

## AFRICA RISK CONSULTING

### Gabon Monthly Briefing September 2018

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#### Gabon Summary 19 September 2018

*Gabon's opposition parties establish coalitions as they gear up for the October municipal and legislative elections. The trial of former energy and petroleum minister Etienne Dieudonne Ngoubou commences, with allegations that he embezzled \$9.3m. Gabon increases its economic cooperation with China after signing a number of agreements following the Forum on China-Africa Cooperation (FOCAC) from 3-4 September.*

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#### Opposition parties form coalitions ahead of October elections

Political parties from the opposition and the presidential majority are developing their campaign strategies in preparation for the legislative and municipal elections set to take place on 6 October. A key issue in the lead up to elections is whether individuals and parties belonging to the **Coalition pour la Nouvelle République (CNR)** will participate in the elections. The CNR, led by 2016 presidential candidate **Jean Ping**, consists of 41 opposition parties. Ping stated at a ceremony on 31 August to commemorate lives lost during the 2016 post-election crisis that participating in the October elections would be “*an insult*” to the memory of opposition supporters who died in the violence following the August 2016 presidential elections.<sup>1</sup> Ping was echoing the statement of former prime minister and current senator **Jean Eyeghe Ndong**.<sup>2</sup> However, the opposition has largely ignored the call for an election boycott.<sup>3</sup> **Union Nationale (UN)** budget commissioner **Jean Ntoutoume Ayi** says he respects the position of opposition members who want to boycott, but believes elections are the most democratic means to select leaders.<sup>4</sup> Ntoutoume Ayi also notes that participating in elections is crucial to allow the public to know the opposition's projects for the country.<sup>5</sup>

Various opposition parties have also taken steps to establish coalitions. The UN and **Rassemblement Heritage et Modernité (RHM)** indicated they would present joint candidature lists during the elections.<sup>6</sup> The UN and RHM confirmed their coalition on 8 September with the signing of an **Accord Politique** (political agreement) between UN president **Zacharie Myboto** and RHM president **Alexandre Barro Chambrier**.<sup>7</sup> Myboto said the aim of the coalition is to obtain the highest number of seats possible. Chambrier believes the opposition is in a better position than ever to obtain a victory and provide a new political vision for Gabon.<sup>8</sup> Chambrier also indicated that the newly formed opposition coalition will pursue constitutional reform and implement the separation of powers if it wins.<sup>9</sup> The UN and RHM failed to establish an agreement with **Les Démocrates (LD)**, another key opposition

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<sup>1</sup> Gabon Review, 2 Sep 2018

<sup>2</sup> RFI, 24 Aug 2018

<sup>3</sup> RFI, 24 Aug 2018

<sup>4</sup> Gabon Review, 27 Aug 2018

<sup>5</sup> Gabon Review, 27 Aug 2018

<sup>6</sup> Gabon Review, 6 Sep 2018

<sup>7</sup> Gabon Review, 9 Sep 2018

<sup>8</sup> Gabon Review, 9 Sep 2018

<sup>9</sup> Gabon Review, 9 Sep 2018

party, to join their coalition.<sup>10</sup> LD's president, **Guy Nzouba**, has said that in the second round of voting, his party will support whichever opposition candidate has the most votes in the first round.<sup>11</sup>

The **Centre Gabonais des Élections (CGE)** has validated 951 candidate lists.<sup>12</sup> There are 680,000 voters on the electoral lists, which is 52,000 more than the figure of 628,000 for the 2016 elections. The interior ministry attributes this increase to a rise in youth voter registration.<sup>13</sup> The interior ministry has handed over the election material to the CGE, which is the second last stage before the distribution of voter cards.<sup>14</sup> In response to rumours that the elections would be postponed, budget minister **Jean Fidele Atandault** said the finances for the two elections are available.<sup>15</sup>

As in August 2016, the Gabonese opposition is putting up a united front to face the ruling **Parti Démocratique Gabonais (PDG)**, which has emerged victorious in all elections since Gabon's independence in 1960. However, this is the first time the opposition is establishing a coalition for local and legislative elections.<sup>16</sup> The two heavyweights of the Gabonese opposition, the RHM and the UN, have understood the best way to defeat the PDG is by presenting a common strategy.<sup>17</sup> Recent electoral reforms as well as anger surrounding austerity measures implemented by the government may enable the opposition to make significant gains in addition to the common strategy they have adopted.

