

AFRICAN DEVELOPMENT BANK



GABON

TECHNICAL SUPPORT FOR PREPARATION OF THE PROGRAMME TO SUPPORT THE "GREEN GABON" INITIATIVE FOR TRANSFORMATION OF THE FOREST-TIMBER SECTOR IN GABON (PAGTFOB) AND RELATED STUDIES

APPRAISAL REPORT

OSAN DEPARTMENT

June 2016

Translated document

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CURRENCY EUQUIVALENTS

January 2016

UA 1 = EUR 1 273

EUR 1 = XOF 655 956

UA 1 = XOF 834 922

ACRONYMS AND ABBREVIATIONS

AEAFFB	:	Agency for the Implementation of Forest-Timber Sector Activities
ANPI	:	National Agency for Investment Promotion
ANPN	:	National Agency for National Parks
APD	:	Detailed engineering design
APS	:	Preliminary engineering design
CFA F	:	BEAC CFA F (XAF)
CSP	:	Country Strategy Paper
EEZ	:	Exclusive Economic Zone
ENEF	:	National Forestry School
ESA	:	Environmental and Social Assessment
ESMP	:	Environmental and Social Management Plan
FLEGT	:	Forest Law for Enforcement, Governance and Trade
GDP	:	Gross Domestic Product
LDC	:	Least Developed Countries
MIC	:	Middle-Income Country
MIC-TAF	:	Middle-Income Countries' Technical Assistance Fund
NTFP	:	Non-Timber Forest Product
PAFC	:	Pan-African Forest Certification
PAGTFOB	:	Programme to Support the “Green Gabon” Initiative for the Transformation of the Forest-Timber Sector
PNPM	:	National Procurement Procedures
PP	:	Procurement Plan
PSGE	:	Emerging Gabon Strategic Plan
QCBS	:	Quality- and cost-based selection
SMART	:	Specific, Measurable, Achievable, Realistic, Time-bound
SNBG	:	Gabon National Timber Company
TFPs	:	Technical and Financial Partners
UA	:	Unit of Account

G. RESULTS-BASED LOGICAL FRAMEWORK

Beneficiary/Country/Department: Republic of Gabon						
Name of proposal: Technical support for the “Green Gabon” Initiative for the transformation of the forest-timber sector in Gabon - programme preparation and related studies						
Purpose of the project: Promote a diversified national economy based on inclusive and green growth in Gabon						
Cost of operation: UA 1 392 901.38		Alignment with CSP: Yes				
Duration of operation: 15 months		Sector: Yes				
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RIKS/MITIGATION MEASURES
		Indicators	Baseline	Targets		
LONG TERM			2016	2022	Economic reports	
IMP ACT	Implementation of programmes to help reduce poverty and social inequality by promoting the green economy	- Sector’s contribution to Gabon’s GDP	- 3.5%	- 6%		
MEDIUM TERM			2016	2018		
OUTCOMES	-Identification of an investment and reform programme for creating wealth, improving the business climate and developing a structured national market for timber and timber products	- Identified investment programme	- 0	- 1	Economic reports	Risk: Lack of structuring and diversified infrastructure
	- Capacity building in the area of youth entrepreneurship	- Youths trained	- 0	- 20		Mitigation measures: Developing special economic zones, industrial timber domains, economic centres for woodwork artisans and centre of excellence
SHORT TERM			- 2016	- 2017		
OUTPUTS	The study for preparation of the programme to support the "Green Gabon" initiative for transformation of the forest-timber sector is approved by stakeholders	- Programme preparation report and its technical annexes	0	1	Preparation reports	Risk: Weak human capacity for the management of the study.
	The technical, economic and environmental feasibility study of the project to set up a plant for the industrial production of charcoal and pellets approved	- ESA and ESMP	0	2	Final feasibility study document	Mitigation measures: The Implementation Unit will be strengthened by recruiting a procurement expert and an administrative and financial officer. Five national counterparts and executives will receive specific training.
	The feasibility study for the establishment of the Timber exchange approved	- Study report and its technical annexes	0	1		
		Study report and its technical annexes	0	1	Final feasibility study document	
KEY ACTIVITIES	ACTIVITIES AU 1 392 901.38				RESOURCES	
	Component I: FEASIBILITY STUDIES :				Sources of financing: UA 1,392,901.38 UC	
	Sub-Component 1.1: Preparation of Green Gabon :				MIC Grant: UA 1,198,703.47	
	Sub-Component 1.2: Wood-Energy Unit :				Government: UA 194,197.91	
	Sub-Component 1.3: Timber exchange :					
	Component II: CAPACITY BUILDING :					
Sub-Component 1.1: Promotion of Youth Entrepreneurship :						
Sub-Component 1.2: Operationalization of the National Forest Fund (FFN):						
Component III: MIC Management: :						

I. INTRODUCTION

1.1 Background

1.1.1 A country endowed with renewable natural resources. Crossed by the equator and covering a land area of 267,670 km² with an estimated population of 1,802,728 inhabitants (GPHC, 2013), Gabon is bordered to the north by Equatorial Guinea and Cameroon and to the south by Congo and to the west by the Atlantic Ocean. It has a hot and humid climate, with average rainfall of 1,803 mm/year, making it one of the world's most forested countries. Forests cover about 22 million hectares (ha), or 85% of the national territory, including 20 million hectares of productive forests. Gabon has total forest stand potential of about 2.6 million m³, with a theoretical harvestable potential of 1.5 million m³ and 400 million m³ of timber, making it a carbon reservoir estimated at between 0.94 and 5.24 gigatonnes. Gabon has more than 15 million ha of fertile land, of which only 495,000 hectares are cultivated. It also has a river and maritime domain that includes a 40,600 km² continental shelf, an exclusive economic zone (EEZ) extending over 200-300 km², an internal hydrographic system covering 10,000 km², parks and reserves covering 11% of its territory, and exceptional biodiversity with close to 9,000 plant species.

1.1.2 An oil income-based, still poorly diversified economy with very few multiplier effects on growth and job creation and which is exposed to fluctuations in oil prices. The Gabonese economy is based primarily on commodities, essentially oil, which accounted for 39.3% of GDP, 85% of export revenue and 49% of the State budget in 2014. The fall in oil prices on the world market generated a significant revenue shortfall for Gabon and a slowdown in growth estimated at 5% on average over the past few years. Gabon faces the socio-economic paradox of being a middle-income country (MIC), owing to its per capita GDP, yet exhibiting some of the features of a least developed country, based on its social indicators, with a poverty rate of 32.7% (McKinsey, 2014) and an unemployment rate of 27% in the labour force. With an average human development index (HDI) of about 0.684, Gabon ranks 112th out of 187 countries in the human development report (UNDP, 2014). The Gabonese economy has all the features of a rent-driven economy, which creates few jobs and is based on raw material exports, despite considerable diversification potential, owing to the country's significant endowment in natural resources.

1.1.3 Despite its potential, the forest-timber sector is estimated to contribute only 3.5% of GDP and to generate only 13,000 jobs. Before being banned in 2010, log exports represented approximately 60% of annual production, which was estimated at 1.6 million m³ in 2014. The local industry accounted for the remaining 40%, focusing on primary processing (mainly sawing and peeling to a lesser extent), which accounts for nearly 85% of the sector's operations. The timber processing industry has proved to be wasteful of wood resources in that barely 20 to 30% of trees felled is used, whereas that rate exceeds 60% in Asia and even reaches 80% in the major logging nations of the temperate zones. In Gabon, wood processing activities generate considerable waste, estimated at more than 50,000 m³ per year. It is therefore urgent to take measures for the structural transformation of the forest-timber sector in Gabon and the promotion of secondary processing (wood mouldings, profiles, flooring and plywood) and tertiary processing (carpentry and cabinet-making).

1.1.4 **A private sector dominated by small and even micro enterprises, representing 66% of all organisations.** The private sector is made up of about 10,000 formal enterprises, but has less than 1,000 SMEs-SMIs and about 100 that employ 1,000 or more workers. Most micro entrepreneurs operate right on the edge of, if not fully in, the informal sector for a significant portion of their business. The issue of input cost differs considerably depending on the area of activity, and even more so on the size of the enterprise. Small or micro enterprises ascribe their development problems to cost of, and access to, capital, while large firms ascribe their problems to cost and work rigidities, poor infrastructure and, for a fairly large number of them, to exceedingly high taxes which may become predatory.

1.1.5 Despite the progress made with regard to the industrialization of the forest-timber sector, in particular through the capacity building of the Gabon National Timber Company (SNBG), several factors are impeding all economic operators from being fully committed to the process: cost of energy and transport, marketing difficulties, lack of capacity within enterprises, the low level of investment financing and working capital for industrial development, and high tax rates. Development of the forest sector is also hampered by the absence of a structured national timber market and a pricing policy. Similarly, the timber sector is the largest private employer in Gabon, but it is difficult for forest companies to find qualified workers locally.

1.1.6 **With regard to governance,** the Government has established a legal framework which should ensure the sustainable management and protection of the environment. Although the Forest Code of 2001 provides for the promotion of the sustainable management of forest operations, only 44% of forest area was managed in a sustainable manner in 2014. In 2012, only 15% of the harvestable surface area was certified as being sustainable. It is, therefore, important to continue to promote sustainable management, combat illicit exploitation, and promote and support the Pan-African Forest Certification (PAFC) system among forest companies and push through the Forest Law Enforcement, Governance and Trade (FLEGT) certification process, in order to ensure the tracking and quality of Gabonese timber and offer more commercial outlets.

1.1.7 **Emergence by 2025.** To resolve this socio-economic paradox which the country faces, the national authorities launched the Emerging Gabon Strategic Plan 2025 (PSGE 2025) in 2010. Centred on three pillars (Green Gabon, Industrial Gabon and Services Gabon), the PSGE is a road map for the transformation of the rent-driven economy to a high value-added and diversified economy, with a view to enhancing the competitiveness of the industrial and service sectors while preserving the country's immense natural resources. The economic potential of Green Gabon will be fully realized through seven areas, three of which are in the forest sector (timber, non-timber forest products and wildlife). For the forest-timber sector, the goal of the PSGE is to quintuple the amount of wealth and quadruple the number of jobs created by 2025, while preserving the resource.

1.1.8 The present operation, for which funding is being requested from the Middle-Income Countries Technical Assistance Fund (MIC-TAF), is intended to support the transition to a green economy and the promotion of entrepreneurship in order to address the employment crisis among young graduates. It tallies with the two pillars of the Gabon Country Strategy Paper (CSP 2016-2020), namely **Pillar 1:** "Supporting economic diversification through infrastructure development and improving the business climate"; and **Pillar 2:** "Supporting the human development strategy".

1.2 Programme Objectives

Strategic and specific objectives: The purpose of this technical support is to help reduce poverty and social inequality by diversifying the pillars of growth and the creation of wealth and lasting jobs. More specifically, the operation is designed to: (i) prepare the programme to support the “Green Gabon” initiative for the transformation of the forest-timber sector; (ii) conduct the feasibility study for a Timber Exchange; and (iii) conduct for the Gabon National Timber Company (SNBG), the feasibility study for a plant for the industrial production of green energy (pellets) from the by-products of logging and processing. This study should enable SNBG to diversify its industrial component by transforming wood waste into green energy (compressed wood pellets) to limit the fossil energy consumption of industrial units and thus increase Gabon’s eligibility to the Clean Development Mechanism particularly through CO₂ sequestration.

1.3 Departments Responsible for Preparing the Operation

The two departments responsible for preparing this technical operation are the Department of Agriculture and Agro-industry (OSAN), through the Environment and Sustainable Development Division (OSAN.3), and the Centre Regional Department (ORCE), with the active participation of the Bank’s Gabon Field Office (GAFO). The operation will be monitored jointly by OSAN.3 and GAFO.

1.4 Justification for the Use of MICF

1.4.1 The technical support will help in the preparation of the reforms and investment programme for the operationalization of the Green Gabon pillar of the PSGE 2025, supported by the Bank through the country strategy (CSP 2016-2020). Through this operation, the Bank will support Gabon in its business climate reform to facilitate conditions for private sector development and help achieve its economic diversification goal building on such strategies as the establishment of development centres in the forest-timber sector, the promotion of green energy and enhancement of the country’s eligibility to the clean development mechanism.

1.4.2 The Bank’s assistance will help in particular to (i) strengthen the inclusive and green development outlook and improve the employability of unemployed youths; (ii) develop the knowledge and capacities of operators to determine the strategic orientations for the development of the forest-timber sector; (iii) promote institutional synergies at various levels and support the reform and institutional improvement processes; and (iv) regularize the timber market.

1.4.3 The operation is part of the activities considered priorities in the revised guidelines on the use of the MICF: (i) preparation of investment projects and sector-based studies (see para. 2.3.2, 2.3.5); (ii) capacity building and institutional support activities (see para. 2.3.3 and 2.3.4); (iii) private sector promotion activities (see para. 2.3.6).

II. PROGRAMME DESCRIPTION

2.1 Description of Preparatory Activities for Which Resources are Requested

2.1.1 Methodological approach advocated: The study will be guided by a number of principles which when applied will help to promote a green economy that has a light ecological footprint and will create wealth and jobs in the forest-timber sector in Gabon. Of these principles, those that are most directly relevant to achieve this goal are the following:

- *The capitalization of gains* and lessons drawn from implementing the operations in Gabon, but also the search for success stories and new technologies developed and harnessed in the country or elsewhere, which deserve to be scaled up in order to generate a significant impact. In this context, all the levers that could help Gabon benefit from the advantages generated by its low-carbon sustainable development approach will be taken into account.
- *Investments must be accompanied* by significant reforms to facilitate and strengthen the engines of growth and the green rural economy, including by identifying incentives for enhancing the manufacture of wood construction products, which require little energy and are recognized to have one of the smallest environmental footprints among existing materials.
- *The need for a structural transformation* of the timber industry to develop value chains in the forest-timber sector (including high value-added non-timber forest products); companies must ensure that the three wood processing stages are carried out locally.
- *Exit and sustainable strategy.* The programme's activities will be based on the prior definition of roles and responsibilities of the stakeholders (entrepreneurs, communities, users and decentralized agencies), on the maintenance and sustainability of investments and service delivery to communities.

2.1.2 Components and key activities of the study. The operation has three components: (A) Feasibility studies; (B) Capacity building; and (C) Coordination. The terms of reference of the feasibility studies are provided in annex vi.

A) ***Component 1: Feasibility Studies:***

2.1.3 This component concerns: (i) detailed preparation of the programme to support the “Green Gabon” initiative for the transformation of the forest-timber sector (PAGTFOB); (ii) feasibility study for a Timber Exchange; and (iii) feasibility study for a plant for the industrial production of green energy. The component includes the four sub-components listed below. The studies will be rounded out by feasibility reports and a pilot platform for the Timber Exchange, which will be considered at a national validation workshop.

2.1.4 *Sub-component 1: Detailed review of the forest-timber sector in Gabon.* The aim of the review is to take detailed stock of the studies and information available (complemented by field surveys) on the forest-timber sector in Gabon, the challenges and opportunities of its sustainable

development, the economic value of the capital represented by the forest and the role of the forest as a carbon sink, humid zones, environmental services, parks and reserves, etc. The review will also include the process of industrialization, the unused biomass of the forest and processing waste that can be recycled to produce green energy, policy and institutional frameworks, financing mechanisms, etc.

2.1.5 Sub-component 2: Feasibility study for the programme to support the “Green Gabon” initiative for the transformation of the forest-timber sector: The programme was first scoped during the identification mission to Gabon that took place in December 2015, during which the objectives and a number of activities were proposed in agreement with the Government. Its aim is to make a significant contribution to the transformation of the forest-timber sector, which has been selected for the diversification of the Gabonese economy and the creation of value added and jobs. Based on data and information collected on the ground, the following actions will be undertaken (see details in Annex II):

- Development of the results-based logical framework for the programme;
- Detailed description of the components and activities envisaged;
- Detailed economic and financial analysis;
- Proposal of a method for financing businesses and youth entrepreneurship;
- Examination of the current situation of technical and vocational training schools;
- Establishment of the institutional provisions for implementation and steering;
- Conduct of detailed and preliminary engineering design studies on the main infrastructure concerned;
- Conduct of environmental and social impact assessments (ESIA) and proposal of an environmental and social management plan (ESMP); and
- Evaluation of the climatic risks and proposal of a mitigation plan.

