

AFRICAN DEVELOPMENT BANK



**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

GABON

**COUNTRY ASSISTANCE EVALUATION
1996-2008**

High Level Evaluations Division (OPEV.2)

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ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
AFD	:	<i>Agence Française de Développement</i> (French Development Agency)
APIP	:	Private Investments Promotion Agency
CAE	:	Country Assistance Evaluation
CEMAC	:	Central African Economic and Monetary Community
CFAF	:	African Financial Community Francs
CPIA	:	Country Policy and Institutional Assessment
CSP	:	Country Strategy Paper
CTP	:	Technical Privatization Committee
ECCAS	:	Economic Community of Central African States
EGEP	:	Poverty Assessment Survey of Gabon
EITI	:	Extractive Industries Transparency Initiative
ESW	:	Economic and Sector Work
GAFO	:	Gabon Field Office
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
HEVEGAB	:	Gabon Rubber Development Corporation
HIV/AIDS	:	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
IDB	:	Islamic Development Bank
IMF	:	International Monetary Fund
ISTA	:	<i>Institut Supérieur de Statistique et Technologie Avancée</i>
LDAT	:	Land Use Planning and Regional Development Law
MDG	:	Millennium Development Goal
MIC	:	Middle Income Country
MTEF	:	Medium Term Expenditure Framework
NEPAD	:	New Partnership for Africa's Development
OHADA	:	Organization for the Harmonization of Business Law in Africa
OPEV	:	Operations Evaluation Department
OPSM	:	ADB Private Sector Department
PAP	:	Priority Action Plan
PCR	:	Project Completion Report
PDSS	:	Health Services Development Project
PNBG	:	National Good Governance Programme
PR-1	:	Road Programme Phase 1
PRGSP	:	Poverty Reduction and Growth Strategy Paper
PRIVATIS	:	Public Enterprise Restructuring/Privatization Programme
PRR	:	Portfolio Review Report
PRSP	:	Poverty Reduction Strategy Paper
RBCSP	:	Results-Based Country Strategy Paper
RMF	:	Road Maintenance Fund
SAL	:	Structural Adjustment Loan
SIAT	:	Tropical Agriculture Investment Company
SII	:	Integrated Information System
SME/SMI	:	Small and Medium-size Enterprise/ Small and Medium-size Industry
SOGADEL	:	Gabon Livestock Development Corporation
TFP	:	Technical and Financial Partner
UA	:	Unit of Account
UNDP	:	United Nations Development Programme
US	:	United States
VHF Ebola	:	Ebola-Type Viral Hemorrhagic Fever
WHO	:	World Health Organization

Preface

The Operations Evaluation Department (OPEV) would like to thank all stakeholders who helped with the preparation of this report. This report was distributed to the Gabonese authorities and the Country Team of the Bank for review and comments. The Gabonese authorities did not present any written comments, whereas those of the Bank have been taken into account in this report. OPEV Department is fully responsible for the report.

EXECUTIVE SUMMARY

Context

1. Gabon is a sparsely populated country with an estimated population of 1.5 million inhabitants (2008), and the 4th oil producer in sub-Saharan Africa. Its cooperation with the Bank dates back to 1974. The aim of this study is to assess the Bank's assistance in Gabon over the 1996-2008 period and its impact on the country's development, so as to draw conclusions and make useful recommendations for the future. The evaluation criteria are based on those of the Development Aid Committee (DAC). Three country strategy papers (CSPs) were prepared during the period to guide the Bank's action.

Socioeconomic Trend

2. The economy of Gabon is based mainly on oil. In view of the exhaustible nature of the commodity and volatility of world market price, the authorities have focused their attention on economic diversification, with greater involvement of the private sector. However, despite the efforts, the change to a more diversified economy has been slow. In 2008, the oil sector accounted for 64% of the State budget revenue, 82% of export earnings, and 48% of GDP. Contributions to GDP by agriculture (3.8%), forestry (1.4%) and the manufacturing sector (4.9%) are marginal. Over the past ten years, the share of food imports has nearly doubled at present value to 20%.

3. During the period under review, Gabon undertook reforms supported by the international community, including the Bank. Between 2003 and 2008, growth was relatively modest, peaking at 5.6% in 2007. Gabon drastically reduced its external debt, and met most of the convergence criteria of CEMAC economic policies. Gabon is an upper-end middle income country, but with social indicators comparable to those of low income countries. The high rates of unemployment (25%)¹, poverty (33%) and social inequalities are also causes for concern.

Bank Assistance

4. The Bank is one of the major donors of Gabon. Throughout the period under review (1996-2008), its strategies supported the following development goals of the country: (i) consolidation of the macroeconomic framework and strengthening of good governance, (ii) economic diversification (iii) reinforcement of infrastructure, and (iv) human capital development. The CSPs were relevant because they were aligned with the country's needs, as well as the Government's strategies and programmes for the periods concerned, particularly the National Solidarity and Development Pact, the Land Use Planning and Regional Development Law (LDAT), the Poverty Reduction Strategy Paper (interim PRSP), and the Poverty Reduction and Growth Strategy Paper (PRGSP).

5. The 2006-2010 RBCSP opts for greater selectivity, compared to previous CSPs, by concentrating on two pillars: (i) Strengthening of Governance, and (ii) Improvement of Infrastructure. However, it should be noted that the word "pillar" appears for the first time in this RBCSP. Hence the need to maintain strategic selectivity in the two pillars so as not to disperse efforts in too many sectors. In the RBCSP, the "governance" pillar aims at improvement and efficiency of the administration, strengthening of the budgetary process, and improvement of the business climate. The "infrastructure" pillar is particularly broad because,

¹ Source : ADB/OECD, 2006/2007

according to the RBCSP mid-term review report, it includes development of the road network, sanitation and electrification.

6. The Bank mobilized funds from the MIC Trust Fund for capacity building and analytical studies, and supported some operations such as the Road Programme Phase 1 (PR-1) and Education Project III on technical and vocational education. Support to SIAT Group, through its subsidiaries in Ghana and Gabon, is a good example of collaboration between a private group and the Bank. ADB resources allocated to Gabon over the period under review amounts to UA 338.18 million. As regards financing instruments, project lending was used most: 77.5% compared to 22.5% for a structural adjustment loan. The sector breakdown of financing has changed, with the transport sector increasing its predominance (65.1% compared to 29.4% the previous period), followed far behind by the multi-sector (23.2%), agriculture and rural development (7%), and the social sector (4.4%). With only a single intervention, which was a success story, the Private Sector Window assistance needs to be strengthened to enable the country to develop a dynamic private sector and prepare for the post-oil era.

Conclusions

7. Despite the relevance of the strategies, the Bank's assistance to Gabon throughout the 1996-2008 period was generally unsatisfactory. The performance of the active portfolio has improved however it remained overall unsatisfactory because of persistent generic problems identified by the two parties in the portfolio reviews. The overall performance of completed projects is also unsatisfactory. The long delays in fulfilling loan conditions, inadequate quality at entry, problems of implementation capacity, as well as the consequences of the protracted period of sanctions (from 1998 to 2001) were the root causes of cancellation of activities and delays in achieving results. This lack of efficiency and responsiveness reduced the Bank's capacity to contribute more effectively to the country's development. Like the Road Programme (PR-1), which is supposed to draw lessons from past experience, the Bank's programmes still take time to materialize. Moreover, owing to lack of post-operation policies, project impacts sustainability has been limited.

8. However, mention should be made of the satisfactory performance of non-financial activities as a result of recent capacity building efforts, studies, policy dialogue and contribution to aid coordination. The economic and sector works (ESW) contributed to the definition of policies. The presence and enhancement of the Regional Office (GAFO) strengthened dialogue, partnership, as well as continuous assistance to the country. Greater empowerment of GAFO under decentralization should improve effectiveness and responsiveness.

9. This progress indicates gradual improvement. However the challenge of translating the objectives and actions into tangible results remains. While Bank support, with other partners, to the consolidation of macroeconomic framework and good governance was judged satisfactory, the Bank's contributions remain limited, particularly in comparison to the strategic objectives, such as improvement of governance, economic diversification, reinforcement of infrastructure, and human capital development. The sustainability of the macroeconomic outcomes seems unlikely in view of the volatility of the country's economic situation, a risk that is increasing due to the current global financial crisis.

10. The Government's performance has been generally unsatisfactory; however, mention should be made of its commitment to sometimes difficult reforms, such as compliance with EITI criteria, declaration of wealth, and the fight against illicit enrichment.

Ownership of aid in the form of projects was inadequate. The Bank made efforts to improve the portfolio quality by enhancing the supervisory role and intervention capacity of the Regional Office (GAFO). However, like PR-1 still undergoing implementation, the Bank's programmes are taking time to materialize and produce the expected impacts. Hence, the need for more effective dialogue between all the stakeholders so as to achieve greater impact by Bank assistance on the country's development.

Recommendations

The recommendations of OPEV evaluations on quality at entry and supervision are also relevant for Gabon. In addition the following recommendations are proposed:

1. Increase strategic selectivity within CSP pillars – infrastructure and governance – on the basis of high quality economic and sector analytic work and more targeted policy dialogue.
2. Strengthen Bank's support to development of the private sector through active involvement and stronger synergies in improvement of business climate and direct support to the sector.
3. Strengthen support to good governance by improving realization, effectiveness and synergy of actions through the effective implementation of updated legal texts and instruments.
4. Show greater interest in country capacity building to take over and implement Bank financed operations. Prepare project implementation schedules and rigorously select project managers, training programmes, putting in place accounting and financial management systems and procedure manuals.
5. Strengthen monitoring and evaluation and the Bank's presence on the Field by further empowering GAFO, as well as through joint supervision missions associating GAFO's available expertise and at the central level, in order to avoid unduly wide deviation from initial objectives and slippages in projects implementation.
6. Improve coordination and synergy of action among the various departments of the Bank, including the Private Sector Department and GAFO, by focusing on shared vision for Bank's assistance in Gabon, division of labour and accountability.

I. INTRODUCTION

1.1 Objectives and Scope of Evaluation

1.1.1 This Country Assistance Evaluation (CAE) reviews assistance by the African Development Bank (the Bank) to Gabon over the 1996-2008 period, covering 3 programming cycles namely 1996-1998, 2003-2005 and 2006-2010, with each based on a Country Strategy Paper (CSP). Given the suspension of disbursements as a result of repayment arrears-related sanctions, the Bank did not prepare a CSP for the 1991-2001 period.

1.1.2 The objective of the evaluation is to draw conclusions and make recommendations to improve ongoing and future interventions. The report evaluates Bank assistance in the form of loans and non-financial activities. It takes into account projects and programmes approved prior to 1996 and completed after 1996, those approved between 1996 and 2007 (completed or ongoing), as well as economic and sector work, resource mobilization, and dialogue on aid policies and coordination.

1.2 Methodological Approach

1.2.1 The framework of the report is based on the CAE methodology of the Operations Evaluation Department (OPEV)² and draws on the good practices of multilateral development banks³. The CAE assesses the performance of Bank assistance and not the progress made by Gabon in its overall development. The assessment of the performance of Bank assistance to the country is based on a set of evaluation criteria⁴.

1.2.2 The Bank operates in Gabon with other development partners to support the Government's efforts. Its specific contribution to changes is often difficult to determine because of the multiplicity of factors that have direct and indirect impacts on development activities at country level. Consequently, the assessment of the impacts of Bank assistance will identify the major factors leading to their achievement and the extent to which the Bank has made (or failed to make) a real and significant contribution to the major results. This link between Bank assistance and development outcomes will be assessed by: (i) determining the role of the Bank in the sector or thematic area, and (ii) taking into account the actions of other development partners and exogenous factors. The evaluation will seek to determine the Bank's contribution to the results achieved by assessing the extent to which its assistance has provided value added beyond its financial services.

1.2.3 The evaluation is based on documentation available at the Bank, in the country and with the partners, in particular policy documents (CSP, Poverty Reduction Strategy, Macroeconomic and Sector Policies, etc.), projects (Project Appraisal, Supervision and

² Guidelines for Country Assistance Evaluation, Note, OPEV/ADB/2005.

³ Good practice standards for Country Strategy and Programme Evaluation, MDB-ECG, May 2008

⁴ Relevance, effectiveness, efficiency, sustainability, impact, institution building, the country's performance and the Bank's performance. Relevance refers to the extent to which consistency of the design and objectives of the assistance strategy and programmes meets the needs of the country and the Government's development plans and priorities. The optional positioning criterion specifies the area of concentration of the strategy. Effectiveness refers to the extent to which assistance instruments have achieved the set objectives. Efficiency indicates how economically resources (funds, expertise, time, etc.) are converted into results. Sustainability determines the extent to which the actual and anticipated results will be resilient to risks after the programme period. Institution building refers to the extent to which the assistance has improved the country's capacity to make more efficient, equitable and sustainable use of its human, financial, and natural resources. Impact refers to contribution of Bank assistance to long-term changes in Gabon's development. A rating scale of 0 to 4 is used (see Annex 2).

Completion Reports) and other data. The monitoring-evaluation system at the Bank and in the country is rather limited. As much as possible, this drawback was remedied by internal and external documentation.

1.2.4 Apart from the documentary reviews, sector evaluations were conducted on: (i) the multi-sector and (ii) infrastructure. The evaluation draws on the findings of field missions and interviews with stakeholders of the Bank's operations during Bank mission to Gabon from 24 January to 6 February 2009. In the course of visits during the mission, the team was accompanied by a GAFO representative and an adviser from the Ministry of the Economy and Finance whose contributions to the discussions sought to justify and highlight the achievements of Government actions. These meetings reviewed, in a participatory manner and on the basis of the evaluation criteria, the Bank's assistance to Gabon. Thus, the mission was able to gather useful information and supplement, as well as validate the observations made during the preliminary documentary review.

II. COUNTRY CONTEXT AND DEVELOPMENT POLICIES AND STRATEGIES

2.1 Geopolitical Context

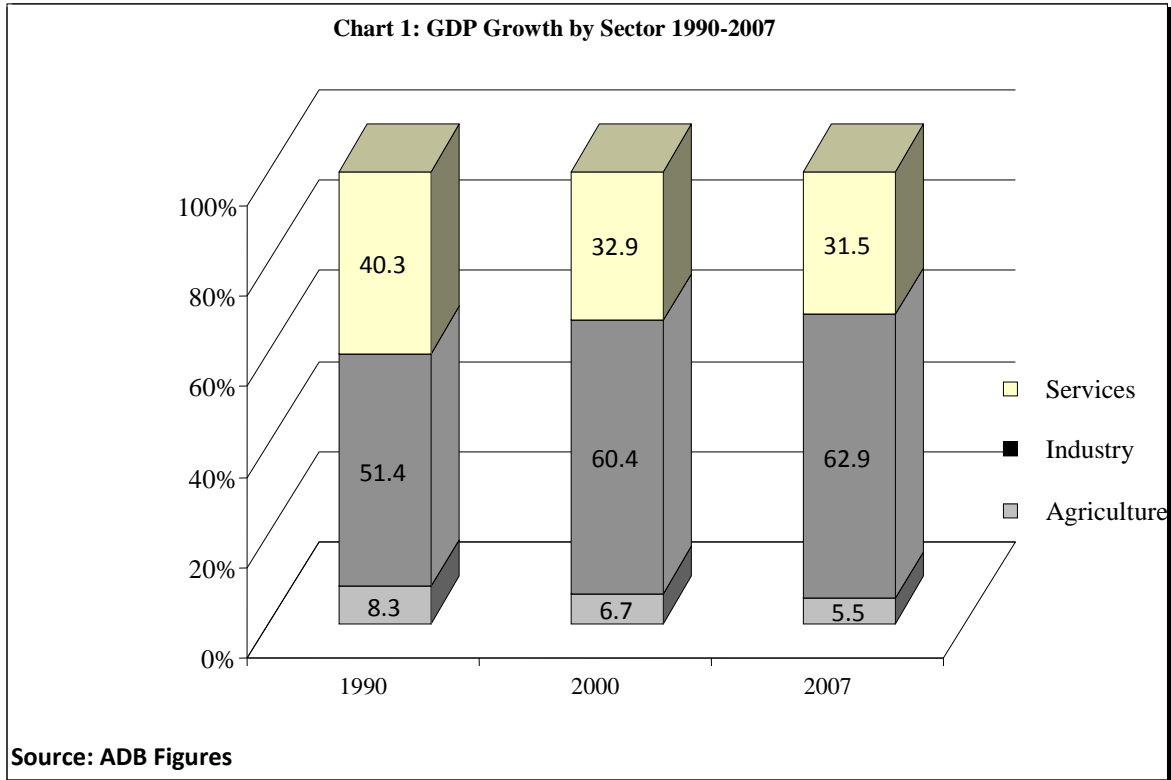
2.1.1 *A country with exceptional natural resources and a highly urbanized population.* Gabon is a sparsely populated country with an estimated population of 1.5 million inhabitants (2008). It covers a total area of 267,667 km² and a population density of 5.4 inhabitants/km², the lowest in Africa. Gabon is essentially a forest country. Indeed, nearly 85% of the total area of the country is covered by forests (about 22 million hectares). The oil income and its distribution have fuelled very rural exodus, leading to one of the highest urbanization rates in Africa of 84.6%. The country is in a favourable geographic location at the heart of the Gulf of Guinea and Central Africa, with an 800km-long coastline that offers regional integration opportunities. It enjoys significant advantages, with two rainy seasons and abundant rains of up to 1831 mm, a fertile soil, a dense river system and a forest that covers 80% of the country. Gabon is also the fourth oil producer in sub-Saharan Africa, after Angola, Nigeria, and Equatorial Guinea, with 289,700 barrels per day and proven reserves of about 2.5 billion barrels. Furthermore, the country has other natural resources, particularly manganese, iron ore, and timber of which it is the second African exporter, after Cameroon.

2.1.2 The political context is characterized by relatively stable institutions. Gabon has active civil society organizations, and its stability is sometimes threatened by episodes of unrest in the form of strikes and protests against election results. But the main factors of potential instability are the high rates of unemployment (25%) and poverty (33%), two situations that can lead to greater social upheavals in the country.

