

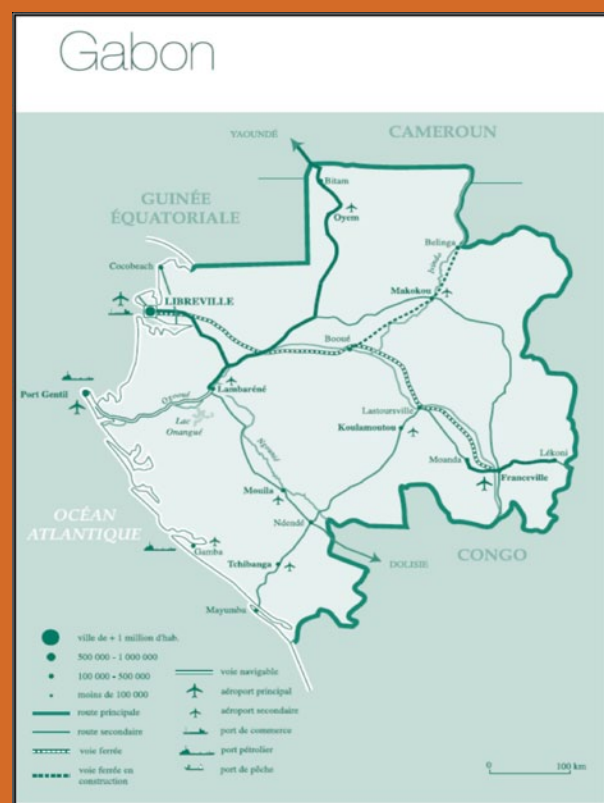


Operations Evaluation Department
African Development Bank Group

2011

Gabon

Country Assistance Evaluation,
1996-2008



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About OPEV

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Acronyms and Abbreviations

ADB	African Development Bank (funding mechanism for middle-income countries)	IIS	Integrated Information System
AFD	<i>Agence Française de Développement</i> (French Development Agency)	IMF	International Monetary Fund
AfDB	African Development Bank (the institution)	ISTA	<i>Institut Supérieur de Statistique et Technologie Avancée</i>
APIP	Private Investment Promotion Agency	LDAT	Land Use Planning and Regional Development Law
CAE	Country Assistance Evaluation	MDG	Millennium Development Goal
CEMAC	Central African Economic and Monetary Community	M&E	Monitoring and Evaluation
CFAF	African Financial Community Francs	MIC	Middle-Income Country
CNSS	National Social Security Fund	MTEF	Medium-Term Expenditure Framework
CPIA	Country Policy and Institutional Assessment	NEPAD	New Partnership for Africa's Development
CSP	Country Strategy Paper	OECD	Organisation for Economic Co-operation and Development
CTP	Technical Privatization Committee	OHADA	Organization for the Harmonization of Business Law in Africa
DAC	Development Aid Committee (of OECD)	OPEV	Operations Evaluation Department
DESS	<i>Diplôme d'Etudes Supérieures Spécialisées</i>	OPSM	AfDB Private Sector Department
DGMP	Public Procurement Office	PAP	Priority Action Plan
ECCAS	Economic Community of Central African States	PARR	Road Development and Rehabilitation Programme
EGEP	Poverty Assessment Survey of Gabon	PCR	Project Completion Report
EITI	Extractive Industries Transparency Initiative	PDCT-AC	Central African Consensual Transport Master Plan
ESW	Economic and Sector Work	PDSS	Health Services Development Project
ETP	Technical and Vocational Education Recovery Support Programme	PNBG	National Good Governance Programme
GAFO	Gabon Field Office	PR-1	Road Programme Phase 1
GDP	Gross Domestic Product	PRGSP	Poverty Reduction and Growth Strategy Paper
HDI	Human Development Index	PRIVATIS	Public Enterprise Restructuring/Privatisation Programme
HEVEGAB	Gabon Rubber Development Corporation	PRR	Portfolio Review Report
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome	PRSP	Poverty Reduction Strategy Paper
IDB	Islamic Development Bank	PSFE	Forestry and Environment Sector Programme
		PSPA	Fisheries and Aquaculture Sector Support Project

RBCSP	Results-Based Country Strategy Paper
RMF	Road Maintenance Fund
SAL	Structural Adjustment Loan
SAP III	Third Structural Adjustment Programme
SIAT	<i>Société de l'investissement pour l'agriculture tropicale</i> (Tropical Agriculture Investment Company)
SME/SMI	Small and Medium-Size Enterprise/ Small and Medium-Size Industry
SMI/PF	Mother and Child Health/Family Planning
SOGADEL	Gabon Livestock Development Corporation
TFP	Technical and Financial Partner
TIPPEE	Public Interest Works for the Promotion of Entrepreneurship and Employment
UA	Unit of Account
UNDP	United Nations Development Programme
US	United States
VHF Ebola	Ebola-Type Viral Hemorrhagic Fever
WHO	World Health Organization

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are reflected in this final version of the report. 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). It is the 4th oil producer in Sub-Saharan Africa (SSA). Its cooperation with the African Development 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). The Bank's actions were based on the three Country Strategy Papers (CSPs) prepared during the period.

Socioeconomic Trends

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 these efforts, the change to a more diversified economy has been slow. In 2008, the oil sector accounted for 64 percent of the State's budget revenue, 82 percent of export earnings, and 48 percent of GDP. Contributions to GDP by agriculture (3.8 percent), forestry (1.4 percent), and the manufacturing sector (4.9 percent) are marginal. Over the past 10 years, the share of food imports has nearly doubled to 20 percent, at present value.

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 percent in 2007. Gabon drastically reduced its external debt, and met most of the convergence criteria of Central African Economic and Monetary Community (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 percent),¹ poverty (33 percent), and social inequalities are also causes for concern.

Bank Assistance

4. The Bank is one of Gabon's major donors. Throughout the period under review, the Bank's country strategies supported four of the Government's key development goals: (a) consolidation of the macroeconomic framework and strengthening of good governance; (b) economic diversification; (c) reinforcement of infrastructure; and (d) 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 interim Poverty Reduction Strategy Paper, and the Poverty Reduction and Growth Strategy Paper (PRGSP).

5. The third CSP during the period was the results-based CSP (RBCSP) of 2006-2010. It focused more selectively on two of the four pillars: (a) strengthening governance, and (b) improvement of infrastructure. The word "pillar" appears for the first time in this RBCSP, as part of the Bank's effort not to disperse its assistance over too many sectors. In the RBCSP, the "governance" pillar aims at improving the functioning and efficiency of the administration, strengthening the budgetary process, and improving the business climate. The "infrastructure" pillar was particularly broad, encompassing development of the road network, sanitation, and electrification.

¹ Source : AfDB/OECD, 2006/2007.

6. The Bank mobilized funds from the Middle-Income Country (MIC) Trust Fund for capacity building and analytical studies, and provided African Development Bank (ADB) funding for the Road Programme Phase 1 (PR-1), the Education Project III on technical and vocational education, and other programs. ADB resources allocated to Gabon over the period under review amounted to UA 338.18 million, of which project lending comprised 77.5 percent and structure adjustment loans comprised 22.5 percent. The sector breakdown of financing reflected changes since the previous period (2001-2005?), with the transport sector increasing its predominance (65.1 percent compared to 29.4 percent the previous period), followed far behind by multisectoral (23.2 percent), agriculture and rural development (7 percent), and the social sector (4.4 percent). What were changes from earlier period? The Bank also successfully collaborated with the Tropical Agriculture Investment Company's (SIAT Group's) subsidiaries in Ghana and Gabon, through its Private Sector Window. Strengthening that window could support the development of a dynamic private sector in the post-oil era.

Conclusions

7. Despite the relevance of its country strategies over the period, the Bank's assistance to Gabon was generally *unsatisfactory*. The performance of the active portfolio improved, but remained unsatisfactory overall because of persistent problems. The overall performance of completed projects was 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), caused cancellation of activities and delays in achieving results, as happened with the Road Programme (PR-1). This lack of efficiency and responsiveness reduced the Bank's capacity to contribute more effectively to the country's development, or to apply lessons of experience to newer projects.

Moreover, owing to lack of post-operation policies, the sustainability of project impacts has been limited.

8. The performance of non-financial activities was *satisfactory*, as a result of the Bank's recent capacity building efforts, studies, policy dialogue, and contributions to aid coordination. Economic and sector work (ESW) contributed to the definition of policy reforms. The presence and enhancement of the Regional Office (GAFO) is this different from the Gabon Field Office? strengthened dialogue and partnership, as well as the continuity of the Bank's assistance. Greater empowerment of the GAFO under decentralization should further improve in-country effectiveness and responsiveness.

9. In spite of this progress, the challenge remains of translating strategic objectives and actions into tangible results. While Bank support for consolidation of macroeconomic framework and good governance was judged satisfactory, its contributions remain limited compared to those of other donors?, particularly in the areas of improved 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, it should be recognized for 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. To improve the quality of its portfolio, the Bank enhanced the supervisory role and intervention capacity of the GAFO. However, like the ongoing PR-1, the Bank's programmes are taking time to materialize and produce the expected impacts. To improve the impact of Bank assistance on the

country's development, more effective dialogue among all stakeholders is needed.

shared vision for Bank's assistance in Gabon, on division of labour, and on accountability.

Recommendations

The recommendations of OPEV evaluations on quality at entry and supervision citations are also relevant for Gabon. Summarize here or in footnote. In addition, the evaluation proposes the following specific recommendations for Gabon:

- Increase strategic selectivity within the CSP pillars—governance and infrastructure—on the basis of high-quality analytic work and more targeted policy dialogue.
- Strengthen the Bank's support for private sector development through stronger synergies, business climate improvements, and direct support.
- Strengthen support to good governance by taking actions to implement updated legal texts and instruments.
- Further develop country capacity to manage and implement Bank-financed operations, particularly in the preparation of project implementation schedules; rigorous selection of project managers, provision of training; and adoption of accounting and financial management systems and procedure manuals.
- Strengthen monitoring and evaluation (M&E) and the Bank's in-country presence by further empowering GAFO, and by taking account of GAFO's expertise at the central level, to improve adherence to initial objectives and avoid slip-pages in project implementation.
- Improve coordination and synergies among Bank departments, including Private Sector Department and GAFO, by focusing on a

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 three programming cycles (1996-1998, 2003-2005, and 2006-2010), each based on a Country Strategy Paper (CSP). Due to 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 about the Bank's country experience 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 (ESW), 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 practice guidelines for multilateral development banks.³ The CAE assesses the performance of Bank assistance—not the progress made by Gabon in its overall development. The assessment is based on OPEV's evaluation criteria—relevance, effectiveness, efficiency, sustainability, impact, institution building, country performance, and the Bank's performance.⁴

1.2.2 The Bank operates in Gabon with other development partners to support the Government's reform and development efforts. Its specific contribution

to change is often difficult to determine, because of the multiplicity of factors that impact development activities at the country level. Consequently, the assessment identifies the major factors leading to the achievement of impacts, and the extent to which the Bank has made (or failed to make) a real and significant contribution to these results. The link between Bank assistance and development outcomes will be assessed by: (a) determining the role of the Bank in the sector or thematic area; (b) taking into account the actions of other development partners and exogenous factors; and (c) assessing the extent to which the Bank's assistance has provided value added beyond its financial services.

