I. Project Context

Country Context

Gabon is a resource-rich country, well endowed with arable land, forest, and mineral resources. It has extraordinary biodiversity as well as rich deposits of magnesium and iron ore. It is the fifth largest oil producer in Sub-Saharan Africa and the second exporter of manganese. With a GNI per capita estimated at US$7760 in 2010, it is one of Africa’s few middle-income countries. 80 percent of its population lives in urban areas predominantly in the capital, Libreville, in Port-Gentil, the economic capital and in Franceville, the mining region. The Gabonese population is young, with 50 percent under 19 years of age. Gabon’s human development outcomes compare favorably with Sub-Saharan Africa but fall short of countries with similar levels of per capita income. Gabon is ranked 93 out of 169 countries in the 2010 UNDP Human Development Index. Gabon is unlikely to meet a number of Millennium Development Goals (MDGs) by 2015. Gabon’s macroeconomic performance has improved over recent years thanks to higher oil prices, a lower than expected decline in oil production and the expansionary fiscal policy implemented by the new Government. Real GDP growth increased at a yearly average rate of 3 percent from 2005 to 2011. The non-oil GDP growth rate grew particularly fast from 2.3 percent in 2004 to 6.1 percent in 2007, reflecting the increased investment in rubber production, forestry and mining sectors as well as the expansion in agri-business and telecommunications sectors. Gabon plays a leading economic role in Central Africa. Gabon’s membership in CEMAC (the Central African Economic and Monetary Union), has strengthened economic management by creating a regional framework for macroeconomic surveillance and an institutional forum for policy dialogue.

II. Sectoral and Institutional Context

Gabon has shown so far a strong commitment to opening the telecommunications market to competition and the telecommunications market at the local level is dynamic and competitive. The telecom sector in Gabon has been liberalized and the incumbent operator Gabon Telecom was privatized in February 2007 (with Maroc Telecom taking a 51 percent majority stake), and the company’s monopoly on the provision of international long-distance, domestic long-distance and local fixed telephony is ending in February 2012. As in the sub-region, the fixed network shows a very low level of development, with merely 30,000 fixed subscribers as of December 2010 but the cellular sector is dynamic and competitive, including four mobile operators: Airtel Gabon, Libertis, Moov Gabon and USAN Gabon (Azur). As of December 2010, the mobile penetration rate is 145%. On-net calls are priced at 120 FCFA/min (24 US$cent/min). By contrast, access to international connectivity is at a high price, impeding a rapid development of Gabon’s Broadband Internet market, and is beyond the reach of the majority of the population. Since 2002, the country has access to international bandwidth via the Libreville SAT3-WASC submarine cable landing station, but through its monopoly Gabon Telecom is rationing access to the bandwidth on this international fiber optic and keeping bandwidth prices close to satellite prices – the next alternative for service providers. Some attempts at regulatory intervention have been unsuccessful. As a consequence, the fixed broadband market is underdeveloped with a penetration rate of fixed broadband customers of merely 0.5% as of December 2010, and very high prices even at low speeds. Prior to the roll out of mobile broadband services using 3G technology, mobile operators have 209,993 subscribers as of December 2010 on EDGE-GPRS (penetration of 13.5%), which indicates a real need for Internet despite existing constraints on international connectivity.

III. Project Development Objectives

The development objective of the proposed project is consistent with the PDO for the CAB Program: To contribute to increase geographical reach and usage of regional broadband network services and reduce their prices in the territory of the Republic of Gabon.

IV. Project Description

Component Name

Component 1 - Enabling environment
Component 2 – Connectivity
Component 3 – Project Management
V. Financing *(in USD Million)*

<table>
<thead>
<tr>
<th>For Loans/Credits/Others</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>53.00</td>
</tr>
<tr>
<td>International Bank for Reconstruction and Development</td>
<td>56.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>109.00</strong></td>
</tr>
</tbody>
</table>

VI. Implementation

The line Ministry MCPEN will lead the implementation of CAB4 GA. The implementation arrangement involves two organizational levels: a Steering Commission and a Project Implementation Unit. The Steering Commission (Commission chargée du suivi des projets de fibre optique au Gabon) will be in charge of providing overall technical and operative guidance, direction and coordination during project implementation, will have fiduciary and governance oversight and will be bear overall responsibility for the compliance of safeguard activities to National and Bank policies. The PIU for CAB4 GA will be an already established and experienced PIU called CN-TIPPEE (Commission Nationale – Travaux d’Intérêt Public pour la Promotion de l’Entreprenariat et de l’Emploi / National Commission – Labor Intensive Small-Scale Public Infrastructure Works), which was set up in 2006 by Government of Gabon and which is already familiar with Bank procedures. The CN-TIPPEE, directed by a Permanent Secretary, includes four units respectively responsible for technical implementation, administration and finance, monitoring and evaluation as well as information and communication. Reporting to the Steering Commission for overall guidance, direction and coordination as well as for fiduciary and governance oversight, the CN-TIPPEE will be responsible for project implementation, including all fiduciary tasks such as Procurement, Financial Management, M&E, Communications and Environmental Support. The Government of Gabon will ensure (counterpart funding) that the CN-TIPPEE will keep its key management, technical and financial positions staffed for the entire duration of the project to carry out its responsibilities under the project.

The PIU CN-TIPPEE will have overall responsibility for reporting to the Steering Commission. The National Regulator for Posts and Telecommunications ARCEP will provide the PIU CN-TIPPEE with collect from the operators and ISPS as well as from ANINF results framework and monitoring indicators. CN-TIPPEE will put and prepare M&E reports on a biannual basis that will include the updated Results Framework and the Action Table as well as the strategic environmental and social safeguards indicators, listing the corrective actions to be implemented with deadlines and persons responsible clearly identified. The report will be sent to the Bank for information.

VII. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>✗</td>
<td></td>
</tr>
</tbody>
</table>

VIII. Contact point

**World Bank**

- **Contact:** Michel Rogy
- **Title:** E T Consultant
- **Tel:** 458-0950
- **Email:** mrogy@worldbank.org

**Borrower/Client/Recipient**

- **Name:** Ministry of Communication, Post and Digital Economy (MCPEN)
- **Contact:** CAB4 Gabon focal point
- **Tel:** 241768713
- **Email:**

**Implementing Agencies**

- **Name:** CN-TIPPEE
- **Contact:** Richard Damas
- **Title:** Permanent Secretary
IX. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop