

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly Briefing April 2022

Côte d'Ivoire Summary 14 April 2022

Prime minister Patrick Achi tables his resignation and that of his government. Announcing the resignation, President Alassane Ouattara (2010-present) provides no reason for their resignation but says he will name a new prime minister and a reduced government of 30 ministers during a parliamentary session on 19 April. Côte d'Ivoire's economy continues to feel the fallout of the Ukraine-Russia conflict. The government is taking measures to preserve the purchasing power of Ivorian households, largely through subsidies. Two pillars of the Ivorian economy, cocoa and coffee, are undergoing modernisation with the government's help. Industry regulatory body Conseil café-cacao (CCC) has presented cocoa and coffee producers with unique identification cards, equipped with a QR code providing information on producers and their production chains. Côte d'Ivoire is set to host the 2023 African Cup of Nations. In preparation, the Ivorian government has invested nearly 400 billion FCFA (\$659m) in the construction of sports and road infrastructure, as well as accommodation.

Prime minister Patrick Achi resigns

President **Alassane Ouattara** (2010-present) announced on 13 April that prime minister **Patrick Achi** and his government had tabled their resignation.¹ Ouattara provided no reasons for the resignation but said he would name a new prime minister and a reduced government of 30 ministers during a parliamentary session on 19 April. Ouattara cited the current global economic situation and the need to strengthen the effectiveness of government action as justification for trimming the current 41-member cabinet:

"Indeed, it is imperative to reduce state spending while redirecting it towards social and security resilience."²

Achi's resignation and the subsequent ministerial reshuffle come as no surprise, with Ouattara touting a reshuffle since the start of 2022.³ **France**-based news outlet **Jeune Afrique** reported in February that Ouattara was planning to merge several ministries and that 11-15 ministers would leave permanently to allow four new ministers to join the government.⁴ It also reported that Achi was assured a place in government after the reshuffle, hinting that his resignation may simply be a procedural matter.

The cabinet reshuffle has taken place against a background of ongoing political dialogue between government and political parties, aimed at working towards national reconciliation (see *ARC Briefing Côte d'Ivoire Nov 2021, Dec 2021, and Jan 2022*). The dialogue has seen noteworthy success and Ouattara has agreed to several reforms. The latest reshuffle could point to Ouattara continuing to agree to certain reforms and may see the appointment of further opposition members to the government.⁵ The government Achi appointed in April 2021 included only one member of the opposition, **Kouadio Konan Bertin** in the role of reconciliation minister.⁶

¹ Reuters, 13 Apr 2022

² Jeune Afrique, 13 Apr 2022

³ Sika Finance, 13 Apr 2022

⁴ Jeune Afrique, 23 Feb 2022

⁵ ARC Côte d'Ivoire analyst

⁶ RFI, 4 Jun 2021

Ukraine-Russia conflict impacts continue to be felt...

Côte d'Ivoire's economy continues to feel the outfall of the **Ukraine-Russia** conflict. The government announced another increase in gasoline prices on 31 March, from 635 FCFA (\$1.07) to 695 FCFA (\$1.17), citing the Ukraine-Russia conflict as the reason for the increase.⁷ Côte d'Ivoire is dependent on imports to meet 95% of its crude oil needs.⁸ According to mines, petroleum and energy minister **Thomas Camara**, this dependence in conjunction with the ongoing Ukrainian conflict will have negative repercussions for the Ivorian population. The government has not increased the price of diesel to avoid impacting the cost of public transport and goods.⁹

The government is taking measures to preserve the purchasing power of Ivorian households, largely through subsidies. In response to rising fuel prices, the government has released an additional subsidy for petroleum products of 64 billion FCFA (\$106m).¹⁰ This comes off the back of a subsidy of 55 billion FCFA (\$91m) issued for January – March.

In addition to fuel increases, higher wheat prices have also negatively impacted the country. The **Conseil des ministres** (council of ministers) agreed on 30 March to abolish customs duties applied to wheat purchases on the international market, hoping to reduce the price of bread flour.¹¹ The government has also given wheat flour manufacturers financial support to try to ensure increased production to offset the lack of imports.