2.2 Economic Trends

2.2.1 *Gabon is a middle income country (MIC) with a cash economy that is vulnerable to external shocks, namely fluctuations in the prices of its major exports, and striving to diversify its resources.* The economy of Gabon is essentially based on the exploitation of oil, manganese, and timber. Despite the creation of public enterprises and the implementation of a vast investment programme over 1975-1985 period, the shift towards a diversified productive economy has been slow. Non-oil GDP growth is essentially based on timber and manganese,

which are export products. In 2007, the oil sector accounted for 64% of the Government's fiscal revenue, 82% of export earnings, and 48% of GDP. Contributions to GDP by agriculture (3.8%), forestry (1.4%), and manufacturing (4.9%) are marginal. The structure of the Gabonese economy has not changed significantly since 1990, and is still dominated by the industrial sector that essentially consists of extractive industries, including oil (Chart 1).

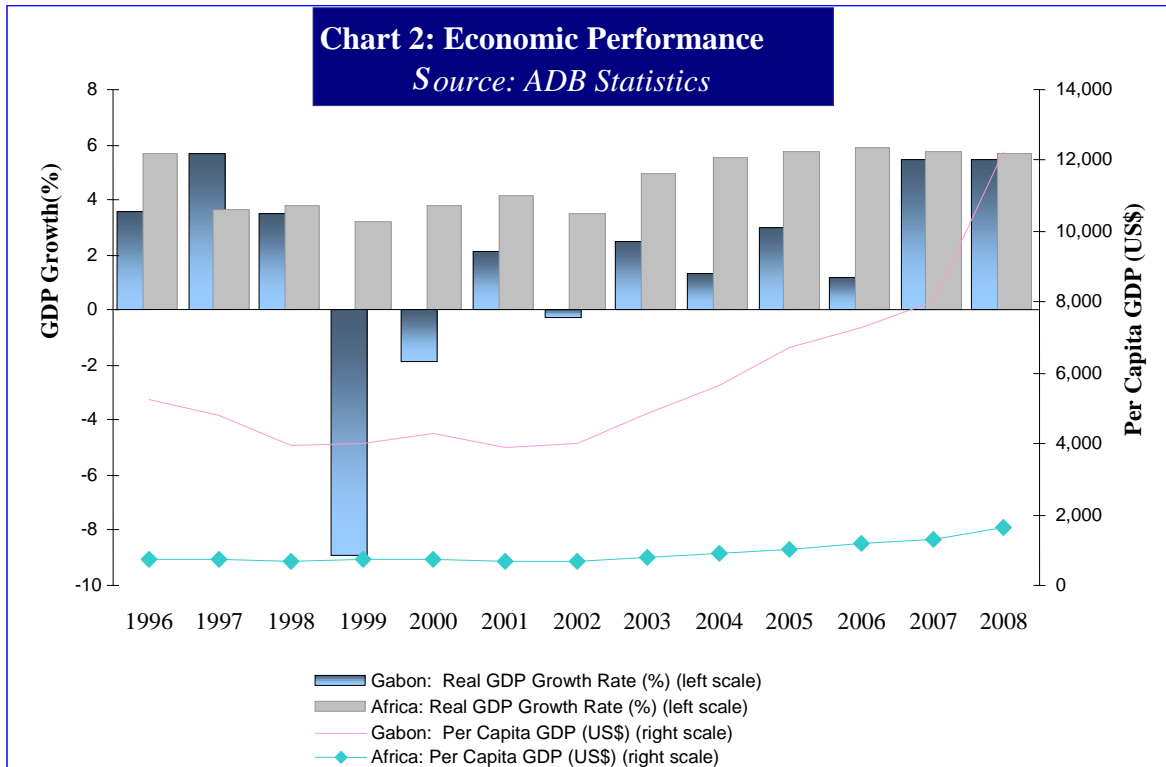


2.2.2 The economy of Gabon has undergone several phases in its development. Between 1975 and 1985, as a result of the upsurge in oil prices, GDP recorded an annual average growth of 7.2%. However, in 1986 the country experienced a severe crisis as a result of the slump in oil prices and the depreciation of the US dollar. Real GDP fell by 27% in 1986 and the recession continued in 1988 (-6.2%). The reforms undertaken by the Government under the financial stabilization and structural adjustment programmes (1987-1993) were jeopardized mainly by socio-political unrest at the beginning of the 1990s. As a result, the structure of the economy remained unchanged.

2.2.3 The trend reversed as a result of the general restructuring that followed the 50% devaluation of the CFAF in 1994 and the establishment of an economic recovery programme (in 1994/1995 and 1995/1998). GDP rose by 3.4% in 1994 compared to a 3.3% decline in 1992, and the budget recorded a 2.7% surplus in 1996 after 5.7% deficit in 1993. This improvement lasted until 1998 before the economy slid back into a recession with low growth rates (-8.9% in 1999, 2.0% in 2001, and -0.6% in 2002).

2.2.4 The subsequent recovery stemmed from the structural reforms undertaken since 2002 to stabilize the economy and restore its internal and external viability, as well as give fresh impetus to growth. Indeed, in view of the magnitude of macroeconomic and financial imbalances and the bleak prospects of the oil sector, the Government to put in place a vast economic reform programme in 2003 based on public finance restructuring and a growth

stimulation policy for the non-oil sector. To that end, the Government concluded an IMF Staff-Monitored Programme for the September – December 2003 period, followed by a Stand-by Arrangement in May 2004 to back the 2004-2005 reform programme. The Bank supported this programme through the Third Structural Adjustment Loan (SAL3). Another 3-year Stand-by Arrangement 2007-2010 to deepen the reforms is underway.



2.2.5 The economic performance led to rather high growth between 2003 and 2008, peaking at 5.6% in 2007 (see Chart 2), the highest for 10 years driven by the non-oil sector. Public finance recorded a surplus primary balance of 11.5% of GDP in 2007 compared to 7.9% in 2002. Inflation, which had attained 33% following the devaluation of the CFAF, was contained within reasonable limits with an annual average of 0.7% over the 2001-2005 period and 4.8% in 2007 (below the limits fixed for CEMAC countries at 3%). The debt ratio fell from 69.1% in 2002 to 15.2% of GDP in 2008, well below the 70% set by the CEMAC convergence criteria.

2.3 Social Trends

2.3.1 **Social indicators comparable to those of low income countries which contrast with the country's wealth and potential.** With a gross per capita income of US\$ 8,000 in 2007, Gabon is ranked in the upper echelon of MICs. However, its social indicators are similar to those of low income countries. Life expectancy at birth (57 years) and the HDI (0.677) in 2007 are below the averages for all development countries, that is 65 years and 0.690 respectively. Poverty is relatively widespread, as are social inequalities in terms of income disparities, youth unemployment, and the precarious nature of urban housing.

2.3.2 An Assessment of progress towards achieving the MDGs shows that with an ever-improving net enrolment rate of 92.4% in 2006⁵ compared to 78% in 2005, Gabon is not far from achieving the 100% target by 2015. There are gender equality problems in view of the virtual enrolment parity between girls and boys (93% as against 92%) in 2006. Adult literacy rate, which was 70% in 2006, is above the African average (66.7%). There has been a significant improvement in child health, with a decline in mortality rate from 81.6 per 1000 in 2001 to 53.8 per 1000 in 2007. The incidence of malaria among under-5 year olds fell sharply from 16.3 % in 2000 to 4.9% in 2005, thereby approaching the target set (4%). Over 82% of Gabonese had access to drinking water in 2006 compared to 70% in 2000.

2.3.3 However, the relative performance of education should be qualified in view of the low internal efficiency of the education system and the fact that it does not respond to the labour market needs. The repeat rate is high (estimated at 40% in 2001 at the primary level) with a large number of annual dropouts (17 % in 2001). The problem lies in retaining children in the education system. Maternal mortality worsened, increasing from 500 per 100,000 live births over the 1990-1999 period to 520 per 100,000 births in 2005-07. HIV/AIDS, which is on the increase, constitutes a threat to public health and even development. The prevalence rate increased from 2.8% in 1993 to a critical threshold of 8.9% of the population in 2008. Despite a favorable economic environment, the rate of unemployment of the working population increased from 20% in 1997 to 25% in 2005. The Gini index (ranging between 0 and 1) of about 0.44 in 2005 confirms income disparity in the country. The Gabonese Poverty Evaluation Survey (EGEP) of 2005 indicates that the incident of poverty in the country was about 33%. Poverty is essentially an urban phenomenon, affecting nearly 46% of households living in insalubrious environments.

2.4 Main Development Challenges

2.4.1 Given the challenge of changing the economy in preparation for the “post-oil” era, the Government adopted the PRGSP as the reference framework for operationalization of the country’s economic, financial and social policies. In this regard, the challenge is to effectively implement this strategy in order to stimulate growth and employment (by promoting non-oil sectors) and reduce poverty. To that end, Gabon must address the following challenges:

2.4.2 **Diversify sources of economic growth.** It should be noted that the Gabonese economy is vulnerable to fluctuations in the prices of its major export commodities (oil, manganese, rubber and timber). Oil, which accounts for over 50% of GDP, is a non-renewable resource. Consequently, the post-oil era is becoming the recurrent theme of the country’s political and economic life. The share of food imports, which nearly doubled in present value over the past 10 years, has attained 20%. The global financial crisis, as well as the economic slowdown, has deepened the need for diversification. In this regard, efforts are needed to improve the business climate so as to foster private sector development and infrastructure construction – which are factors of competitiveness. The diversification is also based on human capital development, particularly of technical and vocational education that would provide the country with the necessary skills.

2.4.3 **Develop a dynamic private sector.** To support sustainable development and reduce poverty, Gabon also needs to overcome the development challenge facing its private sector. The growth of this sector is hampered by several constraints, including the high cost of factors of production, as well as inadequate infrastructure and basic services (transport, water,

⁵ UNDP, Gabon, 2nd National Report on MDGs, 2006

electricity and telecommunications) to support the expansion of productive activities, the lack of effective promotional and supervisory structures, limited access to financing, and an environment that is not conducive to business, particularly the slow and opaque nature of administrative procedures and the legal insecurity of investments. In addition, competition is weak because most of the large companies are virtual monopolies. With regard to the business environment, the World Bank's "Doing Business 2009" ranks Gabon 151st out of the 178 economies studied, down from 148th in 2008. The promotion of effective tools for access to credit (including the creation of credit unions and popular banks), investments in infrastructure and the strengthening of governance, as well as judicial security, are essential in improving the investment climate, boosting the confidence of national and foreign investors, and promoting the creation of new SMEs/SMIs⁶.

2.4.4 Reduce poverty significantly: The Gabonese economy is dominated by the primary sector. This structural imbalance of the economy has negative impacts on the socioeconomic distribution of the country's wealth, particularly the concentration of activities in oil producing areas to the detriment of the sparsely populated rural and semi-urban areas. The uneven distribution of wealth has created a situation whereby misery exists side by side with wealth. An estimated 60% of Gabonese live beneath the poverty line, and 23% live in extreme poverty. The country was ranked 119th out of 179 countries on UNDP's HDI in 2007⁷. Poverty, social inequalities and youth unemployment constitute major challenges for the Government as they can lead to social unrest.

2.4.5 Enhance good governance and transparency: The improvement of governance is essential for creating a business-friendly climate. Some initiatives have fostered transparency, particularly in the oil sector, with the publication of the EITI report. A lot of ground still needs to be covered in order to enhance transparency and render economic information more accessible. Consequently, it is crucial to improve public finance management and direct public spending towards PRGSP objectives.

2.5 Country Development Policies and Strategies

2.5.1 The overall objective of the Government's development policies is to transform the structure of the economy that is virtually exclusively dependent on the petroleum sector to a diversified economy geared towards the eradication of poverty. These policies are contained in a number of orientation laws, strategic documents, and sector plans/programmes; they include: the Long-Term Perspectives Study - "Gabon 2025" published in 1998, the Intermodal Transport Master Plan "PDIT 1998-2015", the National Solidarity Pact (1999) the LDAT (2003), the Interim PRSP (2003), the PRGSP (2006), the National Environmental Action Plan, the Agricultural Development Master Plan (PDDA 2006-2015) of the Forestry and Environment Sector Programme (PSFE), the National Health Development Programme (PNDS 2006-2010), the PNBG (2008), etc.

2.5.2 Most of these documents, which were prepared on a national consultative basis and including the TFPs, are relevant. However, their effectiveness depends on their implementation, which is sometimes compromised by non-compliance with the set priorities, poorly managed programming, and governance-related problems. In this regard, the challenge for Gabon is to remedy these inadequacies, and achieve results under projects and programmes supported by the TFPs.

⁶ Small and medium-size enterprises/industries

⁷ UNDP Human Development Report, 2007

2.5.3 The PRGSP strengthened the interim PRSP adopted in 2003. It provides a fairly comprehensive assessment of poverty and defines a coherent growth strategy geared towards the consolidation of macroeconomic balances, economic diversification, and reorientation of public expenditure towards priority sectors (education, health and infrastructure). It is based on 4 pillars: (i) promotion of a strong pro-poor and sustained growth, (ii) improvement of infrastructure, (iii) improvement of access by the population to essential services; and (iv) improvement of governance. It is backed by priority action plans (PAPs) and medium-term expenditure frameworks (MTEFs) that underpin the resource allocation process. PRGSP implementation still requires a stronger monitoring-evaluation mechanism, particularly a more efficient statistical apparatus.

III. EVALUATION OF BANK ASSISTANCE IN GABON: PRODUCTS AND SERVICES

3.1 Bank Strategy and its Relevance

3.1.1 Priority Objectives of Bank Assistance

3.1.1.1 Over the 1996-2008 period, the Bank's strategies sought to support the following development objectives of Gabon: (i) consolidation of the macroeconomic framework and strengthening of good governance, (ii) economic diversification, (iii) reinforcement of infrastructure, and (iv) human capital development.

3.1.1.2 The objectives of CSP 1996-1998 were to improve the competitiveness of the economy, diversify the productive base, strengthen communication infrastructure, and put in place social amenities and programmes to combat urban unemployment. The intervention sectors selected were: the multi-sector, agriculture and rural development, industry and social sector.

3.1.1.3 Between 1999 and 2002, the Bank did not produce a CSP because of: (i) the economic and financial crisis facing the country; (ii) the suspension of its interventions from August 1998 to March 2001 due to sanctions; and (iii) the decision by the authorities to stop further increases in the country's external debt. Dialogue with the country, including the improvement of repayment arrears, led to more lasting restoration of cooperation ties since 2003.

3.1.1.4 The 2003-2005 CSP was a follow-up to the 1996-1998 CSP some of whose priorities included the development of infrastructure, fisheries and aquaculture, as well as support to the private sector. It was geared towards the transition to a more liberal economy and poverty reduction in support of the National Solidarity Pact (1999) and the LDAT (with the interim PRSP as its main component). These targets were aimed at the sustainability of the macroeconomic framework, the structural transformation of the economy and improvement of governance. The intervention sectors were the multi-sector, transport, agriculture and rural development.

3.1.1.5 The 2006-2010 RBCSP supports operationalization of the PRGSP by aligning itself with the 2nd and 4th pillars. **It shows greater selectivity compared with the previous CSPs, to the extent that the Bank has now focused on two pillars: (i) "strengthening of governance" and (ii) "infrastructure improvement". It should be noted that the word**

“pillar” appears for the first time in the RBCSP. However, it is essential to maintain the strategic selectivity made under the two pillars so as not to disperse efforts in too many sectors. The “governance” pillar aims at improvement and effectiveness of the administration, strengthening of the budgetary process, and improvement of the business climate. The “infrastructure pillar” is particularly broad to the extent that, according to the RBCSP mid-term review report, it includes the development of the road network, sanitation and electrification.

3.1.2 Relevance and Quality of Bank Strategies

3.1.2.1 **The relevance of Bank assistance is deemed to be satisfactory.** The Bank’s strategies are relevant, since they are aligned with the country’s development priorities and the Government’s strategies and programmes for the periods concerned: Economic Recovery Programme (1985-1996), National Solidarity Pact (2003), Economic Reform Programme (2003), LDAT (2003), interim PRSP (2003), and PRGSP (2006).

1 : Consolidation of the macroeconomic framework and strengthening of good governance	Economic reforms Administrative reforms Strengthening of the budgetary process
2 : Economic diversification	Improvement of the business climate Rural development and environment Industry Direct private sector support
3 : Infrastructural improvement	Transport Electricity Sanitation
4 : Human capital development	Social infrastructure Unemployment programmes

3.1.2.2 **An analysis of the 2003-2005 and 2006-2010 CSPs indicates an improvement in quality, particularly greater selectivity and better positioning of the Bank.** This improvement is part of the general improvement of the Bank’s CSPs⁸ which led to deeper analysis of poverty based on studies by the World Bank (1996), UNDP national and global reports on the perception of poverty and human development, and the findings of the Gabonese poverty assessment survey (EGEP 2005). Consultations, including the civil society, were conducted; they directed CSPs towards reform of policies, institutions and governance systems. They also led to mainstreaming of the Government’s priorities in economic diversification under the 2006-2010 RBCSP mid-term review. More attention was paid to lessons from the self-evaluation that guided the CSPs towards reduction of the lending programme and better handling of the problem of Gabon’s debt under the reforms. Despite the need for further improvements, the indicators for monitoring results are better defined and the framework highlights the causal linkages between the set strategy and quantified results achieved by the proposed interventions.

3.1.2.3 Selectivity improved with the reduction in the number of “pillars” from 4 in the 1996-1998 CSP to 2 in the 2006-2010 RBCSP, even though the term “pillar” is used only in the RBCSP. The mid-term review of the 2006-2010 RBCSP reaffirmed the two pillars, namely strengthening of governance and improvement of infrastructure, and aimed at focusing Bank assistance on operations that would contribute to diversification of sources of economic growth. This is consistent with the Bank’s institutional priorities that highlight infrastructure and governance as pillars of development. The integration of Gabon into the

⁸ The Bank’s 2002 strategic plan advocated selectivity, effectiveness and improvement of the portfolio.

regional economy is one of the priorities of the CSPs as reflected by the Bank's role in the implementation of NEPAD programme for Central Africa, particularly the operationalization of the Consensual Master Plan for Transport in Central Africa (PDCT-AT). This choice also underscores the growth pole role that Gabon can play as an MIC at the sub-regional level.

3.1.2.4 The strategy has been adapted to Gabon's development constraints and priorities. Support for the country's development is reflected in the continuous support for reforms carried out by the Government. Thus, the 1996-1998 CSP supported the Government's Public Enterprises Divestiture Programme aimed at creating a competitive economy. The 2003-2004 CSP backed the 2004-2005 reform programme through the Third Structural Adjustment Loan (SAP3). The ongoing RBCSP aims at consolidating reforms initiated under SAP III, in particular anchoring good governance in public policies. The Bank has enhanced its position in the transport subsector with the PR-I, which alone accounts for over 80% of the net commitments of its active portfolio. With the country's road density of 0.03 km/km², the lowest in the sub-region, the Bank has been helping to open productive areas and improve access to domestic and sub-regional markets, which are favourable prospects for diversification and competitiveness of the economy. The Bank has completed a study on the diversification of sources of growth. The following table provides a summary of the ratings of the various CSPs based on several criteria.

