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AFRICAN DEVELOPMENT BANK

**PROJECT : RURAL INFRASTRUCTURE
REHABILITATION SUPPORT PROJECT
(PARIR)**

COUNTRY : REPUBLIC OF GABON

PROJECT APPRAISAL REPORT

Date: August 2011

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Volume II presented separately

Currency Equivalents

(July 2011)

UA 1 = CFAF 735.538

UA 1 = USD 1.59900

UA 1 = EUR 1.12132

Fiscal Year

1 January - 31 December

Weights and Measures

1 metric tonne	=	2,204 pounds
1 kilogramme (kg)	=	2.20 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inches
1 kilometre (Km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Abbreviations and Acronyms

ADB	:	African Development Bank
BD	:	Bidding Documents
CCTP	:	Provincial Technical Coordination Committee
CIAM	:	Plant Material Introduction and Improvement Centre
CMCE	:	Elite Cocoa Multiplication Centre
CNPS	:	National Steering and Monitoring Committee
ENDR	:	National School for Rural Development
ERR	:	Economic Rate of Return
ESMP	:	Environmental and Social Management Plan
EU	:	European Union
IFAD	:	International Fund for Agricultural Development
LCB	:	Local Competitive Bidding
MAEPDR:		Ministry of Agriculture, Livestock, Fisheries and Rural Development
MECIT	:	Ministry of the Economy, Trade, Industry, and Tourism,
MEIAT	:	Ministry of Equipment, Infrastructure, and Territorial Development
MEPN	:	Ministry of Environment and Nature Protection
MFPEPF:		Ministry of the Family, Child Protection and Women's Advancement
NGO	:	Non-Governmental Organization
NPU	:	National Project Unit
PARIR	:	Rural Infrastructure Rehabilitation Support Project
PARR	:	Road Network Improvement Programme
PDAR	:	Agricultural and Rural Development Project
PME	:	Small- and Medium-size Enterprises
PNSA	:	National Food Security Programme
PR2	:	Second Road Programme
PRGSP	:	Poverty Reduction and Growth Strategy Paper
PSPA	:	Fisheries and Aquaculture Sector Support Project
RBCSP	:	Results-Based Country Strategy Paper
RMF	:	Road Maintenance Fund
TIT	:	Technical Implementation Team
TFP	:	Technical and Financial Partners
UA	:	Unit of Account

Project Information Sheet

Client Information

BORROWER:	Republic of Gabon
EXECUTING AGENCY:	Ministry of Agriculture, Livestock, Fisheries and Rural Development (MAEPDR)

Financing Plan

Source	Amount (UA)	Instrument
ADB	44 million	ADB Loan
Government	6.523 million	
TOTAL COST	50.523 million	

ADB Key Financing Information

Loan type	Enhanced variable spread loan
Loan currency	Euro
Lending rate	Base rate + lending margin + borrowing cost margin
Base rate	Floating rate with option to convert to a fixed rate
Lending margin	60 basis points
Borrowing cost margin	Calculated twice a year
Tenor	20 years maximum
Grace period	5 years maximum
Repayment	Half-yearly (dates to be determined by client)
NPV (baseline scenario)	CFAF 13.877 billion
ERR (baseline scenario)	19%

Timeframe – Milestones (expected)

Concept Note Approval	:	June 2011
Project Approval	:	October 2011
Signature	:	January 2012
Effectiveness	:	June 2012
Completion	:	June 2017
Last disbursement	:	December 2017
Start of repayment	:	January 2018

PROJECT SUMMARY

1. Project Overview:

1.1 The activities of the Rural Infrastructure Rehabilitation Support Project (PARIR) are based in Woleu-Ntem Province, in Northern Gabon. The province is an agricultural area with high commercial potential due to its proximity to Cameroon and Equatorial Guinea. The project will finance the rehabilitation of 540 km of farm-to-market roads, 20 markets and storage facilities, administrative premises of support structures of the Ministry of Agriculture, Livestock, Fisheries and Rural Development (MAEPDR) and the Ministry of Equipment, Public Works, Infrastructure and Regional Development Planning (MEIAT). It will also provide training to 230 senior staff and employees, 5,000 members of groups (traders, collectors, producers, haulers, etc.), 120 committees for the management and maintenance of markets and roads, and 20 small- and medium-size enterprises (SMEs). The project cost is estimated at UA 50.523 million. Its implementation will last five years from June 2012. The project was designed in cooperation with various stakeholders (civil society, traders, haulers, producers, representatives of SMEs and groups of beneficiaries, support services of the ministries involved, etc.), local and central government authorities. These stakeholders will also be involved in implementing and monitoring the implementation of various project components, with a view to attaining the participatory objective and ensuring better ownership of the operation.

1.2 Project activities will directly benefit the population of Woleu-Ntem Province of approximately 187,000 people - more than half that of Libreville (350,000). The main project beneficiaries are groups of women traders, professional organizations and private dealers (collectors, traders and haulers) operating in the province, farmers, unemployed youths, technicians of the sector ministries and supervised structures. Women account for at least 50% of the beneficiaries and will occupy roughly 60% of senior positions in the community organizations and management committees that will be set up under the project. Young farmers and stockbreeders will receive training at the National School for Rural Development (ENDR), enabling them to be integrated more easily into active life.

2. Needs Assessment: The Gabonese economy is characterized by high dependence on oil (50% of GDP and 80% of exports) and massive importation of foodstuffs for consumption by the population (85%). To address this situation, agriculture is identified in the Government's strategic orientations as a sector growth pole that could take over from the oil industry and where the private sector can fulfil its role as engine of strong and diversified economic growth. However, the constraints impeding the development of the agricultural sector are manifold, with the most significant being: (i) lack of access roads from production areas to leverage local development and support private sector development; (ii) lack of marketing infrastructure; (iii) low intervention capacity of MAEPDR structures; (iv) lack of an appropriate funding mechanism; and (v) rural exodus towards cities where activities of the oil industry are concentrated. PARIR is in line with Government priorities and existing sector development plans identifying infrastructure improvement as an indispensable prerequisite that should underpin private sector development, diversification of sources of economic growth and increased production. Moreover, by addressing such issues as the opening up of production areas and marketing constraints faced by the various actors, PARIR is complementing the assistance of the International Fund for Agricultural Development (IFAD) to the Government in Woleu-Ntem through the on-going Agriculture and Rural Development Project (PDAR). This project aims specifically to: (i) develop high-potential production sub-

sectors (banana, peanut and cassava); (ii) strengthen the capacity of the operators of these sub-sectors and their organizations; and (iii) build institutional capacity in terms of support services to rural areas.

3. Value Added for the Bank: PARIR implementation is consistent with the Bank's vision and in line with the guidelines of the Results-Based Country Strategy Paper (RBCSP 2011-2015), one of whose two pillars is the strengthening of infrastructure for private sector development. The project is also consistent with the Bank's Medium-Term Strategy (2008-2012), which focuses on infrastructure and reaffirms the Institution's role as leader in implementing programmes under the New Partnership for Africa's Development (NEPAD) in the area of infrastructure and regional integration. The project will enhance the Bank's comparative advantage in Gabon's infrastructure sector and support Government efforts in designing the Consensual Transport Master Plan in Central Africa. PARIR has a high level of complementarity with the Cameroon-Gabon-Congo Corridor, which is partly funded by the Bank and cuts across Woleu-Ntem Province, serving as a main artery for trade since it is supposed to link up with most of the roads to be rehabilitated by the project.

4. Knowledge Management: By establishing a gender-sensitive monitoring/evaluation system, PARIR will provide the Bank with more information on the impact of private sector development promotion on food security and poverty reduction. Moreover, supporting private sector development by opening up agricultural production areas, improving market access and strengthening the capacity of partners will enable the Bank to draw relevant lessons for future operations of this kind. Increased Bank involvement in the infrastructure, agricultural and rural development sectors in Gabon also allows it to join the international community in contributing to the revival of Gabon's economy and the development of strategic employment-generating sectors for poverty reduction.

II. Results-Based Logical Framework

Country and Project Name: Rural Infrastructure Rehabilitation Support Project						
Project Goal: Contribute to reducing the country's food dependency by opening up agricultural production areas, improving market access and strengthening partners' capacity.						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS AND MITIGATIVE MEASURES
IMPACT	Improvement in food security and reduction in poverty among the Gabonese population	Indicator (including CSI)	Baseline Situation	Target	-MAEPDR reports and statistics -National Nutrition Service reports and statistics -National Development Strategy monitoring and evaluation reports	
		-Rate of coverage of food needs by national production - Poverty rate	20% in 2010 33% in 2010	40% in 2016 and 60% in 2020 22% in 2016 and 14% in 2020		
EFFETS	1. Increased agricultural production (cassava, banana, peanut, etc.) marketed 2. Improved living standard of beneficiaries	1.1 Additional agricultural production marketed	29,150 tonnes Woleu-Ntem Province	39,250 tonnes in 2014 and 46,250 in 2016; or an increase of 10,100 tonnes in 2014 and 17,100 tonnes in 2016	- MAEPDR reports and statistics -Data on the market system information developed in the province by IFAD - Periodic project monitoring reports -Mid-term review report and project completion report (PCR) --Participatory impact survey of beneficiaries at mid-term and on project completion, etc.	<u>Risks</u> -Maintenance of infrastructure not guaranteed. -Poor collaboration of partners and beneficiaries with the project <u>Mitigative Measures</u> -Two-year project support for road maintenance -MEIAT's commitment to integrate rehabilitated roads into the priority road network it maintains under RMF II; Establishment and training of maintenance and management committees; setting up of rain barriers, inclusion, from the 2015, of the maintenance of rehabilitated roads in the annual budget of RMF II --Sensitization/training of beneficiaries and partners.
		2.1 Number of jobs created	NA	2.1 200 permanent jobs and 500 temporary jobs in 2014, 500 permanent jobs and 1,000 temporary jobs in 2016, including 60% for women. 2.2 Daily income of women traders improved by 50% in 2014 and by 100% in 2016		
OUTCOMES	<p><u>C1: Rehabilitation of infrastructure</u></p> <p>1.1 Motorable roads in Woleu-Ntem Province 1.2 Markets/storage facilities rehabilitated 1.3 Rehabilitation and equipment of buildings of central and provincial services of the ministries concerned</p> <p><u>C2: Capacity Building</u></p> <p>2.1 Senior staff and employees of MAEPDR, MEIAT, ME and supervised structures are trained in their speciality 2.2 ENDR intake capacity strengthened 2.3 Technical, business, management and organizational capacity of community structures strengthened 2.4 Capacity of operators of rural infrastructure strengthened 2.5 Statistical database set up and operational</p> <p><u>C3: Project Management</u></p> <p>3.1 Project managed in keeping with standard practice</p>	1.1 Length of rehabilitated roads	NA NA	1.1 300 km in 2014 and 540 km in 2016.	Periodic monitoring reports submitted by the Project Implementation Unit (PIU), Bank supervision reports Reports and statistics by MAEPDR and other relevant Ministries Reports by ENDR, CIAM and CMCE Mid-term review report and project completion report (PCR)	<u>Risks</u> -Low ownership due to the weak capacity of technical ministries involved - Poor performance of contractors -Low interest of partners and beneficiaries in training -Fiduciary risks <u>Mitigative measures</u> -High stakeholder participation in setting up the project -Strengthening of the technical capacity of central and regional structures involved -Recruitment works control firms, involvement of technical assistance in assessing the performance of all contractors and monitoring of construction sites; regular inspection of work by MEIAT technical services at Oyem; - SME training and capacity building by RMF II and the project -Diversification and targeting of training themes based on the actual needs of beneficiaries and various stakeholders -Establishment of an effective financial management and procurement system from the start of the project.
		1.2 Number of markets and storage facilities rehabilitated 1.3 ENDR, CIAM, CMCE and offices of relevant ministerial services are rehabilitated and equipped	NA NA	1.2 10 markets and storage facilities rehabilitated in 2014 and 20 in 2016 1.3 CIAM rehabilitated in 2013, CMCE and ENDR in 2014; 50 offices in 2014 and 110 offices in 2016		
		2.1 Number of senior staff and employees trained	NA 100 youths in 2010	2.1 100 senior staff and employees in 2014 and 230 in 2016 (30% of them women), 30% of whom received gender training; 2.2 150 youths (50% of whom girls) in 2016		
		2.2 Number of young people in ENDR	NA	2.3 Training/sensitization of 2,000 group members (60% of whom women) in 2014 and 5,000 in 2016 on such issues as STD, gender parity, gender, nutrition, trade, processing, management, etc. 2.4 Training of 20 SMEs, 100 road maintenance committees, and 20 market management committees (60% of women, 50% of whom hold positions of responsibility 2.5 100% in 2014		
		2.3 Members of associations of traders, producers, and haulers sensitized and trained, depending on their activities	NA			
		2.4 Number of structures that received special training	NA			
		2.5 Statistical database operational		100%		
		-Procedures manual introduced in Year 1; -Progress and audit reports submitted on time; -Monitoring/evaluation system operational; % of disbursement		100%		
				Monitoring/evaluation system established in 2012, 40% in 2014 and 100% in 2016		

KEY ACTIVITIES BY COMPONENTS	<p>1. Rehabilitation of rural infrastructure: (i) preparation of bidding documents and recruitment of service providers; (ii) rehabilitation of feeder roads; (iii) rehabilitation of markets and storage facilities, rehabilitation of ENDR, CIAM and CAFIC building, as well as MAEPDR and MEIAT services.</p> <p>2. Institutional capacity building: (i) procurement of vehicles, IT equipment, office furniture and other equipment for the structures involved and those supervised; (ii) training of personnel of the technical implementation team (TIU), senior staff and employees of the services of the ministries involved, operators of rehabilitated infrastructure, beneficiary groups and associations, etc.</p> <p>3. Project organization and management: administrative and financial management of the project; financial and accounting audit; monitoring/evaluation system.</p>	<p>RESOURCES (in UA million)</p> <p>ADB Loan: 44.000 Gabonese Government: 6.523 Component 1: UA 34782 Component 2: UA 12.026 Component 3: UA 3.715</p>
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***Report and Recommendations of Bank Group Management to the Board of Directors
concerning the proposal to grant a loan to Gabon to finance the RURAL
INFRASTRUCTURE REHABILITATION SUPPORT PROJECT (PARIR)***

Management hereby submits this report and recommendations concerning a proposal to grant a UA 44 million loan to the Republic of Gabon to finance PARIR.

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 In an effort to curb the spread of poverty and inequalities, reduce the country's dependence on the oil sector and enhance its food security, Gabon is currently committed to diversifying the economy and developing agricultural production, as reflected in the introduction of a New Agricultural Policy (NPA) and the adoption, in June 2008, of a Law on Agricultural Orientation and an Agricultural Investment Code. To meet the challenge, the Government has prepared new thrusts for the coming years, as set forth in the April 2010 Framework Letter of the President of the Republic and translated into the strategic plan known as "Gabon Emergent", which runs up to 2035. These orientations attach special importance to the agricultural sector, the development of which will stimulate more inclusive growth and produce a direct impact on food cost and access. According to Government projections, the new agricultural strategy is expected to boost agricultural production by 45% and increase the contribution of agriculture to GDP by 10% by 2015, compared with 3.5% in 2010. However, the inaccessibility of production areas and the difficulty of marketing agricultural products are among the leading constraints hindering agricultural development. These constraints are attributable to the poor state of roads connecting production areas to major consumption areas, high transport costs and lack of marketing infrastructure (markets, storage facilities, etc.).

1.1.2 Therefore, PARIR is consistent with Government's priorities to make infrastructure improvement (roads, hydroelectric plants, electric power transmission lines and distribution stations, water supply and sanitation) the bedrock of private sector development, diversify sources of economic growth and increase production. Without a doubt, this infrastructure supports the drivers of economic growth. The state of infrastructure largely determines the level of production costs and the competitiveness of the national economy. The project is also consistent with the Bank's vision and in line with the guidelines of RBCSP 2011-2015, based on two strategic thrusts: (i) improving the business climate for private sector development; and (ii) building infrastructure to support non-oil growth poles. In particular, the second thrust is intended to open up the major production areas, to promote local development and facilitate trade.

1.2 Rationale for Bank's Involvement

1.2.1 Through the two pillars of this strategy – "Improvement of the business climate" and "Strengthening of infrastructure" - the Bank aims to support private sector development in the productive sectors as alternatives to the petroleum sector, in an effort to promote better wealth redistribution. The Bank study on diversification of sources of growth in Gabon (2008) identified the agricultural sector among the key sectors with diversified growth and employment-generating potential for both urban/peri-urban and rural areas, that could help to address the worrying issue of unemployment. However, the development of available

agricultural resources and the improvement of productivity are hampered by difficulties resulting particularly from inadequate produce evacuation and marketing infrastructure, and post-harvest losses. This situation creates additional costs and renders the sector unattractive to smallholders, commercial operators and large-scale investors. Given this context, PARIR is fully justified and in line with the 2010-2014 Agricultural Sector Strategy. In addition, PARIR aims to rehabilitate farm-to-market roads and markets as well as storage facilities, while sustaining the sector's support structures to enable them to play their role more effectively and enhance the sustainability of investments. Through this project, the Bank will help to attract private investment to the agricultural sector and reduce the country's external food dependency. The project is also in line with the Bank's Medium-Term Strategy (2008-2012) and Regional Integration Strategy Paper (RISP 2011-2015), which emphasise infrastructure and reaffirm its role as leader in implementing NEPAD's infrastructure and regional integration programmes.

1.2.2 PARIR is highly complementary to the Cameroon-Gabon-Congo Corridor co-funded by the Bank, which runs across Woleu-Ntem Province. This regional road will serve as a major trade artery following its planned connection to most of the roads to be rehabilitated by the project. Thus, PARIR will draw on the Bank's sub-regional and local experience in infrastructure, which accounted for more than 40% of allocations to the country, and will increase the scope of impact of actions undertaken to strengthen local dynamics and private sector development. The project target area (i.e. Woleu-Ntem Province) is highly agricultural and has a huge potential for trade with Libreville (50% of haulers and traders who supply food products to Libreville are from this province), Cameroon and Equatorial Guinea. Hence, in synergy with the PDAR being implemented by IFAD, PARIR will help to revitalize farming in this region, currently constrained by the transportation and marketing infrastructure gap. Specifically, PDAR seeks to: (i) develop viable production sub-sectors; (ii) help smallholders and their cooperatives to diversify their income; and (iii) strengthen the capacity of actors of these sub-sectors and that of rural community support services. By opening up the production areas identified by PDAR, reducing post-harvest losses, rehabilitating markets and storage facilities, supporting the processing and development of agricultural products, PARIR will boost the volume of agricultural production marketed, thereby complementing IFAD's assistance.

1.3. *Aid Coordination*

1.3.1 The Government funds the development of the agricultural and fisheries sectors with support from a number of bilateral and multilateral donors. The main technical and financial partners (TFPs) involved in these sectors are: the European Union (Village Water Supply Project, Vocational Training Support Project - AFOP), the French Development Agency (Peri-urban Agricultural Development Support Project - PADAP), IFAD (PDAR), the Bank (Fisheries and Aquaculture Sector Support Project - SAPP, Agricultural Production Infrastructure Development Study) and Japanese Cooperation (fisheries and fish farming). The cost of these operations, covering most provinces of the country, including Woleu-Ntem, is CFAF 33.56 billion (cf. Appendix III). TFPs are coordinated through a thematic group on Natural Resources/Environment/Sustainable Development, which meets once every two months, led by the European Union.

1.3.2 In Gabon, aid is coordinated by the Prime Minister's Office and tangible progress has been made in terms of information exchange and harmonization of the programming cycles of technical and financial partners (TFPs). The coordination process was strengthened

in March 2010 with the appointment of an adviser to the Prime Minister as a TFP interlocutor and the signing of a decree in May 2010 laying down the framework for foreign aid coordination, harmonization and monitoring. As Gabon's lead financial partner, the Bank is actively involved in this harmonization effort, particularly through its role as Lead and Co-lead of the Aid Harmonization and Governance thematic groups, respectively. At sector level, the Bank is co-financing the Forest, Fisheries and Environment Sector Programme with the World Bank through **PASP**. In road infrastructure, the Bank has supported the development of a priority programme being implemented together with the World Bank, the EU, the AFD and the Islamic Development Bank. It is also financing Phase 1 of the Road Programme (PR1) and plans, within the framework of the 2011-2015 Strategy, to increase its action in support of infrastructure development through the new Road Programme (PR2), scheduled to start in 2012.

Rural Development (Agriculture, Livestock, Forestry, Fisheries and Aquaculture)	GDP	Exports	Labour		
	8 %	7%	35%		
Stakeholders – Annual Public Expenditure (averages in CFAF million)					
Government		ADF	ADB	IFAD	FAO
24.7%		33.5%	30.8%	10.9%	-
519		704	647	230	0.5
Level of Aid Coordination					
Existence of thematic working groups				Yes	
Existence of a comprehensive sector programme				Yes	
ADB's role in aid coordination				L*	

* L: Lead; M: Member (not lead); None: no role

II. PROJECT DESCRIPTION

2.1. Project Components: To attain project objectives, the activities retained were grouped under three components as summarized in the table below.

