



**Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund**

Distr.
GENERAL

DP/CCF/GAB/1
7 July 1997
ENGLISH
ORIGINAL: FRENCH

Third regular session 1997
15-19 September 1997, New York
Item 6 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS
FIRST COUNTRY COOPERATION FRAMEWORK FOR GABON (1997-2001)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Gabon, covering the period 1997-2001, represents the culmination of a consultation process between the Government, UNDP, non-governmental organizations (NGOs) and various other donors. The process began during the mid-term review carried out in May 1995 and continued during the preparation of Gabon's country strategy note, in particular, during the country strategy note seminar convened in December 1996, which was well-attended by high-level officials representing the Government, the private sector, civil society and the specialized agencies of the United Nations.

2. The process was further advanced by the ongoing internal debate which accompanied the elaboration of the national long-term perspective study (NLTPS), "Gabon 2025", the results of which reflect the shift in the Government's vision and approach with respect to development management.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. Although the average income in Gabon is among the highest on the continent, Gabon's social indicators are comparable or inferior to those of some low-income African countries: life expectancy at birth is 53.3 years, the infant mortality rate is 99 per 1,000 live births and the maternal mortality rate is 600 per 100,000 live births. That explains the 46-point gap between Gabon's ranking in the human development index (120th out of 174 countries) and its ranking by gross domestic product (GDP) (74th out of 174 countries).

4. Poverty: According to calculations based on national accounts data and the relative definition of the poverty line (2/3 of average income), although extreme forms of poverty supposedly have disappeared, approximately 60 per cent of the population reportedly is living in poverty. More precisely, according to the budget/consumer survey conducted in 1993, in Libreville and Port-Gentil, where roughly half the population is concentrated, 20 per cent of the inhabitants are below the absolute poverty line. Poverty is evidenced not only by low income levels, but also, by the precariousness of living conditions.

5. The major causes of poverty and the deterioration of the social situation are irrational investment choices, poor development policy choices and inadequate human capacity, policy tools and management techniques. Clearly, then, the effort to alleviate poverty in Gabon hinges on strengthening governance capacity.

6. Employment: The pattern of sharply rising unemployment observed over the past 10 years is continuing, and the unemployed currently are estimated to account for nearly 20 per cent of the economically active population. Population growth (2.5 per cent) will increase pressures on employment, with a concomitant substantial increase in youth unemployment (over 30 per cent among persons under 26 years of age). The labour supply suffers from severely inadequate qualifications and technical skills.

7. The status of women: Considerable progress has been achieved, although much remains to be done. Nevertheless, it is significant that approximately 30 per cent of households are headed by women, who are most affected by poverty and such aggravating factors as illiteracy (34 per cent of the female population) and their ongoing disadvantageous socio-cultural situation.

8. State of the environment: Gabon possesses an extremely rich natural environment. Notwithstanding human activity, which has been minimal given the low population density, the country still offers vast potential for conservation. Environmental policy guidelines have been established. A participatory environmental action planning process is under way (national environmental action plan, tropical forest action plan, biodiversity action plan). Subregional cooperation regarding the Congo River ecological basin is being strengthened.

9. Governance: The gradual introduction of the rule of law since 1990 has created a climate conducive to improved governance. A new equilibrium is being established between the Government, the private sector and civil society. A law on decentralization and devolution recently was adopted. An administrative reform programme - a component of a broader capacity-strengthening programme - has been adopted.

II. RESULTS AND LESSONS OF PAST COOPERATION

10. Although UNDP's contribution to the overall volume of external aid is small, its advocacy efforts and the assistance it has provided with strategies and policies have led to the establishment of an ongoing dialogue between the Government, constituent bodies and civil society on the elaboration of policies, strategies and activities.

11. A number of lessons may be drawn from UNDP's earlier and ongoing cooperation with the Government. UNDP, like the specialized agencies of the United Nations, is a favoured Government partner which is sought after by civil society. Given its comparative advantages and limited financial resources, UNDP cooperation should focus on the formulation of development policies, strategies and programmes. UNDP's support programme, if carefully managed and implemented within the framework of partnership arrangements, can make a key contribution to the reorientation of development management in Gabon.

