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The prime minister, Emmanuel Issoze-Ngondet, reshuffles the cabinet, bringing in one new minister, Biendi Maganga Moussavou, the son of the vice-president, Pierre Clavier Moussavou. The government passes new amendments to electoral regulations prior to the legislative elections slated to take place on 28 April. However, the two electoral regulatory bodies, the Centre Gabonais des Elections (CDE) and the Autorité de Regulation de la Communication (ARC), are still non-operational, putting the vote in doubt. The Gabonese government terminates France-based Veolia's contract for the production, distribution and commercial sale of electricity and water through the Société d'Énergie et d'Eau du Gabon (SEEG) joint venture, citing poor service delivery and pollution concerns. The newly formed Cour Criminelle Spéciale (CCS) in Libreville hears opening arguments against Blaise Wada, the first official to stand trial under the high-profile "Operation Mamba" anti-corruption campaign.

Issoze-Ngondet reshuffles cabinet and reforms candidate criteria as election looms

The prime minister, **Emmanuel Issoze-Ngondet**, reshuffled the cabinet on 20 February, replacing **Yves-Fernand Manfoumbi** as agriculture and livestock minister with **Biendi Maganga Moussavou**, the son of current vice-president **Pierre Clavier Moussavou**.¹ Other key appointments saw the former secretary general at the presidency, **Guy Rossatanga-Rignault**, shift to the fisheries, sea and maritime security ministry; justice minister **Francis Nkea Ndzigue** transferred to the housing and urbanisation ministry, while retaining his title as minister of state; and **Madeleine Berre** will head the newly created ministry of private investment promotion, national entrepreneurship, small and medium-sized industries, and trade and industry.² Before her appointment, Berre was the president of the **Confédération Patronale Gabonaise (CPG)**, the largest business lobby in Gabon. The CPG comprises 300 companies, which account for 80% of Gabon's gross domestic product (GDP).³

This is likely to be the last cabinet reshuffle before the legislative elections that are slated to take place on 28 April and is part of a series of changes the government is making prior to the vote.⁴ The government announced changes on 23 February with respect to the eligibility criteria to run for president and local electoral representation.⁵ The minimum age to run for president has been reduced from 40 to 18 years old.⁶ With respect to local electoral representation, the number of members of parliament (MPs) at the national assembly increases from 120 to 143, while the number of senators decreases from 102 to 52.⁷ Certain segments of the opposition have criticised the move as the largest number of senators will be drawn from President **Ali Bongo Ondimba's** (2009-present) home region of **Haut Ogooué**.⁸ This reform was one of the key elements the government had promised to ensure that elections would be held in April, as the state has failed to hold them on two previous occasions. However, it is still uncertain which parties and individuals will participate, or if the government will

¹ Jeune Afrique, 20 Feb 2018.

² Jeune Afrique, 20 Feb 2018.

³ Jeune Afrique, 11 Mar 2014.

⁴ RFI, 26 Feb 2018.

⁵ RFI, 26 Feb 2018.

⁶ RFI, 26 Feb 2018.

⁷ RFI, 26 Feb 2018.

⁸ RFI, 26 Feb 2018.

hold the elections at all. In February, the opposition **Coalition pour la Nouvelle République (CNR)**, led by former presidential candidate **Jean Ping**, stated it would not take part.⁹ However, recent meetings between high-ranking government officials and members of the CNR may change this position.¹⁰ There is a risk the government may cancel the legislative elections for a third time as the two institutions that are meant to organise the elections, the **Centre Gabonais des Elections (CDE)** and the **Autorité de Regulation de la Communication (ARC)**, are not fully operational.¹¹

The reshuffle does not appear to be directly related to the elections and only one member of government lost his position in the cabinet. However, it comes at a time of political uncertainty, as there are legitimate concerns over whether the elections will take place at all. The scheduled dialogue between the government and opposition will provide more clarity over whether the opposition will participate. Ali Bongo will lack credibility if he pursues elections without a credible opposition. The biggest obstacle to the elections taking place may be organisational shortcomings as the CDE's failure to commence operations prejudices both the ruling and opposition camp during the elections.

