance, 31 Mar 2020

⁵⁵ Sika Finance, 31 Mar 2020

⁵⁶ Sika Finance, 8 Jan 2020

⁵⁷ Financial Afrik, 7 Apr 2020

⁵⁸ Financial Afrik, 7 Apr 2020

⁵⁹ Financial Afrik, 7 Apr 2020

⁶⁰ Financial Afrik, 7 Apr 2020

⁶¹ Sika Finance, 25 Nov 2019

⁶² Gouv.ci, 3 Dec 2019

⁶³ Gouv.ci, 3 Dec 2019

Planner

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

June 2020 **Abidjan (Cote d'Ivoire)** *FratMat.info*. **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** elective conference;

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

Chronology

7 Apr 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire aims to raise 110 billion FCFA (\$183.2m) on a treasury bond issue on the **West African Economic Monetary Union** regional financial market;

6 Apr 2020 **Abidjan (Cote d'Ivoire)** *RFI*. Inhabitants of the **Yopougon** district in Abidjan burn down a proposed **Covid-19** testing centre under construction;

6 Apr 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. Defence **Hamed Bakayoko** announces he has contracted the **Covid-19** illness;

6 Apr 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. **United States** donates \$4.6m towards efforts to mitigate effects of the COVID-19 outbreak;

1 Apr 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Prime minister **Amadou Gon Coulibaly** reports that economic growth will reduce from the projected 7.2% in 2020 to 3.6% as a result of the **Covid-19** pandemic;

1 Apr 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Prime minister **Amadou Gon Coulibaly** presents a 1,700 billion FCFA (\$2.8 billion) economic support package to support the economy in the wake of the **Covid-19** outbreak;

31 Mar 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire raises 33 billion FCFA (\$55m) on the **West African Economic and Monetary Union (WAEMU)** regional financial market for its 10th treasury bond issue in 2020;

27 Mar 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Government declares economic capital Abidjan will be under lockdown from 29 March to 15 April to fight the spread of the **Covid-19** pandemic;

27 Mar 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The **African Development Bank (AfDB)** has granted Cote d'Ivoire a 41 billion FCFA (\$68.4m) loan to improve access to electricity in rural areas;

26 Mar 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire raises 51.04 billion FCFA (\$85.1M) on the **West African Economic and Monetary Union (WAEMU)** regional financial market for its ninth treasury bond issue in 2020;

23 Mar 2020 **Abidjan (Cote d'Ivoire)** *FratMat.info*. President **Alassane Ouattara** declares national state of emergency and launches 98 billion FCFA (\$163.5m) **Covid-19** response plan;

19 Mar 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. Foreign affairs minister **Marcel Amon-Tanoh** resigns from cabinet;

13 Mar 2020 **Abidjan (Cote d'Ivoire)** *FratMat.info*. Government reveals 13 measures to curb the spread of the **Covid-19** pandemic;

12 Mar 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. The presidential ruling coalition, the **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**, has selected prime minister **Amadou Gon Coulibaly** as the party's candidate for the 30 October presidential election;

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