Cocoa board introduces ID cards for producers

Two pillars of the Ivorian economy, cocoa and coffee, are undergoing modernisation with the help of the government. The industries' regulatory body, the **Conseil café-cacao (CCC)**, has presented cocoa and coffee producers with unique identification cards, equipped with a QR code that provides information on the producers and their production chains.¹² The card is equipped with a bank chip allowing producers to receive payments safely, without the risk of carrying cash, which is often stolen when producers return from selling their harvest.¹³

The cocoa industry, historically known for issues including deforestation and the use of child labour, has been under international pressure to transform.¹⁴ As stronger focus on ESG issues calls for human rights and environmental due diligence directives, conscious consumers have increased the pressure on industry players to transform.¹⁵ The new QR cards form part of the Ivorian government's understanding of these expectations. Reliable information on coffee-cocoa producers and traceability allows for increased transparency, which benefits the producers and buyers.¹⁶

Côte d'Ivoire's cocoa industry is both economically and socially important, making it important for local production standards to align with those set internationally. Côte d'Ivoire is the world's largest producer of cocoa, accounting for 40% of worldwide production.¹⁷ A 2019 census commissioned by the CCC has identified 993,000 producers of cocoa and coffee across the country.¹⁸

The CCC announced on 1 April the fixed price per kilogramme of cocoa for the harvest season beginning 1 April. The farm gate price for cocoa will be 825 FCFA (\$1.3) per kilogramme, an increase of 10% compared to the 2021-2022 season. However, the intermediate tariff for April-October 2022 matches the one set for the harvest between October 2021 and March 2022, indicating stagnation,

⁷ Sika Finance, 31 Mar 2022

⁸ APA News, 2 Apr 2022

⁹ AIP, 31 Mar 2022

¹⁰ Abidijan.net, 1 April 2022

¹¹ Agence Ecofin, 31 Mar 2022

¹² Sika Finance, 6 Apr 2022

¹³ APA News, 7 Apr 2022

¹⁴ Bloomberg, 23 Feb 2022

¹⁵ ARC Côte d'Ivoire analyst

¹⁶ APA News, 7 Apr 2022

¹⁷ APA News, 7 Apr 2022

¹⁸ APA News, 7 Apr 2022

which has caused concern amongst industry observers.¹⁹ In contrast, **Cameroon** announced its fixed price for the harvest at 1,000 FCFA (\$1,6) per kilogramme, making cocoa producers in Cameroon the best paid in Africa.²⁰

The price of fertiliser is anticipated to increase as a result of the Ukraine-Russia conflict, which will in turn increase productions costs and possibly impact the size and quality of harvests.²¹

President Ouattara reconfigures ruling party and election commission, again...

President Alassane Ouattara has once again reconfigured the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**.²² The previous reconfiguration took place during the party council meeting held on 28 February (see *ARC Briefing Côte d'Ivoire Mar 2022*). This time, Ouattara has kept his changes more discreet; economy and finance minister **Adama Coulibaly** and health minister **Pierre Dimba** have been appointed to the party's executive body, bringing the total number of members on the RHDP management board to 42.

The adjustments further reduce the power and influence of former cabinet minister and businessman **Adama Bictogo**, who currently serves as interim national assembly president and MP for the **Agboville** constituency. Bictogo's appointment as executive secretariat leader in February was viewed as a demotion (see *ARC Briefing Côte d'Ivoire Mar 2022*).²³ Additional reforms to the RHDP are expected in the coming months, including the election of departmental delegates.

Ouattara is reportedly also considering appointing two representatives from his RHDP part to the **Commission électorale indépendante (CEI)** (independent electoral commission).²⁴ This appointment will balance out those of two political opponents to the CEI – former president **Laurent Gbagbo** (2000-2011) of the **Parti des peuples africains-Côte d'Ivoire (PPA-CI)** and **Albert Mabri Toikeusse** of the **Union pour la démocratie et la paix en Côte d'Ivoire (UDPCI)**.

