

Guinea: Poverty Reduction Strategy Paper

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**International Monetary Fund
Washington, D.C.**

REPUBLIC OF GUINEA

Work – Justice – Solidarity

Ministry of the Economy, Finances and Planning

Poverty Reduction Strategy Paper

PRSP–2 (2007–2010)

Conakry, August 2007

Permanent Secretariat for the Poverty Reduction Strategy (SP-SRP)

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ACKNOWLEDGEMENTS

This document is the fruit of a collective effort that has involved many development stakeholders: executives of regionalized and decentralized structures, civil society organizations, development partners, etc. Warm thanks to all of them.

The government would particularly like to acknowledge the grassroots organizations and civil society actors who, despite the difficulties that affected the implementation of the PRSP-I, have renewed their confidence in its action.

The lessons learned from the implementation of the PRSP-I have helped in the design and preparation of the document. For this, the government again thanks the development partners who have accompanied it in this exercise and provided technical and financial contributions (EU, GTZ, SCAC, Canadian Cooperation), as well as the team of national experts who carried out field work with dedication and professionalism.

Furthermore, without the painstaking work carried out in 2005 and 2006 as part of the process of refining the regional PRSPs, it certainly would not have been possible to prepare this document. The same is true of the work done, mainly in 2006, to evaluate needs aimed at reaching the MDGs. In this regard, we thank the United Nations System, and in particular the UNDP, for its exceptional contribution.

Finally, the government extends its most sincere thanks to all those, both named and unnamed, who participated in this collective work.

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ACRONYMS AND ABBREVIATIONS

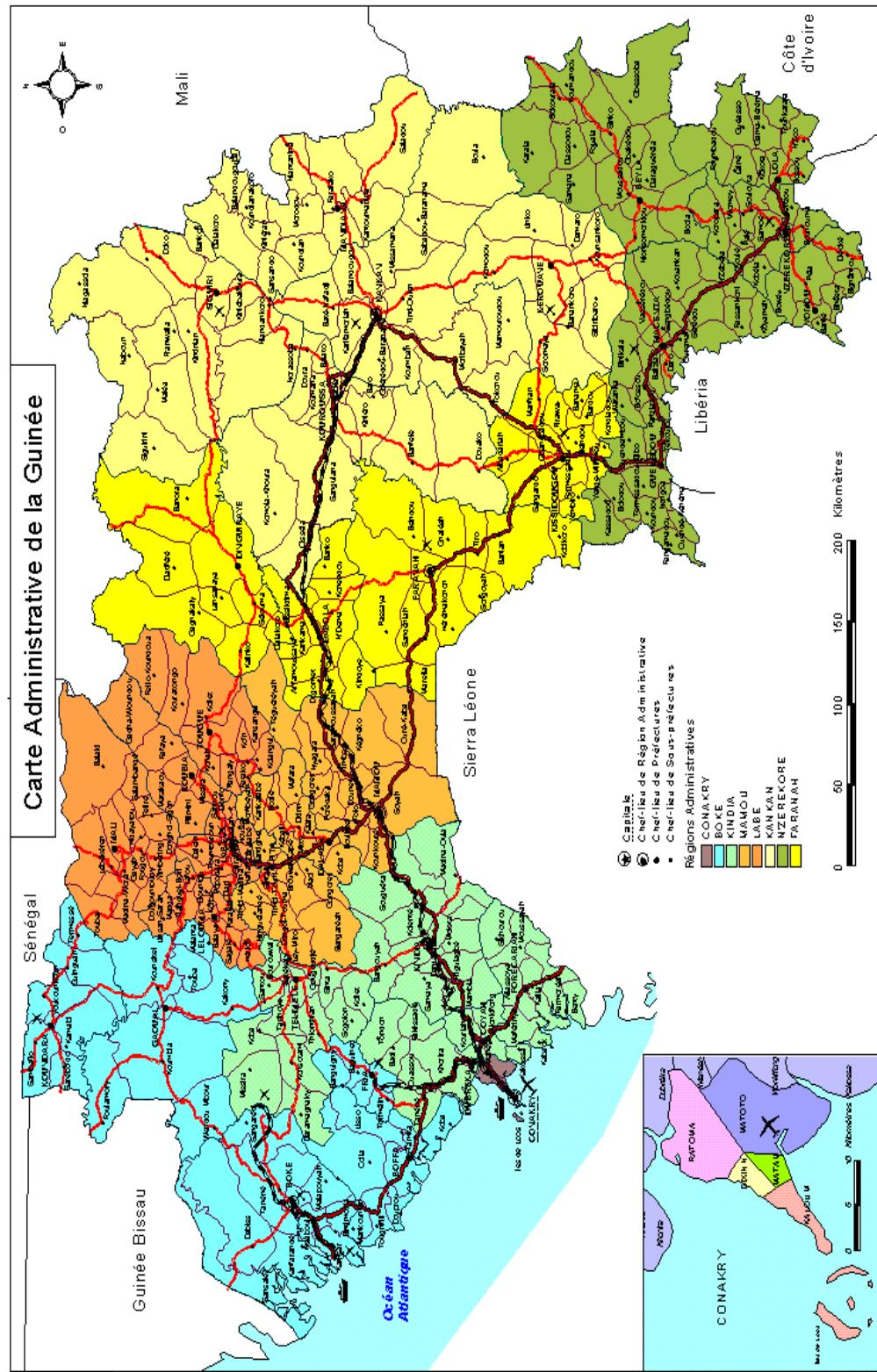
3AE	<i>Agence Autonome d'Assistance aux Entreprises</i> (Business Assistance Agency)
4RGUI	<i>Réseau des revues et radios rurales de Guinée</i> (Rural Print and Broadcast Network)
ABD	African Development Bank
ABN	<i>Autorité du Bassin du Niger</i> (Niger Watershed Authority)
ACFCT	<i>Agence nationale de la conservation foncière, de la cartographie et de la topographie</i> (National Agency for Land Conservation, Mapping, and Topography)
AEP	<i>Adduction d'eau potable</i> (drinking water system)
AFD	<i>Agence Française de Développement</i> (French Development Agency)
AGEPI	<i>Association guinéenne des éditeurs de presse indépendants</i> (Guinean Association of Independent Press Editors))
AJG	<i>Association des journalistes de Guinée</i> (Journalists' Association)
ANLC	<i>Agence nationale de lutte contre la corruption</i> (National Anti-Corruption Agency)
APAC	<i>Association des professionnelles africaines de la communication</i> (African Communication Professionals' Association)
APEAE	<i>Association des Parents et Amis de l'Ecole</i> (Parents and School Volunteers Association)
APD	<i>Aide Publique au Développement</i> (Public Development Aid)
ARI	Acute Respiratory Infection
ARV	<i>Antiretroviral</i> (drug)
BCRG	<i>Banque Centrale de la République de Guinée</i> (Guinean Central Bank)
BERD	<i>Bureau d'Electrification Rurale Décentralisée</i> (Rural Electrification Office)
BHG	<i>Banque de l'habitat de Guinée</i> (Guinea Housing Bank)
BND	<i>Budget National de Développement</i> (National Development Budget)
BTP	<i>Bâtiments et Travaux Publics</i> (Buildings and Public Works)
CAAPEX	<i>Centre d'Appui aux Formalités d'Exportation</i> (Export Support Center)
CCIAG	<i>Chambre de commerce, d'industrie et de l'artisanat de Guinée</i> (Chamber of Commerce)
CCPIE	<i>Commission consultative permanente d'intégration économique</i> (Advisory Committee on Economic Integration)
CDL	<i>Contribution au développement local</i> (Local Development Tax)
CDMT	<i>Cadre de dépenses à moyen terme</i> (Medium-Term Expenditures Framework)
CDV	<i>Centres de dépistage volontaire</i> (Voluntary Screening Centers)
CEC	<i>Centre d' encadrement communautaire</i> (Community Center)
CEPEC	<i>Cellule d'Etudes de Politiques Economiques</i> (Economic Policy Study Unit)
CENI	<i>Commission Electorale Nationale indépendante</i> (National Electoral Commission)
CES	<i>Conseil économique et social</i> (Economic and Social Council)
CET	Common external tariff
CMT	<i>Convention minière type</i> (Standard Mining Convention)
CFD	<i>Code foncier et domanial</i> (Private and Public Land Code)
CFU	<i>Contribution Foncière Unique</i> (Single Land Tax)
CNC	<i>Conseil national de la communication</i> (National Communication Council)
CNLS	<i>Comité national de lutte contre le sida</i> (National Anti-AIDS Committee)
CNSS	<i>Caisse Nationale de Sécurité Sociale</i> (National Social Security Bank)
CPF	<i>Centre de Formation Professionnelle</i> (Vocational Training Center)
CPU	<i>Carte professionnelle unique</i> (professional letter)

CRD	<i>Communauté Rurale de Développement</i> (Rural Development Community)
CS	<i>Centre de Santé</i> (Health Center)
CSO	Civil Society Organization
CTA	<i>Centre de traitement ambulatoire</i> (Outpatient Center)
CU	<i>Commune Urbaine</i> (Urban Municipal District)
CU	<i>Code de l'urbanisme</i> (Urban Development Code)
DEP	<i>Direction des études et de la prospective</i> (Study and Planning Office)
DAAF	<i>Division des affaires administratives et financières</i> (Administrative and Financial Affairs Division)
DAP	<i>Document d'appui</i> (support document)
DNS	<i>Direction Nationale de la Statistique</i> (National Statistics Office)
DPS	<i>Direction préfectorale de la santé</i> (Prefectoral Health Office)
DRS	<i>Direction régionale de la santé</i> (Regional Health Office)
ECOWAS	Economic Community of West African States
EDG	<i>Electricité De Guinée</i> (National Electricity Company)
EDS	<i>Enquête Démographique et de Santé</i> (demographic and health survey)
EIR	<i>Emission Interactives par la Radio</i> (interactive radio broadcast)
EIBC	<i>Enquête Intégrale avec module Budget de Consommation</i> (survey with consumption budget module)
EIBEP	<i>Enquête Intégrée de Base pour l'Evaluation de la Pauvreté</i> (Integrated Core Survey for Poverty Assessment)
EIA	Environmental Impact Assessment
ENACOG	<i>Enquête Nationale sur la Corruption et la gouvernance en Guinée</i> (corruption and governance survey)
ENI	<i>Ecoles Nationales d'Instituteurs</i> (National Teachers Colleges)
EPT	<i>Education Pour Tous</i> (Education for All program)
ESIP	<i>Enquête sur les Informations Prioritaires</i> (survey on priority information)
FER	<i>Fonds d'entretien routier</i> (Road Maintenance Fund)
FNH	<i>Fonds national de l'habitat</i> (National Housing Fund)
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GER	Gross (school) enrolment ratio
GIE	<i>Groupement d'intérêt économique</i> (Economic Interest Group)
GINI	Indicator of the measure of income inequality in terms of concentration
GNF	Guinean Franc
GWH	Gigawatt/hour
Ha	Hectare
HG	Household garbage
HIPCI	Heavily Indebted Poor Counties Initiative
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
HLI	Highly labor-intensive
ICC	International Criminal Court
ICT	Information and communication technology
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IMO-A-EPT	<i>Initiative de Mise en Oeuvre Accélérée de l'Education pour Tous</i> (initiative for the accelerated implementation of the Education for All program)
KFW	German Cooperation Agency
LDC	Less developed countries

LMD	<i>Licence Master Doctorat</i> (masters or doctoral license)
LPDA	<i>Lettre de politique de développement agricole</i> (agricultural development policy letter)
LPDArt	<i>Lettre de politique de développement de l'artisanat</i> (crafts industries development policy letter)
LPDPA	<i>Lettre de politique de développement de la Pêche et de l'Aquaculture</i> (fishing and aquaculture development policy letter)
LPSE	<i>Lettre de Politique Sectorielle de l'Education</i> (education sector policy letter) <i>Lettre de politique de développement du secteur de l'énergie</i> (energy sector development policy letter)
LPDSE	
LV	Low voltage
MATD	<i>Ministère de l'Administration du Territoire et de la Décentralisation</i> (Ministry of Territorial Administration and Decentralization)
MDG	Millenium Development Goals
MFI	Micro-finance institution
MIN	<i>Marché d'intérêt national</i> (market of national interest)
MITP	Mother-infant transmission prevention
MPEGUI	<i>Modèle de prévision de l'Economie Guinéenne</i> (economic forecasting model)
MSEGUI	<i>Modèle de simulation de l'économie guinéenne</i> (simulation model of Guinean economy)
MSME	Micro-, Small and Medium-size Enterprises
MSP	<i>Ministère de la santé publique</i> (Ministry of Public Health)
MV	Medium voltage
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
OEV	<i>Orphelins et enfants vulnérables</i> (Orphans and vulnerable children)
OGUIDEM	<i>Observatoire guinéen des médias</i> (media monitoring)
OHADA	<i>Organisation pour l'harmonisation du droit des affaires</i> (Organization for the Harmonization of Business Law in Africa)
OMVG	<i>Organisation pour la mise en valeur du fleuve Gambie</i> (Gambia River development organization)
OMVS	<i>Organisation pour la mise en valeur du fleuve Sénégal</i> (Senegal River development organization)
OPEC	Organization of Petroleum Exporting Countries
OPG	<i>Office de la poste guinéenne</i> (Guinean Post Office)
OR	Oral rehydration
PC/DPN	<i>Programme cadre de développement de la presse nationale</i> (framework program for development of the national press)
PCDSP	<i>Programme cadre de soutien pour le développement du secteur privé</i> (framework program to support private sector development)
PDE	<i>Plan de Développement de l'Education</i> (educational development plan)
PDM	<i>Plan directeur de maintenance</i> (master plan for maintenance)
PDU	<i>Plan de développement urbain</i> (urban development plan)
PDUC	<i>Plan de développement urbain de Conakry</i> (urban development plan for Conakry)
PEN	<i>Pères Educateurs Nationaux</i> (national educators)
PEPT	<i>Programme éducation pour tous</i> (Education for All program)
PEV	<i>Programme élargi de vaccination</i> (extended vaccination program)
PIT	<i>Programme d'initiatives transfrontalières</i> (cross-border initiatives program)
PNAEPA	<i>Programme national d'alimentation en eau potable et assainissement</i> (national program for food, drinking water, and sanitation)

PNRCG	<i>Programme national de renforcement des capacités en Guinée</i> (national capacity-building program)
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PNUD / UNDP	United Nations Development Program
QUID	<i>Questionnaire unifié des indicateurs du développement</i> (questionnaire on development indicators)
SAETU	<i>Société d'aménagement et d'équipement de terrain urbain</i> (urban development and facilities company)
SDAU	<i>Schéma directeur d'aménagement et d'urbanisme</i> (master plan for urban development)
SEG	<i>Société des Eaux de Guinée</i> (national water company)
SENAREC	<i>Service national de renforcement des capacités</i> (National Capacity-building Service)
SGDD	<i>Système général de diffusion de données</i> (General System for Distributing Donations)
SIE	<i>Système d'information énergétique</i> (energy information system)
SISIRP	<i>Système d'informations statistiques intégrées pour la réduction de la pauvreté</i> (integrated statistics system for poverty reduction)
SME / SMIE	Small and Medium Enterprises / Small and Medium Industrial Enterprises
SNA	<i>Service national d'alphabétisation</i> (National Literacy Service)
SNAPE	<i>Service national d'aménagement des points d'eau</i> (National Service for Development of Water Points)
SNAT	<i>Schéma national d'aménagement du territoire</i> (master plan for territorial development)
SOPROGIM	<i>Société de promotion et de gestion immobilière</i> (Real Estate Promotion and Management Company)
SOTELGUI	<i>Société des télécommunications de Guinée</i> (National Telecommunications Company)
STD	Sexually Transmissible Disease
STEP	<i>Stratégie et technique de lutte contre l'exclusion et la pauvreté</i> (strategy and technique to fight exclusion and poverty)
STI	Sexually Transmissible Infections
TOE	Ton of Oil Equivalent
TOFE	<i>Tableau des opérations financières de l'Etat</i> (table of financial operations of the State)
UNAIDS	United Nations Program on HIV/AIDS
UNESCO	United Nations Educational, Scientific, and Cultural Organization
USD	US Dollar
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union
WHO	World Health Organization
WTO	World Trade Organization
ZMAO / WAMZ	West African Monetary Zone

Map 0.1: Administrative map of Guinée



Introduction

1. Five years after the launch in 2002 of the implementation of the first poverty reduction strategy paper (PRSP-I), Guinea finds itself facing a particularly difficult economic and social situation. Over the past four years, the average annual economic growth rate has been around 2.3 percent, compared to the goal of 5 percent initially set in the first PRSP. Year-on-year inflation, meanwhile, rose from 5.4 percent in 2002 to 39.1 percent in 2006, thus contributing to deterioration in the purchasing power of the population.
2. These setbacks, plus a drastic drop in external financing¹ and poor management of available resources, have greatly affected the conditions for implementation of the PRSP, while limiting the progress made toward the Millennium Development Goals (MDGs). At the national level, the poverty rate rose from 49.2 percent in 2002 to 53.6 percent in 2005. At the same time, the supply and quality of basic public services have deteriorated significantly. In 2005, more than one child in five (21 percent) still did not have access to primary education, while the infant/child mortality rate stood at 16.3 percent and maternal mortality at 980 per 100,000 births.
3. The social tensions that shook the country between March 2006 and February 2007, and which led to a new government under the authority of a Prime Minister, Head of Government, were due in large part to the deterioration of people's living conditions and to persisting problems of governance. They have given new impetus to government action aimed at consolidating social peace in order to relaunch the process of developing the country.
4. With this in mind, the new government has taken a new approach to the preparation of the PRSP-II, which will aim to mobilize and channel all efforts toward the country's priority development goals (increased income, access to education, health care and drinking water, etc.) Regarding the government's commitment to reach the MDGs by 2015, on one hand, and the intersection of these goals with national priorities on the other, this second PRSP will serve as a framework to implement the MDGs in Guinea in 2007–2010.
5. Furthermore, it is important to mention that since taking office, the new government has, since April 1, 2007, implemented new political, economic and social policies in compliance with the strategic focus of the PRSP-II.
6. The preparation of this document is based on a series of tasks carried out over the past three (3) years, namely: (i) preparation of three (3) PRSP-I implementation reports; (ii) evaluation of the PRSP-I, which was done between December 2005 and April 2006 by a team of independent consultants; (iii) fine-tuning of the regional PRSPs (2005–2006); and (iv) sectoral diagnostics and the evaluation of needs in order to reach the MDGs (January–December 2006). These different exercises received contributions from all stakeholders (administrations, national institutions, civil society organizations, grassroots organizations and development partners), thereby ensuring that the PRSP-II rests on a solid base of participation. This participatory character was strengthened and extended throughout the strategy development process.
7. Based on the above, this Poverty Reduction Strategy Paper consists of six (6) chapters, plus the annexes that complete it.

¹ Between 2003 and 2006, total external financing dropped from US 148.6 to 72.5 millions dollars (source: macroeconomic composition data).

8. Chapter 1 is devoted to an analysis of poverty in the country, highlighting the determinants of poverty at the political, economic and social levels.
9. Chapter 2 deals with the general context of PRS implementation, especially in terms of the country's macro-economic and financial constraints, the problem of governance and the issues and challenges involved in implementing the MDGs in Guinea.
10. Chapter 3 focuses on global governance, which is considered a determining factor in the fight against poverty.
11. Chapter 4 looks at the acceleration of economic growth for the benefit of the greatest number of people.
12. Chapter 5 deals with improving general access to quality social services.
13. Chapter 6 deals with the mechanisms for implementing, monitoring and evaluating the Poverty Reduction Strategy.

I. Diagnosing poverty

14. Poverty is a multi-dimensional phenomenon that involves many aspects of people's lives. Poverty will be evaluated from the perspective of geographic location, insufficient income and poor access to education, health care, drinking water, socio-economic infrastructure and employment.

15. This approach corroborates the perception of households regarding the different facets of poverty: insufficient means to remain nourished (25 percent of responses), lack of income (15 percent), lack of work (11.6 percent) and an inability to satisfy a number of other needs, such as health care (11.2 percent) or decent accommodation (7.2 percent)².

1.1. Financial profile of poverty

16. The level of poverty among the Guinean population continues to be a cause of concern. Nearly half the population (49.2 percent) lives below the poverty line, that is, on FG 387,692 (USD 196) per person per year. Of these poor individuals, 19.1 percent live in extreme poverty, that is, they have an income below GNF 228,900 (USD 116) per person per year (see Table 1.4: changes in development indicators in Guinea).

17. One of the characteristics of poverty in Guinea is the very high concentration of income (the Gini index is 0.403)³. Indeed, households in the 1st quintile (20 percent poorest) have only a 6.4 percent share of total consumption. Those in the 1st and 2nd quintiles (40 percent poorest) account for only 17 percent of domestic consumption. At the other extreme, households in the 5th quintile (20 percent richest) account for 47.2 percent of total consumption and the 40 percent richest households (4th and 5th quintiles) have a 68.2 percent share of total consumption.

18. Since 2003, poverty has deepened significantly. Estimates by the World Bank and the Ministry of Planning, through the National Statistics Office (DNS) indicate that the incidence of poverty was 50 percent in 2003, 50.1 percent in 2004 and 53.6 percent in 2005 (see Table 1.4: Changes in Development Indicators in Guinea). This lowering of Guinean living standards follows the sharp downturn in the country's economic situation starting in 2003.

19. Per capita GDP dropped from \$379 in 2002 to \$332 in 2006. Inflation also reached alarming proportions, rising from 6.1 percent in 2002 to 39.1 percent in 2006 (year-on-year). This has considerably weakened the purchasing power of the population and has increased inequality.

² Source: *Enquête Intégrée de Base pour l'Evaluation de la Pauvreté* (Integrated Core Survey for Poverty Assessment – EIBEP 2002-2003)

³ The Gini Index is an indicator that measures income inequality in terms of concentration. It runs from 0 to 1. The closer it is to 1, the greater the inequality in distribution.

1.2. Poverty according to area of residence

20. Geographical location is one of the determinants of poverty. Regional endowment in terms of employment opportunities, infrastructure and climate has an influence on the standard of living of the population living there.

21. Furthermore, poverty is unequally distributed between the urban and rural areas of the country. Poverty continues to be a rural phenomenon: 60 percent of Guineans living in rural areas are poor and account for 86 percent of overall poverty (see Table 1.4: Changes in Development Indicators in Guinea). However, urban poverty appears to be growing: the incidence of poverty is 21 percent in Conakry and 27 percent in the country's inland urban areas. Of 100 poor persons, 86 live in rural areas.⁴ The other poverty indicators are also unfavorable in rural areas. The average income of a person living in an urban area is 6 percent below the poverty line, while in rural areas the average income is 22 percent below the poverty line—a gap 3.5 times larger.

22. Upper Guinea (67.5 percent) and Middle Guinea (55.4 percent) remain the country's poorest regions.⁵ Forest Guinea registered a poverty rate of 54.4 percent, while being the least poor region in 1994. This situation is the direct result of the influx of refugees it has received since the outbreak of hostilities in Liberia and in Sierra Leone, and the rebel attacks in 2001. This has damaged the environment, destroyed considerable socio-economic infrastructure and caused enormous losses in household assets (livestock and plantations). The administrative regions of Kankan (67 percent), Labé (65 percent), Faranah (61 percent) and N'Zérékoré (56 percent) are those most affected by this phenomenon (see Table 1.4: Changes in Development Indicators in Guinea).

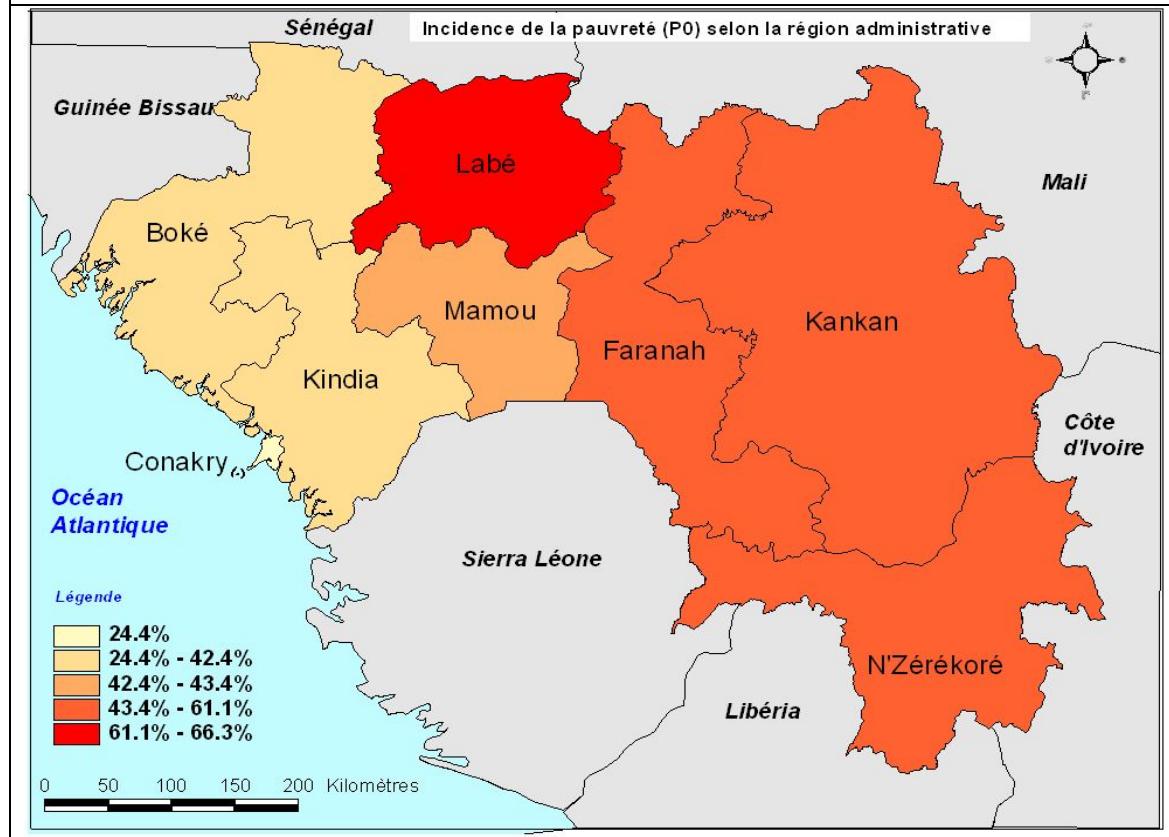
23. Based on recent studies carried out jointly by the Ministry of Planning (through the DNS) and the World Bank, poverty has been mapped at the level of prefectures and sub-prefectures.⁶

⁴ Source: EIBEP (2002-2003)

⁵ Source: EIBEP (2002-2003)

⁶ Source: *Cartographie de la pauvreté* (Poverty mapping), DNS-WB/2005. This study combines population census (RGPH) data from 1996 and EIBEP data from 2002/2003.

Map 1.1: Incidence of poverty (P0) by administrative region



24. The poverty map (1.1 above) shows the incidence of poverty by administrative region. The results are very close to those obtained using the monetary poverty profile: Kankan (66.8 percent), Labé (65 percent), Faranah (61.1 percent) and N'Zérékoré (56.1 percent).

25. The regions of Kindia (about 44 percent) and Boké (41.1 percent) are less affected by poverty, likely due to the high concentration of economic infrastructure in both regions, their wealth in natural resources, their proximity to the capital and the high concentration of basic social services and qualified human resources.

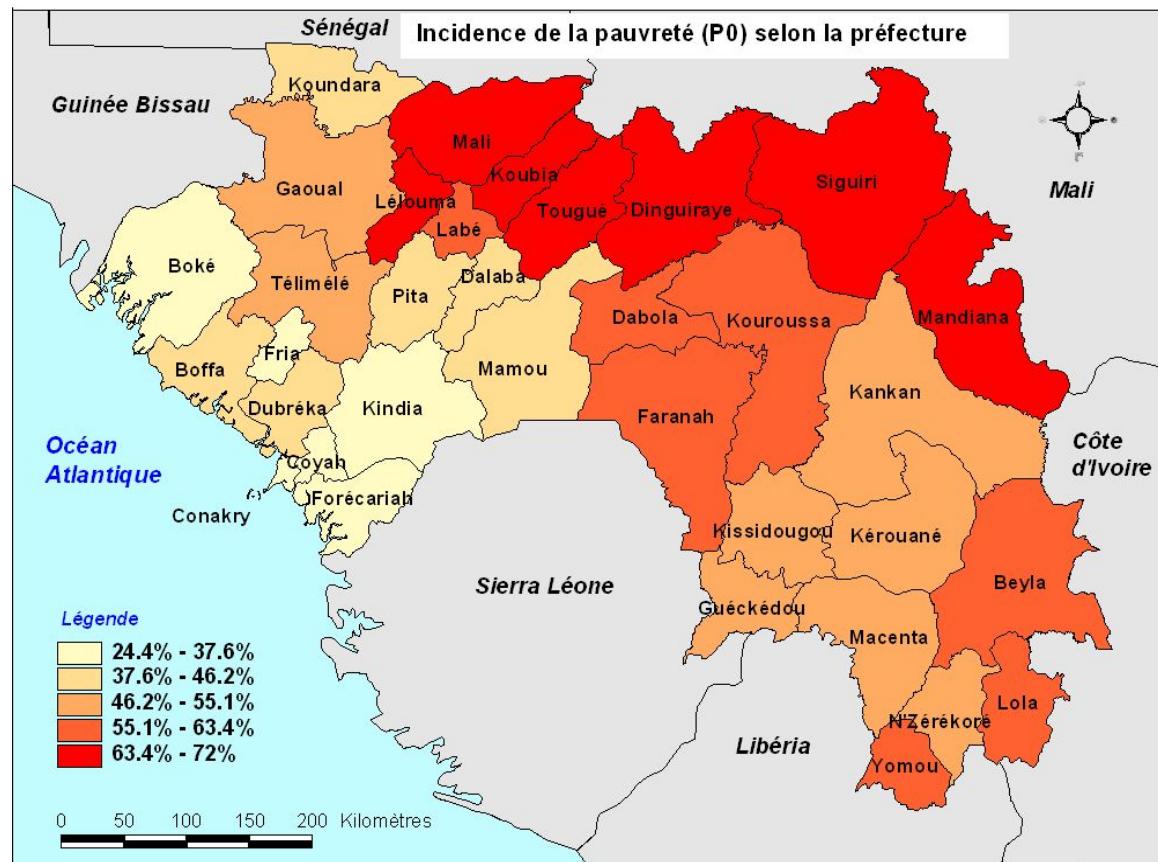
26. Map 1.2 shows the incidence of poverty at the prefecture level. The prefectures that register the highest poverty levels are those that form the north and north-east arc of Guinea, with poverty rates between 67 percent and 72 percent.

27. These are the prefectures of Mali (71 percent), Léléouma (67.6 percent), Koubia (70.8 percent), Tougué (72 percent), Dinguiraye (69.7 percent), Siguiri (68 percent) and Mandiana (71.3 percent). This arc of poverty consists mainly of dry savannah where agriculture, which is the main activity of the population, provides scarce returns compared to other prefectures. This agro-ecological factor is accompanied by insufficient or even non-existent socio-economic infrastructure (roads, schools, health

centers, water service, electricity, telephone, etc...) and poor endowment of qualified human resources.

28. The second group is made up of prefectures characterized by moderate poverty (poverty rates between 53.1 percent and 63.3 percent). These are the prefectures of Gaoual (54.7 percent), Télémélé (53.9 percent), Dabola (61.2 percent), Faranah (59.3 percent), Kouroussa (62.6 percent), Beyla (63.4 percent), Yomou (59 percent) and Lola (59.1 percent).

Map 1.2: Incidence of poverty (P0) by prefecture



29. Map 1.3 shows the incidence of poverty by sub-prefecture. This has made it possible to better target zones of poverty, even within prefectures that are not poor.

30. The sub-prefectures with a high incidence of poverty (poverty rate between 68.5 percent and 86 percent) form a belt that pushes towards the center of the country, starting in the north and north-east and extending towards the south and south-east. These are:

- Balandougouba (83 percent), Dialakoro (75.9 percent), Faralako (70.7 percent), Kantoumania (69.8 percent), Kiniéran (70.2 percent), Koundian (74.5 percent), Koundianakoro (69.8 percent), Morodou

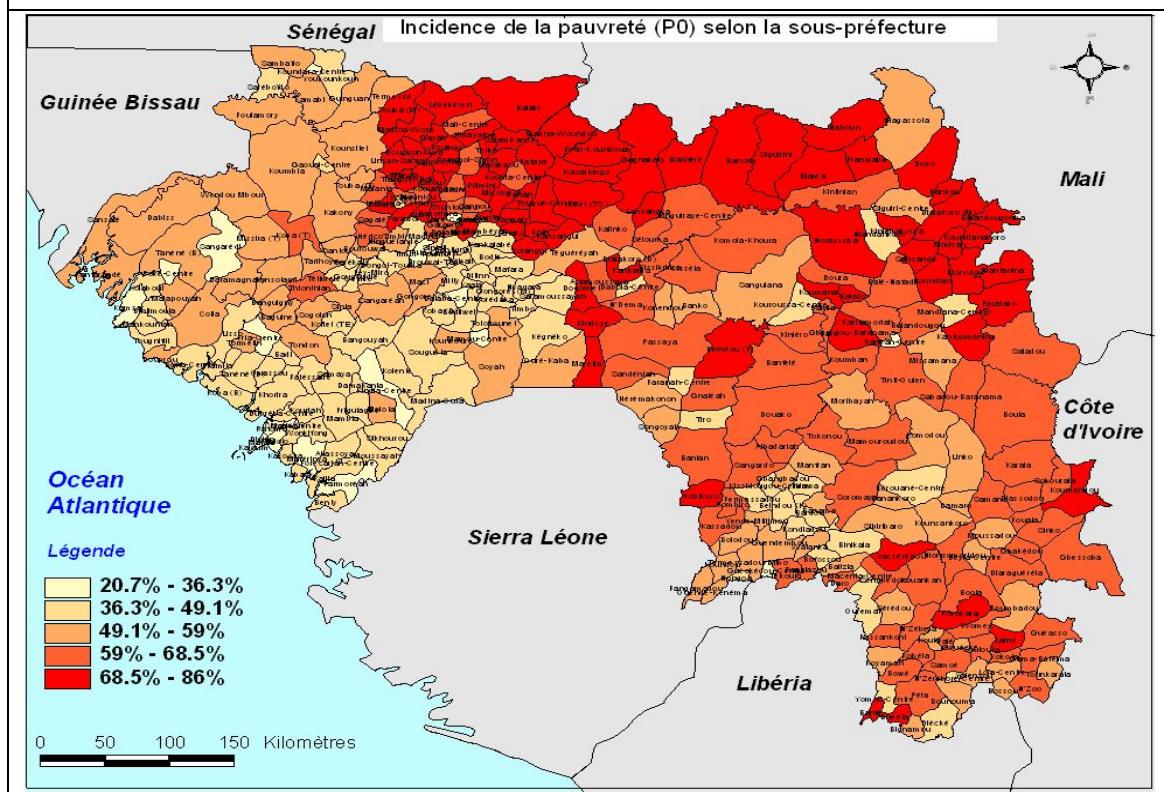
- (75.1 percent), Niantania 76 percent) and Sansando (70.5 percent) in Mandiana prefecture;
- Banko (72.2 percent), Doko (72.2 percent), Franwalia (72.2 percent), Kignébakoura (72.5 percent), Malléa (74.9 percent), Nabou (78.7 percent), Norassoba (74.1 percent) and Siguirini (81.5 percent) in Siguiri prefecture;
 - Banora (84.5 percent), Diatiféré (80.1 percent), Gagnakali (86 percent) and Lansanaya (77.7 percent) in Dinguiraye prefecture;
 - Fafaya (74 percent), gadha-Woundou (75.3 percent), Matakaou (72.3 percent) and Missira (69.5 percent) in Kouibia prefecture;
 - Balaki (77.8 percent), Dougountouni (72.8 percent), Fougo (71.3 percent), Gayah (75.2 percent), Hidayatou (75.3 percent), Lébékéren (75.8 percent), Madina-Wora (76.5 percent), Salambandé (73.4 percent), Téliré (72.1 percent), Touba (76.6 percent) and Yembéring (70.5 percent) in Mali prefecture;
 - Fatako (69.5 percent), Fello-Koundoua (76.6 percent), Kansangui (79.7 percent), Kolanguï (69.5 percent), Kollet (74.1 percent), Kouratongo (74.3 percent), Koïn (70.1 percent) and Tangaly (69.3 percent) in Tougué prefecture;
 - Balaya (70.8 percent), Lafou (71.2 percent), Linsan-Saran (74.7 percent) and Manda (70.1 percent) in Léléouma prefecture.
 - Gbérédou-Baranama (70.3 percent) in Kankan prefecture;
 - Balato (70 percent), Koumanah (75 percent) and Cisséla (68.4 percent);
 - Dogomet (69.7 percent), Kankama (69.8 percent) and Kindoye (83.6 percent) in Dabola prefecture;
 - Diari (73.4 percent), Dionfo (71.7 percent), Kouramangui (69.3 percent), Popodara (71.1 percent), Balaya (70.8 percent), and Lafou (71.2 percent) in Labé prefecture;
 - Fouala (68.4 percent), Koumandou (70 percent) and Samana (68.5 percent) in Beyla prefecture;
 - Vassérédou (70.7 percent) in Macenta prefecture;
 - Koropara (70.8 percent) in N'Zérékoré prefecture and;
 - Lainé (72.1 percent) in Lola prefecture.

