

AFRICA RISK CONSULTING

Côte d'Ivoire Briefing February 2020

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*President Alassane Ouattara (2010-present) assures members of the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** party that the 31 October presidential elections will be peaceful and predicts that the RHDP will emerge victorious in the first round of voting. Former prime minister and **Assemblée Nationale** (national assembly) president **Guillaume Soro** lays charges with the French state prosecutor in Paris against four individuals whom he claims are linked to providing evidence that led to the issue of an international arrest warrant against him in December. United Kingdom-based **Globeleq** and Cote d'Ivoire-based **IPS West Africa** announce they have finalised the fundraising of 173.17 billion FCFA (\$288.1m) required to finance phase IV of the Azito thermal plant upgrade. The African Development Bank (AfDB) suggests Cote d'Ivoire will have a positive economic outlook in 2020, projecting it will attain an economic growth rate of 7% during the year. Germany-based **Transparency International's 2019 Corruption Perceptions Index (CPI)** ranks Cote d'Ivoire 106th out of 180 countries with a score of 35/100, one position lower than its 2018 CPI ranking.*

Ouattara promises peaceful elections ...

President **Alassane Ouattara** (2010-present) has promised that **Cote d'Ivoire's** 31 October presidential elections will take place in a peaceful manner and predicts that the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** will emerge victorious during the first round of voting.¹ Despite his assurances, there is a high level of political tension in Cote d'Ivoire amid a constantly changing political landscape. During a ceremony on 2 February to usher in the new year for RHDP members, President Ouattara assured that October elections would be as peaceful as those held in 2015.² Ouattara also thanked the Ivorian intelligence and security forces for discovering an alleged plot to destabilise national security, which led to the issue of an international arrest warrant against former **Assemblée Nationale** (national assembly) president **Guillaume Soro** in December (see *ARC Briefing Cote d'Ivoire January 2020*).³ Ouattara said a proposed constitutional modification will take place during the first quarter of 2020 and will contribute to the consolidation of national cohesion, peace and stability in Cote d'Ivoire.⁴

President Ouattara described the **Commission Electorale Indépendante (CEI)** (independent electoral commission) as an “*important instrument of democracy*” and welcomed its “*consensual composition*”.⁵ The consensual composition is in reference to the assertion that the CEI has an equal representation of government, ruling party, opposition and civil society members. However, opposition organisations, including **Ensemble pour la Démocratie et Souveraineté (EDS)** claim there is no actual equality of representation. EDC president **Georges Armand Ouegnin** stated:

“This current CEI is subservient to the RHDP power, it cannot organise credible elections in our country.”⁶

¹ Jeune Afrique, 3 Feb 2020

² Koaci.com, 2 Feb 2020

³ Jeune Afrique, 3 Feb 2020

⁴ Koaci.com, 2 Feb 2020

⁵ Jeune Afrique, 3 Feb 2020

⁶ Jeune Afrique, 3 Feb 2020

President Ouattara said that RHDP party leaders will meet in February to fix a date for the election of the RHDP candidate.⁷ Ouattara is confident that the RHDP will win the elections in the first round:

*"I believe in the victory of the RHDP because we are the largest party, the only party which covers the whole of the national territory."*⁸

United States-based ratings agency **Fitch Ratings** supports Ouattara's assertion that elections will be peaceful:⁹

*"The security situation has fundamentally improved since 2011 ... Unlike the 2000s, the territory is no longer divided into two areas controlled respectively by the government and rebel forces. They have been demobilised and disarmed and a large number of ex-combatants have been hired by the army."*¹⁰

Ouattara is correct about the dominance of the RHDP and its overall political strength. The RHDP currently has 153 out of 255 national assembly MPs, controlling 138 of 201 mayoral councils and 24 of 31 regions.¹¹ However, the withdrawal of the opposition **Parti Démocratique de Côte d'Ivoire (PDCI)** of former president **Henri Konan Bédié** (1993-1999) from the RHDP has changed the political landscape. The possibility of a second round of voting could also emerge if the RHDP selects Ouattara's preferred successor, prime minister **Amadou Gon Coulibaly**, as its candidate.