1.2.3 The evaluation is based on documentation produced by the Bank, other development partners, and the Government, including policy documents (CSP, Poverty Reduction Strategy, macroeconomic and sector policies); project documents (project appraisals, supervision and completion reports); and other data. The monitoring and evaluation (M&E) systems in the Bank and in the country are rather limited. As much as possible, this constraint was addressed through the use of internal and external documentation.

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

3 Good practice standards for Country Strategy and Programme Evaluation, MDB-ECG define and put in acro list, May 2008.

4 Relevance refers to the extent to which the design and objectives of the assistance strategy and programmes meet the needs of the country and are consistent with 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).

1.2.4 Apart from the documentary reviews, the evaluation draws on evaluations of the governance (multisector) and infrastructure sectors; as well as on the findings of field missions how many? Over what period?, and interviews with stakeholders during the Bank's mission to Gabon from 24 January to 6 February 2009. In the course of that mission, the team was accompanied by a GAFO representative and by an adviser from the Ministry of the Economy and Finance, both of whom participated discussion about the Bank's assistance to Gabon. Thus, the mission was able to gather useful information, and to validate and supplement, the observations made during the preliminary documentary review.

II. Country Context and Development Policies and Strategies

2.1 Geopolitical Context

2.1.1 ***Gabon is a country with exceptional natural resources and a highly urbanized population.*** Gabon is sparsely populated, with an estimated population of 1.5 million inhabitants (2008) over an area of 267,667 km². The population density is 5.4 inhabitants/km², the lowest in Africa. Gabon is essentially a forest country; nearly 85 percent of its total area (about 22 million hectares) is covered by forests. The country is in a favourable geographic location, at the heart of the Gulf of Guinea and Central Africa, with an 800 km coastline that offers regional integration opportunities. It has two rainy seasons and up to 1,831 mm of rainfall per year, as well as fertile soil and a dense river system. 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. The oil income and its distribution have fuelled a rural exodus, leading an urbanisation rate of 84.6 percent—one of the highest in Africa. The country's other natural resources include particularly manganese, iron ore, and timber, of which it is the second largest African exporter, after Cameroon.

2.1.2 The political context is characterized by relatively stable institutions and active civil society organizations. Its stability is sometimes threatened by strikes and protests against election results. But the main threats to stability are the high rates of unemployment (25 percent) and poverty (33 percent), 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 from fluctuations in the prices of its major***

exports; and it is 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, 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 percent of the Government's fiscal revenue, 82 percent of export earnings, and 48 percent of GDP. Contributions to GDP by agriculture (3.8 percent), forestry (1.4 percent), and manufacturing (4.9 percent) are marginal. The structure of the Gabonese economy has not changed significantly since 1990, and is still dominated by the extractive industries (Chart 1).

2.2.2 ***Gabon's economy has undergone several phases of development.*** Between 1975 and 1985, as a result of the upsurge in oil prices, GDP grew by an average of 7.2 percent a year. In 1986, the country experienced a severe crisis as a result of the slump in oil prices and depreciation of the US dollar. Real GDP fell by 27 percent in 1986, and the recession continued in 1988 (-6.2 percent). What does this refer to? The reforms undertaken by the Government under the financial stabilization and structural adjustment programmes of 1987-1993 were undermined by social and political unrest; and as a result, the structure of the economy remained unchanged.

2.2.3 A general restructuring followed the 50 percent devaluation of the CFAF in 1994 and the establishment of an economic recovery programme in 1994-1998. GDP rose by 3.4 percent in 1994 compared to a 3.3 percent decline in 1992, and the budget recorded a 2.7 percent surplus in 1996 after a

Chart 1. GDP Growth by Sector, 1900-2007



Source: AfDB

5.7 percent deficit in 1993. This improvement lasted until 1998 before the economy slid back into a recession with low growth rates (-8.9 percent in 1999, 2.0 percent in 2001, and -0.6 percent in 2002).

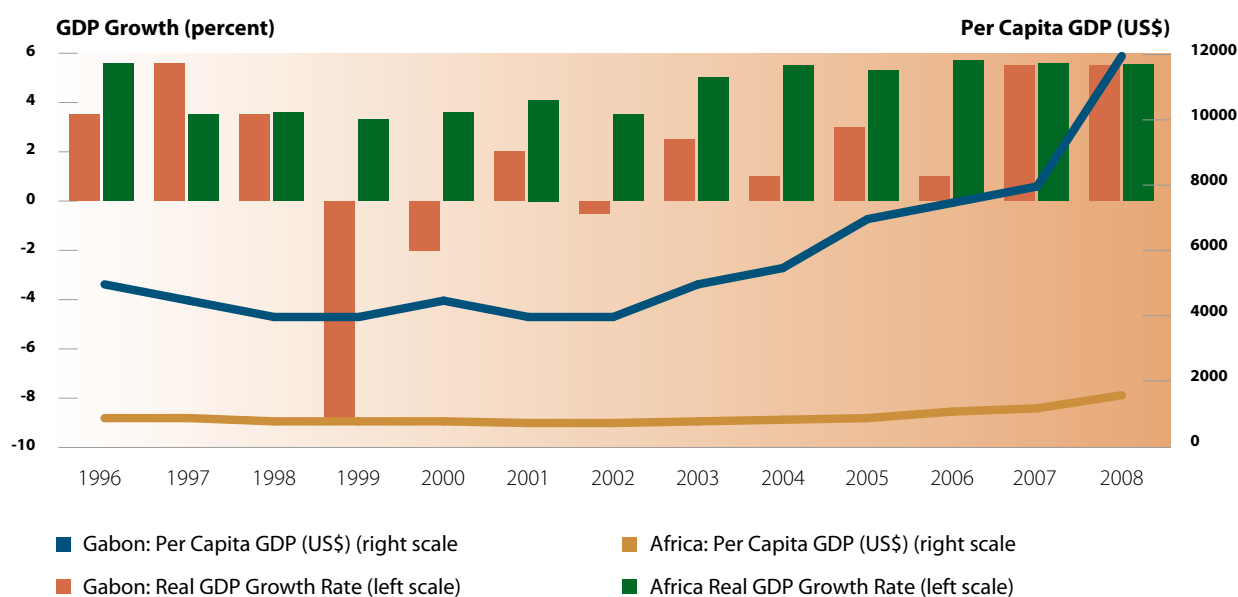
2.2.4 The subsequent recovery stemmed from the structural reforms undertaken since 2002 to stabilize the economy and restore its internal and external viability, as well as give fresh impetus to growth. In view of the magnitude of macroeconomic and financial imbalances and the bleak prospects of the oil sector, the Government put in place a vast economic reform programme in 2003, based on public finance restructuring and a policy of stimulating growth in the non-oil sector. To that end, the Government concluded an IMF staff-monitored programme for the September–December 2003 period, followed by a standby arrangement with the IMF? the Bank? in May 2004 to support the 2004-2005 reform programme. The Bank supported this programme through a Third Structural Adjustment Loan (SAL3). You haven't mentioned SAL 1 and SAL 2 Another three-year standby arrangement for 2007-2010 to deepen the reforms is underway. Update?

2.2.5 The economic reforms led to relatively high growth between 2003 and 2008, driven by the non-oil sector. This growth peaked at 5.6 percent in 2007—the highest in 10 years (Chart 2). Chart shows that growth was higher in 1998 Public finance recorded a surplus primary balance of 11.5 percent of GDP in 2007, compared to 7.9 percent in 2002. Inflation, which had reached 33 percent following the devaluation of the CFAF, was contained within reasonable limits, with an annual average of 0.7 percent over the 2001-2005 period and 4.8 percent in 2007 (below the 3 percent limit average over how many years? fixed for CEMAC countries). The debt ratio fell from 69.1 percent in 2002 to 15.2 percent of GDP in 2008, well below the 70 percent average over how many years? set by the CEMAC convergence criteria.

2.3 Social Trends

2.3.1 ***Social indicators are comparable to those of low-income countries, in stark 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 African? middle-income countries (MICs). However, its social indicators are

Chart 2. Economic Performance



Source: AfDB statistics

similar to those of low-income African countries. Life expectancy at birth (57 years) and the human development index (HDI) in 2007⁵ (0.677) are below the averages for all developing countries (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 Millennium Development Goals (MDGs) shows that with an ever-improving net primary enrolment rate—which reached 92.4 percent in 2006⁶ compared to 78 percent in 2005—Gabon is not far from achieving the 100 percent target by 2015. There are gender equality problems in terms of enrolment parity between girls and boys—93 and 92 percent, respectively, in 2006. Girls' enrolment is higher. The adult literacy rate, which was 70 percent in 2006, is above the African average of 66.7 percent. There has been a significant improvement in child health, with a decline in the child 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 percent in 2000 to 4.9 percent in 2005, which approaches the MDG target of 4 percent. More than 82 percent of Gabonese had access to clean drinking water in 2006, compared to 70 percent in 2000.

2.3.3 Despite these positive trends, however, there are still serious problems. Educational performance is constrained by the low internal efficiency of the education system and the fact that it does not respond to labour market needs. The repeat rate is high (estimated at 40 percent in 2001 at the primary level), as is the dropout rate (17 percent in 2001). Maternal mortality increased 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 economic development. The prevalence

5 UNDP Human Development Report, 2007.

6 UNDP, Gabon, 2nd National Report on MDGs, 2006.

rate increased from 2.8 percent in 1993 to a critical threshold of 8.9 percent of the population in 2008. Despite a favorable economic environment, the rate of unemployment of the working-age population increased from 20 percent in 1997 to 25 percent in 2005. The Gini index of about 0.44 (range of 0 to 1) in 2005 confirms income disparity in the country. The Gabonese Poverty Evaluation Survey (EGEP) of 2005 showed a poverty incidence of about 33 percent. Poverty is essentially an urban phenomenon; nearly 46 percent of households live in unhealthy urban environments.

