Mauritania is mostly a desert country with solid growth performance driven by capital intensive sectors and mixed results in achieving the MDG but Mauritania does not take full advantage of its strategic geographic location, between Sub-Saharan Africa and the Maghreb - with an estimated surface area of 1,030,700 square km, a population of about 3.5 million and a GDP/capita of about US$ 1,160 (2011). Growth performance appears to be solid, although it is mostly constrained to (and driven by) capital intensive sectors and the key challenge remains to make it more inclusive. The country has a narrow production basis, with exports concentrating on a small range of commodities (fish, iron ore, gold). GDP/capita was below US$700 until 2006 when oil production started. Despite the low oil production, growth picked-up since the return to constitutional order and resumption of donors’ support end-of-2009 particularly as a result of booming exports in the mining
industry. The financial crisis of 2008/09 impacted on Mauritania (-1.2% GDP in 2009) but did not derail a macroeconomic recovery. Real GDP registered a 5.1% growth in 2010 and 3.9% in 2011; the latest available figures estimate a GDP growth at 6.2% in 2012 and a sustained average at 6.5% over the medium term (2013-2017. Mauritania’s human development index has moved up from 0.424 in 2007 to 0.453 in 2011 (versus an average of 0.463 for sub-Saharan Africa) with Mauritania now ranking 159 out of 187 countries, but overall the results in achieving MDGs have been mixed.

Togo

Togo is one of the smallest countries in West Africa and one of the poorest countries in the world with a slight economic growth in 2011. Togo is a small country with an estimated surface area of 56,600 square km and a population of 6.5 million with an annual population growth of about 2.85%. Togo is one of the poorest countries in the world, with a per capita GDP of US$570 in 2011 (according to the World Bank's Atlas methodology), and a ranking of 139 out of 169 countries in the 2010 UNDP Human Development Index. Agriculture employs two-thirds of the population and accounts for about 45% of gross domestic product (GDP). The secondary sector, including phosphates, cement manufacturing, construction and energy employs about 12% of the population and accounts for about 22% of GDP. Economic growth accelerated slightly in 2011. Togo’s economic growth, which was estimated at 3.7% for 2010, rose to 3.9% in 2011, thanks to satisfactory rainfall, improved power supply and an increase in the port activity. It is expected to reach 5.2% in 2012, spurred, among other things, by new investments in infrastructure and higher government spending, and thanks to lower debt-servicing costs following debt relief, and continuing structural reforms. In December 2010, Togo successfully reached the completion point under the Enhanced HIPC Initiative, and also qualified for additional debt relief under the Multilateral Debt Relief Initiative (MDRI).

Sectoral and institutional Context

Mauritania

Mauritania has shown a strong commitment to opening telecommunications to competition and the market at the local level is dynamic and competitive. The telecom sector in Mauritania is fully liberalized and the incumbent operator Mauritel was privatized back in 2001 (with Maroc Telecom taking a 51 percent majority stake). As in the sub-region the fixed network shows a very low level of development (3% of penetration as of December 2012), but the cellular sector is dynamic and competitive, including 3 mobile operators: Mauritel, Mattel and Chinguitel. As of December 2012, the mobile penetration rate is 113% at the level of the bests in class in class in ECOWAS. Competition between the 3 operators takes place on nearly 65% of the total coverage of mobile networks: prices have gone down significantly but further decrease would be desirable given to the purchasing power of citizens (on-net calls are priced at 18.15 US$ cent/min VAT included).

3. By contrast, access to international connectivity via Senegal and the SAT-3/WASC submarine cable is at a high price and vulnerable to service interruptions, impeding a rapid development of Mauritania’s broadband internet market, and preventing the country from reaping the benefits of the ICT revolution in terms of growth, job creation and regional integration. As a consequence, the fixed and mobile broadband markets, with merely 3% penetration as of December 2012 despite all 3 operators having launched 3G services, are underdeveloped. 1 Mbit/s access via ADSL or via a 3G dongle is priced at 51 US$/month, with consumers complaining
about the costs and the poor quality of service.

4. Mauritania has engaged in a second wave of reforms aiming at (i) consolidating mobile telephony to avoid stagnation and provide a solid basis for developing broadband Internet and (ii) developing broadband Internet as the fundament for the further growth of the sector. It developed and approved a 2012-2016 Strategy for ICT and Modernization of Public Service, built around 6 pillars: (1) develop access for all to the information society (which includes investments in new international, regional and national fiber connectivity); (2) revise the legal and regulatory framework for ICT; (3) Improve quality and accessibility of the public service; (4) Develop e-government; (5) Develop digital economy and (6) Technical Assistance for Specific Sectors. The general objectives of this 2012-2016 Strategy are to foster human development (better access to knowledge, better implementation of e-education, better access to information), economic development (improve production and quality of life, increase business efficiency, develop Research and Development services) and higher efficiency of public service (better access and lower cost of public service, better IT systems. Building upon this strategy, a new telecommunications sector policy note has been approved by the Council of Ministers on January, 31 2013 and the MDEFPTN and the ARE expect to have the revised legal and regulatory framework for ICT (Information Society Laws and Electronic Communications Laws) also approved by End of April 2013. The reforms are initiated by the Government and supported by the Bank through Technical Assistance.