12. Because the motivation, availability and skills of the personnel involved are key factors for the success of programmes and projects, careful selection of such personnel is critical, particularly where national execution is used. Past experience has demonstrated that monitoring by UNDP must be effective and rigorous and that the country office must serve as a model of good management and excellence and as a catalyst for synergy among its partners.

III. PROPOSED STRATEGY AND THEMATIC AREAS

13. The Government's strategy objectives, as defined in the prospective study "Gabon 2025", focus on two main areas: (a) the establishment of a participatory

democracy based on the rule of law, efficient administrative machinery and the effective participation of civil society and (b) the launching of a development process founded on skilled human resources and an active private sector which is shifting from an economy based on rent-seeking (petroleum and timber exports) to a productive economy and is ensuring the equitable distribution of national income. A third immediate strategic objective was articulated in the structural adjustment programme developed with the International Monetary Fund in 1995: the improvement and stabilization of public finance and the adjustment of the economy's management structures in order to enable productive capacities to become flexible and competitive.

14. To attain these objectives, the Gabonese Government, which is aware that its national development promotion and management capacities are inadequate, plans as a matter of priority to:

(a) Promote a budget policy designed to restore a balanced budget, ensure the more efficient allocation of budgetary resources to social sectors, bring about a tangible reduction of poverty and, lastly, reorient public investment to focus on building social and economic infrastructure.

(b) Undertake a structural adjustment programme, which requires significant strengthening of development management capacity, accelerated training of human resources and the reform of productive capacities in order to promote the emergence and development of a solid and dynamic private sector in productive sectors outside the petroleum industry.

15. Since UNDP's resources are limited, the Government believes that cooperation with UNDP should focus on three strategic areas in order to yield the optimum benefit:

(a) Elaboration of strategies, policies and an attendant dialogue; this is the stage at which the problems of structural change and, consequently, of sustainable human development and poverty eradication, will be addressed, and at which solutions may be found to the obstacles faced by disadvantaged groups;

(b) Strengthening of the country's capacity to manage itself and ensure its development at minimal human cost, in such a way that the various parties involved are encouraged to accept their responsibilities within civil society;

(c) Mobilization and coordination of aid for priority national development programmes.

Given its comparative advantages, the role of UNDP should be, on the one hand, to serve as a facilitator, as a promoter of synergy and as an advocate and, on the other hand, to coordinate and assist the Government in strengthening its resource management capacity. The United Nations system resident coordinator has a pivotal role to play here.

16. The UNDP assistance programme will be implemented within the framework of the Government's efforts to resolve its strategic development concerns. Accordingly, UNDP will devote all its resources to strengthening governance

capacity and will focus its efforts in areas that are critical for the promotion of good governance, as follows:

A. Strengthening development management capacity

17. Bearing in mind other initiatives the Government is pursuing with the support of other donors, UNDP will provide assistance specifically in order to:

(a) Conduct an assessment of the development management system; this study will be functional rather than institutional in approach and will focus on available capacity; the analysis will lead to recommendations for strengthening the management system and will make it easier for UNDP to identify areas for intervention;

(b) Develop and implement a macroeconomic forecasting model to facilitate the elaboration of alternative economic policy options and the measurement of their impact and feasibility; UNDP will ensure that the process during which this management tool is developed will foster the transfer of modelling techniques and the creation of national modelling, analytical and forecasting capacities;

(c) Implement a training programme in two areas crucial to development management: strategy and policy analysis and formulation and methods for assessing the economic impact of projects and programming techniques. In both cases, training will be operational and will focus on techniques and tools;

(d) Translate the prospective vision of "Gabon 2025" into a seven-year orientation programme;

(e) Devise a strategy to foster greater coherence among education, vocational training and employment and create the capacity to plan, formulate and monitor the implementation of human resources development policies;