2.1.6 Sub-component 3: Feasibility study for an industrial plant for the production of green energy. Given the current low rate of use of wood from felled trees and the significant quantities of unused waste, it is urgent to take measures to promote the recycling of unused biomass. The study will make it possible to assess the technical, economic and financial feasibility of establishing a plant for the industrial production of charcoal and pellets in Gabon. The main actions are summarized below (details in Annex II):

- Diagnosis of the challenges, impacts and opportunities;
- Conduct of a study on the charcoal and pellets market;
- Review of the process of recycling by-products and waste;

- Analysis of the technical, economic and financial feasibility of establishing a plant for the industrial production of green energy;
- Development of an environmental and social management plan.

2.1.7 *Sub-component 4: Feasibility study for a Timber Exchange in Gabon.* Gabon wishes to set up a Timber Exchange, to provide a secure and standardized trading environment for concession holders and other operators, to enable the State to regulate the trading and industrialization of timber, control the illegal exploitation of the resource, control the tracking of wood products and market certified products. The study will analyse the advantages and technical, institutional and organisational solutions to establish a platform for the trading of timber securities. This will involve:

- Assessment of the conditions for the operationalization of the platform,;
- Analysis of the institutional and legal contours of the platform;
- Development of the computerized system of the trading platform;
- Identification of partners (private/public, national/international, etc.) and the resources required to establish the Timber Exchange;
- Identification of reception facilities and professional operators;
- Drawing up of a road map for the establishment of the Exchange;

B) *Component 2: Capacity Building.*

2.1.8 The aim of this component is to (i) promote entrepreneurship in the forest-timber sector among young graduates and (ii) support the operationalization of the National Forest Fund (FFN).

2.1.9 *Sub-component 1: Promotion of entrepreneurship among young graduates.* The institutional organisation of the programme revolves around the incubation of innovative projects and the involvement of the private sector (private aggregators or integrators). The activities will be conducted in collaboration with the National Industrial Promotion Agency (ANPI) which will benefit from the Bank's assistance through support for the establishment of incubators in Gabon. The project will finance the training of 20 young people in the multi-sector incubation centres of ANPI and that of OLAM in NKOK. The young people in question are those who come up with innovative projects in the wood and non-timber forest products the funding of which would help to launch the entrepreneurship aspect of the "Green Gabon" programme. They will be selected in accordance with the procedures established by the ANPI for a training period of six to nine months.

2.1.10 *Sub-component 2: Support for the National Forest Fund (FFN).* The FFN was established to strengthen the national institutional mechanism for providing financial support to the forest sector. It is intended *inter alia* to rectify shortcomings in the support provided to forest and industrial companies. The project will provide support for the operationalization of FFN, through the preparation of procedures manuals, formulation of a strategy for the mobilisation of funds, and acquisition of IT equipment.

C) Component 3: Coordination of the study:

2.1.11 The activities of this component will be instrumental for the management of the studies and audit of the operation. The component involves working in collaboration with all partners to strengthen the monitoring and coordination mechanism.

2.2 Description of the Expected Outputs and their Linkages to the “Green Gabon” Support Programme

2.2.1 Expected outcomes: The main outcomes expected are: (i) better grasp of the opportunities for diversifying the Gabonese economy; (ii) development of an appropriate financing framework for mobilising the necessary resources for the transformation of the forest-timber sector, in order to generate greater value added and support the employability of young graduates. At the end of the study, four reports will be produced: feasibility studies for PAGTFOB, the Timber Exchange and the production of green energy (charcoal and pellets), the environmental and social assessment and evaluation of climatic risks. These reports will be validated at national seminars.

2.2.2 Link with the PAGTFOB programme: In light of the importance of the green economy in Gabon’s emergence, the Bank plans to support the country in financing a programme to support the “Green Gabon” initiative for the transformation of the forest-timber sector. The “Green Gabon” pillar of the PSGE is intended to “make Gabon a world leader in certified tropical timber relying on an innovative industry which makes full use of a forest that is now being managed in a sustainable manner, is a carbon sink and a biodiversity sanctuary”. The various studies will help to determine the Bank’s actions and ensure the technical, fiduciary and institutional quality-at-entry of the operation and help to speed up its implementation.

2.2.3 Area of action and beneficiaries of the operation. The main areas are: sustainable forest management, development of the timber industry and other non-timber forest products, promotion of green energy and development of trade through the Timber Exchange, and promotion of youth entrepreneurship. The beneficiaries of this technical support will be the State agencies involved, civil society, communities, young entrepreneurs, and the private sector and socio-professional organisations.

III. COST ESTIMATES FOR THE PREPARATORY ACTIVITIES

3.1 Estimated cost of the study: The total cost of the study is estimated at UA 1.39 million (CFAF 1.16 billion), excluding taxes and custom duty. In terms of currency, this cost may be broken down as follows: UA 0.79 million (CFAF 0.66 billion) in foreign exchange and UA 0.60 million (CFAF 0.50 billion) in local currency. The cost includes provisions for physical contingencies and price escalation, estimated at 2% and 1%, on average, respectively. The provision for price escalation was estimated based on current and projected levels of the annual rate of inflation of costs in local and foreign currencies of 3.2% and 2% respectively. The provision for physical contingencies is estimated at between 0% and 5%. A summary of the estimated project cost by component and by category of expenditure is presented below, while the details are provided in annexes viii and ix.

Table 1
Summary of cost estimates by component

COMPONENTS	(XAF 000)			(UA 000)			% Foreign Exchange	% Base Cost
	Local Currency	Foreign Exchange	Total	Local Currency	Foreign Exchange	Total		
A. FEASIBILITY STUDY	310 658.60	472 982.44	783 641.04	372.08	566.50	938.58	60	69
Preparation of "PAGTFOB"	278 096.40	320 750.98	598 847.39	333.08	384.17	717.25	54	53
Establishment of an energy wood plant	10 945.96	66 444.73	77 390.69	13.11	79.58	92.69	86	7
Establishment of a Timber Exchange	21 616.23	85 786.73	107 402.96	25.89	102.75	128.64	80	9
B. CAPACITY BUILDING	94 995.31	111 707.61	206 702.92	113.78	133.79	247.57	54	18
Promotion of youth entrepreneurship	71 216.81	63 576.11	134 792.92	85.30	76.15	161.44	47	12
Support for FNN operationalization	23 778.50	48 131.50	71 910.00	28.48	57.65	86.13	67	6
C. MANAGEMENT OF THE STUDY	83 038.87	60 004.71	143 043.58	99.46	71.87	171.33	42	13
Total BASE COST	488 692.78	644 694.76	1 133 387.54	585.32	772.16	1 357.48	57	100
Physical contingencies	7 253.90	13 578.32	20 832.22	8.69	16.26	24.95	65	2
Financial contingencies	4 497.13	4 246.55	8 743.68	5.39	5.09	10.47	49	1
TOTAL COST OF THE STUDY	500 443.81	662 519.62	1 162 963.44	599.39	793.51	1 392.90	57	103

Table 2
Summary of cost estimates by expenditure category

EXPENSE CATEGORIES	(XAF 000)			(UA 000)			% Foreign Exchange	% Base Cost
	Local Currency	Foreign Exchange	Total	Local Currency	Foreign Exchange	Total		
I. Investment	267 693.56	586 594.23	854 287.78	320.62	702.57	1 023.19	69	75
B. GOODS	21 965.74	64 372.50	86 338.24	26.31	77.10	103.41	75	8
Equipment	18 030.00	42 070.00	60 100.00	21.59	50.39	71.98	70	5
Logistics support	3 935.74	22 302.50	26 238.24	4.71	26.71	31.43	85	2
C. SERVICES	245 727.82	522 221.73	767 949.54	294.31	625.47	919.79	68	68
Training	62 456.81	76 336.11	138 792.92	74.81	91.43	166.23	55	12
Technical assistance	137 077.24	398 191.85	535 269.09	164.18	476.92	641.10	74	47
Contractual services	39 443.77	39 443.77	78 887.54	47.24	47.24	94.48	50	7
Audit	6 750.00	8 250.00	15 000.00	8.08	9.88	17.97	55	1
II. Operation	220 999.23	58 100.53	279 099.76	264.69	69.59	334.28	21	25
A. PERSONNEL	74 670.00	-	74 670.00	89.43	-	89.43	-	7
B. TRAVEL ALLOWANCES	17 550.00	-	17 550.00	21.02	-	21.02	-	2
C. MAINTENANCE, OPERATION & REP.	2 461.60	3 964.40	6 426.00	2.95	4.75	7.70	62	1
Logistics	1 700.00	2 550.00	4 250.00	2.04	3.05	5.09	60	-
Equipment	761.60	1 414.40	2 176.00	0.91	1.69	2.61	65	-
D. OVERHEAD	126 317.63	54 136.13	180 453.76	151.29	64.84	216.13	30	16
Total BASE COST	488 692.78	644 694.76	1 133 387.54	585.32	772.16	1 357.48	57	100
Physical contingencies	7 253.90	13 578.32	20 832.22	8.69	16.26	24.95	65	2
Financial contingencies	4 497.13	4 246.55	8 743.68	5.39	5.09	10.47	49	1
Total COST OF THE STUDY	500 443.81	662 519.62	1 162 963.44	599.39	793.51	1 392.90	57	103

3.2 Financing Plan

3.2.1 This operation will be financed through a grant from the MIC-TAF of UA 1,198,703, the equivalent of CFAF 1,000,821,000, or 86.10% of the total cost of the operation. The Gabonese Government's contribution is estimated at UA 194,200 (CFAF 162,140,110), or about 13.9% of the total cost. This in-kind contribution is reserved for management expenses, including logistics, labour and office space.

Table 3
Financing plan for the operation

SOURCE OF FUNDING	(XAF 000)			(UA 000)			%
	Local Currency	Foreign Exchange	Total	Local Currency	Foreign Exchange	Total	
AfDB/MIC	361 947.73	638 873.28	1 000 821.00	433.51	765.19	1 198.70	86.1
Republic of Gabon	138 496.09	23 646.35	162 142.43	165.88	28.32	194.20	13.9
Total	500 443.81	662 519.62	1 162 963.44	599.39	793.51	1 392.90	100.0

3.2.2 Financing by quarter (over a period of 15 months) and by source of financing can be consulted in Annex IX

IV. **PROCUREMENT OF GOODS AND SERVICES**

4.1 Procurement of Services

Procurement of all consulting services to be funded with the Bank's resources will be in accordance with the Procurement Policy for Bank-Financed Operations of October 2015, using the Bank's appropriate standard bidding documents. Consulting services for the preparation of the feasibility studies estimated at UA 812,157.31 will be procured through a shortlisting of candidates who will be selected based on quality and cost, as described in Section II of the Bank's Rules and Procedures. The expression of interest notices will be prepared by the team responsible for coordinating the study and submitted to the Bank for validation and publication on: (i) *UNDB online*, (ii) the Bank's website, and (iii) in at least one national newspaper. The consultant selection process will be subject to prior review by the Bank. Procurement of audit services for the project (UA 17,970) will be based on a shortlisting of audit firms and selection will be based on the least-cost method (LCM).

4.2 Procurement of Goods

Procurement of goods through a consultation of suppliers will be in accordance with national legislation on public procurement, using the country's standard competitive bidding documents, and with the provisions set out in the funding agreement. This will apply to the procurement of goods (IT, office automation and communication equipment) totalling UA 53,920.96.

4.3 Procurement of Training Services

Procurement of incubation and training services will be through a direct agreement with the National Investment Promotion Agency (ANPI), which is a public administrative institution that assists the Government in implementing its policy on the promotion of investments and exports. It also supports the creation and development of businesses and helps in the promotion and establishment of public-private partnerships.

4.4 General Procurement Notice and Review Procedures

A general procurement notice, issued in agreement with the donor, will be published on UNDB online and on the Bank's website following approval of the proposed grant. The following documents are subject to review and approval by the Bank before they are published: expression of interest notices; requests for proposals; short lists; report of evaluation of the technical proposals of consultants; and draft consulting contracts.

V. IMPLEMENTATION SCHEDULE

5.1 Timing of planned activities: The study will span a 15-month period and cover the entire country, particularly the production basins and processing and marketing centres that account for significant forest activities. The first will run for a total of five and a half months, during which a detailed sector-based review will be conducted and constraints and opportunities identified. The second phase will run for nine and a half months, which will include an evaluation of the technical, financial and socio-economic feasibility of PAGTFOB, the establishment of a Timber Exchange and a plant for the industrial production of green energy. The schedule of activities may be summarized as follows:

Table 4: Schedule of operation's activities		
Activity	Responsible	Deadline
- Preparation of the memorandum	AfDB	28 February 2016
- Approval of the grant	AfDB	29 June 2016
- Establishment of the coordination unit	Gog	29 June 2016
- Acquisition of consultant services	Gog	30 September 2016
- Establishment of strategic and operational tools	Gog	30 September 2016
- Submission of study reports	Gog	30 July 2017
- Training of young entrepreneurs	Gog	31 August 2017
- Completion of study project	Gog	30 September 2017

5.2 Draft work programme and procurement schedule: The organisation and management of this operation are set out in detail in the annex, which includes the institutional provisions, the financial management and audit requirements, supervision and monitoring and evaluation of the operation. During project appraisal, the donor will develop a procurement plan which will serve as the basis for the modes of procurement. It will be subject to the Bank's review and approval prior to the signing of the Letter of Agreement.

5.3 Organisation and management of the study: The study will be conducted by a multi-disciplinary consulting firm which will be recruited through international consultation. The Ministry of Environmental Protection and Natural Resources, Forest and the Sea (MPERNFM) will be the executing agency. To that end, its capacity will be strengthened by the coordination unit within the General Secretariat. The Ministry will subject to the prior consent of the Bank appoint a Coordinator with proven experience and qualifications in forestry, the environment and natural resource management. He/she will be responsible for coordinating the study activities (including those relating to capacity building and the organisation of national seminars) and facilitate the intervention of international experts on the ground. The coordinator will be assisted by a procurement specialist, an accountant and a secretary who will be recruited on a competitive basis and will have to sign performance contracts. The Gabonese authorities will also designate five national counterparts who will work in close cooperation with the international experts. They will have proven expertise in forest management, forest governance, economic and financial analysis,

wood infrastructure and industrialization, to monitor and control the quality of the study. A technical review committee chaired by the representative of the MPERNFM will also be set up to review the consultant's reports with a view to making recommendations for action. The committee will also include representatives of the Ministries of Economic Affairs, Agriculture, Wildlife and Fishery, and Mines and Industry, the PSGE Coordination Office, the SNBG, the ANPN, the AEAFB, the ANPI, socio-professional organisations and the private sector. The committee will meet at least three times during the period of the study.

VI. FINANCING ARRANGEMENTS

6.1 Financing/disbursement and audit conditions: Disbursements will be made essentially using the direct payment method (for paying the consultant for preparing the studies); a special account will be opened in Libreville in a bank deemed acceptable by the Bank. The account will be managed by the fiduciary team and will be opened exclusively for the operating expenses of the MICF Implementation Unit and training. The opening of the Special Account will be a condition precedent to first disbursement.

6.2 Financial management. The financial management framework for the operation will be in accordance with the MIC-TAF guidelines for small operations financed by the Bank. The MICF implementation unit will be composed of a coordinator, a contracts specialist, an accountant and a secretary. The accountant will be recruited on a competitive basis and the evaluation report for that recruitment should be transmitted to the Bank for its no-objection. The accountant will work under the supervision of the Director of the Central Directorate for Financial Affairs (DCAF), who will assume fiduciary responsibility and will be responsible for all the general financial management and disbursement provisions. The accountant should have at least five years' experience in accounting, including two years with development projects funded by donors such as AfDB and the World Bank, and hold an undergraduate degree in accounting.

6.3 An accounting software will be procured for accounting purposes and the production of the annual reports of the present PPF (balance sheet, cumulative supply and use tables for the fiscal year and on a cumulative basis, explanatory notes, special account reconciliation statement, inventory of fixed assets) and the production of semi-annual financial monitoring reports to be transmitted to the Bank no later than 45 days after the end of the six-month period. The accounting statements will be produced in accordance with OHADA accounting principles.