Government terminates SEEG contract

The Gabonese government announced on 16 February that it planned to terminate **France-based Veolia's** contract for the production, distribution and commercial sale of electricity and water through the **Société d'Énergie et d'Eau du Gabon (SEEG)** joint venture.¹² The government will take over Veolia's 51% stake in SEEG.¹³ Their rationale for this move was complaints of poor service delivery and allegations that SEEG was responsible for environmental pollution.¹⁴ Communication minister **Alain-Claude Bilie By Nzé** told the media that:

"On almost all the sites operated by SEEG there is significant environmental damage. They dump oil and fuel on unprotected ground, without any precautions, in flagrant violation of the Environmental Code."¹⁵

Water and energy minister **Patrick Eyogo Edzang** named an interim management team on 19 February with the mandate to provide a roadmap for SEEG over the next year.¹⁶ Veolia have had a 51% share in SEEG since 1997 and the government renewed its prior 20-year concession for an additional five years in March 2017 (see *ARC Briefing Gabon March 2017*).¹⁷ Veolia accused the Gabonese government on 6 March of acting in bad faith, noting SEEG had passed all its environmental audits and that the state owed it 44 billion FCFA (\$82m). Gabonese authorities refute this allegation, stating that Veolia owed them 27 billion FCFA (\$50.8m). They report that this is because, following arbitration in 2016, Veolia reduced the government's debt to them to 13 billion FCFA (\$24.9m).¹⁸

French business lobby **Mouvement des Entreprises de France (MEDEF)** raised concerns about the safety of French companies operating in Gabon following the actions of the Gabonese authorities.¹⁹ However, civil society organisations in Gabon have welcomed the decision to terminate Veolia's concession. Veolia sought legal recourse on 8 March via the **International Centre for Settlement of Investment Disputes (ICSID)** at the **World Bank** to settle the matter.²⁰

⁹ Jeune Afrique, 18 Feb 2018.

¹⁰ Jeune Afrique, 9 Mar 2018.

¹¹ Jeune Afrique, 9 Mar 2018.

¹² Jeune Afrique, 16 Feb 2018.

¹³ Jeune Afrique, 16 Feb 2018.

¹⁴ Jeune Afrique, 27 Feb 2018.

¹⁵ Le Monde, 27 Feb 2018.

¹⁶ Jeune Afrique, 20 Feb 2018.

¹⁷ Jeune Afrique, 20 Feb 2018.

¹⁸ Jeune Afrique, 8 Mar 2018.

¹⁹ Jeune Afrique, 6 Mar 2018.

²⁰ News24, 9 Mar 2018.

The Gabonese government appears to be looking for potential partners who can take over running SEEG from Veolia. **Russia's** ambassador to Gabon, **Dmitri Kouakov**, announced on 5 March the imminent arrival of **RusHydro** to take over Veolia's former stake in SEEG.²¹ However, Edzang has denied this claim, while acknowledging there are a number of companies vying to take over Veolia's former stake, including a number of companies with longstanding ties to Francophone Africa.²² The minister noted the state will take its time to develop a concrete plan to pursue this transaction.²³ It is unclear how long it will take for the matter to be resolved, especially as Veolia has taken the matter to arbitration. On the basis of the war of words exchanged between the two parties as well as the appointment of an interim management board by the Gabonese government, there is little possibility they could work together in future. Gabon already has a poor reputation as an investment destination: the World Bank's 2018 Ease of Doing Business index ranks Gabon 167/221 overall and 178/221 in the domain of enforcing contracts.²⁴ If Veolia does not obtain a favourable outcome from the arbitration, this may deter future potential investors.

CCS starts high profile anti-corruption cases

The newly formed **Cour Criminelle Spéciale (CCS)** (special criminal court) in **Libreville** heard opening arguments against **Blaise Wada**, the first person to stand trial under the "**Operation Mamba**" anti-corruption campaign, on 15 March. President Ali Bongo Ondima launched Operation Mamba in 2017 to tackle widespread corruption in Gabon, after the **International Monetary Fund (IMF)** strongly recommended the government make every effort to fight corruption.²⁵ Wada was a coordinator at the **Unité de coordination des études et des travaux (UCET)** (coordination of research and works) from 2009-2016, and stands accused of misappropriating 1.7 billion FCFA (\$3.1m) during his tenure.²⁶ Operation Mamba is the first anti-corruption drive to target high-ranking officials and the president created the CCS in January to prosecute crimes related to this campaign.

Prominent individuals who have been arrested in the operation include **Magloire Ngambia**.²⁷ Ngambia was nicknamed the "*minister of heaven and earth*" when Bongo made him minister of investment promotion, transport, housing, tourism and regional planning in 2012.²⁸ Prior to this, he served as finance minister from 2009-2012.²⁹ He stands accused of corruption in relation to the so-called "Santullo" case.³⁰ **Italy**-based construction company **Sericom** and its president, **Guido Santullo**, accused the Gabonese government of owing them €534m (\$665m) for projects the enterprise pre-financed, but the government never delivered. Investigators allege Ngambia was involved in these transactions.³¹ Officials have also arrested and are charging the following high profile figures with a series of offences related to corruption on public enterprise projects and embezzlement and personal illicit enrichment while in office:

- former oil and hydrocarbons minister **Etienne Dieudonne Ngoubou** ;
- former director of **Société nationale du logement social (SNLS)** (national society of social housing) **Paul Mapessi**;³²
- former director general of the **Agence nationale des grands travaux d'infrastructure** (national agency for large infrastructure projects) and chairperson of the **Fonds d'entretien**

²¹ Gabon Media Time, 5 Mar 2018.