... as Guillaume Soro strikes back

Former prime minister and national assembly president **Guillaume Soro** has laid charges with the **French** state prosecutor in **Paris** against four individuals whom he alleges are linked to providing evidence that led to the issue of an international arrest warrant against him in December.¹² Soro appears to be going on the offensive and will try to exhaust all judicial means to ensure he is declared innocent of the accusations against him, so he can participate in the 2020 presidential elections. On 22 January, Soro's lawyers filed a suit against **Francis Perez**, a French citizen with ties to the arms industry, **Olivier Bazin**, French CEO of France-based hotel and casino chain **Pefaco**, **Akim Lacher**, a French-**Algerian** lobbyist and **Richard Adou**, Ivorian state prosecutor.¹³ Soro accuses the first three of invading his private life, alleging they recorded the May 2017 conversation in which he is accused of trying to plan a coup d'état.¹⁴ Soro accuses Adou of fraud, with respect to the manner in which he obtained the recordings.¹⁵ Soro's lawyer, **Affoussatou Bamba**, does not refute that the conversation happened but suggests the recording has been tampered with and is not accurate.¹⁶ Bamba argues that the conversation cannot be used against Soro, because it took place in 2017, while the alleged coup attempt was to take place in 2019.¹⁷

Despite Soro's legal action, at this stage it appears that the arrest warrant for embezzlement of public funds and attempting to destabilise the country will keep him from returning to Cote d'Ivoire and running for president in October. In addition, Soro had his parliamentary immunity stripped on 20 January, in line with article 92, along with five other MPs who were arrested during protests against the warrant in December.¹⁸ Opposition parliamentary groups **PDCI**, **Vox Populi** and **Rassemblement** have criticised the decision to remove his immunity.¹⁹

⁷ Jeune Afrique, 3 Feb 2020

⁸ Jeune Afrique, 3 Feb 2020

⁹ Agence Ecofin, 27 Jan 2020

¹⁰ Agence Ecofin, 27 Jan 2020

¹¹ Koaci.com, 2 Feb 2020

¹² Jeune Afrique, 23 Jan 2020

¹³ Jeune Afrique, 25 Jan 2020

¹⁴ Jeune Afrique, 23 Jan 2020

¹⁵ Jeune Afrique, 23 Jan 2020

¹⁶ Jeune Afrique, 25 Jan 2020

¹⁷ Koaci.com, 23 Jan 2020

¹⁸ RFI, 23 Jan 2020

¹⁹ RFI, 23 Jan 2020

Financing powers Azito thermal plant upgrade

United Kingdom-based **Globeleq** and Cote d'Ivoire-based **IPS West Africa** announced on 24 January they had finalised the raising of 173.17 billion FCFA (\$288.1m) required to finance phase IV of the **Azito** thermal plant upgrade.²⁰ **Globeleq** and **IPS West Africa** are the two main shareholders of the Azito power station.²¹ The funds were obtained from a poll of international lenders including the **International Finance Corporation (IFC)**, **Banque Ouest Africaine de Développement (BOAD) (West African Development Bank)**, France-based development financial institution **Proparco** and German development financial institution **DEG**.²² According to **Globeleq** CEO **Mike Scholey**:

*"Obtaining finance for the expansion of the Azito power plant is exciting and significant for the sector. The tariff for phase IV of Azito will be the cheapest thermal energy in Cote d'Ivoire."*²³

United States-based **General Electric** has been selected to carry out the extension project, which is designed to provide reliable and sustainable power throughout Cote d'Ivoire.²⁴ The Azito power station is located in the **Yopougon** area of Abidjan and upon completion of the upgrade will provide an additional 253 megawatts (MW) to the plant's current production capacity of 460 MW to 713 MW.²⁵ This will enable Azito to produce 30% of Cote d'Ivoire's electricity.²⁶ **Luc Aye**, director general of **Azito Energie**, the company that manages the Azito plant, said the extension would make Azito one of the most efficient in the region and that it would serve as a model for the development of similar power projects in **Africa**.²⁷ **General Electric** has been doing maintenance work at Azito since 1999.²⁸