6.4 As part of the studies, the plan is to recruit a consultant to develop the administrative, financial and accounting procedures manual, which will describe the relevant procedures for the different management cycles and set out the internal control mechanism to be established. The manual will be used for the conduct of the study and for future projects if the studies give rise to an investment.

6.5 The present MICF will be audited by an independent external audit firm recruited by the PIU in accordance with the Bank's standard terms of reference. The related costs will be covered with MICF funds. The audited period will not exceed 18 months. The audit report will be forwarded to the Bank no later than six months after the end of the MICF activities.

6.6 **Suspension of disbursements:** Disbursements the MICF resources will be governed by the Bank's rules on disbursements in general and its rules on the suspension of disbursements in particular.

6.7 **Letter of Agreement:** Following approval of the request, the Bank will prepare a Letter of Agreement in accordance with the format shown in Annex 3 of the new MIC-TAF guidelines (November 2011). The Letter of Agreement will be signed between the Bank and the Gabonese Republic and will become effective upon its signing. The Bank's obligation to make the first disbursement is subject to the signing of the Letter of Agreement and to fulfilment of the following condition: providing evidence of opening of a special account in a bank acceptable to the Bank to receive the MIC-TAF resources.

VII. CONCLUSIONS AND RECOMMENDATIONS

7.1 **Conclusions:** The above-mentioned studies will inform the preparation of the PAGTFOB and provide the Client with all the necessary elements for the design and sizing of the programme and the assessment of the feasibility of the investment. It will also help to operationalize the FFN, develop the ENEF curricula, and support 20 young graduates in the creation of their businesses. The expected impact of the programme, which is the subject of this study, is to increase to 6% the forest-timber sector's contribution to Gabon's GDP, create in the sector 5 times more wealth and 4 times more jobs by 2025, while preserving the forest capital. Similarly, it will help increase the country's eligibility to the Clean Development Mechanism, in particular through CO2 sequestration.

7.2 **Recommendations:** It is recommended that the Board of Directors approve a grant not exceeding UA 1.199 million, from the MIC Fund resources to the Republic of Gabon, to finance studies and following the conditions set out in this report.

Government's Request for Financing

**MINISTRY OF SUSTAINABLE DEVELOPMENT, ECONOMY, INVESTMENT
PROMOTION AND PROSPECTIVE**

Office of the Minister

No. 000659 /MDDEPIP/CABM/JPIM

From: The Minister

**To: The President of the African Development Bank (AfDB),
Abidjan-Côte d'Ivoire**

Subject: *Financing request for Studies for the Preparation of the Programme to Support the "Green Gabon" Initiative for the Transformation of the Forest-Timber Sector (PAGTFOB)*

Sir,

I am writing to request from the African Development Bank (AfDB) technical assistance for the preparation of the abovementioned programme and related studies.

Green Gabon is one of the three pillars of the **Emerging Gabon Strategic Plan**, which aims, by 2025, to enable the Gabonese economy to move out of its dependence on the oil sector, particularly by fully unlocking the potential of the forest-timber sector.

This intervention will foster the transition from the windfall economy towards a high value added, diversified and low-carbon economy, with a view to enhancing competitiveness of the industrial and service sectors, while preserving the country's huge natural resources.

The study project was identified and prepared jointly by the Department of Agriculture & Agro-industry and the Gabon Field Office of the Bank. Its scope and activities were discussed with national authorities during the Bank's scoping mission in December 2015.

For this application, we would like to confirm the Government's commitment to ensuring the success of this operation and formally request your assistance from the resources of the Middle-Income Countries' Technical Assistance Fund (MIC-TAF).

Sincerely,

(Signed) Régis Immongault

Middle-Income Country (MIC) Technical Assistance Fund Request Form

1. Title of Study Project: **SUPPORT PROGRAMME FOR THE “GREEN GABON” INITIATIVE FOR THE TRANSFORMATION OF THE FOREST-TIMBER SECTOR (PAGTFOB)**

2. Country: Republic of Gabon

3. Executing Agency:

a) Name: Ministry of Sustainable Development, Economy, Investment Promotion and Prospective

b) Address: P.O. Box 747 Libreville Immeuble Arambo

Phone: (241) 01795527; FAX (241) 01

4. Description of the Activities

The Gabonese economy is primarily based on the exploitation of the country's raw material resources, mainly oil. In 2014, oil accounted for up to 39.3% of GDP, 85% of export earnings and 49% of budget revenues of the State. Despite its potential of over 22 million hectares, the forest-timber sector accounts for only 3.5% of GDP. Major investments are required to provide coordinated responses to the challenges of the structural transformation of the forest-timber industry to increase its contribution to the national economy. The study project builds on three components: (a) Feasibility studies; (b) Capacity building; and (c) Management of the study.

A. Conduct of feasibility studies: The activities to be undertaken are:

- *In-depth sector review of the forest-timber sector in Gabon*

- Make a detailed inventory of all available studies and information (supplemented by field surveys where necessary), covering the entire forest-timber sector in Gabon;
- Analyse the challenges to and opportunities for its sustainable development;
- Assess the economic value of the forest capital and its role as carbon sinks, wetlands, environmental services, protected areas, etc.;
- Analyse the industrialisation process, the unused forest biomass and the timber processing waste that may be used for the production of green energy;

- Analyse the political and institutional frameworks, marketing, players in the sector, financing mechanisms, etc.
- *Feasibility study of the programme to support the "Green Gabon" initiative for the transformation of the forest-timber sector:*
 - Prepare the logical framework based on the programme outcomes;
 - Describe in detail the planned components and activities;
 - Conduct a detailed financial and economic analysis;
 - Propose a financial support system for forestry and industrial enterprises and youth entrepreneurship;
 - Define the institutional arrangements for the implementation and management;
 - Carry out studies on the preliminary (APS) and detailed (APD) design of major infrastructure concerned;
 - Conduct an Environmental and Social Assessment (ESA); and propose an Environmental and Social Management Plan (ESMP).
- *Feasibility study for a plant for the industrial production of charcoal and pellets:*
 - Analyse the challenges, impacts and opportunities;
 - Conduct a charcoal market study;
 - Make an inventory of by-products and waste recovery processes;
 - Analyse the technical, financial and economic feasibility of a plant;
 - Analyse the environmental and social impact of such a facility; and
 - Develop an environmental and social management plan.
- *Feasibility study for a Timber Exchange in Gabon.* The idea is to create a Timber Exchange aimed at developing the Gabonese timber market to make the commodity more attractive and competitive, and provide dealers and other operators with a secure and standardized space for trade and exchange.
 - Carry out an analysis of the timber trade and the national and international market;
 - Analyse the institutional and legal framework;
 - Develop a computerized system for the exchange platform;
 - Identify the partners (public/private, national/international, etc.); and
 - Identify the reception facilities and professional operators.

B. *Capacity building:* This aims to:

- Promote entrepreneurship among young graduates in the forest-timber industry;
- Operationalise the National Forest Fund (FFN); and
- Develop curricula for the National Forestry School (ENEF).

C. *Coordination of the study*

- Establish procedures manuals;
- Establish a monitoring and evaluation mechanism; and
- Monitor the study and ensure that reports are produced.

5. Rationale of the activities

Gabon faces the socio-economic paradox of being a middle-income country, owing to its per capita GDP, yet exhibiting some of the features of a least developed country, based on its social indicators, with a poverty rate of 32.7% in 2014 and an unemployment rate of 27% in the labour force. With an average human development index (HDI) of about 0.684, Gabon ranks 112nd out of 187 countries in the human development report (UNDP, 2014). The Gabonese economy has all the features of a windfall economy, which creates few jobs and is based on the export of raw materials, despite considerable diversification potential, owing to the country's significant natural resources.

To resolve this socio-economic paradox which the country faces, the national authorities launched the Emerging Gabon Strategic Plan 2025 (PSGE 2025) in 2010. Centred on three pillars (Green Gabon, Industrial Gabon and Services Gabon), the PSGE is a road map for moving out of dependence on the oil sector and fully exploiting the country's comparative advantages in order to tackle the challenges of (i) accelerating economic growth while diversifying the sources; (ii) reducing poverty and social inequality; and (iii) ensuring sustainable resource management. The idea is to encourage the transformation of the windfall economy to a high value-added and diversified economy, with a view to enhancing the competitiveness of the industrial and service sectors while preserving the country's immense natural resources.

Despite the progress made with regard to the industrialization of the forest-timber sector, several factors are impeding all economic operators from being fully committed to the process: cost of energy and transport, marketing difficulties, lack of capacity within enterprises, quality of labour at the national level, investment funding and working capital for industrial development, and high tax rates. Development of the forest sector is also hampered by the absence of a structured national timber market, a pricing policy and a national framework to organise trade. The timber sector is the largest private employer in Gabon, but it is difficult for forest companies to find qualified workers locally.

6. Study Project Cost Estimates

a)	Foreign exchange	:	UA 850,130
b)	Local currency	:	UA 542,770
c)	Total amount	:	UA 1,392,900

7. Financing Plan

- a) AfDB/MIC : UA 1,198,700
- b) Government : UA 1,94,000
- c) Total : UA 1,392,700

8. Proposed Mode of Procurement (if known):

- a) Services: International Invitation to Bid – Shortlisting
- b) Goods and works: National consultation of vendors
- c) Others, including training: Direct contract

9. Implementation Plan

The study will begin at the latest within one month of the consultant being notified of the contract. The service delivery schedule is as follows

Table 1: Schedule of activities of the operation		
Activity	Responsible	Timeline
- Preparation of the memorandum	AfDB	30 March 2016
- Review process (Peers, Country Team)	AfDB	28 February 2016
- Grant approval	AfDB	27 April 2016
- Setting up of the Coordination Unit	GoG	27 April 2016
- Consultant's services	GoG	30 July 2016
- Establishment of strategic and operational tools	GoG	30 July 2016
- Submission of study reports	GoG	30 March 2017
- Training of young entrepreneurs	GoG	30 March 2017
- Completion of the study project	GoG	30 April 2017

10. Evidence of Government Commitment to Implement the Targeted Study (Inclusion in the Country Strategy Paper):

Studies identified in the on-going CSP 2016-2020

- a) Explain and rate the probability that the targeted study is a Government priority:
The study is included in the Emerging Gabon Strategic Plan 2025 (PSGE 2015) and in the Sector Strategy of the Ministry in charge of Forestry.
- b) Provide name and designation of Government official who will sign the Letter of Agreement:

Mr Régis Immongault,

Minister of Sustainable Development, Economy, Investment Promotion and Prospective

- c) Provide name of project coordinator who will be in charge of monitoring the activities and the use of the TA Fund:

Ms Flore Joséphine Mistoul Yame

Minister of Environmental and Natural Resources, Forest and the Protection Sea

To His Excellency the Minister of Sustainable Development, Economy, Investment Promotion.

Libreville, Gabon

Mr Minister,

Subject: Grant in the amount of UA 1.199 million to the Gabonese State to finance the preparatory studies for programme to support Green Gabon Initiative for the transformation of the forest-timber Sector and on the feasibility of a Timber exchange and a plant for the industrial production of green energy

Letter of Agreement

I am writing on behalf of the African Development Bank to indicate the Bank's decision to provide to the Gabonese State a grant in an amount not exceeding UA 1.199 million to finance technical support of the *Green Gabon initiative for the transformation of the forestry-timber sector*.

The grant is being provided for the purposes and on the terms and conditions set forth in the attachments hereto, and the recipient hereby represents, by confirming its agreement hereunder, that it is authorized to contract, withdraw, and utilize the grant for the said purposes and on the said terms and conditions.

Please confirm your agreement with the foregoing and the conditions and terms attached hereto, on behalf of the State of Gabon, by signing, dating, and returning the enclosed copy of this letter.

This agreement will become effective on the date of countersignature by the Bank.

Sincerely,

AFRICAN DEVELOPMENT BANK

By

Vice President, Operations (OSVP) -----

OR

President -----

Date -----

AGREED BY THE REPUBLIC OF GABON

By: -----

Minister of Sustainable Development, Economy, Investment Promotion

Date: -----

TERMS OF REFERENCE FOR TECHNICAL SUPPORT

“GREEN GABON” INITIATIVE SUPPORT PROGRAMME FOR THE TRANSFORMATION OF THE FOREST-TIMBER SECTOR (PAGTFOB): PROGRAMME PREPARATION AND RELATED STUDIES

I. INTRODUCTION

1.1 Gabon, located in Central Africa, is crossed by the equator and covers a land area of 267 670 km² with an estimated population of 1,802,728 inhabitants (GPHC, 2013). The country is bordered on the north by Equatorial Guinea and Cameroon and on the east and south by Congo. It has a hot and humid climate, with average rainfall of 1,803 mm/year, making it one of the largest forest powers in the world. Forests cover about 22 million hectares, or 85% of the national territory, including 20 million hectares of productive forests. Gabon has total forest stand potential of about 2.6 million m³, with a theoretical harvestable potential of 1.5 million m³ and 400 million m³ of timber, making it a carbon reservoir estimated at between 0.94 and 5.24 gigatonnes. Gabon has more than 15 million hectares of fertile land, of which only 495,000 hectares are exploited. It also has a river and maritime domain that includes a 40,600 km² continental shelf, an exclusive economic zone (EEZ) extending over 200-300 km², an internal hydrographic system covering 10,000 km², parks and reserves covering 11% of its territory, and exceptional biodiversity with close to 8,000 plant, 150 animal and 600 bird species.

1.2 The Gabonese economy is mainly based on its raw material resources. In 2014, oil accounted for 39.3% of GDP, 86% of export revenues and 49.6% of budget revenues of the State. Despite its potential, the forest-timber sector is estimated to contribute only 3.5% of GDP and to generate only 13 000 jobs. The drop in world oil prices caused a significant loss of revenue for Gabon and slowed down its growth to 4.1% in 2014, compared with 5.6% in 2013. The growth rate, estimated at 4.6 % in 2015 and 2016, cannot generate enough jobs and reduce poverty. Gabon faces the socio-economic paradox of being a middle-income country (MIC), owing to its per capita GDP, yet exhibiting some of the features of a least developed country (LDC) based on its social indicators. Indeed, the country ranks 121st out of 187 globally for the Human Development Index in 2014 for which the population's access to basic social services is an important element. The poverty rate was estimated at 32.7% in 2013 would not improve in 8 years (5th MDGs Monitoring Report in 2015). In December 2013, the McKinsey report on poverty in Gabon showed that 30% of the population is considered "economically weak" (households earning less than CFAF 80,000 per month, or about EUR 120). The Gabonese economy has all the features of a windfall economy, which creates few jobs and is based on commodity exports, despite considerable diversification potential, owing to the country's significant endowment in natural resources.

1.3 To resolve this socio-economic paradox which the country faces, the national authorities launched the Emerging Gabon Strategic Plan 2025 (PSGE 2025) in 2010. Centred on three pillars (Green Gabon, Industrial Gabon and Services Gabon), the PSGE is a road map for the transformation of the rent-driven economy to a high value-added and diversified economy, with a view to enhancing the competitiveness of the industrial and service sectors while preserving the country's immense natural resources. The economic potential of Green Gabon will be fully realized through seven areas, three of which are in the forest sector (timber, non-timber forest products and

wildlife). For the forest-timber sector, the goal of the PSGE is to quintuple the amount of wealth and quadruple the number of jobs by 2025, while preserving the country's resources. To this end, a series of structural reforms and investment to provide Gabon with economic and social infrastructure will be needed for increased industrialization of the economy through the local processing of raw materials.

II. BACKGROUND OF THE STUDY

2.1 It should be recalled that Gabon has a significant body of wealth in the form of its forest which covers an area of over 22 million hectares and has a total standing potential of around 2 600 million m³, including 400 million m³ of lumber (400 potentially exploitable species, of which only 60 were exploited in 2014). Despite this potential, the forest-timber sector is estimated to account for only 3.5% of GDP and generate 13 000 jobs. Indeed, there is no accurate assessment of log production in Gabon (1.6 million m³ 2012), nor of the potential of sustainably of managed timber and the technological quality of most exploitable species. In addition to timber wealth, the country has a natural sanctuary with exceptional biodiversity comprising approximately 9 000 plant and animal species. Parks and reserves cover 11% of the territory, while the aquatic territory extends over an area of 210 300 km². Also, close to 60% of the population and a significant part of economic activities are concentrated the country's coastal area.