5. 6. Togo

7. Togo’s telecommunication sector has significant untapped potential. With a mobile phone penetration in 2012 of 53.93%, and a growth rate of around 13.5 per cent, Togo’s mobile telephony sector is not living up to its potential. Togo's mobile market continues to be run under a duopoly regime with Togo Cellular, the mobile unit of fixed-line incumbent operator Togo Telecom, and Etisalat-owned Moov. Togo Cellular has a subscriber base of around 1.6 million at the end of December 2012, and a market share of 51%. Second-ranked Moov had around 1.5 million subscribers at the end of December 2012, a market share of 49%. Togo Cellulaire enjoys 87 per cent of the volume (dialed-out minutes) and 79 per cent of turnover. Currently there are only about 76,678 mobile 3G subscribers, all on Togo Cellular (MOOV has yet to provide 3G services). Togo's fixed voice and data/Internet market is dominated by state-owned incumbent operator Togo Telecom. The number of Internet subscribers remains very limited in Togo with internet and broadband penetration rates of 6% and 0.6% respectively, and growth in the Internet industry is still slow and highly constrained by limited access and high cost to end users. The high cost of broadband Internet access prevents Togo from reaping the benefits of the ICT revolution. Business users and private citizens have to pay US$160 per month for fixed broadband Internet access, while consumers in Senegal and Ghana pay only US$29 and US$64 respectively.

9. 10. The connectivity status of Togo has improved dramatically in the last few years thanks to investments by Togo Telecom, but fixed access remains solely owned and managed by Togo Telecom: Togo is now connected to WACS submarine cable with a landing station in Lomé. The 14,500 km WACS cable has an ultimate capacity of 5.12Tbps. The cable became operational in Togo in May 11, 2012. Through Togo Telecom's investment in WACS and its national backbone the country has a reliable and potentially cost-effective national and international infrastructure in place, however as a monopoly, Togo Telecom has no incentive lower prices and the benefits of the investment for the country will not be fully realized unless additional sources of capacity is available to all operators on an equal basis.
11. Togo has adopted several reform priorities aimed at increasing competition and leveling the playing field between different sector players: Those reforms are unfolding through policy and regulatory decisions and include (i) lowering the price of mobile communications and bring it closer to regional benchmarks, (ii) opening up the mobile sector to more competition through issuing MVNO licenses, (iii) moving to full competition in the Internet sector with a plan to issue additional ISP licenses and (iv) starting the process of restructuring of Togo, (v) ensuring fair and equal access to the WACS submarine cable capacity and (vii) lifting restrictions on building transport infrastructure by licensed operators, and (v) putting in place regulatory mechanisms to ensure fair competition and limit dominance in the sector. Once implemented, these reforms are expected to have far reaching impacts on the sector. The reforms are initiated by the Government and supported by the Bank through multiple instruments including budget support operation, Technical Assistance and Trust fund resources through PPIAF.

II. Proposed Development Objectives

The objectives of each Project are to contribute to increase the geographical reach of broadband networks and to reduce costs of communications services in the territories, respectively, of the Islamic Republic of Mauritania and the Republic of Togo.

III. Project Description

Component Name
Component 1- Supporting Connectivity
Comments (optional)

Component Name
Creating an Enabling Environment for Connectivity
Comments (optional)

Component Name
Project Implementation
Comments (optional)

IV. Financing (in USD Million)

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V. Implementation
Mauritania

The line ministry MDEFPTN will lead the implementation of WARCIP Mauritania. To ensure coordination with all beneficiaries of the project (MDEFPTN, ARE and APAUS) and involvement of other governmental stakeholders, a National Connectivity Steering Commission (“comité de pilotage du projet de connectivité nationale”) was established by Ministerial Decision no679/ MDEFPN from March 21, 2012, in charge of providing overall technical and operative guidance, direction and coordination during project implementation. While all procurement, financial management, M&E (including safeguards) activities will be centralized and carried out by the WARCIP Mauritania PIU, the beneficiary institutions MDEFPTN, ARE and APAUS will participate actively by contributing their expertise and knowledge in preparing TORs, evaluations, participation in selection committees, etc.

Because WARCIP Mauritania will support key strategic goals of the 2012-2016 Strategy for ICT and Modernization of Public Service, a small WARCIP Mauritania PIU was set up in the line ministry with overall responsibility for smooth project implementation and coordination with the Bank and EIB. The small PIU is comprising of a procurement specialist, a financial and administration specialist, an accountant and a technical expert (also in charge of M&E, including environmental and social safeguards) financed by the project.

Togo

The project will be implemented under the aegis of the Ministry of Posts and Telecommunications (MPT) for Togo. A separate PIU is being established. The core PIUs staff will consist of a project coordinator, procurement specialist, financial specialist, accountant, a technical expert and an office assistant. The PIU will be assisted by a project team called focal point forum, composed of representatives from the Ministry of Posts and Telecommunications (MoPT) and the Ministry of Finance (MoF), regulatory Authority, Togo Telecom and the private sector. The focal points are not consultants hired under the project but rather staff of their respective institutions and therefore not eligible for funding under the project.

VI. Safeguard Policies (including public consultation)

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Comments (optional)
VII. Contact point

World Bank
Contact: Boutheina Guermazi
Title: Senior Regulatory Specialist
Tel: 473-9729
Email: bguermazi@worldbank.org

Borrower/Client/Recipient
Name:
Contact:
Title:
Tel:
Email:

Implementing Agencies
Name: Ministry of Economic Affairs and Development
Contact:
Title:
Tel: (222) 4529-0601
Email: Babetta@pdu.mr

Name: Ministry of Post and Telecom
Contact: Cina Lawson
Title: Minister
Tel: 22822204424
Email: cina.lawson@postel.gouv.tg

VIII. 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