



# GUINEA

## POVERTY REDUCTION STRATEGY PAPER—PROGRESS REPORT

February 2015

Poverty Reduction Strategy Papers are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated with annual progress reports, they describe the countries macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing. This country document for Guinea is being made available on the IMF website by agreement of the member country as a service to users of the IMF website.

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PRS (2013-2015)

Ministry of Economy and Finance  
Permanent Secretariat for the Poverty Reduction Strategy (SP-SRP)

**Report on PRSP-3 Implementation - 2013 Annual Period**

December 2014

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## INTRODUCTION

To strengthen the dynamics undertaken in the area of planning and implementing the poverty reduction strategy, with the support of its development partners, the government in September 2012 undertook the process of preparing its third Poverty Reduction Strategy Paper (PRSP), which covers the period 2013-2015.

The satisfactory implementation of the extended PRSP-2 (2011-2012) helped reach the completion point of the Heavily Indebted Poor Countries (HIPC) Debt Initiative in September 2012. In fact, the cancellation of two thirds of Guinea's external debt stock, equivalent to US\$2.1 billion, represents a 66 percent reduction in the country's future external debt service over a period of 40 years. This cancellation has enabled Guinea to maintain its debt at a sustainable level.

Against this backdrop, the government in May 2013 prepared and adopted the Poverty Reduction Strategy Paper (PRSP-3). This PRSP is designed to reflect the accomplishments under the extended PRSP-2. To that end, its main objectives are provided in detail below:

- *Reduce the poverty rate from 55.2 percent to 51.0 percent during the period 2012-2015;*
- *Increase the real GDP growth rate from an average of 3.2 percent for the period 2010-2012 to 5.0 percent for the period 2013-2015, which can be expected to induce 1.8 percent growth in per-capita GDP;*
- *Increase the overall gross investment rate to 19.5 percent in 2015, from 16.3 percent in 2012;*
- *Reduce the inflation rate from 12.8 percent in 2012 to 9.7 percent in 2013 and to 5.5 percent in 2015;*
- *Maintain the budget deficit (on a commitment basis and not including grants) at an average of 5.6 percent of GDP during the period 2013-2015;*
- *Increase international reserves from 4 months of imports in 2012 to 5 months in 2015;*
- *Increase the allocation of resources to the social sectors (education and health) from 12.1 percent of the total state budget in 2012 to 21.4 percent in 2015.*

To achieve these objectives, a coherent, effective strategy based on the following four pillars is required:

- *Improved governance and strengthened institutional and human capacities;*
- *Accelerated, diversified, sustainable growth;*

- *Development of growth-supporting infrastructures;*
- *Improved access to basic social services.*

The purpose of this paper is to take stock of the status in terms of the key results registered in the framework of PRSP-3 implementation (2013-2015) during the 2013 annual period. Accordingly, it is structured in five chapters:

- Chapter one addresses the context of PRSP implementation in 2013;
- Chapter two addresses the results registered in connection with improving governance and strengthening institutional and human capacities;
- Chapter three covers results observed in the acceleration and diversification of growth;
- Chapter four is devoted to results achieved in the development of growth-supporting infrastructures;
- The results observed in improving access to basic social services are addressed in the fifth and last chapter.

## **I. CONTEXT OF PRSP IMPLEMENTATION**

Unlike the extended PRSP-2, the satisfactory implementation of which enabled the government to reach the Heavily Indebted Poor Countries Debt Initiative completion point in September 2012, the centerpiece of which was a substantial reduction in the external debt burden of 67 percent, the third-generation poverty reduction strategy (PRSP-3) for the period 2013-2015 was implemented in 2013 in a very difficult political, social, and economic context.

### **1.1. Political context**

The context was essentially characterized by the organization of transparent, credible legislative elections accepted in all Guinean political circles.

Since the December 2012 publication by the Independent National Electoral Commission of a timetable for the organization of the legislative elections, opposition from all sides led to a number of demonstrations throughout the country. Between January and June 2013, there were more than 10 demonstrations, with disastrous consequences on the national economy. Public properties were vandalized, human lives lost; and militants from the opposition were arrested and judged under current law in the judicial system.

As a result of substantial involvement of the international community, including the United Nations System, the European Commission, the U.S., France, and Germany, the political players succeeded in establishing a framework of ongoing cooperation so that the elections could be organized. These efforts made it possible to schedule and organize the legislative ballot for September 28, 2013. It is important to point out that these elections, which involved the election of 114 deputies to the National Assembly, to end the democratic transition that began following the Ouagadougou Accords in January 2010, included two ballots: the uninominal representation ballot for 38 deputies, and the proportional representation ballot for 76 deputies. The legislative campaigns, which began on August 29, 2013, involved 22 political parties out of a total of more than 140, including Guinea's top five parties: RPG-Arc-en-ciel [Rainbow Rally of the Guinean People] UFDG [Union of Democratic Forces of Guinea], UFR [Union of Republican Forces], PEDN [Party of Hope for National Development], and UPG [Union for Progress of Guinea.

All things considered, despite the delay in organizing the elections, the outcome for the political parties confirmed the transparency and credibility of the operations.

Moreover, from the juridical and political standpoints, 2013 was characterized by the holding of the trial of the persons accused of attacking the private residence of the President of the Republic and Head of State on July 19, 2011. Throughout this period, observance of judiciary procedure underscored the country's progress in the area of justice following the organization of the General Assembly of the Judiciary in 2011.

### **1.2. Economic context**

In a context characterized by numerous political demonstrations surrounding the organization of the legislative elections, which caused serious disruptions in the mobilization of domestic

resources, Guinea's poor economic performance in 2013 is partially attributable to the decline in the business climate.

This situation led to problems and violence that adversely affected the national economy. Economic activity was brought to a complete standstill that lasted for several months and led to substantial tax revenue losses. Accordingly, in the tertiary sector, the growth rate was reportedly an estimated 2.5 percent, against an initial target of 4.5 percent in 2013. This slippage is attributable to the slowdown in the trade and transportation sectors. The tertiary sector represents the largest share of GDP in terms of value added (37.2 percent). Import duties and taxes, which account for 8.5 percent of the national wealth, reportedly increased 9.1 percent, as against the initially projected 10 percent in 2013, as a result of the economic slowdown.

In addition, in 2013, the country experienced an unprecedented energy deficit, despite the vast 100 MW thermal annexation program in Conakry (with capacities of 50 MW respectively in Tombo and Kipé) and the construction of the Kaléta hydroelectric plant (420 MW) which is now in progress. The electricity deficit is explained by poor quality investments in all areas of the sector, among other factors. We observe the following among the main problems: (i) insufficient high and medium voltage production and transportation capacity, with high levels of demand; (ii) unavailability of installed production capacities owing to a lack of appropriate maintenance and fuel; (iii) a high level of technical and commercial losses in the system; (iv) insufficient coverage of the distribution system; and (v) an inadequate institutional and legal framework.

As a result, growth in this key sector in economic development amounted to only 2 percent, as compared with a projected 10 percent in 2013. As a result of this situation, it was impossible to increase the national rate of access to electricity estimated at (18.1 percent) in 2013.

The growth objective in the mining sector in 2013 was 3 percent, as a result of announced investments and job creation, among other factors. The growth rate in this sector ultimately came to an estimated negative 3 percent. This slippage in the mining sector is attributable to the following, among other factors: (i) closure of the Fria plant during 2012; (ii) the drastic decline in the prices of inputs, and particularly alumina and iron, which fluctuated respectively in the range of US\$-1,800-3,000 and US\$80-170 per ton, reflecting the slowdown of Rio Tinto's activities in Guinea; and (iii) the shutdown of mining players BSGR, Vale, etc.

Growth in the secondary sector therefore fell short of projections at 1 percent in 2013, as against a target of 4.6 percent.