(f) Develop a national data bank which will be networked with sectoral data banks using existing national intranet/Internet capabilities; UNDP support in this area will focus on strengthening Gabon's statistical machinery and, in cooperation with the World Bank and the United Nations Population Fund (UNFPA), will in particular - given how important statistical data are for the formulation and monitoring of social and poverty eradication policies - target managers responsible for social statistics data collection and processing, which has now seriously deteriorated;

(g) Issue a chart of social indicators, for which the methodology has been developed as part of a UNDP assistance project, on a regular basis. This chart will be an essential tool for monitoring poverty and formulating and monitoring the implementation of social policies. It will be designed to facilitate the preparation of a human development profile for Gabon and a periodic note on the state of poverty in the country, which will make it possible to monitor the effectiveness of measures adopted to eradicate poverty;

(h) Facilitate the formulation of a national environmental action plan within the framework of the Government's long-term strategic approach and with a view to ensuring the judicious management of natural resources and, consequently, safeguarding Gabon's natural wealth for future generations. Under this plan, which will be a process, local inhabitants will be involved in the management and exploitation of forest resources.

B. Civil service reform

18. Administrative reform is one component of the structural adjustment programme. It entails a redefinition of the State's role and a redeployment of public employees as elements of civil service reform. UNDP will provide assistance within the framework of the reform elaborated by the Government and the International Monetary Fund (IMF), but will extend its aid to cover decentralization as well. Specifically, UNDP will provide support in four areas deemed critical for successful and up-to-date administrative reforms and for the establishment of a framework for the implementation of the law on decentralization:

(a) Strengthening the institutional and response capabilities of the Office of the Commissioner-General for Administrative Reform and the Interministerial Commission on Administrative Reform;

(b) Establishment of the legal and administrative framework for the integrated and effective management of human resources, employment and budgeting;

(c) Development of the legal framework applicable to human resources in the central Government and decentralized government entities;

(d) Development of the institutional framework for the decentralization and transfer of responsibilities.

C. Promoting the private sector

19. The Government has opted for economic growth fuelled by the private sector and UNDP will support its policy to promote the private sector and enterprise development. Specifically, UNDP will assist in developing the Government's capacity to serve as an advocate for and assist with the establishment of small- and medium-sized enterprises and industries (SME/SMI), as follows:

(a) A unit will be established to create a favourable climate for enterprise development; its task will be to identify markets, disseminate information, analyse the business climate, heighten the awareness of all state institutions concerned with the sector and mobilize available resources;

(b) A unit will be created to promote initiatives and the establishment of enterprises; its task will be to select promoters and assist in preparing business plans, as well as to support new entrepreneurs during the business creation process and in adopting management tools;

(c) In cooperation with the enterprise programme for Africa, subregional support capacity will be developed to enable established entrepreneurs to improve their management and link up with international business networks, promote their exports and inform and guide them with respect to technology options.

D. Strengthening participation by civil society in development

20. UNDP, together with the specialized agencies of the United Nations, will assist Gabon in internalizing good governance by encouraging genuine participation by the partners of civil society (including NGOs and associations) and greater involvement of women. To this end, UNDP actively will promote participation in the development process by the various partners in society, as follows:

(a) UNDP will expand its cooperation with national NGOs;

(b) UNDP actively will participate, together with the United Nations Children's Fund (UNICEF), UNFPA, the International Labour Organization and the African Development Bank (ADB), in the preparation of a joint programme to implement the national programme of action elaborated following the International Conference on Population and Development held in Beijing.

21. Transformation and change depend above all on the determination of every citizen of Gabon to be an agent of development. Information, education and communication (IEC) play an important role in that regard. UNDP, together with UNFPA and the United Nations Educational, Scientific and Cultural Organization (UNESCO), will assist the Ministry of Communications in elaborating an IEC strategy for sustainable human development.