Components	Cost	Description
I- Rehabilitation of Rural Infrastructure	UA 34.782 million	Rehabilitation: 540 km of farm-to-market roads, 20 markets and stores, the National School of Rural Development (ENDR), the Plant Material Introduction, Adaptation and Multiplication Centre (CIAM) in Oyem, the Elite Centre for the Multiplication of Cocoa Trees (CMCE) in Mikonga, and office buildings for the services of ministries involved in the project.
II-Capacity Building	UA 12.026 million	-Training and refresher courses (including in gender) for 230 workers and senior staff (of whom 50% are women) of the services concerned by PARIR (MAEPDR and MEIAT), supervised structures (ENDR, CIAM, CMCE), and decentralized services of the Ministries in charge of the Environment and the Family; agricultural statistics support; vocational training of 150 youths at ENDR (of whom 50% girls); -Training/sensitization of 5,000 members of community organizations (of whom 60% women), infrastructure management and maintenance and women agricultural producers' associations; training of 100 road maintenance committees, 20 market management committees (of whom 60% women, with 50% of them holding positions of responsibility) and 20 SMEs; -Procurement of IT and office automation equipment, vehicles and other equipment for MAEPDR, MEIAT, MECIT services, etc. involved in the project.
III- Project Management	UA 3.715 million	Management/maintenance of project assets, staff training, establishment of an accounts and financial management system; development of a procedures manual, establishment of a gender-sensitive monitoring/evaluation system, accounts auditing, mid-term review and final evaluation, implementation of the Environmental and Social Management Plan (ESMP).

2.2. *Technical Solutions Adopted and Alternatives Explored*

2.2.1. The technical solutions recommended were selected, taking into account the needs expressed by Gabonese authorities to complement the IFAD intervention in the Woleu-Ntem area, and the criteria and standards for ensuring the sustainability of the investment and ownership by the beneficiaries. For the roads, the choice was based on technical features applied to those classified under the priority network maintained by the Road Maintenance Fund (RMF II) (7 metres wide, with a 20-centimetre-thick wearing course, mechanized insulation, 10-metre right of way, good quality lateritic materials). In the selection, emphasis was placed primarily on roads that help to open up food production areas and facilitate access to markets or to the national and provincial road network.

2.2.2 The choice of sites for markets and storage facilities was based on a number of criteria, including: (i) the existence of rural markets attended by most of the population and traders; (ii) the presence of a dense network of priority roads to open up; (iii) a concentration of villages to ensure a large influx of people; (iv) the existence of areas producing major food crops (cassava, banana and peanut) to lay the groundwork for promoting the private sector, boosting production and developing marketing channels; and (v) the presence of potentially dynamic and motivated rural organizations.

Table 2.2
Project Alternatives Explored and Reasons for Rejection

Alternative	Brief Description	Reason for Rejection
Rehabilitation of a greater length of roads, ranked as unclassified district roads	5 m wide, 10 m right of way, 15-cm-thick wearing course with materials of average quality and inadequate drainage	<ul style="list-style-type: none"> ▪ Limited sustainability due to the rapid deterioration of the wearing course, poor visibility, narrow roadway and inadequate insulation; ▪ Non-compliance with the technical characteristics of the priority network and consequently not supported by RMF II.
Maintenance/rehabilitation using the labour intensive (LI) method	The roads will be maintained or rehabilitated by means of temporary structures using the labour-intensive (LI) method and locally available resources, both human and material.	<p>The LI road maintenance/rehabilitation method is not suitable for the farm-to-market roads in Woleu-Ntem because:</p> <ul style="list-style-type: none"> ▪ The roads are in an advanced state of degradation and the structures built manually are of poor quality and cannot withstand the climatic conditions of Gabon and the traffic load. Their lifespan is very limited. ▪ The bridges were built manually. Therefore, their stability is doubtful and they do not guarantee maximum road safety conditions.
Rehabilitate all village markets	Market rehabilitation consists in building stalls with storage areas and sanitation, drinking water and road facilities. Rehabilitated markets will be managed by associations set up by the beneficiary communities.	All village markets could not be selected for rehabilitation because of low attendance of some markets by the rural population and the need to: (i) take into account production areas and the presence of rural organizations; (ii) reflect the large concentration of producers supervised by PDAR, and the volume of agricultural products attracting traders and haulers.

2.3. Project Type

PARIR is a standalone operation. Project loan is the most appropriate instrument for Bank intervention in this rural infrastructure operation. Furthermore, most donor interventions in rural areas are currently conducted through this type of operation (investment projects).

2.4. Project Cost and Financing Arrangements

2.4.1. The total project cost, including physical and financial contingencies, net of taxes and customs duties, is estimated at UA 50.523 million, or about CFAF 37.162 billion. This cost comprises UA 30.781 million in foreign exchange (CFAF 22.641 billion) and UA 19.742 million (CFAF 14.521 billion) in local currency. Provisions of 8% and 3.5% of the base cost were applied for physical and financial contingencies, respectively. The summary of estimated project cost is presented in Tables 2.3 and 2.4 below, and in Appendix V.

Table 2.3
Summary of Estimated Project Cost by Component

COMPONENTS	In CFAF million			In UA thousand			F.E. %	% Base Cost
	F.E.	L.C.	TOTAL	F.E.	L.C.	TOTAL		
COMPONENT A: Rehabilitation of Rural Infrastructure	13.297	9.648	25.583	18.077	13.117	31.194	58	68
COMPONENT B: Capacity Building	5.785	2.148	7.933	7.865	2.921	10.785	73	24
COMPONENT C: Project Management and Coordination	667	1.967	2.633	906	2.674	3.580	25	8
Total Base Cost	19.748	13.763	33.511	26.848	18.711	45.560	59	100
Physical Contingencies	2.032	508	508	2.762	691	3.453	80	8
Financial Contingencies	861	250	1.111	1.171	340	1.511	78	3
Total Cost	22.641	14.521	37.162	30.781	19.742	50.523	61	100

Table 2.4
Summary of Estimated Project Cost by Expenditure Category

Category of Expenditure	In CFAF million			In UA thousand			% F.E.	% Base Cost
	F.E.	L.C.	TOTAL	F.E.	L.C.	TOTAL		
Works	13.118	9.595	22.713	17.835	13.045	30.879	58	68
Goods	1.186	335	1.521	1.613	455	2.068	78	5
Services	5.443	1.640	7.084	7.401	2.230	9.630	77	21
Operation	0	2.193	2.193	0	2.982	2.982	0	7
Total Base Cost	19.748	13.763	33.511	26.848	18.711	45.560	59	100
Physical Contingencies	2.032	508	2.540	2.762	691	3.453	80	8
Financial Contingencies	861	250	1.111	1.171	340	1.511	78	3
Total Cost	22.641	14.521	37.162	30.781	19.742	50.523	61	100

2.4.2 The project will be financed jointly by the ADB and the Government. The total ADB loan of UA 44 represents 87% of the total project cost, net of taxes (cf. Table 2.5 below and Appendix V). Government's participation in funding the local currency costs amounts to UA 6.523 million (CFAF 4.798 billion), or 13% of the project cost. This counterpart contribution from the Government will be used to cover project operating costs and the rehabilitation of 70 km of roads. Expenditure under various project components will be implemented in line with the schedule indicated in Table 2.6 below.

Table 2.5
Summary of Project Cost Estimates by Sources of Financing

Sources of Financing	In CFAF million			In UA thousand			%
	F.E.	L.C.	TOTAL	F.E.	L.C.	TOTAL	
ADB	22.641	9.723	32.364	30.781	13.219	44.000	87%
GOVERNMENT	0	4.798	4.798	0	6.523	6.523	13%
TOTAL	22.641	14.521	37.162	30.781	19.742	50.523	100

Table 2.6 Expenditure Schedule by Component (in UA thousand)

COMPONENTS	2012	2013	2014	2015	2016	Total
Component A: Rehabilitation of Rural Infrastructure	531	5.476	10.854	12.075	2.258	31.194
Component B: Capacity Building	640	2.434	3.679	2.614	1.418	10.785
Component C: Management and Coordination	971	713	630	663	603	3.580
Total Base Cost	2.142	8.623	15.163	15.352	4.280	45.560
Physical Contingencies	118	647	1.192	1.191	304	3.453
Financial Contingencies	52	283	522	521	133	1.511
Total Cost	2.311	9.554	16.877	17.064	4.716	50.523
%	5%	19%	33%	34%	9%	100%

2.4.3 Pursuant to the provisions under Section 4.2.2 of the Policy on Expenditure Eligible for Bank Group Financing (19 March 2008), the level of Government's counterpart contribution was assessed based on the following criteria:

- (i) The country's commitment to implementing its overall development programme: the country is getting set to finalize its strategic plan: "Gabon Emergent", running up to 2035. To ensure effective implementation of its programme, the Government set up a deposit and consignment fund and an economic recovery fund in April 2011, one of whose functions will be to secure resources for financing investment in various priority sectors. The Government has also strengthened the aid coordination mechanism to improve its ownership by the national party and ensure better dialogue with its partners.
- (ii) The country's agricultural sector allocations: capital budgets allocated to the agricultural sector have been rising steadily, and since 2008 have undergone a dramatic increase from CFAF 3.625 billion to CFAF 19.727 billion in 2010, under laws to improve the organization of the sector (Law No. 022/2008 on the Agricultural Code and Law No. 023/2008 on the Sustainable Agricultural Development Policy). A special programme was developed in October 2010 specifically to promote the agricultural sector in Gabon. Estimated at USD 800 million, this programme aims to open palm plantations in the savannah regions of South-Western Gabon and create nearly 40,000 jobs. Other initiatives to promote agriculture and fishing are being developed in cooperation with technical and financial partners (TFPs), particularly for cash (rubber, coffee and cocoa) and food crops (cassava, banana and market garden produce), stockbreeding, fisheries and aquaculture, for USD 900 million.
- (iii) Country's budgetary situation and debt level: the rise in world oil prices yielded huge budgetary surpluses in 2010 that will be strengthened in 2011 and 2012, according to forecasts (ADB/OECD). External debt sustainability is guaranteed by the debt ratios, which remain low relative to macroeconomic aggregates. Outstanding external debt was estimated by the IMF (Article IV) at 18.8% of GDP at end 2010, and projected at 11.7% in 2015. In 2010, debt servicing accounted for 7.3% and 15.7% of exports and tax revenue, respectively. To ensure effective debt management, the Government also set up a Foreign Debt Directorate and developed a plan for settling outstanding domestic debt. Arrangements for co-financing projects with key technical and financial partners remain quite diverse. As part of its 2005-2010 strategy, the World Bank adopted the cost-sharing principle, defined during the preparation of each project (*Country Financing Parameters*). The World Bank bears 90% of project costs in most cases and even 100% in the event of justification. The State's counterpart contribution for AFD-funded projects is limited to the settlement of duties and taxes.

2.5. Project Target Area and Beneficiaries

2.5.1 Project activities involve the entire Woleu-Ntem Province in Northern Gabon. The province covers an area of 38,465 km² (14% of the country) and had a population estimated at nearly 187,000 inhabitants in 2010, 45% of whom live in rural areas. Women account for 53% of the province's total population. They hold over 60% of rural assets and make up between 15% and 44% of the total number of household heads per village, depending on the district ("*département*"). Agriculture is the mainstay of the province, occupying 90% of the rural workforce. There are roughly 10,000 smallholdings in about 500 villages built along the roads. Crops cover about 28,000 ha. The main products are banana: 33,600 tonnes, cassava: 27,700 tonnes, and peanut: 4,100 tonnes. The province has four main markets, which constitute a local outlet for its various agricultural products. These markets are located in Bitam, Oyem, Mitzic and Minvoul towns. Each market sells an average of 1.5 to 2 tonnes of foodstuffs per day, or 730 tonnes per year. The province also enjoys a strategic geographic location because of the existence of two major cross-border markets in Cameroon and Equatorial Guinea. In addition, its production plays an important role in the supply of foodstuffs to the Libreville market (20% for plantains and 29% for fresh cassava tubers).

2.5.2 The project will benefit a local population of about 187,000 people - more than half that of Libreville (350,000 people). The main beneficiaries are associations of women traders, vocational organizations, private dealers operating in the province, producers, unemployed girls and boys, technicians from the sector ministries and the relevant structures supervised. Women account for at least 50% of the beneficiaries and will hold about 60% of posts of responsibility in community organizations and management committees. Young farmers and stockbreeders will receive vocational training at ENDR allowing them to integrate more easily into working life. The provincial and district agriculture services, agricultural support centres (CIAM and CMCE), decentralized services of MEIAT and Ministries of Environment and the Family in Woleu-Ntem, as well as the ADB Project Monitoring Unit at the Ministry of Economy, Trade, Industry and Tourism (MECIT), will be supported by the project, since their weak human and material capacity prevents them from playing their rightful role. If all the objectives are achieved, the project will help to increase the marketed food production by 17,100 tonnes, double the daily income of women producers/traders, train 20 SMEs, and create 500 permanent jobs and 1,000 temporary jobs (of which 60% will be held by women).

2.6. Participatory Approach for Project Identification, Design and Implementation

2.6.1 Consultations with stakeholders began during the identification phase and continued during project preparation and appraisal. During these phases, Bank missions met with all donors present in Libreville (WB, EU, AFD, FAO, JICA, IFAD, etc.) and stakeholders on the ground. They first discussed the works planned with the direct beneficiaries and later organized collective wrap-up meetings bringing together technical services, local authorities, representatives of SMEs and beneficiary groups and associations, civil society and operators of the selected infrastructure (markets, roads, training facilities and agricultural support services). The opinions and observations of the various partners were considered. The proposals adopted at field level were discussed and agreed upon with the central administration in Libreville.

2.6.2 The main points raised by the beneficiaries concerned the scale of the project, the timeframe for putting up the infrastructure and the future management method. The project schedule was presented to the population and Gabonese authorities. The principles and

arrangements for infrastructure ownership and maintenance were considered as well as various responsibilities of stakeholders (Road Maintenance Fund, MEIAT and SMEs for the roads, traders' associations for markets, and MAEPDR for supporting the operation of CIAM, ENDR and CMCE). Technical and organizational support for the project was also recommended. Thanks to this approach, the investment priorities expressed by the population and local authorities, as well as the technical options reflecting the socio-economic realities of beneficiaries and the physical difficulties on the ground were taken into account. During project implementation, the participatory approach will be pursued further and beneficiaries will be fully involved in all decision-making. Beneficiaries will also be consulted during project supervision and mid-term review missions to ascertain the project's impact on their living conditions and, if necessary, refocus the project to meet their expectations.

2.7. Bank Group Experience and Lessons Reflected in Project Design

2.7.1 The Bank's active portfolio in Gabon comprises eight operations for a total UA 339.4 million as at end May 2011, including one agricultural sector project: The Fisheries and Aquaculture Sector Support Project (SAPP). Portfolio performance has improved over the past three years. Overall, appraisal score increased from 1.93 in 2007 to 2.09 in 2010, according to the 2010 portfolio review. The portfolio does not include operations at risk. However, two projects could fall into this category if their implementation level, compared to their age, does not substantially improve. In the agricultural sector, SAPP is one such project because despite the significant recovery of the sector activity, it shows a disbursement rate of 22.4% at age 6. A detailed analysis of recurrent problems highlighted the poor performance of contractors and the inadequate capacity of the Project Implementation Unit (PIU) in market management and fiduciary governance. The recruitment of a procurement specialist and an experienced administrative and financial manager, as well as continuous supervision by the Gabon Field Office (GAFO) have helped to improve the project's status.

2.7.2 Various Government performance reviews conducted by the Bank (Project Internal Audit of November 2008, Portfolio Review of October 2010, Evaluation of Bank Assistance of 2011, CSP 2006-2010 Completion Report) as well as the completion reports on the Road Rehabilitation and Development Project (2001) and the Rubber Cultivation Programme II (2003) – both deemed fair in terms of implementation performance and outcomes - highlighted the issues affecting operations implementation. These mostly relate to: (i) delays in loan effectiveness averaging 9.5 months; (ii) the low quality at entry of infrastructure projects and projects of other sectors with an infrastructure component (lack of studies on the preliminary and detailed project designs); (iii) the limited capacity of executing agencies responsible for the lengthy procurement process and the unsatisfactory financial management that sometimes lead to the suspension of disbursements; (iv) low project ownership by the technical ministries due largely to internal coordination problems and the existence of parallel executing agencies; (v) the poor performance of some contractors; (vi) bureaucracy that causes delays in the signing of contracts; and (vii) delay in mobilizing the counterpart contribution.

2.7.3 To remedy these weaknesses, the project design took into account lessons from previous Bank interventions and prescribed necessary measures to ensure better implementation. Concerning quality control at entry, implementation studies and bidding documents for the construction of infrastructure retained are being prepared with IFAD PDAR funding and will be ready before project start-up. Provision has also been made for the following arrangements right from start-up: (i) establishment of a small Technical

Implementation Team (TIT) bound by performance contracts; (ii) recruitment of the administrative, financial and accounting officer; (iii) preparation of a procedures manual; (iv) procurement of accounting software; and (v) recruitment of technical assistance to support the technical implementation team during the entire project duration. This assistance will cover the following areas: procurement, rural infrastructure, capacity building and monitoring/evaluation. Furthermore, the Bank is working to improve portfolio performance by strengthening: (i) the training provided to project implementation units; and (ii) the response capacity/role of the Gabon Field Office (GAFO) in monitoring on-going operations and ensuring effective provision of counterpart funds.

2.7.4 In light of experiences exchanged with the TFPs (EU, IFAD, FAO, AFD, etc.), the success and sustainability of an agricultural development initiative in Gabon is highly contingent on: (i) the strong participation and empowerment of all stakeholders; (ii) building the capacity of national management staff in charge of supervision and monitoring; (iii) a mass of people interested in the development of existing natural resources; (iv) the existence of a potential market; and (v) an encouraging economic environment. In this regard, Woleu-Ntem Province is well suited for the Bank's intervention because it is: (i) an area with strong agricultural and commercial potential; and (ii) less isolated and more densely populated, with better structured and organized communities.

2.8. Key Performance Indicators

2.8.1 In the long term (2020), the key project performance indicator is the coverage of food needs by domestic production. In recent years, the rate of food imports has exceeded 80% of consumption, or the equivalent of CFAF 250 billion. The food needs coverage rate is estimated at 60% in 2020. In addition, PARIR will help to increase the marketed agricultural production and improve the income of commercial operators (haulers, dealers, collectors and producers) by more than 50%. In the medium term (2016), the project will contribute to reducing the food import rate to 60%. The poverty rate will also drop from the current 33% to 22% in 2016 and 14% in 2020. Furthermore, 500 permanent jobs and 1,000 temporary jobs will be created.

2.8.2 PARIR's main expected outputs include: (i) rehabilitation of 540 km of farm-to-market roads, markets, and 20 storage facilities, 110 offices for the services of ministries involved, as well as ENDR, CIAM and CMCE buildings; (ii) procurement of office furniture and IT equipment for the 110 rehabilitated offices; (iii) development of an agricultural statistics database; (iv) training of 230 senior staff and employees of ministerial departments (of whom 30% women); 100 road maintenance committees, 20 works SMEs, 20 market management and maintenance committees and 40 traders' committees (with women comprising at least 50% of the membership and holding about 60% of positions of responsibility), 5,000 members of associations (haulers, traders, collectors, producers, etc.) of whom at least 60% women, increase of ENDR's intake capacity to 150 youths (of whom 50% girls); and (v) sensitization of 5,000 members of community organizations (of whom 60% women) on HIV/AIDS, nutrition, management of associations, management and maintenance of markets, conflict management, the environment, processing, development of income-generating activities, etc.

2.8.3 The key performance indicators selected for the project are as follows: (i) amount of additional food crops marketed; (ii) number of jobs created, with the percentage of jobs held by women and youths; (iii) daily income of farmers/traders; (iv) number of ENDR graduates,

disaggregated by sex; and (v) number of senior staff from ministries and groups trained, with the percentage represented by women. During the design of the monitoring/evaluation system, the baseline situation will be established by adapting the PDAR baseline alongside the above indicators to the project's first year. This system will help to provide data to the supervision missions fielded by the supervisory ministry and the Bank, as well as sex-disaggregated impact assessments at the mid-term and project completion stages. The feedback will be analysed by gender in relation to statistics from MAEPDR and the Ministry of Trade.