The economic context was also characterized by the organization in November 2013 of the forum for Guinea's partners in Abu Dhabi, United Arab Emirates, to mobilize sufficient resources for satisfactory implementation of PRSP-3, for which the total financing cost is estimated at GNF 46,000 billion, equivalent to approximately US\$6.1 billion. This funding will immediately meet the numerous social requirements Guinea has faced for more than two decades, and that have led to aggravated social and ethnic tensions.

At the end of the two-day forum led by the President of the Republic and Head of State, which was attended by more than 800 delegates, through the Ministry of Economy and Finance, the



Guinean government raised more than US\$6.8 billion in investment commitments, equivalent to the country's 2012 GDP.

The context was also characterized by an improved business climate, with the implementation of economic reforms, which enabled Guinea to move up five places in the Doing Business rankings to 175th.

### **1.3. Social context**

Guinea is still characterized socially in large part by its high level of poverty. According to the results of the light survey on the assessment of poverty in 2012, the country's poverty levels are still among the highest in the subregion, with an incidence of 55.2 percent, a poverty depth of 18.4 percent, and a severity index of 8.4 percent.

However, pursuit of the efforts to provide free obstetrical care and coverage of Cesarean procedures, strengthening the approach to address HIV/AIDS, and pursuit of construction of schools countrywide are factors that could reduce the poverty level.

### **1.4. International context**

One of the highlights of the annual period 2013 was Guinea's participation in the G-8 Summit in the UK. In fact, through Professor Alpha Condé, President of the Republic, Guinea was invited to participate in the Summit as an observer with Senegal, Burkina Faso, and Benin. This invitation is a sign of progress in cooperation between the international bilateral and multilateral institutions. It is also indicative of better overall governance. In the framework of subregional cooperation, Guinea was entrusted by its neighbors to lead the Executive Directorate of the Senegal River Basin Development Organization (OMVS).

Guinea next organized the 40<sup>th</sup> Session of the Council of Foreign Affairs Ministers of the Organization of Islamic Cooperation, that was attended by representatives from the organization's 56 member countries. This session was the second organized by Guinea after the 1996 meetings. Following this event, Guinea took over as Chair for a one-year term.

PRSP-3 implementation was affected by additional factors including the world, regional, and subregional economic situation.

In fact, the Organisation for Economic Co-operation and Development (OECD) figures show that GDP for the seven largest industrial countries increased 0.5 percent during the second quarter, as compared with the previous quarter (0.3 percent) owing primarily to accelerated growth in most member countries.

By contrast, in Asia, and particularly Japan, GDP growth slowed by 0.6 percent after an increase of 0.9 percent during the first quarter.

For Sub-Saharan Africa, the International Monetary Fund (IMF) announced growth of 5.4 percent in 2013, as against 5.1 percent in 2012, attributable to increased investments and commodities exports.

*As a result of these positive externalities at the international level, despite the estimated shortfalls of US\$1,400 billion in domestic resources, Guinea's economic fundamentals have not been substantially affected. In fact, although the growth rate fell short of the objectives, it was not negligible (2.3 percent), while inflation continued to decline and the local currency continued to appreciate against the key foreign currencies.*

In our opinion, this brief overview of the context of PRSP implementation is essential in understanding the Guinean economy's overall performance during the period ended.

This overall context clearly affects the determinant factors of poverty reduction in Guinea.

Accordingly, Guinea's performance will be examined below, based on the four strategic pillars of PRSP-3:

- *Improved governance and strengthened institutional and human capacities;*
- *Accelerated, diversified, and sustainable growth;*
- *Development of growth-supporting infrastructures;*
- *Improved access to basic social services.*

## **II. IMPROVED GOVERNANCE AND STRENGTHENED INSTITUTIONAL AND HUMAN CAPACITIES**

The government has undertaken to continue implementation of the political and economic reforms designed to strengthen and consolidate good governance. As a result, the efforts during the period 2013-2015 will involve the following priority areas: (i) strengthening political and institution governance; (ii) strengthening administrative and local governance; and (iii) strengthening economic governance.

According to the results of the study on the perception of the public and enterprises of the level of corruption in Guinea published in 2012, unemployment and employment were cited by 96.9 percent of the public as the main problems affecting Guineans. A high standard of living was cited by 95.2 percent; while 93.0 percent of the respondents cited electricity and drinking water problems.

Most of the public (93.3 percent) deemed that corruption in fact exists in the country, against a handful of individuals who affirm that it does not. Corruption occurs in a variety of forms and is still present in high levels.

In light of these challenges, the government has established the priorities of improving governance and strengthening institutional and human capacities for the period 2013-2015. Improved governance requires strengthened efforts to fight corruption. The following measures were identified in this connection:

- (a) *For the state*, fighting corruption requires public education and information on their rights and obligations, as well as oversight activities and penalties against offending parties;
- (b) The main approach *for associations and enterprises* is to report practices in violation of the law;
- (c) *For the media*, anticorruption activities most commonly rely on areas of controlled information and discussions, and primarily on the radio, which is the most effective of the media.
- (d) *For the public*, the main way to fight corruption is to refuse to resort to bribes to obtain services.

Other challenges in addition to corruption include (i) strengthening judiciary governance; (ii) strengthening decentralization and local governance; (iii) improving economic governance; (iv) improving political governance; and (v) improving administrative governance.

### **2.1. Strengthened political and institutional governance**

In this connection, the government's main objectives are to (i) strengthen capacities of the National Transition Board (CNT) or the next National Assembly; (ii) reform institutions and strengthen capacities of the National Independent Electoral Commission (CENI); (iii) strengthen capacities of the High Authority for Communication; (iv) strengthen capacities of the Constitutional Court in independent jurisdictions; (v) organize legislative elections;

(vi) implement correctional measures against violations committed during the election period; (vii) strengthen social cohesion; (viii) strengthen governance within the security and defense forces (FDS).

To achieve these objectives, the government has taken specific actions, in spite of the difficulties it has encountered in implementing the strategy.

These efforts are listed in Table 1 below.

**Table 1.** Key activities carried out in to improve political governance

	<b>Objectives</b>	<b>Activities and outputs</b>
1	<b><i>Reform institutions and strengthen capacities of the CENI</i></b>	Restructuring of the CENI; Nomination of a new President; Appointment of new Commission members in equal proportion between the President's supporters and the opposition; Training of Commission members to meet the requirements in the organization of legislative elections.
2	<b><i>Organize legislative elections</i></b>	Organization of legislative elections on September 28, 2013; 22 political parties participated in the balloting process by proportional representation.
3	<b><i>Implement correctional measures against violations committed during the election period</i></b>	Implementation of an Election Monitoring Commission.  Signing of an agreement on July 3, 2013 between the President's supporters and the opposition, leading to the preparation of a roadmap.
4	<b><i>Promote a higher profile for women in social, political, and economic decision-making circles</i></b>	The 30 percent quota was observed on certain political parties' slates of candidates in the legislative elections, and one woman was at the top of the slate. Eighteen women out of 114 deputies were elected.

**The activities included in the framework of strengthening political and institutional governance carried out in 2013, which contributed substantially to social equilibrium, are listed in the table above. All of these activities are designed to facilitate the holding of municipal and community elections.**

## **2.2. Strengthened judiciary governance**

In the framework of improving judiciary governance, the activities conducted by the government essentially involved the following:

- *Strengthening the legal framework through:* (i) adoption of the draft organic law on organization, operation, and implementation of the Superior Council of the Judiciary; (ii) review of the bylaws of the judiciary and of the Organisation for the Harmonization of Business Law in Africa (OHADA) National Commission; (iii) preparation and signing of the draft implementing decree for the bylaws of the judiciary; (iv) inclusion of OHADA contributions in the national development budget (BND); (v) implementation of the commission to harmonize domestic law with international agreements; and (vi) organization of a workshop to identify treaties, agreements, and other international texts to be adopted domestically. The total cost of these activities, which were financed in full by the national development budget, was GNF 5,751 million;
- *Improving geographic access and recourse to justice,* particularly through the translation of the judiciary guide into the national languages and revision of the bylaws for court officers, at a total cost of GNF 450 million. These activities were financed by the national development budget;
- *Strengthening of the legal framework and institutional and human capacities in anti-corruption activities.* The activities consisted in preparing an annual program of judiciary inspections and of providing the General Inspectorate of Judiciary Services (IGSJ) with computer equipment to process judiciary statistics;
- *Coordination of the judiciary reform process.* The following activities were also carried out at a cost of GNF 71.3 million: (i) revision of the institutional framework and implementation of the reform; (ii) validation of the action plan by the steering committee for justice reform; and (iii) adoption and release of the reform budget.