### Trial of former energy and petroleum minister Ngoubou begins

The trial of former energy and petroleum minister **Etienne Dieudonné Ngoubou** commenced on 30 August at the **Palais de Justice, Libreville**.<sup>18</sup> Ngoubou was dismissed from his position as energy and petroleum minister on 9 January 2017 and arrested on 12 January 2017.<sup>19</sup> Ngoubou is accused of embezzling €8m (\$9.3m) in relation to his management of contracts for the **Iboundji** and **Malinga** hydroelectric projects.<sup>20</sup> He is alleged to have violated the **Codes des Marchés Publics** (public contracts code) in order to embezzle public funds from 2012-2013.<sup>21</sup>

Ngoubou has been in provisional detention since his arrest in January 2017.<sup>22</sup> The **United Nations Working Group on Arbitrary Detention (UNWGAD)** called for his immediate release on 21 June after Ngoubou had complained to the UNWGAD that his basic rights were being violated and that his health does not permit him to be imprisoned (*see ARC Briefing Gabon July 2018*). The case will be heard at the **Cour Criminelle Spéciale (CCS)**, (special criminal court), presided by Judge **Paulette Ayo Akolly**.<sup>23</sup> Ngoubou's lawyer, **Calvin Job**, claims his client is innocent and there is not enough evidence to convict him.<sup>24</sup> Job accuses

<sup>10</sup> Gabon Review, 6 Sep 2018

<sup>11</sup> Gabon Review, 6 Sep 2018

<sup>12</sup> RFI, 7 Sep 2018

<sup>13</sup> RFI, 7 Sep 2018

<sup>14</sup> RFI, 7 Sep 2018

<sup>15</sup> RFI, 7 Sep 2018

<sup>16</sup> Gabon Review, 9 Sep 2018

<sup>17</sup> Gabon Review, 9 Sep 2018

<sup>18</sup> Direct Infos Gabon, 31 Aug 2018

<sup>19</sup> RFI, 31 Aug 2018

<sup>20</sup> RFI, 31 Aug 2018

<sup>21</sup> RFI, 31 Aug 2018

<sup>22</sup> Direct Infos Gabon, 23 Aug 2018

<sup>23</sup> Direct Infos Gabon, 23 Aug 2018

<sup>24</sup> RFI, 30 Aug 2018

President **Ali Bongo Ondimba** (2009-present) of using the case to settle political scores. Job claims Ngoubou is a scapegoat as other ministers are not being pursued.<sup>25</sup> The case was adjourned until 30 October on the first day of the trial.<sup>26</sup>

Ngoubou is Gabon's first minister to stand trial for corruption. His arrest and trial are in line with Bongo's anti-corruption campaign, dubbed **Operation Mamba**. However, he is not the only former minister to be arrested with respect to the anti-corruption campaign. Former economy minister and presidential adviser **Ngambia Magloire** was arrested in 2017. Ngambia is accused of misappropriating €762m (\$884m) in a case involving the late **Franco-Italian** businessman, **Guido Santullo** (see *Gabon April ARC Briefing 2018*).

Embarking on an anti-corruption campaign will send positive signals to the general population as well as international stakeholders. Gabon ranked 117 out of 180 countries in the 2017 **Transparency International Corruption Perception Index**. Nonetheless, the anti-corruption drive should not give the impression of being politicised, nor should there be any semblance of undue influence or pressure exerted on the judiciary in order for it to remain credible. It remains to be seen if a guilty verdict for Ngoubou will result in a change in behaviour of high-ranking Gabonese officials.

