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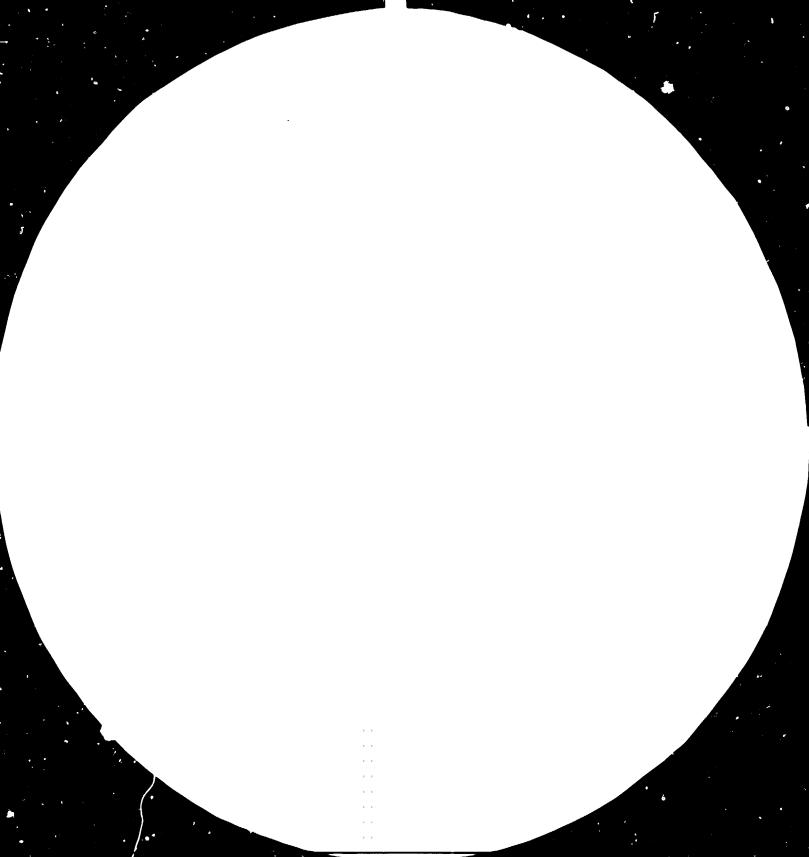
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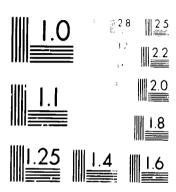
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REPORT OF THE UNIDO PROGRAMMING MISSION *

TO GABON

5 - 15 April 1983

prepared by

Programme Development and Evaluation Branch
Division of Policy Co-ordination

562

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CONTENTS

	page
Summary	ii
Acknowledgements	ii
Introduction	1
Background	1
Brief synopsis of work done	1
Follow-up actions to be taken (Attachment I)	4
Outcomes of the discussions (Attachments II to X)	7-24
List of Persons met (Attachment XI)	25

SUMMARY

- a) As initially agreed upon between UNDP and UNIDO, the Mission was built as a programme-oriented mission to cover mainly two purposes:
 - The first was to investigate, in consultation with UNEP/Libreville, the potential areas of co-operation with the Gabonese Government.
 - The second was to discuss possibilities for cost-sharing and Trust Funds arrangements with UNDP and Government authorities.
- After the first meeting of the Mission members with the UNITH Resident Representative and his staff, the need arose to include into the scope of the Mission approaches to revive interest of the Gabonese authorities in UNIDO's activities.
- c) The work accomplished by the Mission covered also actions to permit preparing the ground for future specific programming and formulation tasks.

ACKNOWLEDGEMENT'S

The Mission members wish to express to Mr. David Mc Adams, UNDP Resident Representative in Libreville, Gabon and the UNDP staff their gratitude for their excellent assistance and material support during this programming mission. They particularly want to extend their thanks to Mr. Ermest Fausther, Assistant Principal du Programme at UNDP for his dedication and efforts during most of the meetings held with the Government officials.

INTRODUCTION

A UNIDO Mission consisting of the following members visited the Gabonese Republic in April 1983:

- (1) Mr. A. BAH, Industrial Development Officer, Division of Industrial Operations; and
- (2) Mr. I. DJTBO, Associate Industrial Development Officer, Programme Development and Evaluation Branch, Division of Policy Co-ordination.

The Mission reached Libreville in the evening of 5 April 1983. The Mission members worked closely together until the departure of Mr. Djibo on 14 April 1983 while Mr. Bah stayed one more day. It is rather essential to give a background against which the Mission was conducted before going into details.