31. A poverty map is also available for the City of Conakry. Poverty there has worsened considerably in recent years. Certain areas of the capital are overpopulated and poorly serviced by urban infrastructure (transportation, schools, health centers, municipal services, etc.). These urban problems are particularly exacerbated by the rural exodus and rapid expansion of neighborhoods on the urban periphery.

32. The municipalities (*communes*) of Matam (25.5 percent) and Matoto (25 percent) register the highest poverty rates, followed by Kaloum (24.1 percent), Dixinn (24 percent) and Ratoma (23.4 percent).

33. At the neighborhood level, the areas with the highest poverty rates are Fotoba (30.7 percent) in Kaloum; Simbaya II (28.7 percent), Dabondy III (27.2 percent), Dabompa (27 percent) in Matoto; Madina Cité (28.2 percent), Madina Mosquée (27.8 percent) and Bonfi Marché (27.5 percent) in Matam; Kobaya (27.9 percent) in Ratoma; Hafia I and Hafia II (27.6 percent) in Dixinn.

Map 1.3: Incidence of poverty (P0) by sub-prefecture



1.3. Poverty and access to education

34. The investment in education made by households, local communities, development partners and the State generally reflects the standard of living of the population.

35. Major progress has been made in the area of schooling. At the primary school level, the gross enrollment rate (GER) rose 16 points during 2001–2006, from 62 percent to 78 percent⁷. The net enrollment rate (NER), meanwhile, rose from 57 percent in 2001/2002 (52 percent for girls) to 63 percent in 2005/2006 (57 percent for girls). The primary school completion rate rose from 27 percent in 2000/2001 to 60 percent in 2005/2006.

36. Progress at the secondary school level is less perceptible than at the primary level. Indeed, the GER at the junior high school level is low for the country as a whole. It stood at 43 percent in 2005/2006, up from 12 percent in 1989/1990. At the senior high school level, the GER rose from 5 percent to 23 percent in the same period. In technical/vocational schools, the number of students per 100,000 inhabitants increased on average from 90 in 1990 to 180 in 2003.

⁷ Source: *Service de Statistiques et de Planification du Ministère de l'Education Nationale* (Ministry of Education Statistics and Planning Service).

37. Despite this progress, disparities continue to exist between the sexes, between urban and rural areas, and among administrative regions (see Table 1.3: Poverty Indicators in Guinea). In primary school, girls have been the main beneficiaries of expanded education, but they continue to have lower GERs than boys. The GER for girls increased from 51 percent to 70 percent in 2000–2006, thereby reducing the school enrollment gap between girls and boys (the girls/boys parity ratio rose from 0.66 to 0.81 during the period).

38. Although significant disparities continue to exist between urban and rural areas, the headway made has benefited the rural areas (and therefore poor people) more than the urban areas. Indeed, in primary school, the GER in rural areas rose 17 percent in 2000–2006, versus 8 percent in urban areas in the inland area of the country.⁸ The secondary school enrollment level in rural areas remains very low due to the lack of conveniently located infrastructure (the GER is 18 percent in junior high school and 2 percent in senior high school) (see Table 2.3 below).

39. In regional terms, the disparities continue to persist both at the primary and secondary level (see Table 1.3: Poverty Indicators in Guinea). For example, at the primary level, there are significant differences between Conakry (124 percent) and the other administrative regions, such as Labé (70 percent), N’Zérékoré (65 percent), Kankan (62 percent), Mamou (77 percent) and Boké (69 percent). The same is true at the junior and senior high school levels.

40. Despite the remarkable progress made in education, enormous efforts have yet to be made in order to improve the quality of the services provided and to increase the level of financing. Indeed, nearly 66 percent of those receiving educational services at the primary level and 63 percent at the secondary level are not satisfied with the services provided).⁹ The main reasons given are: (i) the lack of books and supplies; (ii) the lack of teachers; (iii) the poor state of the institution; (iv) the quality of the teaching provided; (v) violence in the school environment; and (vi) the lack of discipline. By removing these constraints, the internal efficiency of the system can be improved, particularly the grade-repeating rate (10 percent in primary schools in 2005/2006).¹⁰

41. Regarding informal education at NAFA Centers and efforts aimed at functional literacy and workplace literacy, the implementation of literacy programs has led to:

- a network of about 3,700 functional literacy centers, of which 83 percent are in rural areas and 28 percent are women’s centers;
- more than 457,624 adults learning literacy, about 103,043 of whom are women and girls;
- opening 168 functional NAFA centers with a staff of about 6,000 teachers for nearly 80 percent of girls.

⁸ Source: *Service de Statistiques et de Planification scolaire* (School Statistics and Planning Service) (2005/2006).

⁹ Source: *Direction Nationale de la Statistique* (National Statistics Office – DNS): QUIBB Survey (2002/2003).

¹⁰ Source: *Service de Statistiques et de Planification scolaire* (School Statistics and Planning Service) (2005/2006).

42. Despite the efforts made through the NAFA centers, and the functional and workplace literacy teaching, the results are very minor in comparison to the percentage of illiterate persons in the country. Indeed, nearly the entire adult population (nearly 72 percent) is illiterate (see Tables 1.4 and 1.5). There are sharp gender disparities (nearly 86 percent for women and 54.3 percent for men) and administrative regions (close to 87 percent in the Kankan region and 78 percent in the N'Zérékoré region).

43. Public financing of educational services remains low (1.4 percent of GDP) and significantly below the average level in sub-Saharan African countries (4 percent). Furthermore, the study on the incidence of public spending on education¹¹ shows that the poor populations receive only a tiny part of public spending.

Table 1.1: Incidence of public spending on education

Quintile	Primary (percent spending per quintile)	Secondary General (percent spending per quintile)	Secondary Technical (percent spending per quintile)	Higher (percent spending per quintile)	All (percent spending per quintile)
1 st	14,3	7,2	3,1	2,4	12,5
2 nd	18,7	11,2	6,4	4,3	16,7
3 rd	22,9	20,3	19,3	21,1	22,2
4 th	22,9	28,5	27,9	16,5	24,1
5 th	21,2	32,9	43,2	55,7	24,5
Total	100,0	100,0	100,0	100,0	100,0

Source: World Bank/EIBEP-2002/2003

44. Table 1.1 above shows that the two poorest quintiles of population, located mainly in rural areas, receive less than 30 percent of total public spending. At the primary level, per capita public spending was 1.5 times higher in the richest quintile than in the poorest quintile. At the secondary level, spending is even more strongly biased towards the wealthiest households, since the richest quintile receives four times more spending per head than the poorest quintile. Technical and professional training and higher education, meanwhile, are almost exclusively for the richest quintiles. Total per capita public spending on education is 9,153 GNF for children living in 1st quintile households, versus 43,431 GNF for those in the 5th quintile.

45. Regarding the financial burden of education on households, parents of students contribute to the investment in education through, for example, their associations (building and equipping classrooms, recruiting temporary teachers at the local level, registration, student fees, canteen, school clubs, etc.). This parent contribution weighs differently on household budgets. As Table 2.5 shows, the poorest quintile devotes 11.8 percent of its non-food spending on the education of children registered in public schools. The weight of this spending in proportion to household non-food spending diminishes with wealth and the richest quintile devotes only 3 percent of its non-food spending on education.

¹¹ Source: World Bank (study on the incidence of public spending on education).

Table 1.2: Weight of spending on education in household budgets

Quintile	Non-food spending per student	Spending per student on education	Share of education in non-food spending
Poorest	66 981	7 914	11,8
2	108 831	10 400	9,6
3	196 292	11 086	5,6
4	288 504	13 307	4,6
Richest	861 655	25 470	3,0
Average	377 890	14 638	3,9

Source: EIBEP 2002-2003/DNS/MP

1.4. Poverty and access to health care services

46. The health of the population is also one of the determinants of poverty, due to its impact on the ability of the population to work with vigor. The comparative analysis of the results of the demographic and health surveys (EDS) carried out in 1999 and 2005 reveals the impact of the policies, projects and programs in the sector (see Tables 1.3, 1.4 and 1.5).

47. The proportion of births in which the mother received prenatal care from health professionals increased slightly from 71 percent in 1999 to 82 percent in 2005. There are large disparities depending on urban/rural residence and administrative region. In terms of the poverty level of households, consultation rates among households in the first and second quintiles (the poorest 40 percent) are considerably lower (67.7 percent and 74.3 percent, respectively) than the national average.

48. The proportion of women attended at birth by a health professional rose from 35 percent in 1999 to 38 percent in 2005. However, there are striking disparities between urban and rural areas and among administrative regions. Among women of childbearing age who gave birth to a live infant, only 14.5 percent from the poorest 20 percent of households were attended by qualified professional, versus 87.4 percent of women from the richest 20 percent.

49. Infant mortality declined from 98 per thousand live births in 1999, to 91 per thousand in 2005, infant-child mortality also dropped from 176.9 per thousand in 1999 to 163 per thousand in 2005. Infant and infant-child mortality levels in rural areas remain a cause for concern, standing at 118 per thousand and 204 per thousand, respectively. This situation may be explained by the availability and quality of the services offered, by the environment in which these children live, by poverty and by female illiteracy. The main causes of infant mortality include acute respiratory infections (ARI) and, in particular, pneumonia, malaria and dehydration caused by severe diarrhea. On top of these infections is the anemia that undermines the physical and mental capacities of children and acts as a handicap to their performance at school. Furthermore, unvaccinated children and malnourished children run a high risk of mortality and morbidity.

50. The maternal mortality rate is very high, standing at 980 per 100,000 live births in 2005. It is difficult to compare this to earlier published figures dating back to 1999 (528 per 100,000 live births), due to improved data collection methods that have made it possible to determine the number of adult deaths.

51. Considerable progress was made on vaccinations between 1999 and 2005. The proportion of children completely vaccinated against the illnesses targeted by the Extended Vaccination Program (PEV), rose from 32 percent in 1999 to 37 percent in 2005. Inversely, the proportion of children who had not received any vaccination continued to drop significantly, from 21 percent in 1999 to 14 percent in 2005. The rate of antigen vaccination rose during 1999–2005, with the exception of measles: BCG (76 percent to 79 percent), DTaP 3 (46 percent to 51 percent), Polio 3 (43 percent to 50 percent) and measles (50 percent to 50 percent). Disparities exist between rural and urban areas and among administrative regions.

52. Iodine deficiencies and anemia are also widespread among children under five years old and women. More than seven children out of ten aged 6–59 months (77 percent), suffer from anemia (23 percent mildly, 45 percent moderately and 7 percent severely). Among women, more than half (53 percent), suffer from anemia (35 percent mildly, 17 percent moderately and 2 percent severely).

53. The nutritional situation of children under the age of five worsened, with a direct impact on morbidity and mortality in that age group. The percentage of children affected by chronic malnutrition rose from 26 percent in 1999 to 35 percent in 2005—an increase of 35 percent in six years. All regions have been affected by the increased prevalence of chronic malnutrition during this period: Upper Guinea (+53 percent), Middle Guinea (+43 percent), Conakry (+32 percent), Lower Guinea (19 percent) and Forest Guinea (+17 percent). Severe malnutrition remained unchanged at around 9 percent and the proportion of underweight children rose from 23 percent in 1999 to 26 percent in 2005 – a 13 percent increase during this period. This situation can be explained by the state of security in the country starting in 2000, followed by massive movements of population across the country and deteriorating macroeconomic conditions starting in 2003.

54. Endemic diseases such as malaria and tuberculosis continue to pose problems to public health in Guinea. Malaria is the main reason for visiting a doctor (33.0 percent) and for hospitalization (25.4 percent) in health care institutions, with an incidence of 108.3 per thousand inhabitants. In hospitals, the overall case fatality rate is 15 percent, of whom 26 percent are children under the age of five. It is estimated that there is an annual incidence of 75 cases of pulmonary tuberculosis per 100,000 inhabitants in the city of Conakry and 50 cases per 100,000 in rural areas. According to the 2005 activities report by the National Anti-tuberculosis Program (PNLAT), the case fatality rate is 8 percent, while the rate of loss of life and transmission is 9 percent and 11 percent, respectively.

55. Regarding the satisfaction of the recipients of health services, much remains to be done to improve the quality of services. Indeed, 53.7 percent of recipients of health services (about 46 percent in Conakry, 46.2 percent in inland urban centers

and 56.8 percent in rural areas) are not satisfied with the services provided.¹² The main reasons given are the high cost of services, the quality of treatment, the long waits and the lack of drugs.

56. Health sector financing remains weak, accounting for 6 percent of the total national government budget in 2006 (0.4 percent of GDP). This appears to be insufficient to provide quality health services to the country as a whole. Many priority public health programs that target HIV/AIDS, STDs, malaria, tuberculosis and onchocerciasis (river blindness) depend on donor agencies.

57. The study on the incidence of public spending¹³ shows that the poorest households make less use of health services than the richest households. Furthermore, they use services that are typically of lower quality (or which, at least, cost the government less, such as services provided at health posts, rather than hospital care). This means that the allocation of public spending on health tends to favor the urban and better-off populations. More generally, public spending continues to favor secondary and tertiary care, as well as the cost of operating the central administration of the health care system, to the detriment of primary care.

58. It is also important to note the poor geographical coverage resulting from the lack of infrastructure and facilities, and the poor state of that which does exist. For example, during 2004–2005, the number of health posts in the system increased from 604 to 623, a small rise of about 3 percent; the number of health centers in the system, meanwhile, rose from 395 to 399, an increase of only 4 percent in the same year.

59. Financial resources are also limited and the availability and distribution of operational staff vary greatly from region to region. There is about one doctor per 8,323 persons in the country; there is one nurse per 6,345 persons and one midwife per 20,876 persons.¹⁴ In Conakry, the health services system is quite well endowed with doctors and dentists, including nearly half the doctors in the country. Conakry also has favorable ratios of nurses and midwives. Nearly all the country's inland regions, except for mining enclaves, receive far fewer services.

1.5. Poverty and AIDS:

60. Tests carried out at the national level indicate that the prevalence of pandemic HIV/AIDS is 1.5 percent. Women, with a prevalence rate of 1.9 percent, are considerably more infected than men (0.9 percent). The resulting female/male ratio is 2.1. As part of the fight against HIV, 18 sentinel sites for epidemiological surveillance have been established, 17 counseling and voluntary screening (CDV) centers and seven outpatient treatment centers (CTAs) have been operationalized and the epidemiological surveillance capacity of 27 mother-child transmission prevention (PTME) sites has been strengthened. Access to anti-retroviral drugs has improved: the cost of treatment has dropped from 720,000 GNF in 2002 to 35,000 GNF since 2005.

¹² Source: *Direction Nationale de la Statistique* (National Statistics Office): EIBEP Survey (2002/2003).

¹³ Source: World Bank (study on the incidence of public spending on health).

¹⁴ Source: *Direction Nationale de la Statistique* (National Statistics Office): EIBEP Survey (2002/2003).

61. Despite this relatively favorable trend, at the urging of most other African countries Guinea has committed itself to provide free anti-retroviral treatment and biological monitoring for all layers of the population of Guinea, particularly for the poorest, as well as case management for opportunistic infections. As for nutritional support, this will be provided free to all eligible infected or affected persons.

62. According to the study on the impact of HIV/AIDS on the Republic of Guinea, “the difficult socioeconomic environment in which the population lives is a factor particularly favorable to an outbreak of the epidemic”. Also, “the AIDS-related death rate in persons 15–49 years old – that is, the most economically active age group – will likely reach between 27 percent and 37 percent in 2015. The impact on the country’s GDP of such a HIV/AIDS-related drop in the labor force would be in the order of 0.4 percent to 0.6 percent in 2015” if nothing is done. This close relationship between AIDS and the economic dynamic means that HIV/AIDS is a dimension that must be taken into account in all development planning, both at the macroeconomic and sectoral levels.

63. It should be noted that about 90 percent of the funds mobilized in the fight against HIV/AIDS and other STDs comes from development partners.

1.6. Poverty and access to socio-economic infrastructure

64. Insufficient access to infrastructure (water, electricity, sanitation, roads and telephone, etc.) affects the living standards of the population and is a handicap to economic take-off. By contrast, better access helps reduce poverty by raising work productivity and encouraging the integration of poor regions into the markets.

1.6.1. Poverty and access to drinking water

65. Widespread access to drinking water affects public health by warding off many diseases, including waterborne diseases. Children are particularly vulnerable to these diseases. The availability of water in general also helps increase economic activity.

66. The implementation of numerous projects in the water sector has helped significantly increase the number of water supply points, especially the borehole wells that are the main supply source of drinking water for households throughout the country, particularly in the rural, and therefore the poor areas. Nearly 34 percent of the country’s households use these. The figure rises to 45.6 percent in rural areas.¹⁵ This is also true in many administrative regions: Faranah (58.6 percent), Kankan (close to 55 percent), N’Zérékoré (45 percent) and Boké (40 percent).

67. Through these investments, the access of households to drinking water has risen from 51.2 percent in 1994 to nearly 62 percent (see Table 1.4 and 1.5). Eight out of ten households are in urban areas and 52.8 percent in rural areas have access to drinking water. In rural areas, the access rate rose from 44.7 percent to 52.8 percent in the same period. This greatly helped improve the access of poor

¹⁵ *Enquête Intégrée de Base pour l’Evaluation de la Pauvreté* (Integrated Core Survey for Poverty Assessment – EIBEP EIBEP/2002-2003)

people to drinking water. Therefore, the goal of bringing drinking water to 90 percent of the population by 2010 is likely feasible.

68. Although tap water is the main supply source for households in Conakry (90.6 percent) and the inland towns (52 percent), it is important to point out that these areas have difficulties supplying themselves with drinking water. Indeed, the water supply is in very poor condition. While the daily per capita water supply was 47 liters in 1999–2000, there was an average of only seven liters a day per capita in the inland towns in 2004 and 20 liters a day per head in Conakry¹⁶. The reasons for this drop in supply include poor use of existing capacity both in Conakry (70 percent) and in the interior (23 percent), rapid urbanization and insufficient facilities. This corresponds to an average production of about 30 million m³ of water per year (25.8 million m³ for the capital and 3.9 million m³ for the inland towns).

69. As we can see, the minor disruptions in service supply that began in Conakry in 2001 have become worse. They have affected practically every municipal district (*commune*) of Conakry, with the exception of Kaloum. The same is true in the inland towns. Most districts of Conakry that had drinking water during the shortages in 2004/2005 had less than 3–4 hours of service a day. Inland households are depending more and more on wells and rivers for their water supply, instead of using tap water, which leads to significant risks of waterborne disease.

70. Also, the Guinea Water Authority's (SEG) operating statements for 2002 and 2003 show that it needs significant financial input to carry out upgrading work, to acquire the necessary spare parts to maintain its installations and to buy oil products. This makes the sector a greater burden on the government budget, which services the debt and intervenes to partially finance the costs of emergency work.

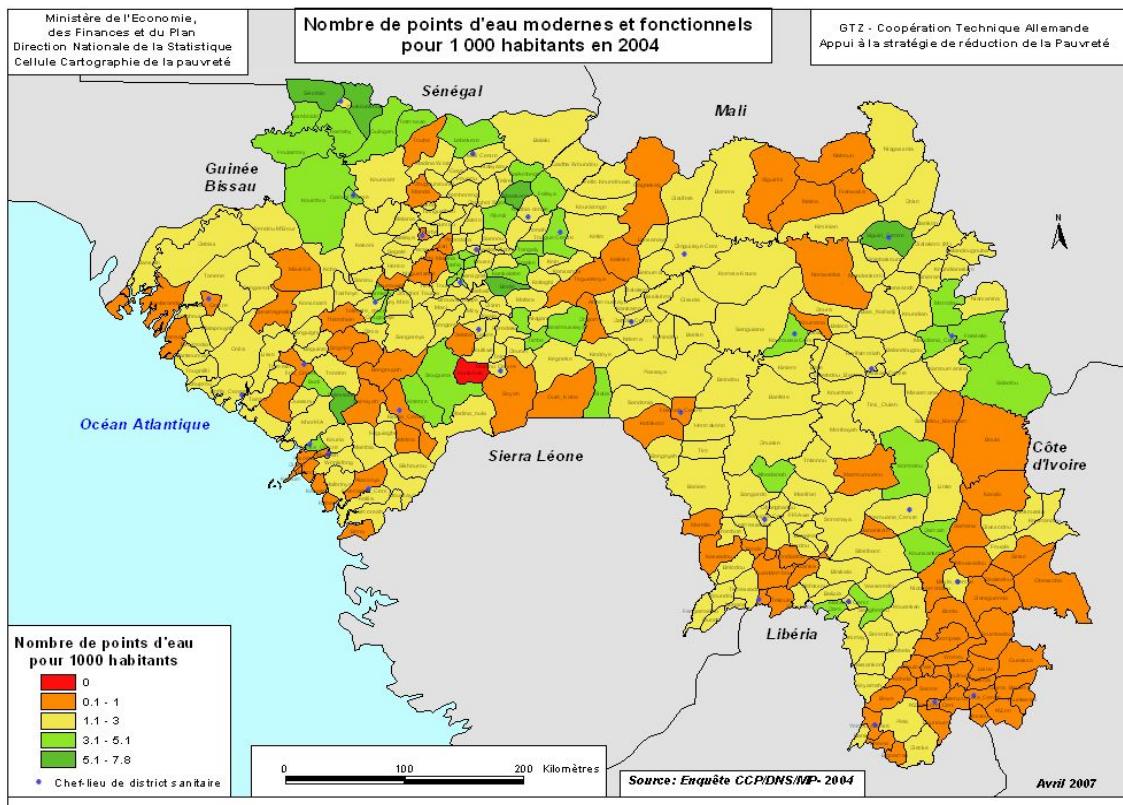
71. Map 1.4 below shows the distribution of the number of modern, functional water supply points per thousand inhabitants in each sub-prefecture. Most of these sub-prefectures have between 1.1 and three water points per thousand inhabitants. The sub-prefectures with a high number of modern, functional water supply points per thousand inhabitants (between 5.1 and 7.8) are: Faléssadé in Dubréka, Sambaïlo and Youkounkoun in Koundara, Bodié in Dalaba, Matakaou in Koubia, and Sigiri-centre in Sigiri.

72. Despite these performances, huge efforts remain to be made in many sub-prefectures in the south-east, north, center and west of the country, where the number of water points per thousand inhabitants ranges from 0 to 1.

73. The main challenges facing the water sector are: (i) deficient facilities, which have not necessarily kept up with the pace of expansion in urban areas; (ii) poor use of existing capacity; (iii) low productivity in the sector, calculated as averaging 35 percent during 1997–2005 (of every 100 liters of water produced, the sector recovers only the value corresponding to 35 liters); (iv) the high rate of fraud (13 percent), which limits the business performance of the companies that manage the system; and (v) the weak internal management of the system, which limits the financial independence of the SEG.

¹⁶ WDO report on access to drinking water

Map 1.4: Number of modern, functional water supply points per 1000 inhabitants



1.6.2. Poverty and access to energy services

74. Guinea's energy situation is characterized by low energy consumption per inhabitant—less than half a ton of oil equivalent (toe), 80 percent of which comes from biomass, 18 percent from hydrocarbons and 2 percent from electricity.

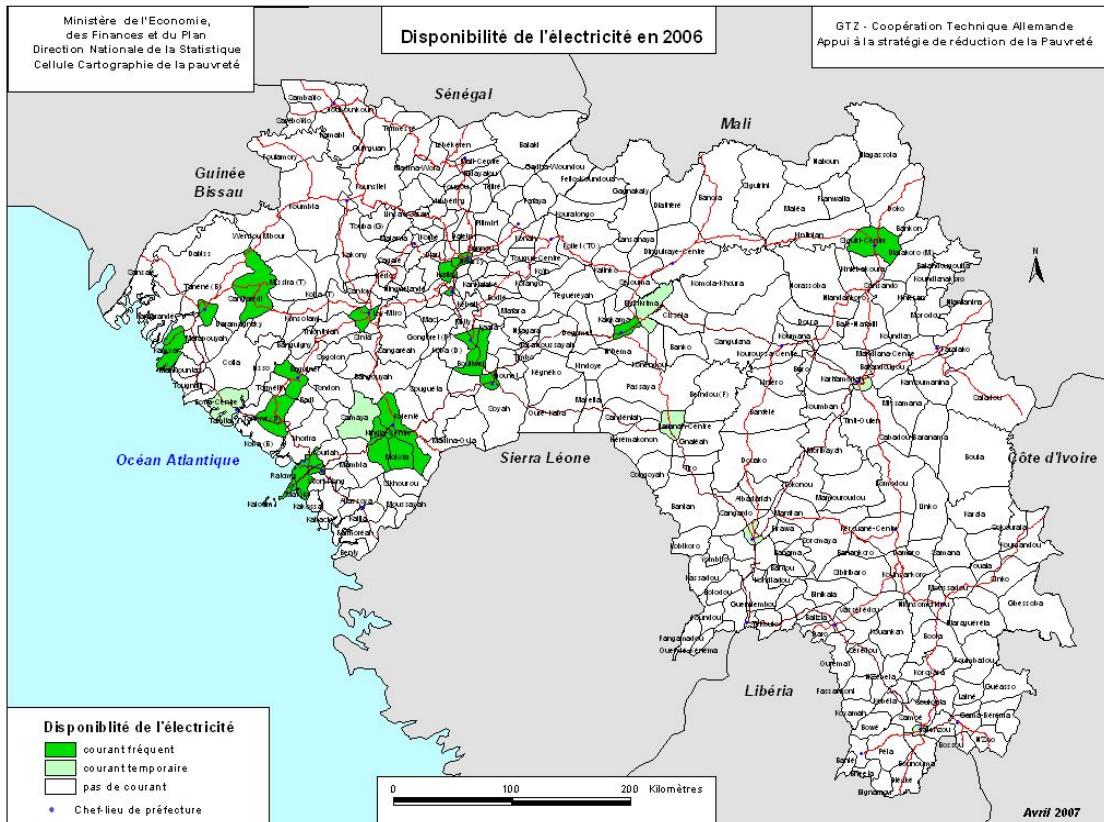
75. Due to the weak penetration of modern fuels, firewood and charcoal are the main fuels used by households for cooking. More than 76 percent of households have access to firewood and about one fifth (21.6 percent) can obtain charcoal.

76. The oil products consumed are imported. In 2005, a total of 692,286 MT of imports were received at the ports of Conakry and Kamsar, compared to 727,820 MT in 2004 and 721,727 MT in 2003. Fuel oil, used mainly by mining companies for the calcination of bauxite and by the Guinea electrical company (EDG) for electrical production, is the main oil product imported. Diesel fuel, used mainly for transportation, electrical production, public works and agriculture is in second place. Gasoline is used only for transportation. Finally, kerosene is used mainly for aviation and also for domestic needs.

77. As for electric energy, although our country is naturally endowed with considerable hydroelectric potential, thermal production is the main method (95 percent) of generating electricity. The country's coverage rate is extremely low and little has been done to exploit the potential for hydroelectric production. Indeed,

EDG's activities are focused on the urban areas. In the towns, the supply of electricity is irregular and subject to frequent outages.

Map 1.5: Availability of electricity in 2006



78. Structurally, this situation can be explained by the following factors: (i) the low productivity of the electricity company EDG, which supplied less than 35 percent of demand in 2006; (ii) the great deterioration of production and transportation facilities; (iii) the poor state of the systems for transporting and distributing electrical energy; (iv) under-investment in the electricity sub-sector; (v) significant financial imbalances; and (vi) a weak institutional framework.

79. This weak performance means that the oil lamp is the main form of lighting used and that wood and its derivatives (charcoal) are the only source of energy for cooking. Oil is used for lighting by two thirds of homes and electricity is used by one in five.¹⁷ As is the case with water, supply issues often determine the form of lighting in homes. In fact, the use of electricity for lighting depends on how far an area is from Conakry. The further away, the less it is used (see Table 1.5: Changes in Poverty Indicators in Guinea). As a result, nine persons out of ten use electricity in Conakry, compared to only 17 percent in Lower Guinea and less than 5 percent in the other regions. In these regions, oil lamps or other methods (candles, wood fire, etc.) are used for lighting.

¹⁷ Source: EIBEP (2002/2003)

80. The use of electricity is also a function of household living standards. Less than 3 percent of persons in the poorest quintile use it, compared to nearly two persons out of five in the richest quintile. For cooking, households have access to charcoal in Conakry and firewood in the other regions. Electricity and gas are used by only 1.5 percent of households.¹⁸ Even for households in the richest quintile, firewood and charcoal are the main sources of energy. When the current situation is compared to the one five years earlier, we find that there have been slight improvements. The percentage of persons using electricity has risen from 17.8 percent to 19 percent.

81. In fact, these improvements have essentially involved the capital, where this percentage has risen from 85 percent to 90 percent and, to lesser extent, Lower Guinea. In addition to the poor access of households to electricity, the quality of service offered is rather mediocre and outages are frequent. The consequences of this are reduced economic productivity, which in turn leads to slower growth and increased poverty.

82. Map 1.5 shows the few urban municipal districts and mining centers that have electric power. This map shows that electricity is practically absent in the country, particularly in the rural areas, despite the implementation of the BERD decentralized rural electrification project.

1.6.3. Poverty and access to communication technologies

83. In a country where road infrastructure is poorly developed and where the capital, Conakry, is subject to major congestion, the telephone could compensate for certain shortcomings and help improve economic activity. Indeed, transportation and the telephone are to a certain extent interchangeable goods, especially within the same town.

84. Telephone access remains poor: 2.2 percent of the population have a landline telephone and 3.7 percent have mobile phones.¹⁹ Telephone access is essentially urban; it is practically absent in rural areas. Also, it is mainly individuals in the fifth quintile who have phone access. For example, only 0.3 percent of the population in the first quintile have access to a landline telephone, and 0.2 percent to a cellular phone.

85. The difficulties involved in developing telecommunications are related more to supply than demand. On the supply side, four operators provide service on the mobile network.

86. There are a total of 23,430 lines for landline telephones and 180,452 mobile lines. Network coverage of the inland towns has increased considerably, from 18 towns in 2002 to 21 in 2004. On the demand side, the number of subscribers has risen considerably. The landline telephone connection rate is 0.25 percent, while the mobile connection rate is 1.93 percent.²⁰

¹⁸ Source: EIBEP (2002/2003)

¹⁹ Source: EIBEP (2002/2003)

²⁰ Report on the assessment of needs to reach the MDGs in the area of information and communication technologies.

1.6.4. Poverty and access to public transportation services

87. Access to public transportation is important for access to education, health services and markets, and favors sub-regional integration.

88. The population faces real difficulties as a result of poor transportation services. On average, it takes households 52 minutes to reach the nearest public transportation services (16 minutes in urban areas and more than an hour in rural areas)²¹ (see Table 1.5); and it takes 28 percent of households more than an hour to reach a public transportation service.

89. The most disadvantaged households are those in rural areas, especially in Middle Guinea, Upper Guinea and Lower Guinea. In Middle Guinea for example, it takes households an average of 1 hour and 24 minutes to reach the nearest public transportation services. Even a minor extension of public transportation would certainly make other infrastructure more accessible, in particular health centers and food markets, which are an average of 1 hour and 15 minutes and 1 hour and nine minutes away, respectively. The average time required to reach a health center and a food market is nearly 1.8 times greater for the poorest 20 percent of households than for the richest 20 percent.

90. These difficulties can be explained by the weak transportation infrastructure, especially the road system. Guinea has low road density (2.9 km per 100 km²) compared to other sub-Saharan African countries (6 to 10 km/100 km²). Only 28.7 percent of the road system is asphalted and un asphalted roads pose accessibility problems, especially in the forest region due to the high rainfall and spongy, porous soils.

1.6.5. Poverty and access to decent housing

91. The urban audits conducted since 2001 show that about 80 percent of the Guinean population lives in unstructured areas and therefore do not have access to essential urban services.

92. In this environment, the populations in extreme poverty (19.2 percent according to EIBEP 2002–2003) are particularly affected by the precariousness of their dwellings.

93. For these households, most of whom live in hovels, the main construction material is cob (adobe). They also have the highest levels of overcrowding, with up to six people per room in Conakry and the big towns, compared to the national average of 2.7.

1.6.6. Poverty and access to sanitation services

94. Human establishments in Guinea are characterized by a lack or insufficiency of sanitation services, whether for the removal of rainwater and wastewater, or for the

²¹ Source: EIBEP (2002/2003)

elimination of solid waste. One of the direct results of this is the degradation of the natural environment and negative impacts on the health of the population.

95. Wastewater is usually removed into pits or spread onto the ground. It is also dumped into gutters, streets and unused spaces. There is practically no collective or semi-collective sanitation infrastructure for removing and treating wastewater except in Conakry, where the sewer system is limited to the Kaloum district²². It should be noted that there are no public latrines, except for some in markets, bus stations and government buildings. Other urban areas have practically no collective sanitation. Despite the high population density, only private sanitation works are in place.

96. Only 2.1 percent of Guinean households use flush toilets.²³ This type of toilet is generally found in Conakry (9.2 percent) in the highest income households. Blackwater is removed mainly into (often improvised) latrines that serve about two thirds of households at the national level (66.8 percent). Of these, only 44.1 percent are covered latrines. A total of 27.1 percent of households do not have any type of sanitation system. This figure rises to 37.6 percent in urban areas.

97. The main method of removing solid waste (household garbage) is throwing it into the natural environment (unused spaces, watercourses, the sea, gutters, etc.). This practice is followed by 77 percent of households (93 percent in rural areas, 18.1 percent in Conakry and 64.4 percent in other urban areas).

98. Public collection of garbage is found only in Conakry (55.4 percent of households), while private pick-up accounts for 10.5 percent and incineration for 6.1 percent. Outside Conakry, Labé is the only town that has an improvised garbage dump. In all the other towns, garbage dumps are uncontrolled and the garbage transfer systems are inadequate.

99. Industrial and toxic solid waste (biologically contaminated waste from hospitals, laboratories, slaughterhouses and mining enclaves) is generally thrown into the natural environment, watercourses or the sea, and receives the same treatment as other waste.

1.7. Poverty and employment

100. Employment is one of the main determinants of poverty. It is the surest way to break out of poverty, thanks to the income it brings in.