Table 2
CSP Evaluation Ratings

Criteria ⁹	CSP 1996-1998	CSP 2003-2005	CSP 2006-2010
Participation by stakeholders	Highly unsatisfactory	Satisfactory	Satisfactory
Strategic selectivity	Unsatisfactory	Unsatisfactory	Satisfactory
Priority to poverty reduction	Satisfactory	Satisfactory	Satisfactory
Analysis of governance	Unsatisfactory	Satisfactory	Satisfactory
Experience-based self-evaluation	Satisfactory	Satisfactory	Satisfactory
Outcome indicators	Highly unsatisfactory	Satisfactory	Satisfactory
Quality of CSP	Unsatisfactory	Satisfactory	Satisfactory

3.2 Implementation of the Bank Strategy: Lending Operations

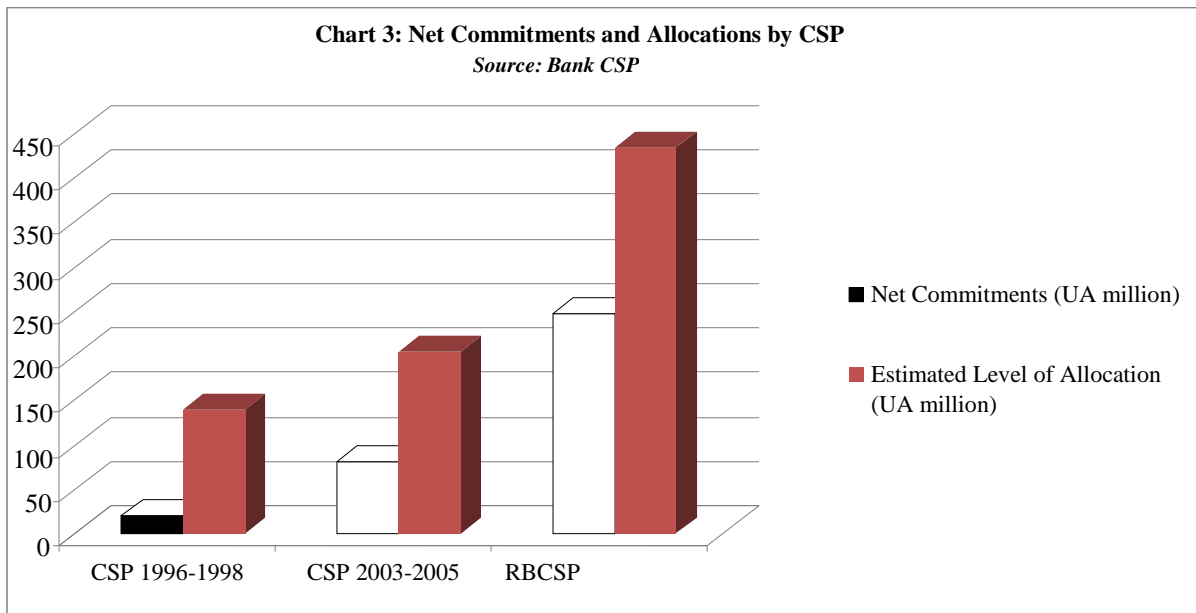
3.2.1 Analysis of 1996-2008 Lending Programme

3.2.1.1 **Predominance of project loans, increased priority to the transport sector,** and gradual improvement of the country's absorptive capacity: Over the 1996-2008 period, the Bank approved seven (7) lending operations, of which four are ongoing, two are completed and one has been cancelled. The total amount of commitments net of cancellations stands at UA 338.18 million, entirely financed from ADB resources (see detailed list of loans in Annex 4). The country's absorptive capacity of resources has been improving gradually as a result of a more favourable economic environment, including a more sustainable level of the external debt. Indeed, as Chart 3 indicates, over the 1996-1998 period, 15% of the UA 140 million

⁹ These analytical criteria were implemented by an OPEV study: "Review of country strategy papers for the 2002-2004 period" June 2005 - (ADF/BD/WP/2005/75)

allocation was committed, as against 40.3% for the 2003-2005 CSP and 57% of the total commitment authorizations became effective at end 2008 for the 2006-2010 RBCSP.

3.2.1.2 As regards financing instruments, project loans (totalling 6) represent 77.5% of the resources as against 22.5% for the structural adjustment loan. Additional resources have been mobilized for Gabon of about UA 3.1 million through MIC grants (2), ADF multilateral grants (2), and the Special Emergency Relief Fund (1). The intervention of the private sector window accounts for only 3% of the total net commitment.



3.2.1.3 Compared to the 1974-1996 period, the sector breakdown of operations in 1996-2008 changed, with the transport sector enhancing its predominance (65.1% as against 29.4% in the previous period) followed far behind by the multi-sector (23.2%), agriculture and rural development (7%), and the social sector (4.4%). The weight of the last two sectors has reduced significantly (see Table X in the Annex). This configuration is in line with the change in priorities in the CSPs. Apart from increased selectivity, the weight of transport is due to the importance of PR-1 which falls under operationalization of the 2nd Pillar of the 2006-2010 RBCSP relating to “Improvement of infrastructure”.

3.2.2 Portfolio Performance

Performance of Completed projects

3.2.2.1 **The overall performance of completed projects is unsatisfactory.** The (10) operations completed during the 1996-2008 period concern agriculture and rural development (2), transport (2), social sector (4), and multi-sector (2) (see Annex 4). The performance rating is given in Annex 2 (see details in Chapter 4).

3.2.2.2 **Relevance:** Based on the evaluation criteria, **the relevance is deemed satisfactory** because, in their various sectors, the interventions are geared towards providing support to the Government’s development or reform programmes, such as the Road Development and Rehabilitation Programme (PARR 1991) that served as reference in the selection of the two completed projects in the sector. **With regard to project quality at entry, it was negatively**

affected by shortcomings particularly lack of precision of objectives, activities, monitoring and evaluation system as well as sometimes unrealistic conditionalities with regard to borrower capacity. These weaknesses are reflected at the level of the project logical framework, particularly the objectives, expected outcomes and intermediate result indicators. The weak implementation performance of the PRIVATIS is also due to inadequacies in preparation; for example, the “Business Environment Modernization” component had not been defined in terms of measures at the project appraisal in 1998. The schedule of the matrix of activities proved to be inappropriate in the light of the social complexity of the privatization programme, weak national implementation capacities, and the failure to recognize the risk of sanctions against the country.

3.2.2.3 Effectiveness: The resizing of PRIVATIS reduced its effectiveness in relation to some target values, notably the 90% increase of the share of the private sector in the GDP, and improvement of the business climate. Agricultural projects have shown their limitations with regard to the State-sponsored approach. The results have not been economically and financially viable because of the high production cost. Though based on a relatively costly external technical assistance, the agricultural projects did not help national staff to take over through capacity building. For the transport sector, 50% of the Franceville-Lastoursville project was implemented and the Road Maintenance Fund (RMF) did not receive significant support from the Government to ensure adequate road infrastructure maintenance. The projects completed after 1996 in the transport, agricultural, and health sectors were unsuccessful. **The effectiveness of completed projects is therefore unsatisfactory on the whole.**

3.2.2.4 Efficiency: The transaction costs of the numerous loan conditions and the red tape involved in procurement and disbursements, as well as problems of implementation capacity, to which may be added the consequences of the long period of sanctions accounting for delays in attaining results and the cancellation of activities culminated in **unsatisfactory efficiency.**

3.2.2.5 Institutional Development: At the institutional level, the projects contributed punctually to building national capacities (transport, education, and health) and helped put in place relatively manageable working mechanisms and channels (integrated information systems of the public expenditure chain, implementation of the new public procurement code, fight against illicit enrichment, etc.). The sustainability of the outcomes is based on the institutional capacity put in place and the commitment of the authorities to deepen the reforms as indicated by the Third Stand-by Arrangement (2007-2010) concluded by the Government with the IMF. However, it is uncertain, in view of the volatility of the country’s economic situation, and is a risk which has been deepened as a result of the current international financial crisis.

Performance of Active Projects

3.2.2.6 A rejuvenated portfolio but with persistent problems that hamper the implementation of projects. Having been undertaken at regular intervals since 1996, the portfolio reviews (1996, 1998, 1999, 2001, 2004, and 2007) identified a range of recurrent generic problems. For the Government: protracted delays in loan effectiveness, weak ownership of Bank rules and procedures, weak procurement and works supervision capacities, weak project monitoring capacities, delays in settling disputes with defaulting contractors, and counterpart funds not provided in time. For the Bank: the need to reduce loan effectiveness conditions, improvement of the quality of appraisal reports indicating precise objectives, activities, implementation schedule and monitoring framework, protracted delays in granting

non-objection opinions and handling of some files, and inadequate delegation of authority to GAFO resulting in delays in decision-making.

3.2.2.7 The various portfolio reviews helped the Bank and Government to agree on a series of corrective measures to improve the portfolio. The measures include the cancellation of oversized loan balances, closing of aged projects and actions to improve portfolio performance such as: (i) strengthening of the Regional Office to enable it to play a greater role in performance monitoring, mobilization of counterpart funds, and compliance with the disbursement schedules; (ii) enhancement of dialogue with the authorities on governance, procurement of goods and services, and the works supervision capacities, and (iii) enhanced of Bank rules and procedures by the authorities.

Table 3
Implementation Indicators of Ongoing Projects

Project	Sector	Approval Date	Net Amount	Disbursement Rate (%)	Time Taken			
					Approval/Signature	Approval/Effectiveness (months)	Approval First Disbursement (months)	Age Since Approval (years)
Fisheries & Aquaculture Support Project	Agriculture	27/7/05	13.68	3.86	3.1	14	15.9	4.5
SIAT-GABON Expansion Project	Agriculture	12/9/07	9.65	100	5.3	5.3	9.7	2.3
Road Programme I	Transport	17/9/07	247.20	....	1.3	12.6	....	2.3
Education Project II	Social	11/12/97	18.76	33.15	1.1	11.8	11.8	12.2
Total Active Portfolio			289.28	7.26	2.4	11.3	12.5	4.7

3.2.2.8 These measures helped to reduce the average age of the portfolio from 6.2 years in 2004 to 4.7 years at end 2008, and is now close to the Bank portfolio average (4.2 years)¹⁰. This improvement was accompanied by a significant average increase per project from UA 10.8 million in 2001 to UA 56.23 million (as against UA 34.12 million for the World Bank in 2006¹¹), mainly as a result in the weight of PR-1 (UA 221.9 million). This orientation towards large investment projects meets the current needs of Gabon, particularly support for operationalization of the PRGSP diversification strategy and the Bank's medium-term strategy 2008–2012.

3.2.2.9 However, generic problems that affect the portfolio persist to a large extent. The ratio of projects at risk, which was 40% in 2007, remains high (21% for the World Bank in 2006). **Disbursements for the Education III and Support for the Fishery and Aquaculture Sector (PSPA) projects were suspended as a result of poor financial management in January 2009¹².** Projects internal audit conducted by the Bank in November 2008 highlighted capacity shortcomings in terms of mastery over Bank's rules and procedures

¹⁰ ADB, APPR, 2007

¹¹ Source: ADB Portfolio Review Report

¹² Preliminary Audit Report No. PR/2008/21 on the management of projects financed by the Bank in Gabon, January 2009.

and projects' financial management. With regard to effectiveness of loans (see Table 3), the average delay was 11.3 months for the active portfolio (compared to 6 months required by the Bank). The low loan disbursement rate, which was 7.8% at the same date, is due to the size of PR-1 in the active portfolio whose first disbursement conditions had not yet been fulfilled despite sustained dialogue and close monitoring by the Bank.

3.2.2.10 **PR-1** was approved on 17 September 2007 and became effective on 30 September 2008 (after 12 months). Only one of the conditions precedent to the first disbursement had been fulfilled by February 2009. However, 95% of the procurement activities for all the components were undertaken and contracts signed in February 2009. The technical assistance activities entailing the control and supervision of works, as well as auditing started in March 2009. In order to ensure effective start-up of works which was linked to the fulfillment of conditions precedent to the first disbursement, these conditions had to be amended by the Bank in May 2009, particularly with respect to availability of national counterpart funds and compensation for persons to be expropriated. Indeed, the Government made a commitment to the IMF to pay the counterpart funds (including those for projects financed by the ADB) to the *Agence Comptable Centrale des Dépôts* of the Public Treasury. Much time was lost in fulfilling the conditions, and the Bank later noted the complexity of the apparently simple and standard conditions. As indicated in the 2006-2010 RBCSP mid-term review of December 2008, the protracted delays in effectiveness of loans remain a generic problem that affects portfolio performance. This constraint calls for significant improvement in the quality at entry. The official launching of the road works took place on 4 and 7 August 2009 following the payment of start-up advances in July, amounting to 20% of the project cost. The establishment of an executing agency helped to offset the human resource inadequacies in the administration. At end 2009, the situation was as follows: effective start-up of works, mobilization of technical assistance, start of expropriation procedures, and compensation since September 2009.

3.3 Implementation of the Bank Strategy: Non-financial Activities

These activities consist of technical assistance not funded through loans and credits, economic and sector work (ESW), policy dialogue and aid coordination. *The Bank's contribution to non-financial activities is generally satisfactory.*

3.3.1 Technical Assistance

3.3.1.1 In support of the Government's efforts towards good governance, the Bank mobilized resources in the form of grants from the MIC Assistance Fund to finance support for the PNBG and the DGMP institution building projects. These projects are intended to help the country to adopt policies and standards in good governance, including changes in public procurement practices. The Bank's activities cover technical assistance, organization of participatory seminars and workshops, institutional support to the PNBG executive secretariat, to the DGMP and the priority sectors (health, education, and public works), preparation of implementing texts for the public procurement code and procedures manual, training activities for public and private stakeholders, etc.

3.3.1.2 These projects are in synergy with SAP III some of whose remaining activities they completed. They are also consistent with the Bank's strategy, which lays emphasis on capacity building for the stakeholders of its aid programme for greater ownership and aid effectiveness. The support to the PNBG led to the preparation and adoption of the PNBG in 2008 as well as the related action plan.

3.3.2 Economic and Sector Work

3.3.2.1 Seven studies were conducted with various funding: MIC Trust Fund, Wallons Trust Fund, and Bank operating budget and project resources. The studies were as follows: the supplementary study on improvement of the quality of education (1990-1998), the livestock feasibility study in the North Provinces (1992-1998), Country Governance Profile (2005), education sector strategic study (2005), health sector strategic study (2005), and study on diversification of sources of growth (2007).

3.3.2.2 Pre-investment studies in education and livestock are behind schedule (8 years and 5 years) as a result of generic problems of effectiveness (18 months for livestock) and familiarity with the Bank's rules and procedures for the recruitment of consultants (18 months also for livestock). The studies were not effective in positioning the Bank. Neither was the Mayumba Port pre-feasibility study, which did not have follow-up action. The foregoing details show that the performance of these three studies is unsatisfactory.

3.3.2.3 The performance of the other 4 studies was satisfactory in providing timely and appropriate responses to the country's expectations, particularly their contributions to the definition of strategies, programmes and action plans. Thus, the conclusions of the strategic education and health studies were used in defining the relevant sector strategies in the PRGSP. The Ministers used them to guide their agenda through tools such as the Health Development Plan (2006-2010) or the Strategic Plan (2008-2009) of the Ministry in charge of Technical and Vocational Education. The Country Governance Profile was used for the formulation of the PNBG adopted in 2008 by the Government. Despite the slow pace of implementation, ownership of the programme by the authorities and the population, as well as the dialogue platform it provided, contribute to the sustainability of outcomes.

3.3.2.4 The study on diversification laid emphasis on the comparative advantage of Gabon at the sub-regional level, particularly for the development of some sub-sectors, including the processing of wood, industrial fishing, as well as petroleum by-products. The Government assumed ownership of the findings, and the members of the committees put in place for the purpose will prepare a coherent quantified action programme as part of the operationalization of the PRGSP. The Bank revised its strategy to reflect the priorities of the Government in economic diversification. During the RBCSP midterm review, this led to a positioning in the sanitation and energy sub-sectors. The projects are being prepared under the 2009-2010 lending programme. **By providing timely and significant contributions to the definition of strategies, programmes and action plans, the Bank's performance in economic and sector work is *satisfactory*.**

3.3.3 Policy Dialogue

3.3.3.1 The Bank participated in policy dialogue on the development priorities of Gabon during the CSP programming cycle, particularly issues related to development and reforms, portfolio management and resource mobilization. The dialogue was undertaken through various channels, including dialogue missions, CSP preparation and reviews, portfolio reviews, preparation and monitoring of projects, analytical studies and a general consultative mechanism and thematic groups involving the TFPs of Gabon. Dialogue on Gabon's development priorities helped them to clarify the content of CSPs and reform programmes, particularly viability of the macroeconomic framework, debt sustainability, good governance, economic diversification, private sector development, infrastructural improvement, etc.

3.3.3.2 Participatory dialogue, conducted through the project to support preparation of the PNDG, raised awareness on the importance of governance and helped to facilitate decision-making in deepening reforms. Thus, after a relatively long period of over 3 months, the dialogue culminated in the Government adopting the PNBG in 2008. The commitment of the authorities led to an action plan for each sector, the establishment of focal points in Ministries to serve as representatives and for monitoring-evaluation, a change in political discourse, a Governmental road map, commitment to the EITI initiative, the fight against illicit enrichment, application of the new public procurement code to enhance efficiency of public expenditure, etc.

3.3.3.3 Through its aforementioned analytical studies, the Bank contributed with other partners to policy dialogue, particularly in defining the guidelines for economic diversification. Under the RBCSP 2006-10 midterm review, it undertook to support the Government in this process. The dialogue with the authorities helped to focus the strategy on operations that would contribute to the diversification of economic growth sources through the existing 2 pillars, namely: strengthening of governance and improvement of infrastructural. The Bank's contribution to dialogue has been facilitated by the opening of the GAFO Regional Office since 2000.