We observe in the analysis of the data in Table 1 above that, in connection with the improvement of judiciary governance, the activities carried out during 2013 mobilized GNF 6,573.3 million, of which GNF 6,272.3 million represent the government's efforts, and GNF 301 million represent the contribution of the technical and financial partners.

## **2.3. Strengthened decentralization and local governance**

The effort to improve local governance primarily aims to strengthen the process of decentralization with a view to the real transfer of competence and resources to the local units of government to consolidate the democratic process.

In this connection, during the 2013 annual period, the government's operations involved (i) participation of professional staff from the Ministry of Regional Administration and Decentralization (MATD) in the inclusive dialog and preparations to organize legislative elections; (ii) allocation of GNF 900 million in operating appropriations to regional and

prefectural governments; (iii) continued implementation of Prefectural Development Councils (CPDs) in the amount of GNF 575 million; (iv) release of GNF 1,731 million in operating appropriations to decentralized governments and local units of government; (v) establishment of a database to manage staff of the decentralized regional units of government and to strengthen their capacities through a series of appropriate training activities, and provision of equipment, in the amount of GNF 21.6 million and GNF 1,500 million; (vi) construction and rehabilitation of administrative facilities at the regional, prefectural, and sub-prefectural levels in the amount of GNF 13,020 million; (vii) allocation of GNF 2 million to the subprefects for uniforms; and (viii) steering of the action plan in connection with the Letter on National Policy for Decentralization and Local Development (LPN-DDL), in the amount of GNF 270 million.

#### **2.4. Strengthened economic governance**

**In 2013, the government continued to implement the reforms in the area of financial governance.**

- Progress was made in 2013 with the adoption of the Decree Establishing the General Regulations on Budget Management and Public Accounting (RGGBCP), which is one of the main implementing texts of the Organic Law on Budget Laws (LORF) published on January 15, 2013. The regulation on fiscal governance, which aims to define the rules for budget preparation, and which constitutes the second implementing text, was also prepared and is pending adoption. The budget execution and accounting manual and a draft text on the state budget nomenclature were also drafted. Preparation of the master plan for information technology, which began with assistance from the African Development Bank (AfDB), will make it possible to overhaul the information system in connection with the new budget architecture.
- In the framework of strengthening public expenditure management, efforts were also made to comply with normal expenditure procedures and to reduce the level of exceptional procedures. Activities have continued in the supervision of budget execution and budget regulation procedures to limit exceptional procedures and to remain in line with the expenditure objectives of the program supported by the Extended Credit Facility (ECF). We should note that public expenditure reviews were initiated with support from the World Bank in the agriculture, education, and health sectors, and at the overall level.
- In terms of revenue mobilization, progress was made in the revision of the general tax code. The book of tax procedures was prepared, although it will require updating and adaptation to the revised General Tax Code (CGI). The new Customs Code was also prepared. The draft Law Establishing the Tax and Customs Regime for Enterprises and Project Eligible under the Private Investment Code was prepared by the government and discussed with the private sector. Tax and customs incentives initially included in the Investment Code will be transferred to the General Tax Code and the Customs Code. In the interim, however, they have been incorporated into the 2014 Draft Budget Law. A technical committee has been established and is now assessing the property tax reform. The revision of customs tariffs is also effective. The activities undertaken in 2012 in the area of supervision are now continuing.

- The legislative and regulatory framework for public contracting is now in place. The law on the issue of public contracts and the decree establishing the public contracting code were published in the official gazette in February 2013. The texts on the public contracting regulatory authority, the National Directorate for Public Contracting, and Major Project Administration and Oversight (ACGP) have also been prepared. The new law introduces an important distinction in terms of contracting functions: the regulatory/regulation function, contracting function, and supervision function. Efforts were also made to reduce the lags required for the revision of contracting systems, which made it possible to reduce contracting lags (the bidding documentation phase) from 85 to 55 days.
- Public debt reforms involved preparation of the Public Indebtedness Policy Declaration, which was the subject of consultations with a view to its timely adoption. The texts on the National Public Debt Committee were also established. Pending the signing of the Decree on the Debt Committee, a text was established instituting the National Technical Committee for Debt Management. A manual of procedures on debt was also prepared, along with a medium-term action plan to strengthen debt management.
- Progress has also been made in the reform of the treasury single account (CUT). The scope, structure, and operating mechanisms of the CUT were also defined in an agreement on accounts between the Ministry of Economy and Finance and the Banque Centrale de la République de Guinée (BCRG) signed on May 17, 2013 preceded with an agreement on securitization of the treasury's debt with the BCRG signed on April 30, 2013. The scope of the CUT was limited to the state, public administrative entities, and regional units of government.
- The reform works conducted in property management substantially involved an overhaul of the legislative framework and a survey of public enterprises. At this level, a portfolio audit of public enterprises was conducted in 2013. The revision of the text to harmonize the legislation governing public entities with the new organic law on budget laws and the general regulation on budget management and public accounting is now being conducted by the IMF consultant. A draft text is already available and is pending finalization.
- Accounting management activities involved modernization of the state legal accounting framework. At this level, we can point out preparation of three draft decrees (the government chart of accounts and accounting instructions, accounting rules, the standard chart of accounts for public administrative entities, and the sectoral chart of accounts for public administrative entities). Efforts to regularize the provisional imputation accounts also continued. As a result of these efforts, at December 31, 2013, Central Accounting Agency of the Treasury (ACCT) received GNF 1,569,247,384,264 in total adjustments for the fiscal years 2009-2013, 72 percent of which corresponded to 2012.
- Actions were also taken in preparing and checking the examination of management accounts for senior government accountants in connection with the 2009, 2010, and 2011 fiscal years for accountants of public administrative entities, and adjustment orders for the 2010 and 2011 fiscal years forwarded by the ACCT.

- In terms of supervision, the General Finance Inspectorate (IGF) undertook its institutional transformation with the preparation of a Decree on the Powers and Operation of the IGF in January 2013; and preparation of a Draft Joint Decree Establishing the Organic Framework for the IGF and the Rules of Procedure for its Members. Last, we should note the drafting in December 2013 of the Decree Establishing the Mechanisms and Program for Organizing the Competitive Recruitment Process for Finance Inspectors. The IGF also conducted a number of supervision activities in 2013. For the Court of Auditors [*Cour des Comptes*], the Organic Law Establishing the Court was adopted by the National Transition Council in January 2013. This law will institute the new Court of Auditors to replace the current Court of Accounts [*Chambre des Comptes*].

To provide a framework for all of the reforms in the area of public financial management, the Ministry of Economy and Finance has undertaken preparation of a new revised plan of fiscal reforms based on the results of the public expenditure and financial accountability (PEFA) assessment. The assessment began on March 20, 2013 and was completed in June 2013. In general, the results of the PEFA show that, in the public financial management system, Guinea is still found to have weaknesses at several levels. However, the mission observed some progress as compared with the results of the 2006 assessment. Accordingly, we note an improvement in 15 indicators, deterioration in seven indicators, and nine indicators for which the rating was unchanged. These results are indicative of a certain level of dynamics in the area of reform.

Substantial weaknesses were observed in budget execution (predictability and supervision of execution and public contracting); fiscal affairs (tax collection rate following tax supervision activities); the chart of accounts (recording of information and financial reporting); supervision and internal audit; surveillance of risks in connection with public enterprises; and external surveillance and supervision).