The finalisation of financing agreements for phase IV of the Azito thermal plant upgrade is the most recent development in a series of energy projects that the Ivorian government has recently announced. In January, the government announced it had reached an agreement with **China Eximbank** to provide a 169.4 billion FCFA (\$281.6m) loan to finance the construction of the **Gribo Popoli** hydroelectric dam located in the **Bas Sassandra** region in south-west Cote d'Ivoire.²⁹ In December, Cote d'Ivoire-based **Sifca**, and France-based **EDF** and **Meridiam** signed a 25-year agreement with the Ivorian government to build a 46 MW biomass plant.³⁰ These projects are in line with the government's aim to raise power production from the current 2,275 MW to 4,000 MW in 2020.³¹ According to the 2020 **World Bank Doing Business** rankings, Cote d'Ivoire obtained a score of 59.2 out of 100 in the domain of getting electricity, placing it above the **sub-Saharan African** average of 50.4 and registering an improvement on its score of 56.23 in the 2019 classification (see *ARC Briefing Cote d'Ivoire November 2019*).³² As a result, Ivorian oil, energy and renewable energy minister **Abdourahmane Cissé** declared Cote d'Ivoire would export electricity to **Guinea** and **Sierra Leone** in 2020.³³ Cote d'Ivoire already exports electricity to **Economic Community of West African State (ECOWAS)** countries **Benin**, **Burkina Faso**, **Ghana**, **Mali** and **Togo**.³⁴

²⁰ Sika Finance, 24 Jan 2020

²¹ Sika Finance, 24 Jan 2020

²² Sika Finance, 24 Jan 2020

²³ Sika Finance, 24 Jan 2020

²⁴ Power Engineering, 6 Feb 2020

²⁵ Sika Finance, 24 Jan 2020

²⁶ Sika Finance, 24 Jan 2020

²⁷ Power Engineering, 6 Feb 2020

²⁸ Power Engineering, 6 Feb 2020

²⁹ Sika Finance, 9 Jan 2020

³⁰ Jeune Afrique, 13 Dec 2019

³¹ Sika Finance, 9 Jan 2020

³² World Bank, 24 Oct 2019

³³ Jeune Afrique, 3 Feb 2020

³⁴ Jeune Afrique, 3 Feb 2020

AfDB projects positive economic outlook for Cote d'Ivoire ...

The **African Development Bank (AfDB)** suggests Cote d'Ivoire will have a positive economic outlook in 2020, attaining economic growth of 7% during the year.³⁵ This optimistic assessment of the economy may encourage potential investors to Cote d'Ivoire. According to the AfDB's 2020 **African Economic Outlook**, presented on 30 January, Cote d'Ivoire's growth should remain on par with the 7.4% figure registered in 2018 and 2019.³⁶ Economic growth is expected to reach 7% in both 2020 and 2021. The AfDB noted that public debt rose from 49.8% in 2017 to 52% in 2018, although the fiscal deficit fell from 3.9% in 2018 to 3.1% in 2019.³⁷

Activities such as trade, transport and telecommunications are set to become important contributors to Cote d'Ivoire's growth.³⁸ The tertiary sector remains the largest contributor to GDP growth, at 3.4% in 2018, followed by industry and the primary domain, which respectively contribute 1.5% and 0.8% to GDP. Cote d'Ivoire, which is the largest cocoa producer in the world, will rely on cocoa farming to improve its economic prospects, following the September signing of an agreement with Ghana to increase the guaranteed price of cocoa beans for farmers.³⁹ Cote d'Ivoire and Ghana produce 62% of cocoa, and cocoa farming contributes to 15% of Cote d'Ivoire's GDP and 38% of exports. Increased investment in agro-processing will help to stimulate further growth in this sector and attract private investment.⁴⁰

Cote d'Ivoire has improved its economy and attractiveness for local and foreign investors since the end of the 2010-2011 post-election crisis. From 2018 to 2020, it improved its ranking in the annual **World Bank Doing Business** report from 138 in 2018 to 110 in 2020.⁴¹ The improvement of the business climate has had a significant impact: the **Agence Publique pour la Promotion de l'Investissement (CEPICI)** (public agency for investment promotion) announced 16 January that it had approved 729.7 billion FCFA (\$1.2 billion) in investments in 2019.⁴²

... but Cote d'Ivoire falls in 2019 Corruptions Perception Index

Cote d'Ivoire has registered its second consecutive drop in its ranking in **Germany-based Transparency International's 2019 Corruption Perceptions Index (CPI)**. Perceptions of corruption have a direct effect on the country's business climate and its attractiveness to potential investors. In the latest CPI rankings, Cote d'Ivoire placed 106th out of 180 countries with a score of 35 out of 100.⁴³ It ranked 105th and 103rd in the 2018 and 2017 rankings respectively.⁴⁴ The CPI ranks 180 countries and territories by their perceived levels of public sector corruption, according to experts and businesspeople, with zero being "highly corrupt" and 100 being "very clean".⁴⁵

