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The European Union (EU) calls for an independent inquiry into the violence that followed the August 2016 presidential election and holds discussions with Gabonese political institutions in Libreville. The Gabonese government says it will not participate in “any request for an international inquiry” into the violence. Subsidiary of France-based conglomerate Bouygues SA, Bouygues Energies & Services SA, suspends its operations in Gabon. Fitch Ratings downgrades Gabon’s long-term foreign-currency issuer default rating to B from B+, with a negative outlook. Budget minister Jean-Fidèle Otandault appoints Fabrice Andjoua Bongo Ondimba, half-brother of President Ali Ben Bongo Ondimba (2009-present), head of the Direction Générale du Budget et des Finances Publiques (DGBFIP) (budget and public finance directorate).

EU calls for an independent inquiry on post-electoral violence

The **European Union (EU)**, in a statement released on 19 October, called for an independent inquiry into the violence that followed the August 2016 presidential election.¹ According to the EU, this inquiry is “a necessary step in order to re-establish reconciliation between all **Gabonese** people... and to guarantee stability... of the Gabonese democratic system.”² However, government spokesperson **Alain-Claude Bile By Nzé** announced on 23 October that the government would not participate in “any [new] request for an international inquiry”³ into the violence that followed the election.⁴ Nzé said that the government would only participate in the **International Criminal Court (ICC)** inquiry, after opposition leader **Jean Ping** delivered a report to the ICC in December alleging that President **Ali Ben Bongo Ondimba** (2009-present) had engaged in crimes against humanity:

“Gabon already took the initiative to international jurisdictions, which is the ICC... Unless you consider that the ICC is not international. It seems to me that the ICC is the international jurisdiction that is recognised by all countries. So we will keep to that... The ICC is in the middle of a process to decide on whether to open an inquiry or not. So while this is happening, we do not understand the EU’s request very well.”⁵

According to the report delivered to the ICC, the post-election violence between 31 August and 3 September led to the death of 26 people and the disappearance of 12 others.⁶ The death count according to the government was three. According to a local commentator, the government and **France** fear the threat of an independent inquiry into the violence,

“The EU wants to put in place an independent commission of inquiry. But this would only lead to questioning of Bongo and France because at the worst of the post-electoral violence, the French army base was 500 metres away from the general quarters where Ping was and [the French] did not intervene. If we consider that several former French soldiers serving under the republican guard and Gabonese army participated in the commission of these alleged massacres, this would mean that the EU risks condemning one of its own member countries.”⁷

¹ RFI, 20 Oct 2017.

² RFI, 20 Oct 2017.

³ Jeune Afrique, 23 Oct 2017

⁴ Jeune Afrique, 23 Oct 2017

⁵ RFI, 20 Oct 2017.

⁶ Le Monde, 16 Dec 2016.

⁷ Source, journalist, Libreville

The EU, on 6 October, began discussions with government institutions to seek implementation of recommendations of an EU **Mission d'Observation Électorale's (MOE)** (electoral observation mission) report published in December. However, it appears that the government will not cooperate with that effort either. The engagement with Gabon's institutions could prove significant, after the EU's **European Parliament (EP)** recently passed a resolution against the government alleging that it has repressed the opposition. The EU delegation said that the discussions concerned two of the EU MOE recommendations published in a report in December: increasing transparency of the electoral process and publishing election results on a polling-station-by-polling-station basis.⁸ The MOE report had questioned the integrity of the presidential election result.⁹ The EP called on the government to respect the rule of law, human rights and freedom of expression, assembly and media access.¹⁰ The EP condemned "*permanent threats, aggressions, and resorting to force*"¹¹ in its restrictions against opposition members.¹² The EP also called for the government to respect the opposition's right to protest peacefully, to free all illegally detained people, and to end any harassment, intimidation and persecution of political opponents.¹³ The EU delegation seeks to restore cooperation with the government:

*"Through this dialogue, the EU reaffirms its commitment to accompany Gabon in these reforms, among others electoral, which must strengthen democratic governance."*¹⁴

Nzé criticised the EP's "*stubbornness*" for voting for a resolution against the government's alleged repression of the opposition during a press conference on 24 September.¹⁵ The government is maintaining a defiant stance against the EP's resolution, which could lead to diplomatic tension between Gabon and EU members.¹⁶ Nzé said,

