

## AFRICA RISK CONSULTING

### Côte d'Ivoire Monthly Briefing July 2022

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#### Côte d'Ivoire Summary 14 July 2022

*A political meeting between President Alassane Ouattara (2010-present) and former presidents Henri Konan Bédié (1993-1999) and Laurent Gbagbo (2000-2010) advances the political dialogue process involving the government, the opposition and civil society. Côte d'Ivoire demands the release of 49 soldiers arrested at Président Modibo Keita International Airport in Bamako (Mali) on 10 July. Prime minister Patrick Achi inaugurates a new cashew processing plant, Dorado Ivory, in Toumodi, operated by Singapore-headquartered Royal Nuts Pte Ltd. Major cocoa buyers worldwide will pay cocoa farmers in Côte d'Ivoire and Ghana a "living income differential" in terms of an agreement brokered by the Cote d'Ivoire-Ghana Cocoa Initiative (CIGCI) as part of a pact to combat poverty among cocoa farmers.*

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#### Present and past presidents meeting advances political dialogue process

A meeting between President **Alassane Ouattara** (2010-present) and former presidents **Henri Konan Bédié** (1993-1999) and **Laurent Gbagbo** (2000-2010) on 14 July is expected to promote political stability in **Côte d'Ivoire** as part of the political dialogue process involving the government, the opposition and civil society.<sup>1</sup> Government spokesperson **Amadou Coulibaly** announced the meeting on 6 July during the **Conseil des ministres** (council of ministers) gathering, reminding the council and citizens that the three statesmen often engage in discussions over the telephone.<sup>2</sup>

This is the first in-person meeting between the three since Gbagbo's return to Côte d'Ivoire in June 2021 after a 10-year absence (see *ARC Briefing Côte d'Ivoire June 2021*). Gbagbo was arrested in April 2011 on charges of war crimes and crimes against humanity following his refusal to step down as president after losing an election in November 2010, which led to a violent political crisis. Gbagbo was subsequently transferred to the **International Criminal Court** at **The Hague (Netherlands)**, which in March 2021 confirmed his acquittal of crimes allegedly committed during the 2010-2011 post-electoral crisis (see *ARC Briefing Côte d'Ivoire Apr 2021*). Ouattara and Gbagbo met on 27 July 2021 in their first face-to-face meeting since November 2010 (see *ARC Briefing Côte d'Ivoire Aug 2021*).<sup>3</sup>

The latest meeting forms part of the recommendations of the fifth phase of the political dialogue processes launched on 16 December and chaired by prime minister **Patrick Achi**, which was concluded on 4 March (see *ARC Briefing Côte d'Ivoire Dec 2021 & Mar 2022*).<sup>4</sup> While late former prime minister **Amadou Gon Coulibaly** established the dialogue in 2019, his successor, the late **Hamed Bakayoko**, chaired the discussions after his death in July 2020.<sup>5</sup> Despite the launch of the reconciliation process, electoral violence took place before, during and after the October 2020 presidential elections, leading to an estimated 85 deaths (see *ARC Briefing Côte d'Ivoire Nov-Dec 2020*). The December 2020 dialogue session led to agreement among the participating parties to hold the legislative elections in March 2021 and for further consultations to take place.

The main themes of the fifth phase were measures to appease the political environment, national reconciliation and the legal and institutional framework of elections in Côte d'Ivoire.<sup>6</sup> Political appeasement measures included suggestions for fast-tracking the return of exiles and refugees due to

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<sup>1</sup> Fratmat.info, 7 Jul 2022

<sup>2</sup> Fratmat.info, 7 Jul 2022

<sup>3</sup> Abidjan.net, 8 Nov 2021

<sup>4</sup> Abidjan.net, 7 Jul 2022

<sup>5</sup> Le Patriote, 15 Dec 2021

<sup>6</sup> Abidjan.net, 4 Mar 2022

the 2010 and 2020 post-electoral crises, unfreezing assets, and cessation of legal proceedings against political leaders linked to the 2018 and 2020 violence.<sup>7</sup>

Gbagbo's **Parti des peuples africains Côte d'Ivoire (PPA-CI)** addressed the media on 7 July, outlining the party's expectations for the meeting. PPA-CI vice-president **Justin Koné Katinan** told media the party expects consideration of the issues identified by the political dialogue and for which solutions could not be found:

*"This meeting must be able to settle these questions which are like the stink bombs of the Republic. Côte d'Ivoire is waiting for us to take another step towards reconciliation and social cohesion when we come out of this."<sup>8</sup>*

The three are expected to discuss the upcoming election, the prisoners who are still being held on charges related to the post-2010-2011 post-electoral crisis, and reforms to the **Commission électorale indépendante (CEI)** (independent electoral commission).<sup>9</sup> Gbagbo and Bédié held a meeting on 12 July to discuss the points they would raise ahead of the meeting, identifying themselves as allies.<sup>10</sup>

Ouattara has placed emphasis on national reconciliation throughout his presidency. He established the **Commission Dialogue Vérité et Réconciliation (CDVR)** (truth and reconciliation commission) in 2012 and the **Commission Nationale pour la Réconciliation et l'Indemnisation des Victimes (Conariv)** (national commission for reconciliation and compensation for victims).<sup>11</sup> The success of these measures was seen in the March 2021 legislative elections, in which all three leading political parties – the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)**, opposition **Parti Démocratique de Côte d'Ivoire (PDCI)**, and both factions of the **Front Populaire Ivoirien (FPI)** – participated in the same election for the first time since 2010.

International parties have praised the political dialogue process, including the **World Bank**, noting the increase in political stability in Côte d'Ivoire. The country has successfully held events including the **Conference of Parties of the United Nations Convention to Combat Desertification and Drought (COP 15)** in May and the **Africa CEO Forum** in June, both of which could not have been held amid the previous political turbulence.

### Soldiers arrested in Mali

Côte d'Ivoire has demanded the release of 49 soldiers who were arrested at **Président Modibo Keita International Airport in Bamako (Mali)** on 10 July.<sup>12</sup> Mali's ruling military junta accused the soldiers of being present in the country without permission, classifying them as mercenaries who could face legal proceedings.<sup>13</sup> The Ivorian authorities refuted this allegation, stating the soldiers were deployed as part of security and logistical support contractors for the **United Nations (UN) Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)**. The Ivorian **Conseil National de Sécurité** (national security council) confirmed that the contracts were signed with MINUSMA in July 2019, and it was the eighth rotation of soldiers sent to Mali, with their mission orders sent to both the airport and junta before their arrival.<sup>14</sup> MINUSMA spokesperson **Olivier Salgado** confirmed this information.

**Germany's** federal defence minister, **Christine Lambrecht**, has called the arrest "*a problematic signal*", as part of the MINUSMA contingent is responsible for the surveillance of a German army

<sup>7</sup> Abidjan.net, 4 Mar 2022

<sup>8</sup> 7info.ci, 8 Jul 2022

<sup>9</sup> Abidjan.net, 12 Jul 2022

<sup>10</sup> Abidjan.net, 12 Jul 2022

<sup>11</sup> Abidjan.net, 13 Jul 2022

<sup>12</sup> Fratmat.info, 12 Jul 2022

<sup>13</sup> Fratmat.info, 12 Jul 2022

<sup>14</sup> Reuters, 12 Jul 2022

logistics base in Mali. Lambrecht expressed doubt about Mali's willingness to cooperate constructively with MINUSMA, raising concerns about the release of the soldiers.

Mali has been at odds with its neighbours since facing sanctions by the **Economic Community of West African States (ECOWAS)** following a military coup on 24 May 2021 that ousted transitional president **Bah Ndaw** (2020-2021). The latest incident is expected to add to tensions.<sup>15</sup> In a press release on 11 July, Mali called on Côte d'Ivoire to cooperate to preserve the "centuries-old" relations the two countries share.<sup>16</sup> The Malian authorities have also been at odds with the UN lately, refusing to let it investigate possible human rights violations.<sup>17</sup>