The first draft of the public financial reform strategy paper was prepared at end-September 2013. The reform plan is organized on the basis of nine reform programs: (1) budget preparation and programming; (2) domestic revenue mobilization and management; (3) external resource mobilization and public debt management; (4) public expenditure management; (5) state asset management; (6) cash management; (7) accounting and financial information system reform; (8) local finance; and (9) internal and external supervision systems. Four support and accompaniment programs will be developed in connection with the reforms: (1) human resources and training; (2) computerization system; (3) infrastructure rehabilitation; and (4) communications.

We also observe implementation of the national statistics development strategy, including revision of Law L/95/047/CTRN of August 29, 1995 on Statistics; continuation of the works to conduct the third general population and housing census (RGPH 3), preparation and validation of the report on the national survey on the aspirations of the Guinean population (ENAPGUI) in connection with the preparation of the forward-looking paper *Guinée, Vision 2035*, and implementation of the project to strengthen statistics capacities for PRSP monitoring and evaluation, financed by the European Union.



The analysis of the indicators presented generally denotes a downward trend in performance, which will potentially have a negative impact on the public living conditions if this course is maintained.

## **2.5. Improved administrative governance**

Through the High Commission, the government has engaged in substantial activities in 2013 as this year was considered a decisive one for the introduction and continuation of public sector reform. Accordingly, these activities substantially involved: (i) institutional development; (ii) strengthening of capacities; (iii) modernization of the administration; and (iv) the project to establish a National School of Administration (ENA).

**In the area of institutional development**, the aim is primarily to establish bodies to steer the reform, restructure the High Commission for State Reform and Modernization of the Administration, and to prepare steering tools (conceptual memorandum of the Program of State Reform and Modernization of the Administration, the monitoring and assessment manual for the Program of State Reform and Modernization of the Administration, the Communication Strategy, the Plan for Communication on the Reform, and the action plan for implementation of the Program of State Reform and Modernization of the Administration), development of partnerships with multilateral institutions through the preparation of a draft reform support paper (DAP) with technical and financial support from the United Nations Development Programme (UNDP), and the support paper for the reform of the administration in connection with the Technical Assistance and Capacity Development Project for Economic Governance (EGTACB) with the World Bank.

**In this framework of capacity building**, the activities involved: (i) training abroad for approximately 10 professionals from the High Commission for Reform of the State and Modernization of the Administration (HCREMA); (ii) active involvement of the HCREMA in sectoral reform activities, and primarily reform of the security sector; the project to reinforce the supervision and implementation body of the Court of Auditors, etc.; (iii) training by the National Secretariat for Capacity Building (SENAREC) of 200 professional staff from different ministries in information technology and 125 professionals in English; and (iv) implementation by decree of the Steering Committee for the Multisector Country Program for Capacity Development. We should also note the preparation in progress of the information technology master plan steered by the Information Technology Systems Directorate. Technical and functional studies were conducted in this connection.

**The modernization of the administration aims to** (i) provide network bandwidth (Internet connections for certain ministries); (ii) prepare and validate the Guinean government's "e-administration" strategy for the National Agency for Electronic Governance and Computerization of the State (ANGEIE).

**Activities involving implementation of the National School of Administration (ENA)** focused substantially on (i) rehabilitation of the six hectare site in Kenendé/Dubrêka (cleanup and delimitation); (ii) conducting a study on providing access ways to build security walls; and

(iii) conducting a study to establish the National School of Administration in partnership with the *École Nationale d'Administration Publique de Québec*, Canada.

The following results were achieved as a result of all of these activities: (i) a survey on training for administrative professionals was prepared; (ii) the vision, values, mission, and model were defined for the National School of Administration; (iii) the institutional framework and governance mechanism were established for the National School of Administration; (iv) the organizational structure was designed for the National School of Administration; (v) training was organized as a diplomacy certificate program in administrative skills; certificate programs in specialized skills; and an induction program for new civil service professionals; (vi) targeted continuing education activities (short-term training); and (vii) recruitment of 16 auxiliary trainers out of the 20 to attend an intensive trainer training course at the *École Nationale d'Administration Publique de Québec* to establish the teaching staff at the National School of Administration.

### III. ACCELERATED, DIVERSIFIED, SUSTAINABLE GROWTH

Levels of economic growth in Guinea were relatively modest during the past three years studied (an average of 3.4 percent). This growth rate is insufficient to reduce poverty, with demographic growth levels of approximately 3.1 percent per annum. Studies indicate that growth of at least 7 percent is required to reduce poverty. Moreover, as this growth relies essentially on the mining and agriculture sectors, an effort is required to promote robust, diversified, sustainable growth.

Accelerated, diversified, sustainable growth requires: (i) stabilization of the macroeconomic framework; development of growth sectors and growth centers; (iii) development of the mining sector; (iv) development of the manufacturing industries sector; (v) development of trade; (vi) development of tourism, hotel and artisanal activities; (vii) coordination and effective management of aid flows; (viii) an improved business climate; (ix) promotion of subregional and regional integration; (x) efficient management of mining resources; and (xi) protection of the environment and promotion of a green economy.

#### 3.1. Stabilization of the macroeconomic framework

The 2013 annual period was difficult as a result of the negative impact of the mining and political shocks on the economy. These two shocks reduced economic growth and led to a shortfall in public revenue of GNF 1,400 billion, equivalent to 3.2 percent of GDP, throughout the year. **The economic growth rate was 2.3 percent, as compared with 3.9 percent in 2012.** Bank liquidity declined steadily, while there was a modest increase in credit to the private sector. The national currency, however, remained stable against foreign currencies, thanks in part to sound performance of small-scale gold exports. **Following a period of stagnation at approximately 12 percent during May-July 2013, the downturn in inflation continued with a decline to 10.5 percent in December 2013.**

##### 3.1.1. Fiscal sector

Execution of state financial transactions ended with an overall deficit of GNF 925.43 billion in 2013, equivalent to 2.1 percent of GDP widening the overall deficit by GNF 486.91 billion (1.2 percent of GDP) in 2012 and by GNF 95.73 billion (0.3 percent of GDP) in 2011. The basic balance (on a commitment basis, not including grants) also registered a deficit of GNF 3,312.57 billion (representing 7.7 percent of GDP) in 2013, as against deficits of GNF 2,170.49 billion (5.4 percent of GDP) in 2012 and GNF 1,258.07 billion (3.7 percent of GDP) in 2011.

Trends in budget indicators

	2011	2012	2013
Balance, excluding grants (commitment basis), in percent of GDP	-3.7	-5.4	-7.7
Primary balance (in percent of GDP)	0.2	-1.4	-2.4

*Source: National Budget Directorate (DNB)/MEF, National Planning Directorate (DNP)/Ministry of Planning (MP).*

This resulted in a primary deficit of 2.4 percent of GDP in 2013, as against a deficit of 1.4 percent in 2012 and a surplus of 0.2 percent of GDP in 2011.

The final budget outturn for 2013 met the indicative objectives of the 2012-2014 Extended Credit Facility.

### **3.1.2. Revenue and grants**

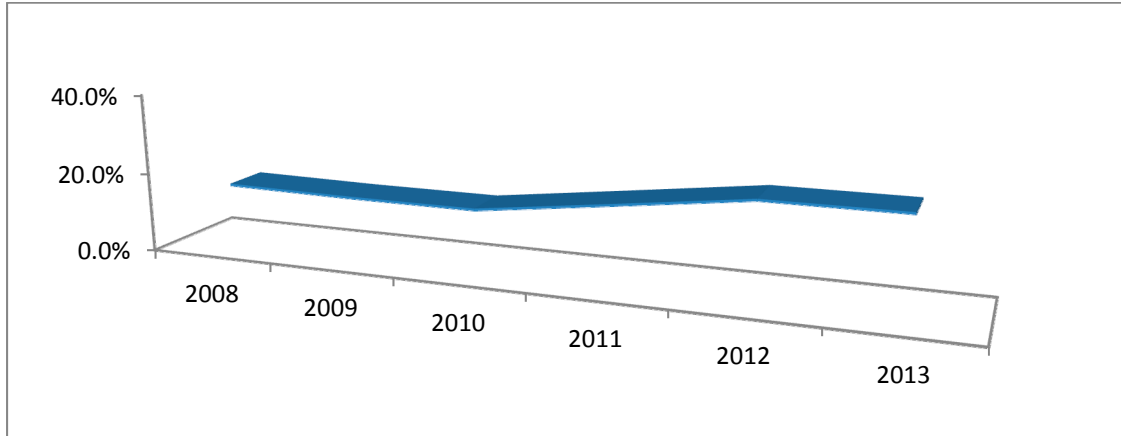
Revenue and grants mobilized by the state amounted to GNF 10,863.37 billion, a shortfall of GNF 1,400 billion as against projections for the same period. This slippage is primarily attributable to the sharp decline in current revenue (particularly in the mining sector) during the period under review. The decline in total revenue is reportedly explained, among other factors, by the continued closure of the Friguia plant, the delay in finalizing the investment framework for the Simandou project, the shutdown of Vale company, and sociopolitical movements.