*"The EP says what it wants, there is no harassment of opponents in Gabon. But in Gabon, like in France, like in **Great Britain**, if someone violates the law, they respond to justice. I am sorry, once again, there is no sovereignty above others. The EP was not elected by the Gabonese people, it was elected by the Europeans and very frankly, let us allow Gabonese people to manage their democracy in serenity."*¹⁷

Ruling **Parti Démocratique Gabonais (PDG)** members of parliament (MPs) also criticised the EP's decision, alleging that the EP had sided with the Gabonese opposition.¹⁸ On 22 September, the PDG parliamentary group said that the resolution is "*rushed and untimely*",

*"[The resolution] comes after the inclusive political dialogue and the recent formation of an open government cabinet, which materialise the efforts of the elected Bongo to re-establish a peaceful climate, necessary for economic recovery."*¹⁹

However, opposition members have disagreed with the PDG's statements. President of the opposition **Union Nationale (UN)** party, **Zacharie Myboto**, said that the EU is within its right to impose the resolution, under the **2000 Cotonou Agreement**.²⁰ Myboto said,

⁸ Gabon Review, 8 Oct 2017.

⁹ Gabon Review, 8 Oct 2017.

¹⁰ European Parliament, 13 Sept 2017.

¹¹ European Parliament, 13 Sept 2017.

¹² European Parliament, 13 Sept 2017.

¹³ European Parliament, 13 Sept 2017.

¹⁴ Gabon Review, 8 Oct 2017.

¹⁵ RFI, 24 Sept 2017.

¹⁶ RFI, 24 Sept 2017.

¹⁷ RFI, 24 Sept 2017.

¹⁸ Gabon Review, 24 Sept 2017.

¹⁹ Gabon Review, 24 Sept 2017.

²⁰ RFI, 24 Sept 2017.

“The UN [party] recognises itself globally within the resolution, which is by the way the second EU resolution that applies to Gabon. There are no interferences from the EU with what is happening today in Gabon and we encourage the EU to continue along this path.”²¹

The defiance of the Bongo government in the face of inquiries into the post-electoral violence in August 2016 is symptomatic of its stance towards criticism. Bongo appears likely to continue this defiant stance, at least until the EU or another actor decides to act on the matter. It is notable that the government claims to have been open to the ICC investigation but not others. It does not seem likely that the EU will make significant progress with discussions with Gabonese institutions. The lack of cooperation from Gabonese institutions and the government could lead to a more significant deterioration of relations with the EU, which could hamper aid funding for the foreseeable future, even from strategic partners with the EU, such as France.

Bouygues Energies & Services suspends its Gabon operations

Subsidiary of France-based conglomerate **Bouygues SA, Bouygues Energies & Services SA** announced the suspension of its operations in Gabon on 6 October.²² The decision may lead to significant tension between Bouygues and Gabonese unions. Bouygues announced that the suspension of its operations would result in the termination of 223 employment contracts.²³ Bouygues Energies & Services CEO **Michel Chinchilla** says the company will guarantee all worker rights, which could include up to 18 months in salary payments depending on the contract.²⁴ Bouygues had opened discussions with employees on 9 October in Libreville, to agree on the indemnity payment arrangements.²⁵ However, a legal delegate for Bouygues’ Gabon-based unions, **Luce Wolbert**, said that the decision was very sudden,

“Nothing could predict this – we didn’t have salary or current contract arrears.”²⁶

Chinchilla claimed that the company did not have the financial means to continue to support the overhead costs and further development of its projects.²⁷ Chinchilla said that Bouygues Energies & Services SA’s financial situation had deteriorated since 2014 and the drop in international oil prices.²⁸ According to Chinchilla, the company’s Gabon-based debt had reached 9 billion francs (FCFA) (\$16.2m), of which FCFA 5 billion (\$9m) comprises debts to the state.²⁹ Bouygues will reportedly continue to negotiate the resolution of the debt with the government in the coming weeks.³⁰ Although Bouygues continues to operate two of the group’s other subsidiaries in Gabon, it is unclear whether Bouygues Energies & Services will seek to resume operations in the country once economic conditions improve.³¹ According to local sources, the reason Bouygues Energies & Services has debt in excess of \$9m to the government is due to the Gabonese government’s bad payment record,

“Bouygues Energies & Services’ debt resides in the fact that the Gabonese state is a bad payer, and that Bongo no longer pays bills. Bongo also stopped awarding concessions to Bouygues Energies & Services, as [Bongo] wanted to take control of these markets... Reportedly, state debts to Bouygues Energies & Services exceeded FCFA 80 billion (\$143.5m).”³²

²¹ RFI, 24 Sept 2017.

