

AFRICA RISK CONSULTING**Côte d'Ivoire Monthly Briefing October 2022**

Côte d'Ivoire Summary 14 October 2022

Negotiations between Mali and Côte d'Ivoire over the imprisonment of 46 Ivorian soldiers in Bamako (Mali) are nearing conclusion. A last-minute diplomatic intervention from the Economic Community of West African States (ECOWAS) has accelerated talks between the two quarrelling neighbours. France-headquartered banking giant BNP Paribas sells its majority stake in the Banque internationale pour le commerce et l'industrie de la Côte d'Ivoire (BICICI) to a consortium of Ivorian institutional investors, signalling a refocus of French activity in West Africa. The collaboration between Italy-based oil and gas company Eni and Côte d'Ivoire's state-owned Petroci promises new resources for Côte d'Ivoire while strengthening the state's role as a regional energy hub.

Negotiations gain momentum in long-running dispute over detained Ivorian soldiers

Mali and Côte d'Ivoire's negotiations over the detention of 46 Ivorian soldiers detained in Mali are entering their final stages and the repatriation of the soldiers after the three-month incident is looking increasingly likely. The Ivorian troops were arrested on their arrival at **Bamako (Mali)** airport on 10 July, after being deployed as the **8e détachement de l'Élément de soutien national** in a security and logistic support role for the **United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)**.¹ The Malian judiciary indicted 49 Ivorian soldiers on 15 August for "attempting to undermine the external security of the State", a charge firmly rejected by Côte d'Ivoire.² The subsequent rhetoric between the two neighbouring **West African** countries has led to an escalating political crisis and fractured bilateral relations.

In **Abidjan**, the detentions have been interpreted as reprisals for Côte d'Ivoire's heavy-handed treatment of the Malian junta within regional bloc **Economic Community of West African States (ECOWAS)**. In Bamako, the military authorities accuse Côte d'Ivoire of harbouring opponents of the Malian transitional government and demand that this support ceases.

However, an optimistic President **Alassane Ouattara** (2010-present) has hinted at a rapprochement with the Malian junta, currently led by transitional president Colonel **Assimi Goïta** (2020-present). Ouattara stated at a press conference on 7 October during the visit of **Guinea-Bissau's** President **Umaro Sissoco Emabalo** (2020-present) to Côte d'Ivoire that negotiations are progressing well and a positive outcome is expected.³ The day before, Ouattara had met **Togo's** President **Faure Gnassingbé** (2005-present), who is said to be a key figure in brokering a resolution.⁴

The diplomatic breakthrough came after Côte d'Ivoire's **Conseil national de Sécurité** (national security council) referred the case to ECOWAS on 14 September. However, Mali criticised Côte d'Ivoire for involving the regional bloc and the perceived "instrumentalisation of ECOWAS by the Ivorian authorities to evade their responsibility towards Mali".⁵ ECOWAS discussed these issues during an extraordinary summit in **New York (United States)** held on 21 September, on the margins of the 77th Session of the **United Nations (UN) General Assembly**.⁶

¹ Jeune Afrique, 29 Sep 2022

² APA News, 19 Sep 2022

³ Koaci, 7 Oct 2022

⁴ RFI Afrique, 07 Oct 2022

⁵ AfricaNews, 16 Sep 2022

⁶ Jeune Afrique, 22 Sep 2022

These discussions led to the formation of a multi-national delegation consisting of ECOWAS leaders, which Mali received in Bamako on 29 September.⁷ The delegation was made up of Gnassingbé, **Ghana's** President **Nana Addo Dankwa Akufo-Addo** (2017-present) and **Gambia's** President **Adama Barrow** (2017-present), who replaced **Senegal's** President **Macky Sall** (2012-present).