Current revenue amounted to 18.8 percent of GDP in 2013, as against 19.9 percent a year earlier. This decline is the result of the simultaneous decline in mining and non-mining revenue. Revenue mobilized in the mining sector declined from 1.9 percent in 2013 as against the prior year to GNF 1,577.16 billion. Revenue mobilized in the non-mining sector, on the other hand, is estimated at GNF 6,899.07 billion, equivalent to 15.3 percent of GDP, as against 15.9 percent of GDP in 2012. Grants amounted to GNF 2,387.14 billion, as against GNF 1,683.58 billion in 2012, exclusively as a result of earmarked grants; non-earmarked grants declined 5 percent as against the prior year.

Mobilization of revenue was negatively impacted by the following factors:

- The low level of economic activity as a result of sociopolitical unrest in connection with the organization of legislative elections;
- Shortfalls in petroleum revenue resulting from the failure to adjust petroleum product prices;
- Problems in the gold sector;
- Delays in expected aid disbursements, primarily from Abu Dhabi.

**Figure 1.** Trends in state revenue and grants as a percentage of GDP

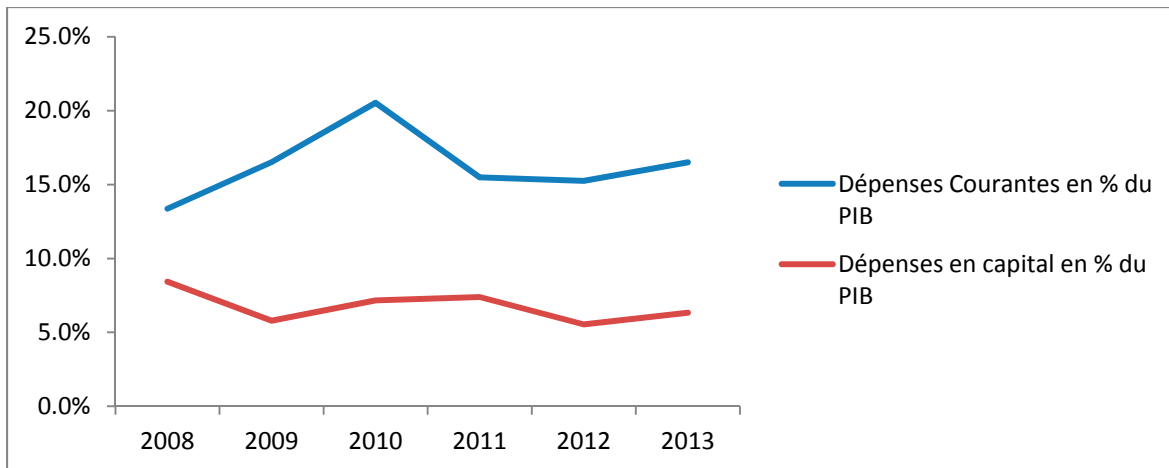


*Source: Table of Government Financial Operations, DNB/MEF and Macroeconomic Framework Exercise, DNP/MP.*

### 3.1.3. Expenditure

Total public expenditure amounted to GNF 11,788.87 billion (25.3 percent of GDP) as against projected commitments of GNF 11,029.46 billion, equivalent to a gain of GNF 759.34 billion. Expenditure increased 16.2 percent as against the prior year. This increase is attributable to rises in capital expenditure as well as in current expenditure.

**Figure 2.** Trends in state current and capital expenditure



*Source: Table of Government Financial Operations, DNB/MEF and Macroeconomic Framework Exercise, DNP/MP.*

[Key, Figure 2: [Blue line:] Current expenditure as a percentage of GDP; [Red line:] Capital expenditure as a percentage of GDP.]

Current expenditure was estimated at GNF 7,425.19 billion (equivalent to 16.5 percent of GDP) in 2013, as against GNF 6,112.01 billion (15.2 percent of GDP) in 2012. This increase is explained by expenditure on wages and salaries, goods and services, and transfers and subsidies. Wages and salaries amounted to GNF 2,190.17 billion, an increase of 24.7 percent over 2012. "Other goods and services" amounted to GNF 2,943.54 billion, equivalent to an increase of 24 percent over the prior year. Subsidies and transfers amounted to GNF 648.23 billion in 2013, as against GNF 477.47 billion a year earlier.

Capital expenditure amounted to GNF 3,387.36 billion, as against GNF 3,783.46 billion in 2012, equivalent to a decline of 10.5 percent. This decline can be attributed to domestic investment financing of GNF 1,819.82 billion in 2012, as against GNF 2,656.81 in 2013, equivalent to a drastic decline of 31.5 percent. External financing of investments amounted to GNF 1,551.23 billion, as against GNF 1,112.78 billion a year earlier.

Out of a program performance criterion at end-December 2013 (floor) of GNF 4,200 billion, expenditure on priority sectors amounted to GNF 3,706.2 billion. This execution is broken down as follows by type of expenditure:

Wages and salaries	GNF 1,102.54 billion
Goods and services	GNF 503.06 billion
Subsidies and transfers	GNF 373.55 billion
Investment	GNF 1,727.67 billion

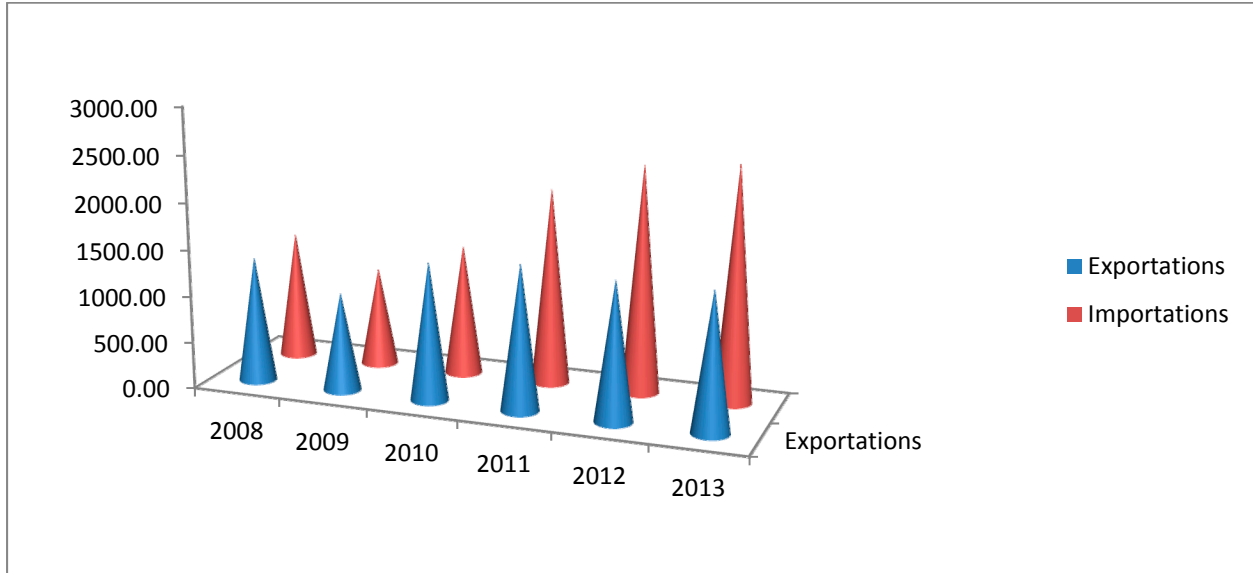
Expenditure on priority sectors represented 31.44 percent of total budget execution in 2013 and 8.54 percent of GDP as against projections in the budget law of 33.17 percent and 8.93 percent.