²² AFP, 6 Oct 2017.

²³ AFP, 6 Oct 2017.

²⁴ AFP, 6 Oct 2017.

²⁵ Gabon Review, 10 Oct 2017.

²⁶ AFP, 6 Oct 2017.

²⁷ AFP, 6 Oct 2017.

²⁸ AFP, 6 Oct 2017.

²⁹ AFP, 6 Oct 2017.

³⁰ AFP, 6 Oct 2017.

³¹ AFP, 6 Oct 2017.

³² Source, journalist, Libreville.

Bouygues Energies & Services' exit from Gabon, regardless of the allegations of debt in both directions, will have a negative effect on skilled employment in Gabon. It may also lead to the exit of other Bouygues companies in Gabon.

Fitch downgrades Gabon

Fitch Ratings downgraded Gabon's long-term foreign-currency issuer default rating on 13 October to B from B+, with a negative outlook.³³ Fitch's decision will make it more expensive for the Gabonese government to borrow and may negatively impact the government's fiscal deficit.³⁴ Fitch said that there are risks of non-compliance of the requirements of the three-year \$642m extended fund facility (EFF) with the **International Monetary Fund (IMF)**, which influenced the decision to impose a negative outlook.³⁵ The IMF highlighted the following as the main factors in driving high risk:³⁶

- The accumulation of external and domestic arrears in recent months, now at 2% and 7.7% of GDP respectively. Fitch said that the government had begun to accumulate arrears in value added tax (VAT) refunds on budgetary expenditure and to suppliers from 2014. However, the situation worsened in 2016 as this was also accompanied by accumulations in external debt to creditors. Fitch said that clearing these debts is a central component of the IMF programme, and will be essential in order to renew investor confidence;
- The increase of gross general government debt, from 44.7% of GDP in 2015 to 64.2% of GDP in 2016. Excluding domestic arrears, Fitch estimates that this should drop to 60% of GDP in 2017, but this is still above the median 56.2% of GDP for B-rated countries. Fitch expects the gross general government debt to peak at 65.7% in 2018;
- A deterioration in the fiscal deficit from 4% of GDP in 2015 to 6.6% of GDP in 2016, still higher than the median of 4.2% of GDP for B-rated countries. Fitch forecasts that the fiscal deficit will drop to 4.7% of GDP in 2017, although this would require a recovery in oil revenue;
- The widening of the current account deficit to 10% of GDP in 2016, from 4.3% of GDP in 2015. Fitch said that larger investments have been import-intensive in the non-oil sector. Fitch forecasts that the current account deficit will drop to 9% in 2017 and 7.7% in 2018.

The Fitch Ratings' downgrade appears to reflect poor government finances in recent months. Fitch's highlighting of the possible non-compliance of the IMF EFF reveals the extent of the problem.

Budget minister names Bongo's half-brother head of budget directorate

The budget minister, **Jean-Fidèle Otandault**, on 29 September appointed **Fabrice Andjoua Bongo Ondimba**, half-brother of Bongo, head of the **Direction Générale du Budget et des Finances Publiques (DGBFIP)** (budget and public finance directorate).³⁷ The appointment has significant implications for the reputation of President Bongo, as he has allegedly increased the level of nepotism in the government in recent months.³⁸ **Marie Madeleine Mborantsuo**, president of the **Constitutional Court**, is Fabrice Andjoua's mother.³⁹ Andjoua's brother, **Jérôme Andjoua**, is the alleged face of the Bongo family's investment vehicle company, **Delta Synergie**, and sits on the board of several of Delta Synergie's subsidiaries.⁴⁰ Fabrice Andjoua has been at the DGBFIP since 2010 as deputy head, under Otandault, whom prime minister **Emmanuel Issoze-Ngondet** appointed budget minister on 21 August. Hence, it is likely that Otandault and Fabrice Andjoua will cooperate closely after having worked together at the budget directorate.⁴¹ Fabrice Andjoua is also president of the

³³ Fitch Ratings, 13 Oct 2017.