Transparency International CPI rankings: Cote d'Ivoire						
	2014	2015	2016	2017	2018	2019
Ranking	115/175	106/168	108/176	103/180	105/180	106/180
Score	32	32	34	36	35	35

³⁵ African Economic Outlook, 30 Jan 2020

³⁶ African Economic Outlook, 30 Jan 2020

³⁷ African Economic Outlook, 30 Jan 2020

³⁸ African Economic Outlook, 30 Jan 2020

³⁹ African Economic Outlook, 30 Jan 2020

⁴⁰ African Economic Outlook, 30 Jan 2020

⁴¹ World Bank, 24 Oct 2019

⁴² Sika Finance, 16 Jan 2020

⁴³ Corruptions Perception Index, 23 Jan 2020

⁴⁴ Corruptions Perception Index, 23 Jan 2020

⁴⁵ Transparency International's 2019 CPI Report

The 2019 CPI report, released on 23 January, acknowledges that Cote d'Ivoire has made significant legal, institutional and policy reforms in order to address corruption since the end of the 2010-2011 post-electoral crisis.⁴⁶ Some noteworthy measures include:

- Establishment in 2013 of **Plan Nationale de Bonne Gouvernance et de Lutte Contre la Corruption** (national plan for good governance and the fight against corruption);
- Establishment in 2013 of the **Haute Autorité pour la Bonne Gouvernance** (higher authority for good governance);
- Establishment in 2012 of the **Brigade de Lutte Contre la Corruption** (anti-corruption brigade), which oversees the asset declaration of 4,600 high-ranking officials.⁴⁷

Other organisations have also noted Cote d'Ivoire's improvement in fighting corruption since 2013. Côte d'Ivoire was the only African country to have improved in all 14 sub-categories of the **Ibrahim Index of African Governance (IIAG)** from 2013 to 2018.⁴⁸ The **2019 African Governance Report**, produced by the **United Kingdom-based Mo Ibrahim Foundation**, indicates that from 2014 to 2017 Cote d'Ivoire registered the third-highest improvement in the sub-category of transparency and accountability, obtaining 33.3 points out of 100 throughout that period.⁴⁹ However, the **2016 World Bank Enterprise Survey** noted that 73.6% of business people interviewed, identified corruption as a major constraint to doing business in Cote d'Ivoire, which was above the **sub-Saharan African** average of 41.6%.⁵⁰

Transparency International suggests that Ivorian authorities are now taking a more relaxed approach towards fighting corruption.⁵¹ The 2019 CPI notes Cote d'Ivoire has fared worse than some of its ECOWAS counterparts such as Ghana and **Senegal**, which have a similar size economy and similar governance model as Cote d'Ivoire. Senegal scored 45 points and ranked in 66th position, while Ghana came in at 80th position with 41 points. Cote d'Ivoire scored slightly higher than the sub-Saharan average of 32 points.⁵²

TI CPI Rankings 2019: Regional comparison					
	Senegal	Ghana	Cote d'Ivoire	Guinea	Nigeria
Ranking	66/180	80/180	106/180	130/180	146/180
Score	45	41	35	29	26

Cote d'Ivoire risks a further backslide in the CPI rankings with elections set to take place in October. To avoid this, it will need to ensure electoral integrity in the presidential contest, reinforce checks and balances, and manage conflicts of interest.⁵³ The **Autorité Nationale de Régulation des Marchés Publics** will need to continue its battle against corruption issues in the area of public procurement. Since 2014, the agency has suspended 36 firms from eligibility for public contracts.⁵⁴

⁴⁶ Corruptions Perception Index, 23 Jan 2020

⁴⁷ Transparency International Cote d'Ivoire, 23 May 2018

⁴⁸ The Africa Report, Dec 2018

⁴⁹ 2019 African Governance Report

⁵⁰ Transparency International Cote d'Ivoire, 23 May 2018

⁵¹ Corruptions Perception Index, 23 Jan 2020

⁵² Transparency International's 2019 CPI Report

⁵³ Corruptions Perception Index, 23 Jan 2020

⁵⁴ Transparency International Cote d'Ivoire, 23 May 2018

Planner

20 Mar 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. **World Forum on Tourism Investment**

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;