2.2 Sustainable management of the Gabonese forest is strongly predicated on the conduct of forest assessment to determine the potential, wealth and economic value of the forest (tree species, non-timber forest products, wildlife, plants, etc.) in the most comprehensive manner possible. This full-scale assessment of the value and richness of the forest in terms of species (exploited or not), and a more accurate evaluation of its role as a carbon sink need to be carried out to allow Gabon to benefit particularly from innovative sources of funding related to combatting the effects of climate change.

2.3 In Gabon, log export accounted for about 60% of annual production, prior to its ban by the authorities in 2010. The local timber industry therefore processed the remaining 40%, focusing mainly on primary processing, on which nearly 85% of the activity is concentrated (mainly sawing and peeling to a lesser extent). The timber processing industry has been very wasteful of resources, since barely 20 to 30% of the felled trees is reused, whereas that rate exceeds 60% in Asia and even reaches 80% in major logging countries of the temperate zones. There is an urgent need to adopt measures to ensure the structural transformation of the forest-timber sector in Gabon and promote processing at the secondary (mouldings, profiles, flooring and plywood) and tertiary (carpentry and cabinet-making) levels.

2.4 The country has long been an exporter of raw timber at levels exceeding those of neighbouring countries. The setting up of primary processing plants witnessed a boom with the ban on log exports in 2010. This ban somewhat destabilized companies in the sector, since a significant number of them were suddenly deprived of the generally lucrative activity of raw timber export. Today, Gabon's timber industry is still mainly focused on upstream segments (sawn wood, veneer, plywood, etc.) and industrial production of processed semi-finished products (special panels, planed wood, glued wood, etc.). Most of the products are exported to two key destinations: lumber - mainly to China; and veneer and plywood - mainly to France. However, a substantial volume of lumber and plywood is sold on the domestic market, partly informally (250 000 m³), foreshadowing the development potential of a "downstream" sector.

2.5 Gabon has mapped out a path for low-carbon sustainable development also based on the adoption of a National Land Allocation Plan (PNAT) that enables the optimal allocation of areas to various uses and excludes intact forests, high conservation value forests and extremely carbon-rich forests. Without full knowledge of the resource, the rich biodiversity will remain an untapped asset. The potential of non-timber forest products (NTFPs) is also huge and its valuation would particularly ensure substantial income for the inhabitants of the immediate vicinity of forest areas and better involve them in the sustainable management of forests, especially community forests. The valuation of forest products will also enhance their contribution to the national economy.

2.6 Despite the progress made with regard to the industrialization of the forest-timber sector, several factors are impeding economic operators from being fully committed to the process: energy and transport costs, marketing difficulties, lack of capacity within enterprises, quality of labour at the national level, investment funding and working capital for industrial development, and high tax rates. The timber sector is the leading private employer in Gabon, but it is hard for forest exploiters to find qualified human resources locally. This difficulty is even more acute for basic technical professions. Thus, the provision of initial and continuing training tailored to the needs of the economy has today become crucial. In this connection, the State intends to develop a forest-timber skills cluster, notably through the creation of a “wood centre of excellence” in Booué comprising a wood-working school, in charge of offering advanced training in different occupations in the wood industry, and a wood research centre, as well as to reform and relocate the National Forestry School (ENEF).

2.7 Regarding financing, the export of raw logs allowed loggers to generate significant cash flow in the short term. Currently, this is no longer possible and operators in the sector are compelled to develop long-term industrial timber processing strategies. To support the industrialization process, it is necessary to put in place, in partnership with government services (particularly the National Forestry Fund - FFN) and local banks, financial products tailored to the needs of the industry.

2.8 With regard to governance, the Government has established a legal framework which should ensure the sustainable management and protection of the environment. Although the Forest Code of 2001 calls for the promotion of the sustainable management of forest operations, only 44% of forest land was managed in a sustainable manner in 2014. In 2012, only 15% of the harvestable surface area was certified as being sustainable. The fact that Gabon has not signed the Voluntary Partnership Agreement (VPA) with the EU led to its withdrawal, on 1 January 2014, from the Generalized System of Preferences (GSP). It is therefore advisable to keep up the momentum to generalize proper forest management and the fight against illicit exploitation, as well as promote and support the Pan-African Forest Certification (PAFC) system among loggers and the completion of the Forest Law for Enforcement, Governance and Trade (FLEGT) certification process, to ensure tracking and quality of Gabonese timber and provide more commercial outlets. Lastly, the State intends to update the legal framework, particularly the Forest Code and the National Parks Act. Regarding the environment sector, a law was enacted in 2014 and instruments relating to its implementation should now be issued.

2.9 The sustainable management of Gabon's forest resources and the development of value chains are likely to promote greater diversification of the Gabonese economy and the creation of wealth and jobs. Major investments are required to provide coordinated responses to the challenge

of structural transformation of the forest-timber industry to increase its contribution to the national economy. Therefore, the Gabonese Government has requested assistance from the African Development Bank to carry out the preparatory study for the "Green Gabon" Initiative Support Programme for the transformation of the forest-timber sector and on the feasibility of the Timber Exchange and bioenergy production plant. These terms of reference describe the proposed conditions and methodology for the conduct of the studies.

III. THE STUDY

3.1. Guiding Principles

The study will be guided by a number of principles which when applied will help to promote a green economy that has a light ecological footprint and will create wealth and jobs in the forest-timber sector in Gabon. Of these principles, those that are most directly relevant to achieve this goal are the following:

- The capitalization of gains and lessons learned from the implementation of operations in Gabon, but also the search for success stories and new technologies developed and harnessed in the country or elsewhere, which deserve to be scaled up in order to generate a significant impact. In this context, all the levers that could help Gabon benefit from the advantages generated by its low-carbon sustainable development approach will be taken into account;
- Investments must be accompanied by significant reforms to facilitate and strengthen the engines of growth and the green rural economy, including by identifying incentives for enhancing the manufacture of wood construction products, which require little energy and are recognized to have one of the smallest environmental footprints among existing materials;
- The need for a structural transformation of the timber industry to develop value chains in the forest-timber sector (including high value-added non-timber forest products) and meet the objectives established by the PSGE; companies must be assisted to ensure that the three stages of transformation are carried out locally;
- Support for such initiatives as the Special Economic Zones (SEZ), Industrial Timber Domains (DIB), Laboratory for the study of Gabonese forest species and economic centres for wood artisans. The programme will support structuring investments, funding requests and capacity building for socio-professional organisations and rural enterprises contributing to the development of the forest-timber sector in production basins and industrial areas; and
- Exit and sustainability strategy. The programme's activities will be based on the prior definition of the roles and responsibilities of stakeholders, including entrepreneurs, communities, users and decentralized services, in the maintenance and sustainability of investments and service delivery to communities.

3.2 Objectives of the Study

The sector goal of the programme forming the subject of this study is to help reduce poverty and social inequality by diversifying growth pillars and creating wealth and sustainable jobs. The study aims to: (i) prepare the framework for Bank financing to support the "Green Gabon" initiative for the transformation of the forest-timber sector; (ii) carry out feasibility studies for the establishment of a Timber Exchange; (iii) conduct the feasibility study for a plant for the industrial production of charcoal and pellets from the by-products of timber exploitation and wood processing. The purpose of the study is to provide the Client with all the information needed to assess the feasibility of the investment. To be effective, the feasibility study should explore the following: (i) measure the goals and their plausibility; (ii) evaluate the key factors of success: human and technical resources, specific skills, financial resources and schedule; (iii) propose and simulate various possible scenarios of the innovative programme; and (iv) define the implementation stages.

3.3 Description and Phasing of the Study

The study project lasting 15 months will cover the entire country and, in particular, production areas and processing and marketing centres where major forest activities are based. It will take place in two main phases:

- The first phase will consist in making an in-depth sector review and mapping out the prospects. It will last five and a half months in total, and the participatory approach will be adopted for its implementation, enabling the incorporation of the concerns of various stakeholders and specific issues relating to gender, poverty, the environment and socio-economic realities. The national seminar for the validation of the sector review report will take into account - in addition to cross-cutting themes such as gender, poverty and the environment - Government guidelines on the transformation of the forest-timber sector.
- The second phase will last nine and a half months and will consist in evaluating the technical, financial, socio-economic feasibility of the programme to support the Green Gabon initiative for the transform of the forest-timber sector, establishment of a Timber Exchange and a plant for the industrial production of charcoal and pellet, according to SMART model. This phase will be concluded with the presentation of four interim reports: (i) programme feasibility studies; (ii) Timber Exchange, (iii) green energy production (charcoal and wood pellets), and (iv) Environmental and Social Assessment (ESA) - all of which will be considered at a second national seminar. Observations made at the seminar will be taken into account by the Consultant when preparing the final reports.

IV. DETAILED DESCRIPTION OF CONTENTS OF THE STUDY

4.1 Methodology

The Consultant will begin operations in Gabon with a clear definition of his/her strategy for proper conduct of the study. This approach will be reflected in the inception report that will be submitted to the Bank approval. Subsequently, the consultant will use available documentation on the forest-timber sector in Gabon, including the PSGE, the Social Pact, the Green Gabon Operationalization Plan, the National Industrialization Strategy, Inclusive Green Economy and Policies Structural Transformation in Gabon, TFP reports on the forest sector, the diagnostic and prospective study report on the forest-timber sector in Gabon, Gabon's Intended Nationally Determined Contributions (INDC), various technical study reports available at the relevant services, regional institutions and public and private companies, and any other documents relating to the subject and deemed useful by the Consultant.

Following this literature review, the Consultant will indicate, if necessary, the additional areas of investigation and will therefore conduct, across the study area, complementary surveys of forest operators, private companies, young graduates, operators of the marketing chain and others. All analyses and proposals will be made taking into account specific issues relating to gender, poverty and the environment. In this regard, the Consultant will make an in-depth analysis of the place and role of women and youths in the forest-timber sector and identify concrete measures for improving their lot. Throughout his/her investigation, the Consultant will adopt a participatory approach by closely involving the various stakeholders. He/she will adopt the method consisting in the comparative analysis of the strengths, weaknesses, opportunities and risks related to operations in the context of the PSGE 2025.

Two national seminars bringing together stakeholders (technical services, donors, NGOs, target populations, civil society, private sector and other stakeholders) will be organised to examine and validate the sector review report, the programme feasibility reports and studies, ESA and ESMP.

The operation will comprise the following four Aspects:

Two national seminars bringing together stakeholders (technical services, donors, NGOs, target populations, civil society, private sector and other stakeholders) will be organised to review and validate the sector review report, feasibility reports of the programme and studies, Environmental and Social Assessment (ESA) and Environmental and Social Management Plan (ESMP).

Aspect 1: In-depth Sector Review of the Forest-Timber Sector in Gabon: This aims to make an exhaustive inventory based of all available studies and information (and will be supplemented by field surveys if necessary) on the sector, the potential in terms of forest resources (including biodiversity, carbon, environmental services, unused forest biomass and timber processing waste), its current exploitation, conditions for its sustainability, policy and institutional framework, industrialization, marketing, stakeholders of the sector, financing mechanisms, on-going operations, physical and institutional challenges, current environmental and social problems, etc.

Aspect 1 will lead to a sector review report on the forest-timber sector, whose format will be subject to prior approval by the Government and the Bank. This report will be validated by all stakeholders at the first national seminar.

Aspect 2: Feasibility Study for the Green Gabon Programme for Transformation of the Forest-Timber Sector:

The initial scoping of the programme took place during the identification mission in Gabon in December 2015, on which occasion the objectives and a number of activities were proposed in agreement with the Government. The programme will aim to significantly contribute to the transformation of the forest-timber sector, viewed as having the potential to diversify the Gabonese economy, create value added and jobs. The programme will build on the following four components: (i) Sustainable development of forest resources; (ii) Support for the forest products industry and employment; (iii) National capacity building; and (iv) Programme management. A programme-based approach is planned, spanning a 10-year period. At the end of this period, it is expected that the major reforms and investment activities should lead to the desired transformation in the sector, in terms of developing industrial activity that would impact the entire country. The programme will place special emphasis on productive and structuring priority investments and take into account aspects of ecological sustainability.

The Consultant will carry out a technical, economic, financial and institutional feasibility study of the programme, based on the sector analysis of the outcomes of the identification mission organised by the AfDB in December 2015, and the amount of the indicative budgetary allocation earmarked for this operation by the African Development Bank under the 2016-2020 CSP. The main tasks of the Consultant's mission are summarized below:

- (i) **Results-based logical framework:** Preparation of the logical framework of the Green Gabon programme for the transformation of the forest-timber sector (results chains, performance indicators, means of verification, risks and mitigation measures);
- (ii) **Detailed description of programme components and activities:** This will consist in quantifying, locating and specifying the activities identified below and providing the costs and operational details regarding their implementation:

A. Component A: Sustainable Development of the Forest Heritage:

A1-Sustainable Management and Preservation of Forest Resources and Biodiversity:

- *Supporting the generalization of forest management which should further stimulate the use of the so-called “secondary” forest species and the management of small-scale logging permits in Gabon;*
- *Supporting the reforestation and plant enrichment programme, including by using local species of high commercial value; and*
- *Supporting the formulation of simple management plans and the development of community forests;*

- *Establishing a national database on the collection and management of statistical data on the forest-timber sector;*
- *Supporting the management of protected areas, biodiversity conservation and the management of wildlife (including establishment of fixed control barriers, provision of communication tools, etc.) and human-wildlife conflicts;*
- *Supporting the development of wetlands and the integrated management of coastal areas;*
- *Conducting an inventory of forest products other than timber (PFABO)/non-timber forest products (NTFPs), as a source of development for the green economy;*
- *Assisting in the establishment and management of marine parks; and*
- *Supporting the implementation of the National Land Allocation Plan (PNAT).*

A2- Governance of the Forestry-timber Sector:

- *Assisting certification and tracking through promotion of PAFC certification and completion of the FLEGT process;*
- *Supporting the management of forest concessions;*
- *Strengthening forest management control (CAF);*
- *Formulating standards for wood use in public buildings and contracts, as well as in the construction of processing facilities;*
- *Improving taxation, the business environment and public-private dialogue; and*
- *Developing carbon sinks and markets, as well as environmental services (PSE).*

Component B: Support for the Forest Product Industry and Employment:

B1- Development of Entrepreneurial Capacity:

- *Providing entrepreneurship training to a significant number (to be determined by the study) of young entrepreneurs: development of incubation centres for timber companies and those dealing with non-timber forest products (NTFPs), development of clusters for artisans, support for the development of business plans, company training, improvement of the business environment, etc.; and*

- *Implementing measures to promote/develop green rural economy, including the promotion of Inclusive and Green Entrepreneurial Solutions (SEIV), the development of ecotourism and the management of protected areas.*

B2-: Young Promoters' Establishment Support Fund

- *Establishing an innovative financing mechanism accessible to a large number of young entrepreneurs (number to be determined by the study) in the forest-timber sector (wood processing, valuation of NTFPs, ecotourism, wood craft-related services, etc.);*
- *Establishing a support fund for technological innovation in the sector and the promotion of green energy, with definition of operational arrangements; and*
- *Supporting the operationalization of the National Forestry Fund (FFN).*

B3- Support for Small and Medium-sized Forest Enterprises (SMFEs) and Craft Activities:

- *Building the capacity of PMEFS, PPMEs and Artisans;*
- *Supporting the structuring of wood artisans and strengthening inter-professional ties between various stakeholders in the forest-timber sector;*
- *Providing financing for projects aimed at the technical upgrading of the production tools for lumber and wood workshops with a view to improving the performance and integration of companies; and*
- *Financing industrial development projects relating to tertiary processing products.*

B4- B4 Support for the Establishment of the Timber Exchange

- *Assisting the conduct of a feasibility study for the establishment of a Timber Exchange in Gabon, which could have a regional dimension;*
- *Supporting the development of national and African markets, notably by influencing prices, quality of products and services; and*
- *Developing a communication and marketing plan.*

B5- Support for Green Energy Promotion:

- *Conducting a feasibility study for the establishment of a unit for the industrial production of charcoal and wood and pellets from timber exploitation and processing by-products.*

B6- Support Infrastructure for the Forest Products Industry: Preliminary Engineering Design:

- *Building and equipping the Lambarene, Lastourville, Mouila, Mitzic and Ndjolé, Timber Industrial Areas (DIB);*
- *Building and equipping two economic centres for wood artisans and furniture makers in Libreville;*
- *Building and equipping a laboratory for the study of Gabonese forest species; and*
- *Building socio-economic infrastructure and facilities (AEPA, health, local products processing equipment, etc.).*

Component C: National Capacity Building

C1- Vocational Training:

- *Supporting the Booué Forest-Timber Skills Centre and the National Forestry School (ENEF) in the training of wood craft specialists, forest managers, protected area management specialists (eco-guards, eco-guides and conservators), etc.*

C2- Strengthening of the Legal and Regulatory Framework:

- *Updating the Forest Code and the National Parks Act;*
- *Supporting the preparation of the implementation instruments of the Forestry Code, the National Parks Act and the Environmental Protection Act;*
- *Formulating a national reforestation policy; and*
- *Supporting the establishment of contracts with companies in the forest-timber sector for the processing of timber harvested under the small-scale sustainable forest management licence.*

C3- Institutional Support for Government Structures:

- *Constructing and equipping Provincial Directorates, Forest and Wildlife Product Control Brigades and Cantonment,*
- *Setting up the Gabon timber tracking software (to be consistent with the tracking system to be installed as part of the FLEGT).*

Component D: Programme management

- *Coordinating programme activities;*
- *Administrative, accounting and financial management;*
- *Adopting a communication and marketing plan; and*
- *Internal and external monitoring and evaluation of the programme.*

(iii) Economic and Financial Analysis of the Programme

On the economic side, the Consultant will assess, in consultation with the client, a baseline (“without programme”) situation and assess, relative to this situation, the costs and benefits - expressible in monetary terms - of the situation “with programme”, including the negative and positive externalities in the various configurations envisaged. In particular, the Consultant will carry out the following activities:

- *Analyse the programme’s feasibility and its economic financial viability;*
- *Calculate the financial and economic return of the programme and standard processing units;*
- *Analyse the sensitivity of the programme to investment cost and implementation timeframe, the volume of activity (low/medium/high scenarios defined in the market study), operating costs, etc.;*
- *Analyse the probable sharing of costs and benefits of the programme, expressed in monetary terms, between the various categories of stakeholders;*
- *Calculate the detailed costs of each programme component;*
- *Establish the economic and financial rationale of the programme;*
- *Analyse the existing sector financing system and operating mechanism of a support fund for entrepreneurship and technological innovation to be established under the programme;*
- *Analyse aspects relating to the prices and marketing of timber and other products;*
- *Determine the programme investment and operating costs;*
- *Analyse the recurrent costs of the programme;*
- *Examine issues relating to allowances and benefits for local staff, the technical assistance to be deployed and others; and*
- *Assess the institutional environment for the forest-timber sector financing in Gabon.*

(iv) Definition of Institutional Arrangements for the Implementation and Management of the Programme

Regarding the financial feasibility and risk analysis, the Consultant will characterize the programme's institutional environment: applicable administrative law and business law, tax and customs system, labour law, price and foreign exchange regulations, land tenure system, environmental regulation and possible international agreements. He/she will propose a programme organisation, specifying the relationships between the stakeholders: contracting authority, contractor, companies, operator, and possibly the delegating authority/delegated body/promoter, and their responsibilities. In particular, the consultant will:

- *Analyse the overall institutional framework of the programme, including its institutional base;*
- *Analyse the overall coherence of the programme, including its design and strategic context;*
- *Examine the programme's management structure and desired levels of decentralization, and its relations with other structures;*
- *Discuss with the authorities of the country the short-term technical assistance and consultancy needs; and*
- *Define the participation of the Gabonese State and beneficiaries in the programme financing and the mobilisation of such participation.*

(v) Environmental and Social Assessment (ESA) and Environmental and Social Management Plan (ESMP)

- *Analyse the programme's environmental impacts;*
- *Explore the possibilities of introducing "payment for environmental services" (PES) or forms of good resource management involving communities;*
- *Propose appropriate mitigation measures for incorporation in programme activities and costs;*
- *Analyse aspects relating to various kinds of pollution;*
- *Analyse national gender mainstreaming policies;*
- *Examine the role of women in the forest-timber sector;*
- *Identify the constraints hindering women's participation in the activities of the sector and propose specific actions in areas of interest to women with a view to improving their status and integration;*

- *Analyse the project's impact on women and other vulnerable groups and propose measures along with the required financial support;*
- *Collect gender-disaggregated data; and*
- *Collect data relating to social transformation, including the change in the status of women.*

Aspect 3: Feasibility study for a charcoal and pellet production plant

In Gabon, the timber processing industry has been very wasteful of resources, because barely 20 to 30% of the felled tree is used, whereas that rate exceeds 60% in Asia and even reaches 80% in major logging countries of the temperate zones. The material yield of processing units stands at 51%, which means that material losses are significant. However, the unused biomass of the forest (tree branches and other residue) and timber industry (wood shavings and unprocessed wood pieces from logs) may be recycled in green energy production. Producing charcoal from waste wood generated by timber processing and forest residues is thus an important pathway towards enhancing the value of forest products.

The feasibility study for a charcoal and pellet production plant will consist in assessing the technological, economic, commercial, legal, and organisational feasibility of setting up a unit for the industrial production of charcoal and pellets in Gabon to meet the needs of domestic industrial units such as COMILOG, and also for the international market. The study will benefit the National Timber Corporation of Gabon (SNBG) as part of its diversification policy. Specific activities are as follows:

Diagnosis of the charcoal sector: challenges, impacts and opportunities

- *Organisation and promotion of the sector;*
- *Estimated annual national production;*
- *Identification of players in the sector;*
- *Identification of the production chain;*
- *Description of the carbonization process;*
- *Economic value of the sector;*
- *Analysis of the legislative and regulatory framework; and*
- *Adaptation of taxation.*

Current situation of the waste recycling process:

- *Resource assessment (potential and nature of waste);*
- *Establishment of an inventory on the recycling of forest products derived from logging and processing;*
- *Identification of bioenergy sources of industrial structures and inventory of industrial waste recovery units;*
- *Estimates of direct and indirect employment in the sector;*
- *Identification of grouping sites for the identified players of the sector; and*
- *Estimates of domestic output of products derived from the recycling of industrial waste wood.*
- **Study of the charcoal market**
 - *Analysis of the needs of the local, regional and international market;*
 - *Marketing channels; and*
 - *Mode of supply.*

Analysis of the technical, financial, economic and environment feasibility of the project to set up a plant for the industrial production of charcoal and wood pellets:

- *Proposed technical solutions tailored to the context and opportunities of the national and international environment;*
- *Comparison of charcoal processing techniques;*
- *Proposal of an appropriate plant model to be set up (description of the nature of the plant based on the processing chain);*
- *Identification of plant locations (depending especially on the amount of wood or volume of raw material available); and*
- *Financial and economic analysis for plant location purposes.*

Environmental studies:

- *Analysis of the implications of such a facility on the social and natural environment and proposed mitigation measures;*
- *Development of an environmental and social impact assessment of the plant's activities, including a waste management plan.*

Arrangements to regulate the industry

- *Preparation of regulations on waste wood recycling; and*
- *Development of specifications for waste wood management by concessions and industrial units.*

The Consultant will adopt a participatory approach that consists in integrating the main concerns of stakeholders (Government, professionals in the industry, NGOs, donors, etc.). This phase will be followed by the presentation of a preliminary feasibility report and a preliminary environmental impact report, to be discussed in Libreville at a second national workshop. The observations made during the workshop will be taken into consideration by the Consultant when preparing the final project feasibility and environmental impact reports, following the Bank format.

The expected outcomes of this study are:

- *Estimates of annual domestic production from timber processing and forestry exploitation waste, that is to say the unused forest biomass (tree branches and other residue) and the timber industry (wood shavings, unprocessed wood pieces from logs);*
- *A national database for the recycling of forest products derived from the exploitation and processing of available waste wood and possibilities of updating the database on a half-yearly basis;*
- *A technical, financial, socio-economic study report on a project for installation of the plant in Gabon, along with an environmental and social impact assessment report.*

Aspect 4: Feasibility study for a Timber Exchange in Gabon

Development of the forest sector is also hampered by the absence of a structured national timber market, a pricing policy and a national framework to organise timber trade. The objective of the study is to establish a Timber Exchange platform with a view to developing actions that would structure trading in wood products and regulate prices in relation to quality. In other words, the idea is to (i) establish a Timber Exchange in order to develop a Gabonese timber market that is more attractive and competitive; (ii) offer dealers and other operators a secure and normalized space for raw material trade and exchange; (iii) enable the State to regulate trade activity and the related processing industry; (iv) control illegal exploitation of resources; (v) control the tracking of timber products and place certified products on market; and (vi) define and regulate the market value timber products.

After an overview of the marketing of timber, the study will analyse national and international timber market and the economic and financial spin-offs of the Timber Exchange, define the timber collection and market regulation platform, assess the costs and benefits of the establishment of Timber Exchange transactions (including an exchange with a regional scope) and propose a legal framework for the operation of the exchange. The study will be followed by the presentation of a preliminary feasibility report and a pilot Timber Exchange platform which will be discussed at the national validation workshop. More specifically, the services requested of the consultant are threefold:

- (i) Overview of the situation of the timber sector in relation with supply and demand;
- (ii) Proposed technical, institutional and organisational solutions for the establishment of a Timber Exchange; and
- (iii) Proposed roadmap for the establishment of a Timber Exchange.

Overview of the situation: The documentation collected from various stakeholders will enable the Consultant to draw on the results of previous works and studies in the sector. By way of illustration, the diagnosis will focus on the following points:

- *Collection of available documents and data from partners and stakeholders in the sector;*
- *Development of the typology of operators in the forest-timber sector;*
- *Evaluation of the potential of resources in terms of timber products;*
- *Mapping of production and wood processing poles;*
- *Study of the national and international timber market and assessment of potential market demand at national, regional and international levels;*
- *Analysis of the national institutional and environmental context for the establishment of such a platform;*
- *Identification of constraints related to resource exploitation and the medium and long-term marketing of products;*
- *Fundamental analysis of the timber trade in Gabon and the opportunities offered by the global market;*
- *Establishment of data on timber supply and demand over the past five years (by species) and projections for the next five;*
- *Analysis of the pricing policy and existing marketing channels.*

The work will be carried out in consultation with stakeholders, previously identified and whose roles and responsibilities, as well as potential contributions and possible partnerships in the operationalisation and maintenance of the platform will have to be explicitly defined.

Proposed technical, institutional and organisational solutions: Initiate consultations with potential beneficiaries and partners of the platform:

- *Identify similar experiences and analyse the best practices to sustain the initiative;*
- *Study the conditions for operationalising the platform and make proposals;*

- *Assess the scope, capability and the user-friendliness of the platform;*
- *Analyse the institutional and legal framework of the platform;*
- *Outline the various the steps and actions required for the operationalization and maintenance of the platform, based on the proposed options in terms of organisational and institutional anchoring, with an indicative timetable and the role of each stakeholder, as well as an estimate of the necessary costs and the potential contributions of various actors;*
- *Develop a computerized system for the collection, management and dissemination of information on forest products and by-products as well as on all operators of the industry;*
- *Identify potential partners (public/private, national/international, etc.) interested in the setting up of the e-commerce platform;*
- *Evaluate the material human and financial resources required for the functioning of the Timber Exchange;*
- *Analyse the possibilities of choosing the mode of management and technical maintenance of the platform with a view to ensuring sustainability;*
- *Develop a training plan for beneficiaries;*
- *Provide the legal basis for the operation of the Timber Exchange;*
- *Set up the platform for collecting timber and regulating the timber market;*
- *Make a permanent specimen of the statistical yearbook of forest products and by-products and national operators of the forest-timber sector.*

Proposed roadmap for the establishment of the Timber Exchange:

- *Study the conditions for operationalising the platform and make proposals;*
- *Identify the material, human and financial resources required to set up the Timber Exchange project;*
- *Identify the reception facilities and professional operators to be associated with the process (ascertain their interest and potential commitment);*
- *Establish a methodology and approaches for better ensuring the link between the industry and the professional community;*
- *Evaluate the costs of setting up the Timber Exchange; and*
- *Establish a roadmap for setting up the Timber Exchange.*

Expected outcomes: At the end of the mission, a report is expected to be submitted for the operationalization of the Timber exchange platform in Gabon. The report will indicate the phases necessary for the ultimate autonomy of the platform, i.e., at least: the establishment phase and the gradual autonomy phase. The requirements of each phase must be explicitly specified, including the identification of the various stakeholders and their roles and responsibilities, costs of the platform and the various contributions, partnerships, the overall indicative duration per phase, as well as the timing. The project document will serve as the basis for mobilising the resources needed to set up the platform.

V. CONDUCT OF THE STUDY

5.1 Organisation and Management of the Study

5.1.1 The study will be carried out by a multi-disciplinary consulting firm to be recruited by international consultation on the basis of a short list, using the quality and cost-based selection (QCBS) method. The Ministry of Environmental Protection and Natural Resources, Forestry and the Sea will be the executing agency. To this end, its capacity will be strengthened by a Coordination Unit (CU) located within the General Secretariat. The Ministry will appoint an official with proven experience and qualifications in forestry and natural resource management as the coordinator of the studies. He/she will be tasked with coordinating the activities of the studies (including capacity building and organisation of national seminars) and, as such, will facilitate the intervention of international experts on the ground. He/she will also act as the liaison between the consulting firm and the Bank. The coordinator will be assisted by a procurement specialist, an accountant and support staff who will be recruited on a competitive basis, subject to the signing of performance contracts. In addition, the Gabonese authorities will appoint a team of five national counterparts who will work in close cooperation with international experts. They will be required to have proven skills in forest management, forest governance, economic and financial analysis, rural infrastructure for monitoring and quality control. For the specific case of the feasibility study for a charcoal and pellet production plant, the consultant will work directly in consultation with the Directorate General of the Gabon National Timber Company (SNBG) and the private sector.

5.1.2 A Technical Committee will be set up to review the study, chaired by the representative of the Ministry of Environmental Protection and Natural Resources, Forestry and the Sea, composed of representative of the following Ministries:

- Ministry of Sustainable Development, Economy and Investment Promotion;
- Ministry of Agriculture and Agricultural Entrepreneurship, responsible for the implementation of the Seed Programme;
- Ministry of Livestock and Fisheries;
- Ministry of Mines and Industry;
- PSGE Coordination Bureau;
- Gabonese National Timber Company;

- National Agency of National Parks;
- Agency for the Implementation of Timber Industry Activities;
- National Forestry Fund; and
- Two representatives of socio-professional timber organisations.

The Study Review Committee will be tasked mainly with monitoring the implementation of the study, analysing the consultant's interim reports and making policy recommendations. It will meet at least three times during the study period.

5.1.3 To successfully carry out the study, a number of equipment will be procured through the quotation request process. The equipment will comprise lots of IT equipment (computers, printers, inverters and various software), a photocopier, logistic support and other various equipment. Local staff will be granted allowances, while some of them (accountant, secretary and procurement officer) will receive wages.

5.2 Required Expertise and Team Composition

5.2.1 The expertise necessary for the implementation of the study will cover the following areas:

- The forest resources, their assessment, operations and sustainable management;
- Industrialization, technology and the development of value chains;
- Product marketing; and
- Institutional aspects and governance.

5.2.2 Based on the necessary areas of expertise indicated above, the consultant will provide a team composed of the following experts:

- 1 Forestry Management and Sustainable Development Expert, Chief of Mission,
- 1 Value Chain Development Expert,
- 1 Forest Governance Expert,
- 1 Forest Management Expert (including NTFPs),
- 1 Timber Industry and Trade Expert,
- 1 Bioenergy Engineering Expert,
- 1 Wood Technology Expert,
- 1 Infrastructure Engineer,

- 1 Environmental and Social Protection Expert,
- 1 Training/Employment and SMEs Establishment Expert,
- 1 Financial Analyst and Finance Value Chain Expert,
- 1 Exchange Platform Specialist,
- 1 Climate Change Expert,
- 1 Statistics Specialist,
- 1 IT Specialist,
- 1 Documents Drafting Specialist,
- 1 Mobilisation Strategy Development Specialist,
- 1 Procedures Manual Preparation Specialist, and
- 1 Management System Establishment Specialist.

5.2.3 International experts will be assisted by national counterparts with the required qualifications in the field of the study:

- 1 Coordinator,
- 1 Forestry/Agricultural Economics Expert,
- 1 Forestry Management Engineer,
- 1 Timber Industry Specialist,
- 1 Forest Governance Specialist, and
- 1 Vocational Training Specialist.

VI. SCHEDULE AND REPORTS

6.1 Schedule and Duration

The study will begin at the latest one month following the notification of the contract to the consultant. The deliverable schedule is as follows:

- | | |
|---------------------------------------|----------------|
| - Bank approval of the MIC-TAF | June 2016 |
| - Signature of Grant Agreement | July 2016 |
| - Signing of the Consultancy Contract | September 2016 |

Implementation of the first phase

- Start of activities M
- Submission of first progress report M + 1.0
- Submission of the interim review report M + 4.0
- Holding of the national validation workshop M + 4.5
- Submission of the final review report M + 5.5

Implementation of the second phase

- Submission of the three interim feasibility reports and
- The ESA report M + 11.5
- National reports review workshop conducted M + 13.0
- Submission of final reports on feasibility of the SEI
project and climate risks M + 15

6.2 Reports and Documents

.Based on the project schedule, the Consultant will submit the reports below in French. The Consultant will provide the Client with final reports in the form of computer files, including digitized photographs and models, in useable format, of economic calculations and financial simulations conducted in the study.

- (i) **The inception report:** submitted one month after the mobilisation of the Consultant's team in Gabon, this report will include a detailed description of the strategy for the proper conduct of the study, as well as an implementation matrix. The report will be submitted in 10 copies, of which 8 to the Government and 2 to the Bank.
- (ii) **The forest-timber sector review report:** submitted four months after the start of the study, this report is a comprehensive and in-depth review of the Gabonese forest sector. It will be submitted in 15 copies, of which 12 to the Government and 3 to the Bank.
- (iii) **Reports on the feasibility studies for the programme, the Timber Exchange and the industrial production of charcoal and pellets.** The reports will be submitted eleven and a half (11.5) months after the start of the study and will present in detail the objectives of the operations, components, detailed activity description, estimated costs (in local currency and foreign exchange), the financial and economic analysis, etc. The report will be submitted in 15 copies, of which 12 to the Government and 3 to the Bank.

- (iv) **Environmental and social assessment report.** It will be submitted simultaneously with the feasibility reports, eleven and a half (11.5) months after the start of the study and will present in detail the programme's impact on the environment and the appropriate mitigation measures. The report will be submitted in 15 copies, of which 12 to the Government and 3 to the Bank.

VII. FEES AND PAYMENT ARRANGEMENTS

The fees and payment arrangements will be specified in the contract to be negotiated and signed between the consultant and the Government of Gabon. The consultant's offer will cover all components required for the conduct of the study and the prices will not be revisable. The contract, subject to Bank approval, will define the responsibilities of each party and the terms of payment. Payment requests will be forwarded to the Bank, after verification, by the Government. The following payment instalments are proposed as basis for negotiation:

- | | |
|---|-----|
| - At the signing of the contract: | 20% |
| - At the approval of the sector review report: | 40% |
| - At the approval of the final project feasibility report
and the environmental impact final report: | 40% |

VIII. OBLIGATION OF THE GOVERNMENT

8.1 Implementation

To facilitate the conduct of the study, coordinate the Consultant's activities in relation to other possible studies and take necessary decisions concerning the continuation of the study, a Select Committee (SC) will be set up by the Minister of Environmental Protection and Natural Resources, Forestry and the Sea. It will comprise, in addition to the coordinator, counterparts, representatives of technical services and institutions directly concerned by the study.

8.2 Liaison and Assistance

Under the authority and responsibility of the Minister of Environmental Protection and Natural Resources, Forestry and the Sea, the Select Committee will be the liaison between the Consultant's team and all public entities and services concerned by the study. It will facilitate contacts and field trips and ensure that the Consultant has access to all available documentation and information required for the conduct of the study. It will ensure that the study progresses on schedule and take all necessary measures to remedy any weaknesses.

8.3 Documentation

The Select Committee (SC) will furnish the Consultant, for the duration of the study, with all data and reports on the forest industry and other studies in the area. An indicative list of available studies and documents will be provided by the SC at the start of the service delivery. All expenses related to the procurement of documents, maps, etc., which are not available at the Ministry of

Environmental Protection and Natural Resources, Forestry and the Sea will be borne by the Consultant.

IX. CONSULTANT'S OBLIGATIONS AND PROFILE

9.1 Obligations

9.1.1 The Consultant will be entirely responsible for the conduct of the study. He/she will provide in a timely manner the necessary specialists, support structures and logistics, in adequate quality and quantity, to ensure the proper performance of his/her duties.

9.1.2 The Consultant shall deliver the services required by the study and fulfil his/her obligations diligently, efficiently and economically in accordance with generally accepted techniques and practices. He/she shall practice sound management, and employ appropriate advanced technology and equipment, machines, safe and effective materials and processes.

9.1.3 The Consultant shall schedule and define the tasks to be performed in agreement with the Select Committee, and shall specify the expected participation of the latter. The Consultant shall undertake to:

- Verify the consistency of the data and information collected as part of the implementation of his/her mandate; he/she will complement them if need be with the investigations required for the performance of his/her duties;
- Take out all insurance required to cover his/her activities, employees, independent experts, without recourse against third parties;
- Keep the confidentiality of information obtained and the outcomes of his/her tasks during the conduct of his/her study;

9.1.4 The Consultant shall provide evidence that he/she has the equipment required for the discharge of his/her tasks.

9.2 Consultant's Profile

The following table gives **for information purposes** the inputs assessed for the conduct of this study.

Key Staff	Unit	ESTIMATED TIME
Forest Economy Expert (including taxation)	Man/ month	10
Value Chains Development Expert	Man/ month	3
Forest Governance Expert	Man/ month	2
Forest Management Expert (including NTFPs)	Man/ month	2
Timber Industry and Trade Expert	Man/ month	2
Wood Technology Expert	Man/ month	2
Bioenergy Engineering Expert	Man/ month	2

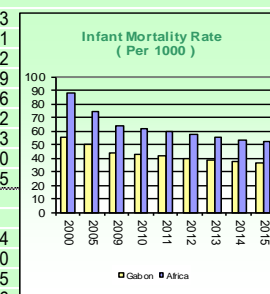
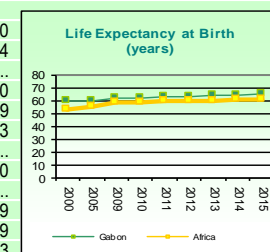
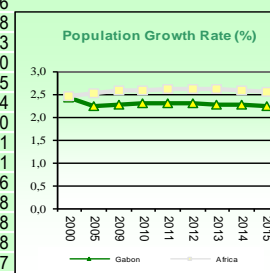
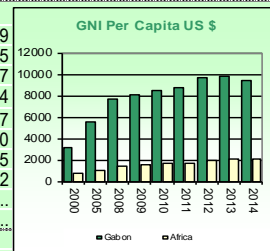
Infrastructure Engineer	Man/ month	2
Social and Environmental Protection Expert	Man/ month	2
Training / Employment and SME Establishment Expert	Man/ month	1
Sector Financing Expert	Man/ month	1
Exchange Platform Specialist	Man/ month	2
Climate Change Specialist	Man/ month	1
Statistics Specialist	Man/ month	1
IT Specialist	Man/ month	1
Document Preparation Specialist	Man/ month	1
Strategic Mobilisation Preparation Specialist	Man/ month	1
Procedures Manual Preparation Specialist	Man/ month	1
Management System Establishment Specialist	Man/ month	1
TOTAL ESTIMATE	Man/ month	38

Key Development Indicators

Gabon

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Gabon	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2015	268	30 067	80 386	53 939
Total Population (millions)	2015	1,7	1 184,5	5 945,0	1 401,5
Urban Population (% of Total)	2015	88,5	39,7	47,0	80,7
Population Density (per Km²)	2015	6,7	40,3	78,5	25,4
GNI per Capita (US \$)	2014	9 450	2 045	4 226	38 317
Labor Force Participation * - Total (%)	2015	61,3	66,3	67,7	72,0
Labor Force Participation ** - Female (%)	2015	56,8	56,5	53,0	64,5
Gender -Related Development Index Value	2007-2013	0,748	0,801	0,506	0,792
Human Develop. Index (Rank among 188 countries)	2014	110
Popul. Living Below \$ 1.25 a Day (% of Population)	2008-2013	6,1	39,6	17,0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2015	2,2	2,6	1,3	0,6
Population Growth Rate - Urban (%)	2015	2,6	3,6	2,6	0,8
Population < 15 years (%)	2015	37,1	41,0	28,3	17,3
Population >= 65 years (%)	2015	5,1	3,5	6,2	16,0
Dependency Ratio (%)	2015	73,1	80,1	54,6	50,5
Sex Ratio (per 100 female)	2015	102,3	100,1	102,8	97,4
Female Population 15-49 years (% of total population)	2015	24,3	24,0	25,8	23,0
Life Expectancy at Birth - Total (years)	2015	64,9	61,2	68,9	79,1
Life Expectancy at Birth - Female (years)	2015	65,7	62,6	70,8	82,1
Crude Birth Rate (per 1,000)	2015	29,7	34,8	21,0	11,6
Crude Death Rate (per 1,000)	2015	8,4	9,3	7,7	8,8
Infant Mortality Rate (per 1,000)	2015	36,1	52,2	35,2	5,8
Child Mortality Rate (per 1,000)	2015	50,8	75,5	47,3	6,8
Total Fertility Rate (per woman)	2015	3,8	4,6	2,6	1,7
Maternal Mortality Rate (per 100,000)	2013	240,0	411,3	230,0	22,0
Women Using Contraception (%)	2014	33,6	35,3	62,1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-2012	29,2	46,9	118,1	308,0
Nurses and midwives (per 100,000 people)	2004-2012	501,7	133,4	202,9	857,4
Births attended by Trained Health Personnel (%)	2009-2012	89,3	50,6	67,7	...
Access to Safe Water (% of Population)	2015	93,2	71,6	89,1	99,0
Healthy life expectancy at birth (years)	2012	54,0	51,3	57	69
Access to Sanitation (% of Population)	2015	41,9	39,4	60,8	96,3
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2013	3,9	3,8	1,2	...
Incidence of Tuberculosis (per 100,000)	2013	423,0	245,9	149,0	22,0
Child Immunization Against Tuberculosis (%)	2013	92,0	84,1	90,0	...
Child Immunization Against Measles (%)	2013	70,0	76,0	82,7	93,9
Underweight Children (% of children under 5 years)	2005-2013	6,5	20,8	17,0	0,9
Daily Calorie Supply per Capita	2011	2 781	2 621	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	2,1	2,7	3,1	7,3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2011-2014	164,9	106,4	109,4	101,3
Primary School - Female	2011-2014	162,4	102,6	107,6	101,1
Secondary School - Total	2011-2014	53,9	54,6	69,0	100,2
Secondary School - Female	2011-2014	...	51,4	67,7	99,9
Primary School Female Teaching Staff (% of Total)	2012-2014	52,9	45,1	58,1	81,6
Adult literacy Rate - Total (%)	2006-2012	82,3	61,8	80,4	99,2
Adult literacy Rate - Male (%)	2006-2012	84,9	70,7	85,9	99,3
Adult literacy Rate - Female (%)	2006-2012	79,9	53,4	75,2	99,0
Percentage of GDP Spent on Education	2009-2012	3,8	5,3	4,3	5,5
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2013	1,3	8,6	11,9	9,4
Agricultural Land (as % of land area)	2013	20,0	43,2	43,4	30,0
Forest (As % of Land Area)	2013	87,7	23,3	28,0	34,5
Per Capita CO2 Emissions (metric tons)	2012	3,3	1,1	3,0	11,6



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

last update : december 2015

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

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Organisation, Operation Management and Procurement

In 2010, the Bank carried out an assessment of Gabon's national procurement process through national competitive bidding (NCB) (former Code: Decree No. 1140/PR/MEFBP of 18 December 2002). The findings of this assessment indicate that the legal and regulatory framework is broadly in line with the relevant provisions of the Bank's Rules and Procedures and that the standard national competitive bidding documents (NSCBDs) are essentially similar to those of the Bank because they draw largely on standard documents of multilateral development banks, including the World Bank. However, a number of discrepancies were noted and should be addressed by Government. In 2012, the Government prepared a new Procurement Code (Decree No. 0254/PR/MEED of 19 June 2012) and the implementation instruments. This new code builds on the following institutions: (i) a regulatory authority; (ii) a General Directorate of Public Procurement (DGMP); (iii) Public Procurement Units; and (iv) Provincial Public Procurement Delegations.

The use of consultants financed from Bank resources will be done in accordance with the procurement policy for operations financed by the Bank Group, issued on October 2015, using relevant Bank standard bidding documents.

The procurement of goods through national shopping will be done in accordance with national legislation on public procurement, using the country's standard bidding documents, as well as in compliance with the provisions set out in the financing agreement.

Simplified Appraisal of Financial Management System: Project Preparation Financing (PPF) Mechanism

MIC GRANT: TECHNICAL SUPPORT FOR THE PREPARATION OF THE SUPPORT PROGRAMME FOR THE "GREEN GABON" INITIATIVE FOR THE TRANSFORMATION OF THE FOREST-TIMBER INDUSTRY IN GABON (PAGTFOB) AND RELATED STUDIES

Gabon
April 2016

General information obtained by the FMS or transmitted by Task Manager or Donor	
Name and contact information of the recipient organisation(s).	The Ministry of Environmental Protection and Natural Resources, Forestry and the Sea is the final recipient of the Grant and the Executing Agency. The Project Implementation Unit (PIU) will be attached to the General Secretariat of this Ministry where it will be located.
Year of registration and years of operation.	The Ministry of Environmental Protection and Natural Resources, Forestry and the Sea is an entity of the Gabonese State.
Experience with AfDB operations, e.g., receipt of previous grants.	The project preparation financing (PPF) mechanism will be implemented under the responsibility of the General Secretariat of the Ministry of Environmental Protection and Natural Resources, Forestry and the Sea. The Ministry is currently implementing the Forest Resource Sustainable Management Support Project, started in 2011, financed by the Bank (with a grant from the Congo Basin Forest Fund - CBFF) through its department in charge of the Forest-Timber sector. The review of audit reports for fiscal 2014 noted that the Implementation Unit of the project had failed to prepare accurate and reliable financial statements and to establish an internal oversight system that is satisfactory and compliant with CBFF requirements. Significant risks were noted in the financial management of the project and especially in the cash flow management. The weaknesses are described in detail below in the paragraph on audit. The supervision mission of 22 to 28 April 2015 pointed out that the financial management of the project was generally unsatisfactory.
Amount of proposed grant (Unit of Account)	The project cost is estimated at UA 1,392,901.38, including an MIC grant of UA 1,198,703.47 and a contribution from the Gabonese Government estimated at UA 194,197.91. The activities financed are presented greater detail in the cost estimates under point 3.1 on page 8. of the appraisal report.
Are there sub-grants for the operation? What are the	N/A

amounts involved in the sub-grants?	
Information about the financial management(FM) arrangements for the operation:	<p>The Ministry will appoint an executive with proven experience and qualifications in forestry and natural resource management as the coordinator of the studies. He/she will be tasked with coordinating study activities (including capacity building and organisation of national seminars) and, as such, will facilitate the intervention of international experts on the ground.</p> <p>The coordinator will be assisted by a procurement specialist, an accountant and support staff.</p> <p>The accountant will be recruited on a competitive basis and the evaluation report for that recruitment should be transmitted to the Bank for its no-objection. The accountant will work under the supervision of the Director of the Central Directorate for Financial Affairs (DCAF), who will assume fiduciary responsibility and will be responsible for all the general financial management and disbursement provisions. The accountant should have at least five years' experience in accounting, including two years with development projects funded by donors such as AfDB and the World Bank, and hold an undergraduate degree in accounting.</p> <p>The fiduciary responsibility of the project shall be under the Director of the Central Directorate for Financial Affairs (DCAF) of the Ministry of Environmental Protection and Natural Resources, Forestry and the Sea, assisted by the accountant that will be recruited. The Director of DCAF will ensure that: (i) all financial transactions, including revenue and expenditure, are duly authorized and properly recorded; and (ii) assets are protected and recorded in an asset register. Also, the Director of DCAF will ensure that the financial information produced is reviewed. To that end, accounting software will be procured for accounts keeping and report production (budget monitoring, financial monitoring report and annual financial statements, etc.). The annual financial statements of the current MICF (balance sheet, cumulative resources and use tables for the fiscal year, explanatory notes, special account reconciliation statement, fixed assets inventory, report) and the biannual production of financial monitoring reports (RSF).</p>