2.4 Main Development Challenges

2.4.1 Given the challenge of transforming the economy in preparation for the post-oil era, the Government adopted the PRGSP as the framework for operationalization of the country's economic, financial, and social policies, aimed at stimulating growth and employment and reducing poverty. To that end, Gabon must address the following challenges:

2.4.2 **Diversify sources of economic growth.** 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 percent 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 percent of GDP⁷. The global financial crisis, as well as the economic slowdown, has deepened the need for diversification. Efforts are needed to improve the business climate so as to foster private sector development and infrastructure construction, which are factors of competitiveness. Diversification also depends on human capital development, particularly through technical and vocational education, to provide the country with the necessary skills.

2.4.3 **Develop a dynamic private sector.** To support sustainable development and reduce poverty, Gabon needs to overcome the development challenges facing its private sector. The growth of this sector is constrained by (a) the high cost of factors of production; (b) inadequate infrastructure and basic services (transport, water, electricity, telecommunications) to support the expansion of productive activities; (c) the lack of effective promotional and supervisory structures; (d) limited access to financing; and (e) an environment that is not conducive to business, due to the slow and opaque nature of administrative procedures and the legal insecurity of investments.⁷ In addition, competition is weak because most of the large companies are monopolies. Essential for improving the business climate are access to credit (e.g., through the creation of credit unions and popular banks), investments in infrastructure, and strengthening of governance and judicial security. These measures are also essential for boosting the confidence of national and foreign investors, and promoting the creation of new small and medium enterprises and industries (SMEs/SMIs).

2.4.4 **Distribute wealth more equitably.** The domination of the economy by the primary sectors has negative impacts on wealth distribution, as it concentrates productive activities in areas where primary commodities are produced, 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 percent of Gabonese live beneath the poverty line, and 23 percent live in extreme poverty. The country was ranked 119th out of 179 countries on UNDP's HDI in 2007. Poverty, social inequalities, and youth unemployment, which can lead to social unrest, constitute major challenges for the Government.

⁷ The World Bank's "Doing Business 2009" ranked Gabon 151st out of the 178 economies studied, down from 148th in 2008.

2.4.5 **Enhance good governance and transparency.** The improvement of governance is essential for creating a friendly business climate. Some initiatives have fostered transparency, particularly in the oil sector, with the publication of the EITI report. citation. with the Govt signing onto the Extractive Industries Transparency Initiative? what other initiatives? However, much still needs to be done to enhance transparency and render economic information more accessible. Efforts to improve public finance management, in order to ensure that spending is being directed toward PRGSP objectives, is an important step in that direction.

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, which is now almost exclusively dependent on oil and a few other primary commodities, to a diversified economy geared broad-based and equitable growth. These policies are contained in a number of orientation laws, strategic documents, and sector plans/programmes, including (a) the Long-Term Perspective Study, "Gabon 2025," published in 1998; (b) the Intermodal Transport Master Plan (PDIT) for 1998-2015; (c) the National Solidarity Pact of 1999; (d) the Land Use Planning and Regional Development Law (LDAT) of 2003; (e) the Interim Poverty Reduction Strategy Paper (PRSP) in 2003; (f) the PRGSP in 2006; (g) the National Environmental Action Plan in year; (h) the Agricultural Development Master Plan (PDDA 2006-2015) of the Forestry and Environment Sector Programme (PSFE); (i) the National Health Development Programme (PNDS) for 2006-2010; and (j) the National Good Governance Programme (PNBG) of 2008.

2.5.2 Most of these laws, policies, and programs were prepared on a national consultative basis that included civil society? as well as input from technical and financial partners. However, their effectiveness

is sometimes compromised by non-compliance with set priorities, poorly managed programming, and governance-related problems. The challenge for Gabon is to remedy these inadequacies, and achieve results under projects and programmes supported by development partners.

2.5.3 The PRGSP, adopted in 2006, strengthened the Interim PRSP of 2003. It provided a fairly comprehensive assessment of poverty and defined a coherent growth strategy for the consolidation of macroeconomic balances, economic diversification, and reorientation of public expenditure towards priority sectors (education, health, and infrastructure). The PRGSP is based on four pillars: (a) promotion of strong pro-poor and sustained growth; (b) expansion of infrastructure; (c) improved access to essential services; and (d) improved governance. It is backed by priority action plans (PAPs) and medium-term expenditure frameworks (MTEFs) that underpin the resource allocation process. However, effective implementation of the PRGSP still requires a stronger monitoring and evaluation (M&E) mechanism, and particularly a more efficient statistical apparatus.

III. Evaluation of Bank Assistance in Gabon: Products and Services

3.1 Bank Strategy and Its Relevance

Priority Objectives of Bank Assistance

3.1.1 Over the 1996-2008 period, the Bank's strategies sought to support the following development objectives of the Government of Gabon: (a) consolidation of the macroeconomic framework and strengthening of good governance; (b) economic diversification; (c) reinforcement of infrastructure; and (d) human capital development.

3.1.2 The specific 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 services and programmes to combat urban unemployment. The sectors selected for intervention were agriculture and rural development, industry, the social sector, and multisector (budget support).

3.1.3 Between 1999 and 2002, the Bank did not produce a CSP because of (a) the economic and financial crisis facing the country; (b) sanctions-related suspension of interventions from August 1998 to March 2001; and (c) 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, has led to more lasting restoration of cooperation ties since 2003.

3.1.4 The 2003-2005 CSP focused on (a) agriculture and rural development, including fisheries and aquaculture; (b) the development of infrastructure, particularly transport; (c) support to the private sector, and (d) multisector (budget support). The CSP was geared towards supporting the National Solidarity Pact (1999) and the LDAT (2003),⁸ both

of which aimed at poverty reduction and economic liberalization through the creation of a sustainable macroeconomic framework, structural transformation of the economy, and improved governance.

3.1.5 The results-based CSP of 2006-2010 supported operationalization of the PRGSP by selectively aligning itself with the second and fourth pillars: (a) strengthening of governance; and (b) infrastructure improvement. It should be noted that the word "pillar" appears for the first time in the results-based CSP. The governance pillar aims at improving the effectiveness of the administration, strengthening the budgetary process, and improving the business climate. The infrastructure pillar is particularly broad; it includes sanitation, electrification, and development of the road network.

Relevance and Quality of Bank Strategies

Table 1. Bank's Strategies in Gabon, 1996-2008

1 : Consolidation of the macro-economic 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

⁸ The main component of the LDAT was the Interim PRSP.

3.1.6 ***The relevance of Bank assistance is deemed to be satisfactory.*** The Bank's strategies were 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).

3.1.7 ***An analysis of the 2003-2005 and 2006-2010 CSPs indicates an improvement in the quality of the CSP, particularly in the areas of selectivity and positioning of the Bank.*** This improvement was part of the general improvement of the Bank's CSPs advocated in the 2002 Strategic Plan.⁹ The improvements led to a deeper analysis of poverty in the CSP, informed by studies by the World Bank (1996), UNDP (year), the Gabonese Poverty Assessment Survey (EGEP 2005), and other national and global reports on the link between poverty and human development. Preparation of the CSP also began to include consultations with civil society, which directed CSPs towards reform of policies, institutions, and governance systems. The consultations' improvements also led to mainstreaming of the Government's priorities in economic diversification under the 2006-2010 RBCSP midterm review; and to reduction of the lending programme and better handling of Gabon's debt. Despite the need for further improvements, the indicators for results monitoring are now better defined, and the framework highlights the causal linkages between the set strategy and the results achieved by the proposed interventions.

3.1.8 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, as noted above, the term "pillar" is used only in the RBCSP. The mid-term review of the 2006-2010 RBCSP reaffirmed the appropriateness of the two pillars – 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, which highlight infrastructure and governance as pillars of development. The integration of Gabon into the regional economy is one of the priorities of the CSP, as reflected by the Bank's role in the implementation of the NEPAD¹⁰ programme for Central Africa, particularly the operationalization of the Consensual Master Plan for Transport in Central Africa (PDCT-AT). The focus on governance and infrastructure also underscores the growth pole role that Gabon can play as a middle-income country (MIC) at the sub-regional level.

3.1.9 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 Programme? (SAP III). 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 percent 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.

9 The Bank's 2002 Strategic Plan advocated selectivity, effectiveness, and improvement of the portfolio.

10 New Partnership for Africa's Development.

Table 2. CSP Evaluation Ratings

Criteria ¹¹	CSP 1996-1998	CSP 2003-2005	RBCSP 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

Source: AfDB Country Partnership Strategies.

3.2 Implementation of the Bank Strategy: Lending Operations

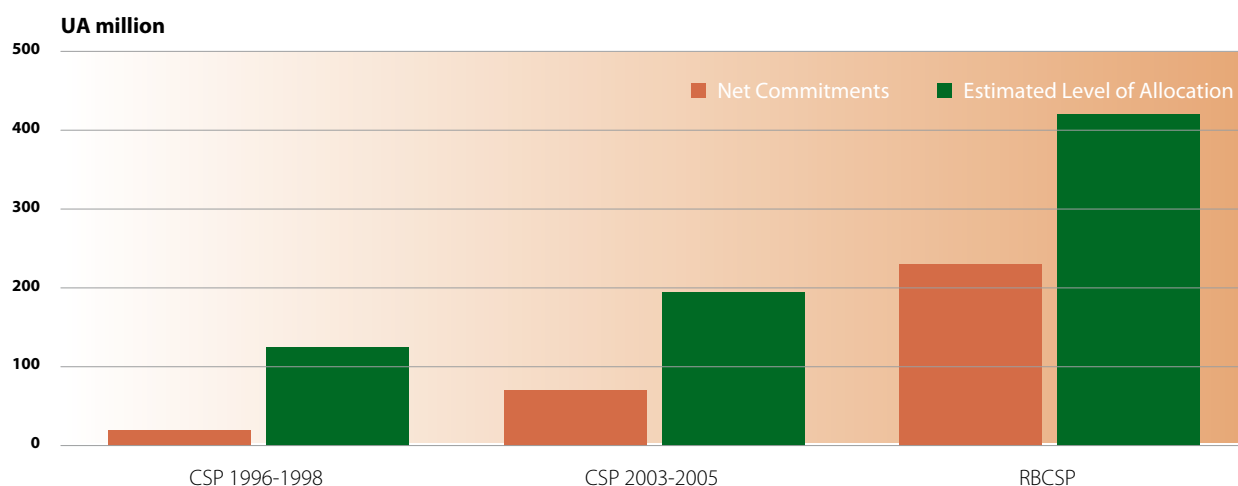
Analysis of 1996-2008 Lending Programme

3.2.1 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 percent of the UA 140 million allocation was committed, as against 40.3 percent for the 2003-2005 CSP; and 57 percent of the total commitment authorizations for the 2006-2010 RBCSP became effective by end 2008.

¹¹ These analytical criteria were implemented by an OPEV study: "Review of country strategy papers for the 2002-2004 period" (ADF/BD/WP/2005/75), June 2005.