3.3.3.4 Efforts and progress were made, however dialogue on ways and means of better supporting governance and capacity building programmes needs to be enhanced; assistance should be provided in economic diversification and promotion of private sector development in Gabon. **The Bank's contribution to policy dialogue, further strengthened by the Bank's Regional Office, was overall *satisfactory*.**

3.3.4 Aid Harmonization and Coordination

3.3.4.1 **Since 2004, aid coordination has been structured and operates through the Government's general coordination mechanism and seven (7) thematic and sector groups involving the TFPs.** The Bank is an active member of five groups, and coordinates three others: Governance, Infrastructure, and Aid Effectiveness. The monthly meetings of the technical partners and quarterly meetings of thematic groups provide dialogue forums in which the partners exchange information, strengthen consultation with the Government, and harmonize their interventions. The table in Annex 9 indicates the role and contribution of each TFP by sector.

3.3.4.2 The general coordination mechanism has defined its objectives, particularly progress towards the harmonization and alignment of national processes and systems, as well as the enhancement of Government effort to coordinate aid. The establishment of thematic and working groups based on national priorities and working in close collaboration with the Government has helped to develop synergy between the various interventions. The Bank has contributed to progress in achieving these objectives by actively participating in the general coordination mechanism and thematic and sector groups, by aligning its interventions with the Government's programmes like the other TFPs, as well as in supporting structural reforms and building capacities in public finance, public procurement and good governance.

3.3.4.3 Thus, **the Bank contributed to building the aid ownership capacities of the Government by supporting the PRGSP, MTEF and PNBG processes** that have enabled the latter to acquire tools for defining operational priorities and strategies with which the TFPs have aligned their interventions. The Bank also contributes to improving the alignment of aid through its support for the reliability of national systems. Unlike other donors such as

the AFD, it has not yet accepted to use the national procurement system. With regard to partnership and harmonization, the Bank co-financed several projects and programmes with the TFPs under the coordination of the Government: SAP III, PRIVATIS, TIPPEE project¹³, PSFE and PARR.

3.3.4.4 The active involvement of the Bank in the reform process has helped to improve its cooperation with the Bretton Wood institutions and the EU, each partner operating in its area of competency and in synergy with the others. Thus, the Bank was associated with the various IMF quarterly review missions and had access to the entire documentation. Together with the World Bank and the EU, it co-financed the public expenditure review in the education, health, infrastructure, forest and environmental sectors, the results of which were used for dialogue conducted by the IMF on the MTEFs. The conclusions of the said review contributed to enriching the matrix of recommendations of the 3-year Stand-by Arrangement (2007-2009) with the IMF.

3.3.4.5 In its focus sector (infrastructure), the Bank's action has also been in synergy with the World Bank, EU, AFD and IDB. This complementarity is ensured through permanent coordination in the infrastructure thematic group in which the Bank has played an active role of lead organization in transport. Dialogue with the Government has helped to gradually put in place a SWAP multiyear programming¹⁴ aimed at maintaining consistency and coordination of all the sector players. The Bank's value added is its expertise through high involvement at regional level in NEPAD road projects, institutional support to the Ministry of Public Works and its responsibility in the creation of the Road Maintenance Fund (RMF) in 1998) to ensure sustainability of road investments.

3.3.4.6 Despite these efforts, the mechanism suffers from inadequate management of partner activities by the national authorities to better direct them towards national priorities. Indeed, the concepts of ownership, harmonization, alignment and aid effectiveness do not seem to be sufficiently internalized at country level, despite the fact the Gabon has formally undertaken to apply the Paris Declaration. However, there are signs of change. Indeed, in close coordination with the TFPs, Gabon: (i) conducted the 2007 survey on the monitoring of the Paris Declaration, (ii) prepared its 2007 country report on the monitoring of the said declaration; and (iii) took part in the Accra meeting in September 2008. *The Bank's contribution to alignment, harmonization and aid coordination is satisfactory.*

IV. EVALUATION OF BANK ASSISTANCE OUTCOMES

Bank assistance outcomes have been evaluated for the entire 1996-2008 period in terms of Gabon's development goals supported by the Bank under the 3 CSPs, namely: improvement of governance, economic diversification, reinforcement of infrastructure, and human capital development.

4.1 Consolidation of the Macroeconomic Framework and Improvement of Governance

4.1.1 Bank assistance to the strengthening of governance was aimed at stabilizing macroeconomic and financial balances, strengthening transparency and good governance and accelerating structural reforms so as to create the basis for strong and sustained growth that

¹³ Public interests works for the promotion of entrepreneurship and employment

¹⁴ Sector wide approach

would reduce poverty. The Bank contributed to achieving the set objectives by supporting, together with other partners, the country's adjustment and reform efforts through PRIVATIS (1998-2007) and SAP III (2004-2006) operations. It also mobilized, for the benefit of Gabon, grants to support the institutional capacity building of the DGMP and PNBG preparation process.

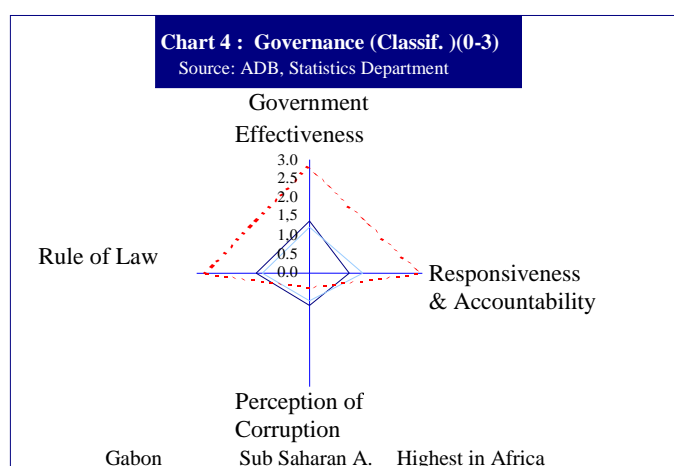
4.1.2 Despite the lack of a national programme to serve as a coherent framework, good governance was a central component of the 2004-2005 reform programmes and one of the strategic focus areas of the Government's interim PRSP. The consistency between the two strategies of the Bank and Gabon is illustrated by convergence of the priority areas of their respective programmes on the following components: (i) improvement of the public expenditure chain; (ii) improvement of the public procurement institutional framework; (iii) strengthening of public resource control and management; (iv) promotion of good governance and the fight against corruption; (v) support for administrative reforms; and (vi) support for the PRGSP and PNBG processes.

4.1.3 **With regard to transparency**, Bank action focused on improvement of the public expenditure chain, strengthening of public resource control and management, and improvement of the public procurement institutional framework. To that end, the Bank provided assistance for the establishment of an integrated information system (IIS) for the public expenditure chain covering the entire administration, thereby allowing for the monitoring of all stages in the execution of expenditure (commitment, control, payment order and payment). The system also helps the Ministries to monitor in real time the execution of their budget. As a result of dialogue conducted by the Bank with other partners, the Government improved the operational capacities of audit institutions¹⁵, in particular the redeployment of human resources and creation of decentralized control units in other Ministries, increase in the budget of the Court of Auditors, and broadening of its scope of action. Thus, the control of public resource management is gradually ensuring effectiveness of expenditure.

4.1.4 With regard to public procurement, the Government in 2002 adopted a regulatory framework with the new Code, whose provisions are generally in conformity with international good practices. Bank assistance supported the implementation of the institutional capacity building action plans aimed at clarifying responsibilities, avoiding conflicts of interest, and enhancing the efficiency of the public procurement chain. Achievements included the preparation and adoption of implementing texts for the new public procurement code and a manual of public procurement control procedures, as well as capacity building for the DGMP to enable it to better play its role. The DGMP is implementing the new code which favors competition and regulates direct negotiations, and the results are in the right direction, particularly the significant reduction in the number of negotiated contracts.

4.1.5 Bank assistance supported Government efforts aimed at anchoring good governance in public policies. To that end, it contributed to putting in place measures and a National Commission to combat illicit enrichment that produced the desired dissuasive effect. The support for the administrative reform action programme resulted in: (i) the merging of the salaries department and the Public Service (ii) the adoption of laws on

¹⁵ The Service Unit of the General Directorate of Financial Control and the Court of Auditors



the general rules and regulations governing the Public Service and the Code of Ethics. These measures, which are aimed at a more efficient and effective administration, are yet to be made operational by implementing texts. The Bank supported the participatory PNBG preparation process that resulted in the Government adopting sector implementation plans in 2008. The attachment of the PNBG to the Prime Minister's Office and the creation of focal points in the various ministries show the authorities' commitment. The participatory process also fostered greater ownership of the Programme by the communities at national level.

4.1.6 The successful implementation of SAP III as well as ownership of the PNBG by the Government and the population contributed to improving the budgetary process and started restoring transparency in the management of public resources and breaking with the culture of impunity. Indeed, financial governance is marked by greater compliance with budgetary rules and procedures, as well as more effective mechanisms for the preparation, estimation, execution and monitoring of the General State budget, in particular the merging of investment and operating budgets, introduction of MTEFs, greater fluidity in budget execution, reduction in the time taken to make payments in the Treasury from 90 to 30 days 2008, publication of quarterly and annual budget execution reports, etc. The procurement institutional framework has improved thanks to greater transparency in the process, including the publication of a black list of defaulting contractors. The rate of negotiated contracts fell from 100% in 2004 to 60% in 2007 and 29% in 2008.

4.1.7 **Efforts towards transparency led to Gabon joining the EITI and the publication of 3 reports on mining revenue** in 2004, 2005 and 2008. A roadmap was prepared to guide Government action in the quest for greater results-based effectiveness. As regards impunity, one of the measures introduced to fight against illicit enrichment, which obliges Government officials to declare their wealth or else resign from their positions, is a fairly effective instrument for preventing the phenomenon. About 950 persons, out of a target population of 3,000, have so far complied with this requirement. However, these measures need to be strengthened with more sensitization activities, unflinching political will, and protection for members of the national commission.

4.1.8 As Chart 4 shows, Gabon's performance, based on a comparative analysis of governance in terms of the Sub-Saharan average, is weak, especially with regard to effectiveness of governance and perception of corruption. Furthermore, delays in decision making still hamper the pace of administrative reforms. **In short, Gabon has begun to introduce good governance in political, economic and financial practices, particularly in the management of oil resources. However, Bank assistance in the area of governance and transparency needs to be further strengthened.**

4.1.9 **Growth and consolidation of the macroeconomic framework.** The reforms supported by the Bank and other development partners have helped to restore the sustainability of the macroeconomic framework and give fresh impetus to the economy. The impact of the reforms on the economy led to high growth rates. Indeed, during the period, real GDP growth rate averaged 2.6%, peaking at 5.6% in 2007 and settling at 5.5% in 2008. This average is higher than the population growth rate of 1.5% (2007). In 2008, the oil sector accounted for 50.3% of GDP as against 55% of GDP in 2004. The primary balance of public finance (commitment basis) was about 12.2% of GDP in 2005 compared to the SAP III projection of 7.5%. It fell to 10.8% in 2007 and 0.8% in 2008. Inflation averaged 0.7% over the 2001-2005 period, thereby attaining the target value of less than 2%. It rose to 5% in 2007 and 5.4% in 2008 as a result of consumer price increase, particularly the adjustment of fuel

prices at the pump. This has resulted in Gabon lagging behind the CAEMC convergence criteria in this area.

4.1.10 Debt reduction through oil revenue: Gabon's debt rate (public debt stock as percentage of GDP) declined over the 2002-2008 period. The rate fell sharply from 69.1% of GDP in 2002 to 15.2% in 2008, well below the 70% set by the CEMAC convergence criteria. In 2007, the Government pursued its debt reduction efforts which led to an anticipated buy-back of the Paris Club debt at a 15% discount (20% for France). To operate on the international financial markets, Gabon subjected itself to an assessment by credit rating agencies two of which awarded BB- rating for the long term and B for the short term. The July-August 2008 study on the country's debt indicates that it is sustainable in the short, medium and long terms at an average rate of 15% of GDP over the next 15 years.

4.1.11 As regards **consolidation of the macroeconomic framework and strengthening of governance**, the outcome of Bank assistance was, on the whole, satisfactory, even if additional efforts are needed.

4.2 Economic Diversification

4.2.1 Areas that fall under economic diversification include rural development, the environment, industry and direct support to the private sector. The Bank's intervention strategy supported the Government's efforts to develop the potential of the non-oil sector. It had the following objectives: (i) support structural reforms in order to create a competitive economy and promote the private sector; and (ii) help to broaden the productive base. The Bank's contribution was delivered upstream in the form of policy dialogue (PRIVATIS and SAP III), direct support to SIAT¹⁶ Gabon, a private investment company, support to the fishery sub-subsector through the Fisheries and Aquaculture Sector Support Project (PSPA), and a study on the diversification of sources of economic growth.

Economic Competitiveness and Private Sector Promotion

4.2.2 *The outcome of Bank assistance to support the private sector is deemed unsatisfactory.* This is partially as a result of the resizing of PRIVATIS, which made it impossible to carry out all the activities envisaged at project formulation. The activities intended to achieve the above objectives are as follows: (i) divestiture of Government's stake in productive sectors; (ii) creation of a legal and regulatory institutional framework conducive to the private sector; and (iii) direct support to the private sector. The expected intermediate outcomes were many and varied: 40 restructured and/or privatized enterprises, transfer of Government minority shares to 121 enterprises, adoption of laws and regulations from 1998 onwards, improvement of the regulatory, legal and institutional framework, OHADA texts popularized, multi-sector regulatory agency created, development framework for the capital markets and mobilization of savings created, a private investment promotion agency and a single window created, the Charter of Investments adopted, corporate audits conducted, laid off workers of privatized establishments trained and redeployed, etc.

4.2.3 With regard to the divestiture of Government's assets in the productive sectors, the **outcomes of privatization are mixed.** The Bank's contribution to the funding of PRIVATIS was the highest: 47% compared to 32% by the World Bank and 21% by the Government.

¹⁶ Société d'investissement pour l'Agriculture tropicale (Tropical Agriculture Investment Company)

However, its implementation was hampered by social unrest due to the downsizing of privatized enterprises. Following the resizing of PRIVATIS, half of the proposed actions were not implemented, including participation of nationals in the privatization process and implementation of the social dimension of the exercise. Furthermore, delayed reforms that were proposed under the project were transferred to SAP III. The outputs included an improved business climate¹⁷ and capacity building for the Privatization Committee, particularly the training of about ten staff members in the monitoring of concessions in the regulation of the transport, energy, post and telecommunications sectors. Concerning the divestiture of Government's assets in the productive sectors, out of the 40 enterprises targeted, 15 were privatized, 11 liquidated, 5 are undergoing privatization or restructuring, and 9 have been withdrawn from the programme. Laid-off workers received only paid their separation benefits. Without financial support, advice and spirit of entrepreneurship, they were unable to retrain themselves for other jobs, contrary to expectations. The prices of the privatized companies were low in view of the small number of potential buyers. The outcome of the privatization exercise was therefore mixed.

4.2.4 With regard to direct support to the private sector, the case of SIAT Gabon could be considered a success story of privatization. The takeover of the activities of HEVEGAB¹⁸ and AGROGABON¹⁹ by SIAT-Gabon features among the successful privatization exercises. As a company specializing in agro-industry, SIAT is one of the major oil palm and rubber companies in the world. It is the sole industrial oil palm and rubber company in the country. The Bank contributed to its success through a direct loan of €10 million to support its agricultural expansion programme in Gabon. The Bank's collaboration with the SIAT Group began in Ghana in December 2002 with the approval of a €7.14 million loan to GOPDC²⁰ (an oil palm subsidiary of SIAT in Ghana). This assistance is an illustration of close collaboration between a private group and the Bank. The good governance demonstrated by the company is an example worthy of replication in the other Bank interventions of similar nature.

4.2.5 The Bank was involved in other private sector initiatives, particularly a financial instruments promotion and exploratory mission, and the financing of the Mayumba Port prefeasibility study. However, these operations did not result in any project due to the long and relatively constraining procedures of the loan conditions and foreign exchange risks. There are opportunities in the country for private sector financing, particular through public/private partnership in industry (wood processing, petroleum by-products), energy, tourism, ICTs²¹, infrastructure, etc. However, in addition to constraints related to the unfavorable business environment, the services provided by the Bank in support of the private sector were inadequate. The Bank's Private Sector Department (OPSM) did not make any significant contribution to the development a specific strategy for the Gabonese private sector in the CSP. Indeed, Bank assistance private sector has been marred by a lack of sustained reflection and innovative initiatives at level of the country team to start the process. Despite some promotional efforts, the opportunities provided by private sector window are not sufficiently known to the country's private operators and administration. The knowledge base on the situation and the potential of the Gabonese private sector needs to be enhanced in order to pave the way for a programme of concrete interventions in synergy with the actions of other donors involved in the sector, such as the World Bank.

17 Cf. 4.2.1.7

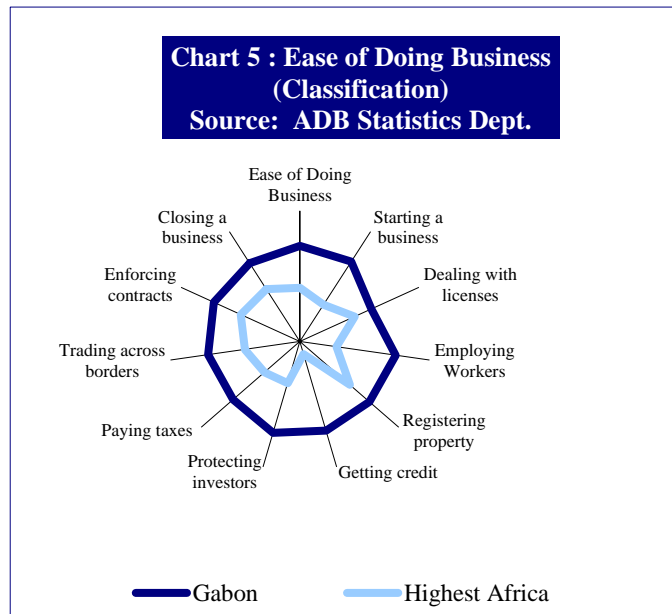
18 *Société Gabonaise de Développement de l'Hévéaculture*

19 *Société Agro-Industrielle du Gabon*

20 Ghana Oil Palm Development Company

21 Information and Communication Technologies

4.2.6 In 1998, the Government adopted an Investment Charter to serve as general framework for measures designed to improve the institutional, fiscal and financial environment of companies. It also completed the harmonization of national legislation with the OHADA uniform acts to create a common legal and judicial space at sub-regional level. For this reason, the Bank provided its assistance for the printing and wide dissemination of 12,000 copies of each of the texts, as well as the conduct of an operational audit of the justice sector. It also provided assistance for institution building efforts, particularly the training and improvement of the working conditions of judges, as well as the organization of a general conference on justice and the establishment of a Disputes Arbitration Centre (yet to be implemented). Furthermore, the Bank supported the creation of the Private Investment Promotion Agency (APIP) and the General Directorate of Consumption and Competition to assist the Government in promoting the creation of businesses, supervise private operators and foster free competition. Lastly, in support of the Government's divestiture programme, an actuarial study on the *National Social Security Fund* (CNSS), corporate audits and a strategy for retraining laid-off workers under the privatization scheme were undertaken.