BACKGROUND

The Minister of Industry of Gabon visited UNIDO headquarters in October 1980 and the Executive Director also visited Gabon in January 1981. After these visits at the highest levels and numerous project ideas, there was only one on-going project (GAB/78/005, EFIT) which was subsequently deleted from the Country Programme early this year. UNIDO therefore ends up with no activity in this country where the GNP per capita is US\$ 3,630 and where many raw materials are just abundant (e.g., wood, manganese, uranium). Prospects of industrial development exist in Gabon and the needs for assistance from UNIDO have been expressed many times at the highest levels. Based on these premisses, we kept constantly in touch with UNDP/Libreville before fielding the Mission.

BRIEF SYMOPSIS OF WORK DOME

- A. Meetings with Mr. David Mc Adams, UNDP Resident Representative in Gabon, to discuss:
 - (i) the situation of the country IPF, the signature of an agreement between the Government of Gabon and UNDP for cost-sharing arrangements, and the payment by the Gabonese authorities of 80 % of multilateral assistance costs;
 - (ii) the reasons which led to the deletion of the project GA3/78/QO5, EFIT, from the Country Programme, therefore curtailing UNIDO's programme to nil;

- (iii) The ways and means to assist the Gabonese Government in its industrialization process (potential areas of co-operation and firancing arrangements);
- (iv) the UNEP office support to UNIDO's renewed efforts to re-establish its technical assistance in Gabon.
- B. Meetings and discussions held with Government officials:
 - (i) Ministre délégué auprès du Ministre d'Etat, chargé du commerce et de l'industrie to expose the purpose of the Mission and to get the official approval for future contacts and discussions with other governmental authorities.
 - (ii) The Director of Industry at the Ministry of Commerce and Industry to discuss three major points: (1) general problems and issues of the industrial sector in the Gabonese economy; (2) the priority sub-sectors of industry which need UNIDO's assistance, and (3) problems and funds available to finance the priority project ideas. The voluntary contribution of Gabon to UNIDF was also taken up by the Director of Industry.
 - (iii) The Elrector of Programming and Studies at the Ministry of Public Works, Equipment and Construction to talk about (backed by a film showing) the project on Wooden Bridges made from modular elements and on a Repair and Maintenance Workshop for public works vehicles and equipment.
 - (iv) The Director General of Mines and Geology at the Ministry of Mines and Hydrocarbons where we were informed of the situation of the mineral resources of Gabon, the general guidelines of the industrial processing of these resources, the different major projects of interest, and how UNIDO could assist the Ministry.
 - (v) Mr. Rebuffel, Technical Assistant at the Ministry of Energy and Hydraulic Resources, to expose UNIDO's competence in the field of energy (new and renewable sources of energy, energy utilization planning, and energy saving).

- (vi) The Director of Projects at the Commissariat au Plan to assess the co-operation between UNIDO and the Government of Gabon (problems encountered, issues, areas of future fruitful collaboration), to discuss the perspectives of financing projects and to talk about the importance of industry at the level of the planning process in Gabon and the possible integration of UNIDO in that process.
- (vii) The Director of Participations at the Ministry of Planning,
 Development and Participations with whom was made a review
 of the Gabonese Government policies in participation (shares
 ownership and management), in the Gabonisation of the staff
 in the enterprises, and in training.
- G. Meetings and discussions held with the Director General and his colleagues of ISTA (Institut Sous-régional Multisectoriel de Technologie Appliquée, de Planification et d'Evaluation de Projets) to "record" the progress made on the implementation of this project (DP/RAF/81/015), the problems actually unsolved, the solutions proposed and foreseen, and the highly appreciated contribution of UNEP/UNIDO to the Institue.

FOLLOW UP ACTIONS TO BE TAKEN

I. From UNDP/Libreville

- Approach the following governmental bodies and/or authorities with the following actions:
- A. Ministry of Commerce and Industry (Mr. Essiane, Director of Industry):

 Get the official request from the Ministre délégué and Mr. Essiane
 regarding priority areas of co-operation with UNIDO; get a copy of
 the proposed re-organization chart of the Ministry; start discussions
 with Mr. Essiane about his proposal to undertake this year an
 industrial diagnosis (which would lead to the formulation of an
 industrial strategy) to be financed by the Government (Mr. Essiane
 said that a total amount of CFAF 300 million is available at the
 Ministry of Planning for this purpose); transmit to the Minister of
 Industry a copy of the mission report along with our sincere
 thanks for their co-operation
- 3. Ministry of Planning, Development and Participations:

 Kindly remind to Mr. Raphael Ondo NDOWG, Director of Participations,

 that he promised to send an official request concerning the training

 needs of his directorate he mentioned to Mr. Bah whose activities

 could be financed by Gabon.
- C. Ministry of Public Works, Equipment and Construction:
 A cable no. 28315 was sent on 25 April 1983 requesting some actions to be taken as a preliminary follow-up to the programming mission (i.e., wooden bridges, copy of the film short cut). The question of wooden bridges is probably one of the most tangible results of the programming mission and should be fully considered.
- D. Ministry of Mines and Hydrocarbons:

 The essential work to be done at this level is to make sure that the requests which the Director General of Mines and Geology (Mr. P. AMPAMBA-GOUERANGUE) promised to send, are forthcoming as it was agreed upon. Mr. FAUSTHER is well aware of the details since he attended that meeting.

