

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC5489

Project Name	eGabon (P132824)
Region	AFRICA
Country	Gabon
Sector(s)	Public administration- Information and communications (20%), Information technology (24%), Telecommunications (40%), General information and communications sector (4%), Health (12%)
Theme(s)	e-Government (50%), Infrastructure services for private sector development (20%), Micro, Small and Medium Enterprise support (25%), Regional integration (5%)
Lending Instrument	Investment Project Financing
Project ID	P132824
Borrower(s)	Gabonese Republic
Implementing Agency	CN-TIPPEE
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	10-Jul-2015
Date PID Approved/ Disclosed	11-Jul-2015
Estimated Date of Appraisal Completion	09-Feb-2016
Estimated Date of Board Approval	31-Mar-2016
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Gabon has enjoyed steady economic growth and is one of Sub-Saharan-Africa's few upper middle-income countries (UMIC), but it faces headwinds from the falling price of oil. It is the second largest economy of the Central Africa Economic and Monetary Community (CEMAC) after Cameroon, the fifth largest oil producer in Sub-Saharan Africa (though production is steadily declining) and the second largest exporter of manganese. Real economic growth averaged an impressive 5-6 percent per annum from 2008-2013, but the recent decline in oil prices and subsequent loss of revenue has led to a slow-down, with Gross Domestic Product (GDP) growth falling from 5.6 percent to 4.3 percent between 2013-2014.

Despite Gabon's relative wealth, the benefits are highly concentrated and human development outcomes fall short of countries with similar per capita income. With a Gross National Income (GNI) per capita estimated at US\$ 19,264 (PPP current price) in 2013, it is one of only six upper middle income countries (UMICs) in Sub-Saharan Africa. However, inequality is high, resulting in highly uneven living standards and opportunities. According to the latest household survey, dating from 2005, poverty is at 33 percent, an increase compared to 1997 when poverty stood at 25 percent. Recent poverty data is lacking due to a delay in the implementation of a new household survey. The 2014 United Nations Human Development Report ranks Gabon at number 112 worldwide, with a slight improvement in the 2014 Human Development Index compared to that of 2013, consistent with the trend over many years. A 2013 McKinsey report commissioned by the Government of Gabon suggests that about 30 percent of the population is economically vulnerable. Further, the study finds access to basic social services (e.g. health, safe drinking water and electricity) has deteriorated over time. Gabon is ranked 112 out of 187 countries in the 2014 UNDP Human Development Index, well below countries with similar GDP per capita. Large households with low levels of education and weak labor market skills are the poorest.

Strong economic growth during the past decade has not translated into significant job growth, and unemployment is high, particularly for women and youth. While the population of 1.6 million is relatively small, it is very young and growing steadily, with over half of the population under the age of 19 and averaging 2.1 percent growth between 1998 and 2008. An estimated 10,000–15,000 people enter the labor market each year, significantly above the number of new jobs created. As a result the unemployment rate stands at 16 percent, with women and youth being disproportionately affected. The unemployment rate among people under 30 is 30 percent and female unemployment stands at 27 percent (compared to 14 for male unemployment).

New approaches are needed to address the challenges of unbalanced growth and unequal social and economic opportunity. In 2010, the Government began to implement a new economic vision known as the "Plan Stratégique Gabon Émergent" (PSGE), which aims to reduce the country's reliance on natural resource extraction and position the country as a top emerging market globally by 2025. The PSGE identifies Information and Communications Technology (ICT) enabled industry and services sectors, the "Digital Economy," as a critical growth area to create jobs and improve both private and public service delivery. The plan also calls for leveraging investments in connectivity infrastructure and technology to promote productivity gains throughout the economy as well as greater transparency, efficiency and effectiveness of service delivery by government.

Sectoral and Institutional Context

Gabon is in a strong position to leverage its competitive telecommunications market and ongoing and future investments in connectivity infrastructure to promote the development of a vibrant digital economy and to improve service delivery. The Government has demonstrated a strong commitment to a dynamic telecommunications market – privatizing government owned Gabon Telecom in 2007 and fostering vibrant competition in the emerging broadband market both mobile (3G/4G licenses awarded in March 2014 to Airtel Gabon and Gabon Telecom/Moov) and fixed (between Gabon Telecom/Moov and several independent Internet Service Providers). The cellular sector is dynamic and competitive, with three major operators (Airtel Gabon; Gabon Telecom/Moov and Azur) and a mobile penetration rate of 194% (December 2014). Internet penetration is growing rapidly, with 69% penetration as of December 2014. The Government is committed to improving the robustness of the legal and regulatory environment and has also undertaken significant investment to improve access, reduce the cost and improve the quality of telecommunications services for both government

and private users, through ongoing rollout of a national fiber optic backbone as part of a private-public partnership (PPP) with support from the World Bank under the Central Africa Backbone (CAB) program .

However, additional investments will be needed to provide greater access to the poorest and most marginalized areas to ensure that citizens in these regions are able to participate in the digital economy and access vital services. Significant portions of the country and many government institutions outside of the main cities still lack access to fiber optic connectivity. Given the low population density and low disposable income of much of the population, private sector investment is not forthcoming in many areas in the absence of government intervention. Further investments in shared infrastructure under the PPP scheme previously established under CAB would be an efficient and effective means of extending such access. It would reduce the risk and cost for private operators to provide services to consumers in these areas and provide the connectivity required by government institutions to improve operating efficiency and deliver services electronically.

A further catalyst will also be needed to meet the government's objectives of jumpstarting the digital innovation ecosystem and creating new sources of growth. Connectivity alone is not enough to encourage digital innovation and e-commerce. Gabon currently lacks the ICT and entrepreneurial skills base, legal and regulatory enabling environment (such as open data), incubation facilities/ services (legal, accounting, capital mobilization, networking, idea-exchange, etc.) and initial applications development contracting opportunities which have been proven so effective in encouraging the emergence of a self-reinforcing digital innovation ecosystem and generating digital jobs in countries such as Ghana, Kenya, Morocco, and Senegal .

The government has re-organized itself to deliver improved e-government services with the aim of achieving greater effectiveness and value for money in service delivery. Though Gabon is the regional leader in e-government development , it still fares poorly in comparison to the rest of the world. To address these shortcomings, the Government has established the National Information System Master Plan (“Schéma Directeur du Système d’Information”) that defines priority e-government applications, as well as standards and guidelines for interoperability. An inter-ministerial commission for e-government was also created in 2013 to foster the development, roll-out and adoption of e-applications.

Health has been identified as a priority sector to demonstrate both the potential impact of e-services and to encourage the emergence of a digital innovation ecosystem. Gabon has not met its Millenium Development Goal (MGD) targets in health and struggles to achieve value for money in its operations. Bringing these indicators on target and improving operational efficiency and patient outcomes will require a significant change in approach. The sector was identified as one of the two priority areas under the National Information System Master plan for piloting development and rollout of e-services. In July 2013, Agence Nationale des Infrastructures Numériques et des Fréquences (ANINF) – in charge of setting up Shared Public Service Delivery Platforms – and the Ministry of Health (MoH) prepared a concept note for the National Health Information System (NHIS), which covers functional architecture, suggested project planning and initial cost estimates. Given the wide range of electronic health applications planned and opportunities to improve upon the transaction heavy and inefficient manual processes currently employed in the sector, development of such applications not only offers the potential to improve health outcomes, but also to leverage the process to generate demand for development of the domestic innovation ecosystem.

Relationship to CAS

The proposed project is fully aligned with the World Bank Country Partnership Strategy (CPS) FY2012–FY16 and the Government’s “Plan Stratégique Gabon Émergent” (PSGE). The CPS backs the PSGE in two strategic areas: (i) to increase Gabon’s competitiveness and employment, through promoting development of digital jobs and a strong innovation ecosystem and (ii) to reduce vulnerability and promote resilience, by focusing on improving health service delivery, access and outcomes. Cross cutting themes of governance and gender equity compliment the strategic pillars and are strongly reflected in the project design through increased transparency and efficiency of service delivery and through a focus on female entrepreneurs and health services for women. The CPS includes both the regional connectivity project CAB4 (discussed above) and an e-Government Applications Project for FY14-16 to support rollout of selected e-Government and flagship ICT applications. Moreover the proposed Project will benefit from and reinforces other World Bank’s activities in Gabon including:

- The Skills Development and Youth Employability Support Project (P146152)
- The Investment Promotion and Competitiveness Project (P129267).
- The Technical Assistance in Health (P147710)

The proposed project also strongly supports the World Bank’s Twin Goals of ending extreme poverty and to promoting shared prosperity. It is expected to create significant employment and entrepreneurial opportunities at all levels of the economic spectrum in an economy currently supplying too few of them. These could include manual labor in the build out of fiber optic networks, increased business for mobile money and SIM card kiosk vendors, investments in call centers, SMEs scaling up by selling their services and goods electronically and ICT enabled entrepreneurs and firms offering innovative new products, services and digital content. Likewise, a focus on improving access to connectivity and health services should have a significant impact among the most marginalized and vulnerable groups which are too often excluded from these services due to cost, distance and information constraints. Given the very high urbanization rate in Gabon (87% of total population in 2014), it is likely that a good part of the bottom 40 live in urban areas, where it should be relatively easier to reach them as beneficiaries.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed project development objective (PDO) is to transform public health services delivery and foster digital job creation by expanding access to connectivity, promoting innovation and leveraging information and communications technologies (ICT).

Direct beneficiaries of the proposed project will be both agents and patients of the National Health System and private sector actors/entrepreneurs conducting business in the digital economy, with a specific focus on women and youth. Indirect beneficiaries potentially include all of the country’s population, benefitting from increased availability of Health services at affordable rates, increased access to connectivity from extension of broadband networks, and increased job opportunities in or supporting the digital economy.

Key Results (From PCN)

Achievement of the development objectives of the proposed project will be assessed through the key monitoring and evaluation indicators summarized below [To be discussed and confirmed by

appraisal]. The team will adjust the results framework during project preparation to make the difference between results directly attributable to the intervention and those resulting from the leveraging effect of the intervention as well as to include an appropriate citizen engagement indicator.

- Core indicator (BM) : User perception of quality of public health e-services (in %), including perception by women (in %)
- Core indicator (CA): Increased IT/ITES employment (number of people)
- Core indicator (CT): Access to Internet Services per 100 inhabitants
- Core indicator (CT): Retail price of internet services (per Mbit/s per Month, in US\$)
- Core indicator: Project beneficiaries (number of entrepreneurs receiving service from the incubators, number of patients served in health centers utilizing the National Health Information System, broadband services customers in geographic areas served by fiber optic network expansion), including percentage of women

Key monitoring and evaluation indicators will be complemented with Intermediate Results indicators with base line values and targets that will facilitate assessment of project achievements and effectiveness in relation to each of the components, , such as those suggested below [To be discussed and confirmed by appraisal]. The team will adjust the results framework during project preparation to facilitate comparison with results frameworks of existing comparable projects.

Component 1: Strengthening of the National Health Information System

- Working level achieved in IT literacy, IT and management skills among health professionals, Including percentage of women

Component 2: Stimulating the development of local content, applications and services with an emphasis on eHealth through the creation of business incubators in Libreville, Port-Gentil, and Franceville

- Increase in percentage of ICT SMEs/Start-up created and generating revenues
- Percentage of women-owned start-up
- Increase in ICT/ITES industry satisfaction with Government's support
- Number of ehealth applications developed, used and generating revenues

Component 3: Implementing selected missing links of the regional and national fiber optic backbone

- Length of fiber optic network built
- Increased access to ICT services: Number of localities with broadband Internet Access

III. Preliminary Description

Concept Description

In order to achieve the Project Development Objectives, the proposed project follows an integrated transformational solutions approach with four components: (1) strengthening of the National Health Information System to achieve “more health for money spent”, and thereby improving the efficiency of health spending, quality of care and ease of access including for women, youth and other vulnerable populations; (2) stimulating the development of the digital economy and improving service delivery by encouraging development of local content, applications and services with an emphasis on eHealth through the creation of business incubators in Libreville, Port-Gentil and Franceville; (3) implementing selected missing links of the regional and national fiber optic backbone to connect areas of high relevance for the National Health Information System and enable greater connectivity for private citizens and businesses; and (4) Effective project implementation,

monitoring and evaluation, and communication.

Component 1: Strengthening of the National Health Information System (approximately US\$ 34.5 million). The aim of this component is to improve the efficiency and effectiveness of health service delivery which will be critical to improving Gabon's human development outcomes. It will also be leveraged to drive development of the digital innovation ecosystem in Gabon by incentivizing applications and local content development centered around health services and information. Specifically, this component will support ANINF and MoH in the development and the roll-out of the National Health Information System (NHIS), pursuant to the concept note prepared in July 2013. The NHIS will support informed strategic decision-making by providing access to high quality data which can help managers and health workers at all levels of the health system in planning and managing the health services; to monitor disease trends and control epidemics; and to provide periodic evaluation towards agreed targets. This component would include: (i) devising detailed feasibility studies for the NHIS; (ii) rolling out the NHIS; (iii) creating a detailed change management strategy for the MoH in the broader context of an articulated e-health strategy; (iv) providing study tours of Gabonese counterparts in selected lead practice countries; and (v) strengthening information system capabilities within the MoH and related agencies. This component will be implemented with support from the Health, Nutrition, and Population Global Practice.

Component 2: Stimulating the development of local content, applications and services with an emphasis on eHealth through the creation of business incubators in Libreville, Port-Gentil, and Franceville (approximately US\$ 11.0 million). The aim of this component is to promote economic diversification by encouraging the emergence of a digital innovation ecosystem in Gabon with the side benefit of improving both private and public e-service delivery. This component will support the Ministry of Digital Economy, ANINF and Agence Nationale pour la Promotion des Investissements (ANPI) in: (i) setting up business incubators in Libreville, Port-Gentil, and Franceville (where the International Center for Medical Research (CIRMF) is located); (ii) promoting digital entrepreneurship and growth of the ICT sector; and (iii) support development of innovative applications, with an emphasis on mobile-phone based health applications, to create opportunities for digital entrepreneurship, in particular for women. Specifically, this component would include: (i) devising detailed design and feasibility studies for business incubators; (ii) providing a study tour of Gabonese counterparts in selected lead practice countries; (iii) building and/or renting and setting up three business incubators, and providing implementation support for the management of incubators through the most appropriate governance structure - including the private and the public sectors; (iv) strengthening the capacity of business incubators and beneficiaries through the provision of selected services; (v) developing a strategy to promote the development of local digital content, applications and services with a focus on health, including organizing hackathons and business plan competitions and setting up the appropriate legal and regulatory enabling environment; and (vi) strengthening the capacity of the ANINF and the Ministry in charge of the Digital Economy to drive and implement the e-applications agenda. This component will be implemented with support from the Trade and Competitiveness Global Practice.

Component 3: Implementing selected missing links of the regional and national fiber optic backbone (approximately US\$ 26.0 million, US\$ 6.0 million from IBRD and US\$ 20 million from other donors). The aim of this component is to improve access to connectivity, both to government institutions (particularly health facilities of high relevance for the National Health Information System) as well as private consumers and businesses. Increasing access is essential to ensuring greater access to new e-health and other electronic services as well as the wider social and economic

opportunities enabled through voice and broadband connectivity – especially for the most vulnerable and price sensitive consumers. This component, building upon the Public Private Partnership (PPP) with Open Access to the backbone set up under CAB4, will support the Ministry of the Digital Economy and ANINF in improving the regional and national coverage of the fiber optic infrastructure. It is expected that it will be implemented with co-financing with other donors which have expressed interest in supporting the Second Phase of the broadband infrastructure objectives of “Digital Gabon”. This component would include: (i) Northern Route: national and regional capacity via terrestrial fiber “branching out” from Ndjolé to connect Oyem and the borders with Cameroon (Eboro) and Equatorial Guinea (KyeOssi); (ii) Southern Route: national capacity via terrestrial fiber from Libreville to Lambaréné; and (iii) consultancy services to conduct feasibility studies for the missing links and to support the associated transactions for inclusion in the existing PPP. Oyem and Lamberene are both home to important health facilities and research centers, and extending the network would enable to operators to extend high quality, low cost services to a large number of consumers in these areas by leveraging the backbone for backhaul. In addition, connecting Gabon to Cameroon through the new operation (in addition to the connection to Congo under the CAB4 operation) will contribute to broadening the opportunities for regional connectivity and eHealth cooperation.

Component 4: Effective project implementation, monitoring and evaluation, and communication (approximately US\$ 4.5 million). This Component will support the setting up of a dedicated small Project Implementation Unit (PIU) and will also cover training, office equipment, operating costs, audits and communications as well as M&E, environmental and social studies, their implementation and/or the monitoring of their implementation.

IV. Safeguard Policies that might apply

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

V. Financing (in USD Million)

Total Project Cost:	76.00	Total Bank Financing:	56.00
Financing Gap:	20.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			56.00

Total	56.00
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