

PROJECT SUMMARY INFORMATION: COMPLEXE INDUSTRIEL DE MOANDA PROJECT (GABON)

1. Private Sector Operation

2. The Project

Construction of a manganese ore concentration and agglomeration complex on a site of approximately 10 hectares.

3. Financing Proposal

Borrower: Compagnie Minière de l'Ogooué (Comilog) S.A.

Amount: EUR 6m from risk capital resources
EUR 6m from own resources

Mandate: Lomé IV Convention

Opinion of the European Commission: Received, favourable

Article 28 Member States' Committee: The Committee gave a favourable opinion on 9/03/2000 by written procedure

Financing plan: Total cost of the project is estimated at 87m EUR, to be funded by the promoter's own funds, EIB financing, co-financing from other Member States' development finance institutions and commercial banks.

4. Value added identification

Eligibility: Assistance to the private sector industry, mineral resources processing is fully compatible with the Bank's objectives under the Lomé Convention in the ACPs in general, and more particularly with the Bank's objectives in Gabon.

Value added: The project will enable Comilog S.A. to compete on the market and develop its local activities. It will create jobs, promote the acquisition of skills' and provide the opportunity for Gabon to optimise the use of its natural resources. The project has a satisfactory financial return.

The project will have a positive economic effect on both employment and the trade balance. It represents a substantial investment on a national scale and the promoter is making significant contribution to its financing. However, long-term debt-finance is essential to the project's success. A financing plan has been drawn up in cooperation with Member States' development finance institutions as well as with a consortium of local banks. The project will thus also provide means of strengthening the country's financial base.

Additionally the project has an interest from a European point of view as it strengthens the strategic position of a French group. The financing of the project brings together a European, bilateral development finance institutions, French commercial banks and local subsidiaries of European banks.

5. Key Issues

Environment

According to Gabon's national legislation (Law 16/93 on the environment and the mining code in both its existing form and its amended form under preparation), the project does not require an environmental impact assessment. If the project were located in the European Union, it would come under Annex II, 4(k) of Directive 97/11.

The CIM project's most marked environmental impact will be the dust caused by the agglomeration process. The planned dust control measures are based on European standards and the emissions comply with very strict French standards. As regards Comilog S.A.'s environmental situation in general, there are in particular medium-term plans to rehabilitate former mining areas and the river Moulili, into which sludge and washing fines used to be discharged. The corresponding studies are under way.

Consequently, the project is not expected to have any major adverse environmental impacts. The promoter has undertaken to implement the mitigation measures proposed in the impact study.

On the other hand, the recycling of spoil and hence the enhancement of the overall yield from manganese ore reserves, along with the future decantation of concentration waste, constitute substantial positive environmental impacts.

Procurement

The agglomeration process selected is very specific and offered only by a small number of specialist suppliers. Comilog S.A. has therefore opted for a restricted tender procedure. A turnkey contract (the agglomeration unit accounts for nearly half the cost of the project) has been signed with a European company with a well-established reputation. This procedure is considered satisfactory by the Bank and in the interest of the project. As regards the other contracts, Comilog S.A. has issued invitations to tender, either locally (civil engineering, small contracts suitable for local firms) or at international level where desirable or possible.