101. The overall economic activity rate is closely linked to the poverty level of households. It stands at 49 percent in poor households and 42.3 percent in non-poor households.²⁴ For poor men and women, the respective figures are 47.5 percent and 50.3 percent, versus 43.4 percent and 41.2 percent for non-poor households. The economic dependency rate for the non-poor is 136.6 percent, while among the poor, 100 individuals bear the economic burden of 104 persons. The non-poor are harder hit by the phenomenon of underemployment (24.5 percent) than the poor

²² See Sanitation component of the 3rd Water / Urban Development Project

²³ Source: EIBEP (2002-2003)

²⁴ Source: EIBEP (2002-2003)

(15.6 percent), likely because the latter are forced to take on more activities to survive.

102. Guinean households are involved in many activities in the labor market in order to improve their living conditions. These strategies include (in addition to the main activity) a second or third activity by the head of the household, as well as having other household members take on an economic activity. It is hoped, of course, that these different strategies help reduce poverty. Unfortunately, the results do not seem to meet expectations. For example, households with three or more economic activities have a higher poverty rate than those with two activities, since these households are generally involved in jobs that are not well paid.²⁵

103. It is very difficult to draw the line between employment and unemployment, due to the fact that any unofficial job is generally considered simply an “odd job”, not a real one.

104. Unemployment hits young people particularly hard, depending on their level of studies (no schooling, incomplete schooling, diploma holder, etc.), their place of residence (rural or urban area) and the standard of living of their household. Young people in rural areas deal differently with unemployment, making use of various strategies and actions to fight it. Unemployment affects 16.6 percent of those who have completed high school, 15.4 percent of those who have completed vocational training and nearly 12 percent of holders of university or post-graduate degrees.²⁶

105. This situation can be explained mainly by the poor match between the training offered by educational institutions and the needs of the Guinean economy.

1.8. Poverty and agricultural activities

106. Agriculture is the main activity of poor households and the largest source of income for rural households. Agricultural households register high poverty rates (62.5 percent). They account for 53.2 percent of overall poverty²⁷. Agriculture in Guinea is essentially subsistence agriculture that is very unlikely to produce substantial income.

107. Farm acreages are generally small. Indeed, although the average size of plots held by households is 9.8 hectares, this average is in fact exaggerated by a small proportion of relatively big farmers; half of all agricultural operations are less than two hectares in size and two thirds are less than three hectares²⁸. Although almost all (94 percent) farming households have a manual tool (machete, hoe, rake, wheelbarrow, etc.), only slightly more than one in ten (13 percent) have a tool pulled by an animal or a mechanical tool.²⁹ This is, therefore, manual farming. It is not surprising to find that these farming operations declare an extremely low level of productive capital (30,116 GNF or 15 dollars at the official exchange rate at the time of the survey).

²⁵ Source: EIBEP (2002-2003)

²⁶ Source: EIBEP (2002-2003)

²⁷ Source: EIBEP (2002-2003)

²⁸ Source: EIBEP (2002-2003)

²⁹ Source: EIBEP (2002-2003)

108. In these conditions, output and sales capacity are necessarily low. When we add to this the poor road infrastructure, the high poverty rate in this segment of the population is easily understood. This presents a great challenge to the reduction of poverty in rural areas. The poor in these areas derive most of the income from their farming activities (65.2 percent).

109. These results clearly indicate the interest that should be focused on the development of the agricultural sector and on rural areas in general, if poverty is to be quickly reduced.

1.9. Poverty and food security

110. According to the results of the Core Welfare Indicators Survey (QUIBB/2002), the proportion of the population that suffers from hunger and malnutrition rose from 25 percent in 1992 to 34 percent in 1997, and ranged from 44 percent to 85 percent in 2002–2003. In other words, 7 percent of the population regularly has difficulty finding enough food, 22.8 percent often have difficulty, 43 percent face this situation sometimes and 12 percent rarely do. Under-nourishment is more acute in rural areas, where 36.2 percent of households face severe malnutrition. The administrative regions most affected by under-nourishment are N'Zérékoré (54.2 percent), Kankan (42 percent) and Faranah (38 percent).

1.10. Poverty, gender and equity

111. A generic analysis of poverty also reveals major disparities to the detriment of women, despite the declared legal equality of men and women. In the area of education, we have already discussed the striking disparities between boys and girls. Results of the EIBEP show that the adult literacy rate (15 years and older) is 14.1 percent for women, compared to 45.7 percent for men.

112. With regard to women's living conditions (86 percent of the poor live in rural areas and 53.3 percent of them are women) and their demographic weight (51 percent of the population), female poverty in Guinea cannot be explained only by the "gender" phenomenon, but also by socio-economic factors. Beyond simple discrimination against women, the gender problem is an important dimension to take into account in economic and social development strategies.

113. In addition to the underprivileged situation of women in the area of education, discussed above, women are also disadvantaged in terms of working time, due to the combination of family and professional activities. Women who farm have a workload that ranges from 15 to 17 hours a day. Women's work is made still harder by a lack of equipment, a low level of transformation of food products and the distance from water points and sources of firewood. And although they are the source of nearly 80 percent of the country's food production, women have only limited access to credit and to land ownership.

114. In urban areas, women are disadvantaged in salaried employment. They hold 22 percent of jobs in the public sector and 11 percent in the formal private sector. They are underrepresented in political life and account for less than 10 percent of the parliamentary representatives and government members. In fact, in 2006, of

32 government members, there were only four women. Of the 23 members of the government of "broad consensus" established in 2007, there are only three women. Among the 52 heads of major offices in the public administration, there are only six women. The situation is the same in the republic's institutions: National Assembly (22 women and 92 men), Supreme Court (three women and eight men), Economic and Social Council (10 women and 35 men) and National Council on Communication (no women).

115. In the decentralized administration there is one female Regional Governor versus seven men and only three of the 33 Prefects are women. Fewer than 20 percent of municipal councilors are women.

116. Also, influenced by socio-cultural values, limited opportunities for social promotion are open to women, both in families and in society: difficulties accessing land (male children are often sole heirs to the family estate), housing, education, some areas of professional activity, the decision-making process, etc. These are some of the constraints that hinder women's development, both at the individual and societal level, and which determine the particular poverty in which a large majority of Guinean women live.

117. In short, poverty is considerably more pronounced among women, whether in terms of access to education, formal employment and income, or in terms of working conditions and the distribution of the workload (social burdens associated with procreation and maintaining a family require a great deal of effort on the part of women; this work is often not considered to be part of the creation of wealth and, as a result, is not paid).

1.11. Poverty and governance

118. Good governance may be defined as the transparent and responsible management of a country's resources. It implies: clear decision-making processes for public authorities and at the community level; transparent administrative, political and lawmaking institutions; the rule of law in the management and distribution of resources; the effective exercise of democracy; the strengthening of human and institutional capacities and the implementation of measures specifically aimed at preventing and fighting corruption and impunity.

118. As the evaluation of the implementation of the PRS shows, as a general rule in the country as a whole, these principles are being distorted in their application as a result of poor governance. Problems of governance generally translate into poor economic performance, persistent institutional and legal obstacles, low professional and organizational capacity and widespread corruption.

119. The institutions of the republic (National Assembly, Supreme Court, Economic and Social Council, National Council on Communications) are experiencing operational difficulties attributable to the poor economic situation in the country. All of them are limited in the exercise of their duties by a certain number of handicaps, in particular the lack of tradition, research capacity, information and new know-how. Added to this is the issue of weak human resources – an indispensable condition for these institutions to be effective.

120. Increased insecurity has encouraged a rise in criminal activity. This phenomenon is a particular cause for concern since it is no longer the unfortunate monopoly of the towns, but is beginning to “ruralize” into the countryside where the poorest groups of people in the country live. The fight against insecurity is made particularly difficult by the small number of police officers. In 2007 there were 3,933 police officers in a population of about 9,000,000 inhabitants, for a ratio of one police officer for 2,288 inhabitants. The demobilization of the volunteers recruited during the rebel attacks on our borders in 2000, which has not been followed up with social reinsertion measures for everyone, has itself had a serious impact on the security situation in the country.

121. Civil society, which includes more than two thousand NGOs and community associations, is, on the whole, relatively weak and inexperienced. It does not yet have all the basic capacities in the areas of organization, communication, financial management and defense of its interest to play a role as a true partner of government.

122. Although the national dialogue initiated in 2003 initially raised hopes of ending the long period of tension that had characterized politics since the first elections in 1993, it is undeniable that these hopes vanished when municipal and regional elections were held in December 2005. Despite the introduction for the first time of the single ballot and transparent ballot boxes, these elections were contested because of the lack of transparency surrounding them.

123. To remedy these weaknesses, the National Assembly passed a law creating an independent national electoral commission (CENI) with a view to the legislative elections of December 2007. The main donor agencies have expressed their desire to support this process with financial backing.

124. Economic governance is characterized by consistently poor economic performance, growing corruption and a weak statistical information system for the preparation, monitoring and evaluation of policies, projects and programs. Despite its considerable development potential, the country has gone through an unprecedented economic and social crisis characterized by slowing growth, sharply rising inflation, difficulties with debt service payments, a freeze on external financing and a considerable increase in poverty. The lack of transparency in the management of resources and the culture of impunity have encouraged the misappropriation of public funds and widespread corruption in all sectors.

125. While the aim of economic and financial governance is to strengthen the decentralization and regionalization of public management, it must be noted, however, that this process still faces a lack of financial resources and a lack of transparency in the management itself. Allocations of resources to regionalized structures are often much more theoretical than real. As a result, the capacity of the prefectures to function properly diminishes year by year, compromising the accomplishment of numerous economic and social development goals, as well as the fight against poverty.

126. The repercussions of such a situation on local governance—which itself is characterized by the weakness of local government—are unpredictable. Indeed,

despite considerable achievements, efforts to decentralize and regionalize still face major constraints at the financial, institutional and political levels and in terms of capacity-building. The government's financial difficulties have dealt a body blow to the resources allocated to the development of decentralized local authorities. These resources have been reduced significantly over the past five years. Given the difficulties facing decentralized local authorities in the collection of local taxes, including the minimum local development tax (IMDL) and the taxes levied by local national government authorities on the budgets of these local authorities, it is difficult for the latter to play the role expected of them in the fight against poverty.

127. At the institutional level, despite the headway made in the writing of the texts governing decentralization, these texts remain imprecise in many respects. This lack of clarity contributes to the ineffectiveness of action taken by stakeholders in development. At the political level, the involvement of the central government in the establishment of local elected officials, the delay in the organization of elections (the result of which is the entrenchment of certain elected representatives), nominations to elected positions and the arbitrary revocation of elected representatives have weighed heavily on the public will to take part in the participatory process. Regarding capacities, it must be recognized that most elected officials are still either illiterate or too poorly trained to be able to make use of the legal and regulatory provisions available to them to correctly carry out their mandate.

128. In Guinea, justice is rightly recognized as a priority sector. However, in 2007, the country had only 250 magistrates—about one magistrate per 36,000 inhabitants. Their average age is 50, making it an aging body that must be rejuvenated in order to infuse more dynamism into the judicial structure. The most recent recruitment dates back to 1985. The Supreme Council of the Magistracy is not yet functional and the implementation of the magistrates' statute remains a dead letter. To this is added an out-of-date judicial infrastructure. In fact, the PRS evaluation has shown that no jurisdiction in the interior of the country is housed in a building that meets the standards of a courthouse and that no court has computerized records, which hinders not only work and organization, but also the keeping of records. Since the Ministry of Justice and the jurisdictions receive less than one percent of the national government's operating budget, the independence and integrity of the justice system are clearly compromised.

129. The establishment of an independent national electoral commission responsible for investigating the tragic events of January and February 2007 clearly demonstrates the government's will to make the protection of human rights a centerpiece of its action plan. Justice must be done in fact, in all places and in all circumstances.

130. Given all of the above, we can conclude that the weaknesses in our judicial and security systems are a factor that hinders the development of the private sector in Guinea – a sector that is rightly considered the engine of economic growth and therefore of poverty reduction.

131. Given the scope of corruption, the prevalence of which is estimated at 36 percent according to the National Survey on Corruption in Guinea (ENACOG), made public in 2005, the actions taken to fight this blight are still insufficient. Few

resources are made available to the National Agency for the Fight Against Corruption and the Moralization of Economic and Financial Activities (ANLC).

132. Is it true then that corruption, misappropriation and misuse of public funds, fraud and other illicit practices are common currency in all areas of national activity? The results of the ENACOG show that two businesspeople out of three believe that their competitors are always obliged to make unofficial payments to proceed with their business. About 53 percent of respondents said they had not received satisfaction, despite making such a payment. Furthermore, 71 percent of economic operators think that if a government official breaks the rules, they have no other recourse but to continue making unofficial payments. What is more, ENACOG estimates that annual bribes come to more than 500 billion Guinean Francs, to the detriment of the public treasury.

133. As for the fight against AIDS, the defining of a framework for partnership between the Executive Secretariat of the CNLS and the Permanent Secretariat of the PRS creates an instrument for implementing common strategies that will generate synergies for optimal results, both in the fight against poverty and in the national response to AIDS.

Table 1.3: Economic and social development indicators: international comparison

Indicator	Guinea	Countries in the sub-region			Developing countries	Less developed countries	Sub-Saharan Africa
		Ivory Coast	Senegal	Mali			
HDI (A)	0.466	0.420	0.458	0.333	0.520	0.694	0.518
Life expectancy at birth (years) (B)	54	45.9	55.6	47.8	56.8	65	52.2
Infant mortality rate (per thousand) (C)	91	117	61	122	117	60	99
Infant/child mortality rate (per thousand) (C)	163	192	121	220	192	88	156
Maternal mortality rate (per 100,000 live births) (C)	980	690	690	580	600	-	179
Population lacking access to health care (percent) (D)	61	60	48	55	42	52	65
Population lacking access to drinking water (percent) (D)	38	16	28	52	21	21	39
Net enrollment rate in primary school (percent) (E)	63	64	64	51	65	-	42
Adult literacy rate (percent) (D)	28.3	48.1	39.3	47.9	54.1	76.6	54.2
							61.3

Source: A: Human Development Report (2005), B: RGPH 1996 C: EDSG III (2005) D: EIBEP (2002/2003) E: Statistical Yearbook of the National Statistics and School Planning Service (SNSPS) (2005/2006)

Table 1.4: Changes in development indicators in Guinea

	1985-1995	1999 or latest year available	2005 or latest year available
Economy and public spending			
GDP per capita (\$) (A)	530 (1998)	349.1 (2005)	321.7 (2006)
Per capita GDP growth rate (percent) (A)	0.8 (1985-90)	0.1 (2005)	-1.1 (2006)
Public spending (percent GDP) (A)	17.4 (1994-95)	10.3 (20058)	12.4 (2006)
Current expenditure on health (percent GDP) (B)	0.3 (1994-95)	0.4 (2005)	0.4 (2006)
Current expenditure on education (percent GDP) (B)	1.6 (1994-95)	1.4 (2005)	1.4 (2006)
Health			
Annual population growth rate (percent) (C)	2.8 (1983-96)	3.1 (1996-99)	3.1 (1999-2006)
Total fertility rate (number of children per woman) (C)	5.7 (1992)	5.5 (1999)	5.7 (2005)
Life expectancy at birth (years) (D)	45.1 (1983)	54 (1996)	54 (1996)
Infant mortality rate (per thousand) (C)	136.3 (1992)	98 (1999)	91 (2005)
Infant/child mortality rate (per thousand) (C)	229 (1992)	177 (1999)	163 (2005)
Maternal mortality rate (per 100,000 live births) (C)	666 (1992)	528 (1999)	980 (2005)
Children whose weight is low for their age (percent) (C)	23.9 (1994/95)	23 (1999)	25.8 (2005)
Children whose weight is low for their height (percent) (C)	12 (1994/95)	9 (1999)	9.4 (2005)
Children whose height is low for their age (percent) (C)	29 (1994/95)	26 (1999)	34.8 (2005)
Children with no vaccinations (percent, children 12-23 months) (C)	36 (1992)	21 (1999)	13.7 (2005)
Births attended by a doctor or midwife (percent) (C)	30.5 (1992)	34.8 (1999)	38 (2005)
Women in a matrimonial relationship who use a modern contraceptive method (percent) (C)	1 (1992)	4 (1999)	5.7 (2005)
Prevalence of HIV/AIDS (percent) (C)	-	-	1.5 (2005)
Prevalence of HIV/AIDS (percent) in women (C)	-	-	1.9 (2005)
Prevalence of HIV/AIDS (percent) in men (C)	-	-	0.9 (2005)

Sources: A: Cadre macro-économique (2006) B: Budget Base Réalisation (2006) C: EDSG 1(1992), EIBC (1994/1995), EDSG II (1999), EDSG III (2005), D: RGPH (1996) EIBC (1994/95), EIBEP (2002/2003), E: Statistical Yearbook of the National Statistics and School Planning Service (SNSPS) (2005/2006) F: EIBC (1994-1995), EIBEP (2002/2003)

Table 1.4: (continued): Changes in development indicators in Guinea

	1985–1995	1999 or latest year available	2005 or latest year available
Education			
Gross enrollment rate of girls in primary school (percent) (E)	20 (1991/92)	44.3 (1999/2000)	70 (2005/2006)
Gross enrollment rate of boys in primary school (percent) (E)	45 (1991/92)	69.7 (1999/00)	86 (2005/2006)
Literacy rate among adult women (percent) (F)	9.9 (1994/95)	-	14.1 (2002/2003)
Literacy rate among adult men (percent) (F)	37.9 (1994/95)	-	45.7 (2002/2003)
Access to basic services			
Access to primary education (percent) (F)	-	-	73.3 (2002/2003)
Access to secondary education (percent) (F)	-	-	22.3 % (2002/2003)
Access to health services (percent) (F)	-	-	38.9 (2002/2003)
Access to drinking water (percent) (F)	51 (1994/95)	-	62.3 (2002/2003)
Access to electricity (percent) (F)	19.5 (1994/95)	-	18.4 (2002/2003)
Poverty			
Incidence of poverty P0 (percent) (F)	62.6 (1994/95)	49.1 (2002/03)	53.6 (2005)
Degree of poverty P1 (percent) (F)	28.5 (1994/95)	17.2 (2002/03)	19.3 (2005)
Consumption per capita (\$) (F)	300 (1994/95)	270.4 (2002/03)	136.4 (2005)

Sources: A: Cadre macro-économique (2006) B: Budget Base Réalisation (2006) C: EDSG 1(1992), EIBC (1994/1995), EDSG II (1999), EDSG III (2005) D: RGPH (1996) EIBC (1994/95), EI BEP (2002/2003). E: Statistical Yearbook of the National Statistics and School Planning Service (SNSPS) (2005/2006) F: EIBC (1994-1995), EI BEP (2002/2003)

Table 1.5: Poverty indicators in Guinea: variations according to urban/rural residence / variations according administrative regions

	Total	Urban areas * except Conakry	Rural areas	Conakry	Boké	Kindia	Mamou	Labé	Kankan	Faranah	N'Zérékoré
Income / expenses											
Incidence P0 (percent) (A)	49.1	26.8	59.9	20.6	41.1	43.9	43.6	65.0	66.8	61.1	56.1
Degree P1 (percent) (A)	17.2	7.3	21.9	4.9	12.8	13.4	12.6	28.8	26.5	22.6	18.7
Contribution to national poverty (percent,) (A)	100	7.6	85.9	6.5	9.3	11.7	7.7	13.3	20.2	11.1	20.1
Share of food in expenses (percent) (A)	52.6	46.2	59.1	39.8	50.4	56.1	57.4	71.2	56.6	59.3	49.4
Health											
Infant mortality rate (per thousand) (B)	91	82	118	60	91	115	103	100	123	121	132
Births attended by a doctor or midwife (percent) (B)	38	80.7	25.6	89.8	26.2	29.7	18.7	20.2	39.2	32.6	41.1
Children who have received no vaccination (percent, 12–23 months) (B)	13.7	7.1	15.6	7.1	16.3	15.2	20.5	20.2	12.9	7.0	12.7
Underweight children (percent, 3–59 months) (B)	25.8	18.4	28	21.3	18.7	25.2	20.9	27.6	30.1	27.8	27.9
Malnourished children (percent, 3–59 months) (B)	9.4	8.7	9.6	8.7	5.8	8	3.6	11.6	10.4	12.8	10.8
Chronically malnourished children (percent, 3–59 months) (B)	34.8	22.6	38.4	21	26.7	34.5	31.7	34.6	43.1	31.1	40
Women in a matrimonial relationship who use a modern contraceptive method (percent) (B)	5.7	11.4	3.7	13.9	4.4	4.1	2.4	1.1	7.2	5.7	4
Prevalence of HIV/AIDS (percent) (B)	1.5	2.4	1	2.1	1.2	0.9	0.7	1.8	1.2	1.6	1.7
Access to drinking water (percent) (C)	62.3	74.7	52.8	94.5	62.1	42.9	51.6	69	73.2	56.8	
Access to other services (C)											
Access to public transportation services (C)	74.9	99.4	64.9	98.8	73.8	66.3	60.3	51.2	74.6	66.9	86.9
Electricity as main source of lighting (percent) (C)	18.4	29.1	1.3	86.3	11.2	16.7	5.2	3.2	0.4	2.9	0.5

A: EIBEP (2002/2003) B: EDSG III (2005)

Table 1.5 (continued): Poverty indicators in Guinea: variations according to urban/rural residence / variations according administrative regions

	Total	Urban areas * except Conakry	Rural areas	Conakry	Boké	Kindia	Mamou	Labé	Kankan	Faranah	N'Zérékoré
Education											
Adult literacy rate (percent 15 years and older) (C)	28.3	45	17.1	57.1	28.4	22.9	24.2	24.1	13.1	23.4	22
Gross enrollment rate in primary school (percent) (D)	78	-	60	124	69	73	77	70	62	82	65
Gross enrollment rate of girls in primary school (percent) (D)	63	-	49	102	55	60	60	57	52	66	51
Net enrollment rate in primary school (percent) (D)	57	-	42	99	49	53	53	46	58	58	46
Gross enrollment rate in junior high school (percent) (D)	43	-	18	74	42	40	32	32	32	43	33
Gross enrollment rate of girls in junior high school (percent) (D)	29	-	10	61	28	26	22	25	19	24	20
Net enrollment rate in junior high school (percent) (D)	25	-	10	46	24	22	18	19	20	24	17
Net enrollment rate of girls in junior high school (percent) (D)	18	-	6	39	17	15	14	16	12	14	11
Gross enrollment rate in senior high school (percent) (D)	23	-	2	51	17	20	13	14	15	18	15
Gross enrollment rate of girls in senior high school (percent) (D)	13	-	1	35	8	10	7	8	6	7	6
Net enrollment rate in senior high school (percent) (D)	11	-	1	27	7	11	5	7	8	7	5
Net enrollment rate of girls in senior high school (percent) (D)	7	-	0	20	4	6	3	4	3	3	2
Other indicators											
Population (percent) (C)	100	14	70,5	15,5	11,2	13,1	8,7	10,1	14,9	9	17,8

Sources and dates: C: EIBEP (2002/2003) D: Statistical Yearbook of the National Statistics and School Planning Service (SNSPS) (2005/2006)

II. Overall Context, Lessons Learned from PRSP-I and Objectives

134. The PRSP-II is being prepared at a time of unprecedented economic difficulties, vast social movements, and a glimmer of hope with respect to governance.

2.1. Political context

135. The economic situation deteriorated markedly in 2002–2005, with negative per capita growth rates, high inflation, and worsening poverty. The poverty rate rose from 49.2 percent in 2002 to 53.6 percent in 2005.

136. Following this decline in the standard of living, severe social tensions sorely tested the country's ability to maintain peace and national unity. Indeed, two national strikes began in January and February 2007 and ended in about 100 deaths and considerable material damage.

137. This crisis prompted the emergence of a more active and better organized civil society and the consensual appointment of a Prime Minister to head the government. His appointment, with broader powers and an entirely new government team, stemmed from the provisions of the political agreement signed by the government and the social partners as a way out of the crisis. However, unless there is sincere political dialogue among the different players leading to transparent and credible parliamentary elections, the political climate could deteriorate and have unpredictable consequences for the country's future.

138. Against this backdrop, too, a Minimum Emergency Program has been prepared to meet ever-increasing social demands and revive the economy. It revolves around five components that are perfectly integrated into the three pillars of PRSP-II. It is expected to cost approximately US\$123 million.

2.2. Economic context

139. Economic performance has worsened continuously since the end of 2002, reaching levels that are incompatible with hopes of achieving poverty reduction and social stability: an annual average growth rate of approximately 2.3 percent, a year-on-year inflation rate that reached 39.1 percent in 2006, very low foreign exchange reserves, and a government unable to service the debt. Following nonpayment of debt service obligations, numerous development partners (WB, AfDB, IFAD, OPEC, etc.) had to suspend disbursements for poverty reduction projects and programs. Between June 2003 and June 2005, consumer prices rose by 40 percent, particularly the prices of basic foodstuffs, such as rice, which sometimes quadrupled in the course of this period.

140. This performance is the result of slippages in economic and financial management, exacerbated in part by instability in the subregion and by the poor governance the country has experienced since the beginning of the decade. Mismanagement of public resources, corruption at every level, the lack of political and social dialogue, and nonobservance of democratic principles, in addition to

dysfunctional institutions, have undermined confidence in Guinea and led, as a result, to a drastic cutback of external financing.³⁰

Table 2.1: Principal macroeconomic indicators

Indicators	2002	2003	2004	2005	2006
Growth rate, GDP (in percent)	4.2	1.2	2.7	3.3	2.2
Net claims on government by the banking system (GF billions)	498.7	771.2	977.1	1,129.5	1,629.1
M2/GDP (in percent)	12.7	15.0	16.6	17.1	19.7
Foreign exchange reserves (months of imports)	2.3	1.2	0.8	1.3	0.8
Debt service (\$US millions) ³¹	134.2	166.7	180.4	195.9	208.7
Inflation rate (year-on-year / percent)	5	14.8	27.6	29.7	39.1
Incidence of poverty (percent)	49.2	50	50.1	53.6	

2.3. Lessons to be drawn from the evaluation of PRSP-I

141. In December 2005, the government decided to proceed to evaluate the poverty reduction strategy (PRS), in order to highlight its strengths and weaknesses and, on that basis, draw appropriate lessons for efficient pursuit of a poverty reduction policy.

142. The outcomes should indeed make it possible, in the framework of PRSP-II, to improve the planning and execution of a series of activities directed essentially at the poorest segments of society.

143. The evaluation established that bad governance is the root cause of the exacerbation of poverty in the country. Especially as regards economic governance, the evaluation points to poor management of public resources and the shortcomings of the institutional, legal, and regulatory framework as major constraints on the country's economic development and hence on promotion of the private sector. In addition, it points to the difficulty of mobilizing private investment and the lack of basic infrastructure as obstacles to the growth and modernization of the country.

144. Economic growth targets were, indeed, not achieved during the PRS implementation period. Growth slowed to 3.3 percent in 2005, compared to the PRSP goal of 5.2 percent. Furthermore, inflation surged to 39.1 percent on a year-to-year basis and an annual average of 34.7 percent at end-2006, compared to 3 percent in 2002. This weak growth did not yield sufficient resources to combat poverty.

145. The low level of capacity to absorb foreign financing is due above all to the following factors:

- Lack of dynamism in project and program management units;
- Failure to master donor and creditor procedures;
- Excessive procurement approval delays;

30 Since suspension of the program with the IMF in December 2002, following slippages in economic management, Guinea has been unable to reach the HIPC initiative completion point or to benefit from budgetary support from its principal financial partners.

31 At December 31, 2006, Guinea had accumulated arrears of US\$60 million, to which one should add the current debt service for 2007, estimated at US\$195 million: in other words, a total of US\$255 million (approximately 42 percent of initially projected revenues for 2007).

- Defects in the largely discredited system for communicating with donors and creditors;
- Failure to pay project and program counterpart funds on time.

146. Deconcentration of fiscal management is not working in practice. Procurement suffers from insufficient implementation of the legal and regulatory provisions on transparency. Due to lack of any real coordination between strategic objectives and the budget, the latter has not been the key instrument for implementing the strategy. For the budget to reflect strategic approaches and priorities, appropriate mechanisms and instruments need to be put in place.

147. The political parties, civil society organizations (CSO), and decentralized authorities all have major shortcomings. The lack of skills of both local and central actors is still one of the factors hampering the development of the country. Improving performance and transparency in public administration will be a function of the quality of the human resources involved, how they are organized, and how well institutions function. In recent years, the way in which civil servants of all levels have been recruited and managed, the lack of resources at their disposal, poor qualifications and lack of motivation, have all substantially undermined the effectiveness of governmental, and even Republican, institutions.

148. The country's current state is exacerbated by corruption at every level. The findings of the Corruption and Governance Survey (ENACOG 2003) show that embezzlement of public funds, corruption in the public sector, insecurity and crime are all clearly increasing.

149. The judicial system's independence, integrity, and efficacy are all limited. The effectiveness of the High Council of the Judiciary and of the status of judges is not yet entrenched. There are numerous instances of interference by the Executive Branch. The courts lack adequate premises and facilities. The manifest lack of administrative appropriations for them and the fact that justice system personnel are poorly paid create conditions conducive to corruption and all kinds of attempts to bend the law.

150. In the education sector, quantitative indicators show an improvement (the gross primary school enrollment rate rose from 77 percent in 2004 to 79 percent in 2005 and the boy/girl ratio in primary school rose from 0.76 in 2004 to 0.79 in 2005), although different surveys point to a slight decline in the quality of teaching. Analysis of the educational system between 2002 and 2005 shows funds available falling year after year despite a steady increase in the school population. This trend needs to be reversed to prevent the system from imploding. Moreover, funding for elementary schools far exceeds that for secondary education, while secondary schools are overcrowded to an almost intolerable extent and employ teachers who have not been trained to handle a teaching environment of that nature.

151. In today's globalized world, in which economies rely on competitiveness, the issue of financial, human, and material resources and of how they are managed effectively, questions on teaching content and the qualifications of educators give cause for concern regarding the country's future. For that reason, in light of the various problems referred to above, it would be worth considering a national debate on the future of education, with a view to seeing how Guinean schools can raise the level of education they provide to children, to render them, in turn, capable of resolving the poverty issues their country faces.

152. In the health sector, implementation of the first phase of the PRS resulted in some beneficial outcomes in terms of both immunization coverage and infrastructure. Thus, 30 of the 33 prefectures have a DTCP3 vaccination coverage rate of more than 80 percent. Measles and yellow fever immunization coverage rates have improved from 60 percent and 77 percent in 2004 to 82 percent and 84 percent, respectively, in 2005. Public health statistics show improvements in the infant, child, and combined infant-child mortality rates improved slightly between 1999 and 2005, falling from 98 to 91 per thousand, from 88 to 79 per thousand, and from 177 to 163 per thousand, respectively. However, these rates are still above established targets, namely an infant mortality rate of 70 per thousand.

153. As for health infrastructure, the number of integrated health posts rose from 604 to 623, an approximately 3 percent increase. The number of integrated health centers increased in the same year by 4, from 395 to 399.

154. In its HIV/AIDS campaign, Guinea has prepared the First National Strategic Framework for combating AIDS 2003—2007, which adopts a multisectoral approach. Synergy among the various activities has kept the HIV/AIDS prevalence rate below 5 percent, in accordance with PRSP objectives; 1.5 percent nationwide, 1.9 percent among women, and 0.9 percent among men.

Box 2.1: Principal lessons to be learned from implementation of PRSP-I

155. Principal lessons to be learned from implementation of PRSP-I

1. Weaknesses

- ❖ Low growth of GDP per capita (1.1 percent in 2002 and 0.1 percent in 2005)
- ❖ Exacerbation of the incidence of poverty (49.2 percent in 2002 and 53.6 percent in 2005)
- ❖ Poor governance (corruption index of 36 percent in 2003)
- ❖ Acceleration of year-on-year inflation (5 percent in 2002 and 29.7 percent in 2005)
- ❖ Prevalence rate of AIDS (2.8 percent in 2001 and 1.5 percent in 2005)
- ❖ Little coordination between the central government budget and the PRSP
- ❖ Drastic cutback in external financing
- ❖ Insufficient and poorly distributed personnel
- ❖ Almost continuous disruptions in the supply of essential medicines

2. Strengths

- ❖ Improvement in the DTCP3 immunization coverage rate (58 percent in 2002 and 89 percent in 2005)
- ❖ Improved GER (72 percent in 2002 and 79 percent in 2005)

156. Despite these outcomes, there have been problems raising the resources needed to attain the PRSP objectives. There has not been a substantial increase in subsidies and geographical and financial access has not been assured for all citizens in accordance with the norms, criteria, and minimum package of activities for each type of facility. The poorly qualified and poorly motivated personnel are insufficient to cover all the health care facilities. The Health Department has developed a partial system of

performance incentives, but without taking care to ensure that it is applied. Administrative and financial management procedures, decentralization and deconcentration have all been prepared but are not applied by the rules of the book.

157. Supplies of essential drugs and medical materials needed to combat priority diseases have been interrupted for long periods over several years. They do not cover the whole country and are very expensive.

158. In short, lessons drawn from the evaluation of PRSP-I point clearly to the close ties between governance, acceleration of growth, and poverty reduction.

2.4. Implementation of the MDGs

159. Following the example of other developing countries, Guinea signed the Millennium Declaration adopted by the United Nations in September 2000. In so doing, it committed to establishing a framework conducive to achieving the Millennium Development Goals (MDG) by 2015.

160. The challenge is therefore to mobilize all partners in an effort to reduce poverty in the country, on the one hand by means of a coherent, integrated strategy for achieving the targets set and, on the other, by taking advantage of existing financing opportunities.

Box 2.2: The MDG by 2015

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- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a Global Partnership for Development

162. However, meeting the MDGs poses major challenges, particularly in terms of capacity to plan, mobilize the necessary resources and take the necessary actions effectively.

163. To that end, in 2005, mindful of the convergence of the MDGs with national poverty reduction priorities, on the one hand, and of the need to step up efforts to meet the 2015 targets on time, on the other, the Government embarked on a comprehensive re-think of the MDG planning strategy.

164. Broadly speaking, the exercise consisted of evaluating and analyzing the context and outlook for national development based on the demands posed by the Millennium Development Goals. It was divided into several stages: (i) a diagnostic assessment of the MDG sectors; (ii) evaluation of what was needed to meet the MDGs and development of a long-term (10 year) investment plan to that end; iii) preparation of the

PRSP-II in the form of a medium-term fiscal framework (Medium-Term Expenditure Framework) or operational plan based on the guidelines of the long-term plan for meeting the MDGs. Thus, the PRSP is to be the operational tool for attaining the MDGs.

165. Within this framework, actions undertaken with the support, above all, of the United Nations, have included diagnostic assessments of the MDG priority sectors (education, health, rural development, urban development, water and sanitation, energy, gender and equity, the environment and new technology); identification of the interventions needed to meet the MDGs and of how much they will cost, and ongoing preparation of a macroeconomic framework for MDG planning and financing.

166. The total financing needed to meet the MDGs is estimated as US\$12.5 billion; that is to say, US\$1.39 billion a year over nine years.

167. The Second National Report on the MDGs, published in 2005, made it possible to gauge Guinea's chances of meeting the MDGs. Table 2.2 below provides an overview of the MDG monitoring and evaluation environment and of the chances of meeting the goals in the current context of the country.