III. PROJECT FEASIBILITY

3.1. *Economic and Financial Performance*

3.1.1 The economic and financial performance concerned the operating results of the main activities selected, based on a model that incorporates both the rehabilitation of markets and related feeder roads. Ultimately, the project will help to put an additional 17,100 tonnes of food crops on the markets, double the daily income of women traders and provide a monthly income of about CFAF 230,000 per trader/collector. During peak seasons, the additional income generated by the project stands at CFAF 6 billion, mostly from the net worth of surplus food crops sold and the valuation of extra days of work created. These financial results are expected to broaden the impact of project activities in favour of strengthening the local dynamics and promoting various economic operators.

3.1.2 As regards profitability, the project has an economic rate of return (ERR) of 18.9% and a satisfactory net present value (NPV) of CFAF 13.877 billion at a capital opportunity cost of 12%. The actual situation is much better, given that there are other unquantified benefits that may be cited: earnings generated by strengthening the capacity of various project beneficiaries, time and transport cost savings for people to access basic services, savings on vehicle maintenance, etc. The sensitivity of the ERR to changes in costs and revenue was tested. The test showed that a 10% increase in investment costs or decrease in project revenue will not have a very significant impact on the rate of return, which would be about 15.5%. Conversely, this rate is sensitive to the 10% simultaneous variations in costs and revenue. Increased costs accompanied by a decline in revenue will reduce the ERR to 12.4%. Details of the economic and financial analysis are shown in Annex B7.

3.2. *Environmental and Social Impact*

Environment

3.2.1 PARIR was classified under Category 2, given that its actions, based on the rehabilitation of existing infrastructure, have no significant negative impact on the environment. The project will actually improve health conditions and the physical environment. An Environmental and Social Management Plan (ESMP) was prepared to meet the environmental and sustainable development requirements of the infrastructure to be rehabilitated. The Plan was prepared and approved by the Ministry of Environment. It shows that overall, PARIR will have major positive environmental and social effects that will contribute to improving the living, socio-economic and health conditions of the population. The project will also have a relatively limited adverse impact on the biophysical and human environment. The implementation of attendant mitigative measures developed in the Environmental and Social Management Plan (ESMP) will enable the project to be better

integrated in its environment, fostering an environment- and nature-friendly economic and social development of the project area. A budget of UA 447,000 is earmarked for implementing the ESMP (mitigative measures, sensitization, capacity building, and environmental monitoring). The cost of mitigative measures specific to the rehabilitation of each infrastructure identified by the technical studies will be included in the cost of works.

Climate Change

3.2.2 It is expected that the project will have no significant effect on climate change, which is a global phenomenon. The release of exhaust gases (mainly CO₂) into the atmosphere by vehicles plying the roads linking the villages to the markets and the province's major road will also be decreased, thanks to the reduction in travel time and the sequestration of greenhouse gas (GHG) emissions in the forests that cover most of the project area. Furthermore, the following measures will help to curb the effects of global warming: (i) reforestation of borrow areas through systematic tree planting and vegetation restoration; and (ii) tree planting on both sides of the roads where these roads go through villages. In all, PARIR will take into consideration the climatic impact of the project, particularly by adopting more stringent construction standards tailored to humid environments, especially as regards the drainage system. For roads, rehabilitation works will include definitive reinforced concrete bridges and culverts. In addition, the rehabilitation of marketing infrastructure allows for better organization of unloading, which consequently translates into shorter waiting time for transport vehicles. The project will contribute to mitigating the greenhouse gas effect at the regional level, albeit on a limited scale. The gradual introduction of solar energy for power pumps and lighting at ENDR, CIAM, CMCE and the markets will help to curb CO₂ emissions.

Gender

3.2.3 There are persistent disparities between men and women in Gabon, notwithstanding the inclusion of gender equality in the Constitution and the existence of a national gender strategy. Despite the preparation in 2009 of a national gender equity and equality strategy in Gabon (SENEEB), disparities persist to the detriment of women who are poorer and more vulnerable to unemployment than men (the unemployment rate for women is 27% compared to 16% for men, even though the former account for about 51% of the workforce). Similarly, according to the census conducted on "economically weak" Gabonese (GEF) in 2008, 63% of women are so classified, compared to 51% for the entire population. Of this group, 95.1% of economically weak single mothers (FMEF) are in a very precarious situation (29.6% unemployed), with nearly 44.9% of them still in school. PARIR has taken into account the special situation of women by providing a set of specific actions for women's groups, including business operators, about 60% of whom women. In addition, by providing better access to basic infrastructure and markets, PARIR will have a significant positive impact on the lives of women and could foster the emergence of a new generation of businesswomen in all ethnic groups.

3.2.4 PARIR will enable active businesswomen to increase their income in the markets to be rehabilitated and occupy jobs (500 permanent jobs and 1,000 temporary jobs will be created, 60% of which will be for women and 40% for youths). Building the capacity of support services and operators involved in the project will benefit at least 230 senior staff (30% women) and 50 ENDR graduates every year, of whom 50% girls. The project will also promote effective representation of women in positions of responsibility in user associations

and management committees. It envisages measures aimed primarily at women, such as the organization and training of associations in agricultural produce processing, the environment, marketing and micro-projects. In addition, the project includes provision to provide targeted training to 2,000 members of community organizations (of whom 60% women) and 20 market management and maintenance committee members (of whom 60% women, with 50% of them holding positions of responsibility). It will provide direct support to women and various partners (civil society organizations, communities and other ministries) in planning, organization, agriculture, stockbreeding and rural development, helping them to improve their technical knowledge and skills.

Social

3.2.5 The revitalization and opening up of food crop producing areas driven by the project, will contribute to keeping young people in rural areas and reducing the problems of unemployment and household/youth poverty. In addition, the project will create 500 permanent jobs and 1,000 temporary jobs, and provide certified training to at least 50 young men and women per year in agriculture, livestock and rural development. On graduation, the trainees are required to be self-employed by creating small- and medium-sized agricultural enterprises. Furthermore, PARIR will generate supplementary income for traders evaluated at CFAF 7,400/day and bring into the market an additional 17,100 tonnes of foodstuffs, which will help to improve Gabon's food security and reduce the poverty rate from 33% in 2010 to 22% in 2016.

3.2.6 IEC activities under the project will improve the beneficiaries' knowledge of HIV/AIDS, which will help to reduce the prevalence of this scourge in the country (about 9% in Gabon against an average of 4.5% in Africa). Furthermore, HIV/AIDS and malaria awareness and control campaigns will also be organized by NGOs during project implementation, with a view to educating, informing and sensitizing the population, including women, youths and officials at all levels. The project will involve the field staff of MAEPDR, MEIAT and the Ministries of Environment and the Family in IEC activities. That will help to improve the population's level of knowledge in health, nutrition, education and the environment. Furthermore, market management associations and committees will be particularly sensitized regarding cooperative management practices, gender, environmental hygiene and sanitation issues. These actions will be beneficial to 5,000 group members, 60% of whom are women. They will act as relays in the province and will team up with youths to manage the infrastructure. These group members will hold positions of responsibility and ensure participatory management with local communities in their localities.

3.2.7 PARIR could compound the socio-economic disparity between the population of the project target area and the risk of conflict over the use of natural resources. To this end, relevant measures have been incorporated in the ESMP to mitigate such impact, and even bring it down to a more acceptable level than the baseline situation. These measures include IEC campaigns on conflict management and attendant measures to finance income-generating activities for vulnerable groups.

Forced Resettlement

The project does not involve the displacement of the population from the project area or resettlement, given that it concerns existing rural infrastructure.

IV. PROJECT IMPLEMENTATION

4.1. *Implementation Arrangements*

4.1.1 The project will be implemented under the responsibility of MAEPDR, acting through the National Project Unit (NPU), its executing agency. To enable PARIR and the PDAR projects to fit into the same rural development dynamics and operate in full synergy, PARIR coordination and supervision will hinge on this unit whose terms of reference have been expanded (Order No. 14 from the MAEPDR Minister dated 30 June 2011). NPU's extended mandate includes: (i) liaising with the ADB, IFAD, MAEPDR and various development partners; (ii) coordinating and monitoring the activities of both projects (PARIR and PDAR) alongside those of other partners at the national, regional and local levels; (iii) reporting regularly to the supervisory minister on the status of both projects and issues to be resolved by the authorities; (iv) ensuring the preparation, support and coordination of the proceedings of joint supervision missions; and (v) performing secretarial duties for the CNPS. Upon project start-up, the NPU will be reinforced by a small Technical Implementation Team (ITI) based at Oyem. The team will comprise an engineer (team manager), a socio-economist/environmentalist, an administrative assistant and support staff recruited based on two-year renewable performance contracts. The terms of reference for these positions will be prepared by MAEPDR and submitted to the Bank for no-objection. Team executives will be selected on a competitive basis, through a call for candidature, upon receipt of the Bank's no-objection notice. Proof of setting up the ITI and recruiting civil service staff assigned to the project is a condition precedent to first disbursement of loan resources. In addition, the performance contract of the ITI manager must reach the Bank latest three (3) months after the first disbursement of loan resources.

4.1.2 Project Technical Assistance: the NPU will be supported from the start of the project, by technical assistance recruited on a competitive basis, to handle the day-to-day management of project activities. In addition, it will be responsible for preparing activity programmes and budgets, handle procurement, prepare payment requests, consolidate project accounts and prepare progress reports. The NPU will comprise an infrastructure expert, an administrative, financial and accounting officer, a monitoring/evaluation officer, a procurement expert and a capacity building and gender officer.

4.1.3 To avoid duplicating structures and ensure better synergy with on-going projects in the province, the steering mechanism used for PARIR relies heavily on the following structures, already put in place by the Government:

- * Provincial Technical Coordination Committee (CCTP): At the regional level, PARIR will be monitored by the CCTP already established in Woleu-Ntem Province at Oyem. Chaired by the Regional Territorial Director, the CCTP comprises authorities, the provincial technical services concerned and representatives of target groups. Its specific duties will be to: (i) validate PARIR's annual work programme at the end of the fourth quarter of the previous year; (ii) review the project's progress and annual reports; (iii) enhance the harmonization of PARIR's interventions with PDAR and other provincial initiatives through targeted partnerships; and (iv) make recommendations to improve the effectiveness of interventions. The current CCTP will be strengthened by local community representatives and target groups (traders, haulers, farmers and community organizations). ITI management will provide secretarial services for the CCTP, which will meet at least four times a year in ordinary session.

- * National Steering and Monitoring Committee (CNPS): at the central level, PARIR will be supported by the CNPS responsible for agricultural and rural development projects and already established by Prime Minister Order No. 2523 of 15 May 2007. The CNPS comprises consultants and Directors General of the relevant key services in each ministry involved in rural development as well as beneficiary representatives. Its key mission will be to ensure proper coordination of various project stakeholders, guide project implementation, validate the CCTP's decisions and recommendations regarding achievements and annual work programmes, and process all matters requiring arbitration at the national or local level. Under the authority of the Prime Minister, the CNPS meets twice a year in ordinary session. Its secretariat is run by the NPU.

