

AFRICA RISK CONSULTING

Gabon Monthly Briefing December 2017

Gabon Summary 14 December 2017

The ruling Parti Démocratique Gabonais (PDG) makes several senior appointments at its 11th ordinary congress, replacing the head of the political cabinet, the youth leader and the women's union leader. Opposition leader Jean Ping, after a short visit in Abidjan (Côte d'Ivoire) ahead of the African Union (AU) – European Union (EU) Summit 2017 fails to convince the AU to sign a memorandum which he sought to discuss during the summit. President Ali Ben Bongo Ondimba's (2009-present) eldest daughter, Malika Bongo Ondimba, and half-brother, Fabrice Andjoua Bongo Ondimba, are appointed to PDG departmental political bureaus. The oil sector union, l'Organisation Nationale des Employés du Pétrole (ONEP), reconciles with United Kingdom (UK)-based Compass Group Plc subsidiary Eurest Support Services Gabon SA (ESS Gabon) after employees issue an eight-day strike notice.

Ruling PDG party holds its 11th ordinary congress

The ruling **Parti Démocratique Gabonais (PDG)** opened its 11th ordinary congress, titled “*regeneration and revitalisation*”, on 8 December.¹ The congress, which lasted three days, put forward a new road map for the party's priorities over the coming year.² In opening the congress, PDG secretary general **Éric Dodo Bounguendza** said the party needs reform:

“The PDG is an institution. And institutions are what people make of them. In other words, we must renew ourselves, even within our members. We must open our arms to civil society, the youth and women. It's a question of representation.”³

Local sources believe that there are significant tensions within the party that necessitate the commitment to reform:

“Within the PDG, the cleavages are real. Several factions cohabit and this weakens the party. Many supporters are in favour of a reconstruction of the PDG, especially with regard to good governance.”⁴

The PDG made a series of senior appointments:

- **Brice Laccruche Alihanga** replaces **Léon Nzouba** as head of the PDG political cabinet;⁵
- **Marius Assoumou** replaces **Vivien Makaga Péa** as PDG youth leader;⁶
- **Chantal Mebaley** replaces **Chrystel Limbourg Iwenga** as PDG secretary general for ‘the union of women’.⁷

The PDG reaffirmed the appointment of Bounguendza as PDG secretary general, after he assumed the role on an interim basis in August.⁸ Former PDG secretary general **Faustin Boukoubi** retains a position within the party as the president of the **Conseil Consultatif des Sages** (consultative council

¹ Médiapart, 9 Dec 2017.

² Médiapart, 9 Dec 2017.

³ Médiapart, 9 Dec 2017.

⁴ Source, journalist, Libreville

⁵ Info241, 11 Dec 2017.

⁶ Jeune Afrique, 11 Dec 2017.

⁷ Jeune Afrique, 11 Dec 2017.

⁸ Jeune Afrique, 11 Dec 2017.

of wise persons).⁹ President **Ali Ben Bongo Ondimba** (2009-present), the so-called ‘distinguished comrade’ of the PDG, called for the party’s members to support the reform initiative:

“The PDG must be a party of action, of achievement and results... [The PDG] must be a force of proposition.”¹⁰

... and Bongo’s eldest daughter & half-brother named to PDG political bureaus

The ruling PDG on 25 November appointed Bongo’s eldest daughter, **Malika Bongo Ondimba**, and his half-brother, **Fabrice Andjoua Bongo Ondimba** to the PDG’s departmental¹¹ political bureaus in **Djouori-Agnili (Bongoville, Haut-Ogooué Province)** and the **2^{ème} Arrondissement of Franceville (Haut-Ogooué Province)** respectively.¹² The appointment of Bongo’s relatives in the PDG’s stronghold Haut-Ogooué Province, where the party obtained 95.47% of votes in the August 2016 presidential election, appears to show that Bongo is grooming his family members for a higher-level political career.¹³ Local media reports claim that the appointment of both Malika and Fabrice Bongo to the PDG political bureaus could open their paths to becoming members of parliament (MPs), ahead of scheduled legislative elections in April 2018.¹⁴ There were extensive PDG political bureau nominations in several of **Gabon’s** departments, ahead of the PDG’s congress (see above).¹⁵ Malika Bongo has been the deputy mayor of the **Akanda (Komo-Mondah Department, Estuaire Province)** since 2013; it is unclear if she will maintain this position along with her new departmental political bureau role in Djouori-Agnili.¹⁶ Fabrice Bongo, on the other hand, remains head of the **Direction Générale du Budget et des Finances Publiques (DGBFIP)** (budget and public finance directorate), appointed at the end of September.¹⁷

Local sources believe that Bongo’s relatives are not influential among PDG members:

*“With the arrival of Malika and Fabrice Bongo, who are not popular and do not have real influence at the head of the party, Bongo wanted to imitate the **Republic of Congo** example, where President **Denis Sassou Nguesso’s** (1979-1992, 1997-present) children do very well in politics.”¹⁸*

The PDG in the past month has revealed its desire for reform and renewal of its image, adding fresh faces to party leadership. The party’s internal tensions may be resolved as a result of the reform effort. Bongo’s desire to propel his relatives – some may allege through nepotism – to higher political positions, may also reveal his ambition to secure his succession in the next presidential elections in 2023.