### Gabon deepens economic partnership with China at FOCAC

President Bongo signed a loan agreement on 1 September with **China** worth FCFA 16 billion (\$28.4m).<sup>27</sup> This followed his meeting with the Chinese premier, **Xi Jinping** (2013-present), before the start of the **Third Forum on China-Africa Cooperation (FOCAC)**, which took place from 3-4 September in **Beijing** (China).<sup>28</sup> The loan will be allocated to defence and military domains and other projects yet to be announced.<sup>29</sup>

The signing of bilateral agreements followed the loan agreement.<sup>30</sup> These include a memorandum of understanding for the construction of an economic beltway in Gabon and the provision of economic and technical assistance in the area of project management by the Chinese.<sup>31</sup> An accord was signed to prevent fiscal and tax evasion by Chinese and Gabonese entrepreneurs operating in their respective countries.<sup>32</sup> Both leaders expressed their desire to consolidate commercial exchange between the two countries.<sup>33</sup> The **Confederation Patronale Gabonaise (CPG)** (confederation of Gabonese entrepreneurs) established a memorandum of understanding with the **Chinese Council for the Promotion of International Trade (CCPIT)**.<sup>34</sup> The MOU was signed by **Alain Ba Oumar** and **Jiang Zengwei**, respective presidents of CPG and CCPIT.<sup>35</sup> The MOU outlined ten points including the organisation of trade delegations between both nations, and establishing a platform to facilitate the coordination of dialogue between business, government and trade cooperation actors.<sup>36</sup> In addition, the two groups will pursue professional training and capacity building.<sup>37</sup>

<sup>25</sup> RFI, 30 Aug 2018

<sup>26</sup> Direct Infos Gabon, 31 Aug 2018

<sup>27</sup> Direct Infos Gabon, 3 Sep 2018

<sup>28</sup> Direct Infos Gabon, 3 Sep 2018

<sup>29</sup> Direct Infos Gabon, 3 Sep 2018

<sup>30</sup> Direct Infos Gabon, 3 Sep 2018

<sup>31</sup> Direct Infos Gabon, 3 Sep 2018

<sup>32</sup> Direct Infos Gabon, 3 Sep 2018

<sup>33</sup> Direct Infos Gabon, 3 Sep 2018

<sup>34</sup> Gabon Review, 4 Sep 2018

<sup>35</sup> Gabon Review, 4 Sep 2018

<sup>36</sup> Gabon Review, 4 Sep 2018

China-based energy firm **Tebian Electric Apparatus Stock Ltd (TEBA)** pledged to invest €180m (\$210m) towards the recommencement and completion of the **FE2** hydroelectric project at **Mitzic**.<sup>38</sup> This follows the signing of a protocol agreement in February in **Libreville** between TEBA and the **Fonds Gabonais d'Investissements Strategiques (FGIS)** (Gabonese strategic investment fund) in relation to re-launching the project.<sup>39</sup> The FE2 project was launched in 2010, but work stopped in 2013 after the **Compagnie de Développement des Energies Renouvelables (CODER)** withdrew.<sup>40</sup> According to **Liban Soleman**, general coordinator of the **Plan Stratégique Gabon Emergent** (strategic plan for an emerging Gabon), construction at the FE2 hydroelectric project will commence soon and take place in several phases.<sup>41</sup> Upon completion, the FE2 hydroelectric project will have a production capacity of 36 megawatts (MW).<sup>42</sup>

Electricity transmission and transformation specialist **China Gezhouba Group Corporation Ltd (CGGC)** executive director **Ren Jianguo** received President Bongo on 6 September in **Wuhan** (China).<sup>43</sup> Bongo expressed his willingness for CGGC to carry out construction of the **Empress Eugenie Dam at Fougamou**.<sup>44</sup> The Empress Eugenie Dam will have a power generation capacity of 80 MW and take 36 months to complete.<sup>45</sup> Gabon's power generation capacity is currently at 380 MW, but Gabon aims to increase this to 5,000 MW by 2030.<sup>46</sup> Bongo says the project will increase the amount of non-polluting energy available and reduce the cost of electricity.<sup>47</sup>