Chart 3. Net Commitments and Allocations by CSP



Source: AfDB Country Partnership Strategies. Are you defining white bars the same as black bars?

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

3.2.3 Compared to the 1974-1996 period, the sector breakdown of operations in 1996-2008 changed, with the transport sector becoming more predominant (65.1 percent, as against 29.4 percent in the previous period), followed far behind by multisector (23.2 percent), agriculture and rural development (7 percent), and the social sector (4.4 percent). The weight of the last two sectors declined significantly (see Table X in the Annex). Reference not clear This configuration is in line with the change in priorities in the CSP. Apart from increased selectivity, the weight of transport is due to the importance of Road Programme 1 (PR-1), which falls under operationalization of the second pillar of the 2006-2010 RBCSP, relating to improvement of infrastructure.

Portfolio Performance

Performance of Completed Projects

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

3.2.5 **Relevance.** Based on the evaluation criteria, **the relevance is deemed satisfactory** because, in their various sectors, the interventions were geared towards providing support to the Government's development or reform programmes, such as the Road

Development and Rehabilitation Programme (PARR 1991), which served as reference in the selection of the two completed projects in the sector. **Project quality at entry was negatively affected** by lack of precision of objectives, activities, and monitoring and evaluation; as well as by sometimes unrealistic conditionalities with regard to Borrower capacity. These weaknesses were 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 was 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.

3.2.6 **Effectiveness. The resizing of PRIVATIS reduced its effectiveness** in relation to some target values, notably the expected 90 percent 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 percent of the Franceville-Lastoursville project was implemented, and the Road Maintenance Fund (RMF) did not receive significant support from the Government to ensure adequate maintenance of road infrastructure. 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.**

3.2.7 **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, and the delays and cancellation of activities due to the long period of sanctions, culminated in **unsatisfactory efficiency.**

3.2.8 **Institutional Development.** At the institutional level, the projects contributed to building national capacities (transport, education, and health) and helped put in place relatively manageable working mechanisms and channels (integrated information systems on the public expenditure chain, implementation of the new public Procurement Code, fight against illicit enrichment, safeguards against corruption? etc.). The expected sustainability of 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, sustainability is uncertain, in view of the volatility of the country's economic situation and the current international financial crisis.

Performance of Active Projects

3.2.9 **The rejuvenated portfolio still has persistent problems that hamper the implementation of projects.** Having been undertaken at regular intervals since 1996, the portfolio reviews (1996, 1998, 1999, 2001, 2004, 2007) identified a range of recurrent generic problems. *For the Government:* protracted delays in loan effectiveness, weak ownership of Bank rules and procedures, weak capacity for procurement and works supervision and for project monitoring, delays in settling disputes with defaulting contractors, and delays in the provision of counterpart funds. *For the Bank:* the need to reduce loan effectiveness conditions, improve the quality of appraisal reports (including 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 the Gabon Field Office, resulting in delays in decisionmaking.

3.2.10 **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. These include (a) strengthening the Regional Field Office to enable it to play a greater role in performance monitoring, mobilization of counterpart funds, and compliance with disbursement schedules; (b) enhancement of dialogue with the authorities on governance, procurement, and works supervision capacities; and (c) enhanced of greater adherence to Bank rules and procedures by the authorities.

3.2.11 These measures helped to reduce the average age of the Gabon portfolio from 6.2 years in 2004 to 4.7 years at end 2008, and it is now close to the Bank portfolio average age of 4.2 years.¹² This improvement was accompanied by a significant average increase in funding 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 2006¹³), mainly as a result in the weight of PR-1 (UA 221.9 million). This orientation towards large investment projects meets Gabon's current needs, particularly support for operationalization of the PRGSP diversification strategy and the Bank's medium-term strategy 2008–2012.

3.2.12 **However, generic problems that affect the portfolio persist to a large extent.** The ratio of projects at risk remains high; it was 40 percent in 2007 (compared to 21 percent for the World Bank in 2006). **Disbursements for the Education III**

12 AfDB, APPR, 2007. define APPR and put in acro list
13 Source: AfDB Portfolio Review Report.

Table 3. Implementation Indicators of Ongoing Projects

Project	Sector	Approval Date	Net Amount	Disbursement Rate (percent)	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

Source:

and the Fishery and Aquaculture Sector (PSPA) projects were suspended in January 2009 as a result of poor financial management.¹⁴ Internal audits of the projects conducted by the Bank in November 2008 highlighted capacity shortcomings in terms of mastery of Bank rules and procedures and projects' financial management. With regard to loan effectiveness (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 percent at the same date, was due to the size of PR-1 in the active portfolio, since the first disbursement conditions for PR-1 had not yet been fulfilled despite sustained dialogue and close monitoring by the Bank.

3.2.13 **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 percent 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 whose property would 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 midterm review of December 2008, the protracted delays in loan effectiveness remain a widespread problem that affects portfolio performance. This constraint calls for significant improvement in 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 that amounted to 20 percent 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

¹⁴ Preliminary Audit Report No. PR/2008/21 on the management of projects financed by the Bank in Gabon, January 2009.

as follows: effective start-up of works, mobilization of technical assistance, start of expropriation procedures, and compensation since September 2009 to those whose land had been expropriated?

3.3 Implementation of the Bank Strategy: Non-financial Activities

Non-financial 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.*

Technical Assistance

3.3.1 In support of the Government's efforts towards good governance, the Bank mobilized grants from the MIC Assistance Fund to support the National Good Governance Programme (PNBG) and the Public Procurement Office (DGMP) institution building projects. Both are intended to help the country adopt good governance policies and standards, including in public procurement. The Bank's activities include technical assistance; organization of participatory seminars and workshops; institutional support to the PNBG executive secretariat, the DGMP, and the priority sectors (health, education, and public works); preparation of implementing texts and procedures manual for the Public Procurement Code; and training activities for public and private stakeholders.

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

Economic and Sector Work

3.3.3 Seven ESW studies were conducted, with funding from the MIC Trust Fund, the Wallons Trust Fund, and the Bank's operating budget and project resources. The studies were the Supplementary Study on Improvement of the Quality of Education (1990-1998), the Livestock Feasibility study in the North Provinces (1992-1998), the Country Governance Profile (2005), the Education Sector Strategic Study (2005), the Health Sector Strategic Study (2005), and the Study on Diversification of Sources of Growth (2007).

3.3.4 Pre-investment studies in education and livestock are behind schedule (8 years and 5 years) as a result of 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). total of 36 months? The studies were not effective in positioning the Bank for what?. 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. Very confusing – were the studies done or not? How can a study be 8 years behind schedule?

3.3.5 The performance of the other four studies was satisfactory in terms of 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 ministries used them to guide their agenda through tools such as the Health Development Plan (2006-2010) and the Strategic Plan for Technical and Vocational Education (2008-2009). The Country Governance Profile was used for the formulation of the PNBG, which was adopted by the Government in 2008. Despite the slow pace of implementation, ownership of the good governance

programme by the authorities and the population, as well as the platform for dialogue it provided, have contribute to the sustainability of outcomes.

3.3.6 The study on diversification emphasised the comparative advantage of Gabon at the sub-regional level, particularly for the development of some subsectors, including wood processing, industrial fishing, and 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 Government's prioritisation of economic diversification. During the RBCSP midterm review, this led to a positioning not clear in the sanitation and energy subsectors. 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.**

Policy Dialogue

3.3.7 The Bank participated in policy dialogue on the Government's development priorities 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 missions, CSP preparation and reviews, portfolio reviews, preparation and monitoring of projects, analytical studies, and a general consultative mechanism and thematic groups involving Gabon's technical and financial partners (TFPs). Dialogue on Gabon's development priorities helped to clarify the content of the CSPs and reform programmes, particularly with regard to viability of the macroeconomic framework, debt sustainability, good governance, economic diversification, private sector development, and infrastructure improvement.

3.3.8 Participatory dialogue, conducted through the project to support preparation of the PNDG, raised awareness on the importance of governance and helped to facilitate decisionmaking on deepening reforms. After a relatively long period of dialogue, lasting more than three months, the Government adopted the PNBG in 2008. The commitment of the authorities led to an action plan for each sector, and the establishment of focal points in ministries for coordination and M&E. It also led to a change in political discourse; a Governmental road map; commitment to the Extractive Industries Transparency Initiative (EITI) and other anti-corruption measures; and the application of the new Public Procurement Code to enhance efficiency of public expenditure.

3.3.9 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, the Bank 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 two pillars – strengthening of governance and improvement of infrastructure. The Bank's contribution to dialogue has been facilitated by the Gabon Field Regional Office, which opened in 2000.

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

Aid Harmonization and Coordination

3.3.11 **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 is the coordinator or alternate coordinator of three of the five – 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.

3.3.12 The general coordination mechanism has defined its objectives, particularly progress towards the harmonization and alignment of national processes and systems, as well as 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 synergies among 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, along with other TFPs; and by supporting structural reforms and building capacities in public finance, public procurement, and good governance.

3.3.13 Thus, **the Bank contributed to building the Government's capacity for aid ownership by supporting the PRGSP, MTEF, and PNBG processes**, which gave the Government the tools to define operational priorities and strategies with which the TFPs could align their interventions. The Bank also contributes to improving the alignment of aid through its support for national systems; although, unlike donors such as the AFD, the Bank has not yet accepted the 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, PSFE, PARR, and the Public Interest Works for the Promotion of Entrepreneurship and Employment project (TIPPEE).

3.3.14 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 all documentation produced by those missions. Together with the World Bank and the EU, the Bank co-financed the public expenditure reviews in the education, health, infrastructure, forest, and environment sectors, the results of which were used for dialogue conducted by the IMF on the MTEFs. The conclusions of the IMF review contributed to enriching the matrix of recommendations of the Government's three-year Stand-by Arrangement (2007-2009) with the IMF.

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

3.3.16 Despite these efforts, the aid mechanism suffers from inadequate management of partner activities by the national authorities, to ensure

their alignment with 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 (a) conducted the 2007 survey on the monitoring of the Paris Declaration; (b) prepared its 2007 country report on the monitoring of the Paris Declaration; and (c) 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 support for Gabon's development goals under the three CPSs. Outcomes for each of these goals – improvement of governance, economic diversification, rehabilitation of infrastructure, and human capital development – are discussed in turn below.