4.1.4 To ensure proper project start-up and enhance the sustainability of the proposed infrastructure, consulting firms will be recruited on a competitive basis to monitor the works. For the implementation of project activities, the PARIR team will also rely on various decentralized directorates of MAEPDR, MEIAT, MEFEDD and MSASF. In addition, MEIAT will support the NPU from technical studies to final works acceptance.

Arrangements regarding the procurement of works, goods and services

4.1.5 All goods, works and consultancy services financed with Bank resources, will be procured in accordance with Bank Rules and Procedures for the Procurement of Goods and Works or its Rules and Procedures for the Use of Consultants, as the case may be, using the Bank's standard Bidding Documents (BD) or Request for Proposals (RFP). Through the ITI, the NPU will be responsible for preparing and launching Bid Invitations for goods and related services, and Requests for Proposals for consultancy services, as described in detail in Technical Annex B4. However, the bid appraisal committee to be set up at MAEPDR must be assisted by a technical sub-committee appointed by MAEPDR or the officer-in-charge of procurements in MAEPDR (the committee will comprise technical experts with the relevant experience and expertise). In addition, bidding documents and bid appraisal reports to be submitted to the Bank for no-objection must first be reviewed by Gabon's General Directorate of Public Procurements (DGMP) and duly endorsed in accordance with Decree No.1102/PR/MEFBP of 4 September 2003 establishing the DGMP. To lay down conditions for the effective implementation of procurement activities in compliance with Bank procedures, ITI's capacity will be strengthened with the recruitment of a procurement expert at project start-up and the provision of appropriate training during project implementation. A summary of procurement methods is given in Annex B5. The procurement plan will be prepared and discussed by the Borrower during loan negotiations.

Financial management, disbursement and audit arrangements

4.1.6 The ITI will be responsible for project financial management in accordance with organizational and accounting principles generally accepted by the Bank. Within the financial management system framework, the following actions will be undertaken upon project start-up: (i) recruitment of an administrative, financial and accounting officer; (ii) preparation, by the NPU, of an administrative, financial and accounting procedures manual based on the existing PDAR manual; and (iii) establishment of a computerized accounting system, which should enable the monitoring of project expenditure by source of financing, expenditure category and component. The project's financial statements will be prepared annually by ITI using accounting software.

4.1.7 Funds will be disbursed in accordance with the project expenditure schedule and the list of goods and services. Two disbursement methods were selected: (i) the special account method for the payment of contracts amounting to or below UA 20,000 and particularly the payment of allowances to local staff responsible for implementing the project through advances to be paid into a special account opened at a commercial bank acceptable to the Bank. The first disbursement will be made upon loan effectiveness and fulfilment of conditions precedent to first disbursement. Subsequent payments will be made after justification of the use of at least 50% of the previous disbursement and all prior disbursements, as the case may be; and (ii) the direct payment method for service providers for amounts exceeding the equivalent of UA 20,000. In addition, a special account will be opened at the *Caisse des Dépôts et Consignations* (CDC) for receiving Government counterpart funds. Evidence of the opening of two special accounts, and the initial provisioning of the account intended to receive the counterpart funds with a minimum amount of CFAF 1 billion, is a condition precedent to first disbursement of the loan

4.1.8 An external audit of project accounts will be undertaken yearly by an audit firm recruited in accordance with Bank procedures within four months following project start-up. A provision has been made to use project resources to that end. The TOR will be based on the Bank's standard format and will cover organizational, financial, accounting and internal control aspects, as well as asset protection. Opinion and internal audit control reports will be submitted to the Bank latest six months following the end of each accounting year.

4.2. Monitoring

4.2.1 The project implementation phase is estimated to span five years. This timeframe is deemed reasonable, given the type of works (mostly rehabilitation), divided into lots by district ("*département*"), and availability of engineering studies and bidding documents prior to project start-up. Through the monitoring/evaluation officer, the NPU will assume the primary responsibility for internal monitoring of project implementation and draw up gender-disaggregated quarterly progress reports with the support of the relevant services, using the formats recommended by the Bank. In particular, these reports will assess the project status, expenditure, commitments and disbursements by component, expenditure category and source of financing, the major problems encountered and solutions recommended. External monitoring will be performed by the designated representatives in the CNPS and CCTP (structures comprising the various services involved in project implementation). These structures are required to review the project status, evaluate its performance and, if necessary, recommend refocusing.

4.2.2 An operational monitoring/evaluation system will be implemented upon project start-up, with a view to monitoring the impact indicators contained in the logical framework matrix. This system will comprise two components: (i) on-going (internal and external) monitoring through the NPU, CCTP and CNPS; and (ii) impact monitoring, broken down by gender, which will be conducted through specific surveys at project start-up, mid-term and completion. In this connection, a database will be set up for agricultural statistics and the project will strengthen the capacity of the services concerned. In addition, project performance will be assessed with respect to its impact on improving food needs coverage through domestic production, reduction of the poverty rate and gender indicators: number of women trained, number of girls/boys who graduated from ENDR, income generated by the project for women traders, number of women holding positions of responsibility, etc. The Bank will field a launching mission during the first half of 2012 and half-yearly supervision

missions. It will also review project progress reports and financial statements. The Gabon Field Office (GAFO) will be involved in project implementation monitoring by providing the necessary assistance in procurement, disbursement and financial management procedures. A mid-term review will be conducted during the third year. On completion, the Government and the Bank will prepare a project completion report. The project implementation schedule is as follows:

<u>Duration:</u>	<u>Stages:</u>	<u>Monitoring Activities/Feedback Loop:</u>
October 2011	Project Approval	ADB
June 2012	Effectiveness	Government
1 st quarter 2012	Establishment of ITI/recruitment of experts	Gov./NPU/ and auditing by ADB
2 nd quarter 2012	Preparation and launch of BDs	NPU/ and auditing by ADB
3 rd Q 2012-1 st Q 2014	Procurement of vehicles, IT hardware, furniture	NPU/ and auditing by par ADB
1 st Q 2013-End 2015	Recruitment of contractors	NPU/ and auditing by ADB
1 st Q 2013-1 st Q 2016	Training of partners	NPU/ and auditing by ADB
3 rd Q 2013- 1 st Q 2017	Rehabilitation works	NPU/Enterprise/auditing by ADB
1 st Q 2014 -1 st Q 2016	Equipment CIAM, ENDR, CMCE, markets	NPU/auditing by ADB
2 nd quarter 2015	Project mid-term review	Government/ADB
3 rd quarter 2017	Project completion report	Government/ADB

4.3. Governance

4.3.1 In Gabon, problems of governance mainly relate to public finance management and the persistence of a number of weaknesses in accountability. The country ranks 110th out of 178 countries in Transparency International's Corruption Perception Index for 2010. In this connection, the Government has restated its commitment to combat corruption by undertaking public administration reforms, including the conduct of a public service audit in 2009/2010, which highlighted major malfunctions. The Government also announced an audit of the oil sector in April 2011 aimed at better identifying financial flows – an initiative that could lead to the establishment of a national oil and gas corporation. The recent reforms of the current procurement system have not been completed, and the decentralization process adopted has not yet become effective. The Bank's 2010 portfolio review highlighted the Administration's weak capacity to implement procedures as one of the main causes of the inefficiency of the procurement system in respect of some contracts financed by the Bank and other TFPs. Furthermore, public finance management is undermined by weaknesses in budget planning, implementation and control. Hence, to enable the creation of an atmosphere conducive to good governance, the country has initiated public finance management reforms, including the adoption of a new Organic Law No. 31/2010 on finance laws and budget implementation, as well as the establishment of a new public accounting information system.

4.3.2 To reduce the above risks and consolidate good governance, the project provides for a mechanism comprising a range of measures to be implemented, namely: (i) strengthening the capacity of administrative services and various stakeholders involved in implementing and operating the project; and (ii) training project staff to follow Bank's rules of procedure regarding disbursements and procurement of works, goods and services. In addition, the Bank will enforce effective compliance with annual audit recommendations made by the external auditors.

4.4. Sustainability

4.4.1 The Government has included PARIR as a priority operation in its development strategies (the "Gabon Emergent" Strategic Plan and the Agricultural and Rural Strategy).

PARIR's implementation is supported by both the sector ministries and communities on the ground. To facilitate the management of outputs, all relevant stakeholders were involved throughout the project preparation process and specific training selected for them. The project focused on marketing infrastructure serving this area, which is endowed with great agricultural production potential and dynamic rural organizations, and where IFAD is currently supporting the development of major crops. These characteristics militate in favour of strengthening local dynamics and promoting various economic operators in the province, thereby boosting revenue collection by local communities and management committees for use in maintaining the infrastructure built by the project.

4.4.2 The geometric characteristics selected for feeder roads meet the design standards in force in Gabon for the priority network, maintenance of which is financed with resources from RMF II. The TFPs support RMF II, particularly the EU which is funding the country's Road Maintenance Programme Support Project (PERFED). Technical implementation studies have identified quality construction materials in the project area. In addition, works control (on roads and related infrastructure) will be conducted by consultants to ensure the quality of such infrastructure. In light of the: (i) current annual budget of RMF II, which increased in 2010 from CFAF 33 to 38 billion; (ii) changes in the budget disbursed to RMF II (CFAF 27.1 billion in 2009 against CFAF 16.8 billion in 2007) and the increase in the linear length of roads rehabilitated (1,873 km in 2009 against 330 km in 2007); and (iii) Government's commitment to integrate the rehabilitated roads into the priority road network upon project completion and support their maintenance (cf. MECIT's Letter in Appendix VI), it is expected that the rehabilitated roads will have a normal life span. Proof of inclusion of the maintenance of PARIR rehabilitated roads in RMF II's annual budget starting from 2015 is another condition that must be fulfilled.

4.4.3 In addition, MEIAT, through the General Directorate for Road and Aerodrome Maintenance (DGERA), will be involved in implementing the road rehabilitation project from the planning to final acceptance stages. Furthermore, local road maintenance committees (CLERs) will be involved in the works, with the project providing the necessary equipment and training. Thereafter, the CLERs will be supported by the public works subdivision with financial resources from the District Council to install rain barriers to keep the roads motorable and further improve rural mobility. To enhance the sustainability of this operation, it is expected that the loan resources will finance the maintenance of rehabilitated roads in the first two years before they are entrusted to RMF II and CLER, to whom maintenance kits will be distributed.

