

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly November 2023

Côte d'Ivoire Summary 24 November 2023

Conseil du Cafe-Cacao (CCC) (coffee and cocoa council) director general **Yves Brahim Kone** reveals on 25 October that the CCC is struggling to secure export contracts for the 2024/25 season. The sector also faces the challenges of being compliant with the European Union's (EU) new deforestation law, coming into effect in January 2025. During November, five candidates submit their bids to lead the opposition **Parti démocratique de Côte d'Ivoire (PDCI)**, which is currently facing a leadership crisis following former president and party leader, **Henri Konan Bédié's** (1993-1999) death in August. Former prime minister **Guillaume Soro** announces on 12 November that he will end his self-imposed exile that began in 2019, without specifying when he will return to Côte d'Ivoire.

Cocoa sector facing economic and compliance challenges

Conseil du Cafe-Cacao (CCC) (coffee and cocoa council) director general **Yves Brahim Kone** said on 25 October that CCC is struggling to secure export contracts for the 2024/25 season as multinational companies are demanding lower prices, which are currently elevated due to lower supplies.¹ **Côte d'Ivoire** is the world's top producer of cocoa and along with neighbouring **Ghana**, produces approximately two-thirds of the world's supply.² Kone confirmed that the CCC expects a 25% drop in the October to March main crop harvest compared to last year due to poor weather conditions, including heavy rains in the summer.³

The CCC has started selling export contracts for the 2024/25 season, but sales are slow with many companies unwilling to pay the going rate. One of the premiums that Côte d'Ivoire uses to improve the income of cocoa farmers is known as the origin differential and is paid to account for quality differences in beans from different origins. The premium is currently at zero, but companies are pushing for it to be negative.⁴

Demands for lower prices and lower supplies are not the only problems facing the cocoa sector though. The **European Union (EU)** has also urged Côte d'Ivoire to speed up its efforts regarding the traceability of its cocoa if the country is going to meet the criteria of the EU deforestation law that comes into effect in January 2025.⁵ EU ambassador to Côte d'Ivoire, **Francesca Di Mauro**, noted on 26 October that the EU has some concerns regarding the sector, especially around child labour, farming on protected forests, and the declassification of existing protected forests, also warning:

*"Côte d'Ivoire should not be tempted to declassify current protected forests where cocoa is produced to make them legal and compliant with the new European regulation."*⁶

The EU law requires importers of commodities such as coffee, cocoa, beef, soy, rubber and palm oil to produce a due diligence statement proving their goods do not contribute to the destruction of forests or risk receiving harsh fines. Di Mauro added that when the regulation enters into force all cocoa

¹ Reuters, 25 Oct 2023

² Reuters, 25 Oct 2023

³ France24, 22 Nov 2023

⁴ Reuters, 25 Oct 2023

⁵ Confectionary News, 26 Oct 2023

⁶ Reuters, 25 Oct 2023

supplies need to comply, noting that the EU was in intense and close negotiations on its standard on traceability and certification programme, but the Côte d'Ivoire needed to move faster.⁷ Côte d'Ivoire's main traceability system is through an electronic card system that helps track beans from plantation to their export port, confirm their origin and also helps the farmer earn the state-guaranteed price, however, nearly 500,000 cards still need to be distributed to farmers. The CCC also needs to introduce a certification system, as required by the EU, that shows the exact origin of the beans.⁸

The topic will also be on the agenda of the upcoming **United Nations Climate Change Conference (COP28)**, which will be held this year in **Dubai (United Arab Emirates)** from 30 November to 12 December. There, the **Cocoa and Forests Initiative (CFI)** is set to present updates on the industry's commitment to eliminate deforestation and restore degraded forests.⁹

Cocoa is a vital sector for Côte d'Ivoire, generating approximately 40% of export earnings and accounting for 15% of Gross Domestic Product (GDP). The EU is also a key market for Côte d'Ivoire, with the EU importing close to 70% of Côte d'Ivoire's cocoa annually. Losing this market would be devastating to the local sector, and the EU is unlikely to make any concessions if Côte d'Ivoire is not ready to abide by the new law.

