

AFRICAN DEVELOPMENT BANK



Management Response to the Evaluation of Assistance to Gabon

Convergence with the findings of the portfolio review: The recommendations arising from the evaluation of Bank assistance to Gabon for the 1996-2008 period primarily reflect the need for greater strategic selectivity of Bank interventions, based on economic and sector work and more focused policy dialogue. Similarly, they call for more synergy in the use of the Bank's skills mix to step up the impact of interventions. They also mention the need to improve the quality at entry of operations and build the capacity of implementing agencies and portfolio monitoring and evaluation. Lastly, they call for greater Government ownership of operations. These recommendations are broadly corroborated by the findings of portfolio reviews and the completion report of the last strategy for Gabon (CSP 2006-2010).

Improvement of the macroeconomic framework: Dialogue between the Bank and the Gabonese Government during the 1996-2008 period was stepped up, facilitated by the presence of the GAFO Field Office. The collaboration mainly concerned issues related to the macroeconomic framework, competitiveness of the economy and diversification of the productive base. It translated in particular to support for the Structural Adjustment Programme, the National Good Governance Programme, the institutional and legislative framework governing procurement and the establishment of infrastructure.

Mixed impacts of operations on development: However, the outcomes of Bank assistance to Gabon over this period have been mixed. Support for consolidating the macroeconomic framework and improving governance are on the whole satisfactory, having significantly helped to stabilize the macro-economic and financial balance of the country and to provide the Government ways to increase transparency. However, it is clear that the Bank's operations are barely managing to produce sustainable results due in particular to the delay in concretizing the Government's commitment to reform.

Bank focus on economic diversification: In terms of strategic selectivity, worthy of note is the qualitative improvement of the Bank's 2006-2010 strategy. In the same vein, the Regional Department (ORCE) carried out two studies in 2008 and 2010 respectively, one on economic diversification and the other on private sector development, in order to underpin the strategic choices of the Bank's intervention within the framework of the 2011-2015 strategy (CSP 2011-2015). These studies, which were discussed extensively with the Government and the private sector,

underpin a national commitment to private sector development and reflect a real willingness by the Bank to strengthen its assistance to support Gabon's economic diversification objectives.

Dialogue with the private sector consistent with the national will: Support to private sector development found greater expression through the organization by the Bank in February 2011 of a seminar on private sector financing opportunities as part of preparation of the CSP 2011 - 2015. This seminar was an opportunity to take stock of the challenges, constraints and opportunities of the private sector especially SMEs and to explore ways and means to effectively provide support thereto by combining the Bank's expertise in the areas of governance, business climate improvement and the strengthening of infrastructure.

Observed improvement in the quality of operations: As concerns the design and implementation of operations, the conclusion drawn in the 1996-2008 period calls for concrete actions to improve the quality at entry of operations, the effectiveness of their implementation and monitoring and evaluation. Regarding quality at entry, special emphasis will be placed on the role played by the country team in the process of reviewing design documents and evaluation. In terms of implementation, the need for capacity building for project implementation structures resulted in the organization in April 2010 of a training on Bank rules and procedures for project implementation staff and senior state officials. On the monitoring and evaluation of operations, note should be taken of the increasing accountability of GAFO during the year 2010 with regard to the supervision of operations resulting in the appointment of two sector experts as Task Managers by their respective departments (OSAN and OSHD). To consolidate these initiatives, a portfolio improvement plan will be developed on the basis of the current portfolio review.

National ownership and improvement of project preparation: Regarding future projects, dialogue with the Government especially in the context of the 2011-2015 CSP preparation mission will place special emphasis on greater government involvement in the preparatory phase of projects. In terms of implementation, the performance of new operations should be improved with the progressive use of procurement rules and procedures. For this purpose, the Bank hired a consultant in 2010 to conduct a thorough review of national procurement rules and procedures to identify their compatibility with those of the Bank and determine the possibility of using national procedures. Also, internal quality assurance instruments, particularly the new quality assurance guide for the development of country strategies, the new logical framework, the new Implementation Progress Report and Results (IPRR) format as well as portfolio performance indicators should help to increase the effective implementation of the 2011-2015 Strategy and portfolio performance.

Quest for development effectiveness: The Bank will continue to assist the Government in terms of analytical studies. It will also strengthen its support for the operationalization of national development strategies and policies and in the area of governance by mobilizing the technical assistance funds available at the Bank.

Improvement of Coordination: Lastly, in the context of aid coordination, worthy of mention is the progress achieved with regard to the local consultation framework through the establishment by the Government of a Joint Government/Technical and Financial Partners Committee in April 2010. The Bank, through GAFO, plays a lead role in the "coordination and aid effectiveness" thematic

group in a bid to help strengthen the harmonization of aid, division of labour and complementarity with technical and financial partners.

Conclusion: In a nutshell, the lessons learned from the evaluation of Bank assistance to Gabon for the 1996-2008 period will help to improve the quality of the 2011-2015 CSP and its implementation while informing closer dialogue conducted by GAFO with national authorities.

ACTION PLAN

Recommendations	Management Response
<p>Recommendation 1—<i>Step up strategic selectivity within the infrastructure and governance pillars of the CSP based on high quality economic and sector analysis and more focused policy dialogue.</i></p>	<p>Management: Agreement</p> <p>Proposed Action: <i>The recommendation refers to the 2006-2010 CSP, which has been completed. This selectivity will be better ensured within the framework of the 2011-2015 CSP under preparation based on studies conducted by the Bank (see point 2) and reports by other partners and the Government.</i></p> <p>Proposed Action: <i>The Bank plans to refocus support to governance on improving the business climate and adopting a more coherent approach to infrastructure by supporting the construction of those that directly lessen private sector development constraints.</i></p>
<p>Recommendation 2—<i>Strengthen the Bank's support to private sector development through more active involvement and stronger synergies in improving the business climate and direct support to the sector.</i></p>	<p>Management : Agreement</p> <p><i>Two key studies were conducted on economic diversification (2008) and private sector development (2010) respectively. A seminar on Bank financing opportunities was organized in February 2011 and provided a forum for discussions with local companies on the constraints they face and ways to support the private sector.</i></p> <p>Proposed Action: <i>The 2011-2015 CSP under preparation focuses on improving the institutional, legal and regulatory framework of the private sector including support for business financing through lines of credit and technical support by way of economic and sector studies. Lastly, a private sector expert was recruited at GAFO in March 2011.</i></p>
<p>Recommendation 3—<i>Strengthen support for good governance by improving the implementation, effectiveness and synergy of actions through the effective enforcement of the texts and instruments adopted.</i></p>	<p>Management : Agreement</p> <p><i>The Bank, in coordination with UNDP, provided a significant contribution to the development of the National Good Governance Programme (NGGP). It also supported the Directorate General of Public Procurement (DGP) through the improvement of public procurement</i></p>

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	<p><i>implementing instruments. One of Advisers to the Prime Minister was appointed in March 2011 as Executive Secretary for Good Governance and Capacity Building (SE BGRC)</i></p> <p>Proposed Action: <i>The 2011-2015 CSP under preparation includes actions to strengthen economic governance through public procurement (enforcement of implementing instruments and procedures).</i></p>
<p>Recommendation 4—<i>Give priority to strengthening the country's capacity to own and implement the Bank's operations. Define a projects implementation plan with a careful selection of officers in charge of projects, training programmes, establishment of management accounting and financial systems and procedures manuals.</i></p>	<p>Management : Agreement</p> <p><i>Training on the Bank's rules and procedures was organized in April 2010 and was attended by all project managers and some senior state officials. A further session is planned for the third quarter of 2011. In order to capitalize on the experience gained, managers of completed project whose performance was deemed satisfactory were recruited into the management structures for new projects. Moreover, GAFO experts will receive extensive training in procurement during the month of May 2011 to strengthen their skills in this area to better support the Administration.</i></p> <p>The proposed measures are:</p> <p><i>(i) Continuing dialogue with the Government for greater involvement of public administration by making a team available to the project from the initial preparation stage, (ii) providing targeted training sessions before the commencement of projects and during their implementation, and (iii) establishing at project start-up accounting and financial management tools and (iv) generalizing the use of the Procurement Plan.</i></p>
<p>Recommendation 5—<i>Strengthen monitoring and evaluation and the Bank's presence on the ground by increasingly empowering GAFO as well as through joint supervision missions involving the expertise available at GAFO and at the central level, in order to avoid excessive discrepancies</i></p>	<p>Management : Agreement</p> <p><i>Gabon's Country Economist and the CPO are both on the ground and are closely monitoring both the portfolio and the implementation of strategies and work programme. Two out of three GAFO sector experts (Socio-Economist and</i></p>

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<p><i>with the original objectives and slippages during project implementation.</i></p>	<p><i>Agricultural Economist) were appointed in 2010 as Task Managers by their respective departments (OSAN and OSHD). They are now tasked with supervising the projects under their responsibility (PSPA; Education III, Education IV, Technical Assistance for Employment and Unemployment Survey, training of middle-level and higher-level officers in TAA). Thus, out of the two supervisions per project planned for 2010, one was carried out entirely by GAFO Experts and the other jointly with departments at headquarters (and OSAN OSHD).</i></p> <p>Proposed Action:</p> <p><i>Development of a portfolio improvement plan based on the review underway to better monitor the implementation of projects in the portfolio.</i></p>
<p>Recommendation 6— <i>Improve coordination and synergy of action between the various departments of the Bank in Gabon, division of labour and responsibility.</i></p>	<p>Management : Agreement</p> <p><i>Coordination between GAFO and sectoral departments at the TRA has significantly improved because of the actions mentioned in point 5.</i></p>