²² Jeune Afrique, 6 Mar 2018.

²³ Jeune Afrique, 6 Mar 2018.

²⁴ World Bank Doing Business 2018.

²⁵ Gabon Eco, 22 Mar 2018.

²⁶ Jeune Afrique, 19 Mar 2018.

²⁷ Jeune Afrique, 19 Mar 2018.

²⁸ Jeune Afrique, 19 Mar 2018.

²⁹ Jeune Afrique, 19 Mar 2018.

³⁰ Jeune Afrique, 19 Mar 2018.

³¹ Jeune Afrique, 23 May 2018.

³² Jeune Afrique, 19 Mar 2018.

routier de 2e génération (FER II) (second generation road maintenance fund) **Landry Patrick Oyaya**;

- former director general of **Entretien des routes et des aéroports** (road and airports maintenance directorate) **Grégoire Bayima**;
- former inspector general of public finances **Léon Ndong Nteme**;
- former customs agency director general **Alain Paul Ndjoubi Ossam**;
- former director of the **Société nationale immobilière (SNI)** (national real estate society), **Juste Valère Okologo**; and
- former chairperson of the **Caisse de dépôts et de consignations (CDC)** (national pension and deposit fund), **Alain Ditona Moussavou**.³³

The commencement of the CCS trials will put Gabon's poor reputation for corruption in the spotlight again. Gabon ranked 117 out of 180 countries in **Transparency International's 2017 Corruption Perception Index**.³⁴ Operation Mamba is a result of IMF pressure on Ali Bongo to make concrete efforts to tackle corruption.³⁵ After the government ordered the arrests of the Operation Mamba suspects in April 2017, the IMF approved a \$642m extended fund facility in June (*see ARC Briefing Gabon June 2017*).³⁶ This has led the opposition in Gabon to claim that the CCS and Operation Mamba are nothing more than Ali Bongo settling accounts with former political allies that have fallen out of favour.³⁷ Observers note that executives in private sector companies involved in the same embezzlement scandals as the political figures are not targets for investigation.³⁸ Opposition leader Jean Ping has also accused the president of using the operation as a smokescreen to hide his own alleged embezzlement of public funds.³⁹

Ali Bongo needs to sell the CCS trials as a convincing move against corruption in the public sector to multiple different stakeholders. He needs to convince the IMF to continue to distribute funds to Gabon, and to convince private sector investors that Gabon is a safe investment destination. He also needs to convince the population that he is taking a stand against corruption. It may not be possible for him to appease everyone, with opposition supporters unlikely to believe that none of the president's current confidantes are clean operators. They may demand more attention be paid to private sector interests involved in the multiple illicit enrichment scandals. However, the government is clearly unwilling to target the private sector even when it may have been at fault. The IMF's December 2017 review of its loan made no mention of Operation Mamba or ongoing anti-corruption efforts, but did praise government efforts to improve efficiency and reduce waste in the public sector.⁴⁰ As long as Ali Bongo can keep the IMF on side he will avoid major economic problems in the medium to long term.

³³ Jeune Afrique, 19 Mar 2018

³⁴ Transparency International Gabon profile

³⁵ Gabon Eco, 23 Mar 2018.

³⁶ IMF press release, 20 Jun 2017.

³⁷ Gabon Eco, 23 Mar 2018.

³⁸ Le Gabon, 22 Mar 2018.

³⁹ Le Gabon, 22 Mar 2018.

⁴⁰ IMF Press release, 18 Dec 2017.

Planner

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

Chronology

23 Mar 2018 **Libreville (Gabon)** *E&P*. Oil ministry announces changes to hydrocarbons laws in order to adjust to a lower price and attract new investment;

15 Mar 2018 **Libreville (Gabon)** *Jeune Afrique*, The **Cour Criminelle Spéciale** (special criminal court) in Libreville hears opening arguments against **Blaise Wada**, the first person to stand trial for corruption under “Operation Mamba”;

9 Mar 2018 **Washington DC (United States)** *Le Monde*. France-based **Veolia** seeks arbitration at the **World Bank** over **Gabon** government’s decision to assume control of a 49% stake in electricity and water utility **Société d’Énergie et d’Eau du Gabon**;

20 Feb 2018 **Libreville (Gabon)** *Jeune Afrique*. Prime minister **Emmanuel Issoze-Ngondet** reshuffles cabinet replacing agriculture minister **Yves-Fernand Manfoumbi** with **Biendi Maganga Moussavou**, the son of the current vice-president;