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Opposition leader Jean Ping delivers a report to the International Criminal Court (ICC) accusing president Ali Ben Bongo Ondimba (2009-present) of crimes against humanity. Ping convenes the Dialogue National pour l'Alternance (national dialogue for political changeover), where he calls on his supporters to refuse to accept Bongo's victory in August 2016 elections. A Mission d'Observation Électorale (MOE) (electoral observation mission) of the European Union (EU) report questions the integrity of the August presidential election result. Prime minister Emmanuel Issoze Ngondet appoints Pascal Houangni Ambourouet oil minister. Members of the Organisation Nationale des Employés du Pétrole (ONEP) (oil sector workers' union) end a 14-day strike action at United Kingdom (UK)-based Royal Dutch Shell Plc's local subsidiary Shell Gabon S.A. Shell reportedly shortlists United States (US)-based private equity firm Carlyle Group to acquire its onshore oil exploration assets for between \$600m and \$1 billion. The Société d'Énergie et d'Eau du Gabon (SEEG), a subsidiary of France-based water and electricity operator Véolia, says that the government owes a total €190m (\$198m) to suppliers and consumers.

Ping delivers report to the ICC alleging Bongo committed crimes against humanity

Defeated opposition **Parti Gabonais du Peuple (PGP)** presidential candidate **Jean Ping** delivered a report on 15 December to the **International Criminal Court (ICC)** accusing president **Ali Ben Bongo Ondimba** (2009-present) of crimes against humanity.¹ The accusations have significant implications for relations between the opposition and the ruling **Parti Démocratique Gabonais (PDG)**. The report cites one particular incident during post-election violence after the presidential election on 27 August.² According to the report, the post-election violence, between 31 August and 3 September led to the death of 26 people and the disappearance of 12 others.³ The death count according to the government was three. Ping's lawyer, **Emmanuel Altit**, delivered the report to ICC prosecutor **Fatou Bensouda**, who opened a preliminary investigation into the post-electoral violence at the end of September.⁴ The allegation also concerns the events that occurred in Ping's headquarters during the night of 31 August, where several opposition protesters had hidden.⁵ Bongo's spokesperson, **Alain-Claude Bilie-By-Nzé**, refutes the allegations,

*"We will finally have the possibility to see the graves that Mr. Ping pretends to have seen in Gabon. We will finally see how he will document all of this. Because all of this is a fabric of lies."*⁶

Ping called on his supporters on 23 December to refuse to accept the **Constitutional Court's** ruling that upheld Bongo's victory.⁷ Bongo won a marginal victory, with 49.8% of the vote, which Ping alleges he achieved through electoral fraud, most notably in Bongo's stronghold **Haut-Ogooué Province**. Ping's appeal to his supporters will probably increase tensions between opposition supporters and the Bongo government. Bongo's August presidential election victory was subject to a

¹ Le Monde, 16 Dec 2016.

² Le Monde, 16 Dec 2016.

³ Le Monde, 16 Dec 2016.

⁴ Le Monde, 16 Dec 2016.

⁵ Le Monde, 16 Dec 2016.

⁶ Gabon Review, 16 Dec 2016.

⁷ RFI, 23 Dec 2016.

multitude of allegations of electoral fraud from both the opposition and international observers. Ping spoke to his supporters following the **Dialogue National pour l'Alternance** (national dialogue for political changeover), held between 18 and 23 December.⁸ The dialogue received added support after the publication of a report from the **Mission d'Observation Électorale (MOE)** (electoral observation mission) of the **European Union (EU)**. The MOE on 12 December had published a report that questioned the integrity of the August presidential election result.⁹ The report stated that

*"[these results] reversed the trend that our mission noticed of the results announced by each governor in the eight other provinces."*¹⁰

The MOE report also criticised the Constitutional Court for failing to evaluate the verbal procedures, claiming that much of the release of election results occurred in an opaque fashion.¹¹ Local analysts believe the EU report is further inflaming tensions:

*"Tensions are multiplying between the majority and opposition since Ping organised the national dialogue. The EU report highlighted the grave dysfunctions during the 31 August elections... Some people within the opposition no longer believe in a pacific approach to political changeover. Defeated presidential candidate **Maganga Moussavou** of the **Parti Social Démocrate (PSD)** believes this... The next big event will be when the EU gives its official position on actions to take in order to restore legality in Gabon. The ICC case is Ping's other hope."*¹²