4.2.7 **Progress was made in promoting private sector development. However, on the whole, the reform has not yet produced the expected results.** In the short term, APIP has focused on improving the single window to reduce the time for creating a business to 7 days. However, the poor business climate indicators of Gabon reflect the limited nature of the results. The expected performance of Gabon with regard to the Ease of Doing Business assessment, still falls short of the average of sub-Saharan countries in many respects (cf. Chart 5): average importation period is 35 days compared to 16 in Mauritius; protecting investors index (scale of 0 to 10) is 3.3 points compared to 8 in South Africa; redundancy cost is 43 weeks of wages compared to 20 in Botswana, and 7 in Nigeria. Profit taxation rate is 44.2% as against 21.7% in Mauritius and 17.2% in Botswana²². Deeper private sector reforms are necessary, particularly simplifying procedures, protecting investors, transparency of public affairs, more attractive taxation, clarification and broadening of rules of access to land (sale or concession), establishment of financial intermediation institutions, etc. The results of improving the business climate fall below expectations.

Diversification of the economic productive base

4.2.8 The main sources of growth of the non-oil sector were mainly timber and manganese, which are cash commodities. The contribution of agriculture to GDP is on the decline. Estimated at 4.1% in 2001, it did not exceed 3.2% in 2008. The development of the oil sector spurred the depopulation of rural areas and abandoning of agriculture. The decline of agriculture led to the country's increased dependence on external sources for its food supply.

²² Source: ADB Statistics, 2008

Bank assistance in this sector supported the Government's rural development actions aimed at promoting export crops and achieving food self-sufficiency. The aim was to promote high potential agricultural activities, such as food crop cultivation, fisheries and stockbreeding. To that end, it supported the fisheries and aquaculture project (PSPA). The livestock and rubber cultivation projects (Phase II), which were completed during the period under review, also supported the Government's cash crop cultivation promotion policy (rubber and oil palm) and agro-industry (rubber, ranching etc.).

4.2.9 The livestock and rubber cultivation projects managed by State corporations helped to establish a permanent production mechanism through the construction of modern housing units, as well as transport, health and educational infrastructure, importation of breeders, operation of ranches, industrial and village rubber plantations, construction of a factory and a road network, etc. In the Nyanga and Lékabi ranches (established with the support of the Bank) managed by the State corporation SOGADEL, the Ndama cattle breed was successfully adapted to Gabonese conditions and the cattle population increased to 38,000 head as against a target of 45,000 head by 1998. SOGADEL covers only 1.6% of the country's beef needs compared to a sector target of 3%. The Rubber Programme managed by State corporation HEVEGAB cultivated 2,518 hectares of rubber plantation (compared to the projected 3,000 ha) between 1988 and 1998, produced 10,509 tonnes of rubber (80% of projections) and generated about CFAF 21 billion in export revenues between 1992 and 1999. The sites concerned were poles around which industrial activities developed. The use of private farmers was in response to the priorities of rural population fixation and job creation.

4.2.10 However, from economic, institutional and managerial standpoints, this production mechanism was not sustainable. With highly negative operating results, the two corporations had to depend on scarce government subsidies. The only alternative for maintaining or strengthening these State corporations was privatization. Achievements in the fishery and aquaculture sectors are modest at the time this evaluation was done.

4.2.11 These sectors did not make significant contributions to food self-sufficiency and economic diversification. Eighty-five percent (85%) of national food needs are met through imports and an estimated 20% of these come from neighbouring countries with similar agro-ecological characteristics. The annual food imports bill is currently estimated at CFAF 150 billion. ***The result of Bank assistance in the agricultural sector is unsatisfactory.***

4.2.12 As regards industry, SIAT-GABON which received assistance from the Bank's private sector window is one of most active companies in the agro-industrial sector. It contributed to the diversification of the Gabonese economy through oil palm and rubber cultivation, production of more value-added goods, generation of foreign exchange and tax revenue for the country, creation of employment, and technology transfer. An estimated 11,610 hectares (ha) of rubber plantation was created in 2008, and is expected to increase to 15,610 hectares (ha) in a few years. The replanted oil palm area increased from 88 ha in 2006 to 1200 ha in 2008. The project provides direct support to about 500 small growers who employ nearly 3,600 persons. This support is in the form of distribution of equipment, as well as production and tapping of 2,000 ha of rubber trees. The annual production of rubber of homogeneous quality averages about 15,000 tonnes, which largely exceeds the target set (9,000 tonnes). Palm oil production, which was 10,000 tonnes in 2008, has been on the increase.

4.2.13 Granular rubber is mainly exported to France (Michelin) under a long-term contractual agreement. The by-products of palm oil (bathing soap, refined cooking oil, etc.)

are sold on the domestic market. About 71% of SIAT turnover is made abroad. The project therefore represents a source of foreign exchange for the country. The turnover amounted to CFAF 17.2 billion in 2007, a slight decrease in relation to 2006 (CFAF 18.5 billion). As at 30 November 2008, the net income of CFAF 4.8 billion indicated an improvement in financial performance compared to the CFAF 3.2 billion losses in 2007 due to provision for depreciation of investments. Despite the negative impacts of the global financial crisis and the car industry crisis that led to a global slump of world rubber prices from US\$ 3000 to US\$ 1000 per tonne in October 2008, SIAT Gabon can be considered a success story of privatization supported by the Bank.

4.2.14 Overall, although collaboration between the Bank and SIAT GABON is considered a success story, Bank contribution has not been meaningful to rural development, particularly the promotion of high potential agricultural activities such as food production, fisheries and stockbreeding. **Despite the efforts made, the result of Bank assistance for economic diversification remains unsatisfactory.**

4.3 Infrastructure Development

4.3.1 The Bank's strategy is aligned with Pillar 2 of the Government's PRGSP. It aims at infrastructure development as a means of opening up the country's hinterland, strengthening sub-regional integration, facilitating trade and improving access to drinking water and electric power. Together with other partners, the Bank supported the Government's PARR aimed at establishing the structuring network needed by Gabon, particularly the tarring of 2,579 km of road between 2002 and 2012. In this regard, PR-1, approved by the Bank, aims at enhancing regional integration, reducing the isolation of the country's hinterland, and alleviating poverty through improvement of the living conditions of the population. The expected outcomes are therefore manifold and varied: 245 km of tarred roads, 275 km of roads studied, 198 workers trained, construction of latrines in 25 schools, 25 boreholes drilled, rehabilitation of schools with furniture for 29 classrooms, 28 dispensaries rehabilitated, distribution of farming equipment to 80 rural women's associations, 35 000 persons sensitized on HIV/AIDS, etc.

4.3.2 The nature of Gabon's cash economy guided the development of its infrastructure. The 697 km-long Trans-Gabonese railway line is the largest project in Gabon that would open up a vast forest area for logging and facilitate trade between Libreville and the mineral rich region of Franceville. The road network has a total length of 9170 km, of which 1055 km are tarred, representing about 11% of the national network, and 8115 km of untarred roads. The earth road network represents 86% of the total road length compared to 11 % for the tarred network, and 3% for the network undergoing development. The network has a density of only 3.4 km per 100 km². The lack of maintenance has resulted in the degradation of a significant portion of the country's roads. An estimated 60% of the tarred network is in poor condition, compared to 20% deemed to be good²³.

4.3.3 Bank assistance contributed to achievement of the sector goals through a road rehabilitation and development project (closed in 1997) and the Franceville- Lastourville road project (stopped), approved under a strategic framework preceding the period under review. The first project resulted in the tarring of the Nsilé-Bifoum (61km), Bifoum-Lambaréné (70 km) and Bifoum-Njolé (56 km) sections. The construction of the second was less effective and efficient. The Franceville-La Leyou section (93 km) had a physical implementation rate

²³ Source : PR-1 Appraisal Report, ADB

of 95%, while that of LaLeyou-Lastourville (93 km) was only 29%. Delays and cost overruns led to the halting of the project.

4.3.4 In addition to the key role played by the Bank in the creation of RMF II (a conditionality for PR-1) between 2003 and 2006, following the failure of RMF I (1993-1996), the previous interventions of the Bank completed after 1996 did not achieve the expected results. This was due to lack of adequate maintenance of the road network between 1997 and 2003 and the poor implementation of the Franceville-La Léyou-Lastourville project. PR-1, which seems to have built on previous experiences, did not show any improvements in view of delays in this large project. The CSP includes electricity and sanitation projects, together with feasibility studies and detailed engineering and environmental designs funded with PR-1 grants and the African Water Facility grant. **The result of Bank assistance in infrastructure development remains unsatisfactory.**

4.4 Human Capital Development

4.4.1 The Bank supported the Government in its efforts in the areas of technical and vocational education, basic education and health. Also the Bank granted an emergency humanitarian assistance to support surveillance of the Ebola-Type Viral Haemorrhagic Fever (VHF Ebola).

Education

4.4.2 Bank assistance supports the Government's Technical and Vocational Education Recovery Support Programme (ETP) designed to transform the system into an effective training tool for employment and the economy by upgrading technical and vocational education. The intermediate objectives are to increase intake capacities and internal efficiency. At the primary level, the Bank supported measures initiated by the Government to improve access, quality and academic achievement. The Bank's intervention focused on constructing classrooms and building planning and inspection capacities.

4.4.3 The Education Project I increased admission capacity with 18,500 additional admissions into Libreville government schools and the renovation of 111 additional classrooms. Consequently, the pupil/class ratio decreased from 72 to 42 in the project schools. One of the most remarkable impacts of the project on the system was the elimination of the double shift system in virtually all these schools. The number of classes operating under the double shift system reduced from 61% in 1991 to 15% in 1999²⁴. On the other hand, the results are more mixed with regard to quality, particularly repeat and drop-out rates, in view of migratory pressures and the lack of qualified teachers, pupil numbers per class returned to their pre-project level (60 to 100 pupils per class) and the repeat rate in Libreville is higher than elsewhere in the country (41% compared to a national average of about 30% in 2005).

4.4.4 Education project III contributed to the rehabilitation of ETP infrastructure by fully rehabilitating and equipping 8 secondary schools (out of 9). The uncompleted activities concern the construction of the Secondary Industrial Vocational School in the Estuary (Bikelé) with a capacity of about 1,000 pupils, as well as the extension of 8 other schools. The Bikelé School is effectively fulfilling the Government's ambition of developing agricultural, livestock and aquaculture trades, and to make this institution a pole of excellence for economic diversification. The project also contributed to achieving the objective of targeted

²⁴Source: PCR of Education Project III.

quality by implementing 100% of the training initially planned. Despite the delays, Bank action gradually contributed to establishing a technical training apparatus with appropriate equipment and producing retrained and/or trained teachers. The inclusion of education supervisory staff (inspectors), administrative (school managers) and auxiliary (laboratory assistants and maintenance technicians) staff in the capacity building effort will help to improve the quality of teaching. **The result of Bank assistance in the education sector is *unsatisfactory*.**

4.4.5 The Bank was able to assist during the period of social unrest, and to that effect, focused on access to education and quality. However, the Gabonese education system is still marked by lack of efficiency and adaptability to the labour market requirements. Crude enrolment rate of 140% in 2005 translates lack of efficiency in the system, especially the high class repeating rate, despite a reduction from 39% in 1995 to 30% in 2005. Furthermore, the building of new educational infrastructure necessitated by population growth may not be sustainable, unless they are supported by deep reforms of the system, with priority given to gains in effectiveness and efficiency. In regard to TVE, although the employment market remains restricted, companies are unable to recruit skilled workers. **From the foregoing, the result of Bank assistance in the education sector is overall unsatisfactory.**

Health

4.4.6 Bank assistance to the health subsector concerned operationalization of the National Health System Rehabilitation Programme (1992) and was aimed at providing better health coverage and access to quality care. It also sought to improve the health status of the population with the increased use of quality health services. The humanitarian assistance given to Gabon addresses this concern through better control of Ebola HIV epidemic. Gabon has suffered 5 epidemics in 10 years, with nearly 207 cases resulting in 150 deaths; this was a real tragedy for this sparsely populated country.

4.4.7 The effectiveness of the Health system development project PDSS was unsatisfactory in view of the protracted slippages in the construction of infrastructure (12 years). Its resizing (cancellation of 8.645 million UA out of initial loan of 14.130 million UA) reduced the outcomes notably to 5 dispensaries (instead of 30), 2 SMI/PF²⁵ centres (instead of 15). The PCR of the PDSS indicates that the health facilities are operational and carrying out health care activities. But the lack of statistics makes it impossible to provide indicators on coverage and attendance rates for these health centres.

4.4.8 The humanitarian assistance action was effective with the execution of 98% of the activities despite a two-year delay that somehow compromised its emergency nature. It helped to train 299 workers in epidemic surveillance, monitoring and social mobilization. It enhanced the coordination of surveillance through standardized data collection tools, vehicles, protective gear, medicines, communication equipment, establishment of 9 village surveillance committees at the Congolese border, and coverage of over 200 villages with the support of a network of 160 trained community representatives. Since 2002, there has been no recorded outbreak of the Ebola VHF. Similar epidemics in neighbouring Congo have been brought under control, thanks to effective actions undertaken as part of the operation. This lull has brought greater serenity to the authorities and communities.

²⁵ Mother and Child Health/Family Planning

4.4.9 The outcome of Bank assistance in the health sector is unsatisfactory due to weak results of PDSS and delay in emergency assistance. The result of Bank assistance in human development was overall unsatisfactory.

4.5 Cross-Cutting Issues

Gender

4.5.1 In education, one of the nine technical and vocational education centres under construction is exclusively reserved for girls. The PCR of the Road Rehabilitation and Development Project indicates a positive impact on women in the project area where they represent 65% of the rural population. The development of roads has facilitated the marketing of food produce (bananas, plantain, cassava, vegetables, groundnuts, etc.) the bulk of which is produced by women, and this has probably contributed to increasing their incomes. Apart from improving access to health centers and schools, the Bank's assistance facilitated and accelerated the creation of micro-projects initiated by women. In agriculture, women account for 35% of the permanent workers of SIAT Gabon and 40% of seasonal workers. The project also provides support to women to grow food crops on the company's plantations. In this way, they can ensure food security for their families and earn additional incomes.

Community Participation

4.5.2 The preparation of CSPs and the RBCSP 2006-2010 was conducted in a participatory manner involving the Gabonese authorities, the civil society and other technical and financial partners. This participatory dimension was also taken into account in the project to support the PNBG formulation. The participatory process was backed by broad-based consultative seminars and workshops in the provinces, creation and training of thematic groups, as well as establishment of focal points and provincial committees. The implementation of the Education Project III led to the establishment, in each beneficiary province, of a local monitoring and supervision unit whose composition was relatively representative of the parent-teachers associations and teachers' trade unions.

Regional Integration

4.5.3 The Bank's strategy was aimed at enabling Gabon to consolidate its CEMAC convergence criteria performance, support the Transport Sector Programme through the tarring of roads that link the country to neighbouring countries, rehabilitate and develop maritime infrastructure, and build institutional capacities. The reforms pursued by the Government with the support of the Bank helped to contain inflation at a reasonable level and maintain fiscal discipline in conformity with the ECCAS community requirements. They also contributed to improving the common legal and judiciary space through dissemination of the OHADA uniform acts. The Bank was actively involved in the implementation of the Central African Consensual Transport Master Plan (PDCT-AC) of CEMAC and ECCAS. The 237 km-long Fougamou-Mouila-Ndendé-Doussala section, half of which is funded by the Bank under PR-1, is one of the ECCAS integration roads and a key link in the Ndjaména-Yaoundé-Brazzaville corridor, which also features among the NEPAD priority projects.

4.5.4 Lastly, the Bank responded favourably to the request of CEMAC authorities by providing an ADF grant of UA 600,000 to finance the multinational capacity building project of the Institute of Statistics and Applied Technologies (ISTA). This intervention is the first joint effort with CEMAC in the education and training sector. The request to the Bank was

mainly for expertise. The Bank's assistance provided an in-depth study of ISTA's prospects so as to better direct and consolidate its development. A new curriculum with new courses leading to the *Diplôme d'Etudes Supérieures Spécialisées (DESS)* (Post-Graduate Professional Degree) in project analysis and evaluation was put in place. Three DESS year groups (2003-2004; 2004-2005 and 2005-2006) comprising 65 students have been trained, 52 of whom have obtained their DESS. The achievements are sustainable because the institution has progressed from the transitional phase to a maturity stage. Thanks to a broader range of activities, it can respond better to the economic challenges of CEMAC countries.

4.6 Impact on Institutional Development

4.6.1 Institutional impact refers to the effects of the Bank's assistance on the capacity of Gabon to use its human, financial and natural resources in a more efficient, equitable and sustainable manner. The reforms supported by the Bank and other partners helped to improve the budget process, transparency and control. The establishment of the Integrated Information System in the expenditure chain made for more effective and transparent monitoring, including effectiveness of expenditure and preparation of periodic investment budget execution reports. Lastly, the PRGSP, MTEF and the PNBG are programming tools which are gradually being used to enhance the effectiveness of public resources.

4.6.2 The projects have also built punctually institutional capacities in their areas, for example in technical and vocational education, training courses, technical assistance, establishment of organizational structures, preparation of action plans, harmonization of programmes, etc. The various interventions have provided a framework for building national capacities in project management. In agriculture, the SIAT project assists women in the production of food crops in the company's farms, thereby ensuring family food security and generating additional incomes. On the whole however, the projects have contributed to building national capacities albeit to a limited extent. PRIVATIS is a case in point, where the impact on the institutional capacity in privatization has been marginal. *The impact on institutional development remains limited and unsatisfactory.*

4.7 Efficiency

4.7.1 Bank operations have encountered delays in achieving results. For example PR-1 was approved in September 2007 and became effective in September 2008. The procurement process for all the components was undertaken and contracts initialled in February 2009, particularly the procurement of road works and control services. Nonetheless, the works could not start at that time because they were subject to fulfillment of the conditions precedent to the first disbursement. These conditions were amended by the Bank in May 2009, particularly those relating to the national counterpart funding and compensation to persons whose property had been expropriated. Indeed, the Government gave an undertaking to the IMF to pay the counterpart funds (including those for projects funded by the ADB) to the *Agence Comptable Centrale des Dépôts* in the Public Treasury. Much time was taken in fulfilling the conditions, and the relevant units of the Bank have subsequently acknowledged the complexity of these apparently straightforward and standard conditions.

4.7.2 In addition to the shortcomings related to the quality at entry and weak national managerial capacities, the suspension of disbursements from August 1998 to March 2001 and the transitional period prior to resumption of normal activities in 2003 also negatively impacted on the Bank's assistance programme. Apart from the multi-sector operations, the average duration of projects completed or halted in terms of the signature dates was 8.3 years.

The ages of two projects were 13.1 years and 10.6 years respectively. The average age for multi-sector operations is 5.2 years, with 2.5 years for one of them and 9.1 years for the other. Part of the ongoing financing was cancelled as part of measures aimed at improving the portfolio. The cumulative volume of these total or partial cancellations of the loans represents about UA 133.56 million during the period under review, which represents 19.24% of the total volume of approvals concerned. **Long delays in fulfilling loan conditions, inadequate quality at entry, problems of implementation capacity, as well as the long period of sanctions which led to cancellation of activities and delays in achieving results, resulted in *unsatisfactory efficiency*.**

4.8 Sustainability

4.8.1 Sustainability refers to the continuation of benefits from development interventions and their resilience to risks after the assistance stops. It is assessed by the level of commitment of the authorities and economic sustainability. Sustainability is based on political will expressed through sustained commitment since 2003, which marked the start of programmes supported by the IMF and implemented without any major upheavals, difficult reforms which were initiated particularly Gabon's compliance with EITI criteria, the fight against illicit enrichment, application of the new public procurement code, etc.

4.8.2 Sustainability is also based on the strengthening of the institutional capacities which was limited.

4.8.3 With regard to the projects, the sustainability of their impacts was limited because the outcomes were limited or not sufficiently exploited to ensure continuity of project activities and impacts in the absence of a post-operation policy. Lack of road maintenance may be mentioned in that aspect. Another example is that the enhanced production tool by the rubber and livestock projects was not viable due to deficits of state companies that brought about privatization. The educational infrastructure built with the Bank's support has been quickly outstripped by population growth and cannot be sustainable unless they are supported by greater efficiency in the overall education system. Regarding the foregoing, ***Sustainability of the outcomes is overall unlikely***.

4.9 Overall Evaluation

4.9.1 The overall evaluation of the Bank's assistance in Gabon produced mixed results because they indicate both satisfactory and unsatisfactory assessments. The performance of the CSP, non-financial activities such as dialogue, diagnoses and portfolio reviews, as well as the efforts by the two parties, is deemed satisfactory. However, the results obtained are largely unsatisfactory for the stakeholders.

4.9.2 Translating the objectives and actions into tangible results remains a major challenge. Despite the progress which indicates some improvement, the Bank's contribution and progress by Gabon have been limited, particularly from the perspective of strategic objectives such as improvement of governance, economic diversification, reinforcement of infrastructure and human development. The lack of efficiency reduced the Bank's capacity to contribute more effectively to the country's development. The Bank's programmes are taking time to materialize and produce the expected impacts. The PR-1 works approved in September 2007 had not yet started in April 2009; after nearly 5 years of formulation, the PNBG is not yet operational; activities for the rehabilitation of technical and vocational education have not been completed after 12 years of implementation; etc... not forgetting the

country's **weak ownership of aid in the form of projects**, particularly non-fulfillment and non-compliance with project conditions and weaknesses in project management.

4.9.3 Improvements are necessary in the country and the Bank so as to strengthen institutional capacities for project design, implementation and coordination. GAFO has a role to play in the decentralization of the Bank to stimulate these improvements. However, the problems relating to portfolio performance require more effective monitoring, taking into account the fact that the recurrent recommendations of the portfolio reviews and audits have not translated into tangible improvements. Dialogue should be well prepared through discussions within the Bank, specifically at the level of Country Team and Management, to develop a common approach. This approach should also be supported with broad-based consultation at the level of the country, other donors and the Bank. Annex 2 presents a summary of the evaluation based on various criteria. *In view of the inadequate results, the overall performance of Bank assistance to Gabon is deemed unsatisfactory.*

V. PERFORMANCE BY DEVELOPMENT PARTNERS

5.1 Government and Executing Agencies

5.1.1 The Government's performance was assessed on the basis of the reform programmes, portfolio management and quality of dialogue with the Bank.

The Government is credited with restoration of macroeconomic balances, growth momentum and key initiatives such as the PRGSP process (even though Gabon is not a heavily indebted poor country), MTEF and PNBG supported by the Bank and other partners, that led to the establishment of instruments of dialogue to ensure better coordination between the sources of finance and aid effectiveness.

5.1.2 However the **weak indicators of Gabon in respect of governance and the business climate**, as indicated above, show the inconsistency in the Government's commitment to the reforms. Decision making and deepening of the reforms have been slow and marked by inertia, particularly with regard to administrative reforms and operationalization of the PRGSP and PNBG. The business regulatory environment requires broader private sector reforms despite the progress made in the system put in place to foster business creation and development.

5.1.3 **The dialogue between the Government and the Bank was constructive; it was enhanced the presence of GAFO and the general TFP consultative framework.** Monthly coordination meetings often served as platform for dialogue with the Government and mutual advice. However, the Government's management of partner interventions was inadequate. Partnership with the Bank was affected by the lack of ownership of the projects, particularly with regard to the level of mobilization of counterpart funds, physical monitoring and compliance with loan conditions and coordination. Most generic problems reducing portfolio performance remain unsolved as developed previously. Given the above, despite improvements, *the performance of the Government and executing agencies is deemed overall unsatisfactory.*

5.2 The Bank

5.2.1 The assessment of the Bank's performance is based on a review of the relevance of its strategy and interventions, their implementation, the quality of its analytical studies and partnership and dialogue activities. The Bank, which is one of the major donors of Gabon in terms of volume, aligned its assistance strategies with the needs of the country during the 1996-2008 period to reflect the Government's strategies and programmes, including the PRGSP. Its last CSP focused on the strengthening of governance and improvement of infrastructure, while seeking to focus Bank assistance on operations from the two pillars that would contribute to the diversification of sources of economic growth. The Bank mobilized resources for capacity building and analytical studies for Gabon. The ESW also responded to the country's expectations in view of its contribution to the definition of poverty, governance and economic diversification policies. The Bank satisfactorily collaborated with other TFPs in co-financing projects such as SAP III, PRIVATIS, PARR and PSFE.

5.2.2 **Quality at entry was affected by some shortcomings**, particularly the lack of clearly specified objectives, activities, implementation schedules and the results monitoring framework, as well as the choice of unrealistic conditionalities in comparison to the borrower's capacities and often inappropriate procedures. The Bank made efforts to improve portfolio quality by enhancing the supervisory role and intervention capacity of GAFO (Regional Office), whose presence in the country improved communication with the Government, executing agencies, and partners. In addition, GAFO actively participated in the APPR (2004 and 2007), RBCSP 2006-2010 preparation and review, the ESW and project identification missions (2008).

5.2.3 However, the activities **of various Bank departments and the Regional Office sometimes lacked synergy in the absence of a shared vision on the division of labour and responsibilities**. For example, the Bank's support to the private sector lacks clarity because of OPSM's weak contribution to the development of a relevant strategy. With regard to administrative tasks, files reviewed by GAFO often undergo the same process at headquarters and take up considerable period of time only to validate the review conducted by GAFO. The feeling at GAFO is that while decentralization process remains a relevant option to improve the quality of the Bank's assistance, it is essential to strengthen it through greater efficiency. In brief, the decentralization will only be beneficial provided it comes with greater responsibility and even tighter control mechanisms involving more frequent audits. At the same time, GAFO would be more effective if the communication system (e-mail, telephone and videoconferencing) was more efficient than it is currently despite the new facilities provided.

5.2.4 The lack of efficiency and responsiveness reduced the Bank's capacity to contribute more effectively to the country's development as the delays in fulfilling the conditions precedent to first disbursement for PR-1 show. The performance of the active portfolio has been unsatisfactory as a result of problems. The recurrent recommendations of the portfolio reviews did not translate into tangible improvements. Consequently, more effective solutions must be sought in an open dialogue at all levels to address the problems of delays and more generic problems relating to effectiveness of loan agreements, conditions precedent to the first disbursement, procurement, etc. ***In view of the inadequate results, the Bank's performance is deemed to be overall unsatisfactory, despite improvements.***

5.3 Exogenous Factors

5.3.1 Exogenous factors positively or negatively affected on the outcomes during the period, and their impact was reinforced by the country's economic vulnerability. Until 1997, Gabon honoured its commitments to the Bank. However, due to financial problems as from 1998, Gabon accumulated arrears compelling the Bank to suspend its assistance for a long period extending from August 1998 to March 2001. Performance still depends largely on the country's stability and changes in external conditions. Indeed, in a region beset by conflicts, Gabon has hitherto successfully resorted to dialogue to preserve social peace, which is an indispensable tool for the implementation of economic and structural reforms. The 2003-2008 period recorded an increase in GDP to 5.6% in 2007, as a result of the upsurge in oil prices. However, the sustainability of the country's growth is threatened by vulnerability of the economy to exogenous shocks, in particular fluctuations in the prices of the country's commodities: oil, manganese, rubber and timber. Concerning oil, exports suffered as a result of collapse of oil prices from US\$ 140/barrel in July 2008 to US\$ 40 in December 2008. Manganese exports were affected by the car industry crisis and the decline in the price of rubber by two-thirds between October and December 2008 for similar reasons.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

6.1.1 Economic diversification remains a major challenge for Gabon as it prepares for the post-oil era. Private sector development requires efforts that are indispensable for improvement of the business climate and infrastructure.

6.1.2 CSP alignment with the Government's strategies and programmes helped to ensure consistency with the country's needs. Since 2006, the Bank has focused on strengthening governance and reinforcing the infrastructure with active Bank and other partners support.

6.1.3 The Bank's non-financial activities were satisfactory thanks to capacity building, studies, policy dialogue and contribution to aid coordination. The presence of the GAFO Regional Office and its enhancement have improved dialogue and partnership.

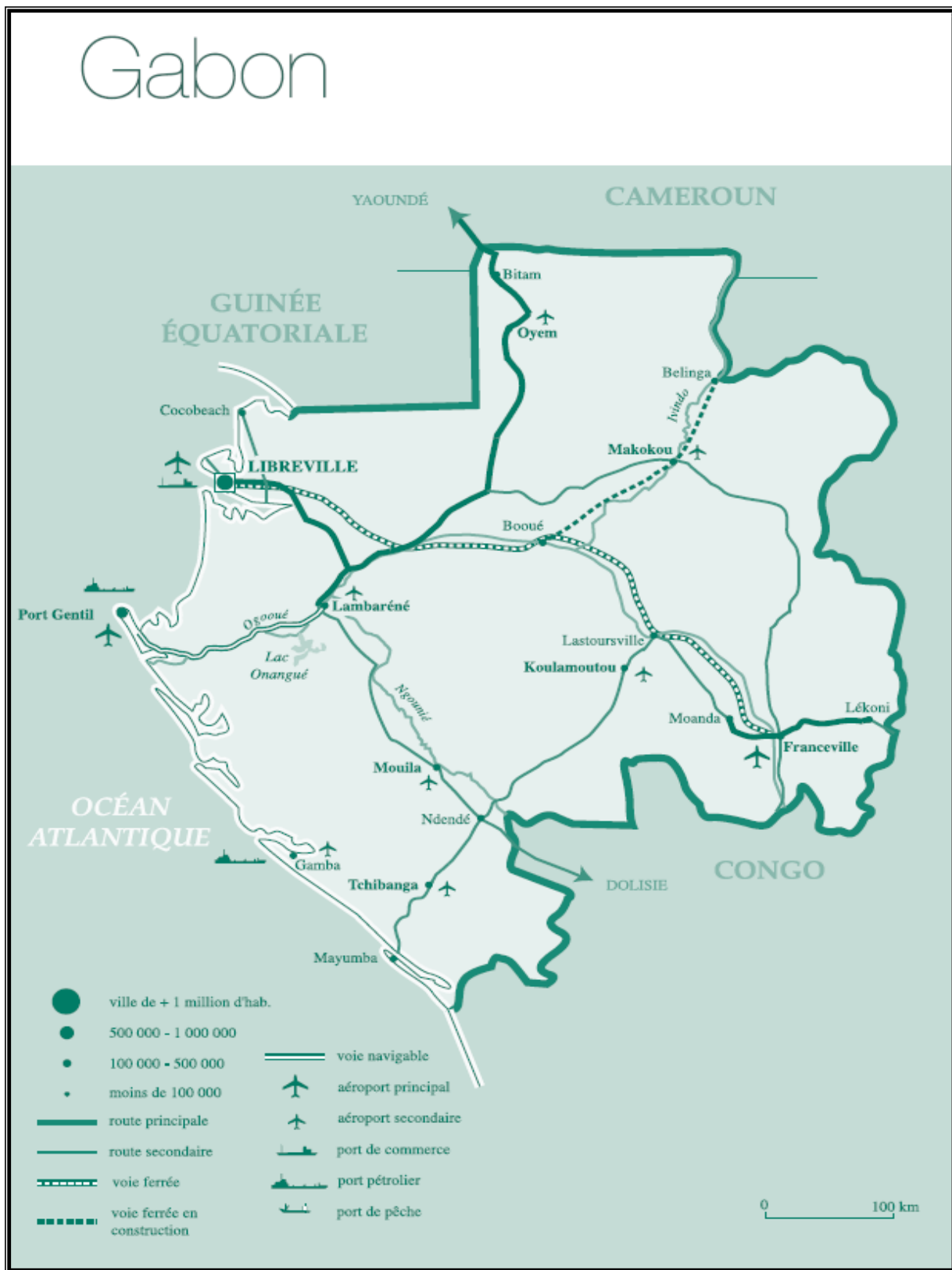
6.1.4 This progress indicates gradual improvement that needs to be consolidated. This is because the Bank's contributions are still limited, particularly in comparison to the strategic objectives, such as improvement of governance, economic diversification, reinforcement of infrastructure and human capital development. Despite the recent improvements, the overall performance of the Bank's assistance is deemed unsatisfactory in light of the inadequate results for the period under review. Translating objectives and actions into tangible results remain a challenge. Like the Road Programme (PR-1), which is supposed to draw lessons from past experience, the Bank's programmes still take time to materialize. These programmes would benefit from greater synergy of action in the Bank and increased empowerment of GAFO.

6.2 Recommendations

The recommendations of OPEV evaluations on quality at entry and supervision are also relevant for Gabon. In addition the following recommendations are proposed:

1. Increase strategic selectivity within CSP pillars – infrastructure and governance – on the basis of high quality economic and sector analytic work and more targeted policy dialogue.
2. Strengthen Bank's support to development of the private sector through active involvement and stronger synergies in improvement of business climate and direct support to the sector.
3. Strengthen support to good governance by improving realization, effectiveness and synergy of actions through the effective implementation of updated legal texts and instruments.
4. Show greater interest in country capacity building to take over and implement Bank financed operations. Prepare project implementation schedules and rigorously select project managers, training programmes, putting in place accounting and financial management systems and procedure manuals.
5. Strengthen monitoring and evaluation and the Bank's presence on the Field by empowering GAFO more, as well as through joint supervision missions associating GAFO's available expertise and at the central level, so as to avoid unduly wide deviation from initial objectives and slippages in projects implementation.
6. Improve coordination and synergy of action among the various departments of the Bank, including the Private Sector Department and GAFO, by focusing on shared vision for Bank's assistance in Gabon, division of labour and accountability.

Gabon



Source: African Economic Outlook, 2006-2007, ADB/OECD, 2008

Performance Rating Grid

4=Highly satisfactory, 3=Satisfactory; 2= Unsatisfactory; 1= Highly unsatisfactory

Summary of Bank assistance performance 1996-2008

Area	Rating
<i>CSP Strategies</i>	<i>Satisfactory</i>
Non lending Activities	
Economic and sector work	Satisfactory
Policy Dialogue	Satisfactory
Aid Coordination and harmonisation	Satisfactory
<i>Overall Non lending</i>	<i>Satisfactory</i>
Operations by evaluation criteria	
Relevance	Satisfactory
Quality at entry	Unsatisfactory
Efficacy	Unsatisfactory
Efficiency	Unsatisfactory
Institutional Impact	Unsatisfactory
Sustainability	Unlikely
<i>Overall Operations</i>	<i>Unsatisfactory</i>
<i>Overall Evaluation</i>	<i>Unsatisfactory</i>

Summary of Bank Assistance Performance

Development Objective	Rating by Objective	Component	Rating by Component
1 : Consolidation of macroeconomic framework and strengthening of good governance	Satisfactory	Economic reforms	Satisfactory
		Administrative reforms	Unsatisfactory
		Strengthening of budgetary process	Satisfactory
2 : Economic Diversification	Unsatisfactory	Improvement of the business climate	Unsatisfactory
		Agriculture and rural development	Unsatisfactory
		Industry	Unsatisfactory
		Direct support to private sector	Satisfactory for SIAT but not for SME Project
3 : Infrastructure development	Unsatisfactory	Transport,	Unsatisfactory
		Electricity	-
		Sanitation	-
4 : Strengthening of human capital	Unsatisfactory	Social infrastructure	Unsatisfactory
		Unemployment programmes	Unsatisfactory

GABON

List of completed, halted, cancelled or ongoing projects for 1996-2008

Completed projects with PCR		Completion Date
1	Road Rehabilitation and Development Project	1996
2	Rubber Cultivation Programme II	2001
3	Education I	1998
4	Health Services Development	30/06/2007
5	Privatization Programme Support	30/06/2007
6	Structural Adjustment Programme III (SAP III)	31/12/2006
	ISTA Strengthening	
Completed Projects Without PCR		Completion Date
1	SME/SMI Development	1997-
2	Livestock Project II	2000
3	Livestock Project Study	1999
4	Emergency Humanitarian Aid	31/12/2005
Cancelled/suspended projects		Completion Date
1	Women's Socioeconomic Activity Development	2001
2	Pilot Project of Public Interest Works for Business Promotion and Employment (TIPPEE)	31/12/2006
3	Education II	2002
4	Franceville-Laleyou-Lastourville Road	30/06/2007
Ongoing Projects		Completion Date
1	Road Programme Phase 1 (PR1)	31/12/2011
2	Education III	31/12/2009
3	Fisheries and Aquaculture Sector Support	31/03/2011
4	SIAT Gabon Expansion Project	2010
5	National Good Governance Support Programme	31/12/2008*
6	DGMP Strengthening Support	31/12/2008*

* Grants whose completion date was 31/12/2007. There are plans to extend them to 31/12/2008.