Table 2.2: Evaluation of the Chances of Attaining the MDGs

Goals / targets	Will the target be met?	Monitoring and evaluation environment
Eradicate extreme poverty and hunger	Unlikely	Average
Achieve universal primary education	Probable	Strong
Promote gender equality	Unlikely	Weak
Reduce child mortality	Possible	Average
Improve maternal health	Probable	Strong
Combat HIV/AIDS, malaria and other diseases	Probable	Strong
Protect the environment and expand access to safe drinking water	Unlikely	Weak
Develop a Global Partnership for Development	Possible	Weak

2.5. Principal challenges of PRS2

168. In the current context of the country, the main challenges are, on the one hand, *maintaining and consolidating social peace* and, on the other, *reviving economic and social development*. With those objectives in mind, based on the provisions of the January 2007 Agreement to put an end to the crisis, the government has developed short and medium-term action plans.

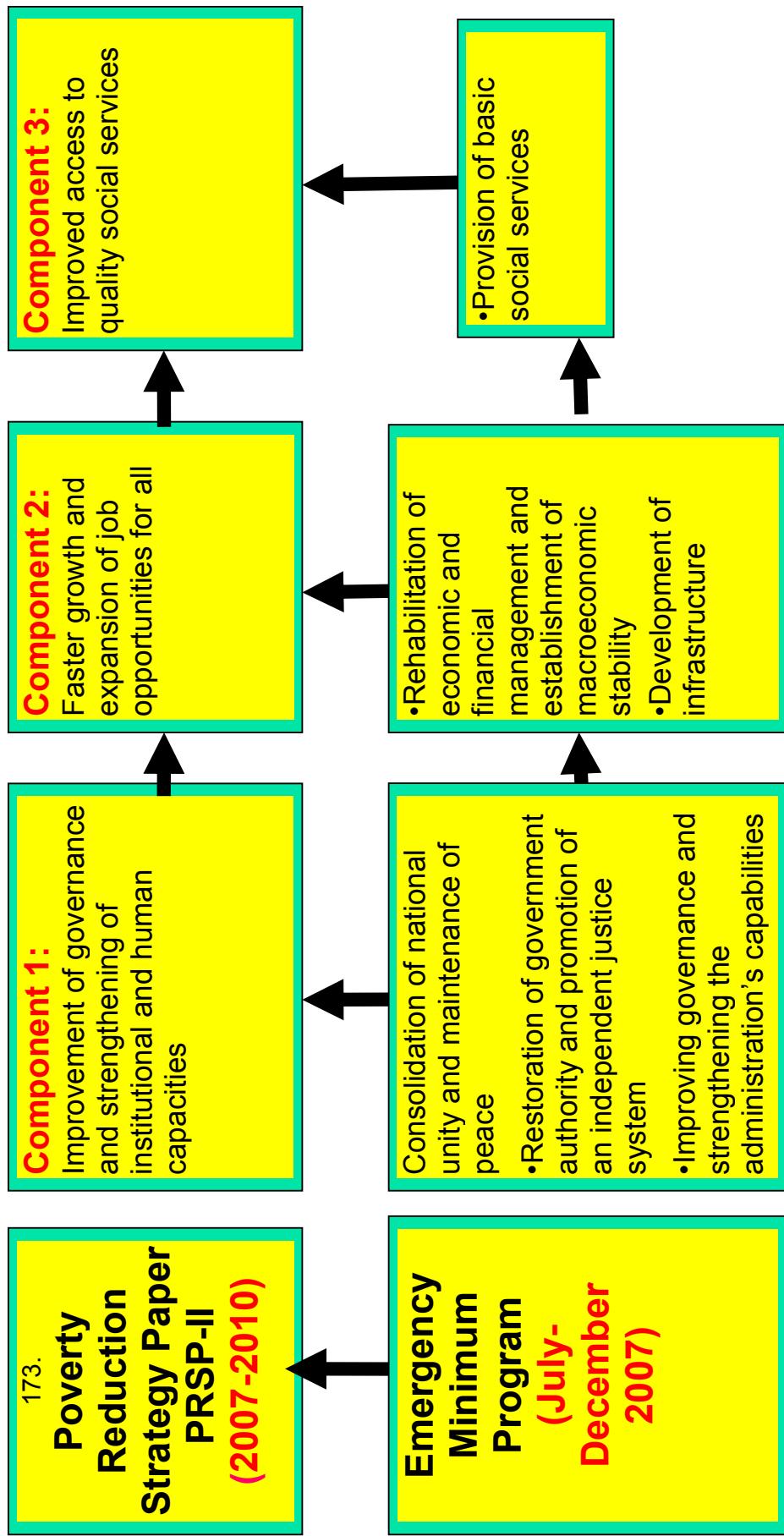
169. Thus, in order to maintain and consolidate social peace—a prerequisite for reviving development—the government has put in place an emergency six-month minimum program, whose principal components are consistent with the strategic goals of the PRSP-II, namely improving governance, expediting growth, and providing better access to quality social services. Indeed, the emergency minimum program is geared to achieving: (i) the consolidation of national unity and maintenance of peace; (ii) restoration of the government's authority and promotion of an independent justice system; (iii) development of infrastructure and the provision of basic social services (water, electricity, health care including HIV/AIDS care, telephone, transportation), (iv) the rehabilitation of economic and financial management and restoration of macroeconomic stability; and (v) promotion of good governance and strengthening of the administration's capabilities.

170. Apart from responding to current social demands (for basic foodstuffs, water, electricity, and so on), this Program will aim to reconcile the State and citizens, especially by organizing transparent and credible parliamentary elections, establishing institutions and procedures rooted in the rule of law, implementing fiscal consolidation, normalizing relations with development partners, and preparing an in-depth reform aimed at achieving real administration of development processes based on the principles of responsibility, accountability, and transparency.

171. The PRSP-II fits into this plan for achieving long-term development objectives, including the Millennium Development Goals (MDGs) by 2015. Designed to cover the 2007–2010 period, it will help consolidate the gains made under the priority actions program, especially with respect to governance, the development of basic infrastructure and social services, the revival of sustainable economic growth, and efforts to expedite implementation of the MDGs in Guinea.

172. The challenge facing the PRSP is to provide a framework for mobilizing, guiding, and coordinating the whole set of national development efforts. In that capacity, its guiding principle is national leadership, consolidation of development capacities, and more robust partnership among the different internal and external players.

Box 2.3: Coordination and links between the Poverty Reduction Strategy Paper and the Emergency Minimum Program



2.6. Participatory process

174. Like PRSP-I, the second Poverty Reduction Strategy Paper is based on the principle of participation and accountability proclaimed in the Poverty Reduction Policy Letter published by the government in February 2000.

175. That approach was adopted in response to a number of concerns: (i) to achieve an appropriate strategy tailored to core needs, especially those of the poorest segments; (ii) to improve both decisions and the decision-making process in public administration; (iii) to make government actions more efficient and ensure that the benefits from them are sustained.

176. The goal is to grasp what poverty means in the day-to-day life of those affected by it and to debate the responsibility of the various stakeholders in the design, management, monitoring and evaluation of development activities.

177. Several levels of participation are discernible in each phase of the PRSP-II preparation process:

- 1) **Preparation of the three progress reports on PRS implementation:** These reports, which are intended to take stock of progress in implementation of the PRS, have all been written in collaboration with the civil service departments and units concerned.
- 2) **Evaluation of PRSP-I:** A Steering Committee was installed for this purpose, representing all segments of society (government, the private sector, trade unions, NGOs). This Committee is chaired by the President of the Economic and Social Council (CES), while the President of the Economic and Financial Affairs Commission of the National Assembly serves as Vice Chair. The actual evaluation was performed by independent consultants, who met with grassroots organizations (regions, communes, prefectures, rural development communities and districts) throughout the country.
- 3) **Refining regional poverty reduction strategies:** With financial support from the UNDP, the Permanent Secretariat for the PRS has steered the process of improving regional poverty reduction strategies via its Communications Unit. This largely participatory process has involved not just the grassroots communities, but also the civil society organizations operating in the administrative regions. It began in August 2005 and continued in 2006 with a series of activities devoted to organizing workshops (start-up and subject matter) and focus groups, and work on drafting and validating regional PRS.
- 4) **Formulation of PRSP-II:** Taking into account the findings of the evaluation of the PRS, which showed only slight (21 percent) involvement of civil society organizations in the formulation of PRSP-I, compared with participation by the public administration (46 percent) and by development partners (33 percent), the government decided to incorporate civil society more extensively into preparation of PRSP-II. Thus, between June 27 and July 28, 2006, the Permanent Secretariat for the PRS organized a series of workshops intended to involve civil society organizations in PRSP-II preparation process. Those

workshops prompted analysis of both the strengths and weaknesses of the contents of PRSP-I, followed by more in-depth scrutiny of each strategic component; the formulation of concrete proposals regarding the structuring and content of the strategy and the role of civil society in implementing, evaluating and monitoring it; and the drafting of memos containing the recommendations arising out of the various workshops, as a contribution by Guinean civil society. Those memos have been presented to the four thematic groups in charge of preparing PRSP-II, thereby expanding the scope of participation. The outcomes have paved the way toward a more in-depth analysis of poverty, a more precise definition of priority objectives, a clear grasp of the activities required, and clarity with respect to the roles of each of stakeholders. Moreover, the strategies have been enriched by deeper insight into such issues as the HIV/AIDS campaign, employment generation, social protection, and environmental management.

178. It should be noted, too, that there have been frequent exchanges with development partners, especially the UNDP, the World Bank, the IMF, and the European Union, which have all contributed to PRSP-II.

179. The participation process will also be regularly reinforced, with the involvement of all stakeholders, particularly the political parties and republican institutions, when the Interim PRSP-II is assessed.

2.7 Objectives

Box 2.4: Overall Objective of the PRS

180. The overall objective of the strategy, as formulated by population, is to achieve a significant and sustainable reduction of poverty in Guinea.

181. The specific objectives underlying that reduction of poverty stem from the principal concerns expressed during grassroots consultations, namely the need to raise incomes, improve health and education, and, more broadly, to enhance the living conditions and development of the population, especially its poorest segments, thanks to good and effective governance that is mindful of the well-being of everyone.

182. To succeed, the strategy requires simultaneous progress on all three fronts: (i) good governance and an appropriate institutional framework, as prerequisites for equitable and sustainable human development; (ii) strong economic growth, that is to say, one that safeguards the environment and generates decent jobs and revenues for the population, especially the poorest; (iii) improved access to proper nourishment, safe drinking water, quality education and health care, and decent housing for as many Guineans as possible.

183. To attain the objectives listed in the Table below, it will be necessary to:

- Improve overall governance;
- Remove all the bottlenecks constraining private sector development;

- Pursue macroeconomic and sector policies likely to restore macroeconomic stability and prompt the development of sectors driving economic growth, such as mining, agriculture, industry, trade, and so on;
- Mobilize all possible internal and external resources and make sure they are used judiciously. To that end, it is essential to mobilize all national stakeholders (the government, the private sector, and CSO) and external players (bilateral and multilateral partners); and
- Ensure constant and participatory monitoring of strategy implementation.

184. The recommended strategy for achieving the objectives listed in Table 2.3 has three major components, namely:

- 1. Improving governance and institutional and human capacity-building;**
- 2. Expediting growth and expanding employment and income opportunities for all; and**
- 3. Improving access to high quality social services.**

Table 2.3: Principal objectives of the PRSP

Objectives / Indicators	Current Status		Objectives
	Date	Indicator	
Improve governance			
Corruption index	2003	36 percent	N/A
Number of inhabitants per policeman	2007	2,450	778 (2010)
Number of inhabitants per judge	2007	36,000	28,925 (2010)
Reduce the incidence of income poverty			
Incidence of income poverty nation-wide	2005	53.6	49.7 (2010) ³²
Increase incomes			
GDP growth (percent per year)	2006	2.2	5.3 (2006–2010)
GDP growth per capita (percent)	2006	-1.1	1.9 (2006–2010)
Investment rate (percent of GDP)	2006	12.1	17.4 (2010)
Preserve macroeconomic and financial stability			
Inflation rate (percent, average)	2006	34.7	4.2 (2010)
Inflation rate (percent, year-on-year)	2006	39.1	3.0 (2010)
International reserves	2006	0.8	3 (2008–2010)
Debt service as a percent of exports	2006	18.7	10.0(2010)
Develop the rural sector			
Rate of growth of agriculture (percent)	2006	4.8	4.1 (2010)
Improve the level of education			
Gross primary enrolment ratio (percent)	2005	75	91 (2010)
Primary school complete rate (percent)	2005	55	100 (2010)
Adult literacy rate	2006	35	50 (2012)
Girls / boys ratio in primary school	2006	0.81	0.92 (2010)
Improve health			
Crude death rate (per mil)	2005	12	10(2010)
Infant mortality rate (per mil)	2005	91	70(2010)
Maternal mortality rate (per mil)	2005	980	700 (2010)
HIV seroprevalence rate (percent)	2005	1.5	< 1.5 (2010)
Increase access to drinking water			
Population with access to drinking water (percent)	2002	62.3	92.8 (2015)
Improve transportation conditions			
Road density (km / 100 km ²)			10 (2010)
Percentage of network in good condition	2003	30	50 (2010)
Increase access to electricity			
Rate of access to electricity (in percent)	2002	18.8	65 (2010)
Price per KwH (in GF)			-
Increase access to postal and telecommunication services			
Fixed telephony density	2006	0.3 percent	15 percent (2015)
Mobile telephony density	2006	4.5 percent	25 percent (2015)

³² The poverty rate was 53.6 percent in 2005. Pending improvement of the PAMS software or the results of QUIBB2, as a source of more recent data on poverty, we calculated the incidence of poverty through 2010, using a poverty growth elasticity ratio of -1.19. This means that economic growth of one percent per capita induces a 1.19 percent decline in the poverty rate. Now, for the 2006-2010 period, the cumulative growth of GDP per capita is estimated at 3.7 percent (see projection of August 13, 2007). Therefore, over that period poverty will decline by 1.19 times $3.2 = 3.9$ percent, resulting in a poverty rate of 49.7 percent in 2010.

III. Improving Governance and Institutional and Human Capacity-building

185. The preamble to the Guinean Constitution establishes the principle that the people formally opposes any regime based on dictatorship, injustice, corruption, nepotism and regionalism. Under these constitutional provisions, various republican institutions have been put in place. Liberalization of the economy and freedom of the press have likewise been proclaimed. Nevertheless, for several years now, Guinea has been undergoing a grave political, social, economic, and financial crisis attributable to poor governance and, above all, corruption. The Survey on Corruption in Guinea estimated that approximately GF 500 billion have been lost to corruption. Because of that, improving governance and institutional and human capacity-building are key to development and to poverty reduction.

3.1. Improving political and democratic governance

186. The objectives with respect to political and democratic governance are to: (i) boost the capacities of republican institutions; (ii) promote human rights; (iii) preserve and consolidate stability and security; (iv) promote and strengthen civil society capabilities, including those of the media; (v) promote dialogue, strengthen the capacities of political parties and establish standards to govern the electoral process; and (vi) to promote gender equity.

3.1.1. Boosting the capacities of republican institutions

187. The establishment of republican institutions (the National Assembly, Supreme Court, Economic and Social Council, National Council for Communication) is the manifestation of the political will to make Guinea a Constitutional state governed by the rule of law, in which all citizens are called upon to play their full part in development. It also stems from the need to establish a democratic process in which each individual can freely express his or her views on the issues that shape the life of the nation. Strengthening the capacities of republican institutions therefore emerges as an imperative derived from the principle of political and democratic governance.

a) Strengthening the Legislature and its control mechanisms

188. The poverty reduction strategy takes into account the need to consolidate the various representative, supervisory, and dialogue functions that make the National Assembly a forum in which all issues concerning the life of the Nation are expounded and debated in the exclusive interest of the people, particularly the poorest. The actions to be undertaken by the government in this context are:

- Consolidation of the parliamentary tradition by organizing visits and study trips.
- Strengthening the National Assembly's research capabilities so that it can provide sound and relevant analyses of the issues it is called upon to address;

- Strengthening access to reliable and always up-to-date information in order to improve the Assembly's knowledge and hence its ability to debate and formulate policies. This can be done above all by providing its library with sufficient human and material resources to facilitate its use;
- Strengthening delegates' professional capabilities by organizing seminars and workshops as part of a formal program covering, for instance, such topics as health, HIV/AIDS, education, the economy, the environment, the defense of human rights, and parliamentary work;
- The determination of appropriate measures to enable women to have substantial representation in the Assembly;
- Promotion of a high standard of professional ethics and integrity in the Assembly.

b) Strengthening the Supreme Court

189. The Supreme Court is a final court of appeal whose organizational structure, powers, and operations are governed by Organic Law L/91/08 of December 23, 1991, is the highest administrative and judicial, jurisdictional and consultative organ. It rules on the constitutionality of laws, oversees government accounts, and sees to it that elections and referendums are fair. Given the importance of these functions, actions are needed above all to:

- Make the High Council for the Judiciary effective;
- Institutionalize a properly equipped and autonomous National Audit Office;
- Make certified public accountants responsible for remitting accounts to the Supreme Court;
- Empower the Court to issue injunctions directly with respect to government accounts;
- Organize periodic professional seminars to analyze decisions taken by the courts;
- Revise the powers of the Supreme Court by eliminating its powers of annulment in matters governed by uniform acts.

c) Strengthening the powers of the Economic and Social Council as a consultative body

190. As a consultative body, the Economic and Social Council plays an important role in the development and consolidation of participatory democracy. That being so, its capacity should be reinforced by the following activities:

- Organizing training activities geared to establishing a favorable framework for the design of economic and social reforms and assessment of their impact on the business environment;
- Strengthening the capacity of the CES for dialogue through partnership and the sharing of experiences with other similar institutions in the subregion and elsewhere;
- Boosting the research, information, and communication capabilities of the CES.

d) Strengthening the National Council for Communication (CNC)

191. The following measures should be contemplated to enable the CNC to foster communication services geared to development and poverty reduction:

- Strengthen the technical capacity of the CNC to exercise its function of surveillance and control of public and private media;
- Provide the institution with the financial resources it needs to perform its functions;
- Establish appropriate mechanisms to prevent any improper control of the media;
- Establish appropriate mechanisms to strengthen equal access to public media;
- Establish mechanisms for preventing any manipulation of opinion by the media;
- Tighten the terms for granting and withdrawing a journalist's I.D. card
- Amend Article 2 of the law on freedom of the press.

e) Improving judicial governance

192. The principal objective of efforts to improve judicial governance is to strengthen the authority and workings of the justice system, so as to make it genuinely independent, honest, professional and accessible to the general population, especially the poor. By 2010, with the planned recruitment of 90 more judges, the current ratio of one judge per 36,000 inhabitants will only improve slightly: to one per 28,925 inhabitants. Improvement of judicial governance will depend on implementation of the government's 10-year assistance program for the justice system. In that context, measures to be taken will include:

- Enhancing the status of judges through the provision of appropriate and ongoing training and a sufficiently attractive remuneration system to strengthen judges' independence and moral values;
- Improving operating conditions for the courts by strengthening their material resources and financial autonomy;
- Improving the work done by representatives of the law, by strengthening the tasks performed by their collegiate organs and establishment of the different corporate bodies;
- Improvement of prison conditions by increasing the funds allocated and improving financial management; by establishing a prison warder profession; and by building and/or rehabilitating and equipping penitentiaries;
- Increasing the budget of the Ministry of Justice and Human Rights;
- Establishing a National School for Judges, for initial training and refresher courses.

3.1.2. Promoting human rights

193. The Constitution proclaims the universal and inseparable nature of human rights. It requires the State to respect, promote, and protect them. The issue of respect for and protection of human rights is currently a core concern of the national

and the international community, because to a considerable extent it conditions the sustainable development of society.

194. It is essential, in the framework of the poverty reduction strategy, that efforts to achieve the goal of promoting human rights focus primarily on:

- Strengthening the justice system and the capacity of associations formed for the defense of human rights;
- Increasing citizens' awareness of their rights and duties, including those of persons infected or affected by HIV/AIDS;
- Implementing introductory courses on legal principles directed toward women and girls;
- Guaranteeing gender equality before the law, particularly with regard to property rights and working conditions;
- Strengthening social protection of vulnerable individuals (the disabled, displaced, women, children, and the elderly);
- Incorporating human rights in civics courses at school; and
- Establishing a National Human Rights Commission.

3.1.3. Preserving and consolidating stability and security

195. In recent years, the exacerbation of poverty has contributed to a sense of insecurity and exclusion for a large number of Guinean individuals and households. Given the mounting insecurity—as the link between poverty and governance shows—Guinea must continue to take vigorous steps to guarantee the peace and security of its citizens and their property. Thus, the goal is to achieve by 2010 a ratio of one policeman for every 778 inhabitants, rather than the 2007 ratio of one per 2,450 inhabitants. That would take the number of policemen from 3,933 in 2007 to 12,638 in 2010.

196. These efforts should in addition focus on:

- Strengthening the professional, organizational, and operational capabilities of the defense and security forces;
- Stepping up the fight against armed bands with links to drug trafficking;
- Intensifying and replicating awareness campaigns directed at all stakeholders, especially the general population, regarding the need to perpetuate peace and security in Guinea and in the other countries of the subregion;
- Reinforcing subregional peace, security, and development policies;
- Strictly enforcing court decisions regarding individuals found guilty of crimes and acts of banditry;
- Implementing a reintegration policy that benefits all volunteers, with no exceptions;
- Conducting a study of the extent of insecurity and its repercussions on the economy;
- Restoring the Republican Guard, as it was originally conceived;
- Enforcing disciplinary and judicial sanctions against defense and security personnel convicted of crimes; and

- Clarifying the role and strengthening the capacity of the municipal and community police.

3.1.4. Promoting and strengthening civil society

197. The emergence of an independent and pluralist civil society comprising a wide range of associations and organizations representing different interests is a prerequisite for political and democratic governance.

a) Strengthening civil society organizations

198. The promulgation of laws and regulations governing civil society organizations has helped to generate a considerable number of associations, groupings, and NGOs, some of which have proved to be the best operators of programs and projects in the areas of rural development, grassroots education, community health, training, awareness raising, and natural resource management, as well as for activities relating to human rights and combating HIV/AIDS.

199. To strengthen civil society capabilities so that it can unleash its full potential and exercise its share of responsibility in establishing participatory governance, it will be necessary to initiate a series of actions, including:

- Strengthening the ability of civil society organizations to negotiate and defend their interests;
- Supporting the establishment of a National Civil Society Fund;
- Providing specific support for the activities of women's and youth organizations;
- Establishing an ongoing framework for consensus-building between CSOs and the administration;
- Strengthening of good governance within the CSOs; and
- Boosting the intervention capacity of the CSOs.

b) Strengthening the media

200. In promulgating Law/91/005/CTRN and Law L/91/006/CTRN, in 1991, the government established freedom of the press and communication and the National Communication Council (CNC), as a consultative and regulatory body. Since then, more than 100 independent privately owned printed media have emerged. Recently audiovisual media were liberalized, too; a move that gave rise to the establishment of several private radio stations and a plethora of professional press and publishing associations (AJG, OGIDEUM, AGEPI, APAC/Guinée, 4Rgui, etc.). The government—it must also be said—grants the press an annual subsidy.

201. Despite this progress, the Guinean media face both technical and professional problems: poorly trained staff, inadequate or insufficient equipment; and scant financial resources due to their low-income readership and the advertising market constraints.

202. In order to overcome all these limitations, a stronger national press is not only essential but, in addition, a prerequisite for good governance. The strategy for achieving this will have to include:

- Implementation of a human resource training and professional improvement program (for administrative personnel, journalists, and technical staff);
- Tax exemptions for print shop inputs and materials'
- Strengthening the operational capacities of national press organs, particularly by increasing their annual subsidy.

3.1.5. Promote dialogue, strengthen the capacities of political parties and establish standards to govern the electoral process

203. In a democratic system based on the rule of law, political parties play a pivotal role with respect to participation in the management of public affairs. For this reason, the poverty reduction strategy needs to contain a coherent approach to the subject, the ultimate objective being to strengthen democracy. To that end, the focus will be on:

- The implementation of appropriate supervisory and control mechanisms to ensure impartiality and neutrality on the part of the administration in the organizational run-up to elections;
- The establishment of better conditions for the dissemination and discussion of party platforms and encouragement of political debate in Guinea's regions, prefectures, and CRD;
- Promotion of civil society involvement, especially that of women's CSOs, in the national dialogue;
- Granting financial subsidies to the political parties represented in the National Assembly;
- Promotion of independent candidacies for election;
- Dissemination of information to the public regarding the law on political party financing;
- Facilitation of political movements and activities in the provinces; and
- Strengthening the capabilities of the Independent National Electoral Commission.

3.2. Strengthening of economic governance

204. In the PRSP, capacity-building is regarded as a prerequisite for promoting transparent and more effective management of public resources and better coordinated development and anti-corruption policies. The objectives pursued by economic good governance are directed toward improving macroeconomic analysis and forecasting capabilities, strategic planning, fiscal programming and management, the compilation of statistical information, and promotion of the private sector.

3.2.1. Strengthening of macroeconomic analytical and forecasting capabilities

205. The idea behind this objective is to consolidate implementation of working tools and methods designed to facilitate optimal long- and medium-term management of public expenditure.

206. Within that framework, implementation of a Forecasting Model for the Guinean Economy, (MPEGUI), which was later enhanced in a Simulation Model of the Guinean Economy (MSEGUI), development of a quarterly set of indicators of the Guinean economy, and reinforcement of human resource capabilities have had a positive impact on both the programming and monitoring of public investment and the formulation and preparation of programs and projects in the technical ministries.

207. Despite these gains, mastering analytical tools and the dearth of resources constitute challenges still to be overcome. To that end, efforts should focus on:

- Extending the MSEGUI framework tool to cover more than accounting, and providing training in priority areas, such as forecasting techniques, economic budgets, and management and monitoring of monetary aggregates;
- Implementing new medium-term framework models and basing short-term projections on a reliable information system for the monetary, real, and financial sectors;
- Using new information and communication technologies to facilitate economic and social analyses and prompt production of notes on recent developments (*notes de conjuncture*) and economic and social survey reports.

3.2.2. Strengthening of strategic planning capabilities

208. To bolster the poverty reduction (PRSP) process, it was considered necessary first to introduce a ***national planning system*** based on a study of future trends, guidelines for the medium and long term, and a public expenditure program covering several years.

209. To support and strengthen the PRSP process, the government needs to take steps to:

- Establish a poverty observatory;
- Continue and extend the MTEF approach for the different sectors;
- Draw up a set of guidelines for the medium and long term and develop sectoral policy formulation and evaluation capabilities; and
- Implement a national planning system as a frame of reference for development policies.

3.2.3. Strengthening the ability to produce statistics

210. Guinea's statistics system labors under numerous constraints, including poor coordination of statistical activities and of material, human, and financial resources. Mindful of the importance of statistical information for the preparation, monitoring, and evaluation of development policies, projects, and programs, the government will focus on:

- Preparing a National Strategy for Developing the Statistics System (SNDS), leading to a statistics program for 2008–2012;
- Strengthening of the Integrated Statistical Information System for poverty reduction and the MDGs; and
- Upgrading the National Statistics Directorate to the status of National Institute of Statistics.

3.2.4. Enhancing fiscal planning and management capabilities

211. For this, the government has begun adopting measures geared to improving fiscal deconcentration, implementing a public expenditure process, and establishing a medium-term expenditure framework. These measures have improved the public expenditure management system. However, to achieve poverty reduction targets and bearing in mind the need to enhance transparency in the management of public resources, it will be necessary to:

- Continue efforts to strengthen preparation, execution, and monitoring of the MTEF mechanism and the public expenditure process;
- Improve tax and nontax collections and ensure judicious use of the revenue by strengthening revenue regimes and by achieving a better command of techniques for forecasting and managing the government's financial transactions (its flow-of-funds Table [TOFE], MTEF, and so on).

3.3. Strengthening administrative governance

212. Given citizens' increasing demands on government, the latter is under an obligation to play a more relevant role in the performance of its public service functions. The overall objectives of this modernization are to bolster the institutional framework, improve the quality of public service and of human resource management, and to upgrade civil servants' professional skills.

213. Broadly speaking, modernization of government will require, in addition to other measures:

- Streamlining the administration's operating procedures and methods;
- Implementing a system for monitoring and evaluating the performance of civil servants and government departments;
- Drawing up a plan prioritizing the replacement and maintenance of government facilities and increasing the government investment budget;
- Improving the recruitment, career, and remunerations systems;
- Implementing a national training and refresher course program tailored to the needs of civil servants, the private sector, and civil society;
- Organizing intensive training cycles and establishing a post-training evaluation system;
- Implementing some of these measures as one of the activities of the upcoming National School of Administration;
- Developing and disseminating new ICTs;
- Introducing incentives for improving performance and promoting a culture of excellence.

3.4. Improving local governance

214. Decentralization and deconcentration are the two fundamental pillars of local governance. Through them, the population participates in and is responsible for implementing its own development and poverty-reduction policies and programs. That is why the PRSP makes local governance the cornerstone for the success of all development activities.

215. Achieving that objective entails:

- Improving the institutional and regulatory framework for decentralization;
- Strengthening local governments' managerial capacity, by supplying them with competent personnel as well as the infrastructure and facilities they need to function as they should;
- Regularly renewing local government management bodies, in accordance with current laws;
- Neutrality on the part of the administration during elections;
- Promoting community practices (parents' associations, health center management committees, watering places, schools, rural paths, and so on) within the framework of sectoral policies;
- Allocating sufficient budgetary funds to local governments and making sure they are delivered in full and on time;
- Exploiting previously untapped sources of tax revenue;
- Setting up a Special Fund for local government development;
- Establishing credit institutions in the *communes*;
- Gradually and effectively transferring management of certain procurement functions to the local governments;
- Strengthening CSO involvement in local government;
- Enhancing the participation of young people and women in local government activities;
- Improving management of community infrastructure;
- Promoting secure land ownership (titling);
- Disseminating and applying community market regulations;
- Promoting the cultural heritage of the communities;
- Correctly enforcing the local authorities' code (*code des collectivités*);
- Promoting decentralized participatory development;
- Implementing a training and advanced training program for local government personnel with a view to improving their performance capabilities; and
- Establishing a subsidy for the *préfectures* so that local governments can benefit from the full amount collected via local taxes.

3.5. Fighting corruption and impunity

216. Raising ethical standards in public office will be a priority in efforts to achieve better governance. As noted above, the 2003 National Corruption and Governance Survey (ENACOG) found corruption in all spheres of activity and rated its prevalence as 36 on a scale of 100. Moreover, the losses from corruption are considerable. Robust measures are required just to curb—let alone eradicate—the problem, as the

National Anti-Corruption Agency (ANLC) points out in its Minimum Plan of Action for Good Governance. Those measures involve:

- Increasing transparency in natural resource management, above all by establishing closer ties among stakeholders (the Government, the private sector, CSOs, and local authorities), involving local governments and civil society in the negotiation process prior to agreements, and by disseminating and publicizing those agreements;
- Boosting the institutional and legal anti-corruption framework by strengthening the independence and autonomy of the National Anti-Corruption Agency. It will also be necessary to expedite the drafting and passing of an anti-corruption law and to tighten controls over the government expenditure chain;
- Reinforcing corruption prevention measures by publicizing the laws on corruption, and establishing public whistle blowing mechanisms for reporting cases of corruption;
- Strengthening detection of corruption by systematizing audits and/or periodic inspections of public administration, ensuring that audit reports are widely distributed, and enabling state prosecutors to refer cases directly to a court. Carrying out studies and sectoral surveys of corruption will also facilitate its detection;
- Stepping up anti-corruption efforts by systematically prosecuting and convicting those responsible for acts of corruption and related offenses;
- Organizing—in all *préfectures* and *communes*—regular information and awareness campaigns on corruption and its repercussions on social and economic development and the exacerbation of poverty;
- Implementing a system for overseeing public procurement at the regional and local district level; and
- Strengthening the capabilities of the permanent regional and district management and oversight bodies.

3.6. Gender and equity

217. Within the poverty reduction framework, particular attention needs to be paid to equality between the sexes, which is one of the Millennium Development Goals. Generally speaking, it will be a matter of correcting inequalities in income distribution to the detriment of women and, as far as political governance is concerned, of involving women more extensively in public life.

218. The strategies recommended in connection with the MDGs are: (i) promoting the participation of women in decision-making bodies, in order to ensure that they gain equal access to power structures and decision-making and to provide them with the wherewithal for making decisions; and (ii) promoting women's participation in political parties and elected bodies. This should lead to amendments of existing laws in their favor an increase in the number of women in elected office.

219. 1) *In order to ensure that women have equal access to and full participation in power structures and decision making, the principal measures required are:*

- Rebalancing the proportion of men and women in government bodies and commissions, public administration, and the judiciary;
- Rebalancing the proportion of men and women in the lists of candidates presented by the country for elective positions and other bodies in the United Nations and specialized institution, especially for decision-making positions;
- Supporting participation by women's NGOs in United Nations conferences and in the preparation for them;
- Promoting discussion of the new roles of men and women in society and in the family;
- Restructuring recruitment and career programs so that women, especially young women, can benefit on an equal footing with men in training for management, the creation of companies, technical tasks, and senior management;
- Developing professional training programs for women of all ages, including career planning, the definition of career profiles, coaching and counseling;
- Establishing a tutoring system for women who lack experience and, above all, provide training aimed at teaching them to lead and to take decisions, to speak in public, to be self-confident, and to wage political campaigns;
- Providing women and men with a gender-equality consciousness training in order to promote nondiscriminatory work relations and respect for diversity at work and in management styles; and
- Devising mechanisms and training programs that encourage women to take part in electoral processes, political activities, and decision making.

220. 2) In order to facilitate legal amendments in favor of women, a number of measures are recommended, namely:

- Introducing appropriate provisions in electoral systems to ensure that political parties take gender parity into account in their lists of candidates for elective office;
- Studying the possibility of amending existing legislation in such a way as to facilitate a more balanced participation of women and men in elected bodies to a point at which full equality is reached.

221. 3) To increase the number of eligible women, the following measures are required:

- Ensuring that women have access to specific training, tutoring, and information about politics;
- Offering women the opportunity to acquire political experience and encouraging them to take part in local, regional and national political life.

IV. Accelerating Growth and Expanding Employment and Income Opportunities for All

222. While growth is undoubtedly a necessary condition for poverty reduction, it is not a sufficient condition. Also needed is deliberate regulatory and redistributive public policy in order to enable disadvantaged groups to participate in the economic activity that generates growth and to enjoy the fruits of that growth. In other words, what is needed is growth that will benefit the poor.

223. This chapter is devoted to growth. It deals with the macroeconomic framework, the sectors that provide leverage for growth and the growth sectors themselves, by analyzing the current state of affairs, establishing objectives, and identifying appropriate strategies.

4.1. Analysis of the current situation

4.1.1. Macroeconomic analysis

224. Economic growth has been constrained by poor management of public resources, lack of transparency in government procurement, off-budget expenditure, ad hoc exemptions, lack of political dialogue, and the weakness of key economic and social players, such as the National Assembly and the Economic and Social Council. For all these reasons, considerable internal and external financial resources were not mobilized. In other words, not enough funds were available to finance the Poverty Reduction Strategy. As a result, per capita growth rates were low (–1.8 in 2003; –0.4 in 2004 and 0.1 in 2005) and average inflation accelerated (34.7 percent in 2006).

225. That is why the new government is convinced that without governance based on transparency, the participation of all players in the development process, and the renunciation of bad habits, there is no way to expedite growth and thereby have a significant impact on poverty.

4.1.2. Sectoral analysis

226. Implementation of PRSP I was also characterized by, for instance:

- Deficiencies in the legal and regulatory framework due, on the one hand, to the obsolescence of all or part of the laws in effect, and, on the other hand, also to shortcomings in enforcement;
- Insufficient economic infrastructure to support the development of the sectors driving growth;
- Shortcomings in the organizational and functional framework between governmental and nongovernmental players;
- The high cost of the factors of production (inputs) due in large part to the defective institutional, legal, and regulatory framework and depreciation of the currency;
- Weak development support structures, especially in the rural development sector;

- A marked crisis in the water and energy sectors, where GDP fell 5.5 percent in 2003 vis-à-vis 2002, after increasing 3 percent in 2001;
- A deterioration in the terms of trade.

227. Thus, the growth rate in the primary sector declined from 4.8 percent in 2002 to an average of 3.7 percent for the 2003–2006 period. As for the secondary sector, its growth rate fell from 4.7 percent in 2002 to 2.4 percent in 2004. Growth in the public works and construction subsector (BTP) averaged 6 percent over the period. The growth rate in the tertiary sector also varied over the PRS implementation period, averaging 1.7 percent.

228. These setbacks resulting from both domestic and external factors made it impossible to achieve the objectives established under the PRS and Poverty Reduction and Growth Facility (PRGF) framework, as the following Table shows.

Table 4.1: Principal macroeconomic outcomes (2002–2005)

Objectives /Indicators	Reference	PRSP Objectives	Performance		
			2003	2004	2005
Incidence of poverty nationwide	62.6% (1995)	30% (2010)	50.0	50.1	53.6
GDP growth (in %, per year)	4.2 (2002)	5.2 (2002/05)	1.2	2.7	3.3
GDP growth per capita (%)	1.1 (2002)	1.9 (2002/05)	-2.0	-0.5	0.1
Investment rate (% of GDP)	12.8	18 (2002/05)	10.0	12.7	14.0
Inflation rate (year-on-year, in %)	5(2002)	3.5 (2005)	14.8	27.6	29.7
Inflation rate (average, in %)	3 (2002)	< 3 (2005)	12.9	17.5	31.4
Overall fiscal balance (on a commitment basis, excluding grants, % of GDP)	-6.2 (2002)	-3.0 (2005)	-7.9	-5.9	-1.4

Sources: SP-SRP/Progress reports PRSP I (2004, 2005, 2006)

4.2. Objectives and strategies

229. The overall objective is to reduce poverty as a result of sustained, sustainable, and diversified growth, based on: (i) a deliberate public policy of regulating and redistributing the fruits of that growth above all to the poorest and most vulnerable segments of society, including women and young people; (ii) fresh impetus in the private sector; and (iii) complete consistency with the government's decentralization policy.

230. The specific objectives of growth and employment and income generation are both macroeconomic and sectoral and consist of: (i) rehabilitating the macroeconomic framework by restoring its principal equilibria, stabilizing it, and managing it appropriately; and (ii) increasing national output, creating decent jobs, and ensuring that income is generated that will benefit the poor.

231. In order to achieve by 2010 the macroeconomic goals set forth in Table 4.2 above (an economic growth rate of 5.6 percent in 2010, with annual average inflation of 4.2 percent), it will be necessary to remove all constraints on the development of the private sector, which is regarded as the engine of growth. The constraints referred to are as follows: (i) an administrative and legal environment that on paper appears favorable but which in practice stifles private sector investment initiatives; (ii) a lack of the public service ethic needed to encourage private sector

development; (iii) deficient production infrastructure (roads, water, electricity, telecommunications, and so on) and weak support structures, such as professional chambers, including chambers of commerce and similar entities, businessmen's associations, and public corporations; (iv) a structurally inadequate and quantitatively inadequate financial system; (v) limited access to information and the lack of dialogue among the government, the private sector, and civil society; and (vi) the need to bring the Budget into line with PRSP priorities.

4.2.1. At the macroeconomic level

232. The government is setting itself the following targets: (i) to raise the average real GDP growth rate to 5.3 percent, so as to achieve a 1.9 percent per year increase in per capita income; (ii) to lower annual average inflation from 34.7 percent in 2006 to 3 percent in 2010; (iii) to achieve a tax burden of over 16 percent in 2010; (iv) to keep the average budget deficit for the period, on a commitment basis, excluding grants, below 4 percent of GDP; and (v) as of 2008, to maintain gross international reserves equivalent to three months of imports.

Table 4.2: Macroeconomic objectives

	2006	2007	2008	2009	2010
Growth					
GDP	2.2%	1.5%	4.9%	5.3%	5.6%
GDP per capita	-1.1%	-1.7%	1.6%	2.0%	2.3%
GDP per capita in US\$	321.7	458.4	442.9	456.1	478.0
Inflation					
Consumer price index (year-on-year)	39.1%	15.0%	10.0%	5.5%	3.0%
Consumer price index (annual average)	34.7%	23.2%	13.1%	7.6%	4.2%
Money					
M2/GDP	19.7%	18.5%	18.5%	18.5%	18.5%
Gross external assets	71.0	97.7	352.1	446.9	476.5
In months of imports of goods and services 31/12	0.8	0.6	1.4	2.5	3.0
Investment					
Total GFCAF (as % of GDP)	12.7%	11.5%	14.4%	15.9%	17.4%
Budget					
Current revenue (as % of GDP)	14.8%	13.1%	14.1%	146.0%	16.0%
Current expenditure (as % of GDP)	12.4%	10.9%	11.7%	12.0%	12.2%
Balance excl. grants (commitment basis) (as % of GDP)	-1.8%	-0.5%	-3.3%	-3.2%	-3.2%
Primary balance (as % of GDP)	3.8%	3.7%	2.5%	1.4%	0.9%
Debt					
Service, external public debt (US\$ millions)	208.7	195.0	165.8	166.2	173.6
Debt service (as % of exports of goods and services)	18.7%	14.7%	11.1%	9.9%	9.4%
Outstanding debt (US\$ millions)	3141.5	3037.3	2991.7	2952.9	2912.0
Outstanding debt (as % of GDP)	101.1%	65.8%	65.7%	61.2%	55.6%

Source: DNP/Macroeconomic framework (August 2007)

233. Table 4.2 above summarizes the principal macroeconomic objectives of PRSP II.

234. To achieve this objective of effective and sustainable rehabilitation of the macroeconomic framework by restoring its principal equilibria, stabilizing it, and managing it appropriately, along with the operational objectives underpinning it, the PRSP envisages five major strategies. It will be necessary to (i) improve the macroeconomic framework; (ii) master monetary policy and strengthen the financial system; (iii) tighten fiscal and taxation policies; (iv) manage the debt effectively; and (v) take into account the regional dimension of economic and financial integration.

A. Rehabilitation of the macroeconomic framework

235. As part of its efforts to improve the macroeconomic framework, the government is planning to introduce structural changes designed, among other things, to:

- Strengthen good governance and step up efforts to combat corruption with new anti-corruption and money laundering legislation;
- Establish new regulatory frameworks in the telecommunication sector so as to make it more effective and to encourage investment;
- Comply strictly with the Extractive Industries Transparency Initiative and strengthen the juridical framework applicable to investors in the mining sector;
- Take a census of all personnel in public service;
- Draw up a National Strategy for Developing the Statistics System (SNDS) with a view to achieving substantial improvements in macroeconomic statistics and appropriate poverty indicators;
- Deepen and extend the government divestiture program;
- Intensify the structural reform program.

236. In continuing its divestiture program, the government will proceed to sell enterprises and assets and undertake reforms in the growth sectors and in the water, electricity, transportation infrastructure and facilities, telecommunications, and fisheries sectors.

237. To strengthen government procurement regulations and procedures, the government will need to: (i) adopt structural measures to combat corruption and fraud; (ii) establish and encourage competition by boosting transparency; (iii) increase the effectiveness and quality of public expenditure; and (iv) proceed to decentralize the government procurement process.

B. Improvement of monetary policy and strengthening of the financial system

238. The excessive expansion of the money supply in recent years, the lack of foreign exchange, the breakdown of the PRGF in 2002, and the freeze on external assistance have exacerbated inflationary tensions and the depreciation of the Guinean franc vis-à-vis the major currencies.

239. The effects of the policy rate of 16.3 percent have been very limited, above all because of the excess liquidity in the banking system. Since 2006, these and many other indicators have deteriorated even further.

240. Thus, possible measures include, above all:

- Curbing the inflationary monetary policy conducted in recent years and stemming the loss of the country's foreign exchange reserves;
- Improving the workings of the foreign exchange market;
- Limiting financing of the government's fiscal deficit to no more than 20 percent of its own revenue in the preceding fiscal year;
- Using only the liquidity bond instrument [*bon de trésorerie*] to finance the government's liquidity requirements;
- Strengthening existing financial intermediation institutions and promoting the opening of new branches in the interior of the country;
- Promoting the establishment of new financial intermediation institutions so as to deepen intermediation and the diversification of financial services;
- Consolidating the development of microfinance institutions in order to provide better service to micro, small and medium-sized enterprises and to disadvantaged segments of the population throughout the country.

241. In short, it is a matter of implementing a monetary policy, based, on the one hand, on control of changes in base money, greater use of indirect instruments, further unification and liberalization of the foreign exchange market, and tighter banking supervision, and, on the other, on the development of a solid and integrating financial system (tailored to the needs of the principal players in the economy).

C. Improvement of fiscal and taxation policy

242. The fiscal and accounting reforms of the past few years are part of a broader rehabilitation and modernization of fiscal management methods. They have made a considerable qualitative difference to methods and working procedures of government accountants.

243. Building on these gains, the objectives currently pursued consist of:

- Achieving a tax rate of 17 percent of GDP in 2009 and 17.9 percent in 2010;
- Ensuring rational management of government resources, on both the revenue and the expenditure side;
- Achieving the adoption and implementation of the program-budget principle in all priority sectors;
- Limiting the fiscal deficit on a commitment basis to 0.8 percent of GDP at end-2007 and three times less than that in 2010; and
- Modernizing accounting procedures to attain authenticity in government accounts and presentation of a true image of its assets and liabilities.

244. Recommended measures needed to attain these objectives are:

- Eliminating all exemptions that are not mandated by laws or agreements;
- Implementing the new customs tariff aligned with the Common External Tariff (CET) of the West African Economic and Monetary Union (WAEMU);

- Computerizing key tax and customs office operations;
- Strengthening the tax audit authorities;
- Making all mining companies once again subject to VAT in 2007;
- Establishing a Uniform Professional I.D. Card (*Carte Professionnelle Unique*—CPU) in the informal sector that from now on will replace all licenses and other taxes;
- Channeling the revenue from the CPU to the decentralized local authorities;
- Establishing a Single National Registry of enterprises liable to VAT, so as to facilitate monitoring of those enterprises;
- Splitting the Tax Audit Division into two: one responsible for auditing large enterprises and the other for auditing micro, small and medium-sized enterprises (MSMEs);
- Re-launching the Medium Term Expenditure Framework (MTEF) units and expanding their coverage to all Departments.

245. Specifically, it is a question of conducting prudent fiscal policy, based on improvement of the tax and customs administrations, rationalization of exemption regimes, strengthening management of public expenditure processes, and promoting spending on priority sectors, while still abiding by the overall budget cap on public expenditure.

C1. The Budget and the Poverty Reduction Strategy

246. The Medium Term Expenditure Framework (MTEF) was adopted in Guinea as a fiscal management instrument in 1977. The idea of this expenditure rationalization mechanism was to establish priorities for resource allocation among and within sectors and to implement a results-oriented public utilities system. Seven so-called priority sectors (education, health, road infrastructure, rural development, the judiciary, urban development and housing, and social affairs) were targeted by the government for implementation of the MTEF.

247. During the first phase of PRS implementation, while the MTEF approach allowed the priority sectors to take into account the link between budget allocation and targets to be met under the PRSP, its implementation in the Departments concerned encountered obstacles that considerably muted its impact. These obstacles have to do:

248. Domestically, with poor command of the MTEF approach by the units responsible for directing it, leadership squabbles between the units and the Directorates of Administrative and Financial Affairs (DAAF), and the mobility of the executives involved.

249. Externally, with the deterioration of public finances (accumulation of payment arrears, lack of external fiscal assistance, and off-budget spending); the sluggishness of fiscal deconcentration, and weak coordination between the Permanent Secretariat for the Poverty Reduction Strategy and the National Budget Directorate. This state of affairs impaired allocation of resources to the priority sectors.

Table 4.3: Share of Priority Sectors in the National Development Budget 2001–2004
 (Percent)

Sectors	2001	2002	2003	2004
Agriculture, forestry, and livestock	23.0	25.6	24.7	20.0
Fisheries and fish farming	1.1	1.2	2.3	1.8
Public works	6.9	3.1	6.8	17.0
Urban development and housing	11.6	2.3	4.2	25.3
Public health	9.3	4.5	3.4	1.7
Education	19.3	12.6	6.6	5.8
Social affairs	3.2	1.2	1.0	1.5
Total	74.4	50.5	49.1	73.0

Source: SP-SRP/ Progress report 2005

250. As the above Table shows, in terms of execution, the share of the priority sectors in NDB investment expenditure declined from 74.4 percent in 2001 to 49.1 percent in 2003. This drop partly reflects the government's financial constraints in the past few years.

251. To bring the Budget more into line with PRSP II priorities, the government is committed to establishing a program-budget that will:

- ☞ Promptly solve the leadership problem;
- ☞ Expedite fiscal deconcentration;
- ☞ Put competent personnel in charge of priority sectors;
- ☞ Replicate successful schemes in health and education in other sectors as of 2008.

D. Debt management

252. The debt burden is a major obstacle to poverty reduction. For several years already, our country has had to face an unsustainable level of indebtedness that weighs heavily on its economic growth and its poverty reduction strategy. The total debt is estimated as the equivalent of 101.1 percent of GDP in 2006. The external debt service rose from US\$166.7 million in 2003 to US\$208.7 million in 2006, when it was equal to almost 19 percent of export revenue and 45.5 percent of fiscal revenue.

253. Lacking sufficient resources to honor its debt service commitments, Guinea has suffered over the past three years—especially in 2004 and 2005—a series of suspensions of disbursements by numerous development partners. As a result, a large number of development projects under way have run into problems.

254. With a view to reducing poverty, the goal is to find a sustainable way of managing the external debt burden. To that end, measures to be undertaken will include, above all: (i) establishing an indebtedness policy based, for example, on having at least 35 percent grant element; (ii) a debt swap that facilitates investment in the so-called priority sectors; (iii) strengthening negotiation capacity, including debt repurchasing techniques and debt conversion on a case by case basis; (iv) creating a flexible and dynamic interministerial mechanism for consensus-building,

coordination and development of debt management strategies tailored to the international environment.

E. Support for regional integration

255. Today, subregional integration is an important dimension of national development policy. Irrespective of the political will to engage in it, it reflects an essentially economic and financial rationale that allows the country to insert itself in regional and global trade flows, enhance the competitiveness of its economy, and develop the private sector.

256. To move in that direction, Guinea, along with certain other countries in the subregion that are not part of the CFA franc zone (Gambia, Ghana, Liberia, Nigeria and Sierra Leone), has embarked on a process of establishing a second monetary zone that will eventually integrated into the WAEMU, thereby creating a single monetary zone in the ECOWAS area.

257. The policies envisaged for that purpose will result in tighter macroeconomic and financial management and better arrangements for obtaining information and monitoring the economic and financial performance of the member countries.

258. Guinea's ratification of the treaty of the Organization for the Harmonization of Business Law in Africa (OHADA) will also contribute to economic growth thanks to the harmonization of policies and institutional and legal frameworks in the subregion. It will also enhance the quality of the judicial system in Guinea and, more broadly, help to improve the business environment.

259. This integration momentum will be boosted by firm political support, as manifested in the recent establishment of a Ministry for African Integration.

4.2.2. At the sectoral level

260. GDP growth will be a combination of the efforts of all sectors, especially the growth sectors (agriculture, mining, fisheries, tourism, and crafts...). The rural sector is expected to account for 19.4 percent of GDP and to grow at an average rate of 4.3 percent over the period. Secondary sector growth should average 6.2 percent, as a result of more abundant electricity (expected to grow 10 percent by 2010) combined with the expansion of mining operations, as large projects get under way. The tertiary sector should rebound with more than 4 percent average growth between 2008 and 2010.

261. The objective of increasing national output, creating decent jobs, and generating income for the poor will be pursued through the following strategic focuses:

- Promotion of the private sector as the engine of growth and source of jobs and income;
- Promotion of microfinance;
- Development of basic economic infrastructure;
- Revitalization of growth sectors;

- Promotion and modernization of trade;
- Rational and sustainable management of natural resources, and protection and enhancement of the environment.

A. Promotion of the private sector and employment

262. Guinea has considerable and diversified economic potential (agriculture, mining, fisheries...). To exploit it and expedite the country's economic and social development, the government has been implementing, since 1985, policies geared to liberalizing economic activities and promoting the private sector. Despite these efforts, the nascent private sector is subject to major constraints on its development.

263. The main difficulties have to do with: (i) an administrative and legal environment that on paper appears favorable but which in practice stifles private sector investment initiatives; (ii) a lack of the public service ethic needed to encourage private sector development; (iii) deficient production infrastructure (roads, water, electricity, telecommunications, and so on) and weak support structures, such as professional chambers, including chambers of commerce and similar entities, businessmen's associations, and public corporations; (iv) a structurally inadequate and quantitatively insufficient financial system; and (v) limited access to information and the lack of dialogue among the government, the private sector, and civil society.

264. These constraints mean that the economy is structurally dominated by micro and small enterprises. It so happens, also, that those two types of enterprise mostly operate in the informal sector. Normally, the jobs they create are barely or not at all decent and the income generated is both low and precarious. Accordingly, the challenge is to bring technical support (training, extension, etc.) and financial assistance (credit lines, for instance) to the informal sector so that it can play the leading part in poverty reduction.

265. The objectives in the Strategy with respect to promotion of the private sector and employment are: (i) to make a strong contribution to growth; (ii) to strengthen the basis for sustainable development; and (iii) to facilitate the generation of decent jobs and significant income for all, particularly the poor. More specifically, the idea is to:

- Attract local private investment and foreign direct investment;
- Support local entrepreneurs;
- Pay particular attention to micro, small and medium-sized enterprises;
- Deconcentrate/decentralize key support services for enterprises; and
- Enhance young people's employability.

266. Moreover, incentives for large scale investments should not be restricted just to the bauxite sector. A considerable effort should be made to identify and develop other niches with strong value added potential for both local and foreign operators. Strategies worth considering in this regard are:

- Streamlining the procedures for obtaining licenses and concluding the necessary investment agreements;

- Sensitizing the various departments in charge of monitoring investments to the need to facilitate the work of investors in accordance with the legal and administrative provisions in force;
- Developing basic infrastructure (water, electricity, transportation, telecommunications);
- Promoting already existing investment opportunities in the country;
- Promoting initiatives aimed at raising worker productivity;
- Helping to improve workers' job stability through cooperative tripartite agreements;
- Encouraging implementation of the social security system for workers;
- Continuing government divestiture of production and distribution assets; and
- Strengthening supervisory mechanisms to ensure fair competition.

267. The approach to be adopted in order to assist local businesses will consist of:

- Providing "entrepreneurial spirit" training;
- Implementing and deconcentrating extension and support facilities;
- Easing access to financing by microfinance institutions and setting up employment funds for young people;
- Encouraging innovation by means of specific tax and other measures;
- Facilitating MSME access to government procurement;
- Planning and constructing shelter infrastructure by micro, small and medium-sized enterprises (MSMEs); and
- Revising the Investment Code in order to tailor it to the needs of MSMEs.

B. Promotion and expansion of access to microfinance institutions

268. Over the years microfinance has come to be seen as an essential instrument for poverty reduction and the attainment of the Millennium Development Goals. It is particularly useful for women, who make up the majority (over 52 percent) of the Guinean population, by strengthening their economic autonomy and, hence, their social status. This, in turn, has beneficial effects on school enrollment, child nutrition, and demographics, etc.

269. The microfinance sector in Guinea comprises seven institutions that have been licensed or authorized to operate within the country. They are:

- Crédit Rural de Guinée SA
- Caisses populaires d'épargne et de crédit de Guinée CPEC-G
- PRIDE Finance
- Agence Autonome d'Assistance Intégrée aux Entreprises (3 AE)
- Mutuelle de Guinée
- FINADEV—Guinée
- Caisses Communautaires d'Épargne et de Crédit de Guinée CCEC—Guinée.

270. The outstanding portfolio of the microfinance institutions shows lending increasing from GF 22.250 billion in 2004 to GF 30.916 billion in 2005; the volume of savings increased from GF 10.975 billion to GF 16.255 billion; and the number of customers rose to 198,294 in 2006 from 172,490 in 2005. The number of branches (*caisses*) increased from 144 to 151 over the same period.

271. Despite this dynamism, microcredit is still an issue in the poverty reduction strategy. In Guinea, the MFIs do not cover the whole of the national territory and do not cater to the diversity of demand because of terms that make it difficult for the poor to have access to them (disadvantaged groups: rates between 2.5 percent and 5 percent per month). The loan structure of the MFIs is also characterized by a preponderance of short-term loans. It should be pointed out that the high rate of inflation forces lending institutions to charge high interest rates, which are hardly conducive to profitability. In the case of the MFIs, this factor, in addition to the economic environment, the type of resources mobilized, the cost of reaching customers, the volume of unpaid debts, and the need to sustain themselves over time, result in high lending rates (30 percent) that do not encourage medium and long-term investments.

272. In addition to these structural constraints, the microfinance sector faces other institutional drawbacks, especially: (i) the nonexistence of a national microfinance policy (ii) the limited reliability of financial information; (iii) the lack of sufficient internal control mechanisms; (iv) the proliferation of players on the ground; and (v) poor coordination of actions undertaken by donors and creditors.

273. Steps that need to be taken are:

- Drafting of a national microfinance policy;
- Strengthening ties between banks and microfinance institutions (MFIs) aimed at integrating the latter into the national financial system and facilitating financing for small and medium-sized enterprises/industries (SMEs/SMIs);
- Strengthening players' credit management capacity, especially that of the beneficiaries; and
- Stepping up coordination of the different actions undertaken.

C. Development of basic economic infrastructure

274. Guinea's development efforts over the past 20 years have brought about a marked improvement in the supply of water, electricity, and telecommunication services and in the state of road infrastructure, means of transportation, and transportation services. Nevertheless, in many respects, the basic economic infrastructure sector still has a number of shortcomings: weak geographical coverage of the country (several towns in the interior, including some regional capitals, still have no electricity), the high cost of services, and major financial imbalances, especially in the water, electricity and telecommunications sector, due partly to weak commercial performance. Rural areas have practically no access to electricity and telecommunications.

275. From a poverty reduction standpoint, there are three major challenges for infrastructure development: (i) providing adequate services for the development of the private sector; (ii) guaranteeing as many Guineans as possible high quality basic utilities (this matter is dealt with in the Chapter on access to basic services); and (iii) establishing a framework conducive to an effective public-private partnership.

C.1. Water sector

276. Value added in the water subsector declined substantially in the past three years as a result of now recurrent supply shortages. The supply and distribution of water to serve the city of Conakry currently totals 100,000m³ or 45 percent of the estimated demand for 181,000m³.

277. As a result, daily supplies of drinking water in the capital have fallen from 47 liters per capita in 1999/2000 to fewer than 20 liters per capita. Thus, the SEG was only able to provide 85,000m³/day for Conakry, or 50,000 m³ less per day than the estimated demand in 2003 (135,000 m³).

278. The same applies to the regions in the interior of the country, where per capita water supplies in 2004 averaged seven liters per day.

279. There are different sets of objectives for urban and rural water supply.

280. **With respect to urban water supply**, it is important to: (i) increase water supply for Conakry; (ii) increase water supply to towns outside the capital; and (iii) improve the performance of the urban water supply sector.

281. To achieve these objectives, the three major strategies proposed revolve around:

- (a) Rehabilitation and development of production capacities (existing installations currently operate at under 60 percent of their installed capacity);
- (b) Raising the productivity of the safe drinking water sector;
- (c) Institutional reform of the sector to be brought about by: (i) establishing a water rates policy; (ii) installing a raw and processed water meter system; (iii) registering all consumers; (iv) reducing leaks; and (v) combating theft.

282. In addition, the government has committed to improving private sector participation in the development and management of the water sector. To that end, discussions regarding a review of the regulatory framework for infrastructure will continue with a view to encouraging private investment in water production, processing, transportation and distribution.

283. With respect to rural water supplies, it is a question of: (i) increasing supplies of safe drinking water to rural areas; (ii) achieving sustainable access to safe drinking water in rural areas by making sure that pumps continue to operate at no less than 90 percent of capacity; and (iii) promoting water hygiene.

284. Here the proposed strategies revolve around:

- a) Development of production infrastructure (especially well-drilling facilities);
- b) Rehabilitation of watering points that are more than 10 years old;
- c) Strengthening capacity to maintain and replace equipment by: (i) bringing rural communities into the decision-making process (from the design of installations through to their implementation); (ii) training beneficiaries to take responsibility for running, managing, protecting, and maintaining infrastructure; (iii) setting appropriate water rates (prices); and (iv) making use of microfinance services;
- d) Support for efforts to achieve sustainability for the economic activities carried out in the subsector (artisans, mechanics, vendors of spare parts);
- e) Improving hygiene by providing support services (education in sanitation and latrine construction); and
- f) Restructuring of the National Watering Point Development Service (SNAPE).

285. Drafting a National Program for Providing Safe Drinking Water and Sanitation in Rural Areas by 2015 is also part of the efforts to attain these objectives.

C.2. Energy sector

286. In Guinea, energy poverty is manifested in the dearth of options for accessing adequate, affordable, reliable, and environmentally sustainable energy services for economic and human development. Women, especially in rural areas, suffer to a disproportionate extent from the lack of access to modern fuels and electricity. Women and girls are assigned the most tiresome chores, such as spending several

hours a day collecting firewood for cooking or fetching the water needed for the most basic subsistence needs.

287. The energy situation in Guinea is reflected in a very low level of per capita energy consumption: less than half a ton petroleum equivalent (TPE).

288. Here, analysis will focus on the country's three main sources of energy: electricity, hydrocarbons, and biomass.

C.2.1 Electricity

289. Since 2002, the electricity sector has been plagued by supply shortages and poor service.

290. This sluggish performance can be explained to a large extent by the following factors:

- The low level of investment in the sector capable of increasing electricity output;
- Obsolescent equipment;
- Poor technical and commercial management by the electricity company, EDG, especially with regard to electricity bill payments;
- Institutional problems associated with EDG's statutes.

291. The fact is: the current supply of electricity results from average output of the interconnected grid of 1,250 MWh/d, while demand is twice as much, or 2,500 MWh/d.

292. Investments in the sector have steadily declined over the past few years, from 44 percent of the public investment budget in 1998 to 2.92 percent in 2002. Even though, in the past two years, the government has increased investment in order to acquire additional thermal capacity, the overall situation has hardly improved at all.

293. These institutional, human, technical, material and financial difficulties boil down to the following:

294. The overall objective established in the 1992 development policy letter for the energy sector remains valid. The goal is still to meet all of the country's energy consumption needs.

295. Specifically, that is a question of: (i) increasing the supply of electricity to Conakry; (ii) increasing the supply of electricity to towns in the interior of the country; and (iii) improving electricity sector performance.

296. The strategies to be deployed in order to achieve these objectives will have both a national and a regional component.

National component

297. The focus will be on:

- Updating the Development Policy Letter for the Energy Sector;
- Conducting an institutional reform strategy study for the electricity subsector aimed at improving performance by eliciting private sector participation in both investment and management;
- Drafting an electrification master plan based on development of the country's energy potential, while taking into consideration social, economic, mining, and environmental dimensions, as well as the country's commitments in terms of integration into regional and subregional plans;
- Taking full advantage of Guinea's hydroelectric potential, while taking into account interconnection opportunities for energy trading among States;
- Conducting a study of electricity pricing options;
- Promoting energy saving by conducting awareness campaigns;
- Promoting the electrification of rural areas by setting up a rural electrification fund as a long-term instrument for financing the development of rural electrification; and
- Promoting alternative sources of energy (butane gas, biofuels, and solar energy).

Regional component

298. In light of analysis of national contexts with respect to the energy sector and given the numerous similarities encountered, ECOWAS can undoubtedly make a major contribution to the facilitation of modern energy services for the population.

299. Indeed, the narrowness of national markets is an obstacle to the mobilization of the investments needed to develop energy sources. It will therefore be a question of fostering the integration of neighboring markets in order to establish the scale of operations needed to make investments profitable. Hence the importance of interconnecting grids and of developing small hydroelectric projects.

This approach has already led to such developments as the West African Gas Pipeline (WAGP) project, or the West African Electricity Exchanges (WAEE) system, based on regional groups, such as the Senegal River Development Organization (OMVS) the Gambia River Development Organization (OMVG), or the Niger Basin Development (ABN) plan.

Regional integration policy will thus enable Guinea to exploit its significant hydroelectric potential.

C.2.2 Biomass and renewable sources of energy

300. As regards biomass, especially energy wood, Guinea has forest potential, even though too little is known of the scope of this potential.

301. Because relatively few households use modern fuels (electricity, oil), firewood and charcoal cover most energy needs: for cooking meals, lighting, warmth, ironing, and so on.

302. Total wood consumption in 2005 was estimated at approximately 8.6 million metric tons, 22 percent of which was used to produce 330,000 mt of charcoal, while 25 percent was used for artisanal trades (bakeries, the drying of fish, salt extraction).

303. In this context, there have been several decades of unsustainable exploitation of firewood resources, compounded by the disorderly growth of the urban population and pauperization in the towns and cities. Thus, the problem is that, on the one hand, 95 percent of the population use this resource to satisfy their energy needs, while, on the other, more wood is cut than restored, so that today Guinea is faced with obvious environmental issues (deforestation, erosion, desertification, a shortage of rainfall, and so on).

304. The strategy for satisfying energy needs by using biomass and renewable sources takes sustainability and respect for the environment into account.

305. It therefore consists, in essence, of:

- a) Making an inventory of forest resources;
- b) Establishing a reliable database on household energy consumption;
- c) Making rational use of forest resources and making local authorities accountable;
- d) Continuing the improved fireplaces program;
- e) Implementing energy efficiency in all branches of activity (industry, construction, transportation, agriculture);
- f) Establishing a regulatory framework that is conducive to the introduction of new technologies; and
- g) Promoting alternative renewable (butane gas) sources of energy, biogas and solar energy.

C.2.3 Oil and gas subsector

306. Like other petroleum products (gasoline, diesel, fuel oil), hydrocarbons for domestic uses, such as cooking and lighting, are imported.

307. These products are still little used because their relatively high price means that only better-off households can afford them.

308. For the purpose of satisfying energy needs, the idea is to make these oil and gas products for domestic uses—especially LPG—more affordable for the majority of the population and thereby take pressure off the biomass.

309. Thus the strategy will focus on:

- Subsidizing the price of gas, for instance, by applying: (i) fiscal support from the government and partners; (ii) cross-subsidization in the form of an

- adjustment to the prices of other petroleum products, without resorting to a government budget grant;
- Exempting packaging (bottles) from all taxes;
 - Regulating the activity of operators in this sector in such a way as to provide security for the storage, transportation, distribution and use of gas; and
 - Conducting an awareness campaign on butanization.

310. This strategy could be implemented via a pilot butanization project that would cover part of the urban population (especially in the capital), plus a more reasonable fringe of the rural population.

311. Finally, with respect to the population's access to energy services, especially that of the poor living in rural and periurban areas, the solution lies in promoting other sources of energy: biogas, solar energy, multifunctional platforms, and so on.

C.3. Transportation sector development policy

312. As regards transportation, the chief objective is to a sufficiently well developed and efficient national transportation system capable of satisfying transportation needs at the lowest possible cost for the country as a whole, while providing an acceptable level of quality and safety.

313. Specific goals are to:

- Make production zones more accessible;
- Improve transportation conditions for the population;
- Increase the competitiveness of the national economy; and
- Conserve the environment.

314. Given their impact on economic development and the standard of living of the population, transportation services are an important component of poverty reduction efforts in Guinea.

315. A breakdown of the sector shows that the road subsector (which accounts for 95 percent of the movements of passengers and freight) and the maritime subsector (which accounts for most of the merchandise trade with the rest of the world) are the two main components.

316. With respect to the current state of infrastructure and the needs voiced by grassroots segments of the population, development policy will distinguish between several levels: rural roads, national highways, and the main corridors for subregional integration.

Strategic objectives for road infrastructure

317. The principal objective pursued is to achieve a well fleshed-out and efficient road infrastructure network. It breaks down into the following goals:

- Protecting and conserving the heritage of gradually constructed infrastructure and facilities and its initial service quality;

- Rehabilitating and modernizing the infrastructure and facilities networks, by improving prioritization and planning;
- Improving access to regional economic centers.

318. In respect of road infrastructure, it must be said that the intentions proclaimed in the various strategy documents have still to be implemented in practice, especially as regards the protection and conservation of infrastructure and facilities.

Strategic objectives for road transportation

319. The principal objective pursued is to achieve efficient transportation services that are as cheap and safe as possible. It breaks down into the following goals:

- Introducing and enforcing the required regulations, particularly as regards safety;
- Promoting the subregional competitiveness of the road transportation system, especially in terms of cost prices and fares;
- Facilitating the circulation of vehicles and ensuring the steady flow of passengers and merchandise, and transit to transshipment locations;
- Improving transportation terms and conditions for the least advantaged;
- Strengthening the capacity of existing institutions and providing them with appropriate resources;
- Providing transportation conditions that are acceptable to all, especially with respect to safety; and
- Limiting disturbances to the environment and roadside communities.

320. In order to achieve these goals, previous actions will need to be reinforced or redirected, even though marked progress was made with the elimination of informal roadblocks.

C 3.1 Sectoral policy for sustainable development of the road sector

Key components of a network development strategy

321. The principal objective is to have interconnected networks of national highways and prefectoral and community roads, offering services tailored to needs, making production zones more accessible, and ensuring good connections with neighboring countries.

National interurban highways

322. The objective of establishing a paved road network that can be used all year round remains valid, but for the moment it will be restricted to management of existing road, with expansions being postponed until 2015:

- *The coastal highway* between Forécariah – Coyah – Dubréka – Boffa and Boké, should be continued as far as the border with Guinea-Bissau;
- *The central highway*: Conakry – Mamou – Dabola-Kourousa-Kankan – Kérouané – Beyla – N’Zérékoré – Yomou, completed up to Kankan, and as a dirt road between Kankan and Yomou;

- The highway parallel to the borders with Sierra Leone and Liberia, paved from the border;
- Sierra-Leonese as far as Sérédou, dirt road between Sérédou and N'Zérékoré;
- *The North-South cross-country highways*: Conakry – Kindia - Mamou – Labé; Kamsar – Boké (Boké and Sangarédi ramp; initial section of paved road between Koba – Tanéné and Fria;
- *The ridge highway* between Tougué, Dinguiraye, and Siguiri.

323. Subregional links

- *Toward Sierra Leone*: road currently being rehabilitated between Pamélap and the border with this country;
- *Toward Senegal*: The Labé –Seriba –Tambakounda and Labé- Mali-Ké Dougou highways;
- *Toward the Republic of Mali*: road being completed between Kankan and the border;
- Other link roads are being studied and planned;
- The car-ferries on the main routes are gradually being replaced by bridges.

Primary urban transportation networks

324. Construction of primary infrastructure in Conakry to improve service to the peninsula and reduce congestion of the existing network.

- Dual carriageway road between Tombo and Gbessia (10.7km);
- Dual carriageway road between Matoto – Enta – Dabompa and the T5 South, for 6 km;
- Start on construction of a new express dual carriageway to Conakry;
- Work on 10 km of the existing primary network (conversion to one-way with critical intersections);
- Construction of 20 km of primary networks in N'Zérékoré.

Contribution to poverty reduction

325. The programs under way are largely complementary to those aimed at improving the interurban national highways inasmuch as they are going to make the Rural Development Communities (CRD) less remote. They are mainly designed to have an impact on:

- The Village-Level Community Support Program (PACV): it has to do with community roads and will take some six (6) years;
- The Second National Rural Infrastructure Project (PNIR2), implemented with a lag vis-à-vis PACV, will above all facilitate access to the regional capitals of the CRD.

Road infrastructure management

326. With the road database, it will be possible to plan and schedule current and periodic road maintenance with the contracting authorities, in order to ensure the sustainability of existing infrastructure and adapt infrastructure management as necessary, by:

- Strengthening planning activities and performance audits;
- Improving the technical qualifications of personnel and embracing the principles of effective and efficient management;
- Ensuring that the Road Maintenance Fund abides by the Rules of Procedure established when it was created (financial autonomy, decision-making autonomy, and increased involvement of users);
- Recovering road costs from users and using agencies.

Road transportation management

327. The essential objectives consist of:

- Establishing an attractive institutional framework guaranteeing professionalism, free enterprise, and fair competition among operators;
- Involving the subsector's administration in management tasks only;
- Increased commitment to implementation of agreements and conventions so as to increase the attractiveness of the Guinean corridor for Mali's access to the Atlantic Ocean;
- Preparing Guinean shippers to participate in international shipping;
- Improving domestic road transportation services by establishing an appropriate framework so that operators have improved resources and can provide acceptable transportation conditions—particularly with respect to safety and protection of the environment—at the lowest possible cost;
- Obtaining private sector participation in running and managing passenger and freight bus stations and depots (under franchise agreements or management contracts, and so on);
- Implementing an effective road safety management system;
- Fostering a network of ties among transportation stakeholders (passengers, shippers, motorists, and so on), in order to ensure that they participate in the development of services.

328. Balanced development of the different levels is required in order to ensure effective and competitive transportation services capable of supporting the national economy.

329. A priority policy concern for this sector will be to overcome the remoteness of the poorest areas of the country and of potentially rich production zones. This can be done by rehabilitating and maintaining rural roads and building, paving, and maintaining national highways.

330. Given the dynamic part played by rail transportation in the economic development of the country as a whole and, in particular, of the regions served by

railways, the government is now taking a more realistic look at the possibility of re-launching railway services linked up to the trans-Guinean railway used to transport minerals from Simandou and Mont Nimba. This revival will be funded by private investment, which will permit rehabilitation of the existing network and create the effective operating and management conditions required for competitiveness.

331. Apart from its impact on the transportation of goods and merchandise, rail transportation will have the added advantage of:

- Reducing road usage by heavy vehicles, thereby slowing down road infrastructure degradation;
- Lowering the cost of transporting merchandise; and
- Facilitating the transportation of waste and household refuse out of Conakry.

C.4. Post and telecommunications development policy

332. Despite the reforms undertaken in this sector, especially the opening up to private capital and competition, the services provided are still far from meeting the demands of the population and of the economy.

333. Installed capacity is insufficient to provide connections to potential customers and the quality of telephone service is particularly deficient, judging by the high rate of failed calls. In Guinea, teledensity (the number of fixed-network telephone lines per 100 inhabitants) does not exceed 0.5, compared with 1.2 in Côte d'Ivoire and 1.7 in Senegal. Several towns in the interior and almost all rural areas are virtually inaccessible by phone. That has a direct impact on development and on access to the Internet.

334. Likewise, although the postal service has improved somewhat in recent years, it covers only a small part of the country. Rural areas, in particular, are not covered by the service.

335. Given this state of affairs and mindful of the concerns of both the general population and economic agents, the government's telecommunications policy is geared above all to providing sufficient, high quality postal and telecommunication services at competitive prices. Concretely, the idea is to raise teledensity to 1.5 by 2010, enhance the quality and range of the services provided, develop a reliable national telecommunications network connected to the information highways, develop postal services, and consolidate its financial viability.

336. To achieve these objectives, the strategy will focus on: (i) restructuring the sector and gradually rehabilitating the post offices; (ii) introducing post office financial services (a national savings bank and giro checks); (iii) mail delivery with five days (D+4) anywhere in the country; (iv) Internet access for all prefectures; (v) improving the technology used by radio stations; (vi) computerizing government administration services; (vii) continuing liberalization of the sector; (viii) developing universal service, which will make it possible to cover the whole of the country; (ix) establishing a Post and Telecommunications Regulatory Authority and (x) revamping the legal frameworks for the various systems.

D. Growth sector dynamics

337. An analysis of Guinea's economic structure shows that three sectors make key contributions to the country's GDP: the rural sector (crop farming, livestock and fishing), the mining sector and the trade sector (including the hotel and catering trade). These sectors account for 18 percent, 16 percent and 27 percent of Guinea's GDP, respectively. The strength of economic growth will depend largely on development in these sectors. Accordingly, given the country's choice of a market-oriented approach, the policy to be implemented assigns the creation and distribution of wealth to the private sector. The government will implement all the reforms necessary to create incentives and a secure environment for business, as pointed out in the Chapter on improving governance and the section on promotion of the private sector.

D.1. Agriculture

338. More than 80 percent of the rural population, including a majority of women, are engaged in agricultural activities, an important sector that accounts for approximately one quarter of GDP³³ and which, in rural areas, constitutes the main source of income and employment for almost 54 percent of the economically active population.³⁴ Agriculture is therefore a growth sector *par excellence* for achieving food security and poverty reduction goals, especially for marginalized groups, such as rural women and young people. Development of this sector could reduce Guinea's dependence on mining.

339. There are some 844,454—generally family-run—production units in Guinea, with a diverse range of activities, in which agriculture plays an important but variable role. These family units produce the bulk of agricultural output, supply the markets with unprocessed produce, and participate in village land planning. They represent the main source of income and employment for the rural population and the main user and manager of natural resources. Apart from their role in the economy, the diversity of family units in Guinea makes them “life spaces” with particular social, cultural and educational connotations.

340. That is why promoting family production units is a key component for transforming the rural economy in terms of jobs, food security, sustainable management of natural resources, poverty reduction, social cohesion, and equity.

341. Ever since implementation of the Medium-Term Expenditure Framework (MTEF) began in 1997, agriculture has been a priority sector, receiving a substantial share of the National Development Budget (22 percent in 2002). However, as a result of the government's financial difficulties in the years when PRSP I was being implemented, budget appropriations for agriculture have steadily dwindled from 14 percent in 2003 to an average of 9.5 percent in 2005 and 2006: a little below international commitments in this area.

³³ Source: Structural Adjustment Loan of the World Bank

³⁴ Source: *Enquête Intégrée de Base pour l'Evaluation de la Pauvreté* - EIBEP (Integrated Core Survey for Poverty Assessment) (2002 – 2003)

342. For this sector, the main challenge is still how to convert our subsistence agriculture into one that is modern, productive, and competitive.

343. With that in mind, a new vision of Guinean agriculture has been developed, along with objectives and a list of strategic actions needed in the sector. These actions take into account lessons learned from implementation of Agricultural Development Policy Letters (*LPDA*) 1 and 2, the objectives and strategies of the Agricultural Development Policy (*PDA-2015*), the Millennium Development Goals (*MDGs*) to be met by 2015, and trends in the national, subregional, African and international environment. These objectives pay particular heed to productivity niches promising strong growth and to areas of widespread poverty.

344. Thus, the new vision of Guinean agriculture consists of predominantly family-run, intensive, modern and sustainable farming, making full use of its competitive advantages in national, regional, and international markets and being in a position to guarantee food security, raise producers' income, and reduce poverty.

345. The sector's growth target envisages an average 4.7 percent increase in value added in 2007–2010 and an increase in the sector's share of GDP from 12.9 percent in 2006 to an average of 13.3 percent for the next few years.

346. To achieve that rate of growth, three strategic objectives have been established, namely: (i) to continue the food security policy; (ii) to increase agricultural revenue by taking advantage of economic opportunities and access to markets; and (iii) to develop cross-cutting support measures to ensure that investments pay off.

347. The steps taken in respect of food security will be based on: (i) support for increased productivity and competitiveness of food crops, especially rice, on a sustainable basis; (ii) diversification by promoting alternative food crops; and (iii) supporting increased livestock productivity and animal health.

348. Specific actions could, for instance, involve: drawing up a plan for developing the plains in Basse Guinée (Lower Guinea) and Haute Guinée (Upper Guinea), organizing a private seed subsector, supplying local farmers with fertilizer.

349. As for rice growing, actions will include:

- Concentrating rice sector investments in two large development poles in the mangrove plains in Basse Guinée and, in Haute Guinée, in the alluvial plains along the Niger River and its tributaries, thereby developing some 25,000 hectares;
- Developing waterworks for water management and multiple hydroagricultural purposes as a prerequisite for investment;
- Continuing shallow paddy rice growing with a view to diversification, including rice-plantation fish farming and countercyclical crops;
- Supporting hillside rice growing by disseminating use of NERICA rice ("New Rice for Africa") and integrated soil fertility management

- technologies; strengthening the agricultural research and advisory services needed to raise agricultural productivity;
- Establishing a mission letter for rice growing, renewable every five years, as a prerequisites for any investments therein, as in Senegal and Mali.

350. As for agricultural diversification, actions to be undertaken will focus primarily on promoting cassava and corn as growth crops in all regions. Other crops to develop are: fonio, groundnuts, taro, sorghum, yam, sweet potatoes, and so on.

351. To raise agricultural revenue by taking advantage of export opportunities in subregional and international markets, it is proposed to: (i) expand and diversify commercial crops; (ii) improve access to markets, above all by building access and market infrastructure so as to increase value added; (iii) to develop management and regulatory mechanisms for each agricultural specialty; and (iv) promote the quality and proper labeling of agricultural produce.

- The other strategy consists of developing economic opportunities in rural areas, i.e.: (i) promoting income-generating revenue from urban and periurban horticulture, support for activities performed by women (salt extraction, saponification, dyeing, post-harvest technology, other microprojects, and so on); (ii) supporting farmers and other rural entrepreneurs; (iii) strengthening financial institution services in rural areas; and (iv) promoting bio-fuels as a source of potential revenue for farmers and as an opportunity for Guinea's private sector.

352. Specific actions will include reviving cotton growing in Haute Guinée and Moyenne Guinée and executing the Palm Oil and Rubber Tree Development Plan (PDPH).

353. **For subregional markets**, the focus will be on products for which Guinea has a comparative advantage and major development potential, such as pineapple, mango, banana and miscellaneous produce (small peppers, potatoes, onions, shea butter, palm oil, yam, and so on).

354. **For the international market**, it will be a question of producing critical masses of agricultural products that meet quality standards and justify the investment required. The products targeted as priorities are mango, coffee, cotton, rubber trees and other diversification products (extra thin French beans, cherry tomatoes, melons, strawberries, watermelons, lychees, cut flowers, and so on).

355. The cross-cutting support measures to ensure that investments pay off will be geared to:

- Improving the legal and regulatory environment;
- Raising agricultural productivity by improving soil fertility and through measures encouraging the use of improved inputs (seeds, fertilizers, plant health care products, and veterinary and animal technician inputs) and the use of appropriately adapted agricultural machinery;

- Improving access to the factors and means of production (land, inputs, technology, training, working tools, and information);
- Developing a viable mechanism for financing producers and professionals in the different branches of the agricultural sector via agrarian loans;
- Fostering rational and sustainable management of natural, forestry, animal-genetic and plant-genetic resources and guaranteeing protection of the environment;
- Strengthening the capabilities of governmental and nongovernmental players;
- Improving the quality of governmental services provided for farmers;
- Improving social and economic infrastructure in rural areas, especially the rural roads network, electrification, village hydraulic systems, hydro-agricultural developments based on water management systems, rural markets, and so on;
- Improving agricultural information systems;
- Taking into consideration the needs of vulnerable and disadvantaged groups, especially women and young people; and
- Honoring the commitments made at the Maputo conference regarding the decision to dedicate 10 percent of the NDB to agriculture.

Table 4.4: Summary of the NLPDA (Agricultural Development Policy Letter) Plan for 2007-2010

No.	Development programs	Sub-programs	Cost (US\$ millions)	Total Cost (US\$ millions)
1	Development program for food crops in the framework of sustainable production systems	1: Diversification of food crop output (cassava, corn, yam, fonio, groundnuts, sweet potato) 2: Development of rice growing in the framework of sustainable production systems	40 80	120
2	Agricultural exports promotion program	1. Promotion of cash crops and bio-fuels 2. Promotion of horticultural crops	60 25	85
3	Program 3: Animal production development program	1: Development of improved livestock system, depending on species and specific regions 2. Improvement of livestock breeding conditions in the traditional system	20 10	30
4	Program 4: Development program for access infrastructure and agricultural, forestry and livestock market infrastructure	1. Infrastructure for access to remote areas (rural roads) and development of transportation in rural areas 2. Agricultural and livestock market infrastructure	70 80	150
5	Program 5: Integrated management of renewable natural resources program (water, soil and forests)	1. Water management and development of surface waters 2. Management of forest and fauna resources 3. Integrated soil fertility management	50 50 10	110
6	Capacity-building program for PO, the private sector, and agricultural services	Agricultural Services, PO and Private Sector Support Program (PSAOPSP)	50	50
7	Program for preventing and managing food crises	Emergency fund	5	5
8	Program for identifying an agricultural sector financing and rural credit support system	Agrarian Credit Support Program and study of a rural areas financing system	10	10
9	Program to develop the inputs and agricultural and veterinary equipment market	1. Development of the agricultural and livestock inputs market 2. Development of the agricultural and veterinary equipment market (small -scale mechanization and motorization)	25 15	40
		Total		600

D.2 Livestock sector

356. With regard to livestock policy, the food security objective translates into a marked increase in livestock, in national meat production, and in milk and eggs output. However, there is still a considerable way to go before Guinea is able to satisfy the food needs of its population. That is why implementation of herding policy will make it possible to raise the average rate of growth of value added in the livestock sector to 4 percent between 2007 and 2010.

357. To achieve that growth, the sector needs to rely on: (i) increased access to microcredit and inputs; (ii) less nomadic forms of breeding (organization, training, animal health, extension programs, planning); (iii) more intensive breeding; (iv) development by women of short-cycle animal husbandry in all regions of the country; (V) effective integration of the twin—farming and livestock—sector; (vi) drafting of a pastoral code; and (vii) close cooperation with neighboring countries to deal with epizootics.

358. These measures will be underpinned by:

- A crosscutting strategic component or support program approach targeting traditional livestock systems with actions to be undertaken by the government with the participation of livestock breeder associations; and
- A vertical strategic component or sector-by-sector approach, which will apply to the improved or semi-intensive and periurban livestock breeding system.

D.3. Fisheries

359. The fishing and fish farming sector is one of the population's main sources of animal protein and a major source of export revenue. The rate of growth of value added in this sector should increase from 2.6 percent in 2006 to an average of 3.2 percent between 2009 and 2010.

360. Over the medium term, the government plans to embark on a set of actions aimed at:

- Regular monitoring and control of fish catches;
- Rapid and effective strengthening of fish surveillance;
- Stepping up fisheries research activities;
- Providing support for artisanal fishing;
- Building infrastructure for storing, processing, and packaging fish products;
- Upgrading the capabilities of the sector's administrative authorities;
- Development of river and lake fishing and fish farming;
- Improving the provision of fish products to domestic markets;
- Promoting semi-industrial fisheries (processing, transformation, and canning of fish products);
- Strengthening control over the granting of fisheries licenses;
- Promotion of temporary fishing bans, especially for threatened species;
- Upgrading the qualifications of all players in the sector.

D.4 Mining

361. As a result of price instability in global raw materials markets, the performance of the mining sector was sluggish, with an annual average growth rate of 1.6 percent over the past five years. However, of all the growth sectors, mining makes the biggest contribution to exports. Its share of the government's domestic revenue has grown: to 28 percent in 2006, up from 24.5 percent in 2005 and 18.3 percent in 2004. Currently, the mining industry provides an estimated 22,000 direct full-time jobs and has already created more than 50,000 indirect jobs.

362. In the poverty reduction strategy framework, the currently obsolete policy for the mining sector will be revamped to reflect the new political, economic, and social environment prior to its adoption by the government.

363. Consequently, the sector must:

- Expedite the country's economic growth, in part by executing the mega-projects currently in the pipeline;
- Strengthen the development of basic services, by contributing to government revenue and to local authorities' budgets and by direct actions on the ground;
- Contribute to a reduction in unemployment, especially that of recently graduated young people; and
- Increase the country's foreign exchange reserves.

364. To that end, it should post growth of approximately 6.2 percent in 2007 and average more than 5 percent between 2008 and 2010. To meet that challenge, major measures must be taken.

365. Within a now more attractive framework, the government intends to promote major mining projects in iron and aluminum. It will facilitate the construction of the infrastructure needed to make these projects a success (the trans-Guinean railway, and a deep-water mining port). These mega-projects will expedite economic growth, create decent jobs, and generate income. Investments are expected to total almost US\$27 billion by 2015, thereby creating between 85,100 and 102,000 jobs during the construction phase and between 23,700 and 28,230 jobs in the mining operations phase (see Table 4.5, which gives an overview of investment projects in the mining sector).

366. Development efforts will be two-pronged: more intense mining and efforts to ensure more value added for Guinea's mineral output.

367. With this in mind, the government is about to embark on structural reforms in the sector. Guinea's Mining Code and taxation system, which date back to 1995, are currently being revised to take into account more recent developments in both the domestic and international arenas.

368. For this, the following factors are being taken into consideration:

- The size of mining investments, especially the mega-projects;
- The environmental and social aspects of mining operations;
- Community development in the mining regions; and
- The need to attract large mining investments by offering competitive taxation arrangements, and so on.

369. For all these reasons, the government has drawn up a Model Mining Agreement (*Convention Minière type-CMT*) with the help of the World Bank. This Agreement could very shortly be adopted by the government after it has been examined by the Council of Ministers.

370. Certain specific issues in connection with this Agreement are currently being studied by the staff of the Minister of Mines and Geology. They have to do with:

- Procedures for renewing or withdrawing an exploration permit;
- The powers of Ministry of Mines officials;
- The surface above a mining concession;
- The tax to be charged on industrial and commercial profits;
- The amount of the tax on mineral substances; and
- The community development clauses.

371. Once this examination has concluded, the Agreement will be adopted by the Government in the Council of Ministers.

372. Guinea joined the Extractive Industries Transparency Initiative (EITI) in 2005 and, as a result, has since performed audits.

373. Since then, it has collected and reconciled data on the payment flows of mining companies and revenue collected by the government administrations for 2005. The still unaudited data were published in October 2005.

374. The EITI plans to audit flows on a regular basis, that is to say, once a year. Within that framework, it is currently completing its audit of these flows.

375. The auditor recruitment process for 2006 is currently under way. The audited data for 2006 are expected to be published before the end of 2007.

376. In addition, with a view to strengthening the government's institutional capacity to monitor the sector, a government department called "Direction des Etudes et de la Prospective (DEP), has been established in the Ministry of Mines and Geology. Hierarchically, it is equivalent to a Central Government National Directorate.

377. The DEP's job is to put together a network for collecting, analyzing, processing, and synthesizing technical, economic, and strategic information, in order to establish basic objectives for the short, medium and long terms with respect to the exploitation of mineral and mining resources and sustainable management of the environment.

Table 4.5: Overview of investment projects in the mining sector

Projects	Purpose	Date		Capacity (tons per year)		Investment in US\$			Investor/ Promoter	Construction phase	Jobs to be created Extraction phase
		Start-up	End	Durati- on in years	Start-up -sion	So far	2007–2010	Total			
1 Sangaredi alumina plant	Alumina refinery	2006	2009	4	3	5.4 million	300	2.9 billion	Global Alumina/BHP-Billiton/Dubai Mubadala	7000—10000	1200—1500
2 Kamsar alumina plant	Alumina refinery	2008	2011	4	1.5	3 million	10	1.49 billion	Alcoa/Alcan	4000—5000	1000—1200
3 AC G-Frigua	Extension Bauxite extraction; Alumina refinery	2008	2010	2	1.2	1.5 million	70	630 million	Ruski Alumini	-	-
4 Integrated Dian-Dian project	Bauxite extraction; Alumina refinery	2009	1			18 million	3 982 billion	4 billion	Ruski Alumini	7000—10000	2000—3000
5 SBDT	Bauxite extraction; Dabola-Tougué, Alumina refinery	2008	1	4 -		30 million	2.47 billion	2.5 billion	IMIDRO-IRAN	5000	1000—2000
6 3PL Trade	Bauxite extraction; Alumina refinery	2010	2012	3	1.5 -	-	1.5 billion	1.5 billion	3PL Trade	-	-
7 Simandou (SIMFER)	Iron ore production	2010	2013	4	70	100 million	30	5.94 billion	6 billion	Rio Tinto	

8	Trans-Guinean	Transportation of iron ore from Nimba-Simandou to Matakang	2010	2013	4	100 -	30 million		Government of Guinea/ Rio Tinto/ Euro-Nimba
9	Nimba (SMFG)	Production of iron ore	2010	2013	4	20	20 million	1.28 billion	Euro-Nimba
10	SMD Extension	Production of gold	2006	2007	1	300000 ounces	220 million	220 million	Crew Gold corporation
11	Integrated Konkouré project	Bauxite extraction; Alumina refinery; Production of energy; aluminum foundry	2008	2015	7	725 MW 240 000	1025 MW 20 million	6.27 billion	Government of Guinea Eximbank Chalco/ Synohydro
12	Cogon hydroelectric project	Electricity supply to the Boké mining circuit	2009	2011	3	50 MW	80 MW	1.050 million	178 million
		TOTAL						749.05 million	27 billion
								85100-102000	5100 20-30
									23700-28230

Source: Ministry of Mines and Geology

D.5 Tourism, crafts and culture

D.5.1. Tourism

378. Both tourism and craft industries can contribute to the economic and social dynamics of the country. For that reason there is a specific policy for developing these sectors.

379. Guinea has significant tourism potential. However, the sector faces enormous hurdles: be it water, electricity, telecommunications, transportation, or hotel arrangements, there are huge unresolved problems. Despite the existence of a National Tourism Office (ONT) and a legal and regulatory framework, Guinea is one of the least popular destinations in the subregion.

380. Today the country is off-limits for certain large international airlines, in part because of the very high costs of the Gbessia international airport, the absence of a major flow of passengers flying to Guinea, harassment by police and customs officers, and the lack of security manifested in the frequent theft of objects from travelers' luggage (when their suitcases do not simply vanish into thin air).

381. It is worth noting that the government investment planned for opening up remote areas and developing tourist sites has not materialized for lack of external funding and because local operators are wary of investing in the sector.

382. The objectives established for the tourism sector involve it:

- Helping to expedite economic growth;
- Generating employment and a wide distribution of income;
- Helping to mobilize foreign exchange.

D.5.2 The crafts industry

383. Craft industries, including those related to mining operations, account for a major share of economic activities in Guinea. They employ more than 30 percent of the urban population. Furthermore, 80 percent of the economically active population employed in craft industries lives in rural areas. Crafts therefore constitute an importance source of jobs and a precious source of income for both the urban and rural population. However, Guinea's energy crisis poses a grave threat to this subsector and is currently depressing artisans' income.

384. The government's efforts in developing the crafts industry are aimed at strengthening and expediting economic development with positive effects for the poor. Specifically, it seeks to: (i) increase the craft industry's productivity and competitiveness; (ii) increase productive and stable employment; and (iii) strengthen technical and management skills and contribute to the expansion of the industrial base.

385. To achieve these objectives, the government has drafted a Crafts Development Policy Letter, which should result in a Master Plan for the development of the sector. It is also worth noting that the plan of action of the Framework Program for the

Support and Development of the Private Sector (PCDSP) envisages several projects in support of the crafts industry.

386. Several new developments are taking place, associated with the dynamics of the decentralization and participation process. Thus, numerous professional associations have been formed, at the regional and national level, to breathe new life into the sector's development. Discussions with sector professionals and partners have resulted—in the spirit of the crafts industry development policy letter LDPArt—in a number of strategic approaches focusing on:

- Implementation of the Crafts Industry Code (finalization of texts, translation into national languages, dissemination);
- The establishment of chambers for the different trades;
- Establishment of a financing system geared to the crafts sector;
- Capacity building for artisans and improvement of the terms and conditions of apprenticeship;
- Support for the creation of infrastructure (craftpeople's villages, a crafts center or "Maison de l'Artisanat");
- Gender mainstreaming in promotion of the Guinean crafts industry; and
- Scaling down at the national level of projects to support self-promotion by artisans.

D.5.3 Culture

387. Although Guinea today is a poor country, economically, it is nevertheless rich in culture. Synthesizing the great civilizations of the medieval West African empires, Guinea's culture may be a powerful lever for sustainable development and poverty reduction. Indeed, culture is increasingly becoming the raw material for a set of activities known as "culture trades" (*métiers de la culture*), practiced by a significant section of the population. These are mainly professions related to the culture industries (cinema, music, theatre, books), to art and to crafts. Further developed, they may constitute an important source of wealth creation and employment.

388. Nevertheless, the lack of statutory regulations for these trades has meant that the sector has remained informal and its activities marginalized. They are not listed among jobs to be supervised and promoted. As a result, most culture entrepreneurs lack significant income and assistance.

389. **Objective:** To foster the speedy development of the culture trades, so that they can contribute jobs and wealth, especially for young people.

390. **Strategies:** (i) Establish an assistance and support fund; (ii) Establish an attractive legal and taxation framework for the culture trades; (iii) Define the professional status of the culture trades; and (iv) Create a support mechanism for culture entrepreneurs' efforts to set up their own organizations.

E. Industrial development and the promotion and modernization of commerce

E1. Industrial development

391. The industrial sector's share of GDP (3.8 percent) is insignificant compared to its growth potential. This paradox is explained by a number of constraints that amount to veritable bottlenecks stifling expansion of the sector. They are:

- The high cost of the factors of production (water, energy, telecommunications, industrial lots, transportation, etc.) as well as the deficiency (in both quantitative and qualitative terms) and sporadic availability of these factors;
- The difficulties associated with acquiring both local and imported raw materials;
- Problems of access to credit and prohibitively high interest rates;
- The instability of the exchange rate and difficulty of adjusting consumer prices;
- Ongoing ad hoc exemptions for certain imported products competing with those manufactured locally;
- The relative ineffectiveness of the government services responsible for supporting promoters;
- The mismatch between human resource qualifications and actual requirements for jobs.
- An industrial park with sometimes obsolete technology;
- An inefficient legal and judicial system;
- An ineffective information system with respect to technological progress and international market requirements.

392. To overcome these constraints, the government is committed to:

- Establishing a more attractive business environment;
- Boosting support for the private sector;
- Facilitating access to credit; and
- Improving the institutional support system, and so on.

393. The implementation of these measures will make it possible to promote the industrial branches in which our country has comparative advantages, namely: agro-industry, construction materials, and the metals industry.

E2. Promotion and modernization of commerce

394. Promoting and modernizing commerce are actions that form part of an overall strategy to increase national output, create decent jobs, and generate income for all. To that end, a study on an integrated framework for commerce was conducted in 2003, to identify and evaluate the country's commercial potential, analyze the constraints that need to be overcome, and highlight the priority measures to be adopted.

395. With respect to commerce, Guinea's objectives are: (i) to ensure the professionalization and modernization of commercial trades by reducing the size of the informal sector; (ii) to increase the role of commerce in national wealth creation and, hence, in poverty reduction, above all by means of strong economic and commercial integration with other countries in the West African subregion, with Africa, and with the rest of the world, and by regaining the share in international markets that Guinean products once enjoyed. With those objectives in mind, the priority sectors identified are: fisheries, agriculture, traditional crafts, mining crafts, tourism, and trade.

396. These objectives will be achieved by, among other measures:

- Developing standards and quality requirements for products made in Guinea;
- The provision of reliable commercial statistics;
- The establishment of dynamic and efficient national institutions and structures for promoting and advancing the private sector;
- Enhancing the competitiveness of products, especially by raising productivity;
- Establishing appropriate fora within the country for trade promotion activities, such as fairs and exhibits, the National Interest Market (MIN), and centers for sorting and packaging products, including perishable goods;
- Enhancing the domestic integration of markets in order to ensure that local urban market and international market opportunities are passed on to the more remote areas in Guinea; and
- Reducing transportation costs and police harassment by continuing to implement the plan of action arising out of the sectoral strategy for the transport sector drafted in 1999.

397. With a view to solving these problems, an assessment was made of technical assistance needs related to commerce and three pilot projects were selected. These projects are:

- Promotion and development of Guinean agricultural export products that have a strong potential for poverty reduction;
- Capacity building for trade negotiations; and
- Institutional support for the development of commercially viable Guinean exports.

F. Promotion of sustainable development

F.1. Natural resource management and environmental protection

398. Guinea's chances of accelerating economic development depend to a large extent on the rural and mining sectors. The intensification of activities in these sectors raises real issues as to their impact on the potential for development and on the environment.

399. Poverty reduction must be regarded in conjunction with questions of access to consumption, rational and sustainable management of natural resources for present

and future generations, and protection of the environment. The idea is to enable the population of Guinea to attain a sustainable standard of living by integrating, for the sake of poverty reduction, development issues with natural resource management. This is done by developing, for each pocket of poverty, projects and programs that integrate development with sustainable management of the environment.

400. A diagnostic assessment of the whole environmental sector reveals two facts: (i) Guinea has the necessary conditions for harmonious and sustainable development, with, above all, an abundance of farmland, major forest resources, a diverse range of ecosystems, and important water and marine resources; (ii) the fairly critical environmental situation today, due especially to continuous pressure on resources, is reflected in swift degradation of the natural environment.

401. The overall objective with respect to rational and sustainable management of natural resources and protection of the environment is to assist development and thereby improve living conditions for present generations without sacrificing the sustainability of the productive base for future generations and to protect the environment.

402. The specific objectives for attaining the overall objective are to: (i) ensure rational and sustainable management of soils, forests, and protected areas, catchment areas, and marine, coastal, and fish ecosystems; (ii) combat desertification; and (iii) incorporate concern for a sustainable environment in sectoral strategies.

F.1.1. Rational and sustainable management of soils and efforts to stem desertification

403. The potential area suitable for farming is estimated as 6.2 million hectares, of which only 20 percent (1.2 million ha) are currently used. The principal causes of soil degradation are bush fires, various forms of clearing, deforestation, slash-and-burn cultivation, and so on.

404. The strategy for ensuring rational and sustainable soil management and efforts to stem desertification will focus on: (a) fighting erosion; (b) expanding the surface area of developed plains and low-lying areas; and (c) raising the productivity of farmland and strengthening sustainable soil management capabilities.

F.1.2. Rational and sustainable development of forests and protected areas

405. Guinea has a great variety of forests: mangrove (250,000 ha), dense wet forest (700,000 ha), dense dry forest and woodland (1,600,000 ha), and wooded savanna (10,639,000 ha), that is to say, a total wooded area of approximately 13,189,000 ha, or 53.63 percent of the national territory. The area classified as forest covers less than 5 percent of the national territory, but accounts for a considerable share of the country's forest area (1,140,000 ha out of 2,550,000 ha).

406. The principal threats are: forest fires, irresponsible and anarchical exploitation of wood resources for timber, rural construction and fences, firewood, and charcoal.

407. The pressure on resources is reflected in the following rates of decline: 4.2 percent in the case of mangroves; 1.4 percent for dense dry forests, and 2.08 percent for wet forests.

408. The protected areas consist of: two (2) national parks; one (1) integral nature reserve; six (6) managed nature reserves; five (5) state-owned classified forests; and fourteen (14) conservation areas.

409. The strategy for managing forests and protected areas will focus on: (i) evaluation, protection and exploitation of national resources, including biodiversity; (ii) expanding and strengthening management of the protected areas; (iii) community forestry as part of a rational soil management policy; (iii) expanding forest areas; and (iv) institutional and legal capacity building.

F.1.3. Rational and sustainable management of catchment areas

410. The catchment areas are characterized by a very dense drainage net composed of 1,661 watercourses spread over the 24 catchment areas. Fourteen of these watercourses are international and irrigate most West African countries.

411. Human activity in the form of slash-and-burn cultivation and crops cultivated very close together on slopes have contributed to the marked degradation of vegetational cover at the sources and along the banks of rivers, thereby causing erosion and the silting up of the watercourses.

412. The catchment area management strategy will mainly focus on: (i) protecting watercourse sources, banks, and beds; (ii) repopulating the main water bodies with ichthyic wildlife; (iii) boosting efforts to combat banned fishing techniques; (iv) promoting Economic Interest Groups (GIE); and (v) strengthening technical capacity to manage catchment areas.

F.1.4. Rational and sustainable management of marine, coastal, and fish ecosystems

413. With approximately 350 km of coastline, Guinea has an extensive opening to the sea with immense fishing and mangrove swamp potential. However, these important resources are constantly subjected to severe manmade pressures. The main dangers are: overfishing, irrational exploitation of fisheries and mangrove swamp resources, the incursion of industrial trawlers into areas reserved for artisanal fishing; failure to respect fish spawning areas, pollution from the dumping of households' waste waters, hydrocarbons pollution, and so on.

414. To achieve rational and sustainable management of ecosystems, the strategy will focus on: (i) drawing up an inventory, evaluating, and monitoring resources; (ii) capitalizing on the advances achieved with the Maritime Guinea Observatory and the Mangrove Project in the Sangaréah Bay; (iii) stepping up surveillance of Guinea's exclusive economic zone (ZEEG); and (iv) combating marine pollution.

F.1.5. Rational and sustainable water resource management

415. The country's water potential is enormous, with 27,000 m³ per person per year. Rainfall averages 1,988 mm/year but is unevenly distributed (with peaks of 4,000 to 4,500 mm/year). The underground water supply is estimated at 13 billion m³. These water resources are threatened by the ever more intense human activity and the risk of various kinds of pollution and the depletion of the resource. Despite the huge potential, Guinea's rate of access to safe drinking water is far from optimal. On average, 62 percent of households have access to drinking water.

416. The water resource management strategy will focus largely on improving access to drinking water, fighting water pollution, and achieving better water control for agriculture and livestock breeding.

417. As regards water control, the main steps to be taken involve: (i) developing irrigated farming so as to guarantee sustainable farm output and returns on investment in the sector; (ii) preparation by the government of a master plan for the hydroagricultural development of the medium and large plains and low-lying areas in the four regions; (iii) government strengthening of support for the emergence of SMEs in the form of appropriate training and equipment programs; (iv) formulation by the government and implementation of a national experimental catchment areas program in order to obtain reliable parameters for estimating the scope of the infrastructure required; (iv) drafting by the government of a strategy and national program for exploiting surface waters (dams and micro-dams) primarily in arid areas in order to develop much more intensive farming; and (v) strengthening the operational capacity of the technical management staff.

F.1.6. Incorporation of sustainable environment concerns in sectoral strategies

418. A sustainable environment is a prerequisite for almost all the country's development sectors. In principle, the strategies for each of these sectors have one or more components addressing environmental issues. That is why it is necessary to ensure the environmental viability of any sectoral program or project by conducting an environmental impact assessment.

419. Thus, to incorporate a sustainable environment in sectoral strategies, there will be: (a) an environmental impact assessment (EIA), which has become one of the most effective tools for taking environmental concerns into account; (b) strict enforcement of Decree No. 199/PRG/SGG/89 of November 8, 1989, which codifies environmental impact assessments (EIA) and lists the works and constructions for which such an assessment is required. Pursuant to Article 7 of this Decree, implementing regulation No. 990/MRNE/SGG/90 establishes the modalities and parameters for the EIA. It also describes the contents, methodology, and procedures applicable to environmental impact assessments.

V. Improved access to quality social services

420. Official figures show that the overall resident population of Guinea has increased from 4,661,000 inhabitants in 1983 to 7,059,000 in 1996. This is an essentially young population that is growing at average annual rate of 3.1 percent. At this rate, there should be nearly ten million inhabitants in 2007 and about 12.6 million in 2015. This rapid growth requires an accelerated creation not only of employment and income opportunities, but also an adequate supply of basic social services of a reasonable quality.