African Cup of Nations presents opportunities

Côte d'Ivoire is set to host the 2023 **African Cup of Nations**, an event in which the Ivorian government has already invested nearly 400 billion FCFA (\$659m).²⁵ The investment has been poured into the construction of sports and road infrastructure, and accommodation. In total, six stadiums across six cities will host the tournament, alongside 24 training stadiums spread throughout these cities.²⁶ **France**-based credit insurer, **Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE)**, in its 2022 assessment of Côte d'Ivoire, has included infrastructure development related to the tournament as one of the drivers of investment in the country, which is anticipating GDP growth of 6.5% in 2022.²⁷

Governing body and tournament organiser **Confédération Africaine de Football (CAF)** has also set up a satellite office in Côte d'Ivoire.²⁸ CAF president **Patrice Motsepe** inaugurated the new office on 4 April, alongside Ivorian sports minister **Paulin Danho**. Motsepe also met with President Ouattara and prime minister Achi to assess the progress the country has made with its preparations.

Côte d'Ivoire is following a similar trajectory to that of 2022 African Cup of Nations host **Cameroon**, which spent 520 billion CFA (\$885m) renovating and upgrading similar infrastructure ahead of the

¹⁹ Agence Ecofin, 1 Apr 2022

²⁰ Investir au Cameroun, 14 Apr 2022

²¹ Agence Ecofin, 1 Apr 2022

²² Jeune Afrique, 12 Apr 2022

²³ Jeune Afrique, 12 Apr 2022

²⁴ Jeune Afrique, 30 Mar 2022

²⁵ L'Intelligent Abidjan.net, 6 Apr 2022

²⁶ Koaci.com, 31 Mar 2022

²⁷ Coface.com, 13 Apr 2022

²⁸ Abidjan.net, 4 Apr 2022

tournament.²⁹ The investment paid off, with direct income from travelling supporters and tourists in 2022 estimated to be \$200m.

Planner

9-20 May 2022 **Abidjan (Côte d'Ivoire)** COP15 **United Nations Convention to Combat Desertification and Drought**

2023 **(Côte d'Ivoire)** Local elections

2025 **(Côte d'Ivoire)** Presidential elections

Chronology

13 Apr 2022 **Abidjan (Côte d'Ivoire)** *APA News*. The **Council of Ministers** adopts a decree establishing the state-owned company **Côte d'Ivoire PME**, which aims to carry out directly or indirectly, on behalf of the State, the promotion of small and medium enterprises;

12 Apr 2022 **Abidjan (Côte d'Ivoire)** *AIP*. Senate president **Jeannot Ahoussou-Kouadio** announces that the **Assemblée nationale** (national assembly) and **Sénat** (senate) will meet in congress for the second time in history on 19 April;

12 Apr 2022 **Abidjan (Côte d'Ivoire)** *AIP*. Tourism and hospitality industry director general **Klo Fagama** announces investment of 500 billion FCFA (\$824m) in several hotel infrastructure projects;

12 Apr 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Official figures indicate that public debt has reached 20,250 billion FCFA (\$34,896m) as measured at the end of 2021;

11 Apr 2022 **Abidjan (Côte d'Ivoire)** *FratMat.info*. A new left-wing coalition, known as **Le Front pour la défense de la démocratie et la souveraineté**, has been established between **l'Union des sociaux-démocrates**, **le Parti communiste révolutionnaire de Côte d'Ivoire** and **Daniel Aka Ahizi**, former president of **Parti ivoirien des travailleurs**;

11 Apr 2022 **Daloa (Côte d'Ivoire)** *Agence Econfin*. **Tietto Minerals** publishes the first statement of measured resources at the **Abujar** gold project, reported to hold 7.7 millions of ore;

11 Apr 2022 **Duékoué (Côte d'Ivoire)** *Jeune Afrique*. Former president **Laurent Gbagbo** continues his tour of the country, visiting **Duékoué**, which was the scene of killings attributed to forces sympathetic to President **Alassane Ouattara** during the post-election crisis of 2010-2011, risking reigniting tensions;