4.1 Consolidation of the Macroeconomic Framework and Improvement of Governance

4.1.1 Bank assistance was aimed at stabilizing macroeconomic and financial balances, strengthening transparency and good governance, and accelerating structural reforms, to create the basis for strong and sustained growth that would reduce poverty. The Bank supported, together with other partners, the country's adjustment and reform efforts through the PRIVATIS (1998-2007) and SAP III (2004-2006) operations. It also mobilized grants to support the institutional capacity building of DGMP and the 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 reforms, and a strategic focus area of the Government's Interim PRSP. The consistency between the CPS and the Interim PRSP is illustrated by convergence of the priority areas of their respective programmes on the following components: (a) improvement of the public expenditure chain; (b) improvement of the public procurement institutional framework; (c) strengthening of public resource control and management; (d) promotion of good governance and the fight against corruption; (e) support for administrative reforms; and (f) 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 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 its two main audit institutions (the Service Unit of the General Directorate of Financial Control, and the Court of Auditors), by (a) redeploying human resources and creating decentralized control units in other ministries; (b) increasing the budget of the Court of Auditors; and (c) broadening of its scope of action. Thus, the control of public resource management is gradually ensuring the effectiveness of expenditure.

4.1.4 With regard to public procurement, the Government in 2002 adopted a regulatory framework with the new Public Procurement 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 Code and a manual of public procurement control procedures; and capacity building for the DGMP to enable it to better play its role. The DGMP is implementing the

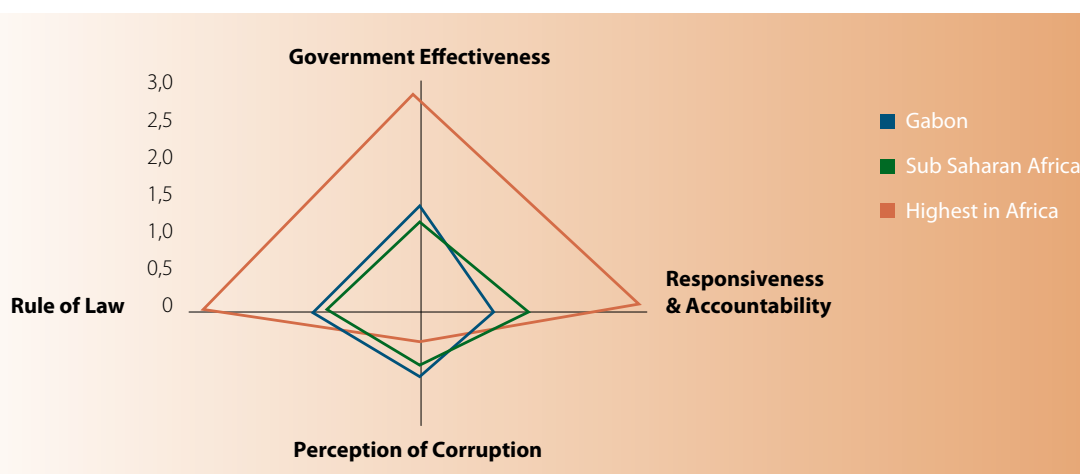
new Code, which favors competition and regulates direct negotiations, and the results are in the right direction, particularly the significant reduction in the number of negotiated contracts.

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, which produced the desired dissuasive effect. The support for the administrative reform action programme resulted in: (a) merging of the Salaries Department and the Public Service; (b) adoption of laws on 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 good governance programme by the communities across the country.

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 to restore transparency in the management of public resources and change the culture of impunity. Financial governance is now marked by greater compliance with budgetary rules and procedures; and by 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 it takes for the Treasury to make payments from 90 days to 30 days in 2008, and publication of quarterly and annual budget execution reports. The institutional framework for procurement has improved as a result of greater transparency in the process, including the publication of a blacklist of defaulting contractors. The rate of negotiated contracts fell from 100 percent in 2004 to 60 percent in 2007 to 29 percent in 2008.

Chart 4. Governance (Classif.) (0-3)



Source: AfDB, Statistics Department

4.1.7 **Efforts towards transparency led to Gabon joining the EITI and the publication of reports on mining revenue** in 2004, 2005 and 2008. A roadmap was prepared to guide Government action in the quest for greater effectiveness. One of the measures introduced to fight against illicit enrichment, which obliges Government officials to declare their wealth or else resign from their positions, has been fairly effective. 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 is weak compared to the Sub-Saharan average, especially with regard to effectiveness of governance and perception of corruption. Furthermore, delays in decisionmaking 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 reforms led to high growth rates. Indeed, during the period, real GDP growth rate averaged 2.6 percent, peaking at 5.6 percent in 2007 and settling at 5.5 percent in 2008. This average is higher than the population growth rate of 1.5 percent (2007). In 2008, the oil sector accounted for 50.3 percent of GDP, as against 55 percent of GDP in 2004. The primary balance of public finance (commitment basis) was about 12.2 percent of GDP in 2005 compared to the SAP III projection of 7.5 percent. It fell to 10.8

percent in 2007 and 0.8 is this right? percent in 2008. Inflation averaged 0.7 percent over the 2001-2005 period, thereby attaining the target value of less than 2 percent. It rose to 5 percent in 2007 and 5.4 percent in 2008 as a result of consumer price increases, particularly the adjustment of fuel prices at the pump. This has resulted in Gabon lagging behind the CEMAC 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 percent of GDP in 2002 to 15.2 percent in 2008, well below the 70 percent set by the CEMAC convergence criteria. In 2007, the Government's debt reduction efforts led to an anticipated buy-back of the Paris Club debt at a 15 percent discount (20 percent for France). To operate on the international financial markets, Gabon subjected itself to an assessment by credit rating agencies, two of which awarded a BB ? rating for the long term and B for the short term. The July-August 2008 study by the Paris Club? the IMF? on the country's debt indicates that it is sustainable in the short, medium, and long terms at an average rate of 15 percent of GDP over the next 15 years.

4.1.11 With regard to **consolidation of the macroeconomic framework and strengthening of governance**, the outcome of Bank assistance was, on the whole, *satisfactory*, even though 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: (a) support structural reforms in order to create a competitive economy and promote the private sector;

and (b) 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 SIAT¹⁵ Gabon, a private investment company; support to the fishery 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 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 improve competitiveness and promote the private sector were (a) divestiture of the Government's stake in the productive sectors; (b) creation of a legal and regulatory institutional framework conducive to private sector activity; and (c) direct support to the private sector. The many expected intermediate outcomes included: restructuring or privatization of 40 state-owned enterprises; transfer of Government minority shares to 121 enterprises; adoption of laws and regulations from 1998 onwards; improvement of the regulatory, legal, and institutional frameworks; popularization of OHADA¹⁶ texts; creation of a multisector regulatory agency; development of a framework for the capital markets, and mobilization of savings; creation of a private investment promotion agency; adoption of the Charter of Investments; audits of corporations; and training and redeployment of laid-off workers of privatised establishments.

4.2.3 With regard to the divestiture of Government's assets in the productive sectors, the *outcomes of privatization were mixed*. The Bank's contribution to the funding of PRIVATIS was 47 percent, compared to 32 percent by the World Bank and 21 percent by the Government. 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 privatisation process and implementation of the social dimension of the exercise. 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 Privatisation Committee, particularly the training of about ten staff members in monitoring concessions for regulation of the transport, energy, post and telecommunications sectors. are you saying the concessionaires are the regulators? Concerning the divestiture of Government 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 were paid only their separation benefits. Without financial support, advice and a spirit of entrepreneurship, they were unable to retrain themselves for other jobs, contrary to expectations. The prices of the privatised companies were low due to the small number of potential buyers. The outcome of the privatisation exercise was therefore mixed.

4.2.4 With regard to direct support to the private sector, the takeover of the activities of HEVEGAB¹⁸ and AGROGABON¹⁹ by SIAT was a successful privatisation exercise that illustrates close collaboration between a private group and the Bank. SIAT is one of the major oil palm and rubber companies in the world, and 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

15 *Société de l'investissement pour l'agriculture tropicale* (Tropical Agriculture Investment Company).

16 Organisation for the Harmonisation of Business Law in Africa.

17 cf. 4.2.1.7.

18 *Société Gabonaise de Développement de l'Hévéaculture*.

19 *Société Agro-Industrielle du Gabon*.

approval of a €7.14 million loan to GOPDC²⁰ (an oil palm subsidiary of SIAT in Ghana). The good governance demonstrated by the company in what way? is an example worthy of replication in the other Bank interventions of a similar nature.

4.2.5 Other private sector initiatives in which the Bank was involved include 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, as well as foreign exchange risks. There are opportunities in the country for private sector financing, particular through public/private partnerships in industry (wood processing, petroleum by-products), energy, tourism, infrastructure, and information and communication technology (ICT). 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 in the CSP toward the development of a private sector strategy. Indeed, Bank assistance to the 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 the private sector window are not sufficiently known to the country's private operators and administrators. Both the knowledge base and the potential of the Gabonese private sector need 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.

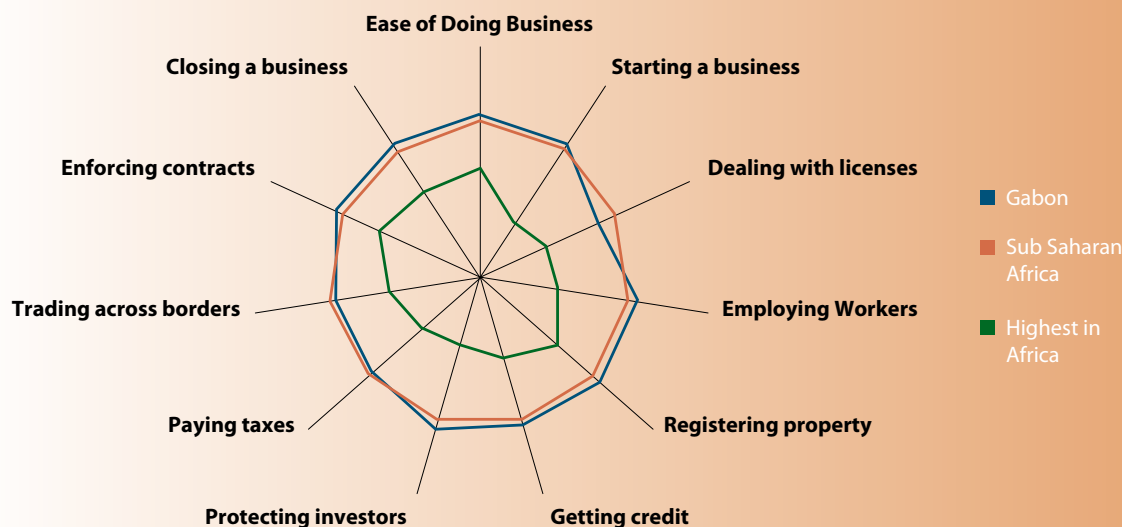
4.2.6 In 1998, the Government adopted an Investment Charter to serve as general framework for measures designed to improve the institutional, fiscal, and financial environment of companies. It also

completed harmonisation of the national legislation with the OHADA Uniform Acts to create a common legal and judicial space at the sub-regional level. For this reason, the Bank funded the printing and wide dissemination of 12,000 copies of each of the texts. The Bank also conducted an operational audit of the justice sector; and provided assistance for institution building efforts, particularly the training and improvement of the working conditions of judges. The Bank also organized a general conference on justice, and supported the establishment of a Disputes Arbitration Centre (yet to be implemented). Furthermore, the Bank supported the formation 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 required to create a business to 7 days. Gabon's poor business climate indicators, however, reflect the limited nature of the results; and Gabon's performance with regard to the Ease of Doing Business indicators still falls short of the average of sub-Saharan countries in many respects (cf. Chart 5). What year? Add year to chart For example, the average importation period is 35 days in Gabon 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

²⁰ Ghana Oil Palm Development Company.