Does the recipient organisation have a financial management or operating manual that describes the internal control system and financial management operational procedures?	As part of the studies, it is planned that a consultant will be recruited to prepare the administrative, financial and accounting manual. This manual will describe the procedures applicable in the various management cycles and define the internal oversight system to be established. This manual will be used to implement the studies and future projects if studies lead to an investment.
What accounting system is used, including whether it a computerized accounting system or a manual accounting system?	As part of this MICF, annual financial reports are produced in a timely manner and in accordance with OHADA accounting principles using accounting software.
What is the staffing arrangement of the organisation in accounting, auditing, and reporting? What is the human resources system in accounting, auditing and reporting? Does the executing entity have a qualified accountant on its staff?	The fiduciary team of the Director in charge of the Central Directorate for Financial Affairs (DCAF) is specialized in public accounting. Thus, an experienced accountant will be recruited for this project to ensure the financial management of the MICF under the supervision of the Director of the Central Directorate of Financial Affairs (DCAF).
Disbursement Arrangement	Disbursements will be mainly by the direct payment method (for payment of the consultant's service contract for the preparation of the studies); a special account will be opened in Libreville. The said account will be managed by the fiduciary team of the executing agency and will be opened exclusively for the operating expenses of the MICF implementation unit and training expenses.
Does the implementing entity have in place basic arrangements able to support flow of funds, and timely accountability of funds?	A special account (SA) will be opened in a bank acceptable to the AfDB. This account will be operated in accordance with the rules and procedures for special accounts set forth in the AfDB Disbursement Handbook. Checks and transfer orders to small suppliers will be co-signed by the designated coordinator and the DCAF Director.

Does the implementing entity keep adequate records of financial transactions, including funds received and paid, and of the balances of funds held?	All supporting documents for grant-related expenses will be maintained and archived in the Central Directorate of Financial Affairs (DCAF), and will be available and accessible for inspection/verification/audit by periodic Bank supervision missions and external auditors.
How often does the implementing entity produce interim financial reports?	The Director of DCAF should ensure that the project's financial monitoring reports (FMRs) are prepared and submitted to the Bank 45 days at the latest after the end of each half-year, and that such reports cover the half-year in form and substance satisfactory to the Bank, and are aligned with the formats agreed upon during the negotiations. The minimum contents of financial monitoring reports will include sources of funds and their uses, the uses of funds by activities/components, and the situation of the Special Account.
Is the Executing agency audited by an external audit firm?	<p>The audit reports of the Forest Resource Sustainable Management Support Project for fiscal 2014 was submitted, but the Bank rejected it on grounds that the auditor's terms of reference (ToRs) were not included. Significant weaknesses were pointed out by the review of the report. The main ones noted by the auditor concern, among others:</p> <ul style="list-style-type: none"> (i) weaknesses detected in the procurement procedures, notably the splitting of procurement contracts and non-compliance with vendor selection procedures; (ii) unreliability of supporting documents for payments; (iii) risk of litigation due to weaknesses at the Gabonese Development Bank (BGD) which accumulates payment arrears; (iv) weaknesses in the bank and fund reconciliation statements; (v) lack of contribution to date from the State of Gabon; (vi) irregularities in the accounting records, particularly the subsidiary balance of accounts payable and advances to vendors; (vii) weakness in budget monitoring and the configuration of TOMPRO, the accounting software; (viii) internal control weaknesses, particularly in the management of fuel and missions, and in the justification of accounting entries. <p>This PPF will be audited by an independent external audit firm to be recruited by the PIU in accordance with the Bank's standard terms of reference. The expenses incurred shall be borne by MICF funds. Given that the duration of the project preparation financing is 15 months, which is less than 18 months, a single audit will be conducted at the end of the studies. The audit report will be submitted to the Bank at the latest within six months of the completion of PPF activities.</p>

TABLE OF COSTS

Summary of estimated expenditure schedule by component (UA '000)

COMPONENT	Implementation Period by Quarter					Total
	Jul-Sept 16	Oct-Dec 16	Jan-March 17	Apr-June 17	Jul-Sept 17	
A. FEASIBILITY STUDY	389.29	297.04	164.92	87.53	24.59	963.38
Preparation of "Green Gabon"	310.47	193.08	133.30	74.39	24.59	735.83
Establishment of an energy wood unit	32.29	54.37	5.11	3.45	-	95.22
Establishment of a Timber exchange	46.54	49.58	26.51	9.69	-	132.33
B. CAPACITY BUILDING	155.57	71.11	15.73	11.60	-	254.01
Promotion of youth entrepreneurship	140.66	9.86	9.89	5.75	-	166.16
Support for FFN operationalization	14.91	61.25	5.85	5.85	-	87.85
C. MANAGEMENT OF THE STUDY	85.13	18.33	18.41	35.89	17.75	175.51
Total PROJECT COSTS	629.99	386.48	199.07	135.02	42.34	1 392.90

Breakdown of financing by quarter over 15 months of implementation

SOURCE OF FINANCING	(UA'000)					Total
	Jul-Sept 16	Oct-Dec 16	Jan-March 17	Apr-June 17		
ADB/MIC	581.94	338.13	150.41	106.75	21.48	1 198.70
Republic of Gabon	48.05	48.35	48.66	28.28	20.86	194.20
Total	629.99	386.48	199.07	135.02	42.34	1 392.90

Breakdown of financing by expenditure category (UA '000)

LIST OF GOODS AND SERVICES	ADB/MIC			GABONESE REPUBLIC			TOTAL		
	Local Currency	Foreign Exchange	Total	Local Currency	Foreign Exchange	Total	Local Currency	Foreign Exchange	Total
A. GOODS	23.65	70.90	94.55	0.00	-	0.00	23.65	70.90	94.55
1. Vehicles	4.71	26.71	31.43	0.00	-	0.00	4.71	26.71	31.43
2. Equipment	18.94	44.18	63.12	0.00	-	0.00	18.94	44.18	63.12
			945.0			29.9			975.0
B. SERVICES	313.12	631.92	4	29.97	-0.00	7	343.09	631.92	1
1. TRAINING	12.50	15.28	27.79	0.00	-0.00	0.00	12.50	15.28	27.79
2. TECHNICAL ASSISTANCE	131.51	425.72	557.23	29.97	0.00	29.97	161.48	425.72	587.20
3. CONTRACTUAL SERVICES	161.02	181.04	342.06	0.00	-0.00	0.00	161.02	181.04	342.06
4. AUDIT	8.08	9.88	17.97	0.00	-	0.00	8.08	9.88	17.97
C. STAFF COSTS	43.44	-	43.44	-	-	-	43.44	-	43.44
F. OPERATION	44.64	41.88	86.52	130.49	27.47	157.95	175.13	69.35	244.48
Not allocated	8.66	20.50	29.15	5.42	0.85	6.27	14.07	21.35	35.42
			1			194.20			392.90
Total	433.51	765.19	1198.70	165.88	28.32	194.20	599.39	793.51	1392.90

REPUBLIC OF GABON
Preparatory Study for the “Green Gabon” Initiative Support Programme

DETAILED COSTS OF THE STUDY
Detailed Table 1: Preparation of Green Gabon

DESCRIPTION		Unit	QUANTITIES						U. Costs (’000 XAF)	Total Amounts (including Contingencies)							AfDB / MIC	Govt. of Gabon
			Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul- Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total			
I. Investment																		
A. SERVICES																		
1. TRAINING & WORKSHOPS																		
	Launch of Study	Unit	1	-	-	-	-	1	6 600	8.17	-	-	-	-	8.17	8.17	-	
	Validation of Phase I	Unit	-	-	1	-	-	1	6 600	-	-	8.28	-	-	8.28	8.28	0.00	
	Validation of the Final Report	Unit	1	-	-	-	-	1	10 000	12.38	-	-	-	-	12.38	12.38	-	
Sub-Total										20.55	-	8.28	-	-	28.83	28.83	0.00	
2. TECHNICAL ASSISTANCE																		
a. INTERNATIONAL EXPERTISE																		
	Forest Economy Expert /a	p/m	1.4	1.4	2.1	1.4	-	6.3	9 000	15.43	15.51	23.39	15.67	-	70.01	70.01	0.00	
	Value Chain Devt. Expert	p/m	-	1.05	-	-	-	1.05	7 150	-	9.24	-	-	-	9.24	9.24	0.00	
	Value Chain Devt. Expert	p/m	-	2	-	-	-	2	7 150	-	17.61	-	-	-	17.61	17.61	-	
	Forest Management Expert	p/m	-	2	-	-	-	2	7 150	-	17.61	-	-	-	17.61	17.61	-	
	Wood Technology Expert	p/m	1	-	-	-	-	1	7 150	8.76	-	-	-	-	8.76	8.76	-	
	Timber Industry and Trade Expert	p/m	-	0.7	-	-	-	0.7	7 150	-	6.16	-	-	-	6.16	6.16	-	
	Infrastructure Engineer	p/m	2	-	-	-	-	2	7 150	17.52	-	-	-	-	17.52	17.52	-	
	Environ. & Soc. Protection Expert	p/m	0.6	-	-	-	-	0.6	7 150	5.25	-	-	-	-	5.25	5.25	0.00	
	Climate Change Expert	p/m	1	-	-	-	-	1	7 150	8.76	-	-	-	-	8.76	8.76	-	
	Training / Jobs Expert	p/m	1	-	-	-	-	1	7 150	8.76	-	-	-	-	8.76	8.76	-	
	Sub-sector Financing Expert	p/m	-	0.5	0.5	-	-	1	7 150	-	4.40	4.42	-	-	8.83	8.83	0.00	
	Statistics Expert	p/m	0.5	-	-	-	-	0.5	7150	4.38	-	-	-	-	4.38	4.38	-	
Sub-Total										68.85	70.53	27.81	15.67	-	182.88	182.88	0.00	
b. NATIONAL EXPERTISE																		
	Forest Economy Counterpart	p/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	11.90	6.06	
	Governance Counterpart	p/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	11.90	6.06	
	Forest Management Counterpart	p/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	11.90	6.06	
	Timber Industry Counterpart	p/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	11.90	6.06	
	Vocational Trainer	p/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	11.90	6.06	
	Procurement Expert Counterpart	p/m	3	3	3	3	-	12	1 000	3.59	3.59	3.59	3.59	-	14.37	14.37	-	
Sub-Total										26.05	26.05	26.05	26.05	-	104.20	73.90	30.31	
c. NATIONAL & INTERNATIONAL TRIPS																		
	Air tickets for International Experts	Unit	4	10	-	-	-	14	1 967 868	9.65	24.27	-	-	-	33.92	33.92	-	
	Travel Allow. for International Trips	p/m	10	12	10	-	-	32	65 596	0.80	0.97	0.81	-	-	2.59	2.59	-	
	Travel Allow. For National Trips	pers/day	25	70	40	-	-	135	110	3.37	9.50	5.46	-	-	18.33	18.33	0.00	

DESCRIPTION			Unit	QUANTITIES						U. Costs (000 XAF)	Total Amounts (including Contingencies)							AfDB / MIC	Govt. of Gabon
				Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul- Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total			
		Sub-Total									13.82	34.74	6.27	-	-	54.83	54.83	0.00	
		d. LOGISTICS																	
		Logistic support	Unit	2	-	-	-	-	2	26 238 24	64.28	-	-	-	-	64.28	64.28	0.00	
		Maintenance & Operation	Unit	5 000	15 000	15 000	5 000	-	40 000	0.085	0.52	1.57	1.58	0.53	-	4.20	4.20	0.00	
		Sub-Total									64.80	1.57	1.58	0.53	-	68.47	68.47	0.00	
		e. EQUIPMENT																	
		Desktop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-	
		Laptop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-	
		Multimedia Projector	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-	
		Scanner	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-	
		Inverter	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-	
		Laser Printer	Unit	1	-	-	-	-	1	1 200	1.47	-	-	-	-	1.47	1.47	-	
		Inkjet Printer (Deskjet)	Unit	1	-	-	-	-	1	600	0.74	-	-	-	-	0.74	0.74	-	
		Sub-Total									7.11	-	-	-	-	7.11	7.11	-	
		f. EQUIPMENT MAINTENANCE SERVICES																	
		Office Equipment	p/m								0.18	0.18	0.18	0.18	-	0.72	0.72	0.00	
		g. FURNITURE AND FIXTURES																	
		Office Furniture	Unit	1	-	-	-	-	1	2 000	2.45	-	-	-	-	2.45	2.45	-	
		Sub-Total									183.26	133.07	61.90	42.43	-	420.65	390.35	30.31	
		3. CONTRACTUAL SERVICES																	
		a. DOCUMENTATION																	
		Reproduction of Documents	p/m	-	-	1	-	-	1	3 279.78	-	-	4.08	-	-	4.08	4.08	-	
		Data Procurement /c	p/m	0.25	0.25	0.25	0.25	-	1	20 000	6.13	6.17	6.21	6.26	-	24.77	24.77	-	
		Sub-Total									6.13	6.17	10.29	6.26	-	28.85	28.85	-	
		b. MANAGEMENT PROCEDURES & SYSTEM MAUAL																	
		Preparation of a Procedures Manual/d	Lump Sum	1	-	-	-	-	1	20 000	24.52	-	-	-	-	24.52	24.52	-	
		Establishment of a Management System	Lump Sum	1	-	-	-	-	1	20 000	24.52	-	-	-	-	24.52	24.52	-	
		Sub-Total									49.03	-	-	-	-	49.03	49.03	-	
		Sub-Total									55.16	6.17	10.29	6.26	-	77.88	77.88	-	
Total Investment Costs											258.97	139.24	80.47	48.69	-	527.36	497.06	30.31	
II. Operation																			
A. STAFF																			
		Support staff (2)	p/m	3	3	3	3	-	12	180/pers/m	1.29	1.29	1.29	1.29	-	5.17	5.17	-	
B. STAFF TRAVEL ALLOWANCE																			
		Support staff	p/m	45	80	55	-	-	180	45	2.50	4.48	3.11	-	-	10.08	10.08	-	
C. OVERHEADS																			

DESCRIPTION	Unit	QUANTITIES						U. Costs ('000 XAF)	Total Amounts (including Contingencies)							
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul- Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total	AfDB / MIC	Govt. of Gabon
1. CONSULTING FIRM																
Office Rental	FF/m	3	3	3	-	-	9	3 655 956	13.45	13.55	13.66	-	-	40.66	7.30	33.36
Communication (telephone, fax and internet)	FF/m	3	3	3	-	-	9	2 827 978	10.40	10.48	10.56	-	-	31.45	3.65	27.80
Sub-Total									23.85	24.04	24.22	-	-	72.11	10.94	61.17
2. PMU																
Office Rental	FF/m	3	3	3	3	3	15	3 655 956	13.45	13.55	13.66	13.76	13.87	68.29	12.25	56.03
Communication (telephone, fax and internet)	FF/m	3	3	3	3	3	15	2 827 978	10.40	10.48	10.56	10.64	10.73	52.82	6.13	46.69
Sub-Total									23.85	24.04	24.22	24.40	24.59	121.11	18.38	102.73
Sub-Total									47.71	48.07	48.44	24.40	24.59	193.22	29.32	163.90
Total Operation									51.50	53.84	52.84	25.70	24.59	208.47	44.57	163.90
Total									310.47	193.08	133.30	74.39	24.59	735.83	541.63	194.20

\a (including taxation)

\b y including Non-Timber Forest Products (NTFP)

\c Surveys, Map, etc.