### Côte d'Ivoire cashing in on cashews ...

Prime minister Patrick Achi inaugurated a new cashew processing plant, **Dorado Ivory**, in **Toumodi** on 7 July.<sup>18</sup> The plant, with a processing capacity of approximately 50,000 tons a year, is expected to significantly boost Côte d'Ivoire's cashew processing capacity, adding value to the cashew industry and providing employment for 1,300 people.<sup>19</sup> Although Côte d'Ivoire is the top producer and exporter of raw cashew nuts worldwide, roughly only 100,000 tonnes are processed locally and fewer than 25,000 tons by local processors.<sup>20</sup> The 15 billion FCFA (\$23m) Dorado Ivory plant is the new industrial site of **Singapore-headquartered Royal Nuts Pte Ltd.**<sup>21</sup>

**Conseil du Coton et de l'Anacarde (CCA)** (cotton and cashew council) director-general **Adama Coulibaly** attended the inauguration, noting the council's ambition to create an environment to facilitate local processing, in line with the government's goal of processing half the country's cashew production locally by 2025:

*"Dorado Ivory industrial unit is, without question, one of the tangible results of the political will clearly displayed by the government. to create the conditions for optimal development of the cashew industry in Côte d'Ivoire."*<sup>22</sup>

The plant has received **Food Safety Modernization Act (FSMA)** certification by **United States (US)** government agency **Food and Drug Administration (FDA)**, allowing export market access to the US and possibly **Europe**, which also recognises the certification.<sup>23</sup> Currently, most of Côte d'Ivoire's raw cashew nuts are exported to **India, Vietnam** and **Brazil** where they are processed before being exported. The World Bank estimates the value of Côte d'Ivoire's cashew exports to be \$800m annually,<sup>24</sup> with 968,700 tons of cashew nuts produced at the end of the 2021 campaign.

Coulibaly presented opportunities in the cashew nut sector to potential investors during the **Africa Forum 2022** organised by **Conseil Français des Investisseurs en Afrique** (French council of investors in Africa) and held in Abidjan on 13-14 June.<sup>25</sup> Coulibaly said the government would be applying for carbon credits for its cashew nut trees. The cashew seedlings were introduced as a programme under former president **Félix Houphouët-Boigny** (1960-1993) to reduce desertification and are now net carbon capturers.<sup>26</sup>

<sup>15</sup> Reuters, 12 Jul 2022

<sup>16</sup> Abidjan.net, 12 Jul 2022

<sup>17</sup> Africanews, 12 Jul 2022

<sup>18</sup> Agence Ivoirienne de Presse, 8 Jul 2022

<sup>19</sup> Agence Ivoirienne de Presse, 8 Jul 2022

<sup>20</sup> Reuters, 13 Dec 2021

<sup>21</sup> Agence Ivoirienne de Presse, 8 Jul 2022

<sup>22</sup> Agence Ivoirienne de Presse, 8 Jul 2022

<sup>23</sup> Agence Ivoirienne de Presse, 8 Jul 2022

<sup>24</sup> World Bank, accessed 13 Jul 2022

<sup>25</sup> Abidjan.net, 24 Jun 2022

<sup>26</sup> Abidjan.net, 24 Jun 2022

### ... as cocoa industry gets a living income differential agreement

Cocoa farmers in Côte d'Ivoire and **Ghana** will now be paid a **living income differential (LID)**, as agreed by major cocoa buyers worldwide. Signatories to the agreement include US-headquartered **Hershey, Mars** and **Cargill**, **Switzerland**-headquartered **Nestlé** and **Barry Callebaut**, and **Singapore**-headquartered **Olam**, among others. **Germany**-based non-governmental organisation **Fairtrade**, which aims to ensure a set of standards are met in the production and supply of a product or ingredient, defines the living income differential as:

*"Sufficient income to afford a decent standard of living for all household members – including a nutritious diet, clean water, decent housing, education, health care and other essential needs, plus a little extra for emergencies and savings – once farm costs are covered".<sup>27</sup>*