Chart 5. Ease of Doing Business (Classification)



Source: AfDB Statistics Department

and 7 in Nigeria; and the profit taxation rate is 44.2 percent as against 21.7 percent in Mauritius and 17.2 percent in Botswana²¹. Deeper private sector reforms are necessary to further simplify procedures, protect investors, and make public finance management more transparent. Also needed are more attractive taxation, clarification and broadening of rules of access to land (sale or concession), and the establishment of financial intermediation institutions. ***The results of efforts to improve the business climate were 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 percent in 2001, it did not exceed 3.2 percent in 2008. The development of the oil sector spurred the depopulation of rural areas and the abandonment of agriculture. The

decline of agriculture led to the country's increased dependence on external sources for its food supply. Bank assistance in the agriculture 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 livestock breeding. To that end, the Bank 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 and ranching).

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 and of transport,

²¹ Source: AfDB Statistics, 2008.

health, and educational infrastructure; as well as the importation of breeding stock; the operation of ranches, industrial, and village rubber plantations; and construction of a rubber² factory. In the Nyanga and Lékabi ranches (established with the support of the Bank), managed by the State corporation SOGADEL²², 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 percent of the country's beef needs compared to a sector target of 3 percent. The Rubber Programme managed, by State corporation HEVEGAB²³, 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 percent 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 Government's priorities of stabilising the rural population and creating jobs in rural areas.

4.2.10 The State-owned corporations were not sustainable, however, from either an economic, institutional, or managerial standpoint. 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.

4.2.11 The results of Bank's achievements in the fishery and aquaculture sectors were modest at the time of this evaluation.

4.2.12 These sectors did not make significant contributions to food self-sufficiency and economic diversification. Eighty-five percent (85 percent) of national food needs are met through imports, and an estimated 20 percent 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.***

4.2.13 With regard to agro-industry, SIAT-Gabon, which received assistance from the Bank's private sector window, is one of most active companies in the 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, creation of employment, and technology transfer. An estimated 11,610 hectares (ha) of rubber plantation was created in 2008, and this is expected to increase to 15,610 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 greatly exceeds the target set of 9,000 tonnes. Palm oil production, which was 10,000 tonnes in 2008, has been on the increase.

4.2.14 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 percent 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 from CFAF 18.5 billion in 2006. As of 30 November 2008, the net income of CFAF 4.8 billion indicated an improvement in SIAT's financial performance, compared to CFAF 3.2 billion in losses in 2007 due to provision for depreciation of investments. Despite

22 Gabon Livestock Development Corporation.
23 Gabon Rubber Development Corporation.

the negative impacts of the global financial crisis and the automobile 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.

4.2.15 Aside from the success with SIAT, the Bank's contribution to rural development has not been meaningful – particularly its efforts to promote high-potential agricultural activities such as food production, fisheries, and livestock breeding. ***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 Road Development and Rehabilitation Programme, which aimed at establishing the transport 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, and other benefits to the population.

4.3.2 The nature of Gabon's cash economy has guided the development of its infrastructure. The

697 km Trans-Gabonese railway line is the largest project in Gabon, and 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 9,170 km, of which 1,055 km are tarred, representing about 11 percent of the national network, and 8,115 km are unpaved, representing 86 percent of the total road length. The remaining 3 percent of the network is 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 percent of the tarred network is in poor condition, while only 20 percent is deemed to be in good condition²⁴.

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 project was less effective and efficient. The Franceville-La Leyou section (93 km) had a physical implementation rate of 95 percent, while that of LaLeyou-Lastourville (93 km) was only 29 percent. Delays and cost overruns led to the project being halted.

4.3.4 The Bank also played a key role in the creation of the Second Road Maintenance Fund (RMF II), which was a conditionality for PR-1 between 2003 and 2006, following the failure of RMF I (1993-1996). The Bank's interventions under RMF I did not achieve the expected results due to lack of adequate maintenance of the road network between 1997 and 2003, and to the poor implementation of the Franceville-La Léyou-Lastourville project. PR-1,

²⁴ Source : PR-1 Appraisal Report, ADB

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 a 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's efforts in the areas of technical and vocational education, basic education, and health. The Bank also provided emergency humanitarian assistance to support surveillance of the Ebola-Type Viral Haemorrhagic Fever (VHF Ebola) epidemic.

Education

4.4.2 Bank assistance supports the Government's Technical and Vocational Education Recovery Support Programme, (ETP), ETP II²⁵ 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 developing planning and inspection capacities.

4.4.3 The first Education Project ETP I²⁵ had 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 double shifts in virtually all these schools. The number of classes operating under the double shift

system was reduced from 61 percent in 1991 to 15 percent in 1999²⁵. 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 percent compared to a national average of about 30 percent in 2005).

4.4.4 The third Education Project III contributed to the rehabilitation of ETP infrastructure by fully rehabilitating and equipping eight of the nine existing secondary schools. The uncompleted activities concern the construction of the Secondary Industrial Vocational School in the Estuary (Bikélé), with a capacity of about 1,000 pupils, as well as the extension enlargement²⁵ of the eight rehabilitated²⁵ schools. Although not completed, the Bikélé School is effectively fulfilling the Government's ambition of developing agricultural, livestock, and aquaculture trades, and making this institution a pole of excellence for economic diversification. The project also contributed to achieving the objective of targeted quality by implementing 100 percent of the training initially planned. Despite the delays, Bank action gradually contributed to establishing a technical training apparatus with appropriate equipment, and to producing trained or retrained 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.

4.4.5 The Bank's focus on access to and quality of education contributed to calming social unrest. However, the Gabonese education system is still marked by lack of efficiency and adaptability to labour

²⁵ Source: Project Completion Report of Education Project III.

market requirements. The crude enrolment rate of 140 percent (2005) translates to lack of efficiency in the system, especially the high repetition rate, which was 30 percent in 2005, a drop of only 9 percent since 1995. Furthermore, the building of new educational infrastructure necessitated by population growth may not be sustainable, unless it is supported by deep reforms of the system, with priority given to increasing effectiveness and efficiency. With regard to technical and vocational education, 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), with the aim of improving health coverage and access to quality care. It also sought to improve the health status of the population through the increased use of quality health services. The humanitarian assistance given to Gabon addresses this concern through better control of the Ebola VHF 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. What is the population?

4.4.7 The effectiveness of the Health System (across Health Services) Development Project (PDSS) was unsatisfactory in view of the protracted slippages in the construction of infrastructure (12 years). Its resizing (cancellation of UA 8.645 million (out of an initial loan amount of UA 14.130 million) reduced the outputs to 5 dispensaries (instead of 30), and 2 mother and child health/family planning (SMI/PF) centres (instead of 15). The PCR of the PDSS indicates that the health facilities are operational and carrying out health care activities. However, 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 percent of the activities, despite a two-year delay that compromised its emergency nature. The assistance helped to train 299 workers in epidemic surveillance, monitoring, and social mobilization. It enhanced the coordination of surveillance through standardized data collection tools; the provision of vehicles, protective gear, medicines, and communication equipment; the establishment of 9 village surveillance committees at the Congolese border; and coverage of more than 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. The actions taken under this operation also helped to bring similar epidemics in neighbouring Congo under control. The abatement of the epidemic has brought great peace of mind to the authorities and communities. However, due to weak results of the PDSS and the 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 percent of the rural population. The development of roads has facilitated the marketing of produce (bananas, plantain, cassava, vegetables, groundnuts), the bulk of which is produced by women, and this has probably why 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 percent of the permanent workers of SIAT-Gabon and 40 percent 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 income.

Community Participation

4.5.2 The preparation of CSPs and the RBCSP 2006-2010 was conducted in a participatory manner involving the Gabonese authorities, civil society, and other technical and financial partners. This participatory dimension was also taken into account in the design of the National Good Governance Programme (PNBG). 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 requirements of the Economic Community of Central African States (ECCAS). They also contributed to improving the common legal and judiciary space through dissemination of the OHADA Uniform Acts. The Bank was also 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 The Bank responded favourably to the request of CEMAC authorities to provide an ADF grant of UA 600,000 to finance the regional 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 was also put in place, with new courses leading to the *Diplôme d'Etudes Supérieures Spécialisées* (DESS), a post-graduate professional degree in project analysis and evaluation. Three DESS 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 developed a broad range of activities that enable it to 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 transparency and control of the budget process. 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 institutional capacities in their areas. For example, in technical and vocational education, project outcomes included the development of new training courses, establishment of organizational structures, preparation of action plans, and harmonization of programmes. The various interventions have also provided a framework for building national capacities in project management. In agriculture, the SIAT project assists women in the production of food crops on the company's farms, thereby ensuring family food security and generating additional income. On the whole, however, the projects contributed only marginally to building national capacities. PRIVATIS is a case in point – its impact on the institutional capacity to manage 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 road works and control services components was undertaken and contracts signed in February 2009; but the works could not start at that time because they were subject to the fulfillment of conditions before 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. The Government made an agreement with 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 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 the Bank's assistance programme. Apart from the multisector 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. The average age for the multisector operations was 5.2 years, with 2.5 years for one of them and 9.1 years for the other. Some 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 loans represents about UA 133.56 million during the period under review, or 19.24 percent 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 has ended. It is assessed by the level of commitment of the authorities and economic growth. In the case of Gabon, sustainability is assessed based on political will, as expressed by continuous commitment since 2003 (the beginning of the IMF-supported programmes) to the implementation of difficult reforms – particularly compliance with EITI criteria, the fight against illicit enrichment, and application of the new Public Procurement Code.

4.8.2 Sustainability is also assessed in terms of institutional strengthening, which was limited.

4.8.3 The sustainability of project impacts was limited because the outcomes either fell short of

expectations or were not sufficiently exploited to ensure the continuity of project activities and benefits, particularly in the absence of a post-operation policy (which was the case for most projects). Lack of road maintenance is one example. Another is the lack of viability of the enhanced production tools created by the rubber and livestock projects, due to the deficits of the State companies before privatization. The educational infrastructure built with the Bank's support has been quickly outstripped by population growth and may not be sustainable unless it is supported by greater efficiency in the overall education system. Regarding the foregoing, *the 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. The performance of the CSP; non-financial activities such as dialogue, diagnosis, and portfolio reviews; as well as the efforts by both the Bank and the Government, is deemed satisfactory. However, the results were largely unsatisfactory for the stakeholders.