Opposition leader Jean Ping fails to win over the AU in Abidjan

Opposition leader and defeated August 2016 presidential candidate **Jean Ping**, after a short visit in **Abidjan (Côte d’Ivoire)** ahead of the 29-30 November **African Union (AU) – European Union (EU) Summit 2017**, failed to convince the AU to sign a memorandum that he had hoped to discuss during the summit.¹⁹ The memorandum reportedly contained information about the August 2016 presidential elections, and sought to request signatories to “re-establish the truth of the vote on 27 August 2016.”²⁰ Ping left Abidjan after three days, along with the **Coalition pour la Nouvelle**

⁹ Jeune Afrique, 11 Dec 2017.

¹⁰ Gabon Review, 10 Dec 2017.

¹¹ Subdivision of provinces

¹² Afrik, 27 Nov 2017.

¹³ Source, Gabon analyst, United Kingdom

¹⁴ Gabon Review, 27 Nov 2017.

¹⁵ Afrik, 27 Nov 2017.

¹⁶ Afrik, 27 Nov 2017.

¹⁷ Afrik, 27 Nov 2017.

¹⁸ Source, journalist, Libreville

¹⁹ RFI, 27 Nov 2017.

²⁰ Gabon Review, 27 Nov 2017.

République (CNR) (coalition for the new republic) delegation.²¹ , The CNR delegation included **Dijob Dvungi Di Ndinge**, Gabon's former vice president and current president of the **Alliance Démocratique et Républicaine (ADERE)** party, as well as **Zacharie Myboto**, president of the **Union Nationale (UN)** party.²² As a result, Ping did not participate in the summit.²³ The CNR issued a statement after its trip to Abidjan,

*"After consulting the presidency of the AU commission, its representatives did not wish to receive the memorandum that the [CNR] delegation should have delivered to them, addressed to the heads of state."*²⁴

The EU in particular had been constructive in helping Ping move towards his objective of legitimising the August 2016 presidential election result, which he alleges Bongo won by fraud.²⁵ The EU in mid-October had called for an independent inquiry into the violence that followed the August 2016 presidential election, after its **Mission d'Observation Électorale (MOE)** (EU electoral observation mission) report, published in December 2016, criticised the August 2016 presidential elections electoral process (see *ARC Briefing Gabon December 2016*).²⁶ Furthermore, the EU's **European Parliament (EP)** in February adopted a resolution critical of the political situation in Gabon – post-electoral violence, human rights violations, arbitrary arrests, illegal detention and political intimidation (see *ARC Briefing Gabon February 2017*).

However, it appears that, at least in this instance, the AU has held back Ping's progress with the EU, at a highly important event in the **African** diplomatic calendar.²⁷ According to local sources, Ping's failure to curry political favour with the AU underlines the limits to his influence,

*"Ping and his delegation's failed trip to Abidjan shows the limits of the actions that he carries out internationally, namely, to recover his position as president during the August 2016 election. He had to face the hypocrisy of several African heads of state present in Côte d'Ivoire that didn't want to be caught up in a post-electoral case that even France is avoiding... Ping, despite his good relations with [Ivorian] President **Alassane Dramane Ouattara** [2011-present], left Abidjan with a cold shower."*²⁸

Ping's worse-than-expected diplomatic mission, according to political commentators, shows that any reversal of the August 2016 presidential election is all but delusional,

*"The further away we get from August 2016, the more Bongo's position in power is consolidated; especially as France, which has many investments in Gabon, would not take the risk to destabilise Gabon [by supporting Ping]."*²⁹

Ping has lost significant political influence in recent months as the urgency of the alleged election fraud fades. His support now seems to come to solely from the EU, which may yet impose sanctions on Bongo for alleged electoral fraud after voting a resolution against Gabon in September (see *ARC Briefing Gabon September 2017*). Interestingly, France, an influential EU member and historically close ally of the Bongo family, has adopted an evasive stance on the issue, and appears unlikely to reverse this position unless overwhelmingly compelling new proof of electoral fraud against Bongo emerges. At the same time, it is important to note that France has not defended Bongo either. Ping's most likely opportunity to strengthen his position will be in the scheduled April 2018 legislative elections.

²¹ Gabon Review, 27 Nov 2017.

²² Gabon Review, 27 Nov 2017.

²³ Gabon Review, 27 Nov 2017.

²⁴ Gabon Review, 27 Nov 2017.

²⁵ Jeune Afrique, 22 Nov 2017.