Approved Operations 1996-2008 -

No	REF SAP	Project	Status	Sector	Source	Approval Date	Signature Date	Effectiveness First D.	Last Disbur.	Closing Date	Amt Appr(UA)	Net Amt (UA)	Disb Ratio(%)	
Operations Approved over 19962008 Review Period														
1	P-GA-IAE-001	EDUCATION III (TECHN.& VOC EDUCATION STRENGTH)	ongoing	Social	ADB Loan	12/11/1997	01/13/1998	12/01/1998	12/01/1998	06/24/2008	12/31/2009	23 647 236,41	18 756 450,66	33,15
2	P-GA-K00-001	.PUBLIC ENTERPRISE PRIVAT & RESTRUCT.	completed	Multisecteur	ADB Loan	04/22/1998	05/28/1998	05/18/1999	05/28/1999	08/21/2007	06/30/2007	13 033 110,90	2 024 094,65	100,00
3	P-GA-J00-001	TIPPE PROJ	abandoned	Dév. Urbain	ADB Loan	07/08/1998	05/29/2001	05/29/2001	11/11/2002	02/28/2007	12/31/2006	7 074 613,17	82 355,30	100,00
4	P-GA-IBE-002	EBOLA FEVER SURVEILLANCE	completed	Social	FFS	10/09/2002	02/03/2003				12/31/2003	305 731,86	305 731,86	100,00
5	P-GA-KA0-001	STRUCTURAL ADJ PROG III	completed	Multisecteur	ADB Loan	06/30/2004	07/12/2004	10/26/2004	12/22/2004	05/30/2006	12/31/2006	68 483 936,85	68 483 936,85	100,00
6	P-GA-KA0-002	NATIONAL GOOD GOVERNANCE PROGRAMM	ongoing	Multisecteur	MIC	08/03/2004	01/18/2005	01/18/2005	01/18/2005	09/21/2005	09/30/2005	100 000,00	100 000,00	99,19
7	P-GA-AAF-002	FISHERIES & AQUACULTURE SECT. SUP	ongoing	Agriculture	ADB Loan	07/27/2005	10/28/2005	09/20/2006	11/15/2006	05/16/2008	12/31/2011	13 683 518,61	13 683 518,61	3,86
8	P-GA-AAG-002	SIAT GABON AGRICULTURAL EXPANSION PROJ	ongoing	Agriculture	ADB Loan	09/12/2007	02/19/2008	02/19/2008	06/30/2008		12/31/2010	9 645 899,05	9 645 899,05	100,00
9	P-GA-D00-001	ROAD PROGRAMME	ongoing	Transport	ADB Loan	09/17/2007	10/25/2007	09/17/2008			12/31/2012	247 195 454,85	247 195 454,85	0,00
10	P-Z1-IAZ-001	ISTA	completed	Education	ADF Grant	36656	36733	38898	36951	36886	38952	600000	600000	99,79
Approved Ops Prior to 1996 And completed (19962008 review)														
1	P-GA-AAE-003	LIVESTOCK PROJECT PHASE II	completed	Agriculture	ADB Loan	10/17/1989	01/30/1990	10/10/1990	11/06/1990	05/22/1998	12/31/1999	18 300 000,00	15 898 253,22	100,00
2	P-GA-IA0-001	SUPPLEMENTAIRE IMPROVEMENT STUDIES	completed	Social	ADB Loan	05/14/1990	04/12/1991	07/31/1991	08/08/1991	09/04/1998	12/31/1998	1 574 999,00	1 348 133,29	100,00
3	P-GA-IAZ-001	EDUCATION PROJECT PHASE I	completed	Social	ADB Loan	08/26/1991	09/13/1991	06/17/1992	07/01/1992	11/21/1997	03/31/1998	24 000 000,00	22 764 011,72	100,00
4	P-GA-AA0-001	RUBBER PROGRAMME II	completed	Agriculture	ADB Loan	02/26/1992	05/13/1992	07/16/1992	07/16/1992	01/17/2003	12/31/2000	40 000 000,00	36 874 939,10	100,00
5	P-GA-AAE-001	LIVESTOCK FEASIBILITY STUDY	completed	Agriculture	ADF Grant	04/21/1992	05/13/1992	11/17/1993	05/31/1996	04/17/1998	06/30/1998	902 631,00	476 756,80	100,00
6	P-GA-IAZ-002	EDUCATION II	completed	Social	ADB Loan	12/01/1992	01/07/1993	09/06/1994	09/19/1994	07/28/2003	07/30/2003	30 000 000,00	6 362 380,42	100,00
7	P-GA-DB0-002	ROAD REHABILITATION & DEVELOPMENT	completed	Transport	ADB Loan	05/06/1993	05/13/1993	11/10/1993	11/18/1993	06/23/1997	05/30/1997	72 550 000,00	72 287 534,70	100,00
8	P-GA-KB0-001	SME/SMI DEVELOPMENT	abandoned	indus./Fin./Bank	ADB Loan	05/06/1993	05/13/1993	05/26/1994	06/03/1994	11/21/1996	12/31/1997	50 000 000,00	18 786 953,41	100,00
9	P-GA-IB0-001	HEALTH SERVICES DEVELOPMENT PROJECT	completed	Social	ADB Loan	04/29/1994	05/10/1994	06/29/1995	01/11/1996	09/26/2007	06/30/2007	14 130 000,00	4 591 117,04	100,00
10	P-GA-ID0-001	WOMEN'S SOCIOEC ACTIVITY PROMOTION	abandoned	Social	ADB Loan	04/29/1994	05/10/1994	10/30/1996	07/01/1997	07/21/1998	12/31/1999	5 790 000,00	143 804,44	100,00
11	P-GA-DB0-003	FRANCEVILLE - LA LEYOU-LASTOURSVILLE ROAD PROJECT	completed	Transport	ADB Loan	12/19/1995	01/15/1996	07/15/1997	08/07/1997	05/08/2007	06/15/2008	53 000 000,00	20 069 925,55	100,00

FFS= Special Safety Fund
PRI = MIC Grants
FFF = French Fiduciary Funds

Objectives, Intermediate results and performance indicators

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
I. Governance Improvement				
Improve and consolidate the macroeconomic framework and return to growth	SAP III	GDP growth of 0.,8% during 2004-2005 period Investment rate 2% inflation rate over 2001-2005 period Budgetary surplus balance of 9% of GDP in 2004 and 7.5% in 2005.	Annual average growth of 2.2% (1.4% in 2004 and 3.0% in 2005) of GDP from 2004 to 2005 Private investment declined slightly from 20.1% in 2004 to 18.4% in 2005. Rate of inflation of 0.7% 2001-2005 Surplus primary balance estimated at 12.2% of GDP in 2005 compared to 11.3% over the 2003-2004 period.	The growth rate above the target value The rate of inflation largely above the target value
Assist Gabon to address issue of declining oil production and external indebtedness and	SAP III Support to DGMP, Support to PNBG	Current account balance Reduce the external debt service Share of non-oil sector : annual GDP growth of 4.4% for the non-oil sector over the 2004-2005 period	The outstanding debt of Gabon decreases from 55.9% of GDP in 2003 to 49.6% and 39.2% respectively in 2004 and 2005.	Overall, the intermediate objectives were achieved. The privatization of public enterprises helped reduce the level of transfers and subsidies.
Enhancement of transparency in public resource management and governance improvement	SAP III Support to DGMP, Support to PNBG	Strengthening of Audit Directorate General Public Procurement Directorate National Commission Against Illicit Enrichment strengthened and operating Administrative reform organic acts passed Preliminary document of good governance programme formulated	The human resources of the Audit Directorate have been strengthened National Commission Against Illicit Enrichment has become operational Integrated financial management The General Directorate of Public Procurement has been strengthened Action plan put in place to enhance public procurement to eliminate shortcomings New procurement code formulated. Use of negotiation decreases from 100% in 2004 to 60% in 2007 and 29% in 2008 Public procurement manual of procedure is underway Preparation of a standard bidding documents ongoing Formulation of a new information system on public procurement ongoing Administrative reform organic act passed	The implementing instruments of the administrative reforms were not passed
PRSP formulation support	SAP III, Education Project III PDSS	Communication programme implemented Finalization of poverty reduction strategy Formulation of Health sector strategies Formulation of national microfinance strategy notably the professional association of microfinance institutions	Communication programme implemented PRGSP formulated and adopted in 2006 Health sector strategy National microfinance strategy	Objectives achieved
Adoption of policies and standards aimed promoting good governance in Gabon.	Support to PNBG	Technical assistance; Participatory seminar-workshops Institutional support to PNBG Executive Secretariat.	PNBG preliminary report. Validation of PNBG and relevant action plan in September 2008. The PFs serve as representatives and carry out monitoring evaluation tasks. Creation of a PNBG web-site will provide greater visibility A linkage has been established between the PNBG and preparation of MTEF and financial period 2008	Despite the delay affecting the institutional support due to non-disbursement of the government's counterpart fund, it enabled the supervision of the entire process: training, seminars and communication. The performance is satisfactory.
Institutional capacity building	Support to DGMP	Organization of participatory seminars-workshops institutional support to PNBG Executive Secretariat.	Training of members of Thematic Groups and Executive Secretariat that contributed to the mastery of the entire process of formulation of the various components of a good governance programme: economic governance, political and institutional governance and local governance. Seminars/workshops conducted that fostered a large ownership by the major actors of the fact that all the nine provinces and the capital have hosted these meetings Building of human and technical capacities through (i) training of stakeholders in the formulation of good governance programme Institutional support to the PNBG Executive Secretariat in the form of technical assistance and equipment that enabled it to supervise all the activities related to the PNBG formulation process. Institutional development through focal points (FPs) appointed at the ministries.	Objective of formulation and adoption of the PNBG achieved

Source: summary by OPEV based on CSP, PCR, Portfolio Review, Project Appraisal Report

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
II. Economic Diversification				
Private sector promotion	PRIVATIS, SAP III Private sector window	Share of private sector in GDP at least higher than 90% starting from 2002	The resizing of PRIVATIS reduced its relevance in relation to the target, because the project has remained at the study stage and did not result in the implementation of reforms needed to achieve the objective.	The Bank's contribution to PRIVATIS was UA 11.03 million representing 47% of the financing of the project compared to 32%, World Bank and 21% Government. Approved in April 1998, the loan was only disbursed in July 2003 and extended by 2.5 years until June 2007. 10 out of 22 measures were cancelled PRIVATIS was resized in synergy with SAP III which included measures such as "the participation of nationals in privatization" and "improvement of business climate".
Creation of an environment conducive to private sector development	SAP III	Establishment of laws and regulations starting from 1998: Improvement of the regulatory, legal and institutional framework, OHADA instruments popularized; social audits conducted; multi-sector regulatory agency created Formulate a legislation establishing the multi-sector regulatory agency Train staff in charge of regulation Technical assistance for the management of the regulatory agency Sector studies to effectively carry out the regulation Revise the legal and regulatory framework and restructure the main sector: telecommunication, posts, electricity, water Study and put in place the methods and structures for dispute settlement Restructure the CNSS Publish and organize information seminars on the labour code and investment charter Assess business environment	Methods and structures for dispute settlement in business law in place Printing and dissemination of 12000 copies of the investment charter and organization of 20 information seminars on investment charter Printing and dissemination of 12000 copies of the OHADA uniform acts Operational audit of justice conducted Training and improvement of the work environment of judges Establishment of a Dispute Arbitration and Reconciliation Centre Actuarial study of social security conducted Satisfaction studies relating to privatization exercises whose outcomes are expected.	The modernization of the business environment remains a major challenge.
Transfer of public enterprises to private sector and transfer of minority shares of Government	PRIVATIS	40 state-owned enterprises restructured and/or privatized in 2002, Government minority stake in 121 enterprises sold Participation of nationals in privatization	Private majority holding in 40 EP and at least 90% of Government shares in minority interest transferred to private sector (World Bank Component of PRIVATIS)	Some actions cancelled and others that were not completed. However, at least half of actions contained in PRIVATIS were carried out. Lack of privatization specialists in some areas Participation of nationals in privatization exercise was not effective
Capital market development framework and mobilization of savings created		Legalization of creation and regulation of OPCVMs and legislations on security transactions are promulgated in 1999	Cancelled at 2004 portfolio review.	

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
Minimize the social impact of privatization	PRIVATIS	Social audits on social dimension of privatization conducted Support to the establishment of funds for the preservation of employment At least 70% of jobs are redefined and/or kept Supervision/retraining of laid off workers	Social audits conducted Formulation of a retraining programme for laid off workers	Employment Preservation Fund cancelled by 2004 review
Building the capacities of PIU in the area of privatization	PRIVATIS	Privatization committee strengthened Setting up of a communication unit and information centre Design of a communication programme Equipping of communication unit Technical assistance for privatization Opinion survey to improve communication and assess its impact	Institutional architecture put in place Enhancement of consultation between Ministry of Finance, technical ministries responsible for privatization of state enterprises and other ministries Accounting assistance to Privatization Committee Auditing of Accounts Study trips to France for 2 executive staffs Training of 10 executives in France and Canada in regulation in the transport, energy sectors for an improved monitoring of concessions and competitive activities. Training of members of privatization committee Seminar on Bank procedures in September 2005 in Libreville Creation of a web-site within the Privatization Committee	
Direct support to private sector	Bank's private sector window	Number of projects funded through the Private Sector Window	SIAT Gabon expansion project Muyamba Port Pre-feasibility Study	
<i>Diversification of productive base: AGRICULTURE AND RURAL DEVELOPMENT RURAL and AGRO-INDUSTRY</i>				
Promote the sustainable management of fish resources A better management of fish resources to contribute to food security and diversification of the national economy	PSPA	Improvement and human and institutional capacity building of the fisheries and aquaculture sub-sector; Improving fishing techniques and fish and aquaculture production units; and Gradual establishment of an efficient fish resource management system to improve the productivity of fishing and aquaculture units in a sustainable manner, knowledge about fish stocks and natural resource protection areas.	A national framework-survey that provides a basis for knowledge about the sub-sector Study trips	Lack of efficiency. The project is under a sanction by an audit.
Promote growth and agricultural development, employment creation, technology transfer and poverty reduction	ADB Private Sector Window/ SIAT GABON	The share of the agricultural sector in the GDP will increase by over €20 million annually during the major part of the project life. The agricultural sector's contribution to exports will increase by over € 10.5million annually for a greater part of the project life. 11,450 tonnes per annum of cooking oil; 6,000 tonnes per annum of toilet soap; and 9,000 tonnes per annum of granular rubber. €1.3 million to be spent on social infrastructure and amenities. Local businesses are awarded construction and supply contracts; €10 million is distributed to local contractors ; employment prospects for country's citizens where the skills exist; Expansion and improvement of local infrastructure; roads, clinics, schools, water and electricity supply) ; HIV/AIDS awareness and mosquito control	Modernization of oil mill and Makouké oilseed crushing plant; installation of a new line of oil packaging in Lambaréné Works for the expansion of the capacity of the Lambaréné oil palm refinery from 50 to 70 tonnes; expansion of the storage capacity of finished products (oil and soap) to Lambaréné is completed; modernization of the Lambaréné soap factory; gradual increase by 2000 tonnes of the capacity of the oil storage tanks; procurement of a second line of processing of latex into granulated rubber of a daily capacity of 40 tonnes. The setting up of a health centre for workers is nearly completed, with delivery scheduled for end September 2008.	Efficacy and efficiency highly satisfactory

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
Exportation of agricultural commodities		<p>Agricultural sector share of GDP will increase by over € 20 million annually for most of the project life. The contribution by the agricultural sector to exports will increase by over € 10.5 million annually for most of the project life</p> <p>Corporate taxes of €33.4 million during the project life. Estimated revenue from indirect taxation amounting to € 7.7 million during the project life.</p>	71% of turnover stems from exports; turnover of CFAF 18.9 billion in 2008	
Production from industrial oil palm and rubber plantations in Gabon and		<p>Oil palm: i) creation of a new 4,250 ha oil palm plantation and replanting of 1,500 ha of oil palm trees at Bindo ; ii) replanting of 750 ha of oil palm trees at Zilé; iii) replanting of 1000 ha of oil palm trees at Makouké; iv) modernization of oil mill and oilseed crushing plant at Makouké; v) expansion of the capacity of the Lambaréné oil palm refinery from 50 tonnes to 75 tonnes per day; vi) modernization of Lambaréné toilet soap factory, and vii) increase of the capacity of the Lambaréné and Port Gentil palm oil storage facilities by 3,000 t.</p> <p>Rubber: i) replanting of 4,100 ha of nucleus rubber tree plantations at Bitam and Mitzic; ii) support to small rubber tree planters assistance programme, out of 2,000 ha; and iii) procurement of a second granular rubber cylinder mixer of a daily capacity of 40 tonnes at Mitzic.</p>	<p>Creation of a new 298-ha oil palm plantation (4,250 ha by 2017); Replanting of 428 ha of oil palm trees at Bindo (1,500 by 2017); Replanting of 140 ha of oil palm trees at Makouké (1000 ha by 2017)</p> <p>Available planted acreage of 11,610 ha of rubber</p> <p>Extension ongoing</p>	Replanting of 750 ha of oil palm trees at Zilé (3) not implemented
III. Infrastructure Strengthening				
<p>Opening up of Estuary, Middle Ogooué, Woleu-Ntem and Ngounie Provinces</p> <p>Meeting transport demand at the least cost between Nsilé and Bifoun, Bifoun and Ndjolé and between Bifoun and Lambaréné.</p> <p>Paved two-lane road between Nsilé and Bifoun, Bifoun and Ndjolé, and between Bifoun and Lambaréné</p>	Road Rehabilitation and Development project	Paved two-lane roads between Nsilé and Bifoun, Bifoun and Ndjolé, and between Bifoun and Lambaréné	<p>Reduction of VOC by 16% at commissioning;</p> <p>Roughness value of 1.65 to 1.95 mm/m at commissioning (at appraisal 5 mm/m)</p> <p>Increase by at least 7% of traffic on highway at commissioning.</p> <p>Roads paved in bituminous concrete for 9 m-width including shoulders, over 187 km:</p> <p>Nsilé – Bifoun : 61 km</p> <p>Bifoun – Lambaréné : 70 km</p> <p>Bifoun – Ndjolé : 56 km</p>	100% of outcomes; Doubtful sustainability due to lack of road maintenance
Provide the country with a more economic link between the regional capitals of Haut-Ogooué and Ogooué-Lolo, and promote the development of agricultural activities in the area. Furthermore, it will contribute to the country's economic integration with the Region by improving one of the road links with Congo.	Franceville-Lastourville Road Project	<p>Rehabilitation of 93 km of paved two-lane road (France La Leyou-Lastourville section) and another earth road over a distance of 92.65 k m</p> <p>Creation of RMF</p> <p>Building the capacities of the Ministry of Equipment and Construction to establish a road database</p>	93 km of paved road creation of RMF	<p>50% of project executed</p> <p>Rate of physical execution of Franceville –La-Leyou stretch was 95%. The Government completed the works using internally-generated resources.</p> <p>Physical execution rate of La Leyou Lastourville was 29%</p> <p>La Leyou Lastourville asphaltting project included in PR-1</p>