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

Chronology

10 Feb 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire will carry out a treasury bond issue on the **West African Economic Monetary Union (WAEMU)** regional market to raise 55 billion FCFA (\$91.4m);

7 Feb 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Ivorian agriculture minister **Kobenan Adjoumani** reports that cashew nut production fell by 17% from 761,317 tonnes in 2018 to 634,000 in 2019;

4 Feb 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. A security operation at the **Port Autonome d'Abidjan** (Abidjan port) seizes 411 kilograms of cocaine worth \$40m from three ships coming from **Brazil**;

3 Feb 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. Petroleum and energy minister **Abdourahmane Cissé** announces Cote d'Ivoire will start to export electricity to **Guinea** and **Sierra Leone**;

3 Feb 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. The **Japanese International Cooperation Agency (JICA)** has provided funding worth \$3m to Cote d'Ivoire for the third stage of the **National Police Capacity Building Project**, initiated by the **United Nations Development Program (UNDP)**;

3 Feb 2020 **Abidjan (Cote d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** says the ruling **Rassemblement des Houphouëtistes pour la Démocratie et la Paix (RHDP)** should win the October presidential election in the first round;

31 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. **Belgium**-based cocoa producer **Belvas** intends to build a cocoa transformation factory in Cote d'Ivoire which will produce 450 tonnes;

31 Jan 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. President **Alassane Ouattara** announces that constitutional revision will take place in March or April, in order not to violate **Economic Community of West African States (ECOWAS)** regulations forbidding constitutional amendments fewer than six months before presidential elections;

30 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The Ivorian government announces it will ban sugar imports for the next five years in order to support the development of local sugar production;

27 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. **United States**-based ratings agency **Fitch Ratings** predicts the October Ivorian presidential election will be relatively peaceful;

27 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The **Port Autonome de San Pedro** (San Pedro autonomous port) recorded 5m tonnes in traffic for 2019, a 31% increase compared to 2019;

27 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Cote d'Ivoire intends to raise 60 billion FCFA (\$100.7m) through a treasury bond issue on the **West African Economic Monetary Union (WAEMU)** regional market;

25 Jan 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. Cote d'Ivoire will carry out its fifth household survey in 2020;

24 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. **United Kingdom**-based **Globeleq** and **IPS West Africa** announce they have secured \$290.9m in financing for the fourth phase of the **Azito** power plant;

23 Jan 2020 **Abidjan (Cote d'Ivoire)** *Koaci.com*. Former national assembly president **Guillaume Soro** has lodged a case in **Paris (France)** against Ivorian state prosecutor **Richard Adou** and three others, accusing them of fraud and defamation;

22 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. The ministry of mines and geology reports gold production increased from 24.06 tonnes in 2018 to 32.47 tonnes in 2019;

22 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The Ivorian government intends to allocate 4.2 billion euros towards pro-poor spending in 2020;

17 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. The Ivorian government approves the award of four gold mining research permits to locally based firms;

17 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. A reported 25 hectares of the **Banco National Park** will be destroyed in order to construct the **Abidjan Metro**;

17 Jan 2020 **Abidjan (Cote d'Ivoire)** *RFI*. The state prosecutor says the **Cour de Cassation** is currently investigating charges against former **Assemblée Nationale** (national assembly) president **Guillaume Soro** of embezzlement of public funds;

16 Jan 2020 **Abidjan (Cote d'Ivoire)** *Agence Ecofin*. Transport minister **Amadou Kone** launches the construction of a \$127m cereal terminal at the **Port Autonome d'Abidjan** (Abidjan autonomous port) which will be built by **Japan**-based **TOA Corporation**;

16 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The **Agence Publique pour la Promotion de l'Investissement (CEPICI)** (public agency for investment promotion) says it approved 729.7 billion FCFA (\$1.2 billion) in investments in 2019;

16 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. Tourism minister **Siandou Fofana** launches the construction of the 28 billion FCFA (\$47.3m) tourist complex **Serena Village** in Abidjan;

15 Jan 2020 **Abidjan (Cote d'Ivoire)** *Sika Finance*. The **Japanese** and Ivorian foreign ministries sign an agreement to mutually protect and promote investments between the two countries;

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