This performance involves rural development, in the amount of GNF 395.61 billion (3.36 percent); mining, industry, water, and energy, GNF 666.77 billion (5.66 percent); infrastructures, GNF 1,102.12 billion (9.35 percent); social sector, GNF 1,254.21 billion (10.64 percent); and the General government sector, GNF 288.11 billion (2.44 percent).

### **3.1.3. External sector**

The overall balance of payments registered a deficit of US\$271.6 million (4.2 percent of GDP) as against an overall deficit of US\$194.7 million in 2012, equivalent to a deterioration of 39.5 percent. This deterioration can be attributed to erosion in the current transactions balance, that was not entirely covered with flows recorded in the capital and financial operations accounts. The current transactions account deficit widened by 11.8 percent from US\$1,038.62 million in 2012 to US\$1,160.95 in 2013, attributable largely to deterioration in the services balance. The balance of trade registered a deficit of US\$252.8 million in 2013, as against a deficit US\$326.4 million in 2012. Exports f.o.b. were situated at US\$1,886.3 million, as against US\$1,927.6 million in 2012. Imports f.o.b. amounted to US\$484.1 million, as compared with US\$348.7 million.

**Figure 3.** Import and export trends



**Source:** BCRG/Statistics and Balance of Payments Directorate.

[Key, Figure 2: [Blue line:] Exports; [Red line:] Imports.  
Right of graphics: Exports]

The services balance registered a deficit of US\$590.9 million, as against a deficit of US\$722.7 million in 2012. This situation is attributable to the decline in expenditure in connection with technical services (information technology, management consulting, legal affairs, research and development, etc.) paid by resident and nonresident economic transactors. The balance of factor revenue registered a deficit of US\$405.2 million, as against a deficit of US\$122 million in 2012. This deterioration can be largely attributed to external debt service paid by the state and revenue paid to nonresident investors by Guinean enterprises. The balance of the current transfer account showed a surplus of US\$87.9 million, as against a surplus of US\$132.4 million the previous year, equivalent to a decline of US\$44.6 million, largely attributable to: (i) a substantial decline in grants in cash and in kind from international institutions to local associations and non-governmental organizations; and (ii) an increase in outward fund transfers for embassy wages and operations. The capital operations account registered a surplus of US\$243.7 million, a slight increase of 1.9 percent over the previous year. This situation is explained largely by the decline in project grants to the state from its financial and bilateral partners during 2013. The balance of financial operations registered a surplus of US\$644.8 million in 2013 as against a surplus of US\$594.2 million in 2012, equivalent to an increase of 8.5 percent. These trends can be explained largely by a substantial increase in commitments in connection with other investments (credit arrangements, commercial loans, and advances and down payments paid by Guinean companies in connection with nonresident suppliers and partners).

In 2013, Guinea's foreign trade reflected an overall deficit of US\$271.6 million, as against an overall deficit of US\$194.7 million in 2012. This deficit was covered primarily by (i) external debt rescheduling of US\$23.3 million; (ii) debt forgiveness granted to the state by financial and

bilateral partners in the amount of US\$165.8 million; and (iii) drawings on new borrowing by the state during the period, in the amount of US\$193.1 million. During 2013, assets and reserves increased by US\$18.7 million as against 2012 to US\$50.6 million.

#### **3.1.4. Financial and monetary sector**

The 2013 annual period included the strengthening of the financial sector with an increase in the number of banks, microfinance institutions, and insurance companies, and improved services from each of these organizations.

The number of banks increased from 14 to 15 and the number of branches or agencies rose 11.2 percent to 109 in 2013, as against 98 in 2012. The consolidated situation of the banking system registered a total balance sheet increase of 15 percent, an increase of 13.5 percent in customer deposits, an increase of 35 percent in credit to the economy, and a 31 percent increase in medium and long-term loans.

During the year, aggregate net banking revenue increased by 7 percent and net profits by 13 percent. Minimum capital increase measures led to a 17 percent increase in consolidated capital.

The microfinance sector reported the same improvements with the authorization of a new organization in 2013, bringing the total to 17. In one year, the number of cashiers' facilities increased from 485 to 507, equivalent to 4.5 percent. Outstanding savings mobilized and financing granted amounted to GNF 134.5 and 181.9 billion, respectively. The three main sectors benefiting from this financing are trade, restaurant, and hotel activities (57 percent), while agriculture, fishing and livestock accounted for 20 percent and artisanal trade and industry accounted for only 10 percent.

In 2013, consolidated capital of microfinance institutions increased 48 percent to GNF 66.2 billion, and net overall earnings amounted to GNF 2.1 billion.

Output in this sector improved with the introduction of fund transfer services as a result of the agreements signed by the IMF and specialized agencies.

A new company was also registered in the insurance sector, bringing the total number to 10 in 2013. For the year, a total of GNF 254.9 billion in premiums were issued, representing an increase of 7.7 percent as compared with 2012. Turnover increased from GNF 236.5 billion to GNF 254.6 billion in one year, equivalent to growth of 7.8 percent.

#### **Monetary and foreign exchange policy in 2013 and performance**

During the 2013 annual period, monetary policy implementation was characterized by a decline in the policy rate and the reserve ratio respectively of six points and two percentage points.



These measures led to an increase in bank liquidity and a decline in interest rates. At end-2013, the level of liquidity in the banking system more than tripled as against 2012 to GNF 718.1 billion.

All interest rates were adjusted on the market. Accordingly, the average weighted rate for 182-day treasury paper was 10.9 percent, as compared with 17 percent at end-December 2012. The average passbook interest rate was set at 3.3 percent with a ceiling of 5 percent and a floor of 2 percent. Time deposit rates were established at an average of 3.8 percent with a maximum of 6 percent and a minimum of 2 percent. The maximum borrowing rate averaged 22.7 percent, with a ceiling of 26.5 percent and a floor of 19 percent.

In 2013, foreign exchange policy focused on rigorous external asset management, consolidation of the official foreign exchange market, and strengthening of the country's foreign exchange reserves.

During the year, the BCRG allocated US\$170 million to banks in support of import financing. It also mopped up GNF 1,154.4 billion in excess liquidity.

This policy led to the stabilization of the Guinean currency against foreign exchange and brought inflation under control.

Accordingly, at end-2013, the exchange rate for the U.S. dollar was GNF 7,005.8, as against GNF 6969.80 one year earlier, equivalent to depreciation maintained within the limit of 0.5 percent, while the parallel market rate for the Guinean franc appreciated 0.1 percent. During this period, the exchange premium (the difference between the official and parallel market rates) declined from 2.06 percent to 1.63 percent. Between end-2012 and end-2013, inflation declined from 15.2 percent to 11.9 percent and from 12.8 percent to 10.5 percent (annual average, year on year).

Despite the BCRG's contributions on the interbank foreign exchange market, the nation's foreign exchange reserves remained at a level compatible with the country's commitments with its financial partners. Gross foreign exchange reserves in fact amounted to US\$711.9 million at December 31, 2013, representing an increase of 9.5 percent as against the prior year. These reserves cover three months of imports of goods and services.

In addition to the numerous efforts made during 2013 in the area of monetary and foreign exchange policy, the BCRG undertook a project on the national payments and electronic money system to improve access to financial services at a lower cost and to accompany banks in their strategy to establish facilities within the country.