4.4.4 Traders' associations will be responsible for managing markets, water points, latrines and stalls. The funds raised will be shared, in accordance with current practice, between local communities and the associations, to maintain the infrastructure, clean the markets and raise user awareness. Operating costs were estimated at CFAF 600,000 per year for standard markets. These can easily be covered by the expected increase in revenue, estimated at CFAF 750,000 per year. The recurrent costs of such structures as ENDR, CIAM and CAFC will be borne annually by the operating budget without difficulty.

4.5. Risk Management

4.5.1 The first category of risks relates to: (i) lack of infrastructure maintenance, and (ii) inadequate cooperation between partners/beneficiaries and the project. Among the mitigative measures, the following are worth noting: (i) PARIR will finance the maintenance of roads

during the first two years following their rehabilitation; (ii) MEIAT is committed to integrating the rehabilitated roads into the priority road network, maintenance of which is financed by the TFP-supported RMF II; (iii) the project will establish and train management committees for the infrastructure to be built; (iv) the installation of rain barriers; and (v) the inclusion of the maintenance of rehabilitated roads in RMF II's annual budget, starting from 2015. In addition, the sensitization and training programme planned by the project, the economic impact produced by PDAR activities and the revival of business activities, are all likely to create a more conducive atmosphere for private sector involvement in agriculture and foster the participation of partners and beneficiaries in the project.

4.5.2 The second category of risks relates to insufficient ownership caused by the weak capacity of the technical services of the ministries concerned, the low interest shown by partners and beneficiaries in the training provided, and the poor performance of contractors selected to implement the works. These risks will be mitigated by the: (i) sustained participation of all stakeholders in project design; (ii) arrangements adopted by PARIR to motivate the regional and central structures involved and build their capacity; and (iii) diversification and targeting of training themes, based on the real needs of the various stakeholders concerned. The risk regarding the poor performance of contractors will be mitigated by: the presence of supervision missions on each site, regular works quality control by MEIAT's provincial technical services, the involvement of the Oyem-based Technical Assistance in assessing the performance of all project contractors, regular project implementation monitoring by the Provincial Steering Committee and adoption of SME training as one of the key components of Gabon's road maintenance programme financed by the EU and implemented by RMF II. PARIR also has a training component for these SMEs. In the end, this will enhance the technical capacity of SMEs to secure resources for road maintenance and facilitate payment for services rendered by contractors. These are the necessary conditions for the development of SMEs and a good road network maintenance policy.

4.5.3 Fiduciary risks constitute the third category. They relate to transparency in procurements, management of financial flows and project accounting. These risks will be mitigated by the: (i) recruitment of a qualified administrative, financial and accounting officer; (ii) recruitment of a procurement expert; (iii) preparation of an administrative, financial and accounting procedures manual from project start-up; (iv) purchase of accounting software that takes project specificities into account; (v) organization of a project launch workshop during which the accounting team would be trained in Bank rules and procedures; and (vi) recruitment of an independent audit firm.

4.6. *Knowledge Building*

4.6.1 By establishing a gender-disaggregated monitoring/evaluation system, PARIR will help to provide the Bank with further information on the impact of private sector promotion, agricultural production improvement, food security consolidation and poverty reduction. Support for private sector development by opening up access to agricultural production areas, improving market access and building the capacity of partners, will enable this sector to play its role as the engine of strong and diversified economic growth, and the Bank to draw relevant lessons for similar operations in future. Furthermore, the Bank's increased involvement in Gabon's infrastructure, agricultural and rural development sectors will allow it to contribute, alongside the other TFPs, to the recovery of the country's economy and the development of strategic job-generating sectors for poverty reduction. As in other countries,

this will enable the sector to play a major role in responding to the food crisis and help it to strengthen the synergy between partner interventions. In addition, it will serve as a catalyst for mobilizing financial resources for the country.

4.6.2 The introduction of solar energy on a trial basis for water pumping and lighting in rural areas will improve knowledge about adapting this technology, and may subsequently lead to its extension. Support provided by ENDR will enhance the technical level of youths who will be vectors of new technologies in their professional environment. The support from CIAM and CAFC will ensure the provision of suitable, high-yielding plant material and introduce modern production methods in rural areas. In addition, the implementation of several IEC themes beneficial to women and youths, who will play a crucial role on markets and in villages, will eventually improve the living conditions of beneficiaries and their knowledge level. The key knowledge and lessons from implementing PARIR will be fed into the database of MAEPDR's General Directorate of Statistics, and serve as reference for future operations in the agricultural and rural sector. Summaries will be posted on Bank and MAEPDR websites.

V. LEGAL FRAMEWORK

5.1. *Legal Instrument*

This is an ADB loan to be granted to the Government of Gabon for use in co-financing this project.

5.2. *Conditions Associated with Bank's Intervention*

5.2.1. Conditions precedent to loan effectiveness: Effectiveness of the Loan Agreement shall be subject to fulfilment, by the Borrower, of conditions set forth in Section 12.01 of the *General Conditions Applicable to Loan Agreements and Guarantee Agreements*.

5.2.2 Conditions precedent to first disbursement: In addition to loan effectiveness, the first disbursement of loan resources shall be subject to the Borrower's fulfilment of the following conditions to the Bank's satisfaction:

- (i) Evidence to the ADB of establishing the Technical Implementation Team (TIT) and recruiting its members whose experience and qualifications the ADB would have been deemed acceptable (paragraph 4.1. 1); and
- (ii) Evidence to the ADB of opening: (a) a special account in foreign exchange in a bank acceptable to ADB to receive ADB resources; and (b) a special account with the *Caisse des Dépôts et Consignations* to receive the counterpart contribution, and proof of initial provisioning of the account with a minimum of CFAF 1 billion (paragraph 4.1.7).

5.2.3 Other Conditions: In addition, the Borrower shall:

- (i) Submit to the ADB for approval latest within three (3) months following the first disbursement of loan resources: (a) the project implementation procedures manual and proof of procurement of the accounting software; and (b) the performance contract of the project team leader (paragraphs 4.1.1 and 4.1.6);

- (ii) Provide the ADB, upon project start-up, with proof of recruiting the administrative, financial and accounting officer on a competitive basis (paragraph 4.1.6);
- (iii) Provide the ADB, upon project start-up, with proof that MAEPDR considers PARIR among its priorities, to guarantee the effective availability of the counterpart contribution (paragraph 115 of the Annexes); and
- (iv) Provide ADB, from 2015, with proof of including PARIR's rehabilitated road maintenance programme in the RMF II annual budget (paragraph 4.4.2).

5.2.4 Commitments: The Borrower undertakes to implement the Environmental and Social Management Plan (ESMP) and to transmit, in a form acceptable to the Bank, quarterly reports on the status of implementation of the Plan.

5.3. *Compliance with Bank Policies*

5.3.1 This project complies with the Bank's intervention strategy in Gabon, which lays emphasis on infrastructure development as an indispensable prerequisite in support of private sector development, diversification of sources of economic growth and consolidation of food security.

5.3.2 The project is technically feasible and economically viable. The infrastructure to be built will help the country to meet its agricultural produce needs. In addition to improving socio-economic and environmental conditions, the project will allow for the resumption of trade flows in Woleu-Ntem Province, in the region and among neighbouring countries.

VI. RECOMMENDATION

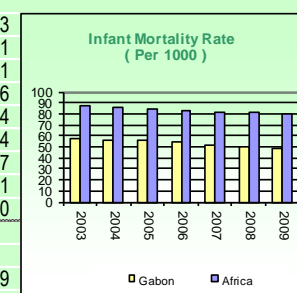
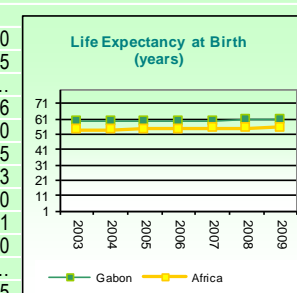
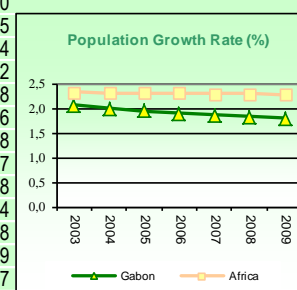
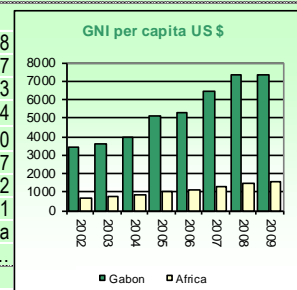
Management recommends that the Board of Directors approve the proposal to award a loan of UA 44 million to the Republic of Gabon for the purpose and in accordance with the conditions outlined in this report.

Gabon: Comparative Socio-economic Indicators

Gabon

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Gabon	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		268	30 323	80 976	54 658
Total Population (millions)	2010	1,5	1 031,5	5 659	1 117
Urban Population (% of Total)	2010	86,0	39,9	45,1	77,3
Population Density (per Km ²)	2010	5,6	34,0	69,9	20,4
GNI per Capita (US \$)	2009	7 370	1 525	2 968	37 990
Labor Force Participation - Total (%)	2010	48,8	40,1	61,8	60,7
Labor Force Participation - Female (%)	2010	46,9	41,0	49,1	52,2
Gender -Related Development Index Value	2007	0,748	0,433	0,694	0,911
Human Develop. Index (Rank among 169 countries)	2010	93	n.a	n.a	n.a
Popul. Living Below \$ 1 a Day (% of Population)	2005-08	4,8	42,3	25,2	...
Demographic Indicators					
Population Growth Rate - Total (%)	2010	1,8	2,3	1,3	0,6
Population Growth Rate - Urban (%)	2010	2,3	3,4	2,4	1,0
Population < 15 years (%)	2010	35,6	40,3	29,0	17,5
Population >= 65 years (%)	2010	5,1	3,8	6,0	15,4
Dependency Ratio (%)	2010	66,4	77,6	55,4	49,2
Sex Ratio (per 100 female)	2010	99,9	99,5	93,5	94,8
Female Population 15-49 years (% of total populatic)	2010	25,8	24,4	49,4	50,6
Life Expectancy at Birth - Total (years)	2010	61,3	56,0	67,1	79,8
Life Expectancy at Birth - Female (years)	2010	62,5	57,1	69,1	82,7
Crude Birth Rate (per 1,000)	2010	26,6	34,2	21,4	11,8
Crude Death Rate (per 1,000)	2010	9,3	12,6	8,2	8,4
Infant Mortality Rate (per 1,000)	2010	47,2	78,6	46,9	5,8
Child Mortality Rate (per 1,000)	2010	73,3	127,2	66,5	6,9
Total Fertility Rate (per woman)	2010	3,2	4,4	2,7	1,7
Maternal Mortality Rate (per 100,000)	2008	260,0	530,2	290,0	15,2
Women Using Contraception (%)	2005-06	61,0	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-09	29,0	58,3	109,5	286,0
Nurses (per 100,000 people)*	2004-09	467,3	113,3	204,0	786,5
Births attended by Trained Health Personnel (%)	2005-07	...	50,2	64,1	...
Access to Safe Water (% of Population)	2008	87,0	64,5	84,3	99,6
Access to Health Services (% of Population)	2004-09	50,2	65,4	80,0	100,0
Access to Sanitation (% of Population)	2008	33,0	41,0	53,6	99,5
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2007	5,9	4,9	0,9	0,3
Incidence of Tuberculosis (per 100,000)	2009	501,0	294,9	161,0	14,0
Child Immunization Against Tuberculosis (%)	2009	71,0	79,9	81,0	95,1
Child Immunization Against Measles (%)	2009	63,0	71,1	80,7	93,0
Underweight Children (% of children under 5 years)	2005-07	...	30,9	22,4	...
Daily Calorie Supply per Capita	2007	2 755	2 465	2 675	3 285
Public Expenditure on Health (as % of GDP)	2008	4,1	5,7	2,9	7,4
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2004-09	134,3	102,7	107,2	101,3
Primary School - Female	2004-09	133,9	99,0	109,2	101,1
Secondary School - Total	2005-08	...	37,8	62,9	100,1
Secondary School - Female	2005-08	...	33,8	61,3	99,6
Primary School Female Teaching Staff (% of Total)	2004-09	44,7	47,0	60,5	81,4
Adult literacy Rate - Total (%)	2008	87,0	64,8	80,3	98,4
Adult literacy Rate - Male (%)	2008	90,9	74,0	86,0	98,7
Adult literacy Rate - Female (%)	2008	83,2	55,9	74,8	98,1
Percentage of GDP Spent on Education	2005	...	4,6	3,8	5,0
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2008	1,3	7,8	10,6	10,9
Annual Rate of Deforestation (%)	2005-09	...	0,7	0,4	-0,2
Annual Rate of Reforestation (%)	2005-09	...	10,9
Per Capita CO2 Emissions (metric tons)	2009	3,1	1,1	2,9	12,5



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators;

last update :

May 2011

UNAIDS; UNSD; WHO; UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

Appendix II

Table of ADB Active Portfolio in the Country as at 31 May 2011

Project Name	Approval	Amount (UA million)	Signature Date	Effectiveness	Closing Date	Amount Disbursed (UA million)	Age	% Disbursed	Performance Indicator
TRANSPORT		221.9						36.05	2.1
PR 1	Sept. 07	221.9	Oct. 07	Sept. 08	Dec. 12	80	4	36.05	
AGRICULTURE		23.89						52.11	2.08
PSPA	Jul. 05	14.75	Oct. 05	Sept. 06	Dec. 11	3.31	6	22.41	
SIAT Gabon	12-Sept.-2007	9.14	Feb.-08	Feb.-08	Dec.-10	9.14	4	100	
Study on the Development of Agricultural Production Infrastructure	Jan. 2011	0.47	March 11	-		-	0.5	-	
SOCIAL		102.28						1.11	
Education IV	July 09	99.3	March 10	-	Dec. 15		2	-	
National Employment and Unemployment Survey	June 09	0.5	Jan. 10	Jan. 10	Dec. 11	0.29	2	57.34	
Study on CNAMGS Capacity Building	15-Oct.-2010	0.5	Feb. 11	-	Dec.11	-	0.75	-	
Population and Health Census	2-Feb-2011	0.5	-	-	Dec.12	-	0.33	-	
Study of Three Catchment Basins	June 09	1.48	Feb. 10	Feb. 10	Dec. 11	0.85	1	52.7	
TOTAL		348.54				93.59		26.88	2.09
Private Sector		9.14				9.14		100	
Public Sector		339.4				84.45		24.92	

Appendix III:

Major Related Projects Financed by the Bank and Other Development Partners

Donors	Foreign Exchange Amount (in million)	CFAF Amount (in million)	Loan or Grant	Activities
AFD	EUR 5.9 m	3,900	Loan	Suburban Market Gardening Support Project (PADAP) via IGAD
AFD	EUR 0.4 m	262	Grant	Financing PADAP Technical Coordinator
ADB	USD 22.4 m	11,355	Loan	Fisheries and Aquaculture Sector Support Project (PSPA)
ADB	UA 0.47 m	372	Grant	Study on the Development of Agricultural Production Infrastructure
FAO	USD 0.52 m	257	Grant	DFID-funded Artisanal Fishing
FAO	USD 0.35 m	173	Grant	Industrial Gishing
FAO	USD 0.26 m	129	Grant	Micro-garden Project
IFAD	USD 6.00 m	2,970	Loan/Grant	Agricultural and Rural Development Project
UNHCR	USD 42,000/yr.	21/yr	Grant	Support for Agricultural Activities to Promote Food Self-sufficiency among Refugees
JICA	EUR 5,945.12	3,900	Grant	Development of a Fisheries Centre at Lambaréné
JICA	EUR 1.82 M	1,200	Grant	Support for the Artisanal Fisheries Master Plan
EU	EUR 7.0 M	4,585	Loan	Village Water Supply Programme
EU	EUR 1 M/yr	677/yr	Grant	Fishing Agreements 2006-2011, targeted resources
EU	EUR 0.66 M	433	Grant	PACE-Pan-African Animal Disease Control Programme (Gabon component)
EU	EUR 0.8 M	525	Grant	Avian Flu Control
USAID	USD 20,000	10	Grant	Procurement of Agricultural Implements for Refugees

Map of Project Area



¹ This map has been prepared by the African Development Bank Group for the convenience of the readers of the report to which it is attached. The denominations used and the boundaries shown on this map do not imply on the part of the Group and its affiliates judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

Appendix V

Project Cost by Component, Category and Source of Financing

Summary of Project Cost Estimate by Component

COMPONENTS	In CFAF million			In UA thousand			%	%
	FOR. EX	LC	TOTAL	FOR. EX	LC	TOTAL	FOR. EX	Base C.
Component A: Rehabilitation of Rural Infrastructure	15.407	10.176	25.583	20.947	13.835	34.782	60	69
Component B: Capacity Building	6.487	2.358	8.845	8.819	3.206	12.026	73	24
Component C: Project Management and Coordination	746	1.987	2.733	1.015	2.701	3.715	27	7
Total Cost	22.641	14.521	37.162	30.781	19.742	50.523	61	100

Breakdown of Project Cost by Expenditure Category and Source of Financing

Expenditure Category	In CFAF million			In UA thousand		
	ADB	GVT	TOTAL	ADB	GVT	TOTAL
Works	20.178	2.535	22.713	27.433	3.446	30.879
Goods	1.521	0	1.521	2.068	0	2.068
Services	7.084	0	7.084	9.630	0	9.630
Operating Expenses	266	1.928	2.193	361	2.621	2.982
Total Base Cost	29.048	4.463	33.511	39.492	6.068	45.560
Physical Contingencies	2.307	233	2.540	3.136	317	3.453
Financial Contingencies	1.009	102	1.111	1.372	139	1.511
Total Cost	32.364	4.798	37.162	44.000	6.523	50.523

Details of Loan Amount by Expenditure Category

Expenditure Category	In CFAF million			In UA thousand		
	FOR. EX	LC	TOTAL	FOR. EX	LC	TOTAL
Works	13.118	7.060	20.178	17.835	9.598	27.433
Goods	1.186	335	1.521	1.613	455	2.068
Services	5.443	1.640	7.084	7.401	2.230	9.630
Operating Expenses	0	266	266	0	361	361
Total Base Cost	19.748	9.300	29.048	26.848	12.644	39.492
Physical Contingencies	2.032	275	2.307	2.762	374	3.136
Financial Contingencies	861	148	1.009	1.171	201	1.372
Total Cost	22.641	9.723	32.364	30.781	13.219	44.000

Breakdown of Project Cost by Expenditure Category and Source of Financing

Expenditure Category	In CFAF million					In UA thousand				
	GVT	ADB			Total	GVT	ADB			Total
		LC	FOR. EX	LC			S/Total	LC	FOR. EX	
Works		13.118	7.060	20.178	40.356	0	17.835	9.598	27.433	54.866
Goods		1.186	335	1.521	3.042	0	1.613	455	2.068	4.136
Services		5.443	1.640	7.084	14.167	0	7.401	2.230	9.630	19.261
Operating Expenses	4.463	0	266	4.728	9.191	6.068	0	361	6.429	12.496
Total Base Cost	4.463	19.748	9.300	29.048	33.511	6.068	26.848	12.644	39.492	45.560
Physical Contingencies		233	2.032	2.307	2.540	317	2.762	374	3.136	3.453
Financial Contingencies		102	861	1.009	1.111	139	1.171	201	1.372	1.511
Total Cost	4.798	22.641	9.723	32.364	37.162	6.523	30.781	13.219	44.000	50.523

Appendix VI

Government commitment to integrate the rehabilitated roads into the priority road network on project completion, and to assume responsibility for their maintenance

MINISTRY OF THE ECONOMY, TRADE,
INDUSTRY AND TOURISM

.....
Minister's Office

.....
Address: P.O. BOX 747 Libreville (GABON)

Tel.: 00 241 79 56 27

Fax: 00 241 72 18 18

No. 000487/MECIT/CABM/MM

REPUBLIC OF GABON
Union-Work-Justice

Libreville, 7 DEC. 2010

The Minister,
TO
The President
of the African Development Bank

TUNIS

Subject : Rural Infrastructure Rehabilitation
Support Project (PARIR)

Mr. President,

The Government of the Republic of Gabon is pleased with your positive reaction to its request for your support in financing the rehabilitation of rural infrastructure in the Northern region of the country. This infrastructure is of critical importance and will supplement IFAD's rural development assistance in Gabon.

The project we are currently appraising in conjunction with your services should be completed in 2015. Thereafter, the Government undertakes to guarantee the sustainability of the said rural road network. Measures will be taken to ensure the financing of its maintenance, particularly by incorporating such roads into the priority road network maintenance programmes financed with resources from the second generation Road Maintenance Fund (RMF II). RMF II is included in the annual State budget, with due allowance being made for any new structure.

I would like to thank you for your usual cooperation. Please accept, Mr. President, the assurance of my highest consideration.

By Order of the Minister

Paul Bunduku-Lanja
Minister-Delegate