

AFRICA RISK CONSULTING

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Interior minister Lambert Noel Matha publishes the list of opposition members who will be part of the Centre Gabonais des Elections (CGE) that organises Gabon's legislative elections. President Ali Bongo Ondimba (2009-present) announces the FCFA 50 billion (\$93m) Fonds d'Initiative Départementale (FID) (departmental initiative fund) to promote decentralisation at the local level. Digital economy minister Alain-Claude Bilie-By-Nze launches a 1,604 km interconnected fibre optic network between the Republic of Congo and Gabon. Gabon will invest FCFA 150 billion (\$279m) over the next three years to develop its communications domain and fibre optic network. Italian businessman Guido Santullo sues Gabon's government for €534m (\$665m) for unpaid public works contracts.

Gabonese authorities and opposition prepare for upcoming legislative elections

The **Gabonese** interior ministry announced on 30 March that revision of the electoral list would commence soon as a result of the necessary equipment for the operation becoming available.¹ Legislative elections are set to take place at the end of April. The government has failed on two previous occasions to hold the legislative elections (see *ARC Briefing Gabon March 2018*).

Interior minister **Lambert Noel Matha** published the list of suggested opposition members who will be part of the **Centre Gabonais des Elections (CGE)** that is in charge of organising legislative elections, on 17 April.² Matha had announced earlier in April that the opposition had not been able to provide a unified list of which five members would represent them at the CGE.³ Matha indicated that he had received four lists from four different opposition blocs, while the ruling **Parti Démocratique Gabonais (PDG)** had provided a single list.⁴

Gabon's largest opposition platform, la **Coalition pour la Nouvelle République (CNR)**, appears to still be formulating steps on how to pursue the elections. The CNR consists of more than 40 parties and is headed by 2016 presidential candidate **Jean Ping**. Leaders of the coalition's three largest parties – **Héritage et Modernité (Alexandre Barro Chambrier)**, **Les Démocrates (Guy Nzouba Ndama)** and **l'Union Nationale (Zacharie Myboto)** – participated in discussions on 12 April on how to approach the upcoming elections.⁵ However, disagreements with respect to which members will be appointed to the CGE delayed the CNR's preparations.⁶

There is still much uncertainty as to whether the elections will be held at all, and which political actors and parties will participate (see *ARC Briefing Gabon March 2018*).⁷ The CGE has not been fully put in place, without which elections cannot be organised.⁸ Although 28 April has been rumoured as the date of elections, there has been no official announcement to support these claims.⁹ When Matha

¹ Gabonews, 30 Mar 2018

² RFI, 17 Apr 2018.

³ RFI, 13 Apr 2018

⁴ RFI, 13 Apr 2018

⁵ Jeune Afrique, 12 Apr 2018

⁶ Jeune Afrique, 12 Apr 2018

⁷ Jeune Afrique, 13 Apr 2018

⁸ Jeune Afrique, 9 Mar 2018.

⁹ Jeune Afrique, 17 Apr 2018.

published the list of suggested opposition members who will be part of the CGE on 17 April, he did not comment on whether the elections will in fact still take place on 28 April.¹⁰

The PDG claims to have mobilised more than 200,000 party supporters for the elections, but the participation of the opposition is still uncertain. Héritage et Modernité, Les Démocrates and l'Union Nationale have all announced their desire to take part in the elections, but CNR leader Jean Ping has yet to declare his intentions.¹¹ Ping has reiterated that he does not believe free and fair elections can be organised within the current context.¹² In February, the CNR said it would not take part at all (see *ARC Briefing Gabon March 2018*).¹³

The Gabonese authorities and the opposition both appear to want to hold legislative elections as soon as possible. The PDG would like to use a victory to legitimise its highly contested 2016 presidential election victory. The opposition, for its part, would hope to use a positive showing to demonstrate to the Gabonese public and international community that they are the leaders whom the Gabonese have always intended to give a mandate to govern. However, with the CGE not fully operational and the revision of electoral lists still underway, it would be unlikely to see the elections take place by the rumoured date of April 28 and they could thus be postponed again.