### **3.2. Development of growth sectors**

Growth sectors primarily involve agriculture, mining, and tourism.

### 3.2.1. Development of the agriculture sector

The government took the following steps in connection with agricultural development policies and strategies in harmony of those of the African Union Africa Agriculture Development Programme (UA/PDDA) and the Economic Community of West African States (ECOWAS):

- Publication of the revised paper of the National Program for Agricultural Investment and Food Security (PNIASA), which was presented to the technical and financial partners in Conakry during April 23-27, 2012;
- Adoption of the PNIASA by the government on November 15, 2012, for which the business meeting was held on June 3 and 4, 2013;
- Launch, finalization, and dissemination of the final report of the public expenditure review for the agriculture sector;
- Preparation of the first draft and finalization in progress of the Framework Law for Agriculture with support from the Food and Agricultural Organization (FAO);
- Finalization of the national seed policy with support from the United States Agency for International Development (USAID), the Sahel Institute (INSAH), and the West African Council and African Center for Agricultural Research and Development (CORAF/WECARD), and validation of the seed texts on December 5, 2013;
- Validation of the global survey on food security and nutrition conducted by the National Agricultural Statistics Agency (ANASA), on December 18, 2013 in collaboration with the World Food Programme (WFP).

Accordingly the following projects were negotiated and launched during 2013, with support from the development partners:

- Launch of the West African Agriculture Productivity Program (WAAPP) in the amount of US\$9 million with Japan based on a loan domiciled with the World Bank to improve rice productivity, implement a sustainable seed system, and provide assistance for research services;
- Launch with the World Bank of the Second Emergency Program to Support Agricultural Productivity (PU/APA-II) in the amount of US\$20 million. We also observe continuation with the World Bank of phase two of the National Rural Infrastructure Program (PNIR-2) to build the Téné bridge in Dalaba, the Timbi Madina platform in Pita, and the administrative facility for the rural municipality of Ouré-Kaba in Mamou.

The state provided direct support for the 2013 crop year. As in the past, this crop year is subject to implementation of the government food security program initiated in 2011. In this context, for the 2013-2014 crop year, the operational objective was set to consolidate the accomplishments from previous years with a further net increase of 100,000 tons of rice. The institutional

mechanism for implementing the crop year program was strengthened with the involvement of support services established as public agencies with management autonomy so that they can operate more effectively. These activities include research, consulting, and extension services, as well as statistics, *inter alia*.

The effort by the National Agency Promoting Rural and Agricultural Consulting (ANPROCA) to strengthen extension activities for the crop year led to an increase from the existing 427 agricultural advisers to 608 officers with the objective of supporting 91,000 rural households to promote more effective use of agricultural inputs and practices.

Continued agricultural mechanization efforts have led to an increase in farm space. Land preparation, harvesting, and post-harvesting equipment delivered to groups of producers and private operators includes 20 combine harvesters, 300 power mowers, 525 motorized threshers, 600 diesel engine shellers, 150 tractors in the range of 60-80 horsepower, 500 steam units, and 30 paddy sorting and cleaning machines. Agricultural Service Centers (CPA) established in the prefectures have facilitated access for small producers to working resources.

For the acquisition and distribution of inputs, supplies were provided in the prefectures by licensed suppliers. Distribution operations *were conducted by the prefectural agriculture chambers assisted by the decentralized services of the Ministry of Agriculture*.

*The following supplies and inputs were provided for food crops:*

- Supply of seed rice (500 tons);
- Supply of fertilizer: NPK 17 (12,000 tons), vegetable fertilizers (300 tons), urea (3,000 tons), fruit fertilizers, all types combined (2,200 tons);
- Supply of phytosanitary products and equipment: herbicides (495,000 liters), insecticides (50,000 liters), granulated insecticide (20,000 kilograms), stock insecticide (3,000 kilograms), phytosanitary equipment (50 tanks, 100 PH<sub>3</sub> containers, 1,000 sprinklers, 500 sprayers, and 2,000 protective kits).

The following were provided for cotton growing: 4,000 tons of fertilizer, 115,000 liters of insecticides, 25,000 bags of insecticides, 50,000 liters of herbicides 1,500 treatment units, and 3,800 carbon batteries.

The assessment of the 2013-2014 season indicates a positive outlook for the third season, despite the flooding registered in some areas in a number of prefectures. The joint opinion on the overall results of the crop forecasts for 2013-2014 following a combined mission from Green Growth (National Agricultural Statistics Agency), the Inter-State Standing Committee to Fight Drought in the Sahel (CILSS), FAO, WFP, and USAID Famine Early Warning Systems Network (FEWS NET) conducted in October 2013 gives us the following outlook:

- Cereal production of 3,430,591 tons, equivalent to an increase of 6 percent as compared with 2012-2013; and rice production of 1,918,841 tons, equivalent to an increase of 7.2 percent as against 2012;
- A survey conducted by the World Food Programme (WFP) concluded that the government's support efforts had an impact of 89 percent in terms of the country's market supply. This means year-round equilibrium between supply and demand for rice, and therefore stable prices for both local and imported rice.
- Gross rice production of approximately 2,053,353 tons, up 7 percent over the prior year's production levels.
- In terms of market impact, the significant increase in food production for the past two years, particularly for rice, has contributed to stabilize prices for that commodity.

These efforts have made it possible to stabilize rice prices, even during the pre-harvest period when the food shortage is most acute.

The local net price of rice per kilogram declined from GNF 11,000 per kilogram prior to 2011 to an average of GNF 6,000 per kilogram in 2013, equivalent to 50 percent less than in 2011.

For 2013-2014 cotton season, production of 10,000 tons of cottonseed was projected with the preparation of 20,000 hectares for cultivation, and the acquisition of the inputs as indicated above. Unfortunately, in contrast to the projected levels, only 4,300 hectares were prepared for an estimated production of 2,800 tons of cottonseed. This situation is attributable in part to the late delivery of the fertilizer in July 2013, rather than on May 20, 2013, which is the date recommended for the sowing period.

Moreover, marketing for the prior season did not begin until April 2013, even though the harvest began in December 2012. The delays registered at these two levels are the fundamental reasons for the decline in motivation for cotton producers, leading to a drastic decline in projections as well as in production areas and volume.

As a result, the quantities of fertilizer delivered as compared with the initial requirement of 2,250 tons will be carried over to the 2014 season, and a further 750 tons will be added, for a total of 3,000 tons of fertilizer to prepare the 15,000 hectares remaining from the previous season. The same will apply to the phytosanitary products based on the quantities available to be redeployed.

A variety of equipment was allocated to the Agricultural Service Centers in the prefectures to provide lower-cost support to artisanal producers in their land preparation, harvest, and post-harvest activities.

This assistance had a substantial impact on the increase in cultivated areas and in improving agricultural productivity during the 2013 growing season.

In connection with the implementation of the agricultural development and rehabilitation plan for the lowlands and plains, support from the government and its partners has made it possible to accomplish the following in connection with the development activities:

- Rehabilitation of 946.33 hectares of idle plains. The following activities were carried out in Moyenne Guinée: cement surfacing of 3,485 linear meters of canals and development of 53 hectares in Mamou; development of lowlands in Dalaba; and development of 26 hectares of lowlands in Pita. In Guinée Forestière and Haute Guinée, the activities respectively involved development of 171.16 hectares and 50 hectares of lowlands.
- With financing from Rio Tinto, accomplishments in Basse Guinée involved rehabilitation of 710 hectares of plains. In Haute Guinée, the works involved 2,220 hectares of hydro-agricultural development.
- We note two structuring projects based on bilateral financing:
  - The Tougué/Dabola project, based on financing from the Kingdom of Spain, which closed in June 2013, made it possible to develop 299 hectares in the project operating areas, to benefit 2,085 small-scale farmers with facilities for women and young people to access water and land during all seasons, to stop rural flight. Pisciculture ponds and storage facilities were also built;
  - The Project to Support Development of the Rice Sector, financed by *Agence Française de Développement* (AFD) completed 2,600 hectares out of the planned 3,500 hectares, equivalent to a physical completion rate of 75 percent. The works amounted to €9,000,000, representing a disbursement rate of 96 percent in connection with agreement CGN 1120 01 G.