³⁴ Fitch Ratings, 13 Oct 2017.

³⁵ Fitch Ratings, 13 Oct 2017.

³⁶ Unless otherwise noted - Fitch Ratings, 13 Oct 2017.

³⁷ Médiapart, 1 Oct 2017.

³⁸ Source, Gabon analyst, United Kingdom

³⁹ Info241, 29 Sept 2017.

⁴⁰ Médiapart, 27 Apr 2015.

⁴¹ Source, Gabon analyst, United Kingdom

Comité Interministériel d’Audit et de Certification de la Dette Intérieure de l’Etat (CIADCIE) (inter-ministerial audit and state interior debt certification committee).⁴²

Local sources believe there is a conflict of interest in Andjoua’s appointment,

“Andjoua controls a key service for Bongo family. Even before this co-optation Andjoua was already heavily implicated in the management of presidential affairs. That is why there is a real conflict of interest in [Andjoua’s] heading Gabon’s budget directorate.”⁴³

The presence of Bongo family members in branches of government appears nepotistic. At worst, it could be a means for the Bongo family to control flows of government expenses and a significant conflict of interest when considering the Bongo family’s business interests.

Planner

Apr 2018 **(Gabon)** *RFI*. Gabon holds legislative elections;

Mar 2018 **(Gabon)** *Pouvoirs Afrique*. The **Organization of Petroleum Exporting Countries’** production limit of 9,000 barrels of oil ends;

25 Nov 2017 **Libreville (Gabon)** *Press Release*. The **Corporate Awards Gabon 2017**;

20 Nov 2017 **Libreville (Gabon)** *Press Release*. The 4th edition of the **Salon de l’Economie et du Développement Durable** (economy and sustainable development forum) begins;

Chronology

24 Oct 2017 **Libreville (Gabon)** *AFP*. The **International Monetary Fund** begins a two-week visit to Libreville to evaluate the economic impacts of the oil price downturn;

23 Oct 2017 **Libreville (Gabon)** *Jeune Afrique*. The government removes visa requirements for other members of the **Communauté Économique et Monétaire d’Afrique Centrale** (Central African economic and monetary union);

23 Oct 2017 **Libreville (Gabon)** *Jeune Afrique*. Government spokesperson **Alain-Claude Bile By Nzé** announces that the government will not participate in “any request for an international inquiry” into post-electoral violence after the August 2016 presidential election;

20 Oct 2017 **(Gabon)** *RFI*. The **European Union** calls for an independent enquiry into post-electoral violence following the August 2016 presidential election;

20 Oct 2017 **(Congo, DRC, Gabon)** *AfricTelegraph*. **South African Airways** cancels flights to Gabon, Congo and DRC;

16 Oct 2017 **Libreville (Gabon)** *Gabon Review*. **Franco-Lebanese** lawyer **Robert Bourgi** says that Gabon under President **Ali Ben Bongo Ondimba** is a “thuggish, gangster state”;

14 Oct 2017 **Owendo (Gabon)** *Jeune Afrique*. President **Ali Ben Bongo Ondimba** inaugurates the **Port of Owendo**;

13 Oct 2017 **(Gabon)** *Press Release*. **Fitch Ratings** downgrades Gabon’s long-term foreign-currency

⁴² Médiapart, 1 Oct 2017.

⁴³ Source, journalist, Libreville

issuer default rating to **B** from **B+**, with a negative outlook;

12 Oct 2017 **Libreville (Gabon)** *Jeune Afrique*. Some opposition **Coalition pour la Nouvelle République** supporters are calling for a broad opposition coalition to contest the upcoming legislative elections in April 2018;

10 Oct 2017 **(Gabon)** *Xinhua*. Defence minister **Etienne Makaga** meets with his **Moroccan** counterpart, **Abdellatif Loudyi**, to discuss increased bilateral military cooperation;

27 Sept 2017 **(Gabon)** *defenceWeb*. The **Belgian Air Force** deploys two **NH90** helicopters as part of a military exercise;

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