The agreement, brokered by the **Cote d'Ivoire-Ghana Cocoa Initiative (CIGCI)**, forms part of a pact to combat poverty among cocoa farmers.<sup>28</sup> The agreement has been long in the making; in 2019, the CIGCI implemented a new pricing mechanism which would have devoted a payment of approximately 257,000 FCFA (\$392) to each ton of cocoa, helping to achieve a floor price of 1.6m FCFA (\$2,442) per metric ton. This in turn would allow producers to earn a minimum of 70% of the floor price, \$1.1m FCFA (\$1,679). However, the launch of the pricing mechanism coincided with the **Covid-19** pandemic, which impacted market prices and limited the impact of the new prices. On 9 July, the CIGCI renewed its support for the pricing mechanism, leading to the new agreement that requires cocoa buyers to pay a 200,000 FCFA (\$305) tax on each ton. The floor price is currently 1.3m FCFA (\$1984) per ton.<sup>29</sup>

The cocoa industry has come under increasing scrutiny by various organisations, including the **European Union (EU)** for its use of child labour and farmers' lack of adequate living conditions despite growing a popular and in-demand crop. In the era of environmental, social and governance (ESG) pressures, cocoa buyers have had to step up their ESG priorities, under which improving farmers' livelihoods falls.<sup>30</sup> A recent example is Hershey's commitment to invest \$500m by 2030 in cocoa-growing communities.<sup>31</sup>

Côte d'Ivoire is the largest producer of cocoa, accounting for 40% of worldwide production, with approximately 1 million small-scale cocoa producers.<sup>32</sup> A Fairtrade study conducted in 2021 found that the annual household income of cocoa farmers is \$4,937, meaning that 85% of farmers live below the living income differential.<sup>33</sup> In 2020, only 190,000 farmers were part of the LID programme.

<sup>27</sup> Fairtrade, June 2021

<sup>28</sup> Reuters, 8 Jul 2022

<sup>29</sup> Abidjan.net, 9 Jul 2022

<sup>30</sup> ARC Cote d'Ivoire Analyst

<sup>31</sup> Confectionarynews.com, 13 Jun 2022

<sup>32</sup> APA News, 7 Apr 2022

<sup>33</sup> Fairtrade, June 2021

## Planner

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

## Chronology

13 Jul 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. Government spokesperson **Amadou Coulibaly** announces the price of cotton for the 2022/2023 campaign at 310 FCFA (\$0,47) per kilogramme;

13 Jul 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. **Conseil des ministres** (council of ministers) approves an ordinance granting customs and tax benefits to operators in the cereal and legume production and processing sectors;

13 Jul 2022 **Abidjan (Côte d'Ivoire)** *Fratmat.info*. President **Alassane Ouattara** announces he will conduct an official visit to **South Africa** on 20 July;

9 Jul 2022 **Abidjan (Côte d'Ivoire)** *Fratmat.info*. President **Alassane Ouattara** meets with **Cape Verde's** prime minister, **José Ulisses Correia e Silva**, to discuss enhancing bilateral cooperation;

8 Jul 2022 **Toumodi (Côte d'Ivoire)** *Sika Finance*. Government inaugurates the **Dorado Ivory** cashew nut processing plant, which employs 1,000 people and cost 15 billion FCFA (\$23m);

7 Jul 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Côte d'Ivoire announces plans to start producing biofuels in partnership with the **Swedish** vehicle manufacturer, **SCANIA**, **Total Energies Marketing Côte d'Ivoire** and **Agence Nationale d'Appui au Développement Rural**;

7 Jul 2022 **Abidjan (Côte d'Ivoire)** *Fratmat.info*. President **Alassane Ouattara** will meet with his predecessors, **Laurent Gbagbo** and **Henri Konan Bédié**, on 14 July to discuss peace and development, as part of the ongoing political dialogue process;

6 Jul 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Government announces it will maintain the price of diesel and petrol for July, continuing its subsidies that amount to 405 billion FCFA (\$629m) since January.