The ECOWAS diplomatic intervention appears to have significantly de-escalated tensions between Côte d'Ivoire and Mali. However, Ivorian and Malian officials have not yet reached an agreement about where exactly the soldiers will be handed over to Ivorian authorities.⁸ There are suggestions that this delay is a deliberate Malian tactic to buy time for the judiciary to set up a show trial for the soldiers in court. This would allow Bamako to give the impression that it has not yielded to Ivorian and ECOWAS pressures.⁹

International pressure on Mali has also been apparent. UN secretary-general **António Guterres** appealed to the Malian government to resolve the problem, commenting in an interview with **France 24** and **Radio France Internationale (RFI)** on 19 September that the Ivorian soldiers were “*not mercenaries*”. **France's** interior minister, **Gerald Darmanin**, on his first official visit to Côte d'Ivoire on 25 September, said France's support lies with the government of Côte d'Ivoire. Darmanin also promised that France would help Côte d'Ivoire's fight against terrorism for stability in **Africa** during discussions that focussed on regional security and cooperation between France and Côte d'Ivoire.¹⁰

The conclusion of this crisis remains important to West Africa's wider security as the coup d'état in **Burkina Faso** on 30 September threatens to become a source of destabilisation in the region.¹¹ The divisions between Côte d'Ivoire and Mali threaten pre-existing trade relations as well as the two countries' cooperation in the fight against regional insurgency.

Consortium acquires majority stake in Ivorian banking flagship

An Ivorian consortium has acquired a majority stake in the **Banque internationale pour le commerce et l'industrie de la Côte d'Ivoire (BICICI)**, a former subsidiary of France-based banking giant **BNP Paribas Group**, together with **Proparco**, the financial arm of the **Agence Française de Développement** (French development agency). The transaction, worth 80 billion FCFA (\$117.3m), was made possible by the pooling of funds from Côte d'Ivoire's three largest institutional investors and was formalised by President Ouattara on 28 September. The members of the consortium, led by the **Banque Nationale d'Investissement (BNI)**, and including the **Institution de prévoyance sociale-Caisse générale de retraite des agents de l'Etat (IPS-CGRAE)**, **Caisse Nationale de Prévoyance Sociale (CNPS)** and **Caisse des dépôts et consignations (CDC-CI)**, now retain 67.49% of the capital of BICICI.¹²

The sale is part of BNP's gradual retreat from the **sub-Saharan African** market that began in 2019. Two months ago, the French bank sold its subsidiary in Senegal, the **Banque internationale pour le commerce et l'industrie du Sénégal (BICIS)** to financial services company **Sunu Group**. In July, it said it had also sold its subsidiaries in **Gabon** and **Guinea**. The departure of Proparco, along with BNP, can be interpreted as an indication that French institutions are realigning themselves in the face of growing anti-French sentiment in West Africa.¹³

The acquisition of BICICI is important for the Ivorian government and the economic development of the country. BNI managing director **Youssef Fadiga** asserted that the main objective of the acquisition is to consolidate and strengthen BICICI, “*a historic player in the financing of the Ivorian economy*”, in a new phase of development.¹⁴ CDC-CI managing director **Lassina Fofana** believes the

⁷ AfricaNewsWatch, 30 Sep 2022

⁸ Jeune Afrique, 30 Sep 2022

⁹ RFI Afrique, 11 Oct 2022

¹⁰ Le Figaro, 26 Sep 2022; Jeune Afrique, 27 Sep 2022

¹¹ Financial Times, 30 Sep 2022

¹² Abidjan.net, 30 September 2022

¹³ Agence Ecofin, 29 Sep 2022

¹⁴ Abidjan.net, 30 Sep 2022

acquisition will also see the bank playing a greater role as a financial instrument capable of supporting long-term strategic investment projects in Côte d'Ivoire.¹⁵ The transfer of BICICI to majority state ownership will also allow the country to move closer to its ambition of establishing a pan-African banking house that it can champion abroad.¹⁶

Eni Côte d'Ivoire-Petroci looks to develop Baleine Field

Eni Côte d'Ivoire-Petroci, the consortium between **Italy's** oil and gas giant **Eni** and Ivorian state-owned petroleum company **Petroci**, has assigned offshore infrastructure contracts to Italy-based oilfield services company **Saipem** in a deal worth approximately €1 billion (\$958m)¹⁷ The deal forms part of plans for the **Baleine Phase 1 Project**, through which the government hopes to develop its offshore oil and gas reserves. Saipem is being rewarded for its role in the July discovery of the Baleine prospect with its contract focusing on Engineering, Procurement, Construction and Installation (EPCI) activities, as well as the installation of a gas pipeline for connection to the distribution grid.¹⁸

Eni CEO **Claudio Descalzi** met Ouattara and mines, petroleum and energy minister **Mamadou Sangafowa-Coulibaly** on 12 September to discuss future projects and collaboration. Descalzi updated Ouattara on the ongoing development of Baleine as well as several initiatives that Eni is deploying to offset emissions from the field.