Ping invited all opposition members critical of the Bongo government to the forum, where Ping aimed to legitimise himself as the "true elected president of Gabon". The main theme of the event was the "claim and reaffirmation of Ping's victory".¹³ There are significant concerns that this event could further exacerbate tensions, as Ping referred to the event as "the calm before the storm" and called on his supporters to reclaim "by any means" his "stolen victory" from the "imposters who forcefully entered the head of the state".¹⁴

Bilie-By-Nze threatened that the government would intervene if Ping sought to undermine Bongo's presidency:

*"There are yellow lines. If [Ping] crosses them, we will arrest him. We are a state, and you think that Ping's statements will impress the state. If his 'Plan B' is war, Ping must understand that before his supporters go to die, we will arrest him first."*¹⁵

The recent surge in tensions between the government and the opposition is the result of the contentious conduct of the election. Criticism now comes not only from the opposition, but also from the international community, which appears willing to publicly criticise Bongo's re-election. As observed in the months following the election, however, the international community is reluctant to go further than criticism (see *ARC Briefing September, October & November 2016*). The EU's report may change this, while efforts at the ICC and alternative dialogue from Ping show the opposition will continue to contest Bongo's leadership. Bongo will become increasingly unpopular, both domestically and abroad.

Ngondet appoints Ambourouet oil minister ...

Prime minister **Emmanuel Issoze Ngondet** appointed **Pascal Houangni Ambourouet** oil minister on 9 January.¹⁶ The appointment is unlikely to change government oil policy but Ambourouet has

⁸ RFI, 23 Dec 2016.

⁹ Gabon Review, 12 Dec 2016.

¹⁰ Gabon Review, 12 Dec 2016.

¹¹ Gabon Review, 12 Dec 2016.

¹² Source, journalist, Libreville

¹³ Gabon Review, 23 Dec 2016.

¹⁴ RFI, 23 Dec 2016.

¹⁵ RFI, 23 Dec 2016.

¹⁶ Jeune Afrique, 10 Jan 2017

already demonstrated his value in mediating an end to the strike at **United Kingdom (UK)**-based **Royal Dutch Shell Plc**'s local subsidiary **Shell Gabon S.A** (see below).

Ambourouet replaces outgoing oil minister **Etienne Dieudonné Ngoubou** who had held the post since January 2014.¹⁷ The government gave no official explanation for Ngoubou's departure, though press sources speculate that recent industrial action at Shell and the planned departure of oil companies from Gabon were the reason for his dismissal.¹⁸ Following Ngoubou's dismissal, rumours began to circulate about misappropriation of government funds, though there is no publicly available evidence to support these allegations.¹⁹ Ngoubou reportedly still has a strong relationship with Bongo.²⁰ This is linked to Ngoubou's successful negotiation of Gabon's return to the **Organization of the Oil Producing Countries (OPEC)** in July (see *ARC Briefing Gabon July 2016*).

Local sources speculate that Ambourouet's appointment is due to his ties to the city of **Port-Gentil**, Gabon's oil-producing capital.²¹ Ambourouet is a native of Port-Gentil, which sources claim will help him mitigate threats of industrial action (see below).²² Ambourouet reportedly does not have a particularly close relationship with either Bongo or Ngondet.²³ Until his appointment, Ambourouet was CEO of the **Bourse des Valeurs Mobilières d'Afrique Centrale (BVMAC)** (Central African stock exchange) and minister within the economy ministry.²⁴ Ambourouet is from a wealthy Port-Gentil-based family, where his mother, **Marie-Augustine Ambourouet**, was mayor from 1980-1987 and 1997-2000.²⁵

Ambourouet has already made an impact on the oil sector in mediating a successful end to the strike action at Shell. Ambourouet's mediation efforts demonstrated his negotiating and diplomatic skills, both of which will be an asset in the portfolio.

Shell workers end strike action ...