6 Jul 2022 **Abidjan (Côte d'Ivoire)** *7info.ci*. **France** signs a credit agreement with the government for 216 billion FCFA (\$330m) as part of the **Plan national de développement (PND)** (national development plan) **2021-2025**;

5 Jul 2022 **Abidjan (Côte d'Ivoire)** *Koaci.com*. Six wheat storage silos have been opened to assist in preventing a grain shortage;

1 Jul 2022 **Abidjan (Côte d'Ivoire)** *Agence Ivoirienne de Presse*. The government announces that the price of fuel and diesel will remain unchanged at 723 FCFA (\$1.15) and 615 FCFA (\$0.98) for the duration of July;

30 Jun 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **United States**-based ratings agency **Fitch Solutions** forecasts Côte d'Ivoire's real GDP growth to reach 6.2% in 2022, the highest in **sub-Saharan Africa**, and 6,6% in 2023;

28 Jun 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **United States (US)**-based ratings agency **Moody's** affirms Cote d'Ivoire's local and foreign currency long-term issuer ratings as '**Ba3**', adjusting the outlook from positive to stable, and affirms its sovereign short-term issuer ratings at '**Not Prime (NP)**';

27 Jun 2022 **Abidjan (Cote d'Ivoire)** *Reuters*. The **Azito** power station, jointly owned by development finance institutions **United Kingdom**-based **British International Investment (BII, formerly CDC Group)** and **Norway**-based **Norfund**, brings an additional

180MW of gas-fired power generation online, increasing its total capacity from 460MW to 640MW, accounting for 25% of Cote d'Ivoire's total generation capacity;

27 Jun 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Singapore-based JB Foods Limited** invests 39 billion FCFA (\$62.8m) in a new cocoa factor

25 Jun 2022 **Abidjan (Cote d'Ivoire)** *Abidjan Net*. President **Alassane Ouattara** travels to **France** for a visit ahead of the 61<sup>st</sup> Ordinary Summit of the **Heads of State and Government of the Economic Community of West African States (ECOWAS)** in **Accra (Ghana)** on 3 July;

24 Jun 2022 **Abidjan (Côte d'Ivoire)** *7info.ci*. **Niger's** President **Mohamed Bazoum** signs five cooperation agreements with his Ivorian counterpart, President **Alassane Ouattara**, during an official visit;

24 Jun 2022 **Abidjan (Côte d'Ivoire)** *7info.ci*. **United Kingdom** minister for the armed forces, **James Heappey**, meets with Ivorian armed forces Lieutenant General **Lassina Doumbia** to discuss possible cooperation;

23 Jun 2022 **Paris (France)** *Koaci.com*. **Conseil du Coton et de l'Anacarde** (cotton and cashew council) director-general **Adama Coulibaly** presents opportunities to potential investors during the **Africa Forum** organised by **Conseil Français des Investisseurs en Afrique** (French council of investors in Africa);

21 Jun 2022 **London (United Kingdom)** *Reuters*. A subsidiary of **Switzerland**-headquartered company **Glencore** has pleaded guilty to several counts of bribery in connection to oil operations in **African** countries, including **Côte d'Ivoire**;

21 Jun 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Inflation slows to 3.5% in May, down from 4% in April;

21 Jun 2022 **Abidjan (Côte d'Ivoire)** *Fratmat.info*. Vice-president **Tiémoko Meyliet Koné** meets with the ambassadors of **Belgium, Morocco** and **Senegal** to discuss bilateral relations;

20 Jun 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Spain**, in cooperation with the Ivorian government, launches a training establishment dedicated to renewable energies, worth 6.5 billion FCFA (\$10.4m);

17 Jun 2022 **Abidjan (Cote d'Ivoire)** *Quartz Africa*. **Africa CEO Forum's** 2022 CEO Barometer Survey ranks **Cote d'Ivoire** first in attractiveness as an investment destination, followed by **Ghana** and **Nigeria**, showing that Cote d'Ivoire is reclaiming its reputation as a top investment destination in **francophone Africa** and on the continent as a whole;

16 Jun 2022 **Abidjan (Cote d'Ivoire)** *AFP*. Heavy rainfall triggers a landslide in **Mossikro (Abidjan)** killing six people;

15 Jun 2022 **Abidjan (Cote d'Ivoire)** *Sika Finance*. **Norwegian** investment fund **Norfund** launches in Cote d'Ivoire;

15 Jun **Abidjan (Côte d'Ivoire)** *Fratmat.info*. **Italian** ministry of foreign affairs organises in collaboration with the **Foreign Trade Agency**, a forum in Abidjan on the theme "*Italy - Côte d'Ivoire: Renewing the bilateral partnership*";

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