E. Ministry of Energy and Hydraulic Resources:

Mr. MEBUFFEL, the Technical Assistant at this Ministry, was to
forward as soon as possible to UNEP a request in the fields of
energy utilization planning and energy saving. He should be
reminded in that sense.

II. From IO/PLAY

The Mission members have already oral presentations of the results and the follow-up actions needed with Mr. G. LATORTUE, Head of IO/PIAN.

It is of utmost importance that Mr. Latortue himself who knows very well the African scene and is French-speaker to stop by in Libreville for two to three days and have talks at the Ministry of Commerce and Industry concerning points raised in Attachment III, IV, and VIII. It is suggested that Mr. Latortue takes along with him project proposals for (1) Assistance for re-organization of the Ministry (in consultation with IO/INFR), and (2) Assistance in industrial diagnosis for an industrial strategy. Probably, it would be good to inform the Gabonese authorities about the on-going projects in Cameroon (IP/CMR/81/007, Formulation of an Industrial Masterplan) and in Congo (IP/PRC/81/007). Mr. Latortue would also discuss the allocation of the CFAF 300 millions mentioned by Mr. Essiane, Director of Industry, for the assistance requested in the formulation of the industrial strategy.

III. From IO/FCTY

Actions are needed once official requests will be received here for issues mentioned in Attachments III (management training at plant level) and IX.

IV. From IO/TRNG

Almost all ministries have requested training programmes and therefore IO/TRNG is to keep a close look at all Attachments. Mr. G. Steven's kind attention is of course called upon Attachment X concerning ISTA (DP/RAF/3) 015).

7. From IO/INFR

Follow-up actions will be needed in relation to Attachment IV (Assistance to the re-organization of the Ministry) and IX (Strengthening the operational capacity of the 4 services of the Directorate of Participations).

VI. From IO/FEAS

The Director of Industry (see Attachment IV) has expressed the lesire to undertake some pre-feasibility and feasibility studies. IO/FEAS is to take an active role in this aspect if positive results are obtained from further consultations.

VII. From IO/AGRO

The Ministry of Public Works, Equipment and Construction of Gabon has expressed vivid interest to the project idea on Wooden Bridges. In Attachment V there is some background information which could be used for further action.

VIII. From 10/MET

The attention of the Metallurgical Industries Section is called in regard to some ideas raised by the Director General of Mines and Geology (see Attachment VI).

IX. From IO/CHEM

Here again the main follow-up actions would eventually come from the results which might emerge after our contacts with the Ministry of Mines and Hydrocarbons (Attachment VI).

OUTCOMES OF THE DISCUSSIONS

(Attachments II to X)

Meetings with the UNDP Resident Representative in Libreville

The Resident Representative depicted the situation of the coutnry IPF and the prospective for any chance to get projects financed under these funds. According to the Resident Representative, there has been an agreement between the Government of Gabon and UNDP for cost-sharing arrangement under which the Gabonese authorities pay 80 % of all multilateral assistance project costs. For the year 1983, the Government has pledged already 500 million CFAF. These funds will be made available to UNDP.

The Resident Representative explained the reason which led to the ieletion of the project GAB/78/005, EFIT, from the Country Programme. Professional and strict social problems were encountered under this project. It seems that the two experts who were working on this project successively as Project Manager, Mr. Lansler and Mr. Stiegler, were both responsible for some attitudes which hurted the Gabonese authorities. According to the Resident Representative, these two experts were not able to cope with their rational counterparts. It came to the point that the former Commissaire Général au Plan (and formerly Chef du Cabinet civil de la Présidence de la République) Mr. Maganga-Maganga called upon the Resident Representative to require the departure of Mr. Lansler from Cabon because this latter had problems with some personalities of the country. A second case was that the Director of projects at the Commissariat du Plan, Mr. Vaubou, called also the Resident Representative to request the departure of Mr. Stiegler from Gabon. After this situation which seemingly was reported to UNITEO, the Worldoank proposed to the Government of Gabon its assistance in the same field as the project EFIT. One can comprehend why the Gabonese Government asked UNDP to delete the only ongoing UNIDO project in favour of the World Bank project.

The Resident Representative outlined what he thinks would be the best ways and means to assist the Gabonese Government in its industrialization process. Among other things, the Resident Representative mentioned that areas of co-operation between UNIDO and Gabon could be: (a) industrial diagnosis; (b) training; (c) assistance to agro-industrial units; and (1) the wood industry.

In terms of financing of projects under cost-sharing and trust fund arrangements, the Resident Representative said that there would be less possibilities for such financing arrangements due to recent economic conditions affecting also Gabon.

The Resident Representative suggested that UNIDO could propose a project to the Gabonese Government to create at the Ministry of Industry a division responsible for industrial promotion. We also think that this type of division could be of great help to a country with high potentials for industry.

The UNDP office in Libreville promised all its support to UNIDO's efforts to re-establish its technical assistance in Gabon. The Resident Representative asked that UNIDO indicates as soon as possible the follow-up actions needed that could be undertaken by his office to pursue our efforts.

Meeting with the Ministre Délégué après du Ministre d'Etat, chargé du Commerce et de l'Industrie

The Mission members got the opportunity to meet the highest authority of the Ministry responsible for industry in Gabon during the absence of the State Minister himself who was that time in Buenos Aires, Argentina, chairing a conference of the Group of 77. The Mission members exposed to the Ministre Délégué the purpose of the programming mission in relation to what UNIDO could do in technical assistance and as a follow-up to the Executive Director's visit to Gabon in January 1981 and the visit of the Minister of Industry to UNIDO headquarters from 20 to 22 October 1980. We recalled that despite these high level visits and the good opportunities for industrial development in Gabon, the fact that UNIDO is the agency of the UN system which is mandated to undertake the necessary steps for the industrialization of developing countries the activities of UNIDO at the national level are nil. We also stressed the necessity for this country to take advantage of the technical assistance opportunities UNIDO offers. The Ministre Délégué is not keenly aware of the activities that UNIDC could perform because he was newly appointed to his post. He invited the Director of Industry who is more in the picture to join the meeting.

We reported to the Ministre Délégué UNIDO's willingness to re-establish its co-operation in Gabon and we requested that all efforts be given from the Government officials to help us identify the appropriate areas of. co-operation.

The Ministre Délégué and his colleagues present at this meeting indicated what they think would be the priorities of co-operation for UMIDC technical assistance to Gabon. The <u>first priority indicated is an industrial diagnosis</u> which would lead to a general strategy for industrial policy in Gabon. Other areas mentioned were agro-industry, fishing industry, and the wood industry. The Ministre Délégué invited us to meet the Director of Industry to have a thorough and more detailed discussion on these areas.

He promised that an official request will follow in which all the areas of co-operation with UNIDO will specifically be mentioned.

Meeting with the Director of Industry and his colleagues

We started the meeting with an overview of the general problems and issues of the industrial sector in Gabon, e.g., the Director indicated that the participation of Gabonese from the private sector in industry is very low and that there should be more promotional activities and incentives to attract nationals in this very important sector of the economy.

The Director of Industry presented to us priority sub-sectors of industry which need UNIDC's assistance:

- (a) Industrial diagnosis: This would be a study and analysis of the industry in Gabon in view to prepare a complete strategy for industrialization of the country, taking into account the natural resources available.
 - The Director of Industry informed us that the Government had CFAF 3CO million (approximately US\$ 852.000 at current rate of CFAF 352 per \$US) available at the Ministry of planning for an industrial diagnosis. The Director of Industry promised to submit an official request to UNIDO through the UNDP office in Libreville, specifying that the cost of such assistance would be entirely borne by the country itself.
- (b) Feasibility studies of small and medium industries: Although the project GAB/78/CO5, EFIT, was deleted from the Country Programme, the Director of Industry still thinks that its purpose was very interesting and could be reconsidered with better guidelines and with an integrated view of the industrial sector. A few project ideas were given to us, concerning for example:
 - (i) bottling of mineral water
 - (ii) Preparation of glue for the wood industry
 - (iii) Plant to make bags in polyethylene
 - (iv) Batteries
 - (v) Gas bottles.

- (c) Training: The industrial development of Cabon is seriously hampered by the lack of national qualified manpower and the heavy recourse to expatriate technicians. The training aspect of industrial manpower is therefore very important, as was mentioned also to us by other officials of the Government.
- (d) Seminars on different aspects of industrial management: So far there is no appropriate study done on the cost of the inputs in the industrial sector in Gabon, although there has been a study made in 1980 by a British firm named KELVINGATE Ltd. This can be done with the participation of staff members from different industries through a seminar. Another example is a cost analysis seminar which could be of great help to many industrial companies and enterprises.
- (e) Assistance to industrial enterprises in solving their managerial problems: Due to the fact that there were no general guidelines for an industrial strategy, the Government and its partners created a few industrial enterprises without a coherent scheme. Actually, as it was reported to us by the Director of Industry, an approximate number of 12 medium to large scale enterprises are facing difficulties. Among others he cited SCTEGA (cbthing), ABA (plastics) and the sugar industry. All these industrial enterprises need assistance mostly in managerial aspects.

According to the Director of Industry, the <u>Gabonese Government can</u> finance the costs related to the areas (a), (b) and (e). He mentioned that this type of arrangement (trust fund) would benefit more the Government of Gabon due to the stringent conditions of the IFF funds.

The Director of Industry recognized that other sub-sectors of industry not mentioned by himself and that could need UNIDO's assistance, will be made known to the mission members during their meetings with other governmental officials. This type of "incoherent" approach is due to the fact that there is no systematic and coordinated industrial planning and strategy in the country. There are of course different needs felt at different levels as reflected by the governmental structure.

There seems actually to be a reorganization of the Ministry of Commerce and Industry. We informed the Director of Industry that UMIDC has had already experience in many other countries with the reinforcement of the structure of Ministries responsible for industry. We also encouraged the Director to send an official request that could be proposed for financing under UNIDC's own resources.

Another subject covered during this meeting was the contribution of the Government of Gabon to the UNIDF. The Director of Industry introduced himself the subject and said that instructions will be given from the Minister of Industry to the Minister of Foreign Affairs to pay the Gabonese voluntary contribution since 1980.

Meeting with the Director of Programming and Studies at the Ministry of Public Works, Equipment and Construction

This meeting was convened mainly to assess the interest of the Gabonese authorities in the project idea of wooden bridges made from modular elements. One should recall the large known resources of wood in Gabon (more than m³ 400 million for all types of wood). The best way to get to know the Government's interest was to describe first the project, its objectives and potential outputs. We reported to the Director that UNIDO has realized a similar project in Kenya. The substantive part of the meeting was to get the reaction of the Director to the possibilities of building wooden bridges in Gabon using UNIDO's technical assistance.

A complete description of the project on wooden bridges and some pictures were given to the Director. Based on this information, the Director reacted positively and informed us that in Gabon they have already realized around 30 wooden bridges of more than 20 meters with "Londrines". Apparently the bridges realized by the Ministry in Gabon are more expensive to build compored to the bridges constructed in Kenya by UNIDO.

We proposed to show the film Short-cut to the Director and his colleagues. The reaction of all the people attending this film show was enthusiastic and excellent. A copy of the film was requested by one of the attendees for the use of the Ministry.

The Director of Programming and Studies raised the point on how UNIDO could assist his Ministry in reinforcing a workshop for repair and maintenance of equipment used by the public works department. We replied that UNIDO has had already experience in this field and couldbe of help if an official request was received. Actually, it seems that many of the vehicles and equipment used by the Ministry are broken down and cannot be repaired adequately and on time. This situation leads to higher cost to the Ministry because they have to turn to the private sector to realize most of the work.

Further to the interest shown for the wooden bridges after the projection of the film, the Chief of the General Studies Service at the

Ministry of Public Works presented a problem which the Ministry faces and for which they would like to request UNIDO assistance.

As a result of the intense activities undertaken on the occasion of the preparation of the Summit of the Heads of State of the Organization of the African Unity held in Libreville in 1977, the prices of services and industrial works rose up and even after this period they still remain high. In many cases the opinion in the Ministry is that these prices are not justified by the cost of the factors. It is for that reason that they would like UNIDO to look into the matter and help them to establish a set of guidelines. For this purpose they have prepared the attached document "Eléments pour l'élaboration d'une convention d'étude d'une série de prix: objectifs à atteindre, résultats à fournir". In official request is already under preparation. The Ministry is willing to finance the related cost of the work to be performed.

Meeting with the Director General of Vines and Geology, at the Vinistry of Mines and Hydrocarbons

Me were first informed on the major activities of the Directorate of kines and Geology:

- (a) to marage the mineral resources of the country, mostly Manganese, Uranium and Iron:
- (b) to maximize the value—added of the production of these mineral resources through fiscal policies, employment and revenue generation, and processing of the resources in the country;
- (c) to render the resources perennial as much as possible.

The Director General stated that the policy of the Gabonese Government in the mineral sector is to place the industrialization of the sector in the framework of the Lagos Flan of Action. He added that one of the main goals of the Gabonese Government is to gear toward exportation of most of the resources. Then the Director General talked about the different mineral resources that could be developed economically.

Uranium: Being a strategic mineral resource, the Government of Gabon is not ready to discuss about this topic under UNIDC's technical assistance umbrella. We were informed that the mineral production target of uranium had been reached two years ago. The next step might be to consider the transformation of uranium into combustibles.