4.9.2 Translating objectives and actions into tangible results remains a major challenge. Despite 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 in loan disbursement? use of resources? reduced the Bank's capacity to contribute more effectively to the country's development. The Bank's programmes are taking too much? 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; and activities for the rehabilitation of technical and vocational education have not been completed after 12 years of implementation. There are other examples,

In addition, the Government showed **weak ownership of aid in the form of projects**, particularly non-fulfillment and non-compliance with project conditions and weaknesses in project management. Then why was Govt performance deemed satisfactory (para 4.9.1)

4.9.3 Both the Government and the Bank need to strengthen their institutional capacities for project design, implementation, and coordination. The Gabon Field Regional? Office has a role to play in to stimulate these improvements, by promoting the Bank's decentralization agenda. However, the problems relating to portfolio performance require more effective monitoring, given 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 and other donors. 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.

5.1.2 The Government is credited with the restoration of macroeconomic balances and growth momentum; and with key initiatives such as the PRGSP process²⁶, MTEF, and PNBG, all supported by the Bank and other partners, which led to the establishment of instruments of dialogue to ensure better coordination between the sources of finance and aid effectiveness.

5.1.3 However Gabon's **weak indicators with respect to governance and the business climate**, as indicated above, show an inconsistency in the Government's commitment to the reforms. Decisionmaking 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 to solidify the progress made in fostering business creation and development.

5.1.4 **The dialogue between the Government and the Bank was constructive; it was enhanced the presence of the Gabon Field Regional Office and the general TFP consultative framework.** Monthly coordination meetings often served as a platform for dialogue and consultation with the Government. 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,

compliance with loan conditions, and coordination. Most of the issues that negatively affected portfolio performance remain unresolved, as discussed above. Therefore, 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 strategy and interventions, their implementation, the quality of the Bank's analytical studies, and its partnership and dialogue activities. The Bank, which is one of the major donors of Gabon in terms of volume, aligned its assistance with the needs of the country during the 1996-2008 period to reflect the Government's strategies and programmes, including the PRGSP. The last CSP focused on two pillars – strengthening of governance and improvement of infrastructure – and sought to focus Bank assistance under these pillars on operations that would contribute to the diversification of sources of economic growth. The Bank also mobilized resources for capacity building and analytical studies for Gabon; and carried out ESW that contributed to the Government's definition of poverty, as well as to 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 a results monitoring framework, as well as the choice of unrealistic conditionalities in comparison

²⁶ The Government prepared the PRSGP even though Gabon is not a heavily indebted poor country.

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 the Field Office (Regional Office), whose presence in the country improved communication with the Government, executing agencies, and partners. In addition, the Field Office actively participated in the APPR (2004 and 2007), RBCSP 2006-2010 preparation and review, and ESW and project identification missions (2008). You haven't mentioned APPR before – why bring it in now?

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 Field Office are often reviewed again at headquarters, which takes up considerable time and causes project delays?. The feeling at the Field Office is that while decentralization remains a viable option to improve the quality of Bank assistance, it needs to be strengthened and made more efficient. In brief, the decentralization will only be beneficial provided it comes with greater responsibility. Tighter control mechanisms, involving more frequent audits, are also needed. In addition, the Field Office needs a more effective communication system (e-mail, telephone and videoconferencing) than it currently has, despite the new facilities provided.

5.2.4 The lack of efficiency and slow response time reduced the Bank's capacity to contribute more effectively to the country's development, as evidenced by the delays in fulfilling the conditions precedent to first disbursement for PR-1. The performance of the active portfolio has been unsatisfactory as a result of such problems. The recurrent recommendations

of past portfolio reviews have not translated into tangible improvements. Consequently, more effective solutions must be sought through an open dialogue at all levels. The dialogue should address the problem of delays, as well as problems relating to effectiveness of loan agreements, conditions precedent to the first disbursement, and procurement. ***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 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 starting in 1998, Gabon accumulated arrears, compelling the Bank to suspend its assistance for a long period, from August 1998 to March 2001. The Government's performance still depends largely on the country's economic stability and changes in external conditions. In a region beset by conflicts, Gabon has been able to preserve social peace through dialogue, which is an indispensable tool for the implementation of economic and structural reforms. The 2003-2008 period recorded an increase in GDP of 5.6 percent in 2007, as a result of the upsurge in oil prices. However, the country's economy is still vulnerable 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, as were rubber prices, which declined by two-thirds between October and December 2008.

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 depends crucially on improvements in infrastructure and the business climate.

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

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

6.1.4 This progress indicates gradual improvement, but the Bank's contributions are still limited compared to its strategic objectives of improving governance, economic diversification, reinforcement of infrastructure, and human capital development. Despite 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 remains a challenge. The Bank's programmes, such as the Road Programme (PR-1), which are intended to build on lessons of experience, still take time to materialize. These programmes would benefit from greater synergies within the Bank and increased empowerment of the Field office.

6.2 Recommendations

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

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 support for private sector development through active involvement and stronger synergies in improving the business climate, and direct support to the sector.
3. Strengthen support to good governance through the effective implementation of updated legal texts and instruments.
4. Build country capacity to implement Bank-financed operations, including through the preparation of project implementation schedules, rigorous selection of project managers, expansion of training programmes, establishment of accounting and financial management systems, and provision of procedure manuals.
5. Strengthen monitoring and evaluation and the Bank's presence by empowering GAFO more, including through joint missions with Headquarters and Field Office experts, to avoid unduly wide deviation from initial objectives and slippages in projects implementation.
6. Improve coordination and synergy of action among the various Bank departments, including the Private Sector Department and the Gabon Field Office, by focusing on a shared vision for Bank assistance in Gabon, an appropriate division of labour, and accountability.

Annex 1



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

Annex 2: Performance Rating Grid

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

Summary of Bank assistance performance 1996-2008

Area	Rating
CSP Strategies	Satisfactory
Non-lending activities	
Economic and sector work	Satisfactory
Policy dialogue	Satisfactory
Aid coordination and harmonisation	Satisfactory
Overall Non-lending	Satisfactory
Operations by evaluation criteria	
Relevance	Satisfactory
Quality at entry	Unsatisfactory
Efficacy	Unsatisfactory
Efficiency	Unsatisfactory
Institutional impact	Unsatisfactory
Sustainability	Unlikely
Overall Operations	Unsatisfactory
Overall Evaluation	Unsatisfactory

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

Annex 3

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 (PR-1)	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 with completion date of 31/12/2007. There are plans to extend the grants to 31/12/2008. update

Annex 4

Approved Operations 1996-2008

NoREF SAP	Project	Status	Sector	Source	Approval Date	Signature	Effectiveness Date	First D. Disbur.	Last Disbur. Date	Closing Date	Amt Apprt(UA)	Net Amt (UA)	Disb Ratio(%)
Operations Approved over 19962008 Review Period													
1	P-GA-IAE-001	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	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	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	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	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	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	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-AG-002	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	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-ZI-IAZ-001	completed	Education	ADF Grant	36656	36733	36898	36951	36886	38952	600000	600000	99.79

Approved Ops Prior to 1996 And completed (19962008 review)

1	P-GA-AAE-003	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	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	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	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	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	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	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	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	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	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	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	20 089 925.55	100.00

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

Annex 5

Objectives, Intermediate results and performance indicators

Objectives, actions and intermediate results	Interventions	Result Indicators		Remarks
		Projected	Achieved	
I. Governance Improvement				
Improve and consolidate the macroeconomic framework and return to growth	SAP III	GDP growth of 0,8 percent during 2004-2005 period Investment rate 2 percent inflation rate over 2001-2005 period Budgetary surplus balance of 9 percent of GDP in 2004 and 7,5 percent in 2005.	Annual average growth of 2.2 percent (1.4 percent in 2004 and 3.0 percent in 2005) of GDP from 2004 to 2005 Private investment declined slightly from 20.1 percent in 2004 to 18.4 percent in 2005. Rate of inflation of 0.7 percent 2001-2005 Surplus primary balance estimated at 12.2 percent of GDP in 2005 compared to 11.3 percent 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 percent for the non-oil sector over the 2004-2005 period	The outstanding debt of Gabon decreases from 55.9 percent of GDP in 2003 to 49.6 percent and 39.2 percent 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 percent in 2004 to 60 percent in 2007 and 29 percent 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

Objectives, actions and Interventions intermediate results		Result Indicators		Remarks
		Projected	Achieved	
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

Objectives, actions and interventions intermediate results	Result Indicators		Remarks
	Projected	Achieved	
II. Economic Diversification			
Private sector promotion PRIVATIS, SAP III Private sector window	Share of private sector in GDP at least higher than 90 percent 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 percent of the financing of the project compared to 32 percent, World Bank and 21 percent Government. Approved in April 1998, the loan was only disbursed in July 2003 and extended by 2.5years 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 nation- als in privatization" and "improvement of business climate",

Objectives, actions and Interventions		Result Indicators		
intermediate results		Projected	Achieved	Remarks
Creation of an environment conducive to private sector development	SAP III	Establishment of laws and regulations starting from 1998;	Methods and structures for dispute settlement in business law in place	The modernization of the business environment remains a major challenge.
		Improvement of the regulatory, legal and institutional frameworks, OHADA instruments popularized; social audits conducted; multisector regulatory agency created	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	
		Formulate a legislation establishing the multisector regulatory agency	Operational audit of justice conducted	
		Train staff in charge of regulation	Training and improvement of the work environment of judges	
		Technical assistance for the management of the regulatory agency	Establishment of a Dispute Arbitration and Reconciliation Centre	
		Sector studies to effectively carry out the regulation	Actuarial study of social security conducted	
		Revise the legal and regulatory framework and restructure the main sector: telecommunication, posts, electricity, water	Satisfaction studies relating to privatization exercises whose outcomes are expected.	
		Study and put in place the methods and structures for dispute settlement		
		Restructure the CNSS		
		Publish and organizer information seminars on the labour code and investment charter		
		Assess business environment		
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,	Private majority holding in 40 EP and at least 90 percent 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
		Government minority stake in 121 enterprises sold		
		Participation of nationals in privatization		

Objectives, actions and Interventions intermediate results		Result Indicators	
	Projected	Achieved	Remarks
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.	
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 percent 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	

