

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly December 2023

Côte d'Ivoire Summary 14 December 2023

Italian energy giant ENI announces on 23 November that it will invest \$10 billion into its Baleine deposit, which entered production on the same day. Côte d'Ivoire signs partnerships with Morocco and Germany to gather financial and technical support to help it fight against climate change. The World Bank on 8 December disburses \$300m to help Côte d'Ivoire promote reforms that will help the country achieve its medium-term goal of becoming an upper middle income country by 2030. The upcoming year will be dominated by political developments ahead of the 2025 presidential election, as the opposition seeks to challenge the dominance of the ruling Rassemblement des houphouëtistes pour la démocratie et la paix (RHDP). The headwinds already facing the cocoa sector will also push the government to look at diversifying the economy.

Baleine deposit will bring Côte d'Ivoire into the club of major oil producing countries

The **Baleine** oil and gas deposit began production on 23 November, with operator, **Italian** energy provider **ENI** confirming it will invest \$10 billion in the deposit which should bring **Côte d'Ivoire** into the circle of major oil producing countries.¹ The Baleine deposit was discovered in September 2021 on offshore blocks CI-101 and CI-802, off the coast of **Assinie**, 80 km southeast of **Abidjan**. It possesses certified reserves of 2.5 billion barrels of oil and 3.300 billion cubic feet of natural gas.² ENI operates the project together with the state owned oil company **PETROCI**.³ PETROCI owns 17% of the joint venture with ENI and will derive 52% of profits generated, after costs have been amortised (see *ARC Briefing Côte d'Ivoire Dec 2021*).

Present at the ceremony marking production on 23 November, mines, oil and energy minister **Mamadou Sangafowa-Coulibaly** called the event an “*historic day*” for Côte d'Ivoire.⁴ Also present at the ceremony, prime minister **Beugré Mambé** added that Baleine will bring “*inclusive and sustainable growth*” as well as provide “*abundant, affordable and sustainable energy*”.⁵ Mambé also welcomed ENI's net zero carbon approach.⁶ The government has previously committed to offsetting the carbon emissions generated by this development through green and sustainable projects. This approach aims to minimise the environmental impact of the exploitation of the Baleine deposit.⁷

During the first operation phase, production is 18,000 barrels per day (bpd) but will increase to 50,000 bpd by December 2024 and 150,000 bpd in 2027. With the volume of the current production from other operating deposits, the country's total crude production would then add up to 200,000 bpd by 2027.⁸

¹ Sika Finance, 24 Nov 2023

² Sika Finance, 24 Nov 2023

³ Sika Finance, 24 Nov 2023

⁴ Sika Finance, 24 Nov 2023

⁵ Sika Finance, 24 Nov 2023

⁶ Sika Finance, 24 Nov 2023

⁷ eng.fatshimetrie.org, 24 Nov 2023

⁸ Sika Finance, 24 Nov 2023

The same is true for natural gas, of which the country will produce 200 million bpd by 2021, which will partly supply its thermal power plants. One of its by-products is butane content, which Sangafowa-Coulibaly noted is also expected to be of great benefit to the local economy:

“For butane, 150,000 metric tons per year will be produced, a third of local household consumption, which will make us less dependent on import.”⁹

At the time of its discovery in fall 2021, the Baleine deposit was already considered to be key not only for Côte d’Ivoire but for **West Africa** as a whole and could eventually help supply the region with oil and gas.¹⁰

Côte d’Ivoire has granted 59 oil research permits in recent years, with the aim of encouraging local companies to get involved in this promising sector. This strategy aims to stimulate the country’s economic growth by exploiting its natural resources in a responsible and sustainable manner.¹¹

Partnerships with Morocco and Germany to address climate change

Societe d’Exploitation et de Developpement Aeroportuaire, Aeronautique et Meteorologique (SODEXAM) (airport, aeronautical and meteorological operation and development company) and **Morocco’s Direction générale de la météorologie (DGM)** (general directorate of meteorology) on 9 December signed a memorandum of understanding (MoU) on the sidelines of **COP28** aimed at consolidating their cooperation in the fields of meteorology and climatology.¹² Environment, sustainability and ecological transition minister **Jacques Assahore Konan** indicated that the agreement will allow Côte d’Ivoire to take advantage of the experience, equipment and technologies already available in Morocco, especially in the area of weather forecasting to cope with the effects of climate change.¹³

Prior to this, on 20 November, Côte d’Ivoire concluded a partnership worth \$599.77m with **Germany** to enforce climate protection and development.¹⁴ The communication was made public during a meeting between President **Alassane Ouattara** (2010-present) and the German chancellor **Olaf Scholz** in **Berlin** (Germany).¹⁵ The visit to Germany took place under the framework of the 5th edition of the **Compact with Africa** conference of **G20** countries. During the conference, Ouattara also highlighted the other areas of cooperation between the two countries:

“Our subjects of common interest, notably security, the financing of African economies and the mobilisation of private investments in favour of Africa were at the heart of the exchanges.”¹⁶

The new partnerships come at a key time - on 28 November, a government report revealed that Côte d’Ivoire could lose between 3% and 4.5% of GDP between 2023 and 2030 due to climate change. As a result, the government is also seeking to access support from the **International Monetary Fund (IMF)** and its **Resilience and Sustainability Facility (RSF)**.¹⁷ The RSF provides affordable long-term financing to countries that are undertaking reforms to reduce risks to balance of payments stability, specifically those related to climate change and pandemic preparedness.