IV. MANAGEMENT ARRANGEMENTS

22. Execution and implementation: National execution will be used in the new programme for three reasons: by virtue of the purpose of the projects selected, given the objectives of mobilizing and strengthening national and individual capacities, reducing technical assistance costs and enabling the Government to internalize and take over the programmes. Experience suggests that the principles of shared ownership and complete programme transparency should be paramount, although it must be recognized that the financial management of programmes and projects presents a challenge. In order to meet and master this challenge, it is necessary to (a) provide managers with intensive training in administrative and financial management; (b) where possible, simplify and harmonize certain procedures of UNDP and the Government; (c) establish joint monitoring machinery for officials responsible for programmes and the UNDP country office; and (d) ensure the effective implementation of a system for assessing the quality of the performance of national consultants.

23. National execution will be extended beyond government bodies in order to involve the University, specialized NGOs, national consultants and the private sector as a whole in the implementation of programmes funded by UNDP.

24. Supervision, evaluation and reporting: The Government, particularly the Ministry of Planning, Environment and Tourism, and the UNDP country office should jointly ensure the effective formulation and execution of programmes and projects by providing professional support and monitoring progress. The Ministry of Planning accordingly will establish a unit to coordinate and monitor United Nations programmes.

25. All programmes and projects supported by UNDP will be subject to the usual UNDP monitoring and assessment procedures. Annual meetings between the Government and UNDP may be arranged to assess outcomes and programme progress.

26. Resource mobilization: Core fund allocations (TRAC 1 and 2) amount to only \$200,000 for the period 1997-1999; for the period 1997-2001, total TRAC 1 and 2 resources are estimated at \$1 million, with an additional \$200,000 from an increase in the TRAC 2 rate (a maximum of 20 per cent of \$1 million). In recent years, approximately \$500,000 annually was received directly from New York, from special and trust funds (GEF, TTS-1, TCDC and NGOs). It is estimated that \$2 million from these funds will be available during the period 1997-2001, including \$1 million in GEF and Montreal Protocol funds and \$1 million from other trust funds. A portion of this money will be assigned to specific special programme activities which cannot easily be anticipated.

27. Over the course of the fifth country programme, the Government contributed some \$3.2 million in cost-sharing. Approximately \$600,000 has been budgeted for 1997. Owing to budgetary constraints relating to debt servicing, the Government has informed UNDP that it would find it difficult to increase its cost-sharing. Accordingly, an amount identical to the figure under the fifth country programme has been established for the period 1997-2001. This represents approximately three fourths of the combined resources allocated under TRAC and cost-sharing. The Government will contribute \$75,000 annually to cover costs for an ADB/UNDP programme manager. It is hoped that the Government also will be able to participate in one or more individual projects (such as support for enterprise development).

28. Because Gabon is a middle-income country (in the upper range) and its population is small, it receives only modest aid in the form of grants or concessional loans. Accordingly, Government cost-sharing for programmes and projects often is necessary to attract the international support desired.

29. Opportunities for programme or project cost-sharing by other donors are limited, since there are very few such prospects. France, which provides nearly 80 per cent of the assistance received by Gabon, has well-established machinery for intervention. The European Union will assign the bulk of its resources from the eighth replenishment of the European Development Fund to infrastructure. Other donors, including the United States of America, provide volunteers or target very specific programmes, particularly those focusing on the environment. The appointment of an African Development Bank/UNDP programme manager may lead to increased opportunities for cooperation with ADB (such as assistance to the neediest countries). Opportunities may open up with the World Bank, although the number of loans envisaged is small since Gabon currently is classified as a middle-income country.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR GABON
 (1997-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over		
TRAC 1.1.1	606	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	1 000	TCDC
SPPD/STS	40	
Subtotal	1 646 <u>a/</u>	
OTHER UNDP FUNDS		
Government cost-sharing	3 575	CCF cost-sharing.
Sustainable development funds	of which:	
GEF	700	
Montreal Protocol	300	
Third-party cost-sharing	500	Funds from multilateral and bilateral donors.
Funds, trust funds and other		
Subtotal	5 075	
GRAND TOTAL	6 721 <u>a/</u>	

a/ Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core.