Manganese: There is already an industrial processing of 10-15% of the Manganese in Gabon which is done by a company called SCGAFEFEC. A feasibility study for further processing was completed in 1977. But there is a slowing down of the project because of its relationship with the Transgabonese Railways, which is not yet completed, and also because of a lack of some infrastructure such as production of electricity. Some studies are actually undertaken to see the economic and technical impacts of the greater processing of Manganese on the Gabonese economy. The Fonds d'aide et de coopération of the French Jovernment is financing these studies.

Raw cast iron (fonte brute): We enquired about this project idea and the Director General told us that it would be very difficult to realize

this project because of unavailability of the inputs such as iron and coke. The price of coke has been multiplied at least by ten since the early 1970's and the supply would be very difficult because the only producers are the United States and South Africa. While we were talking about iron, the Director General was informed by the representative of UNDP that a regional adviser could be made available to the Government to evaluate the study on the project SCMIFER. The Government was already informed through a letter and no answer had been received yet at UNDP Libreville.

Barytine:

This mineral has been located in large deposits in the oil fields. The Government knows already the importance of the quantities available. A feasibility study was done in 1980 which showed that the prices of this mineral to buyers will be very competitive. The Director General would like to have UNIDO's assistance in evaluating the feasibility study and to undertake a marketing study of the mineral.

Talo: Scattered but important quantities of talo have been discovered in the Nyanga region. It is rather difficult to exploit the talo on an industrial basis for a minimum of ten years. To do so it is necessary to have at least 250,000 tons at one location, which do not occur. Therefore, the Government prefers to make ceramics from this talo. The Director General said that UNIDO could assist them in making available a technology and in locating a financial partner for the Government.

The Government's recent actions in the processing of the mineral resources is to increase the share of the Government's participation in the Group CCNILCG (Compagnie Minière de l'Ogooué). The actual share of the Government in this group is 20% and might be increased to 35%, the rest being split among Americans (32%), French (31%) and others (2%). The Government's policy is to process the mineral in order to export on a large scale.

The Director General would need UNIDO's assistance in determining the best way to pursue this policy and what would be the main steps of this policy. - We replied that the Director General should insure to have a more detailed and technical request sent to the UNDP office before UNIDO can start any action.

Meeting with Mr. Rebuffel, Technical Assistant at the Ministry of Energy and Hydraulic Resources

During this short meeting we mainly informed the Technical Assistant on some experiences of UNIDO in the field of energy. The information given covered also UNIDO's mandate and activities as Mr. Rebuffel did not know anything about our organization. Three major points were raised and discussed:

- (a) New and renewable sources of energy. The Government of Gabon is already involved in a few programmes dealing with this subject.

 Bilateral donors are the favorite partners of the Government.

 No special assistance is expected from UNIDO.
- (b) Planning of energy use. As is known, some of the sources of energy available to the country notadays could be depleted earlier than expected if a rational utilization is not done. The Technical Assistant seemed to be unaware of this type of work and showed an interest in developing a project in that sense.
- (c) Energy saving in industrial units. This point is related to the previous one and would serve both the Government of Gabon and the enterprises concerned. Better technologies and tailored programmes of energy utilization to the real needs of all the industrial units would be helpful in reaching this goal. The main source of energy being electricity produced from generators powered by petroleum, there is a "matural" tendency not to think about possibilities of saving that energy due to the relative low-cost and abundant availability of petroleum products in the country. That situation may change (if not started already) and therefore it would be better to integrate programmes of energy saving in the industrial units.

The Technical Assistant got really interested in the last two points and he was told about the procedures to follow to get the Ministry's requests examined by UNIDO. The UNDP office in Librarille should be contacted first via the Ministry of Planning.

During this meeting as at many others, we stressed the unavailability of funds from UNDP/UNIDO and recommended that the Government should insure most of the financing.

Meeting with the Director of Projects at the Commissariat au Plan

The Commissariat au Flan is the governmental body which is specifically responsible among other things (a) to co-ordinate the planning process of the country, the identification and the development of projects to be implemented; (b) to co-ordinate and to regulate the aid (bilateral and multilateral) given to the country; and (c) to manage and evaluate some projects retained in the development plan. Due to the recent nomination of the Commissaire Général au Plan (by a presidential decree on March 5,1983), we met the Director of Projects who is well-known to UNIDC, since he was Co-Director of the "late" GAB/78/CO5, EFIT.