11 Apr 2022 **Abidjan (Côte d'Ivoire)** *Koaci.com*. The draft bill aimed at amending the constitution to restore the age limit of 75 years for presidential candidates has been tabled in parliament;

11 Apr 2022 **Abidjan (Côte d'Ivoire)** *L'Intelligent Abidjan.info*. **United States**-based global food corporation **Cargill** signs a memorandum of understanding with the ministry of water and forests on the conservation and restoration of the **Dassioko** forest;

8 Apr 2022 **Abidjan (Côte d'Ivoire)** *AIP*. **United Nations High Commissioner for Refugees** assistant high commissioner for protection **Gillian Triggs** undertakes a visit to review the plans for the return of refugees from the post-election crisis of 2010-2011;

7 Apr 2022 **New York (New York)** *Agence Econfin*. **Côte d'Ivoire** votes in favour of suspending **Russia** from the **United Nations Human Rights Council**, making it one of 10 **African** countries to do so;

²⁹ African Business Magazine, 3 Mar 2022

3 Apr 2022 **Abidjan (Côte d'Ivoire)** *FratMat.info*. Prime minister **Patrick Achi** signs an agreement relating to the development of a strategic partnership between the Ivorian government and the **OCF Group**, one of the world's largest fertiliser and phosphate companies;

2 Apr 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. The **World Bank** has approved financing of 267 billion FCFA (\$450m) for four countries in the **Gulf of Guinea**, namely **Benin, Côte d'Ivoire, Togo, and Ghana**, which is to be used for social cohesion projects aimed at preventing the spread of terrorism;

2 Apr 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Côte d'Ivoire has been chosen to host **Africa's** largest trade fair, the **Intra-African Trade Fair**, in 2023;

1 Apr 2022 **Abidjan (Côte d'Ivoire)** *Koaci.com*. The headquarters of the Abidjan-based **Centre régional de sécurité maritime de l'Afrique de l'Ouest** (West African Regional Maritime Security Centre) has been inaugurated;

30 Mar 2022 **Daloa (Côte d'Ivoire)** *Agence Ecofin*. **Australian**-headquartered **Tietto Minerals** raises \$98m for the construction of the **Abujar** gold mine;

29 Mar 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Investment approved in Côte d'Ivoire in 2021 reached 742 billion FCFA (\$1.25 billion), an increase of 119.4% compared to 2020, is an indication that private investment is returning to pre-pandemic levels;

28 Mar 2022 **Abidjan (Côte d'Ivoire)** *APA*. The agriculture and rural development ministry reports that Côte d'Ivoire's demand for rice is estimated at around 2.6 million tonnes per year against a national production of 1.3 million tonnes per year;

28 Mar 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Water minister **Laurent Tchagba** says the government aims to invest 5,000 billion FCFA (\$8.3 billion) to ensure that 13 million additional Ivorians have access to potable water by 2030;

26 Mar 2022 **Abidjan (Côte d'Ivoire)** *APA*. Côte d'Ivoire has achieved an absorption rate of 9.8% of the funds allocated by the **World Bank** for financing or co-financing development projects related to human development, electricity, mobility urban and basic social services, and is aiming for 18% by June 2022;

22 Mar 2022 **Abidjan (Côte d'Ivoire)** *Financial Afrik*. Côte d'Ivoire raises 38.5 billion FCFA (\$64.5m) through a treasury bond issue on the **West African Economic and Monetary Union (WAEMU)** regional financial market;

22 Mar 2022 **Abidjan (Côte d'Ivoire)** *FratMat.info*. Côte d'Ivoire's ministry of foreign affairs hosts **Egypt** in a move to bolster cooperation and bilateral ties;

22 Mar 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Official figures indicate Côte d'Ivoire's trade balance for 2021 showed a surplus of 731.46 billion FCFA (\$1.2 billion), a decrease of 30% from 2020;

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