\d Accounting & Financial Procedures

Detailed Table 2: Establishment of a Green Energy Conversion Plant

DESCRIPTION	Unit	QUANTITIES						U. Costs ('000 XAF)	Total Amounts (including Contingencies)							
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul- Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total	AfDB / MIC	Govt. of Gabon
I. Investment																
A. GOODS																
1. EQUIPMENT AND FURNITURE																
a. EQUIPMENT																
Desktop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Laptop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Inverter	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-
Sub-Total									3.06	-	-	-	-	3.06	3.06	-
b. FURNITURE AND FIXTURES																
Office Furniture	Unit	1	-	-	-	-	1	2 000	2.45	-	-	-	-	2.45	2.45	-
Sub-Total									5.51	-	-	-	-	5.51	5.51	-
B. SERVICES																
1. TECHNICAL ASSISTANCE																
a. INTERNATIONAL EXPERTISE																

DESCRIPTION				Unit	QUANTITIES						U. Costs (’000 XAF)	Total Amounts (including Contingencies)							AfDB / MIC	Govt. of Gabon
					Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul- Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total			
			Forest Economy Expert /a	pers/m	0.3	0.3	0.45	0.3	-	1.35	9 000	3.31	3.32	5.01	3.36	-	15.00	15.00	0.00	
			Bioenergy Engineering Expert	pers/m	-	2	-	-	-	2	7 150	-	17.61	-	-	-	17.61	17.61	-	
			Timber Industry and Trade Expert	pers/m	-	0.9	-	-	-	0.9	7 150	-	7.92	-	-	-	7.92	7.92	-	
			Wood Technology Expert	pers/m	1	-	-	-	-	1	7 150	8.76	-	-	-	-	8.76	8.76	-	
			Value Chain Development Expert	pers/m	-	1.05	-	-	-	1.05	7 150	-	9.24	-	-	-	9.24	9.24	0.00	
			Environ. & Soc. Protection Expert	pers/m	1	-	-	-	-	1	7 150	8.76	-	-	-	-	8.76	8.76	-	
			Sub-Total									20.82	38.10	5.01	3.36	-	67.29	67.29	0.00	
			b. NATIONAL & INTERNAT. TRIPS																	
			Air tickets for International Experts	Unit	2	5	-	-	-	7	1 967 868	4.82	12.13	-	-	-	16.96	16.96	-	
			Travel Allow. for International Trips	pers/m	14	-	-	-	-	14	65 596	1.13	-	-	-	-	1.13	1.13	0.00	
			Sub-Total									5.95	12.13	-	-	-	18.08	18.08	0.00	
			Sub-Total									26.77	50.23	5.01	3.36	-	85.37	85.37	0.00	
			2. CONTRACTUAL SERVICES																	
			Reproduction of Documents	pers/m	-	1	-	-	-	1	3 279.78	-	4.05	-	-	-	4.05	4.05	-	
			Sub-Total									26.77	54.28	5.01	3.36	-	89.42	89.42	0.00	
Total Investment Costs												32.29	54.28	5.01	3.36	-	94.94	94.94	0.00	
II. Operation																				
A. MAINTENANCE, OPER. & REPAIRS																				
			1. EQUIPMENT																	
			Equipment Maintenance	FF/year								-	0.09	0.09	0.09	-	0.28	0.28	0.00	
Total Operation												-	0.09	0.09	0.09	-	0.28	0.28	0.00	
Total												32.29	54.37	5.11	3.45	-	95.22	95.22	0.00	

\a (including taxation)

Detailed Table 3: Establishment of a Timber exchange

DESCRIPTION	Unit	QUANTITIES						U. Costs (’000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
I. Investment																
A. GOODS																
1. EQUIPMENT AND FURNITURE																
a. EQUIPMENT																
Desktop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Laptop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Inverter	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-
Sub-Total									3.06	-	-	-	-	3.06	3.06	-

DESCRIPTION	Unit	QUANTITIES						U. Costs (’000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
b. FURNITURE AND FIXTURES																
Office Equipment	Unit	1	-	-	-	-	1	2 000	2.45	-	-	-	-	2.45	2.45	-
Procurement of Documents and Maps	Unit	0.25	0.25	0.25	0.25	-	1	20 000	6.13	6.16	6.20	6.24	-	24.73	24.73	0.00
Sub-Total									8.58	6.16	6.20	6.24	-	27.19	27.19	0.00
Sub-Total									11.64	6.16	6.20	6.24	-	30.25	30.25	0.00
B. SERVICES																
1. TECHNICAL ASSISTANCE																
a. INTERNATIONAL EXPERTISE																
Forest Economy Expert /a	pers/m	0.3	0.3	0.45	0.3	-	1.35	9 000	3.31	3.32	5.01	3.36	-	15.00	15.00	0.00
Trading Platform Specialist	pers/m	-	2	-	-	-	2	7 150	-	17.61	-	-	-	17.61	17.61	-
Timber Industry and Trade Expert	pers/m	-	0.4	-	-	-	0.4	7 150	-	3.52	-	-	-	3.52	3.52	-
Value Chain Devt. Expert	pers/m	-	0.9	-	-	-	0.9	7 150	-	7.92	-	-	-	7.92	7.92	-
Environ. & Soc. Protection Expert	pers/m	0.4	-	-	-	-	0.4	7 150	3.50	-	-	-	-	3.50	3.50	0.00
Statistics Expert	pers/m	0.5	-	-	-	-	0.5	7 150	4.38	-	-	-	-	4.38	4.38	-
IT Expert	pers/m	-	-	1	-	-	1	7 150	-	-	8.85	-	-	8.85	8.85	0.00
Sub-Total									11.19	32.37	13.86	3.36	-	60.78	60.78	0.00
b. VOYAGES NATX & INTERNATX																
Air tickets for International Experts	Unit	8	-	-	-	-	8	1967868	19.29	-	-	-	-	19.29	19.29	-
Travel Allow. for International Trips	pers/m	13	13	11	-	-	37	65 596	1.05	1.05	0.90	-	-	2.99	2.99	0.00
Travel Allowance for National Trips	pers/day	25	70	40	-	-	135	110	3.37	9.50	5.46	-	-	18.33	18.33	0.00
Sub-Total									23.71	10.55	6.36	-	-	40.61	40.61	0.00
Sub-Total									34.90	42.92	20.22	3.36	-	101.40	101.40	0.00
2. CONTRACTUAL SERVICES																
Reproduction of Documents	pers/m	-	0.1	-	-	-	0.1	3 279.78	-	0.40	-	-	-	0.40	0.40	0.00
Sub-Total									34.90	43.33	20.22	3.36	-	101.80	101.80	0.00
Total Investment Costs									46.54	49.49	26.42	9.60	-	132.05	132.05	0.00
II. Operation																
A. MAINTENANCE, OPERATION & REPAIRS																
1. EQUIPMENT																
Equipment Maintenance	FF/year								-	0.09	0.09	0.09	-	0.28	0.28	0.00
Total Operation									-	0.09	0.09	0.09	-	0.28	0.28	0.00
Total									46.54	49.58	26.51	9.69	-	132.33	132.33	0.00

Detailed Table 4: Promotion of Youth Entrepreneurship

DESCRIPTION	Unit	QUANTITIES						U. Costs (’000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan- Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
I. Investment																
A. SERVICES																
1. TRAINING																

DESCRIPTION	Unit	QUANTITIES						U. Costs ('000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan- Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
Scholarships	20 pers/m	-	3	3	-	-	6	25/pers/ m	-	1.87	1.88	-	-	3.75	3.75	-
Teachers' Allowances	pers/m	-	3	3	-	-	6	600	-	2.24	2.26	-	-	4.50	4.50	-0.00
Youth Incubation Support Measures	Unit	1	-	-	-	-	1	40 000	49.51	-	-	-	-	49.51	49.51	-
Youth Vocational Training	Unit	1	-	-	-	-	1	53 92.92	66.83	-	-	-	-	66.83	66.83	-
Preparation of ENEF Curricula / a	Unit	1	-	-	-	-	1	15 000	18.57	-	-	-	-	18.57	18.57	0.00
Total Investment Costs									134.91	4.11	4.14	-	-	143.16	143.16	0.00
II. Operation																
A. STAFF																
Incubation Centre Focal Point	pers/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	17.97	-
Secretary's Allowance	pers/m	3	3	3	3	-	12	350	1.26	1.26	1.26	1.26	-	5.03	5.03	-
Total Operation									5.75	5.75	5.75	5.75	-	23.00	23.00	-
Total									140.66	9.86	9.89	5.75	-	166.16	166.16	0.00

a ENEF: National Forestry School

Detailed Table 5: Operationalization of the National Forest Fund (FFN)

DESCRIPTION	Unit	QUANTITIES						U. Costs ('000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
I. Investment																
A. GOODS																
1. EQUIPMENT																
Desktop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Laptop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
Inkjet Printer (Deskjet)	Unit	1	-	-	-	-	1	600	0.74	-	-	-	-	0.74	0.74	-
Inverter	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-
Sub-Total									3.80	-	-	-	-	3.80	3.80	-
2. FURNITURE AND FIXTURES																
Furniture - Operationalization Officer	Unit	1	-	-	-	-	1	2 500	3.06	-	-	-	-	3.06	3.06	-
Office Furniture - Secretary	Unit	1	-	-	-	-	1	1 800	2.21	-	-	-	-	2.21	2.21	-
Sub-Total									5.27	-	-	-	-	5.27	5.27	-
Sub-Total									9.07	-	-	-	-	9.07	9.07	-
B. SERVICES																
1. TECHNICAL ASSISTANCE																
Preparation of a Mobilisation Strategy	Lump Sum	-	1	-	-	-	1	15 000	-	18.47	-	-	-	18.47	18.47	0.00
Preparation of a Procedures Manual	Lump Sum	-	1	-	-	-	1	15 000	-	18.47	-	-	-	18.47	18.47	0.00
Establishment of a Management Syst.	Lump Sum	-	1	-	-	-	1	15 000	-	18.47	-	-	-	18.47	18.47	0.00
Sub-Total									-	55.40	-	-	-	55.40	55.40	0.00
Total Investment Cost									9.07	55.40	-	-	-	64.47	64.47	0.00
II. Operation																

A. STAFF																	
	Operationalization Officer	pers/m	3	3	3	3	-	12	1 250	4.49	4.49	4.49	4.49	-	17.97	17.97	-
	Secretary's Allowance	pers/m	3	3	3	3	-	12	350	1.26	1.26	1.26	1.26	-	5.03	5.03	-
Sub-Total										5.75	5.75	5.75	5.75	-	23.00	23.00	-
B. MAINTENANCE & OPERATION																	
	Equipment	Lump Sum								0.10	0.10	0.10	0.10	-	0.39	0.39	0.00
Total Operation										5.84	5.85	5.85	5.85	-	23.38	23.38	0.00
Total										14.91	61.25	5.85	5.85	-	87.85	87.85	0.00

Detailed Table 6: Management of the Study

DESCRIPTION		Unit	QUANTITIES						U. Costs (‘000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon	
			Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total			
	A. GOODS																	
	1. EQUIPMENT and FURNITURE																	
	a. EQUIPMENT																	
		Desktop Computer (i7<)	Unit	2	-	-	-	-	2	1 000	2.45	-	-	-	-	2.45	2.45	-
		Laptop Computer (i7<)	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
		Multimedia Projector	Unit	1	-	-	-	-	1	1 000	1.23	-	-	-	-	1.23	1.23	-
		Scanner	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-
		Invertor	Unit	1	-	-	-	-	1	500	0.61	-	-	-	-	0.61	0.61	-
		Laser Printer	Unit	1	-	-	-	-	1	1 200	1.47	-	-	-	-	1.47	1.47	-
		Inkjet Printer (Deskjet)	Unit	1	-	-	-	-	1	600	0.74	-	-	-	-	0.74	0.74	-
		Medium-Volume Photocopier	Unit	1	-	-	-	-	1	5 000	6.13	-	-	-	-	6.13	6.13	-
	2. LOGISTICS																	
		Logistic support	Unit	1	-	-	-	-	1	26,238.2 4	31.99	-	-	-	-	31.99	31.99	0.00
	Sub-Total										14.46	-	-	-	-	14.46	14.46	-
	b. FURNITURE AND FIXTURES																	
		Office Furniture (Coordinator)	Unit	1	-	-	-	-	1	2 500	3.06	-	-	-	-	3.06	3.06	-
		Office Furniture (Secretary)	Unit	1	-	-	-	-	1	1 800	2.21	-	-	-	-	2.21	2.21	-
		Office Furniture (Accountant)	Unit	1	-	-	-	-	1	1 800	2.21	-	-	-	-	2.21	2.21	-
	Sub-Total										7.48	-	-	-	-	7.48	7.48	-
	Sub-total										21.93	-	-	-	-	21.93	21.93	-
	Sub-total										53.92	-	-	-	-	53.92	53.92	0.00
	B. SERVICES																	
	1. CONTRACTUAL SERVICES																	
		Steering Committee Meetings	pers/m	-	1	1	1	1	4	3 000	-	3.70	3.73	3.75	3.78	14.97	14.97	-
	2. AUDIT																	
		Audit of the Study's Management	pers/m	-	-	-	1	-	1	15 000	-	-	-	18.76	-	18.76	18.76	0.00
	Sub-total										-	3.70	3.73	22.51	3.78	33.72	33.72	0.00
Total Investment Costs											53.92	3.70	3.73	22.51	3.78	87.64	87.64	0.00
II. Recurrent Costs																		

DESCRIPTION	Unit	QUANTITIES						U. Costs ('000 XAF)	Total Amounts (including Contingencies)						AfDB / MIC	Govt. of Gabon
		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		Jul-Sept 16	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Apr-Jun 17	Total		
A. STAFF																
Coordinator	pers/m	3	3	3	3	3	15	1 000	3.59	3.59	3.59	3.59	3.59	17.97	17.97	-
Secretary	pers/m	3	3	3	3	3	15	350	1.26	1.26	1.26	1.26	1.26	6.29	6.29	-
Accountant	pers/m	3	3	3	3	3	15	600	2.16	2.16	2.16	2.16	2.16	10.78	10.78	-
Other support staff	pers/m	3	3	3	3	3	15	180	0.65	0.65	0.65	0.65	0.65	3.23	3.23	-
Sub-total									7.65	7.65	7.65	7.65	7.65	38.27	38.27	-
B. STAFF TRAVEL ALLOWANCES																
Coordinator	pers/day	15	15	15	15	15	75	45	0.83	0.84	0.85	0.85	0.86	4.23	4.23	-
Other support staff	pers/day	25	30	30	25	25	135	45	1.39	1.68	1.69	1.42	1.44	7.62	7.62	-
Sub-total									2.22	2.52	2.54	2.28	2.30	11.86	11.86	-
C. MAINTENANCE, OPERATION & REPAIRS																
1. VEHICLES																
4x4 Vehicle	km	5 000	15 000	15 000	5 000	10 000	50 000	0.085	0.53	1.59	1.60	0.54	1.08	5.33	5.33	0.00
2. EQUIPMENT																
Equipment Maintenance	FF/year								-	0.44	0.44	0.44	0.45	1.77	1.77	0.00
2. LOGISTICS																
Logistic support	km	5 000	15 000	15 000	5 000	10 000	50 000	0.085	0.53	1.59	1.60	0.54	1.08	5.33	5.33	0.00
Sub-total									0.53	2.03	2.04	0.98	1.53	7.10	7.10	0.00
D. OVERHEADS																
Maintenance of Premises /a	Lump Sum	1	-	-	-	-	1	15 000	18.39	-	-	-	-	18.39	18.39	-
Consumables	FF/month	3	3	3	3	3	15	655 956	2.41	2.43	2.45	2.47	2.49	12.25	12.25	-
Sub-total									20.81	2.43	2.45	2.47	2.49	30.65	30.65	-
Total Recurrent Costs									31.21	14.63	14.68	13.38	13.97	87.87	87.87	0.00
Total									85.13	18.33	18.41	35.89	17.75	175.51	175.51	0.00

Political Map of Gabon



Primary and Secondary and Timber Processing Units in Gabon