Members of the **Organisation Nationale des Employés du Pétrole (ONEP)** (oil sector workers union) resumed work on 20 January after a 14-day strike action at Shell.²⁶ Workers had announced on 28 December that they would begin an indefinite strike, which they started on 6 January.²⁷ The ONEP alleged that Shell had made no effort to hold proactive discussions following the company's announcement of the sale of its assets to **United States (US)**-based private equity firm **Carlyle Group** (see below). Shell's announcement and the ensuing strike reveal the difficulty of operations for oil extraction companies when enacting a departure from Gabon.

ONEP's deputy secretary general, **Sylvain Mayabi Binet** met with the government special workers inspector **Davy Thome Mboumba** and the oil ministry's deputy secretary general, **Alphone Oyabi Gnala**, together agreeing to the terms of the deal.²⁸ The parties agreed that all Shell workers would receive a bonus upon leaving Shell, before the end of the transition period.²⁹ Shell must equally provide employees, in the 12 months following transfer of the assets, the possibility to benefit from:

- An installation bonus;
- A housing readjustment bonus;

¹⁷ Jeune Afrique, 10 Jan 2017.

¹⁸ Jeune Afrique, 10 Jan 2017.

¹⁹ Gabon Review, 22 Jan 2017.

²⁰ Jeune Afrique, 10 Jan 2017.

²¹ Jeune Afrique, 10 Jan 2017.

²² Jeune Afrique, 10 Jan 2017.

²³ Source, journalist, Libreville

²⁴ Jeune Afrique, 10 Jan 2017.

²⁵ Source, journalist, Libreville

²⁶ Gabon Review, 22 Jan 2017.

²⁷ Gabon Review, 28 Dec 2016.

²⁸ Gabon Review, 22 Jan 2017.

²⁹ Gabon Review, 22 Jan 2017.

- A bonus relating to relocation of operations and consumer price index (CPI).³⁰

Binet said that not a single worker from ONEP would receive punishment for engaging in the industrial action:

“No employees of Shell Gabon should worry about their participation in the strike, or the role that they may have played. Work will resume in all operations of Shell Gabon from 21 January, at habitual hours.”³¹

Newly appointed oil minister Ambourouet mediated in the strike and is expected to continue to decrease tensions between ONEP and Shell and Carlyle.³² Binet publicly thanked Ambourouet for his efforts in helping secure the deal with Shell:

“The oil ministry was a great facilitator... He brought parties together to agree on several points of disagreement.”³³

The strike reportedly lowered production at Shell’s operations by 50%, from 50,000 barrels per day (bpd) down to 25,000 bpd.³⁴ The strike action cost Shell close to \$4.5m, according to Binet.³⁵ The oil sector continues to contribute to over 80% of Gabon’s exports, 45% of gross domestic product (GDP) and 60% of government revenue.³⁶

Shell has all but officially confirmed the sale of its onshore operations. The impending sale has created immense concern among workers at Shell:

“The imminence of Shell’s asset sale is worrying Shell workers a lot... The workers understandably feared for their jobs and began a strike action... Since 2005, the ONEP has gained in strength and weighs heavily in decision making in the oil and gas sector. The consequences of strikes in the oil sector are enormous.”³⁷

The end of the ONEP strike marks an end to a slowdown in production at Shell’s onshore operations. The decision to sell onshore assets without consultation with the ONEP clearly negatively affected negotiations for Shell, and could have risked securing a buyer for its onshore assets. Shell appears to have secured its exit from Gabon, as corporate level strategy requires, while Ambourouet’s role in concluding negotiations seemed paramount.

... as Carlyle appears most likely to acquire onshore Shell assets

Shell Gabon S.A on 17 January reportedly shortlisted Carlyle Group to acquire onshore oil exploration assets for between \$600m and \$1 billion.³⁸ The sale of Shell’s onshore assets could lead to further investment in the sector, but industrial action risks hindering the deal in the shorter term (see above). Neither Carlyle nor Shell commented officially on the report, however a deal is likely after speculation in previous months suggested both parties were already in advanced stages of negotiations. Shell’s onshore activities include five concessions near Port Gentil.³⁹ These include the **Rabi Kounga** and **Gamba** fields.⁴⁰ The Rabi Kounga remains the single largest onshore oil resource, producing around 7.3% of Gabon’s total production of approximately 17,000 barrels per day (bpd).⁴¹ Shell will retain its

³⁰ Gabon Review, 22 Jan 2017.

³¹ Gabon Review, 22 Jan 2017.