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
<p>Strengthening of regional integration; reduction of internal isolation and poverty reduction through improvement of the living conditions of the communities.</p> <p>Reduction of vehicle operating costs and improvement of road transport safety</p> <p>Development of Fougamou Mouila, La Léyou Lastourville and Ndendé Lebamba roads</p> <p>Development and rehabilitation of public educational and health amenities and facilities for local petty traders</p> <p>Road link studies: - Libreville PK 15, Mouila-Ndende-Doussala Ndende-Tchibanga and Libreville express way</p> <p>Institutional support to MTPEC Technical assistance and management of programme</p>	PR-1	<p>Trade between ECCAS countries will increase by 30% by 2015</p> <p>Percentage of paved network in good condition rises from 11 % of the total network in 2006 to 30% by 2012 Decrease of the VOC by 35% in 2010 in relation to 2006; Reduction starting from 2010, transportation time from 4h to 2h in Fougamou-Mouila, from 3 h 30 to 2h between La Leyou-Lastourville and; from 2h to 1 h between Ndende-Lebamba; Reduction of VOC and costs of Franceville-La Leyou-Lastourville Road. Access by population to public educational and health infrastructure to increase by 30% ; Rate of absenteeism to fall from 30% in 2007 to 20% by 2010 ;Rate of absenteeism of qualified care givers decreases from 35% to 20% by 2010</p> <p>Socioeconomic infrastructure to be rehabilitated; 8 hangars for sale farm produce to be constructed;29 schools to be rehabilitated;5 boreholes drilled and fenced for 25 schools; 28 rehabilitated dispensaries install solar panels ; two women's centres at Fougamou and Mouila rehabilitated; 50 km of feeder roads to agricultural farms developed; farming equipment provided to 80 rural women's' associations (1000 wheel barrows, 2 cane pressing machines, 20 cassava mills); 35000 persons sensitized about environmental hygiene and AIDS prevention</p> <p>245 km of bituminous concrete road constructed; 3 OA rehabilitated and 6 OA reconstructed; 272 km of roads studied. Corresponding final designs and bidding documents produced;</p> <p>198 workers of MTPEC trained Building of the capacities of the Ministry of to establish a road database; procurement of equipment for database; 8 weighing and vehicle counting equipment; 8 axle load scales 1 4X4 vehicle for Ministry</p>	Works are yet to start	Lack of efficiency. Considerable delay in meeting conditions of first disbursement.

Objectives, actions and intermediate results	Interventions	Result Indicators		
		Projected	Achieved	Remarks
IV. Human Capital Development				
<p>Improve the quality of technical and vocational education and adapt it to the Gabonese context to make it a tool for the economy</p> <p>Improve the quality of education at the primary level</p>	<p>Education III</p> <p>Education I</p>	<p>360 s primary classrooms constructed;</p> <p>10 technical education establishments rehabilitated;</p> <p>one (1) industrial professional secondary school constructed;</p> <p>supply of equipment furniture, teaching manuals;</p> <p>7000 pupil teachers, 600 science teachers and 118 teachers retrained;</p> <p>15 ENS26 teachers, 10 ENSET27 teachers, 58 other teachers, 33 principals, 60 laboratory assistants and 5 maintenance technicians trained;</p> <p>Two studies on education sector strategy and school mapping</p>	<p>18,500 supplementary places in Libreville public schools;</p> <p>renovation of 111 additional classrooms;</p> <p>training fully carried out ;</p> <p>studies on the education sector studies;</p> <p>supply of vehicles to inspectorates;</p> <p><u>Rehabilitation extension</u></p> <p>Omar BONGO ONDIMBA Technical School (39%)</p> <p>Franceville Commercial Technical School (100%)</p> <p>Moanda Fulbert BONGOTHA Technical School (90%)</p> <p>Fougamou Industrial Vocational School (100%)</p> <p>Bernard OBIANG d'Oyem Industrial Vocational School (100%)</p> <p>Mouila NYONDA MAKITA Commercial Vocational School (100%)</p> <p>Tehibanga Alexandre BIANGUE Industrial Vocational School (100%)</p> <p>Port-Gentil Jean Fidele OTAND0 Technical School (100%)</p> <p>Port-Gentil Commercial School (100%)</p> <p>Franceville Agathe OBENDZE Commercial Vocational School (92.11%)</p> <p>Ntoum Commercial Vocational School (55%)</p> <p>Oyem Bernard OBIANG Industrial Vocational School (75%)</p> <p><u>New construction</u></p>	<p>Lack of efficacy and efficiency.</p> <p>Education III has an estimated physical execution rate of 96% by the PIU</p> <p>But the rate of disbursement was 33% ;</p> <p>the disbursement of the project has been suspended AUDIT; the project is 12 years old.</p>
<p>Improve the status of health of the population</p> <p>Enhance the effectiveness of the preventive and curative health care delivery systems by strengthening the health services of the Ogooué-Ivindo, Ogooué-Lolo et Nyanga Provinces;</p> <p>Improve the capacities of the Ministry of Public Health and Population (MSPP) to control some communicable diseases by strengthening the Public Hygiene and Sanitary Engineering Services.</p>	<p>PDSS</p> <p>VHF Ebola Emergency Humanitarian Assistance</p>	<p>47 health facilities including 15 MCH/FP and 30 dispensaries and three public health laboratories (water quality control, food monitoring and entomology). Prepare Phase 2 of project which includes the construction of three hospitals and creation of a national equipment maintenance department.</p>	<p>5 dispensaries, 2 MCH/FP centres and 9 housing units. Medical equipment and materials and ambulances were delivered. Essential medicines are currently delivered and water boreholes for medical facilities have been partially completed. The last boreholes have been accepted. Training of staff completed in July 2006. The technical assistance contract ended on 30 July 2007. A health sector study was conducted in May 2000.</p> <p>The humanitarian assistance operation trained nearly 299 workers in disease monitoring and control and social mobilization; strengthened the coordination of surveillance using standardized data collection tools, vehicles, protection equipment, medicines, communication equipment; setting up of 9 village committees in patrolling of border with Congo; and covers over 200 villages with the support of a network of 160 trained and set up community representatives.</p>	<p>Inadequate results: an implementation rate of 15% for the PDSS and 2 years slippage for the Ebola VHF emergency assistance.</p>

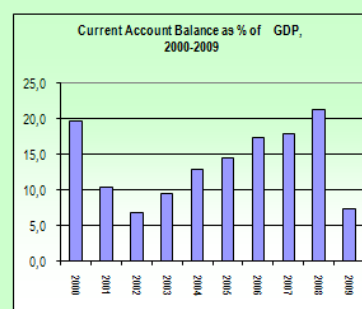
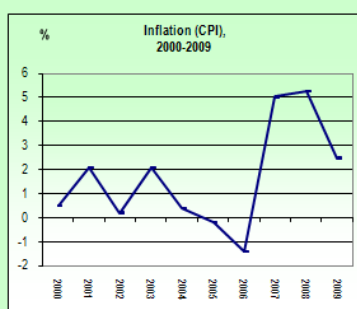
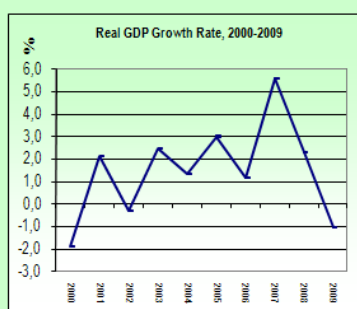
Source: synthesis by OPEV based on CSP, PCR, portfolio reviews, project appraisal report

²⁶ Ecole Normale Supérieure

²⁷ Ecole Normale Supérieure de l'Enseignement Technique

Gabon Selected Macroeconomic Indicators

Indicators	Unit	2000	2004	2005	2006	2007	2008 ^r	2009
National Accounts								
GNI at Current Prices	Million US \$	3 801	5 357	7 010	7 397	9 175	10 490	...
GNI per Capita	US\$	3 080	3 990	5 120	5 300	6 450	7 240	...
GDP at Current Prices	Million US \$	5 069,1	7 182,6	8 660,4	9 551,1	11 432,8	14 385,4	11 434,2
GDP at 2000 Constant prices	Million US \$	5 069,1	5 363,4	5 525,3	5 591,6	5 904,7	6 040,6	5 979,7
Real GDP Growth Rate	%	-1,9	1,4	3,0	1,2	5,6	2,3	-1,0
Real per Capita GDP Growth Rate	%	-4,1	-0,6	1,0	-0,7	3,7	0,5	-2,8
Gross Domestic Investment	% GDP	22,6	27,8	23,2	24,2	23,6	21,1	23,8
Public Investment	% GDP	5,0	7,2	5,8	6,5	6,2	5,6	6,5
Private Investment	% GDP	17,6	20,7	17,4	17,7	17,4	15,5	17,4
Gross National Savings	% GDP	41,5	35,5	44,2	36,3	39,6	41,5	31,5
Prices and Money								
Inflation (CPI)	%	0,5	0,4	-0,2	-1,4	5,0	5,3	2,5
Exchange Rate (Annual Average)	local currency/US\$	712,0	528,0	527,8	522,6	479,2	448,7	471,4
Monetary Growth (M2)	%	18,3	11,4	27,5	16,4	6,9	9,1	-1,2
Money and Quasi Money as % of GDP	%	14,6	17,4	18,4	19,6	19,1	17,7	20,9
Government Finance								
Total Revenue and Grants	% GDP	33,5	29,4	29,8	31,7	29,9	32,2	30,0
Total Expenditure and Net Lending	% GDP	21,8	21,8	20,4	22,5	21,3	20,1	23,1
Overall Deficit (-) / Surplus (+)	% GDP	11,7	7,6	9,4	9,2	8,6	12,1	6,9
External Sector								
Exports Volume Growth (Goods)	%	-6,2	5,5	-4,2	-10,7	4,4	0,3	-6,7
Imports Volume Growth (Goods)	%	-13,9	1,1	-1,5	3,3	4,5	-0,5	1,5
Terms of Trade Growth	%	39,3	5,3	22,1	12,7	7,1	5,4	-13,0
Current Account Balance	Million US \$	1 001,3	926,2	1 265,5	1 660,6	2 043,2	3 075,1	846,1
Current Account Balance	% GDP	19,8	12,9	14,6	17,4	17,9	21,4	7,4
External Reserves	months of imports	1,1	1,5	2,3	2,9	2,5	3,2	4,3
Debt and Financial Flows								
Debt Service	% exports	15,6	12,5	8,8	10,8	10,5	26,1	7,1
External Debt	% GDP	57,1	40,9	29,7	34,0	37,6	14,8	18,1
Net Total Financial Flows	Million US \$	76,3	398,7	-68,2	166,4	581,9	-365,9	...
Net Official Development Assistance	Million US \$	11,7	39,9	60,4	29,1	51,2	54,5	...
Net Foreign Direct Investment	Million US \$	-42,6	319,5	242,3	267,8	269,3	20,3	...



Source : ADB Statistics Department; IMF: World Economic Outlook, September 2009 and International Financial Statistics, February 2010; ADB Statistics Department: Development Data Platform Database, March 2010. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available

Last Update: May 2010

GABON: PROFILE OF MILLENNIUM DEVELOPMENT GOALS TARGET INDICATORS							Government's Target
		1990	2000	2004	2005	2006	2015
1	Eradicate extreme poverty and hunger (% ^o)	...	...	...	33%	...	0.135
2	Achieve universal primary education (% net)	...	78.0	...	92.4	...	100
3	Eliminate gender disparity in primary education by 2005 and at all levels by 2015						
	Girl/boy ratio in primary education (%)	...	99.9	99.4	101.1	...	100
	Girl/boy ratio in secondary education (%)	...	86.8	...	...	...	100
4	Reduce maternal and child mortality						
	Reduce by ¼ child mortality between 1990 and 2015 (per 1000 live births)	60.5	60.8	58.6	57.0	55.4	31.5
	Reduce by ¼ maternal mortality rate between 1990 and 2015 (per 100,000 live births)	...	519.0	...	520.0	...	150
5	Reduce by half and reverse the spread of HIV/AIDS by 2015	2.8 (1993)	...	...	7.9	8.1	2.8
6	Halt and begin to reverse the incidence of malaria and other major diseases by 2015 (%)	...	16	...	...	4.9	4
7	Ensure environmental sustainability						
	Access to drinking water (% of population)	...	70.0	87.9	...	87	100
	Access to sanitation (% of population)	...	21.0	36.0	38.3	45	75
	Emission of carbon dioxide per capita (metric tonne)	...	...	...	2.8	2.8	3
8	Develop a global partnership for development						
	Rate of youth unemployment rate from 15-24 years (%)	...	20 (1997)	...	25	...	10
Source: ADB and UNDP Gabon Statistics 2 nd Report on MDGs							

INFORMATION ON AID COORDINATION IN GABON

<p>Thematic groups from technical and financial partners in Gabon</p> <p>Macroeconomic and economic diversification Thematic group. Leader: IMF with ADB and WB as alternates. Under the 2004-2005 Reform Programme, the Bank, IMF and EU have provided a technical and financial support. The Bank has granted Gabon the 3rd Structural Adjustment Loan amounting to US\$ 112 million which was implemented satisfactorily in May 2006. It also supported the preparation of the National Good Governance Programme (PNBG) through two grants (PR-I and Nordic Fund). The PNBG Action Plan was validated in September 2008 and the Bank hopes to support, during the 2009-2010 period, the implementation of the PNBG through the institutional capacity building project. The European Union granted a budgetary support loan 80% which was disbursed in 2006. The IMF has enhanced its support with the signing of a Confirmation Agreement (2007-2010) in May 2007 which, since then is being implemented in a generally positive manner. The other members of the Group are France, UNDP, FAO and the USA.</p>
<p>Infrastructure Thematic Group: Leaders: European Union with the Bank and French Cooperation as alternates. This group intends to set its action within a programme approach that resulted in March 2006 in a joint TFP mission whose objective was to agree with the Government on a methodological approach for the formulation of a sector infrastructural programme based on a SWAP approach. The process has not made progress. The Bank is the leading partner of Gabon in the area of road sector financing followed by the AFD and the World Bank. In 2007 it approved a major Road Programme Phase I (PR-1) and hopes to enhance its support during the 2009-2010 period to boost its support to the development of the road network through a 2nd Phase called "Road Programme Phase 2". During the 2009-2010 period and at the end of the mid-term review of its intervention strategy in Gabon, the Bank hopes to support, together with the World Bank and the AFD, the development of the water and sanitation as well as electric energy sectors. The Bank is also supporting the ECCAS at sub-regional level in the collection of infrastructural transport data. The EU is supporting the Government in road maintenance. The other technical and financial partners who are members of the Group are the IMF, France, Japan and the IDB.</p>
<p>Governance Thematic Group: leaders: The Bank through GAFO, with UNDP as the alternate. The Bank and the UNDP provide technical and financial assistance to the participatory process begun by the Government for the formulation of the National Good Governance Programme (PNBG). In March 2006, the Government produced a preliminary PNBG report and a Policy Paper. In 2007 an Action Plan was formulated and validated at a national seminar organized in September 2008. During the 2008-2010 period, the Bank hopes to support capacity building activities under the PNBG. Several other partners hope to support the programme namely the WB and the EU. Other TFPs that have been providing assistance in the area of Governance are the WB, ILO, IMF, UN HCR, EU, UNESCO and UNFPA.</p>
<p>Social Sector Thematic Group: Education/Health/HIV/AIDS. Leaders: France, with the Bank and WHO as alternates. The group has been providing technical support for the formulation of the PRGSP (outcomes of two strategic studies on Health and Education funded by the Bank, were used to enrich the final PRGSP document. The virtual totality of the development partners has been providing technical or financial support to these sectors. The Bank is deeply involved in Education and Technical and Vocational Training. It is joined by the European Union. During the 2009-2010 period, the Bank hopes to support the improvement of Higher Technical and Vocational Education.</p>
<p>Forestry/Fisheries/Environment Sector Thematic Group. A consultative framework regrouping the technical and financial partners (EU, ADB, WB, UNDP, AFD, IMF, French Cooperation Agency, Japan, USA, FAO, UNESCO, WWF, WCS) operating in the natural resource sectors under the Forestry, Environment and Biodiversity Sector (PSFE) was set up and met once every two months under the leadership of the European Union. The Bank is involved in fisheries where it has been funding the fisheries and aquaculture sector support project (PSPA) undergoing implementation since 2006.</p>
<p>Aid Harmonization Thematic Group. A limited donor think-tank was set up with the EU, ADB, AFD and WB as members. Its first session aimed at: (i) deepening knowledge by the members of the concept of harmonization, as well as tools for monitoring the twelve indicators established for the purpose; (ii) updating the TFPs on progress at international level in the area of aid harmonization; (iii) adapting indicators to the peculiar case of Gabon; and (iv) holding discussions with the Government about each other's requirements in achieving effective aid. The Bank is playing an active role in the Group that prepared the questionnaire and 2007 report on the monitoring of the Paris Declaration on aid effectiveness. All the TFPs have been following the work of the Group. Since September 2008, the Bank has been providing support to the coordination of the Group's work.</p>

Source: Project Identification Report, December 2008, ORCE, ADB

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	Gabon, PNBG, Component III –Improving Instruments of Economic Management; managing public finances and business environment
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