World Bank provides new funding ahead of new partnership

The **World Bank** on 8 December approved a disbursement of \$300m for Côte d’Ivoire to help promote reforms that will help the country achieve its medium-term goal of becoming an upper middle income country by 2030. This goal has been outlined in the **Plan national de Développement**

⁹ Sika Finance, 24 Nov 2023

¹⁰ Africa Report, 29 Nov 2021

¹¹ eng.fatshimetric.org, 24 Nov 2023

¹² Barlamane, 10 Nov 2023

¹³ Barlamane, 10 Nov 2023

¹⁴ Anadolu Agency, 21 Nov 2023

¹⁵ Anadolu Agency, 21 Nov 2023

¹⁶ Anadolu Agency, 21 Nov 2023

¹⁷ Agence Ecofin, 28 Nov 2023

(PND) (national development plan) for the period 2021-2025. The funds will be used to help expand access to health and education, improving quality of basic education, expanding health insurance access and addressing skills shortages.¹⁸

Following the announcement, on 13 December, the World Bank and Côte d'Ivoire officially launched their new **Country Partnership Framework (CPF) 2023-2027** which was first presented in February 2023 (see *ARC Briefing Côte d'Ivoire Feb 2023*).¹⁹ The CPF is focused on improving human capital, reducing disparities, building resilience and creating private sector jobs. The World Bank has a current active portfolio of \$6.3 billion in Côte d'Ivoire and is therefore the country's leading financial partner.²⁰

Outlook

The upcoming year will be politically focused as the country readies for the 2025 presidential election. Ouattara has not confirmed if he will run, however, given the ruling **Rassemblement des houphouëtistes pour la démocratie et la paix (RHDP)** dominance in the municipal, regional and senatorial elections, whoever the party's candidate is, is likely to be the next president. The opposition will seek to organise itself ahead of the election though in a bid to still challenge the RHP. Côte d'Ivoire is yet to make the most of its oil and gas sector and thus the cocoa sector will continue to be its key foreign exchange earner, however, the sector has faced difficulties this year and in 2024, it is expected to face further headwinds. This will likely prompt the government to pursue further diversification of revenue sources, including through its budding mining sector

Planning

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

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

Chronology

12 Dec 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Netherlands**-headquartered **Yango** announces it will invest \$300m to further expand and support operations;

11 Dec 2023 **Abidjan (Côte d'Ivoire)** *Jeune Afrique*. **Conseil café cacao (CCC)** director general **Yves Brahima Koné**, defence minister **Téné Birahima Ouattara** and interior minister **Diomandé Vagondo** collaborate to strengthen security along the western, eastern and northern borders to fight cocoa smuggling;

9 Dec 2023 **Abidjan (Côte d'Ivoire)** *AIP*. Interior and security minister **Vagondo Diomandé** reveals that his ministry has a budget of 682.83 billion FCFA (\$) for 2024, a substantial budget that will help ensure the country's safe hosting of the **African Cup of Nations (AfCcon)**;

8 Dec 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **World Bank** approves a disbursement of \$300m to help support key reforms aimed at helping Côte d'Ivoire achieve its goal of becoming an upper-middle-income economy by 2030;

8 Dec 2023 **Abidjan (Côte d'Ivoire)** *AIP*. Côte d'Ivoire and **Norway** sign an agreement to strengthen military cooperation;

7 Dec 2023 **Abidjan (Côte d'Ivoire)** *APA News*. Agriculture ministry reports that the 2023/2024 cocoa harvest is forecast to drop by 20% to 1.8 million tonnes;

5 Dec 2023 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. **International Monetary Fund (IMF)** board of directors approves the disbursement of \$495.2m to Côte d'Ivoire under its \$3.5 billion **Extended Credit Facility** and **Extended Fund Facility**;

¹⁸ World Bank, 8 Dec 2023

¹⁹ AIP, 12 Dec 2023

²⁰ AIP, 12 Dec 2023

4 Dec 2023 **Abidjan (Côte d'Ivoire)** *AIP*. **Parti démocratique de Côte d'Ivoire (PDCI)** presidency candidate and current vice president of the opposition party **Noël Akossi Bendjo** withdraws from the election in favour of **Tidjane Thiam**;

1 Dec 2023 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Canada**-headquartered **Endeavour Mining** revises upwards the potential of its **Tanga-Iguela** permit from 3 million ounces to 4.7 million ounces;

28 Nov 2023 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. A government report on climate change finds that Côte d'Ivoire could lose between 3% and 4.5% of GDP between 2023 and 2030 due to climate change, prompting the government to seek financial support from the **International Monetary Fund (IMF)** and its **Resilience and Sustainability Facility (RSF)**;

25 Nov 2023 **Abidjan (Cote d'Ivoire)** *AFP*. Foreign affairs minister **Léon Kacou Adom** and the ambassador to **China**, **Dosso Adama**, celebrate 40 years of diplomatic relations between the two countries;

23 Nov 2023 **Abidjan (Cote d'Ivoire)** *AFP*. Government confirms that former prime minister **Guillaume Soro**, who has been in exile for four years, can return to the country but that the judicial administration will handle the implementation of sentences facing Soro;

About Africa Risk Consulting:

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