²⁶ Source, Gabon analyst, United Kingdom

²⁷ Source, Gabon analyst, United Kingdom

²⁸ Source, journalist, Libreville

²⁹ Source, journalist, Libreville

Oil sector union reconciles with ESS Gabon after strike notice

An agreement between the **Organisation Nationale des Employés du Pétrole (ONEP)** and management of **United Kingdom (UK)-based Compass Group Plc** subsidiary **Eurest Support Services Gabon SA (ESS Gabon)** signed on 3 December has averted possible strike action.³⁰ ESS Gabon employees issued an eight-day strike notice on 29 November following demands for a 30-month salary indemnity.³¹ The ONEP is a highly influential union in Gabon, and has proved its ability to cripple oil sector operations. In January, ONEP workers caused significant delays in the sale of **Royal Dutch Shell Plc** subsidiary **Shell Gabon SA's** onshore oil production assets to UK-registered **Assala Energy Holdings Ltd**, a subsidiary of **United States (US)-based** private equity firm **The Carlyle Group** (see *ARC Briefing Gabon January 2017*). ONEP and ESS Gabon agreed on an indemnity disbursement, to begin in May 2018, equal to 30 months of gross salary.³² However, several issues remain to be discussed through the establishment of a **Comité Permanent de Concertation Économique et Social (CPCES)** (permanent economic and social consultation committee) from February 2018.³³

ESS Gabon is an offshore catering service, specialised in so-called 'harsh environments', as well as facilities management, with clients including military forces, mining, oil and gas and construction sector businesses.³⁴ It is unclear how many oil and gas operators are clients of ESS Gabon in Gabon, although Shell Gabon was a client.³⁵ Reportedly, ESS Gabon is planning an exit from Gabon, after Assala's takeover of Shell's assets.³⁶ According to Gabonese press sources, this is because ESS Gabon does not meet ESS's standards.³⁷ The ONEP was concerned that ESS Gabon would lay off 392 of its members before exiting Gabon in June 2018, at the end of its contract with Shell.³⁸

Local sources believe that the ONEP has reduced the intensity of its striking action in recent years,

*"For several months now, ONEP's strikes are not as virulent as they were for several years."*³⁹

The threat of ONEP strike action in Gabon's most economically significant sector remains. Although in the past the ONEP has adopted an aggressive stance in its strike and negotiating procedures (see *ARC Briefing Gabon January 2017*), it appears to have assumed a more conciliatory position in ESS Gabon's case.

Planner

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

Mar 2018 **(Gabon)** *Pouvoirs Afrique*. The agreed reduction with the **Organization of Petroleum Exporting Countries** of 9,000 barrels of oil production ends;

Chronology

8 Dec 2017 **Libreville (Gabon)** *Médiapart*. The ruling **Parti Démocratique Gabonais** party holds its 11th ordinary congress;

5 Dec 2017 **Libreville (Gabon)** *VOA*. The government increases petrol and diesel prices by 1.7% and 14.9% respectively;

³⁰ Gabon Review, 3 Dec 2017.

³¹ Gabon Review, 29 Nov 2017.

³² Gabon Review, 3 Dec 2017.

³³ Gabon Review, 3 Dec 2017.

³⁴ www.compass-group.com

³⁵ Gabon Review, 29 Nov 2017.

³⁶ Gabon Review, 29 Nov 2017.

³⁷ Gabon Review, 29 Nov 2017.

³⁸ Multiple sources: Gabon Media Time, 14 Nov 2017; Gabon Review, 29 Nov 2017.

³⁹ Source, journalist, Libreville

1 Dec 2017 **Libreville (Gabon)** *Gabon Review*. Economy minister **Régis Immongault** signs a three-year €225m (\$267m) aid agreement with the **French** government's **Agence Française du Développement**;

27 Nov 2017 **Libreville (Gabon)** *RFI*. Opposition leader **Jean Ping** returns to Libreville from **Abidjan (Côte d'Ivoire)** after failing to obtain the **African Union**'s signature of a memorandum, and failing to meet with President **Alassane Ouattara**, and will not attend the **African Union-European Union Africa Summit**, held on 29-30 November;

25 Nov 2017 **(Gabon)** *Afrik*. President **Ali Bongo**'s eldest daughter, **Malika Bongo Ondimba**, and half-brother, **Fabrice Andjoua Bongo Ondimba**, are appointed to ruling **Parti Démocratique Gabonais**' (**PDG**) departmental political bureaus in the party's stronghold **Haut-Ogooué Province**;

22 Nov 2017 **Libreville (Gabon)** *Reuters*. Economy minister **Régis Immongault** says that Gabon's external debt stands at FCFA 3.1 trillion (\$5.6 billion) in 2017, up 9.2% from 2016;

16 Nov 2017 **Libreville (Gabon)** *Gabon Review*. The delegate economy minister, **Edwige Betah**, announces the launch of a FCFA 100 billion (\$180m) local currency denominated bond on the **Central African Economic and Monetary Community** market;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential online business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an online information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.briefing.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)