Debates around 2025 presidential candidates picks up speed

More than two months after the September municipal and regional elections, debates about the presidential elections in 2025 and possible candidates have begun. On 1 November, 48 of 65 deputies from the opposition **Parti démocratique de Côte d'Ivoire (PDCI)** called on international banker and former minister **Tidjane Thiam** to run for the presidency of the party, which is currently facing a leadership crisis following party leader and former president, **Henri Konan Bédié's** (1993-1999) death in August.¹⁰ The new president will be chosen at the upcoming 16 December extraordinary congress.

However, Thiam will face competition from four other candidates. Former **Plateau** mayor **Noël Akossi Bendjo**, who spent three years in exile in **Paris (France)** following a sentence in absentia to 20 years in prison for embezzlement, has also submitted his candidacy. Since returning to Côte d'Ivoire in 2021, he has not been summoned to serve this sentence or by the PDCI disciplinary council, which he has taken as an indication that he is free to run for the party's leadership position.¹¹

The party's chief executive secretary, **Maurice Kakou Guikahué**, current **Cocody** mayor **Jean- Marc Yacé** and former budget minister under **Félix Houphouët-Boigny** (1960-1993), **Moïse Koumoué Koffi** have also submitted their candidacy files. **Philippe Cowpli-Boni**, who took over as temporary president of the party after Bédié's death, is not standing in the election.¹²

The ruling **Rassemblement des houphouëtistes pour la démocratie et la paix (RHDP)** is also seemingly already weighing up its options. RHDP board chairman **Kafana Koné** said in an interview on 2 November that President **Alassane Ouattara** (2010-present) remains the RHDP's natural candidate for the 2025 election but that the party has several other options, adding that Ouattara's focus right now is not the election but rather more pressing issues like the cost-of-living crisis.¹³ Ouattara has not confirmed if he will run, with such an announcement likely only to come later in 2024.

Guillaume Soro announces end to exile

⁷ Reuters, 25 Oct 2023

⁸ Reuters, 12 Sep 2023

⁹ Confectionary News, 22 Nov 2023

¹⁰ APA News, 1 Nov 2023

¹¹ Jeune Afrique, 20 Nov 2023

¹² AIP, 19 Nov 2023

¹³ Jeune Afrique, 2 Nov 2023

Former prime minister **Guillaume Soro** announced on 12 November that he would end his self-imposed exile that began in 2019, without specifying when he would return to Côte d'Ivoire. Soro was a key adviser to Ouattara, serving as his prime minister between 2012 and 2017 and then national assembly president until February 2019 when he stepped down to run against Ouattara in the 2020 elections. Soro spent several months in **Europe** following his decision to step down.

During this time, local authorities were investigating him and in December 2019, he was issued with an international warrant of arrest for allegedly “*undermining state security*” and “*embezzling state funds*” (see *ARC Briefing Côte d'Ivoire Jan 2020*).¹⁴ At the time the arrest warrant was issued, Soro was on a flight to Abidjan and requested the pilot to reroute the plane to **Accra (Ghana)** so he could avoid arrest.¹⁵ The **Tribunal de Première Instance d'Abidjan (TPI)** (tribunal of first instance) on 28 April 2020 sentenced Soro to 20 years' imprisonment for embezzlement and concealment of public funds.¹⁶ Adding to this, the **Cour d'Assises d'Abidjan** (Abidjan criminal court) on 23 June 2021 sentenced Soro to life imprisonment on charges of endangering national security (see *ARC Briefing Côte d'Ivoire Jul 2021*).

Following his announcement that he would end his exile, Soro first visited **Niamey (Niger)** to meet with junta leader General **Abdourahamane Tiani** before travelling to **Ouagadougou (Burkina Faso)** to meet with Burkina Faso's junta leader Captain **Ibrahim Traoré**.¹⁷ A spokesperson for the government said on 23 November that Soro was welcome to return to the country but that it is the judicial authorities who will decide on the application of Soro's prison sentence. Outside of this announcement, the government has not released any other commentary on Soro's return. A **West Africa** expert told **Africa Risk Consulting Briefing (ARC Briefing)** that this is because Soro is not of concern to the current administration:

*“He has his admirers in the north, in and around his fief of Ferkessédougou near the Burkina Faso border but his support base among the armed forces has been steadily eroding and his party, **Génération et peuples solidaires (GPS)**, has been banned and its members have defected in large numbers to the ruling party RHDP.”¹⁸*