The purpose of the mission was explained to the Director who was expecting such a mission even before the deletion of the only UNIDC-executed project from the Country Programme. The Director stated that the co-operation between UMIDC and Gabon started very well, but the approach taken through the project EFIT was not good. He explained that at the level of UNDP/UNIDC the strategy through that project was to work from ideas already known while at the Ministry of Planning they wanted instead to undertake a thorough search in the industrial sector before to identify project ideas which would be therefore considered for feasibility studies. It seems that the two approaches were fairly different and that no common ground was reached before and during the execution of the project. The Director of Projects mentioned also the problems encountered with the two UNIDC experts (Mr. Lansler and Mr. Stiegler) who worked on the project. The Director was very disappointed about the performance and attitudes of Mr. Lansler and the attitudes of Mr. Stiegler; the latter was requested by the Pesident Representative to leave the country upon a call received from the Director himself.

The Director recognized that UNIDC has an important role to play in Gabon and that the co-operation with the UN system is interesting but could be improved if the Gabonese Government was given more opportunities to participate in project formulation exercises, choice of experts, and project execution. The Director went on and assessed the problem of cost-sharing arrangements. He cited that in some cases, the UN system bears only 5 % of the project costs. In view of the increasing limitation

of the Government's financial resources due to general economic conditions, the Director thinks that there might be more financing problems in the future.

Talking about the prospects of assistance in industry, the Director said that one of the best approaches would be to change the attitudes of recipient countries in rethinking their industrialization process. According to the Director, most developing countries (as well as Cabon) and some developed countries do not give enough weight to industrialization in the development schemes of the former group in terms of priorities, allocation of funds, etc. This is a key point that could be a major milestone in the process of assistance to industrialization.

The Director stated that the importance of industry in the development planning process of Gabon is increasing and will be clearly mentioned in the next development plan. Therefore, UNIDC could and should take more positive participation in that process. The Director concluded the meeting with a very well spoken stance that needs UNIDC's full contribution and participation. "Fenser l'avenir industriel du Gabon".

Reeting with the Director of Participation, Ministry of Planning, Development and Participation

The per capita income of Gabon in Africa is second only to Libya. The favourable economic conditions have resulted in an important flux of businessmen in the country which have established big and medium size industries. According to the policy set up by the Gabonese Government, public or state participation in all the industries created in the country is obligatory.

The Directorate of Participations is responsible for the handling of the port-folio of the enterprises in which the Government has shares. In the course of the meeting with Mr. Mdong, the Director talked about the difficulties the Directorate encountered in the accomplishment of its mandate due to the lack of qualified national staff. A study conducted in Gabon from July to November 1980 on the improvement of the competitiveness of the Gabonese industrial enterprises has revealed that 10 % of the staff of the industries are expatriate people, against 1 to 2 % in the neighbouring Cameroon. The consequence of this high percentage of expatriates who are extremely expensive is that the personnel cost for the production of industrial products in Gabon is 230 % higher than the corresponding cost in Cameroon, and 35 % higher than in Europe. The cost of a middle level expatriate technician is 700 % higher than a national staff!

The Gabonisation of the staff in the industry is hampered both by the lack of qualified people and also by the lack of willingness of the foreign industrialists to train them. The training needs are at two levels:

- (a) strengthening the operational capacity of the 4 services of the Directorate itself, which are:
 - (i) Promotion of the activity of nationals
 - (ii) Industrial Studies
 - (iii) Monitoring and Management
 - (iv) Port-folio

The lack of qualified nationals is particularly acute for the monitoring and management of the para-statal enterprises.

(b) Training of nationals directly involved in the management of the industrial enterprises. The training is needed in all the aspects of running an industrial enterprise: general management, production management, negotiation of contracts, repair and maintenance, capacity utilization, etc. Assistance is also needed in project identification, preparation and evaluation.

This training assistance should be provided through the organization of seminars, workshops in the country, with some limited fellowships for study tours and participation of nationals in workshops outside.

The Director of Participations informed that his country could finance the activities to be organized in loco and that an official request will be sent.