³² Gabon Eco, 17 Jan 2017.

³³ Gabon Review, 22 Jan 2017.

³⁴ Gabon Actu, 21 Jan 2017.

³⁵ Gabon Eco, 17 Jan 2017.

³⁶ www.worldbank.org

³⁷ Source, journalist, Libreville

³⁸ Le Nouveau Gabon, 17 Jan 2017.

³⁹ Le Nouveau Gabon, 17 Jan 2017.

⁴⁰ www.shell.com

⁴¹ Le Nouveau Gabon, 17 Jan 2017.

offshore activities, which include natural gas prospects.⁴² There is fear, however, that other oil companies may decide to follow Shell out of Gabon:

*"This decision is a strong signal to government, because an important pillar of the Gabonese economy is deciding to leave, and others could follow this example."*⁴³

Shell's decision to divest itself of its onshore assets could be due to recurring industrial action. The ONEP's large membership base gives the union significant bargaining power with oil sector operators.

Veolia subsidiary publicly declares government payment arrears of over \$198m

The **Société d'Énergie et d'Eau du Gabon (SEEG)**, a subsidiary of France-based water and electricity operator **Véolia**, says that the government owes a total €190m (\$198m) to suppliers and consumers.⁴⁴ The announcement shows the pressures of the commodities crisis, and in particular oil prices, on the government's ability to pay basic service bills. SEEG is the operator of Gabon's water and electricity distribution network since 1997.⁴⁵ Véolia holds 51% in the public-private partnership (PPP), while the Gabonese government holds the remaining 49%.⁴⁶ There were allegedly opaque dealings around the initial signature of the deal in 1997,

*"President **Omar Bongo Ondimba** (1967-2009) personally chose Véolia for this contract, in an agreement that was never revealed. The state has not respected certain terms of this agreement. Non-governmental organisations (NGOs) and the local press are demanding that the agreement between Véolia and government be made public so that we can understand the deal with more clarity... There has been a lack of transparency since 2006."*⁴⁷

Veolia has sought to renegotiate the deal with the government since July 2016, as the 20-year concession will expire in 2017.⁴⁸ Veolia's decision to publicly criticise the payment arrears is likely to harm the ongoing negotiation process. SEEG CEO **Antoine Boo** said in an interview with opposition newspaper **l'Union** that the government owes €100m (\$104m) to suppliers and €90m (\$94m) to consumers, which could risk the closure of Veolia.⁴⁹ The government reacted badly to the interview. Water and energy minister **Guy-Bertrand Mapangou** said, *"The Gabonese government will ask for details from Veolia after the SEEG CEO's statement."*⁵⁰ Mapangou in a separate statement criticised the SEEG's poor water and electricity provision in terms of continuity, outdated installations, and customer service.⁵¹ Local sources believe Véolia will not make further upgrades until renewal of the contract, as it risks losing the concession,

*"Véolia will not risk investing too much, just a few months before potential renewal of the contract. Véolia is not certain that government will renew its contract. Apparently the **Chinese** have been waiting to recover this concession since before Omar Bongo's death. I think it is highly likely that China will become a second water and electricity provider. I think the government wants competition in the sector, because the SEEG is taking advantage of its monopoly."*⁵²

Véolia is employing a high-risk strategy, if its objective is to achieve renewal of its concession. The threat of new market entrants is present, especially due to allegedly run-down installations. Furthermore, the lack of transparency surrounding the terms of the concession that Véolia signed

⁴² Multiple sources: Gabon Actu, 21 Jan 2017; RFI, 23 Jan 2017.

⁴³ Source, journalist, Libreville

⁴⁴ Jeune Afrique, 21 Dec 2016.

⁴⁵ Jeune Afrique, 21 Dec 2016.

⁴⁶ Jeune Afrique, 21 Dec 2016.

⁴⁷ Source, SEEG unionist, Libreville

⁴⁸ Jeune Afrique, 21 Dec 2016.

⁴⁹ Jeune Afrique, 21 Dec 2016.

⁵⁰ Jeune Afrique, 21 Dec 2016.

⁵¹ Jeune Afrique, 21 Dec 2016.

⁵² Source, journalist, Libreville

with Omar Bongo in 1997 does not bode well for Véolia's renewal, as the current government appears unlikely to authorise a similar contract.

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