Objectives, actions and Interventions		Result Indicators		Remarks
intermediate results		Projected	Achieved	
Diversification of productive base: AGRICULTURE AND RURAL DEVELOPMENT RURAL and AGRO-INDUSTRY				
Promote the sustainable management of fish resources	PSPA	Improvement and human and institutional capacity building of the fisheries and aquaculture subsector;	A national framework-survey that provides a basis for knowledge about the subsector	Lack of efficiency. The project is under a sanction by an audit.
A better management of fish resources to contribute to food security and diversification of the national economy		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.	Study trips	
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 interventions intermediate results	Result Indicators		Remarks
	Projected	Achieved	
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>	<p>71 percent of turnover stems from exports; turnover of CFAF 18.9 billion in 2008</p>	
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 Extension ongoing</p>	<p>Replanting of 750 ha of oil palm trees at Zilé (3) not implemented</p>

Objectives, actions and intermediate results	Interventions	Projected	Achieved	Remarks
III. Infrastructure Strengthening				
Opening up of Estuary, Middle Ogooué, Woleu-Ntem and Ngounie Provinces	Road Rehabilitation and Development project	Paved two-lane roads between Nsilé and Bifoun, Bifoun and Ndjolé, and between Bifoun and Lambaréné	Reduction of VOC by 16 percent at commissioning; Roughness value of 1.65 to 1.95 mm/m at commissioning (at appraisal 5 mm/m)	100 percent of outcomes; Doubtful sustainability due to lack of road maintenance
Meeting transport demand at the least cost between Nsilé and Bifoun, Bifoun and Ndjolé and between Bifoun and Lambaréné.			Increase by at least 7 percent of traffic on highway at commissioning.	
Paved two-lane road between Nsilé and Bifoun, Bifoun and Ndjolé, and between Bifoun and Lambaréné			Roads paved in bituminous concrete for 9 m-width including shoulders, over 187 km: Nsilé – Bifoun : 61 km Bifoun – Lambaréné : 70 km Bifoun – Ndjolé : 56 km	
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	Rehabilitation of 93 km of paved two-lane road (France La Leyou-Lastourville section) and another earth road over a distance of 92.65 km Creation of RMF Building the capacities of the Ministry of Equipment and Construction to establish a road database	93 km of paved road creation of RMF	50 percent of project executed Rate of physical execution of Franceville – La-Leyou stretch was 95 percent. The Government completed the works using internally-generated resources. Physical execution rate of La Leyou Lastourville was 29 percent La Leyou Lastourville asphalt-ing project included in PR-1

Objectives, actions and interventions intermediate results	Result Indicators	Remarks
	Projected	Achieved
<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</p> <p>Technical assistance and management of programme</p>	<p>PR-1</p> <p>Trade between ECCAS countries will increase by 30 percent by 2015</p> <p>Percentage of paved network in good condition rises from 11 percent of the total network in 2006 to 30 percent by 2012</p> <p>Decrease of the VOC by 35 percent in 2010 in relation to 2006; Reduction starting from 20 I 0, transportation time from 4h to 2h in Fougamou-Mouila, from 3 h 30 to 2h between La Léyou-Lastourville and; from 2h to 1 h between Ndende-Lebamba; Reduction of VOC and costs of Franceville-La Léyou-Lastourville Road, Access by population to public educational and health infrastructure to increase by 30 percent ; Rate of absenteeism to fall from 30 percent in 2007 to 20 percent by 2010 ;Rate of absenteeism of qualified care givers decreases from 35 percent to 20 percent 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>Works are yet to start</p> <p>Lack of efficiency. Considerable delay in meeting conditions of first disbursement.</p>

Objectives, actions and interventions intermediate results	Result Indicators		Remarks
	Projected	Achieved	
	<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</p> <p>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</p> <p>1 4X4 vehicle for Ministry</p>		
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>360 s primary classrooms constructed;</p>	<p>18,500 supplementary places in Libreville public schools;</p>	<p>Lack of efficacy and efficiency. Education III has an estimated physical execution rate of 96 percent by the PIU</p>
	<p>Education I</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 ENS teachers, 10 ENSET 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>renovation of 111 additional classrooms; training fully carried out ;</p> <p>studies on the education sector studies; supply of vehicles to inspectorates; Rehabilitation extension</p> <p>Omar BONGO ONDIMBA Technical School (39 percent)</p> <p>Franceville Commercial Technical School (100 percent)</p> <p>Moanda Fulbert BONGOTHA Technical School (90 percent)</p> <p>Fougamou Industrial Vocational School (100 percent)</p> <p>Bernard OBIANG d'Oyem Industrial Vocational School (100 percent)</p> <p>Mouila NYONDA MAKITA Commercial Vocational School (100 percent)</p> <p>Tehibanga Alexandre BIANGUE Industrial Vocational School (100 percent)</p> <p>Port-Genil Jean Fidele OTAND0 Technical School (100 percent)</p> <p>Port-Genil Commercial School (100 percent)</p> <p>Franceville Agathe OBENDZE Commercial Vocational School (92,11 percent)</p> <p>Ntoum Commercial Vocational School (55 percent)</p>	<p>But the rate of disbursement was 33 percent; the disbursement of the project has been suspended AUDIT; the project is 12 years old.</p>

Objectives, actions and interventions intermediate results	Result Indicators		Remarks
	Projected	Achieved	
<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>47 health facilities including 15 MCH/FP and 30 dispensaries and three public health laboratories (water quality control, food monitoring and entomology).</p> <p>Prepare Phase 2 of project which includes the construction of three hospitals and the creation of a national equipment maintenance department.</p>	<p>Oyem Bernard OBIANG Industrial Vocational School (75 percent)</p> <p>New construction</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 percent for the PDSS and 2 years slippage for the Ebola VHF emergency assistance.</p>

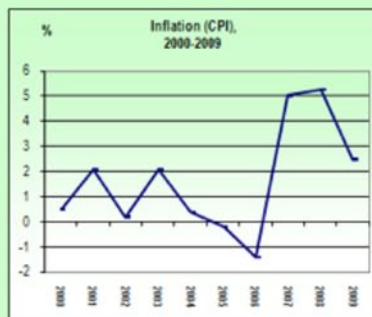
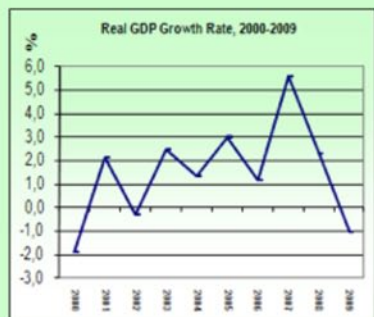
Source: summary by OPEV based on CSP, PCR, Portfolio Review, Project Appraisal Report

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

Annex 6

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

Annex 8

GABON: PROFILE OF MILLENNIUM DEVELOPMENT GOALS TARGET INDICATORS										Government: Target
		1990	2000	2004	2005	2006	2015			
1	Eradicate extreme poverty and hunger (percent ^a)	...	...	...	33 percent	...	0.135			
2	Achieve universal primary education (percent 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 (percent)	...	99.9	99.4	101.1	...	100			
	Girl/boy ratio in secondary education (percent)	...	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 (percent)	...	16	...	...	4.9	4			
7	Ensure environmental sustainability									
	Access to drinking water (percent of population)	...	70.0	87.9	...	87	100			
	Access to sanitation (percent 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 (percent)	...	20 (1997)	...	25	...	10			

Source: ADB and UNDP Gabon Statistics 2nd Report on MDGs

Annex 9

Information on Aid Coordination in Gabon

Thematic groups from technical and financial partners in Gabon

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 percent 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.

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 midterm 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.

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.

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.

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.

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.

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

Annex 10

Documentary Review

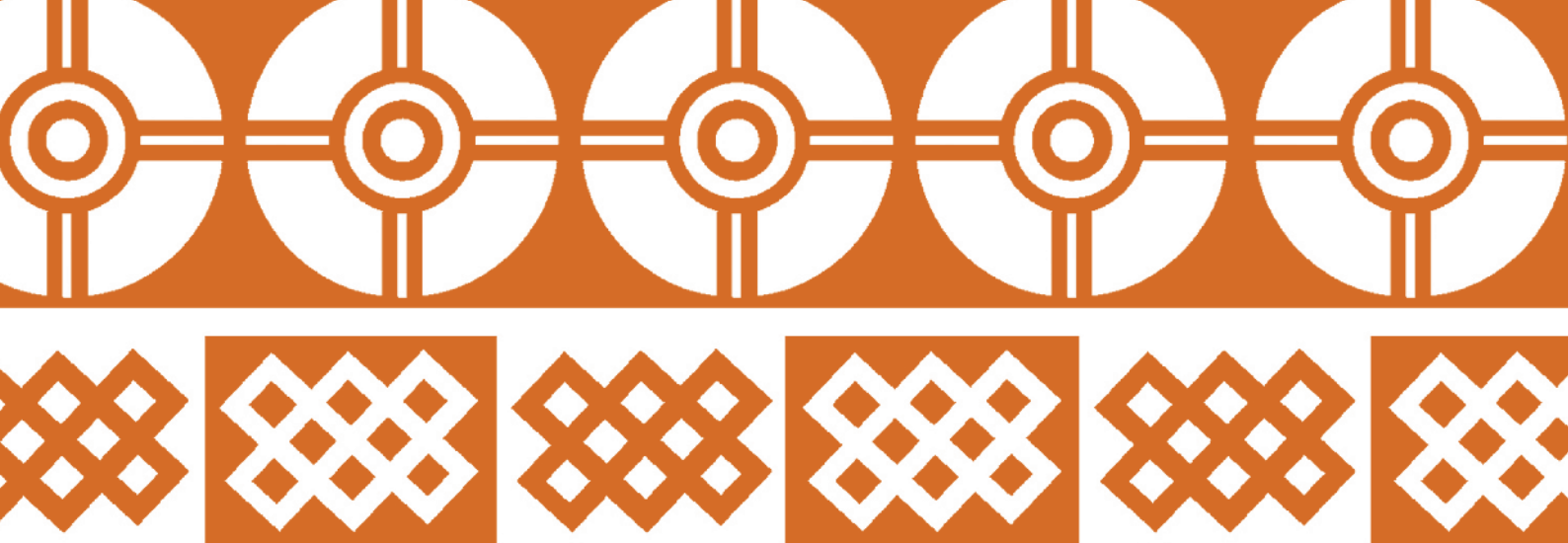
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Gabon Country Assistance Evaluation, 1996-2008

Gabon, with an estimated population of 1.5 million inhabitants (2008), is the 4th oil producer in Sub-Saharan Africa (SSA). Its cooperation with the African Development Bank dates back to 1974. Indeed, the Bank is one of Gabon's major donors. During the period under review, the Bank's country strategies supported four of the Government's key development goals: (a) consolidation of the macroeconomic framework and strengthening of good governance; (b) economic diversification; (c) reinforcement of infrastructure; and (d) human capital development. 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.

About the AfDB: The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs; and providing policy advice and technical assistance to support development efforts.

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