

**Speech by Mr Joseph Paul IBOUILI MAGANGA, Vice-president of the INFF steering committee,
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**TRAINING WORKSHOP ON INTEGRATED NATIONAL FINANCING FRAMEWORKS (INFF) in
AFRICA**

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Ladies and gentlemen,

Thank you for giving me the opportunity to share Gabon's experience with the Integrated National Financing Framework, a process we launched a year ago.

I am Mr **Joseph Paul IBOUILI MAGANGA** and I am vice-president of the steering committee of the project, as well as the Inspector of services within the Ministry of Economy and Revival.

Since 2009, Gabon, by adopting the Emerging Gabon Strategic Plan (PSGE 2009-2025), has made sustainable development the foundation of its new development model. Through its central pillar "Green Gabon", the country aims to accelerate the transition from a model based solely on extractive industries (oil, mining) to the green economy.

In terms of vision, the PSGE is largely aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda adopted in 2015. However, its implementation suffers from the lack of an adequate and sustainable financing strategy. The progress made in economic diversification between 2009 and 2015, particularly in the green economy sectors (timber, agriculture, etc.), was slowed down by the drastic drop in oil prices that began in 2014, thus causing a decline in the public investments needed to boost private investment.

To remediate this situation, the INFF Joint Programme aims to support Gabon in developing its capacity to formulate a strategy for financing the transition to a greener economy, which will accelerate the achievement of the SDGs at the national level and contribute to the fight against climate change at the international level.

The systemic approach, which will be developed in this framework, will allow to:

- Build a financing framework for the PSGE aligned with the SDGs and the transition to the green economy, including strengthening its monitoring system.
- Streamline the development financing ecosystem, integrate its components, and support the establishment of a multi-stakeholder dialogue framework (Government, Private Sector, Civil Society, Development Partners).
- Analyze all opportunities for innovative financing that Gabon can access, including climate

finance, to accelerate its sustainable development.

- Develop national capacities in the above-mentioned areas.

Three key results are expected:

- **Result 1:** Development and alignment of the SDG Financing Framework with the PSGE (Mapping of SDG financing flows and the green economy; Strengthening of the SDG financing governance mechanism).
- **Result 2:** The establishment of new financing instruments to facilitate the transition to the green economy (Accounting of Gabon's Natural Capital and identification of ecosystem services to be valued; Establishment of analytical tools for financing the green economy; Feasibility study for the establishment of a Green Fund and the modalities of its supply; Development of PPPs dedicated to the financing of the green economy; Facilitated access of Gabon to climate finance instruments available at the global level; South-South and Triangular cooperation with countries with proven experience in green economy).
- **Result 3:** The preparation and implementation of a green economy communication plan (Green economy awareness campaign; Advocacy for strong PPPs for the green economy through the presentation of business opportunities and the organization of investor forums; Production and dissemination of communication tools).

In concrete terms, we have conducted the DFA exercise, and we have a roadmap that will have to be consolidated with the launch of ongoing studies. DFA's analysis reveals a misalignment between the Government's planning and financing policy functions, a narrow focus on public resources to finance the SDGs, and the participation of a limited group of stakeholders in the dialogue and decision-making process on financing the SDGs. These are all major challenges facing Gabon in achieving its development goals.

The absence of a comprehensive policy for mobilising financing, which is integrated into national development strategies, complicates the implementation of the country's development plan and the SDGs. The various sectoral and environmental development strategies embodied in the PSGE demonstrate the will, at the highest level of the State, to diversify the sources of economic growth and reduce inequalities. It becomes clear that we need funding to achieve sustainable development priorities.

The 2025 Vision of Emerging Gabon is not based on estimates of the financing requirements for its implementation. However, the TAP is costed and the government is in the process of refining this costing. **Moreover, policy implementation capacity also needs to be strengthened to ensure an effective presence of public administration in all parts of the process.**

Historically, development financing in Gabon has relied mainly on government revenues, private investment, and foreign direct investment (FDI). However, government revenues and

domestic private investment are in structural decline. This trend has resulted in stagnation in development financing, as well as increasing dependence on international financing flows.

This context marks two priorities for the implementation of a development financing strategy that should, first, limit dependence on international flows by emphasizing the mobilization of domestic resources and, second, maximize the alignment and contributions of private investments to Gabon's sustainable development priorities and the SDGs.

Control of budget implementation needs to be strengthened. While predictability has been enhanced by the gradual implementation of the BOP, control of implementation has been weakened by the lack of transparency in the management of public contracts, most of which are awarded by direct agreement.

The lack of continuous and systematic monitoring of progress on the SDGs in Gabon is a major constraint to the establishment of an NCFI. Performance-based budgeting represents an opportunity to introduce elements of monitoring of budgetary expenditures related to the SDGs or simply to environmental objectives.

The weakness of the statistical ecosystem significantly constrains monitoring and control efforts. The lack of information collected by monitoring systems is therefore not able to inform the design and implementation of financial policies for specific financial flows. Some approaches are in place for public finance. However, these would benefit from a centralization of data, for example at the Ministry of the Economy.

Public participation in budget management is limited to information, which remains weak. No mechanism is in place to allow the public to participate directly in budget management, while the programme-based budgeting approach has made budget documents more understandable and comprehensive, public access to budget information remains to be strengthened.

However, the studies underway within the framework of the INFF will correct all these bottlenecks. The studies on green public finance will introduce green markers in the state budget; the study on green taxation will provide insights on promoting a sustainable production system and solving the problem of high tax expenditures (5% of GDP), especially in the green economy (forestry); the progress on gender sensitive budget will introduce “pink markers” and allow conducting more inclusive policies, while the analysis on the green economy will contribute at removing the bottlenecks of this branch of the economy which does not attract enough private investment compared to the oil or mining sectors. In the same vein, we have launched the "**SDG Investor Map**", which is the mapping of investments aligned with the SDGs, in order to encourage the private sector to invest in favour of the SDGs and initiated the costing of the SDGs by ensuring budget alignment.

Through a process of iterative dialogue, we have succeeded in sensitizing key stakeholders: the Ministry of Economy, the Ministry in charge of Environment, the Ministry of Budget, the Prime

Minister's Office, the Presidency of the Republic through the National Council of the Transformation Acceleration Plan (PAT), the private sector, NGOs and the Parliament

We are now pushing to strengthen the governance framework of the INFF, to further streamline the functioning of existing governance/development finance frameworks.

The major challenge remains the establishment of this platform for dialogue with the private sector, which is known to be very active in aligning their CSR policy with SDGs.

Thank you for your kind attention.