Gabon's participation at the FOCAC Summit is another indication of the deepening economic ties that China and Gabon have established. President Bongo praised FOCAC as an opportunity to meet Chinese entrepreneurs directly.<sup>48</sup> The **Direction Générale des Douanes et Droits Indirects** (general directorate of customs and by-laws) released figures on 2 June showing that China was Gabon's largest commercial trade partner in 2017.<sup>49</sup> Trade between the two countries amounts to just over €1.5 billion (\$1.7 billion).<sup>50</sup> Gabon has a positive trade balance with China, with exports of €1.1 billion (\$1.2 billion) in 2017.<sup>51</sup> The products traded with the highest value include petroleum, manganese and timber.<sup>52</sup> China has surpassed **France**, now Gabon's second largest trade partner, with which it generated €698m (\$809m) in trade in 2017. In addition to the recent commitments made at FOCAC, China-based construction firm **Herman Guoji Industry** announced plans on 6 June to build 1,000 housing units in Gabon in a \$696m project.<sup>53</sup> **Jiangsu Wonlin Modern Logistics Company** is building a logistics factory at **Nkok** that will require a \$50-100m investment.<sup>54</sup> Soleman believes that

<sup>37</sup> Gabon Review, 4 Sep 2018

<sup>38</sup> Gabon Review, 2 Sep 2018

<sup>39</sup> Gabon Review, 2 Sep 2018

<sup>40</sup> Gabon Review, 2 Sep 2018

<sup>41</sup> Gabon Review, 2 Sep 2018

<sup>42</sup> Gabon Review, 2 Sep 2018

<sup>43</sup> Direct Infos Gabon, 7 Sep 2018

<sup>44</sup> Direct Infos Gabon, 7 Sep 2018

<sup>45</sup> Direct Infos Gabon, 7 Sep 2018

<sup>46</sup> Gabon Review, 2 Sep 2018

<sup>47</sup> Direct Infos Gabon, 7 Sep 2018

<sup>48</sup> Gabon Review, 3 Sep 2018

<sup>49</sup> Direct Infos Gabon, 2 Jun 2018

<sup>50</sup> Direct Infos Gabon, 2 Jun 2018

<sup>51</sup> Direct Infos Gabon, 2 Jun 2018

<sup>52</sup> Direct Infos Gabon, 2 Jun 2018

<sup>53</sup> Direct Infos Gabon, 2 Jun 2018

<sup>54</sup> Gabon Review, 2 Sep 2018

despite Gabon's status as a large oil and manganese producer, it needs to take further steps to diversify the economy.<sup>55</sup> The influx of Chinese investors and increasing engagement with their economic actors is a sign that Gabon sees China as a key partner towards attaining the goal of economic diversification.

### Planner

5, 26 Oct 2018 **Libreville (Gabon)** Legislative and elections;

### Chronology

9 Sep 2018 **Libreville (Gabon)** *Gabon Review*. Opposition **Rassemblement Heritage et Modernité** and **l'Union Nationale** parties agree to present joint candidatures during the upcoming elections;

3 Sep 2018 **Beijing (China)** *Direct Infos Gabon*. Dates for first and second rounds Gabonese legislative and local elections set for 6 and 25 October;

31 Aug 2018 **Oslo (Norway)** *World Oil*. **Norway**-based **Panoro** makes another oil discovery at **Dussafu**, Offshore Gabon;

30 Aug 2018 **Libreville (Gabon)** *RFI*. Trial of former energy minister **Etienne Dieudonné Ngoubou** on charges of embezzlement commences;

27 Aug 2018 **Libreville (Gabon)** *Gabon Eco*. **French-Italian** businessman **Guido Santullo** passes away; Santullo accused the Gabonese government of owing him €500m (\$585m) for various contracts;

<sup>55</sup> Gabon Review, 2 Sep 2018