421. To face this challenge, the government plans to promote the national policy on population, which is aimed at: (i) promoting quality education for all, with particular emphasis on education for girls, for children in rural areas and for those in other underprivileged sectors; (ii) improving the state of the population's health and nutrition in general, and that of women and children in particular; (iii) increasing equitable access to drinking water and sanitation services; (iv) progressively expanding social protection for all; and (v) taking the dimension of gender into account.

5.1. Improving access to a quality education for all

422. A situational analysis of the education sector shows that despite the progress made in recent years, the educational system continues to face difficulties in improving its performance to achieve the goals of quality universal education. These deficiencies include:

443. **In terms of increased access:** (i) a school enrolment rate below the Millennium Development Goals; (ii) inadequate infrastructure and facilities to handle pedagogical, scientific and technological needs (laboratories and NICT); (iii) persistent disparities in the school enrollment ratio according to gender, region and income group; (iv) many schools that offer incomplete programs in rural areas and many overcrowded classes in urban areas; (v) a lack of qualified teachers to cover the needs of schools and universities; (vi) a lack of subsidies to private schools; (vii) aging teaching staff in higher education and research; (viii) insufficient public subsidies to support private literacy initiatives; (ix) insufficient community training centers; and (x) a lack of motivation among teaching staff working in extremely poor areas. .

444. **In terms of improved quality:** (i) a primary school completion ratio below the Millennium Development Goal; (ii) high dropout rates in primary and secondary school, especially among girls; (iii) weak student reading skills (the starting point for further learning) and insufficient facilities for reading in primary and secondary schools (reading nooks and libraries); nearly 50 percent of primary school children do not read correctly; (iv) insufficient school textbooks and other didactic materials, as well as poor management of textbooks; (v) a lack of laboratories and equipment and scarce access to new information and communication technologies; (vi) inefficient evaluation systems; (vii) some teachers with a low level of academic knowledge and pedagogical skills; (viii) poor monitoring and training of teachers; (ix) inadequate training vis-à-vis market needs and poor social and professional

integration of technical and higher education diploma- and degree-holders; (x) no control of entry flows at all levels and into higher education institutions; (xi) weak scientific production; (xii) disparities in school performance, according to geography, gender and income; and (xiii) poor adult literacy results.

445. In terms of strengthened management: (i) a low level of public financing of education in general (14.4 percent of current expenditures in 2006 – below the 25 percent minimum required for quality education) and inefficient and inadequate intra-sectoral arbitration; (ii) a low level of primary school financing (37 percent in 2005 instead of the 50 percent needed to ensure quality universal primary school education by 2015); (iii) poor educational management and weak systemic capacity to better transform existing resources into significant scholastic outcomes; (iv) structural problems (low teacher salaries, delays in payments to new teachers, lack of a career plan to motivate teachers under contract); (v) low capacity to manage staff at all levels of the system; (vi) low capacity of grassroots communities to manage schools; (vii) insufficient leadership and management training for heads of institutions and school and university administrators; (viii) a low level of involvement in technical and vocational training and certification on the part of the professional world; (ix) low managerial capacity to mobilize and manage resources; (x) insufficient coordination of action taken by partners.

5.1.1. Objectives

446. The challenges listed above call on everyone for more active mobilization for education. This sector will play a key role in realizing the strong desire for changes that will improve the quality of life of the Guinean people in general and young people in particular. In the concretization of these legitimate aspirations, the implementation of educational reforms is a determining factor in the formation of responsible citizens capable of playing a positive role in the process of socio-economic development – one factor in poverty reduction.

447. The development objectives for the educational system, which are among the Millennium Development Goals (MDGs), fit perfectly into the Poverty Reduction Strategy (PRS). By 2015, therefore, universal school enrolment will be a reality, with a 100 percent completion rate in primary school.

448. The objectives described below respond to the concerns of the educational sector for this second generation of the Poverty Reduction Strategy. They focus on: (i) supporting the educational system to encourage economic growth, considered to be the main engine of long-term poverty reduction; (ii) targeting actions leading to a progressive correction of the disparities associated with gender, regions and income, and preventing exclusion; (iii) preparing a strategy to produce human capital that meets the needs of the informal and modern sectors of the economy; (iv) improving training through better management of the educational system; (v) increasing access at all levels and improving the monitoring of teaching and learning.

449. Specifically, the targeted goals are the following:

- Increase the national educational budget from 14 percent in 2005 to 25 percent in 2010 (compared to a sub-regional average of between 25 and 30 percent), to reach 40 percent in 2015 (standard established for UNESCO member countries);
- Increase the share of primary education in overall educational spending from 37 percent to 44 percent in 2010, to reach 50 percent in 2015;
- Increase capacities to transfer centralized resources and responsibilities to local authorities in order to ensure better management of schools by communities;
- Increase the entry rate in the first year of primary school from 75 percent in 2005 to 91 percent in 2010, to reach 100 percent in 2013;
- Increase the primary school completion ratio from 55 percent in 2005 to 79 percent in 2010, to reach 100 percent in 2015;
- Increase the capacity to manage student flows in order to raise the rate of transition from primary school to junior high school by 78 percent in 2005, 64 percent in 2010 and 50 percent in 2015, and to raise the transition rate from junior high school to high school by 93 percent in 2005, 66 percent in 2010 and 40 percent in 2015;
- Increase the girl/boy parity ratio from 0.81 in 2005 to 0.92 in 2010, to reach parity in 2015;
- Increase the adult literacy rate from 35 percent in 2005 to 50 percent (of whom 40 percent are women) in 2012;
- Increase the management capacities of at least 55 percent of school administrators at the central and regional levels by 2010;
- Construct housing for teachers in at least 30 percent of schools located in extremely poor areas.

5.1.2. Strategies

450. The following strategic options have been chosen to reach the objectives listed above:

1. Consolidation of the progress made in basic education through improvements in coverage, retention and quality of learning, and through the correction of disparities at all levels;
2. The development of mechanisms to regulate flows among the various levels in the educational system by: (i) a reasonable balance of quantity and quality; (ii) the introduction of short-term vocational training at the end of junior high school;
3. Improvements in the quality of future primary teachers through the rigorous application of hiring and certification standards in national teacher's colleges (ENIs) and through the establishment of revamped training modules;
4. More intense training of multi-skilled secondary school teachers, inspired by successful experiences in the initial training of primary school teachers, and the training of quality teachers and researchers in sufficient numbers to

- respond to the needs of technical and vocational teaching and higher education;
5. Capitalizing on and spreading successful experiences in the area of community participation in school management and educational development planning at the regional level;
 6. Preparing and implementing a sectoral plan to build institutional capacities for a more effective transformation of inputs into outcomes;
 7. Stepping up the fight against illiteracy through literacy and informal education programs;
 8. Introducing HIV/AIDS education in the national educational curriculum (primary, secondary, technical and university).

451. To implement the strategies described above, the following action will be taken:

A. In terms of increased access: (i) make primary and junior high school free of charge; (ii) subsidize the most economically disadvantaged families in extremely poor areas as an incentive to enter primary school; (iii) increase school enrollment in underprivileged and under-enrolled areas; (iv) standardize schools with incomplete academic programs, especially in the poorest areas; (v) replace improvised schools; (vi) create a fund to support private schools; (vii) prepare infrastructures for children with special educational needs (blind, deaf-mute and physically disabled); (viii) develop a culture of maintenance of infrastructures and facilities at all levels; (ix) establish funds and mechanisms to finance urgent repairs; (x) recruit teachers at all levels; (xi) provide public subsidies to private providers in the areas of literacy and informal education; (xii) build junior and senior high schools at convenient locations; (xiii) open regional technical high schools; (xiv) develop post-primary and post-junior high school learning centers; (xv) develop capacities of the national teacher's colleges (ENIs); (xvi) infuse new life into vocational training centers (CFPs); (xvii) develop the admission capacity of vocationally-oriented university institutes; (xviii) establish reading nooks in primary schools and build school, university and public reading libraries.

B. In terms of improved quality:

Action for early childhood education: (i) issue regulations and directives, and provide supervisory training for the implementation of effective programs for early childhood education; (ii) increase the number of community education centers and encourage private kindergarten initiatives; (iii) produce and supply the necessary materials and play equipment to early childhood education centers; (iv) have the State cover certain operating costs at the centers (food, play materials, primary health care and other such items), especially in the poorest areas. (v) teacher training and professional upgrading; (vi) training in the use of textbooks, materials and computer equipment; (vii) strengthen evaluation mechanisms and professional development for teachers; (viii) strengthen the capacities of teaching and research staff (initial and ongoing training of teachers, PEN/CPMF educators, [multi-skilled] secondary school teachers, technical and vocational school trainers, and university researchers and teachers); (ix) upgrade the teaching profession through the establishment of a performance evaluation system that includes motivational measures and the implementation of a specific teachers' statute.

454. Action on educational content

- Strengthen reading skills in primary school: (i) make reading nooks widely available; (ii) promote national languages; and (iii) continue interactive radio broadcasts (EIR);
- Develop education in sciences and technology in high school;
- Introduce new information and communication technologies (NICT) in schools;
- Develop physical, sports and environmental education, as well as education in citizenship (reduction of violence in schools and universities);
- Continue renewal of the curriculum at the different levels: primary, secondary, technical and professional and higher education (implementation of the Master/Doctoral License [LMD] reform).

455. Action on pedagogical methods and stronger support/supervision

- Acquire school texts, teaching materials, information holdings for all levels of education, including post-primary and post-junior high and ENIs, and support the local production of teaching materials;
- Acquire books and CD-ROMs for university libraries and research centers;
- Acquire equipment and supplies for laboratories, workshops and other learning centers;
- Develop and strengthen alternative approaches: (i) multigrade education strategy; (ii) distance training; and (iii) special education;
- Promote better management of student entry flows;
- Establish a modular system for technical and vocational education to simultaneously offer the opportunity for training and work;
- Continue actions in the area of adult literacy and informal education by: (i) expanding NAFA centers to offer more opportunities to youths with no schooling or incomplete schooling; (ii) develop the capacity to mobilize technical and financial resources; and (iii) continue the outsourcing ("faire-faire") approach to implementing action for functional literacy and workplace literacy;
- Promote scientific and technical research;
- Establish socio-professional integration funds for those completing technical and vocational training, as well as for those completing higher education;
- Improve the quality of health care and the nutritional condition of children, especially at the primary level;
- Strengthen pedagogical management and guidance capacities.

C. In terms of strengthened management

- 456. Increase education's share in the national development budget to at least 20 percent between 2010 and 2012, from the current 14 percent level (the sub-regional average ranges from 25 to 30 percent; the standard established for UNESCO member countries is 40 percent by 2015);
- Strengthen capacities at the central and regional levels in the areas of planning and results-based management;

- Promote a management approach based on transforming resources at the local level into significant educational results;
- Strengthen the control capacity of the *carte scolaire* (school district map);
- Reduce school enrolment costs, especially for the most underprivileged;
- Establish policies to encourage and recognize the efforts made by teaching staff;
- Improve the management of human resources through individual monitoring of teachers;
- Establish incentives (school enrollment bonuses, construction of housing for teachers and the granting of substantial bonuses to keep teachers in their positions in the poorest and most underprivileged areas);
- Strengthen community capacity in the areas of planning, programming and management of human, physical and financial resources, as well as monitoring for better management of educational development plans (PDEs);
- Support community management initiatives for better operation of community education centers (CECs) and primary and secondary schools;
- Improve financial management at all levels;
- Continue restructuring centralized and regionalized services to improve governance at all levels;
- Train administrators and managers of the Management and Leadership system;
- Prepare and implement a sectoral plan to build institutional capacities for a more effective transformation of inputs into outcomes.

457. Since 2006, the education sector, supported by technical and financial partners (PTFs), has been preparing the Sectoral Program (2008–2015) in which primary education remains a priority. This program is a tool to implement the Education Sector Policy Letter (LPSE). The planning and scheduling of activities under this program is based on an updated logical framework — a financial framing of the sector that is coherent with a framework for medium-term spending (CDMT) over a flexible three-year period of activities.

458. To carry out this sectoral program, technical and financial partners have agreed to harmonize their support of the education sector through the partnership framework on one hand and the letter of understanding for a common fund (AfD, KfW, World Bank) on the other, in accordance with the Paris Declaration (2005) on the harmonization and the effectiveness of public development aid (PDA). These new approaches support the government leadership in the development of education and favors Guinea's efforts to access the Catalytic Fund for the Education for All Fast-Track Initiative (IMOA-EPT).

5.2. Improvement of access to health and nutrition services, especially by the poor

459. The sectoral analysis of the health sector shows that the main challenges facing health services include: (i) the low level of financial resources allocated to the sector, the delays in their disbursement and the loss of funds allocated to regionalized structures; (ii) the lack of conveniently located infrastructures (low coverage of health posts in districts) ; (ii) poor integration of projects and programs; (iii) non-coverage of the minimum set of resources needed for the diseases encountered; (iv) under-

equipment of certain structures; (v) recurrent stock shortages of essential medicines, vaccines and consumables in health structures; (vi) poor coverage of essential medicines in remote areas; (vii) the very high costs of essential medicines and overpriced health services; (viii) the poor distribution of existing staff between Conakry the rest of the country; (ix) the low motivation of agents posted to poor areas; (x) the lack of adequate mechanisms to manage the Poverty Fund; (xi) the low level of appropriation by health workers of the spirit of mutual benefit organizations and of the advisory bodies on the management of health care structures; (xii) the poor functioning of the system that manages the sector; (xiii) the low level of case management of people living with HIV/AIDS and; (xiv) the low level of awareness of nutritional foods.

460. To face these challenges, the government has established the following goals:

5.2.1. Health and Nutrition

General goal

461. The general goal of developing health and nutrition care is to reduce the impact of disease on the well-being of the population in general and the poor in particular.

Impact goals

462. As defined in the country's health policy, they aim to:

- Reduce the gross mortality rate from 1.2 percent in 2005 to 1.0 percent in 2010;
- Reduce the infant mortality rate from 9.1 percent in 2005 to 7.0 percent in 2010 and to 5.0 percent in 2015; Reduce the maternal mortality rate from 980 deaths per 100,000 live births in 2005 to 700 deaths per 100,000 live births in 2010;
- Reduce the child mortality rate from 13.0 percent in 2005 to 9.0 percent in 2010 and to 6.3 percent in 2015;
- Reduce the malaria-specific mortality rate by 23 percent in 2010 and by 40 percent in 2015;
- Reduce the tuberculosis-specific mortality rate by 30 percent in or before 2010 and by 50 percent in or before 2015;
- Reduce the prevalence of growth retardation in children under age five from 36 percent in 2005 to 18 percent in 2010 and to 13 percent in 2015.

463. Fight against tuberculosis

- Screen 70 percent of contagious diseases and cure 85 percent of cases of contagious tuberculosis by 2010.

464. Fight against malaria

- Ensure that all diseases are treated.

- Ensure intermittent preventative treatment (IPT) for 80 percent of pregnant women in 2010.
- Protect all women and children with impregnated mosquito nets.

465. Fight against maternal and neonatal disease and mortality

- Achieve 80 percent prenatal coverage in 2010.
- Achieve a 40 percent rate of assisted births in 2010.
- Achieve a 5 percent rate of cesareans in 2010.
- Achieve 80 percent child vaccination coverage in 2010.
- Reduce the malnutrition rate from 36 percent in 2005 to 10 percent in 2010.
- Promote health and hygiene.

Strategic areas

466. To achieve these goals, the national health policy will focus on five strategic areas:

- Strengthening the prevention of and the fight against priority diseases;
- Increase access by the poor to essential health services;
- Improve the quality of services;
- Strengthen institutional and managerial capacity;
- Increase the availability of human resources.

A. Strengthening the fight against priority diseases and maternal and neonatal mortality

A1. The fight against priority diseases

467. Due to their impact on mortality and household economies and given the rapid rise in their prevalence in the country, infectious diseases (tetanus, measles, tuberculosis, hepatitis B, acute respiratory infections, diarrhetic diseases, etc.), malaria, reproductive pathologies and emergent or re-emergent diseases such as diabetes are now a major concern for Guinea.

468. For infectious diseases, with the exception of respiratory infections, diarrhetic diseases and bacillary dysentery (shigelloses), vaccination is considered to be the response that is the best value for money. The measures planned in this regard include: the routine inclusion of yellow fever and Hepatitis B vaccine in the extended vaccination program (PEV) and the establishment of specific regional measures to cover poor and remote areas with door-to-door vaccination. These measures will be supported by the corresponding allocations by the government.

469. To deal with acute respiratory infections and diarrhetic diseases, case management efforts will be continued as part of the development of primary health care. This will mean, particularly at the level of basic health services, ensuring the

regular availability of pharmaceutical products and guaranteeing quality services at accessible costs.

Box 5.1: Anti-malaria program indicators

470. Anti-Malaria program indicators

- *Morbidity rate and malaria-specific morbidity rate*
- *Utilization rate of impregnated and nonimpregnated mosquito nets*
- *% de femmes enceintes suivies en chimio – prophylaxie*
- *Densité des anophèles*

471. To reduce the morbidity and mortality due to malaria throughout the entire population and, in particular, in pregnant women and children under the age of five years, a national anti-malaria program has been established. This program will have to be strengthened through its component strategies: (i) the national malaria treatment strategy; (ii) the national strategy for the prevention of malaria during pregnancy; (iii) the national strategy for the promotion of mosquito nets impregnated with insecticides; and (iv) the national strategy for taking grassroots community action to the national level.

472. Regarding emerging or re-emerging diseases, such as diabetes and high blood pressure, studies will be carried out to describe the epidemiological situation and determine the appropriate strategies for controlling them.

A.2. The fight against tuberculosis

473. In the fight against tuberculosis, the Ministry will continue the strategy of screening and treating contagious cases. Given the importance of the problem, the health structures will screen 70 percent of attended cases and will treat 85 percent of screened cases by 2010.

A.3. The fight against nutritional deficiencies

474. To ensure health and physical well-being among the population, the government must fight nutritional deficiencies. To do so, the policy will focus on: (i) ensuring food security (also the focus of other components of the poverty reduction strategy); (ii) continuing to distribute iron to pregnant women, and iron and vitamin A to children, including in schools; and (iii) generalizing the consumption of iodized salt, etc.

A.4. The fight against maternal and neonatal morbidity and mortality

475. To face the challenge of maternal morbidity and mortality, the health policy will focus on: (i) case management of high-risk pregnancies and obstetrical emergencies; (ii) supervised births; (iii) the fight against sexual mutilations of girls;

(iv) promotion of family planning; (v) greater vaccination coverage; and (vi) case management of sexually transmissible diseases.

B. Increasing access by the poor to quality essential health services

476. The enjoyment of the right of each and every person to health requires: the physical existence of health care structures, quality health services and the eradication of financial barriers to these services.

477. Considering the limited resources and the high demand for health services, infrastructure development will focus mainly on basic health structures, especially health posts, in accordance with the Health Map (*Carte Sanitaire*). This policy will be supported by extending the minimum set of resources (with an adequate and regular supply of consumables, generic essential medicines and vaccines) and improving human resource management to ensure the availability of qualified and motivated staff at all levels, especially in rural areas.

478. For greater accessibility to health care, the State will provide operating subsidies to health care establishments to cover the gap between the real costs and the stated costs of services. Also, disease-related risk-sharing systems (mutual health funds, for example) will be developed at the community level in order to reduce exclusion stemming from the low economic level of segments of the population. Finally, basic community services will be developed as an extension of the activities of health structures.

C. Improving the quality of services

479. While the main concern over the past several years has been the accessibility of services, the quality of these services has now become an additional issue. Indeed, improving the quality of services will surely help increase the services offered, such as prenatal consultations, attended births, etc.

480. The measures planned in this regards will focus on: (i) determining a minimum set of services for each level, including quality standards; (ii) improving the technical level of health structures, accompanied by an efficient maintenance system; and (iii) making rational use of medicines.

D. Strengthening institutional and managerial capacity

481. To make the Guinean health system more efficient, there will be a definition of how responsibilities will be shared among the different structures. This reform will be linked to the budget decentralization process already in place since 2001 and will be strengthened by a transfer of greater responsibilities to regionalized structures (planning and allocation of resources, drug supplies, coordination of actions, control of public and private structures, etc.). It will also require a strengthening of human capacities at all levels (hiring, deployment, training) and better planning and management tools.

E. Increasing the availability of human resources

482. To do this, the following is recommended: (i) hiring staff based on previously identified positions; (ii) assigning posts for a minimum of three years and establishing

performance-based contracts, which will have the advantage of ensuring more stable staffing, especially in rural area, while increasing the quality of services.

5.3. National Response to HIV/AIDS

483. In light of the high prevalence of HIV/AIDS in the sub-region and its quick, silent propagation among the population, it is perceived as a real threat to public health and to development. Indeed, if appropriate measures are not taken, the entire economic, social and demographic balance will be threatened.

Box 5.2: Objectives of the fight against HIV/AIDS

484. Under the poverty reduction strategy, three essential objectives will be pursued during the period of the National Strategic Framework for 2008–2012:

- reduction of the HIV/AIDS prevalence rate to 1.5 percent;*
- adequate and comprehensive case management of persons living with HIV/AIDS and persons affected, in particular orphans and vulnerable children;*
- reduction of the socio-economic impact of HIV/AIDS infection on infected or affected persons, on society and on the country as a whole.*

485. To achieve these objectives, it is imperative that the multi-sectoral strategy adopted by the government be implemented. Also, at the local level, grassroots communities will have to develop and implement their own anti-HIV/AIDS plan for prevention, treatment and case management to support the most vulnerable target groups in each sector. They will be able to receive technical assistance and financial support from the State and the donor community for this. The necessary resources will be directly transferred to the (public and private) actors in the field and their management will be ensured by the communities themselves, who will establish partnerships with the project providers.

486. Each sector will also develop its own program, which must include: (i) prevention and case management work by internal staff; (ii) prevention and case management work for the public; (iii) a communication strategy adapted to the activities in the sector, in particular in the ministries of Education, Agriculture, Transportation, Mines, Youth, National Defense and Social Affairs.

487. The health sector will develop case management programs focused on specific activities for recipients (HIV carriers, orphans and vulnerable children, women of child-bearing age) and will integrate related actions in programs for primary health care, maternal and infant health, sexual health and reproduction, tuberculosis diagnosis and treatment and transmissible sexual infections.

488. In the future, all national development programs and projects will take part in the fight against AIDS. These programs will be focused mainly on the most vulnerable segments (highway workers, women, traveling salespersons, men in uniform and youths, and people in areas with a high concentration of refugees).

489. The government's goal is to strengthen the "Three ONES" recommended by UNAIDS: (i) a single national authority to coordinate the fight against HIV/AIDS and the appropriate measures to accelerate the implementation of programs and to increase adequate, comprehensive case management free of charge to persons living with HIV/AIDS; (ii) a single national strategic framework to respond to HIV/AIDS issues, setting out the strategies focused on the general population and on vulnerable groups defined by specific activities; and (iii) a single monitoring and evaluation system with mutually agreed indicators and the obligation to file regular reports on results.

490. Coordination and monitoring of actions will be ensured by responsive structures at the national, regional, prefectoral and sub-prefectoral levels.

5.4. Improvement of access to drinking water

491. Since late 2002, access to drinking water has seriously deteriorated in urban areas, particularly in Conakry, both in terms of daily supply per inhabitant and the quality of the service. Very few neighborhoods in Conakry receive water service today.

492. The problems are closely linked and have mainly to do with the low productivity of the sector (less than 40 percent), the under-use of installed production capacity (less than 60 percent), the deficiencies of the water quality control system and the lack of the resources necessary to finance renovation works and the extension of production and distribution installations.

493. Under the new strategy, urgent and consequent measures will be taken to renovate the water sector and ease the burden of water collection on households, especially on women and young girls. During an interim phase, the goal will be to improve the drinking water supply, especially in Conakry, and to take urgent action to improve the technical and commercial management of the sector. This will involve:

- establishing, for a one-year period, an emergency program to strengthen drinking water production and distribution capacities;
- strengthening the commercial management of SEG with bold and varied measures: raising consumer awareness regarding good citizen behavior; a commitment by the government to pay all its bills and for it to ensure that all government high commissions pay theirs as well; effectively implementing adequate measures to fight fraud in close collaboration with the security and justice services, etc;
- reducing SEG operating fees, improving its management by preparing its financial statements before the end of 2007;
- providing balancing subsidies to the operator (SEG) to enable it to manage its debt service, or transferring the debt service of the company to the State;
- monitoring, by an inter-ministerial committee, of the implementation of all current projects and of the corrective measures listed above.

494. While these measures should significantly improve the water supply in the country, it is no less true that their viability will depend largely on the State's capacity to anticipate the sector's needs, to invest in it and to manage its development. ***Given the above, in accordance with the commitments to reach the MDGs by 2015, the goal is to raise the drinking water access rate to 92.8 percent in urban areas and 77.9 percent in rural areas.***

495. As a result, the medium- and long-term measures to be taken to sustainably improve the drinking water supply to the population are:

- The institutional reform of the water sector, seeking private sector participation to mobilize the major investments that the sector needs, and opening the technical and commercial operation of the installations to professionals;
- Preparation of a master plan for supplying Conakry and the country's inland towns until 2025;
- Preparation of a drinking water supply system for Conakry to cover needs until 2015;
- Seeking financing for the drinking water supply (AEP) projects in the towns that are still not equipped (Léléouma, Koubia, Tougué, Beyla, Yomou, Lola) or for a total overhaul (Fria);
- Establishing a new rates policy and a regulatory body that can be shared with the energy sector for reasons of economy and efficiency;
- Preparation of a program to renovate installations and promote access to drinking water and semi-collective sanitation in the country's inland towns;
- Continued drilling of borehole wells and preparation of water points (springs, wells) in rural areas, using a participatory approach to ensure that the recipients take charge of the management of infrastructures;
- Improved quality control through:(i) involvement of the regionalized Health Ministry services in monitoring the quality of the water distributed; (ii) implementation of a national network for monitoring and quality control; (iii) establishment of drinking water quality standards for Guinea; and (iv) awareness-raising and public education regarding hygiene;
- The systematic pursuit of measures to restructure the management of the sector, especially to fight fraud and control spending in the sector.

496. Furthermore, in the short term it is urgent that efficiency-oriented reforms be launched in the sector to build new technical and financial infrastructure that is both solid and capable of ensuring the sustainability of the service. In this context, it will be useful to have a regulatory body able to act as an interface among the companies in the sector, the State and consumers in areas such as the establishment of construction and supply standards, rate setting, the quality of services offered to customers, etc.

5.5 Improvement of housing and sanitation services

497. In order to integrate housing areas marginalized by their poverty level into the urban dynamic, the urban development and housing sector plans to:

- Improve the living conditions of 75 percent of slum dwellers
- Develop the urban fringes to prevent the formation of new slums
- Do research on the slums to better identify and categorize them in order to find adequate solutions

498. To deal with the sanitation problems in Guinea, the government plans to: (i) limit the production of waste; (ii) dispose of waste in environmentally friendly conditions; (iii) increase the share of reclaimable waste; (iv) ensure that waste disposal costs are under control; (v) guarantee a more effective public service; and (vi) equitably finance the public waste disposal service.

499. The sanitation strategy will focus mainly on: (i) defining a national sanitation policy; (ii) creating or strengthening an environmental information system; (iii) defining waste standards and establishing sectoral regulations with different deterrence levels: for non-payment, dumping waste in the natural environment, and introducing/applying the “polluter pays” principle; (iv) consolidating the basis for mobilizing the financial resources allocated to sanitation; (v) improving the performances of public and private players in terms of the supply of urban infrastructure and services; (vi) introducing the appropriate technologies to the general population; (vii) conducting awareness-raising campaigns on health; (viii) implementing programs for hygiene and environmental protection education in primary schools and health structures; (ix) implementing programs for the viabilization of new urban land and the restructuring of existing housing, and the spatial separation of polluting industrial activities; (x) creating green spaces and protecting areas of ecological importance.

500. For water drainage, the strategy will focus mainly on: (i) densification of the drainage networks; (ii) promotion of mini retention ponds; (iii) promotion of stone gutters and partitioned gutters; and (iv) establishing a durable system for gutter maintenance.

501. For liquid wastes, efforts will focus on semi-collective and collective sanitation, as well as individual sanitation.

502. For ***semi-collective and collective sanitation***, action will focus on:

- Construction of collective networks and lagooning systems for large and densely populated urban areas
- The promotion of semi-collective systems for collective facilities: administration, hospitals, universities, collective housing, markets, etc.

503. For individual sanitation, action will focus on:

504. **For blackwater:** (i) construction of latrines with ventilated tanks (simple or double tank); (ii) construction of flush latrines (simple or double tank); (iii) construction of septic tanks with drywells; (iv) installation of units for the

treatment of drained materials: sludge storage sites; and (v) outfitting of water treatment trucks.

505. **For greywater:** (i) changing the size of septic tanks if they must receive greywater; and/or (ii) construction of concrete trays linked by pipes, with sumps or with French drains (depending on the availability of space and the nature of the terrain).

506. For **solid waste management**, action will focus on: (i) preparing and protecting transfer-to-discharge points (containers or platforms); (ii) identifying sites to be used for the construction of discharges; (iii) construction of controlled discharges; (iv) privatization of municipal garbage collection and adjudication of concessions to SMEs; (v) mobilization of financial resources to recipients (households, businesses, public and private services, etc.); (vi) promotion of garbage sorting and reclaiming activities (grit removal, recovery of bottles, recyclable containers, etc.); and (vii) outfitting incinerators for hazardous waste.

5.6. Improvement of access to energy services by people in rural and peri-urban areas

507. The problem of access to basic energy services by people in rural and peri-urban areas involves issues of: (i) technology (availability of energy resources); (ii) access cost (price of equipment and the income level of the population); (iii) policy, strategy and approach to implementing projects to benefit the population.

508. These target populations have an electricity access rate of barely 2 percent; however, given the difficulty accessing sources of commercial energy, they systematically use traditional energy resources such as firewood for close to 80 percent of their needs.

509. Whatever technological option is chosen in this regard, there is an unquestionable need to make use of the services of a private operator.

510. To improve this situation, the overall goal is to meet the energy needs of all 303 Rural Development Communities and peri-urban areas of recognized importance. The secondary goals are to: (i) provide useable energy that is compatible with the income level of people in rural areas; (ii) make use of environmentally friendly technologies; and (iii) reduce poverty through activities that generate employment, enabling increased income and stemming the resulting rural exodus.

511. The strategy to achieve these goals by 2010–2015 is based on the lessons learned from pilot experiences in developing renewable energy technologies and implementing the Decentralized Rural Electrification project. This will involve:

- Restructuring the energy sector;
- Creating a rural electrification agency (AER);
- Strengthening the capacities of top managers of the National Energy Directorate (DNE) and the Rural Electrification Agency (AER);
- Creating an energy database on the 303 Rural Development Communities;

- Promoting private operators in the sector;
- Making use of soft and environmentally friendly technologies;
- Developing micro-hydro projects;
- Developing large-scale projects while including all needs at the village level;
- Adopting a commercial approach to financing projects with a large volume of subsidies by making use, where possible, of Guinean development mechanisms, the World Environment Fund (WEF) and the European Union's Energy Facility.

5.7. Promotion of culture as a means of strengthening identity and national unity

512. As a depository of values that define identity, culture remains the guarantor of national unity and social cohesion. It determines the capacity of communities and individuals to coexist and to accept each other with tolerance and in peace—essential factors for the implementation of any development policy. However, the lack of adequate cultural infrastructure and facilities, the scarce use of cultural heritage and the low value assigned to it are some of the factors that do not favor popular access to culture. At the same time, Guineans—and young people in particular—are increasingly turning away from their own culture and are adopting the attitudes and behaviors of outside cultures.

513. Objectives

- Strengthen the dynamic of reclaiming national cultural heritage to encourage the appropriation of national identity and values, in particular among the young.

514. Strategies

- (i) prepare a general inventory of cultural heritage; (ii) strengthen the institutional capacities of the Ministry in charge of culture; (iii) construct cultural infrastructures and facilities.

5.8. Social protection

515. At present, due to economic, financial and social constraints, the social coverage rate is very low in our country. Natural risks (natural catastrophes), biological risks (diseases, epidemics, accidents, disabilities, aging) and others are covered very little.

516. To remedy this situation, the goals pursued under the poverty reduction strategy are:

- Extend social protection to the entire population in general and to all workers in particular;
- Strengthen the structures for supporting and taking responsibility for vulnerable groups.

517. The required strategies are:

- Preparation and dissemination of the national policy on social protection;
- Promotion of mutual associations;
- Support for the socio-economic integration of vulnerable persons;
- Commitment to a preventative fight against drug use;
- Establishment of social funds for vulnerable groups;
- Support for the national coordinating committee of organizations of handicapped persons;
- Establishment of an inclusive educational system that supports children with disabilities;
- Establishment of mechanisms to disseminate and raise public awareness of laws and conventions protecting women, children, disabled persons and elderly persons;
- Strengthening structures that support women, girls and children;
- Improving the system for promoting and protecting vulnerable persons;
- Strengthening the psycho-social case management of children who are victims of HIV/AIDS and other vulnerable children;
- Strengthening the response capacity of structures that promote and protect women and girls;
- Strengthening the response capacity of the structures that support and take responsibility for vulnerable groups;
- Creation of structures to enable female independence;
- Availability of a database on vulnerable groups (women, children, disabled persons and elderly persons).

VI. Implementation, monitoring and evaluation of the PRS

518. The lessons learned from the implementation of the PRSP-1 showed the poor coordination between the PRSP and the national budget, the lack of real implementation mechanisms, the weakness of the human and financial capacities of the Permanent Secretariat of the PRS and the low level of involvement of the players (donor agencies, institutions of the republic, civil society organizations, local communities and the private sector), despite the dynamism and dialogue on public policies that had been generated by implementation.

519. At the sectoral level, the inter-ministerial committee for implementation of the PRS has not operated properly for lack of the technical, material and financial resources necessary to carry out its work.

520. At the decentralized level, the Regional Poverty Reduction Strategies prepared in the seven administrative regions of the City of Conakry have not been effectively operationalized, which has significantly affected the regionalization of the PRSP. However, in the new document these strategies have been fine-tuned enough to take into account popular concerns at the local level. Likewise, budget adjudication mechanisms will have to be adapted to take these concerns into account.

521. As in the past, implementation of the PSR will be subject to the following guiding principles: proximity, outsourcing ("faire-faire"), transparency, participation, promptness, subsidiarity, complementarity, synergy, job creation, especially for the poor, sustainable development and social justice.

6.1. Instruments and procedures for implementing the PRS: roles and responsibilities of the actors

522. As required by the PRSP-1, the development and implementation of the PRSP-2 will be guided by the effective participation of all actors (State, development partners, communities, institutions of the republic and civil society).

523. More than in the past, the government intends to fill the gaps detected during the implementation of the PRSP-1, making the PRSP-2 the only operational framework for action by all actors involved in the fight against poverty. It also intends to strengthen budgetary planning to accommodate the PRSP objectives.

524. Successful implementation will therefore necessarily depend on: the relevance and effectiveness of budgetary policies, strengthening monitoring and evaluation capacities, improving the participatory process, strengthening the capacities of the structures responsible for implementation, and improving the coordination of the various actions taken.

6.1.1. State

525. Action by public authorities is reflected in their definition of economic and social development policies in general and poverty reduction policies in particular. The prime role of the State is to materialize its will to fight poverty by including poverty reduction goals in the Government Finance Act (*Loi des Finances*). Its second role is to ensure that actions are better coordinated.

526. Budget programs and the macroeconomic framework (2006–2010) are therefore the main instruments available to the public authorities for implementation of the PRS. Budget programs include the annual financial needs of sectoral and multi-sectoral programs. For the various sectors they give detailed descriptions of the goals to be reached, the nature of the activities to be implemented, the areas of action, the schedule for completing activities, the expected results and performance indicators. These programs are a framework that is sufficiently flexible to enable better coordination of the activities of the different actors (State, private sector, local communities, civil society organizations, development partners) who will have the opportunity to make their contribution in the areas in which they have comparative advantages.