Meetings with the Director General of TSTA and his colleagues

- 1. The on-going project RAF/81/015, ISTA, being a regional project, the mission members could not take any position on any substantive matter concerning this project but to listen and make a report for further actions by the backstopping section in DIO and by UND/Libreville. This was clearly stated to the Director General in our introductory remarks along with the purpose of the programming mission.
- 2. The Director General expressed his sincere thanks to UNIDO for this large-scale project which is starting well. The training programme is being finalized and will start as soon as possible (probably in September 1983). The first group of interns (stagiaires) is being recruited. The Director General and Mr. Thiam CTA of the project have undertaken a mission in Brazzaville (Congo), Banui (Central African Republic), and Yaoundé (Cameroon) from 7 to 23 March 1983 to promote the activities of ISTA, to recruite the interns, to locate the possibilities of internships in every country, and to request the payment of each country's contribution to ISTA's budget. (See the mission report Rap. de Mission 5/03-83 written by Mr. S.L. Thiam for more details.)
- 3. We were informed that the workplan of the project has been defined and sent to UNIDO. It was precised that this is only a general workplan without any detail that could not be given now, until the principal trainer will not be on the field.
- 4. The Director General kindly talked about the financial contribution of the four member states of the Institute. A firm pledge has been made by all countries to pay their contribution except the CAR. In fact, Cameroon has already paid its total contribution and Congo is paying also its share. The total budget of ISTA will amount to CFAF 710 million/year.
- 5. The Director General stated that ISTA is ready to start the training programme. The only logistic problem left to resolve is to finalize with the Gabonese authorities the allocation to ISTA of part of the hôtel OKOUME's facilities for the courses. There is apparently no major reason to think that this would not be solved since the President of Cabon is himself keenly interested in this project since its formulation stage.

- 6. The Director General wants the creation of a post for a permanent expert (an Industrial Economist or Project Engineer) who would be working on both the training and consulting aspects, a post of short-time expert, and some didactic equipment such as the programme Apple developed by UNIDO. To do so, the Director General would request a revision of the project document without any firancial implication except that related to the costs of the short time expert. We replied that the financing of these costs will be probably difficult to insure from the IPF funds. We suggested that ISTA contacts other sources of financing.
- 7. The Director General and his colleagues (specifically Mrs. Mathey-300) have been active in contacting other sources of financing which gave positive results in some cases:
- (a) The French Ministry of Co-operation will finance for the two posts: a Marketing expert and a Planning expert.
- (b) Belgium also is financing two posts: a construction civil engineer and an economist.
- (c) The CEFEB (Centre d'Etudes Financières et Bancaires) in France will participate in the following manner: an expert, Mr. Cantésini, will evaluate all the projects when he will be available in September 1983, and two scholarships are offered to two ISTA's interns starting in September 1983. A condition to these scholarships is that the two interns keep their home-salaries.
- (d) The Office Européen des Brevets, Canada, and the ACCT (Agence de Coopération Culturelle et Technique) have or are being contacted. We suggested to ISTA management to take steps towards the Federal Republic of Germany, the Nordic countries, and Italy.
- 8. The Director General was very pleased with our visit and particularly appreciates the work done by the CTA Mr. Thiam and the co-operation of the UNDP Resident Representative and his staff.

LIST OF PERSONS MET

I. Ministry of Commerce and Industry

- Mr. Guy NZOUBA-NDAMA Ministre Délégué auprès du Ministre d'Etat, chargé du Commerce et de l'Industrie
- Mr. ESSIANE Directeur du Développement Industriel
- Mr. PEME, Ingénieur chargé d'Etudes
- Mr. Joseph ENGONE, Attaché d'Administration chargé d'Etudes
- Mr. Jean-Baptiste NZE-ANGOOE, Journaliste
- Mr. Alphonse MEBALE-OBIANG, chargé d'Etudes

II. UNEP, Libreville (Gabon)

- Mr. David Mc ADAMS, Resident Representative
- Ms. Eva VAN DITMAR, Deputy Resident Representative
- Mr. Ernest F. FAUSTHER, Assistant Principal de Programme, responsible for UNIDO matters

III. Ministry of Mines and Hydrocarbons

- Mr. Paulin AMPAMBA-GOUERANGUE, Directeur Général des Mines et de la Géologie
- Mr. Patrice DIOULY-OSSO, Directeur Général Adjoint des Mines et de la Géologie
- Mr. Jean-Marie ALANDZI, Conseiller du Ministre des Mines, chargé des questions d'industrialisation
- Mr. Paulin NSOMO, Responsable du Service de la Documentation, des Statistiques et des Etudes

IV. Ministère du Plan, du Développement et des Participations Commissariat Général au Plan:

- Mr. Bermard VAUBOU, Directeur des Projets
- Mr. Raphael Ondo NDONG, Directeur des Participations

V. Ministère des Travaux Publics, de l'Equippement et de la Construction

- Mr. NKILI-BENGOME, Directeur de la Programmation et des Etudes
- Mr. Jean-Tacques JACQUET, Chef du Service des Etudes Générales
- Mr. COLLANE, Conseiller Technique en matière de formation

VI. Ministère de l'Energie et des Ressources Hydrauliques

- Mr. Ferdinand REBUFFEL, Conseiller Technique

VII. Institut Sous-régional Multisectoriel de Technologie Appliquée, de Planification et d'Evaluation de Projets (ISTA)

- Mr. Georges GANONGO, Directeur Général
- Mr. Samba Laobé THIAM, Conseiller Technique Principal
- Ms. MATHEY-BCO