In the past, a lack of large discoveries curtailed efforts to draw investors to Côte d'Ivoire, with Ivorian output dwarfed by neighbours such as **Nigeria**, the continent's largest oil supplier, and Ghana. However, the recent discoveries in July represent the largest hydrocarbon discovery in the country, increasing the fossil fuel reserves found in the area by 25% (see *ARC Briefing Côte d'Ivoire Aug 2022*).¹⁹ Sangafowa-Coulibaly noted that the Baleine prospect validates the potential of the country's sedimentary basin and reserves.²⁰ The field now holds an estimated 2.5 billion barrels of oil and 3.3 trillion cubic feet of associated gas which is expected to contribute to power generation in Côte d'Ivoire.²¹ The first oil from the field is expected in the first half of 2023.²²

This progress has resulted in a surge of international interest. **Norway**-based oil and gas operator **DNO** acquired operating stakes in offshore gas and associated liquids production assets in Côte d'Ivoire from **United Kingdom**-headquartered **RAK Petroleum** for \$117.25m in August and United States independent **Murphy Oil** applied for exploration licences of five blocks in the field in September.²³

Côte d'Ivoire moves closer towards its goal of exploiting its extractive industries with these developments. Progress comes at a time of both promise and uncertainty – oil prices are surging following **Russia's** invasion of **Ukraine** but the growing movement away from fossil fuels to renewable sources of energy threatens to minimise the rewards of oil discovery.

¹⁵ Sika Finance, 30 Sep 2022

¹⁶ Jeune Afrique, 29 Sep 2022

¹⁷ Oil Field Technology, 11 Oct 2022

¹⁸ Oil Field Technology, 11 Oct 2022

¹⁹ Bloomberg, 28 July 2022

²⁰ News24, 31 July 2022

²¹ Bloomberg, 28 July 2022

²² Rigzone, 12 Sep 2022

²³ Upstream Online, 9 Sep 2022

Planner

2023 (Côte d'Ivoire) Local elections
 2025 (Côte d'Ivoire) Presidential elections

Chronology

7 Oct 2022 **Abidjan (Côte d'Ivoire)** *RFI*. **Guinea-Bissau's** President **Umaro Sissoco Embaló** meets President **Alassane Ouattara** to discuss security challenges in the region, including the recent coup d'état in **Burkina Faso**;

7 Oct 2022 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. **African Development Fund (ADF)** approves \$10.53m in financial support for the **Ivorian** government to provide electricity access for approximately 500,000 inhabitants;

6 Oct 2022 **Abidjan (Côte d'Ivoire)** *Global Cement*. Commerce, industry and SME promotion deputy director **Albert Kouatelay** says the **Ivorian** cement sector is forecast to reach a production capacity of 20Mt/yr by the end of 2022 as **Switzerland-based LafargeHolcim** launches a new white cement product;

6 Oct 2022 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Prime minister **Patrick Achi** launches the **Programme économique pour l'innovation et la transformation des entreprises (PEPITE)** initiative to support small and medium-sized enterprises (SMEs) in the country;

5 Oct 2022 **Abidjan (Côte d'Ivoire)** *Nestlé.com*. **Swiss** multinational **Nestlé** announces it will pilot a financial support programme in **Côte d'Ivoire** to encourage farmers to switch to regenerative methods with the aim of making coffee farming more sustainable;

5 Oct 2022 **Abidjan (Côte d'Ivoire)** *AfricaNews*. **Ukraine's** foreign minister, **Dmytro Kuleba**, meets **Ivorian** vice-president **Tiemoko Meyliet Kone** to discuss cooperation between the two states in a move regarded as a diplomatic offensive to court countries seen as sympathetic to **Russia** two months after the visit of **Russia's** foreign minister, **Sergey Lavrov**;