Planning

13 Jan – 11 Feb 2024 (**Côte d'Ivoire**) Africa Cup of Nations (Afcon2023)

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

Chronology

22 Nov 2023 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Côte d'Ivoire and **Germany** sign a \$600m climate financing partnership;

21 Nov 2023 **Abidjan (Côte d'Ivoire)** *APA News*. Businessmen from Côte d'Ivoire and the **United Arab Emirates (UAE)** sign an agreement to bolster trade;

20 Nov 2023 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. President **Alassane Ouattara** is reportedly set to meet with **France's** President **Emmanuel Macron** in France to discuss several topics including the resizing of the **Forces françaises de Côte d'Ivoire (FFCI)** (French forces of Côte d'Ivoire), where approximately 900 French soldiers are stationed;

19 Nov 2023 **Abidjan (Cote d'Ivoire)** *Koaci.com*. President **Alassane Ouattara** arrives in **Berlin (Germany)** to attend the **G20 Compact with Africa** summit which aims to promote **African** economies to investors from the G20 countries;

¹⁴ Jeune Afrique, 23 Dec 2019

¹⁵ Jeune Afrique, 23 Jun 2021

¹⁶ Koaci.com, 28 Apr 2020

¹⁷ Jeune Afrique, 24 Nov 2023

¹⁸ ARC Source, West Africa expert

19 Nov 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Annual inflation decreases to 3.7% in October from 4.2% in September, driven by a deceleration in food price increases;

16 Nov 2023 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Government announces tax exemptions on staple foods such as corn, sorghum, rice, fresh meat and unprocessed fish in 2024 to help protect the purchasing power of citizens;

15 Nov 2023 **Abidjan (Côte d'Ivoire)** *APA News*. **Ivory Coast Exploration Oil and Gas (ICE Oil and Gas)** and state-owned **Petroci** sign a production sharing agreement for a block located off the coast of **Fresco**;

11 Nov 2023 **Abidjan (Côte d'Ivoire)** *APA News*. President **Alassane Ouattara** meets with **Gabon's** transitional president, **Brice Oligui Nguema**, on the sidelines of the **Saudi Arabia-Africa Summit** to discuss bilateral relations with Nguema describing the meeting as an opportunity for him to seek advice from Ouattara on how to successfully complete the transition;

8 Nov 2023 **Abidjan (Côte d'Ivoire)** *APA News*. Defence minister **Téné Birahima Ouattara** says the army is working to strengthen its operation capabilities ahead of the **2023 Africa Cup of Nations (Afcon2023)** which the country is hosting between 13 January and 11 February 2024;

3 Nov 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Australia**-headquartered **Tietto Minerals** in a press release says that **Chinese** mining company **Zhaojin Mining Industry's** \$400m offer to buy Tietto's **Abujar** mine "*significantly undervalued the company*" and recommends that shareholders do not accept it;

29 Oct 2023 **Abidjan (Côte d'Ivoire)** *APA News*. President **Alassane Ouattara** hosts **Senegal's** President **Macky Sall** to discuss regional and continental issues;

27 Oct 2023 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. **Burkina Faso** and Côte d'Ivoire begin negotiations to demarcate their border, which has long been unclear and largely unprotected by **Burkinabè** armed forces on its side, with Côte d'Ivoire claiming that **jihadists** stock up on supplies in the area;

25 Oct 2023 **Abidjan (Côte d'Ivoire)** *RFI*. Military soldiers mobilised for the potential military intervention by the **Economic Community of West African States (ECOWAS)** in **Niger** have reportedly now been told to stand down, as **Nigeria**, the driving force behind the intervention, has backed down;

25 Oct 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Australia**-headquartered **Perseus Mining** announces its quarterly results, highlighting that its **Yaouré** and **Sissingué** gold mines have produced 246,898 ounces since the start of 2023;

25 Oct 2023 **Abidjan (Côte d'Ivoire)** *APA News*. Council of ministers adopts the 2024 budget set at 13.72 trillion FCFA (\$22.19 billion), a 17.3% increase compared to the 2023 budget;

25 Oct 2023 **Yamoussoukro (Côte d'Ivoire)** *Reuters*. **European Bank for Reconstruction and Development (EBRD)** announces that both Côte d'Ivoire and **Benin** have been approved to join as new members by their shareholders;

About Africa Risk Consulting:

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ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations

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