527. Over the next three years, the focus will be on: (i) consolidating the actions taken to improve public resource management procedures by establishing a network to link the various financial authorities; (ii) infusing new dynamism into the Medium-term Expenditure Framework (CDMT) units in the priority sectors in order to better adapt budgetary resources to the sectoral goals of poverty reduction; (iii) broadening budget programs to all priority sectors; (iv) restoring transparency to public procurement; (v) coordinating the public planning and investment system with PRSP priority action plans; (vi) improving government appropriation of the process of defining, monitoring and evaluating public policies; (vii) increasing the share of public spending on priority sectors; (viii) increasing the rate of absorption of external financing by strengthening the technical capacities of the actors responsible for implementing projects and programs; (ix) strengthening the framework for cooperation between the government and donor agencies in order to improve the effectiveness of public development aid; (x) taking the regional dimension into consideration in the design, implementation, monitoring and evaluation of the PRS; (xi) effective regionalization through budgetary regionalization; (xii) improving the procedure for the balanced allocation of investments among sectors and regions when planning public investments, taking into account the level of poverty.

6.1.2. Communities

528. Communities are above all responsible for mobilizing people to take part in the process and in the fight against poverty. The role of communities consists of: (i) identifying real needs; (iii) participation in the preparation of projects and programs in order to better define actions to be taken; (iii) preparation, appropriation and implementation of the Local Development Programs (PDLs) recognized as the reference document and operational framework for all stakeholders at the regional level; (iv) consideration of the complementarity between the PDLs and priority actions for the reduction of poverty and HIV/AIDS; (v) participation in the public procurement process at the regionalized level; (vi) close monitoring of projects (literacy, citizen education, training, infrastructures, income-generating activities, HIV/AIDS) and the appropriation of results; (vii) maintenance of community infrastructures; and (viii) objective assessment of the results and impacts of the actions taken.

6.1.3. Civil society organizations

529. Civil society organizations play an increasingly major role. Increasingly, they ensure a rapid transformation of communities based on their accountability on issues of development, thus helping create the conditions for sustainable, long-lasting development.

530. They act as intermediaries between grassroots communities, development partners and the State. In this regard, their role in the PRS implementation involves: (i) supporting the mobilization of financial resources; (ii) preparing and implementing projects and programs; (iii) working in the areas of leadership, information, education, literacy, awareness-raising (particularly regarding laws and regulations); (iv) participating in the different consultation bodies on development in general and the PRS in particular; and (v) managing the solidarity funds established in the country.

6.1.4. Private sector

531. It is important to keep in mind that the private sector is the engine of growth. In this regard, its role is to: (i) carry out economic activities; (ii) participate in the financing of infrastructure; (iii) through SMEs and professional associations, build and equip social infrastructures and other works; (iv) help create wealth and employment in the country; and (v) involve itself in the fight against HIV/AIDS.

6.1.5. Development partners

532. The role of donor or development agencies is essential to the implementation of the PRS. There is a strong desire to consolidate the existing framework of consultation between donor agencies and the government. This will involve: (i) collaborating with the government to introduce common mechanisms for planning, management and delivery of aid; (ii) aligning and harmonizing their policies regarding the PRS process; (iii) simplifying the complexity of the procedures and conditions for accessing development aid, and simplifying the performance assessment criteria (conditionalities of aid); and (iv) establishing common assistance strategies.

6.1.6. Institutions of the republic

533. The role of the institutions of the republic complements that of the executive, with specific responsibilities involving: (i) working with civil society organizations and recipients to monitor and evaluate the implementation of the PRS; (ii) direct intervention in the budgetary cycle to ensure that concerns regarding the fight against poverty are reflected in the Government Finance Act; (iii) ensuring reliable monitoring of the process as a whole, in order to guarantee the efficient implementation of the PRS.

6.2. Financing and costs of the PRS

534. This heading highlights the financial implications of the poverty reduction strategy. It presents the financing strategy and the costs of some of the main actions.

6.2.1. Financing strategy

535. The principle underlying the financing of the Strategy is that the State plays a dominant role in focusing and mobilizing all the other actors. To do this, it will focus its efforts on mobilizing both internal and external resources.

536. The strategy will therefore consist of exploring all opportunities for internal financing: national private sector, grassroots communities, contributions by nationals, etc., the ultimate goal being to reduce the heavy dependence on external aid to finance the strategy.

537. It remains clear, however, that external aid will continue to be dominant in the financing of our poverty-focused projects and programs. In this regard, there will be positive discrimination in favor of concessionary loans and, possibly, foreign direct investment.

538. Funds from debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI) will be a major part of PRS financing. This will absolutely not be possible unless a program is concluded with the IMF, the HIPC is completed and the MDRI criteria are met satisfactorily. A mobilization of all our bilateral and multilateral partners in the framework of the MDG commitments is also expected.

6.2.2. Costs of the PRS

539. The PRS is designed as a sequence of MDGs to be completed. The costs of implementing it therefore represent the resources needed between 2007 and 2010 to reach these MDGs in 2015. The tool for estimating these costs is essentially based on the Millennium Project approach.

540. Schematically, this approach consists of:

- diagnosing the ten most strategically important sectors and areas: education, health, gender and equity, rural development, energy, water, urban development, sanitation, environment and new information technologies;
- jointly identifying the set of sectoral responses which, associated and coordinated with those in other sectors, will help achieve the MDGs by 2015;
- evaluating, as much as possible based on the unit costs of the goods and services required, the funds needed for investment and operations in order to achieve the MDGs by 2015.

541. The values produced the first time this exercise was carried out are presented in the tables summarizing the total costs and the cost of infrastructures (see Annexes 2 and 3). These are essentially provisional values at this point and also include the share of the State and the costs that will be incurred by private actors and by the end recipients of the planned actions. These will be fine-tuned when the action plans have been specifically defined for the different components of the strategic areas and a national workshop has been held to validate the costs.³⁵

542. The costs of the emergency program have been estimated separately.

6.2.3. Risks related to PRS financing

543. The Guinean economy remains very vulnerable due to its strong dependence on external aid, which includes a substantial proportion of loans. It is therefore important to ensure the sustainability of the debt, the optimal use of development assistance resources and a strengthening of institutional capacities for better absorption of the aid.

544. At the same time, budgetary resources depend too heavily on mining production. Unexpected disturbances to the prices of these products could reduce the country's

³⁵ A workshop to validate the costs of needs to reach the MDGs by 2015 is planned for the last quarter of this year (2007).

capacity to handle PRS requirements. Also, even though the exact costs of the PRS have not yet been determined, it is very likely that the financing gap is very large and that the projected resources cannot reduce it, due to: (i) the unpredictable and increasingly restrictive nature of aid to Guinea; (ii) the country's narrow economic base due to the weakness of non-mining resources and the dominance of subsistence and informal activities.

545. Failure to respect the commitments of the program concluded with the Bretton Woods institutions, the HIPC and the MDRI could put the country back under the crushing burden of debt and the accompanying loss of external financing, sudden suspensions of the implementation of certain projects and programs, a failure to respond adequately to social demands and, possibly, social troubles.

546. Furthermore, macroeconomic stability and the financing of the first and second years of PRS implementation could be negatively affected by the government's need for strategic spending, stemming from the legislative elections in late 2007 and the presidential elections in 2010. However, this could be remedied by strengthening budgetary discipline and a determination to meet the monetary policy targets.

6.3. Institutional framework for implementation

547. The institutional machinery for implementation of the PRS consists of: (I) the Permanent Secretariat of the PRS; (ii) the Inter-ministerial Committee; and (iii) the Permanent Framework for Consultation.

548. The Permanent Secretariat of the PRS (SP/SRP) is responsible for the coordination, development, monitoring and evaluation of PRS implementation. It is supported by a *technical unit*, a *communications unit* and an *administrative and financial service*. The SP/SRP has four thematic groups – one for each strategic area and one for monitoring and evaluation. It is essential that the capacities of the SP/SRP be strengthened in the areas of human, material and financial resources, in order for it to play its role fully.

549. The mission of the thematic groups made up of high central government officials, civil society organizations and members of institutions of the Republic is, for each in its respective domain, to lead the necessary consideration and dialogue to prepare and/or update policies and strategies in the fight against poverty, to analyze the situation and competencies of relevant sectors and propose relevant approaches to solutions aimed at the country's sustainable development and to hold regular consultations for the overall coherence of the PRS and greater synergy.

550. The Inter-ministerial Committee is the steering body for implementing the PRS. It is made up of representatives of the priority sectors. In the implementation of the PRSP-1, this committee was chaired by the Permanent Secretariat of the SP/SRP. It is recommended that its level of representativeness be raised by placing it at the ministerial level and having it chaired by the Minister of the Economy, Finance and Planning.

551. The Permanent Framework for Consultation plays the role of decision guidance body. It is made up of the Inter-ministerial Committee plus representatives of institutions of the Republic, civil society organizations and development partners. It is recommended that the committee be chaired by the Office of the Prime Minister.

552. At the regionalized level (Region and Prefecture), the system includes a Consultation Committee and Technical Committee for Monitoring and Evaluation.

553. At the sectoral level, it is recommended units responsible for monitoring and evaluation be created and placed under the authority of the General Secretaries of ministerial departments.

6.4. Monitoring and evaluation system

554. The monitoring and evaluation system established during the implementation of the PRSP-1, and which was based on the principles and practice of the participatory approach, will be maintained and strengthened.

555. Monitoring and evaluation were based essentially on the activities of the Monitoring/Evaluation thematic group, supported by a technical unit made up of three experts: a macroeconomist, an expert in surveys and a socio-economist. This system is completed by: (i) sector-based technical units under the supervision of the General Secretariats of the ministerial departments and (ii) regional, prefectoral and sub-prefectoral units that include all the actors involved in the implementation of the PRS. Three monitoring reports and an evaluation report have been submitted to the SP/SRP.

556. Evaluation of the PRSP-1 revealed the weakness of the established monitoring/evaluation system. It is therefore essential that it be strengthened and that all the actors involved in the implementation of the PRS be included. Strengthening the existing information system means establishing an information system with three components: implementation monitoring, impact monitoring and participatory monitoring.

6.4.1. Implementation monitoring

557. *Implementation monitoring* is the material and financial expression of all the actions and investment programs and projects identified and included in the poverty reduction strategy. It will be carried out using a participatory approach involving permanent governmental structures, regionalized structures, local community organizations, the private sector, donor agencies and the recipient populations. Permanent government structures will be involved as follows:

- **The National Economy and Planning Office (*Direction nationale de l'économie et de la planification*)** will be responsible for monitoring the implementation of the priority action plan through the execution of the selected projects and programs. More specifically, it will: (i) monitor the development of the macroeconomic framework; (ii) ensure coherency between donor strategies and actions those of the PRSP; (iii) produce and publish an annual monitoring report with recommendations for developing the PRSP, if necessary; (iv) contribute to the development of evaluation capacity as a tool to support decision-making and as an instrument to increase public sector efficiency.

- **The National Public Investment Planning Office (*Direction nationale de la programmation et des investissements Publics*)** will be at the core of the entire public investment planning and monitoring system established under the PRSP. It will

ensure that the goals of the PRSP are taken into account at budget planning meetings. Its experience and its planning and implementation monitoring tools for all development projects throughout the country give it a privileged position as the focal point for PRS implementation monitoring. It will submit an annual report to the SP/SRP with recommendations to develop the PRSP if necessary, as well as a semi-annual evaluation report under a flexible planning system (*programmation glissante*).

- **The National Budget Office (*Direction nationale du budget*)** will be responsible for monitoring the implementation of the Medium-Term Expenditure Framework (Cadre de Dépenses à Moyen Terme – CDMT) and the budget program.
- **The National Office for Public Debt and Public Development Aid (*Direction nationale de la dette publique et de l'aide publique au développement*)** will be responsible for monitoring HIPC resources and will ensure that the internal and external debt is under control. It will submit a semi-annual report on the mobilization and use of HIPC resources.
- **The International Cooperation Office (*Direction de la coopération internationale*)** will be responsible for supporting the different structures in the search for and mobilization of financing from development partners. It will submit a semi-annual report on the resources mobilized.
- **The National Secretariat for the Strengthening of Capacities (*Secrétariat national au renforcement des capacités – SENAREC*)** will be responsible for strengthening capacities under the PRSP. It will submit a semi-annual report on activities to the SP/SRP.
- **The Executive Secretariat of the CNLS (Comité national de lutte contre le sida)** will be responsible for monitoring the implementation of the National Strategic Plan to Combat AIDS. It will ensure that HIV/AIDS is taken into account in macroeconomic and sectoral planning instruments.
- **The Center for the Study and Analysis of Economic Policy (*Centre d'études et d'analyse des politiques économiques – CEPEC*)** will be responsible for strengthening the capacities to analyze and formulate development and poverty reduction policies. It will submit a semi-annual report on activities to the SP/SRP.
- **The development projects and programs** generally have independent monitoring/evaluation units that will submit semi-annual progress reports to the SP/SRP.
- **Civil society and the private sector** will act at all stages in the monitoring and evaluation process, particularly in the monitoring of planned activities.

6.4.2. Impact monitoring

558. *Impact monitoring* involves the analysis of the development of poverty and the living conditions of the population. It will be carried out through: (i) the implementation of a statistical program as part of the preparation of the National Strategy for the Development of Statistics – SNDS). This program will include all surveys essential to monitoring household living conditions and poverty; and (ii) the collection of information on monitoring indicators (58 targeted indicators, see 6.1).

559. This system will be operated by the National Statistics Institute (INS), which has the necessary expertise and the mandate to produce and disseminate statistical information. The INS will establish a database of PRS monitoring indicators in collaboration with all sectoral departments that produce statistical information. It will take on the mission of collecting, processing, analyzing and disseminating monitoring indicators (see attached table) and surveys included in the framework of the poverty monitoring system.

560. It will submit a semi-annual report on the level of monitoring indicators and the results of the surveys conducted. The INS will continue to chair the Monitoring/Evaluation thematic group.

561. All monitoring reports on the different structures will be consolidated by the Monitoring/Evaluation thematic group, supported by the Monitoring/Evaluation technical unit, which will be responsible for publishing an annual progress report on PRS implementation.

6.4.3. Participatory monitoring

562. *Participatory monitoring* will be conducted according to the adopted methods. It will provide authorities with information on the response of grassroots communities to the poverty reduction activities carried out.

563. This activity will be carried out by the SP/SRP Communications Unit, which will continue to publish the PRS journal and update the SP/SRP website. It will submit a semi-annual report on activities to the SP/SRP.

6.4.4. Evaluation of the PRS

564. Evaluation of the PRS will be independent, following the example of the PRSP-1. A steering committee consisting of all actors involved in implementation will be established. The consolidation of the existing system will consist of the parallel development of internal evaluation capacities.

6.5. Hypotheses and risks of implementation

565. Implementation of the PRS depends on endogenous and exogenous factors, including: (i) political instability at the national and sub-regional levels; (ii) the instability of the macro-economic framework, which could lead to social crises like those seen early this year; (iii) poor governance in the management of public affairs could prolong the rupture in cooperation with our main bilateral and multilateral partners; (iv) the poor mobilization of resources and the failure to pursue the regionalization and decentralization of public management, thus depriving regionalized and decentralized administrations of the resources necessary to finance sectoral action plans and regional strategies.

566. Other not less important risks involve the lack of ownership of the strategy and the resulting lack of involvement of the different actors in its implementation. All actors at the various levels are called on to minimize these risks:

- At the national level, the State must: (i) consolidate the democratic process and the headway made in this regard; (ii) reestablish the macroeconomic

- framework; (iii) improve governance in the management of public resources; (iv) continue and increase regionalization and decentralization in the management of public resources; (v) work harder to combat HIV/AIDS;
- At the civil society level, the dynamic of intermediation and mobilization will continue in order to motivate the population to appropriate and participate in PRS implementation;
 - In the private sector, the partnership with other actors will be strengthened in order to determine the framework that best encourages the development of different activities to generate income and employment.
 - At the project and program level, consideration and discussion will continue in order to bring their actions more in line with the strategic goals of the PRS;
 - At the recipient level, the process of encouraging the ownership of the PRS must continue in order to effectively involve recipients in PRS implementation.

Table 6.1: PRS monitoring and evaluation indicators

Area	Indicator	Benchmark (2002)	Achieved (2005)	Target (2010)	Category	Periodicity	Source/ Responsible agency
Poverty and Human Development (4)	Degree of poverty	17.2% (2002)	19.3% (2005)	17.4% (2010)	PRSP	4 years	EBEP/INS
	Share of poorest quintile of the population in national consumption	6.4% (2002)		12% (2010)	MDG	4 years	EBEP/INS
	Incidence of poverty	49.2% (2002)	53.6% (2005)	49.7 (2010)	PRSP	4 years	EBEP/INS
	http://millenniumindicators.un.org/unsd/mifre/mi_index.asp?ind_code=5						
	Gini index	0.403 (2002)		0.350 (2010)	PRSP	4 years	EBEP/INS
	Gross enrollment ratio in primary school	72% (2002)	78% (2006)	100 (2015)	MDG	1 year	Admini/MEN
	Net enrollment ratio in primary school	53.3% (2002)	67% (2005)	90 (2015)	MDG	1 year	Admini/MEN
	Primary school completion ratio		55.0% (2005)	79% (2010)	MDG	1 year	Admini/MEN
	Girl/boy ratio in primary school	28.8% (2002)	81% (2006)	92% (2010)	MDG	1 year	Admini/MEN
	Access rate in first year of primary school		75% (2005)	91% (2010) 100 % (2015)	MDG	1 year	Admini/MEN
Education (7)	Adult literacy rate (15 years and over)		35% (2006)	50% (2012)	MDG	4 years	EBEP/INS
	Share of current expenditures on education in State equity resources		14.2 (2005)	18.9 (2010)	PRSP	1 year	Admini/MEN
	Mortality among children under age 5 years (per 1000)		163 (2005)	130 (2010)	MDG	5 years	EDS/ INS
	Infant mortality rate (per 1000)	98% (1999)	91 (2005)	70 (2010)	MDG	5 years	EDS/ INS
	Proportion of one-year-old children vaccinated against measles	71% (2002)	71% (2004)	80% (2010)	MDG	1 year	Admini/PEV
Health (15)	Maternal mortality rate	520 (1999)	980 per 100.000 (2005)	700 (2010)	MDG	5 years	EDS/ INS

Area	Indicator	Benchmark (2002)	Achieved (2005)	Target (2010)	Category	Periodicity	Source/ Responsible agency
	http://millenniumindicators.un.org/unsd/mifre/mi_index.asp?ind_code=16 Proportion of births attended by a qualified health worker	38% (2005)	40% (2010)	MDG	5 years	EDS/ INS	
	HIV prevalence rate among pregnant women aged 15 to 49 years	2.8% (2001)	≤2.8% (2010)	MDG	5 years	EDS/ INS	
	National seroprevalence rate	2.8% (2001)	1.5% (2005)	≤1.5% (2010)	PRSP	5 years	EDS/ INS
	Percentage of children underweight children under the age of 5 years	35% (2005)	18% (2010)	MDG	5 years	EDS/ INS	
	Rate of condom use (women, married or in civil unions, 15-49 years)	6% (2005)	12% (2010)	MDG	5 years	EDS/ INS	
	Rate of mortality due to malaria	28% (2002)	23% reduction (2010)	MDG	5 years	EDS/ INS	
	Gross mortality rate (per 1000)	14.2 (1999)	12 (2005)	PRSP	1 year	Adminis/ MSP	
	Tuberculosis-related mortality rate		10 (2010)	MDG	1 year	Adminis/ MSP	
	Proportion of cases of tuberculosis detected and cured	68% (2002) and 66% (2001)		MDG	1 year	Adminis/ MSP	
	Proportion of the population with access to essential medicines			MDG	1 year	Adminis/ MSP	

Area	Indicator	Benchmark (2002)	Achieved (2005)	Target (2010)	Category	Periodicity	Source/ Responsible agency
	Share of State expenditures allocated to health care				PRSP	1 year	Adminis/MESP
	Proportion of the population with access to a better sanitation system (urban and rural areas)	70.1 (2005)			MDG	4 years	EIBEP/DNS
	Proportion of households with access to a decent dwelling environment (2)	3.4% (2002)			MDG	4 years	EIBEP/DNS
Housing and living environment (6)							
	Number of private radios created	5(2006)	20(2010)	PRSP	1 year	Adminis/ MICNT	
	Number of corruption cases effectively judged			PRSP	1 year	Adminis/ MCFET	
	Percentage of women in decision-making positions	9.3%(2006)	30%(2010)	PRSP	1 year	Adminis/ MASPF	
	Percentage of women in the National Assembly	19/114 (2002)	22 /114 (2006)	MDG	1 year	Adminis/ MICNT	
Governance - Corruption (9)				PRSP	1 year	Adminis/ MIS	
	Share of the State budget allocated to security			PRSP	1 year	Adminis/ MJD	
	Share of the State budget allocated to justice			PRSP	1 year	Adminis/ MJD	
	Number of inhabitants per magistrate	36000 (2007)	28925(2010)	PRSP	1 year	Adminis/ MIS	
	Number of inhabitants per police officer	2450 (2006)	778(2010)	PRSP	1 year	Adminis/ MIS	
	Corruption rate	36% (2003)	10% (2010)	PRSP	5 years	Survey/ MCFET	
Water and Environment (7)	Proportion of the population using solid fuels	98%(2002)	99.4(2005)	MDG	4 years	EIBEP/ DNS	

Area	Indicator	Benchmark (2002)	Achieved (2005)	Target (2010)	Category	Periodicity	Source/ Responsible agency
Employment - Income (3)	Proportion of the population with access to drinking water (urban and rural areas)	62.3% (2002)		92.8% (2015)	MDG	4 years	EBEP/ DNS
	Number of points created per year		252 (2005)		PRSP	1 year	Adminis/ SNAPE
Macroeconomy (8)	Number of new civil servants hired	12,000 (2007)	15,000 (2010)	PRSP	1 year	Adminis/ M EFRA	
	Rate of sub-employment			PRSP	4 years	EBEP/ DNS	
	Unemployment rate among persons over the age of 6 years	Overall rate 3.2% (2002)		1.6% (in 2010)	PRSP	4 years	EBEP/ DNS
	Density of landline telephones	0.3% (2006)	15% (2010)	MDG	1 year	Adminis/ MICNT	
	Density of mobile telephones	4.5% (2006)	25%(2010)	MDG	1 year	Adminis/ MICNT	
	Real GDP growth rate	4.2% (2002)	2.2% (2006)	5.3 (2007-2010)	PRSP	1 year	Adminis/ DNP
	Per capita GDP growth rate	1.1% (2002)	-1.1% (2006)	1.9 (2007-2010)	PRSP	1 year	Adminis/ DNP
	Average annual inflation rate	6.1 (2002)	34.7% (2006)	3 (2010)	PRSP	1 year	Adminis/ DNS
	Year-over-year inflation rate	5 (2002)	39.1% (2006)	4.2 (2010)	PRSP	1 year	Adminis/ DNS
	Agricultural growth rate		4.8% (2006)	4.6 (2010)	PRSP	1 year	Adminis/ DNP
Implementation (2)	Budget deficit before subsidies (net of donations) as % of GDP	6.2 (2002)	1.8 (2006)	1.5(2010)	PRSP	1 year	Adminis/ DNP
	Debt service in percentage of exports of goods and services		16.4% (2006)	10.0 (2010)	MDG	1 year	Adminis/ DND
	Foreign exchange reserves in months of imports	2.3 (2002)	0.8 (2006)	3 (2010)	PRSP	1 year	Adminis/ BCRG
	Share of the State budget allocated to PRSP				PRSP	1 year	Adminis/ DNB
PRS	Share of the State budget allocated to development of statistics				PRSP	1 year	Adminis/ DNB

Annexes

ANNEX 1: Costs of Activities under Ministry of Public Health Three-year Plan (in thousands of GNF)

N°	ACTIVITIES	12 months	24 months	Total cost	BND	FINEX	Partner
A	Supply of essential medicines						
1	Purchase of medicines for 402 Health Centers	8,040,000	8,040,000	16,080,000	9,648,000	6,432,000	UNICEF, WB
2	Purchase of medicines for 43 prefectoral and regional hospitals	6,450,000	6,450,000	12,900,000	12,000,000	900,000	UNICEF, WB
3	Purchase of medicines for Emergency departments of 2 national hospitals	2,000,000	2,000,000	4,000,000	4,000,000	0	
4	Purchase of vaccines for vaccine independence	800,000	800,000	1,600,000	1,600,000	0	
5	Purchase of medicines and vaccines to combat epidemics	857,000	857,000	1,714,000	1,614,000	100,000	WHO
6	Establishment of a revolving fund for the Pharmacie Centrale de Guinée	6,000,000	0	6,000,000	6,000,000	0	
	Sub-total (1)	24,147,000	18,147,000	42,294,000	34,862,000	7,432,000	
B	Renovation and provision of health infrastructure						
7	Provision of SOUB materials to 402 Health Centers	16,080,000	0	16,080,000	0	16,080,000	UNFPA; WB, UNICEF
8	Provision of SOUC materials to 43 Health Centers	4,300,000	0	4,300,000	0	4,300,000	WB, UNICEF
9	Provision of materials to 100 health posts built by the PACV	1,750,000	1,750,000	3,500,000	2,350,000	1,150,000	WB, UNICEF
10	Construction of 3 voluntary screening sites	500,000	250,000	750,000	0	740,000	WB
11	Renovation of 22 sites for PTME	800,000	300,000	1,100,000	0	1,100,000	Global Fund
12	Equipment for emergency services to préfectoral hospitals	1,045,000	2,330,000	3,375,000	1,375,000	2,000,000	UNICEF, ICRC
13	Equipment for traumatology and cardiology services to reduce sanitary evacuations	0	3,200,000	3,200,000	1,000,000	2,200,000	IDB, JICA
14	Construction and equipping of 2 regional blood transfusion centers	0	2,200,000	2,200,000	0	2,200,000	Global Fund
15	Equipment for regional transfusion centers in Kindia, Labé and Boke	0	900,000	900,000	0	900,000	Global Fund
	Sub-total (2)	23,430,000	10,930,000	35,405,000	4,725,000	30,670,000	
C	Institutionalization of free cesareans and free treatment for persons living with HIV						
16	Purchase of ARV drugs for persons living with HIV	5,400,000	6,750,000	12,150,000	3,000,000	9,150,000	Global Fund, WB
17	Purchase of medical kits for free cesareans	2,794,800	2,794,500	5,589,300	2,000,000	3,589,300	WB, UNICEF, UNFPA
	Sub-total (3)	8,194,800	9,544,500	17,739,300	5,000,000	12,739,300	
D							
18							
19	Purchase of reagents and consumables	600,000	600,000	1,200,000	300,000	900,000	Global Fund, WHO
	Sub-total (4)	800,000	800,000	1,600,000	500,000	1,100,000	

Nº	ACTIVITIES	12 months	24 months	Total cost	BND	FINEX	Partner
E	Stabilization and standardization of drug prices in the private sector						
20	Establishment of the new price structure	0	0	0	0	0	0
21	Organization of price control missions	300,000	300,000	600,000	900,000	900,000	0
Sub-total (5)		300,000	300,000	600,000	900,000	900,000	0
F	Promotion of generic drugs						
22	Organization of awareness-raising campaigns directed at pharmacists	60,000	60,000	120,000	120,000	120,000	0
23	Organization of awareness-raising campaigns directed at prescribers of drugs	120,000	120,000	240,000	240,000	240,000	0
Sub-total (6)		180,000	180,000	360,000	360,000	360,000	0
G	Promotion and distribution of impregnated mosquito nets						
24	Organization of awareness-raising campaigns on malaria	240,000	240,000	480,000	100,000	380,000	Global Fund
25	Purchase of mosquito nets for vulnerable groups	4,000,000	4,000,000	8,000,000	0	8,000,000	Global Fund
26	Logistic distribution of mosquito nets at the community level	135,000	135,000	270,000	270,000	270,000	0
Sub-total (7)		4,375,000	4,375,000	8,750,000	370,000	370,000	8,380,000
H	Strengthening of health centers and hospitals (reference and supervision)						
27	Purchase of 35 ambulances for hospitals	1,800,000	1,350,000	3,150,000	0	3,150,000	WB, UNFPA, UNICEF
28	Purchase of 50 vehicles for supervision of regionalized structures	2,025,000	2,025,000	4,050,000	0	4,050,000	WB, UNICEF, ADB
29	Purchase of vehicles for blood collection	405,000	0	405,000	0	405,000	Global Fund
Sub-total (8)		4,230,000	3,375,000	7,605,000	0	7,605,000	
I	Hiring, deployment and training of staff						
30	Hiring of 2400 health workers	2,880,000	2,990,000	5,870,000	5,870,000	5,870,000	0
31	Deployment of surplus staff to inland locations	120,000	0	120,000	120,000	120,000	0
32	Skills upgrading for posted workers at the rate of 10 days per worker per year	5,000,000	7,000,000	12,000,000	0	12,000,000	WB, UNICEF, UNFPA
Sub-total (9)		8,000,000	9,990,000	17,990,000	5,990,000	12,000,000	
	GRAND TOTAL						
	HIV/AIDS SECTOR						
	Coordination	7,500,000	15,000,000	22,500,000	2,250,000	2,250,000	
	Prevention	27,500,000	55,000,000	82,500,000	8,250,000	8,250,000	
	Medical case management	10,000,000	20,000,000	30,000,000	3,000,000	3,000,000	
	Non-medical case management	5,060,000	10,140,000	15,200,000	1,520,000	1,520,000	
	TOTAL	50,060,000	10,140,000	150,200,000	15,200,000	15,200,000	

ANNEX 2: Expenditures Required o Achieve the MDGs By 2010 (in USD)

No	Sector or area	2007	2008	2009	2010	Total
1	Environment	92,784,348	92,784,348	92,784,348	92,784,348	371,137,392
2	Gender equity	2,500 795	2,899,707	3,303,073	3,710,945	12,414,520
3	Energy	116,148 730	138,865,608	161,085,417	185,441,378	601,541,132
4	Education (including higher education)	165,164,146	203,872,145	248,871,457	242,876,271	860,784,019
5	Drinking water in rural areas	28,817,461 4,505	31,526,023 674	34,432,752	37,547,345	132,323,582
6	Drinking water in urban areas	170,692,542	173,874,247	53,275,423	58,221,635	208,806,973
7	Rural development	40,667,806	40,466,521	177,761,589	182,354,567	704,682,944
8	Sanitation	236,264,000	235,623,000	40,191,316	38,447,031	159,772,674
9	Urban development	171,850,090	191,314,160	235,567,000	235,554,000	943,008,000
10	General health	14,681,928	17,723,770	205,732,230	221,053,380	789,949,860
11	Malaria-related health	15,149,770	17,838,787	17,987,411	18,251,052	68,644,162
12	Child/infant health	17,009,993	17,009,993	20,896,062	23,744,942	77,629,562
13	Information and Communication Technology	53,872,989	53,872,989	17,009,993	17,009,993	68,039,973
14	Reproductive health	1,172,110,273	1,268,475,540	1,362,771,059	1,410,869,876	5,214,226,748
15	Totals					

Source: UNDP/ excerpted from reports evaluating needs to achieve MDGs (2006)

ANNEX 3: Table Summarizing Infrastructure Needs
(Provisional results awaiting validation)

COMPONENTS / ACTIONS	TOTAL COST (2005-2015) (in \$US)	AVERAGE ANNUAL COST
AGRICULTURE (COMBATTING HUNGER)		
Mangrove plains	229,817,460	20,892,496
Alluvial plains	957,216,000	87,019,636
Sub-total	1,187,033,460	107,912,132
Rebuilding and maintenance of rural roads		
Rebuilding rural roads	242,000,000	22,000,000
Bridging works	22,550,000	2,050,000
Completion of art works	49,252,500	4,477,500
Road maintenance	18,700,000	1,700,000
Sub-total	332,502,500	30,227,500
Livestock		
Production infrastructure	109,200	9,927
Marketing infrastructure	1,655,100	150,464
Sub-total	1,764,300	160,391
TOTAL	1,521,300,260	138,300,023
EDUCATION		
Pre-school education		
Infrastructure	22,684,520	2,062,229
Sub-total	22,684,520	2,062,229
Primary education		
Infrastructure	751,536,943	68,321,540
Sub-total	751,536,943	68,321,540
Secondary education		
Infrastructure	143,124,767	13,011,342
Premises	44,818,551	4,074,414
Sub-total	187,943,318	17,085,756
TOTAL	962,164,781	87,469,525
DRINKING WATER		
Public fountain connected to mini-reservoir of village drinking water supply system (AEP)	1,219,149	110,832
Borehole well with hand pump not connected to village water supply system	175,599,745	15,963,613
Developed spring	6,282,729	571,157
Covered and improved wells	3,232,110	293,828
TOTAL	186,333,733	16,939,430
SANITATION		
A. Individual sanitation		
Conakry		
Construction of latrines + recurrent costs	9,655,277	877,752
Renovation of latrines + recurrent costs	18,522,842	1,683,895
Construction of laundry areas with sumps + recurrent costs	46,403,898	4,218,536
Sub-total	74,582,017	6,780,183
Other urban centers		
Construction of latrines + recurrent costs	5,952,927	541,175
Renovation of latrines + recurrent costs	21,761,488	1,978,317
Construction of laundry areas with sumps + recurrent costs	18,108,556	1,646,232
Sub-total	45,822,971	4,165,724
Rural areas		
Construction of latrines + recurrent costs	206,391,679	18,762,880
Renovation of latrines + recurrent costs	3,991,099	362,827
Sub-total	210,382,778	19,125,707
B. Semi-collective sanitation		
Large facilities (universities, hospitals, stadiums, central markets, etc.)	11,942,750	1,085,705
Sub-total	13,730,250	1,248,205

COMPONENTS / ACTIONS	TOTAL COST (2005-2015) (in \$US)	AVERAGE ANNUAL COST
C. Collective sanitation		
Conventional system in Conakry (in km-l)	24,000,000	2,181,818
Pumping station	3,090,000	280,909
Sub-total	27,090,000	2,462,727
TOTAL	390,038,422	35,458,038
URBAN DEVELOPMENT		
1. Restructuring of unregulated and under-equipped districts		
Roadways / transportation / water / energy	1,670,356,176	151,850,561
Sub-total	1,670,356,176	151,850,561
2. Servicing of new reception areas		
Roadways / transportation / water / energy	64,460,132	5,860,012
Sub-total	64,460,132	5,860,012
3. Construction / improvement of housing for the poor		
Improvement of housing for the poor	78,488,531	7,135,321
Construction of new housing	216,300,427	19,663,675
Sub-total	294,788,958	26,798,996
5. Improvement of the urban environment		
Development of flood-free areas	1,921,666,667	1,746,970
Development of ecological areas	7,522,083	683,826
Development of green spaces	642,345	58,395
Sub-total	1,929,831,095	2,489,191
INFORMATION AND COMMUNICATION TECHNOLOGY		
2. Infrastructure	137,034,935	12,457,721
TOTAL	137,034,935	12,457,721
GRAND TOTAL	7,501,626,508	681,966,046,18

GENERAL SUMMARY

COMPONANT / SECTOR	Total cost 2005-2015 (USD)	Annual cost
AGRICULTURE (COMBATTING HUNGER)	1,521,300,260	138,300,023
EDUCATION	962,164,781	87,469,525
DRINKING WATER	186,333,733	16,939,430
SANITATION	74,582,017	6,780,183
URBAN DEVELOPMENT	1,929,831,095	2,489,191
INFORMATION AND COMMUNICATION TECHNOLOGY	137,034,935	12,457,721
GRAND TOTAL	7,501,626,508	681,966,046,18