Gabon launches FCFA 50 billion (\$93m) decentralisation fund

President **Ali Bongo Ondimba** (2009-present) announced the creation of the **Fonds d'Initiative Départementale (FID)** (departmental initiative fund) on 22 April to promote decentralisation at the local level.¹⁴ Bongo believes the FID will act as a mechanism to improve local infrastructure, create employment, promote tourism and ensure local development.¹⁵ The FID is in line with the Gabonese **Plan de Relance Economique (PRE)** (economic re-emergence plan) which seeks to increase the amount of local investment.¹⁶ It will have an operating budget of FCFA 50 billion (\$93m), of which FCFA 1 billion (\$1.85m) will be allocated to each of Gabon's 48 departments. The remaining FCFA 2 billion (\$3.7m) will be used for administrative purposes.¹⁷

Bongo said that implementing decentralisation is an attempt to break away from past governance methods, which have not improved people's livelihoods.¹⁸ In 2016, Gabon had a 34% poverty rate and an unemployment rate of 46% for people below 25 years old.¹⁹ This is despite Gabon having **sub-Saharan Africa's** second highest GDP per capita at \$7,584 per inhabitant (2017).²⁰

However, local media have claimed that the FID is an attempt by the ruling PDG to attract voters before the legislative elections that are due to take place at the end of April (see above), a claim that economy minister **Régis Immongault** has refuted.²¹ There have also been questions about Gabon's overall ability to fund and manage the FID.²² During its mission to Gabon in December 2017, an **International Monetary Fund (IMF)** delegation expressed its reservations about the government's ability to generate revenue and improve financial management.²³ Gabon took a \$642m loan from the IMF in June 2017.²⁴

¹⁰ RFI, 17 Apr 2018.

¹¹ Jeune Afrique, 17 Apr 2018.

¹² Jean Ping quoted in Gabon Review, 5 Apr 2018

¹³ Jeune Afrique, 18 Feb 2018.

¹⁴ Jeune Afrique, 22 Apr 2018

¹⁵ Gabonews, 20 Apr 2018

¹⁶ Gabon Review, 23 Apr 2018

¹⁷ Gabonews, 20 Apr 2018

¹⁸ Jeune Afrique, 22 Apr 2018

¹⁹ African Economic Outlook Gabon, 2017

²⁰ Gabon Review, 20 Apr 2018

²¹ VOA, 21 Apr 2018

²² Gabonews, 20 Apr 2018

²³ IMF, Dec 2017

²⁴ IMF, Dec 2017

Gabon has experienced previous attempts at fostering decentralisation and local development. The **United Nations** financed and launched the **Art-GOLD** initiative in 2012 to develop infrastructure at the community level.²⁵ The **Fonds d'investissement Provincial (FIP)** (provincial investment fund) was allocated FCFA 36 billion (\$66m) for the 2018 financial year.²⁶ However, the FID will replace the FIP.²⁷

The creation of the FID will allow departments to have more autonomy in managing their operations and reduce the centralised form of governance which has persisted in Gabon.

Gabon and Congo launch interconnected fibre optic network

Digital economy minister **Alain-Claude Bilie-By-Nze** launched a 1,604 km interconnected fibre optic network between the **Republic of Congo** and Gabon on 8 April.²⁸ The fibre optic network stretches from the Congolese city of **Pointe Noire** to the Gabonese capital **Libreville**. The laying of 1,100 km of optic fibre in Gabon was undertaken by **China Communication Service International**, while **China-based Huawei** completed the 504 km project in Congo.²⁹ Gabonese authorities hope to extend the project to neighbouring countries **Cameroon** and **Equatorial Guinea**.³⁰ The **World Bank** approved the undertaking in 2012 as part of the **Central African Backbone** project and provided a \$58m loan to this effect.³¹ The World Bank has promised additional financing to connect all **Central African** countries with fibre optic.³²

The Gabonese government is keen to develop its telecommunications sector. Bilie-By-Nze announced at the **Africa IT and Telecom Forum** held in **Abidjan (Cote d'Ivoire)** on 19 and 20 April that Gabon will invest FCFA 150 billion (\$279m) over the next three years to develop the communications domain as well as its fibre optic network.³³ This would boost Gabon's economic diversification plans in the context of consistently low oil prices. Improvements in the telecommunications domain may promote entrepreneurship, create jobs and reduce poverty. The recent developments may also encourage the five major telecommunications companies operating in Gabon (**Azur, Airtel, Gabon Telecom, Libertis S.A** and **Moov**) to invest more in the sector, as well as attract potential new investors.

The growing telecommunications sector in Gabon has spurred development in related sectors such as mobile banking which has recently received attention in local media due to a lawsuit over accusations of technology theft. Libreville-based mobile banking company **e-Doley Finance** and Gabon's largest commercial bank, **BGFIBank**, jointly operated a mobile cash payment and transfer mechanism, known as **E-DoleyCash**, from 2013.³⁴ However, e-Doley Finance now accuses BGFIBank of stealing its technology to launch a similar tool in 2015, known as **BGFI Mobile**.³⁵ E-Doley Finance has launched two simultaneous lawsuits against BGFI, one at the **Tribunal de Commerce de Paris (Paris commercial court)** and the other in Gabon.³⁶

... as Santullo takes government to court over unpaid public works projects

Italian businessman **Guido Santullo** has taken the Gabonese government to the **Cour Internationale d'Arbitrage de la Chambre de Commerce Internationale de Paris** (international court of

²⁵ Gabon Eco, 9 Mar 2012

²⁶ Gabon Economie, 14 Jan 2018

²⁷ Gabon Economie, 14 Jan 2018

²⁸ RFI, 8 Apr 2018

²⁹ RFI, 8 Apr 2018

³⁰ ITWeb Africa, 13 Apr 2018

³¹ World Bank Apr 2018

³² RFI, 8 Apr 2018

³³ Gabon Review, 20 Apr 2018

³⁴ Jeune Afrique, 19 Apr 2018

³⁵ Jeune Afrique, 19 Apr 2018

³⁶ Jeune Afrique, 19 Apr 2018

arbitration of the Paris international chamber of commerce) and **Cour Criminelle Spéciale de Libreville** (Libreville special criminal court) where he is claiming €534m (\$665m) in unpaid dues.³⁷ The claim originates from public works projects that Italy-based **Sericom** completed and which Santullo claims he pre-financed.³⁸ Gabonese authorities have countered Santullo's accusations with claims that he used corrupt methods to obtain contracts and overbilled projects.³⁹ The "*Santullo Case*" takes place in the context of "*Operation Mamba*", the national anti-corruption campaign that the government launched on 15 March (see *ARC Briefing Gabon March 2018*), and which has led to the arrest of high ranking Gabonese officials such as former infrastructure minister **Magloire Ngambia** for his alleged involvement in this case.⁴⁰

How the respective courts handle the Santullo and e-Doley Finance cases will have a decisive bearing on the perception of doing business in Gabon. Currently, Gabon is ranked 167 out of 190 countries in the latest **World Bank Doing Business** rankings.⁴¹ Gabon ranked worst (178) in respect to enforcing contracts.⁴²

Planner

29 April 2018 **Gabon** holds Legislative elections (to be confirmed);

Chronology

22 Apr 2018 (**Gabon**) *Jeune Afrique* President **Ali Bongo Ondimba** launches \$93m **Fonds d'Initiative Départementale** to promote decentralisation;

19 Apr 2018 **Libreville (Gabon)** *Jeune Afrique* Libreville-based **e-Doley Finance** accuses commercial bank **BGFIBank** of technological theft;

17 Apr 2018 **Libreville (Gabon)** *RFI* Interior minister **Lambert Noel Matha** publishes a list of suggested opposition members to be part of **Centre Gabonais des Elections (CGE)**;

12 Apr 2018 (**Gabon**) *Jeune Afrique* La **Coalition pour la Nouvelle République (CNR)** decides to take part in the upcoming legislative elections;

8 Apr 2018 **Libreville (Gabon)** *RFI* Digital economy minister **Alain-Claude Bilie-By-Nze** launches an interconnecting optic fibre network between **Republic of Congo** and Gabon ;

30 Mar 2018 (**Gabon**) *Gabonews* Interior ministry **Lambert Noel Matha** announces imminent review of electoral lists for legislative elections;

26 Mar 2018 (**Gabon**) *Agence EcoFin* Petroleum and hydrocarbons minister **Pascal Hougni Ambourou** says the new hydrocarbons code will be ready for adoption by June;

³⁷ *Jeune Afrique*, 10 Apr 2018

³⁸ *Jeune Afrique*, 10 Apr 2018

³⁹ *Jeune Afrique*, 23 May 2017

⁴⁰ *Jeune Afrique*, 23 May 2017

⁴¹ <http://www.doingbusiness.org/rankings>

⁴² <http://www.doingbusiness.org/rankings>