5 Oct 2022 **Abidjan (Côte d'Ivoire)** *AfricaNews*. **Poland's** President **Andrzej Duda** meets President **Alassane Ouattara** to discuss the ongoing conflict in **Ukraine** and its impact on international trade;

4 Oct 2022 **Abidjan (Côte d'Ivoire)** *Worldbank.org*. **World Bank** forecasts **Côte d'Ivoire** will be **West Africa's** fastest-growing economy this year at 5.7%, but that **Senegal** is set to overtake it, with projected growth of 8%, in 2023;

1 Oct 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. The price of fuel per litre rises for the first time in three years, which will directly affect general retail prices and push inflation higher in the coming months; petrol is currently selling at 775 FCFA (\$1.15) per litre, an increase from an average of 735 FCFA (\$1.09) previously;

30 Sep 2022 **Abidjan (Côte d'Ivoire)** *APA News*. Vice-president **Meyliet Koné** announces the price of cocoa for the 2022-2023 campaign at 900 FCFA (\$1.34) per kg;

29 Sep 2022 **Daoukro (Côte d'Ivoire)** *Le Journal de l'Afrique*. Members of the opposition **Parti démocratique de Côte d'Ivoire-Rassemblement démocratique africain (PDCI-RDA)** propose **Henri Konan Bédié** as sole candidate for party leadership in anticipation of the presidential election of 2025, a move met with resistance from some factions of the party, particularly the younger members;

29 Sep 2022 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** carries out a reshuffle of his executive in a bid to make the government more efficient, opening the door for new ministerial appointments with **Albert Mabri Toikeusse** likely to be promoted after his return to the party following two years in the opposition;

29 Sep 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Côte d'Ivoire-based** financial firm **NSIA Asset Management**, a subsidiary of the **NSIA Group**, announces that funds under its management have jumped 400% in one year;

28 Sep 2022 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. A loan agreement between the **Côte d'Ivoire** government and the **African Development Fund (ADF)** allocates 131 billion FCFA (\$194.3m) for the rehabilitation of roads in the north of the country;

27 Sep 2022 **Jacquerville (Côte d'Ivoire)** *Le Figaro*. **French** interior minister **Gerald Darmanin** meets his counterpart, **Vagondo Diomandé**, on an official visit to **Jacquerville** and President **Alassane Ouattara** in **Abidjan**;

26 Sep 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Institut National de la Statistique** reports that inflation in August reached 6.2% year-on-year, the highest level in 11 years;

23 Sep 2022 **Abidjan (Côte d'Ivoire)** *Koaci*. **China-headquartered China Harbour Engineering Company (CHEC)** wins a new contract to build the **Akwaba** motorway interchange in **Abidjan** in a deal worth 26.2 billion FCFA (\$38.8m);

22 Sep 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. **Olam Agri**, a new operating group of the **Singapore** giant **Olam International**, announces a 100 billion FCFA (\$148m) investment towards **Ivorian** cotton and rubber processing plants over the next three years;

17 Sep 2022 **Abidjan (Côte d'Ivoire)** *RFI*. Former prime minister **Guillaume Soro** is re-elected president of the **Génération des peuples solidaires (GPS)** and reiterates his party's desire to participate in the 2025 presidential election;

17 Sep 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Government agrees to increase the 2022 budget by 883.5 billion FCFA (\$1.3 billion), to focus on strengthening defence and security in the northern part of the country;

14 Sep 2022 **San-Pédro (Côte d'Ivoire)** *Global Trade Review*. Prime minister **Patrick Achi** inaugurates a new, multi-purpose bulk terminal in **San-Pédro**, **Côte d'Ivoire's** second largest port, which will be operated by **Gabon-based Arise Ports and**

Logistics and was financed by a €90m (\$87.6m) loan from a trio of **South African** banks – **Nedbank, Standard Bank** and **Rand Merchant Bank (RMB)**;

13 Sep 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. The **Banque d'investissement et de développement de la CEDEO (BIDC)** signs a financing agreement worth 5 billion FCFA (\$7.4m) to fund the construction of a coltan mineral factory in **Côte d'Ivoire**;

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