Projects in the framework of subregional financing involved the following:

- Integrated water resource management project (PGIRE-OMVS-BM) with development of 227 hectares of lowlands and a 2,000 hectare drainage area, as well as the reconstitution of 20 kilometers of shoreline in Mamou and Labé, in the area of agroforestry;
- The project for sustainable development of water resources and development of ecosystems (PDREGDE-ABN-IDA), which focuses on sustainable improvement in water resource productivity in support of economic development in the countries of the basin and covered by the project (Benin, Mali, Niger, Nigeria, and Guinea).

Implementation of the Agricultural Productivity Program for West Africa (PPAAO - Guinea) made it possible to assist 13,212 additional direct and indirect beneficiaries, equivalent to an increase of 6 percent as compared with 2012, and a completion rate of 132 percent as compared with the target value for 2013.

A total of 83 activities were planned for 2013 under the following categories: (i) capacity development (7 activities); (ii) technical assistance and studies (15 activities); (iii) awareness and communication (4 activities); (iv) procurement (5 activities); (v) works (9 activities); (vi) seed production (4 activities); (vii) research and experimentation (11 activities); (viii) outreach and

extension (2 activities); (ix) missions, meetings, and workshops (13 activities); (x) competitive research fund (1 activity); (xi) monitoring, evaluation, and supervision (4 activities); and (xii) management activities (8 activities).

In terms of budget execution, out of a projected GNF 36,466,499,000 (including 15.5 percent from the national development budget), the program achieved GNF 27,585,114,000 at December 20, 2013, equivalent to an overall budget execution rate of 75.65 percent (71.15 percent external financing and 100 percent from the national development budget).

This execution rate is considered satisfactory in light of the 2013 objectives and constraints encountered in program implementation. In terms of disbursements, PPAAO/WAAPP had disbursed 46.74 percent of the grant amount at December 31, 2013.

In terms of implementation of the South Africa-Guinea-Vietnam Tripartite Project, the partial balance of completion for the 2013/2014 program is provided below.

Table 2. Project completion

Programmed activities	Objectives	Outputs	Observed discrepancy
Extension activities for producers	1,800 households	1,800 households	+00
Structuring and organization of producers at grassroots level	150 producers' organizations	116 agricultural producers' organizations including rice: 74 producers' organizations; vegetables: 42	34
Rehabilitation of agricultural perimeters, Kapatchez	Kiaye: 750 ha Diguissa: 400 ha Momoyiré: 20 ha	Bidding documents	
Supplementary development-Kapatchez	Singuila: 210 ha Kiaye: 750 ha	Bidding documents	
Cultivation, rice	2,000 ha	1,820 ha	180 ha
Cultivation, truck farming	250 ha	101 ha	149 ha
Training of producers	9 sessions	9 sessions	0
Recruitment of new counterparts	20	00	20
Training to use farm machinery and post-harvest activities	22 Drivers	22 Drivers	
Communication on technical itineraries		1 Round table in Kindia for outreach workers,	

Programmed activities	Objectives	Outputs	Observed discrepancy
		November 18	
Improved rice yields (Vietnamese varieties)	7 tons/hectare	5 tons/hectare	2 tons/hectare
Improved rice yields (Guinean varieties)	5 tons/hectare	3.5 tons/hectare	1.5 tons/hectare
Improved truck farming yields:			
Aubergines	20 tons/hectare		
Peppers	5 tons/hectare	17 tons/hectare	3 tons/hectare
Tomatoes	--	4 tons/hectare	1 ton/hectare

*Source: Ministry of Agriculture.*

In the framework of implementing the National Program to Support Players in Agricultural Sectors (PNAFA), the government of the Republic of Guinea signed a loan agreement with the International Fund for Agricultural Development (IFAD) in the amount of US\$13.3 million and grant agreements respectively for US\$8.7 and US\$9.1 million, with the recent inclusion (2012) of Haute-Guinée.

The Organization of the Petroleum Exporting Countries Fund for International Development (OFID) contributed US\$10 million to finance infrastructure studies and construction.

The program recently obtained a grant of US\$23 million for its expansion to Basse Guinée and to the Region of Faranah. The government's contribution is estimated at US\$5 million and the contribution from the beneficiaries at US\$1.9 million. The overall cost of the program is approximately US\$48 million.

Table 3. Execution of the 2013 PNAFA Annual Work Plan and Budget

Item	2013 budget	2013 disbursement	Completion rate (percent)
Support to agricultural producers' organizations and the National Council for Rural Organizations of Guinea (CNOP-G)	38,206,901,485	27,725,042,264	73
Institutional support and rural finance	1,088,670,937	517,086,720	47
Coordination (National Coordination Unit and 3 Regional Coordination Units)	19,951,009,491	19,127,851,397	96
Subtotal, PNAFA	21,039,680,428	19,644,938,117	93
Total	31,925,575,928	28,746,887,217	90
<i>Physical completion rate</i>			<i>78.57</i>

**As a result of the efforts in the agricultural sector, a growth rate of 5.5 percent was achieved in 2013, as against 4 percent in 2012.**

### **3.2.2. Development of the livestock sector**

The government's efforts to support development of livestock activities moved towards the three general objectives established for the livestock sector: to participate in food security, help reduce poverty, and protect the environment. The activities carried out in this connection were made possible with the modest resources provided in the national budget for the regional project for sustainable development of endemic ruminant livestock in West Africa (POGEBE), and with financial assistance from the Islamic Development Bank (IsDB) to conduct a study intended to be used as a basis to prepare a national program to develop animal production industries and to develop three bankable livestock projects. These efforts involved:

- Vaccination of 300,000 cattle in endemic areas (Haute Guinée) against contagious bovine pleuropneumonia (CBPP);
- Vaccination of 339,292 sheep and goats against plague countrywide; 101,210 poultry against Newcastle disease, and 136,586 cattle against symptomatic anthrax;
- Strengthening of the surveillance system for H7N9 avian influenza;
- Implementation of a stray dog and cat campaign in the urban commune of Faranah;
- Rehabilitation and equipment of livestock support centers of Boké and Famoïla to improve livestock research, support, and advice programs;
- Construction of four mini-dairies for women's groups in the rural communes of Koumbia (Gaoual), Marela (Faranah), and in the urban communes of Dinguiraye and Beyla;
- Construction of four slaughtering areas in Dinguiraye Centre, Koumbia (Gaoual), Moribadou (Beyla), and Bertéya (Mamou);
- Construction of a regional livestock market in Kounsiteil (Gaoual) and of four local livestock markets in Dinguiraye Centre, Dialakoro (Mandiana), Beyla Centre, and Kalia (Faranah);
- Construction of 32 kilometers of access tracks to service Bouméhoun in Kounsiteil (Gaoual);
- Construction in progress of 6 rural boreholes in Gaoual and Dinguiraye;
- Execution of the "Ramadan 2013" operation designed to make meat more accessible to the public in Conakry and vicinity during Ramadan with a partial sales price subsidy; and
- Continuation of efforts to move the Coléah slaughterhouse to the Kagbélen site, for which the financing arrangements, in the amount of GNF 26 billion, were recently completed.



**The livestock sector registered a growth rate of 4 percent in 2013, as against 4.1 percent in 2012.**

### **3.2.3. Development of the fishing and aquaculture sector**

In connection with improved food security, total fish output on the Guinean markets amounted to approximately 199,270 tons, all species and categories combined, as against 182,250 tons in 2012, equivalent to an increase of 9.3 percent. This output is broken down as follows:

- Industrial fishing: 70,000 tons;
- Small-scale maritime fishing: 94,000 tons;
- Continental fishing: 35,000 tons;
- Pisciculture: 270 tons.

In the framework of revenue mobilization, the government collected the following:

- Industrial fishing: GNF 28,663,534,498, including GNF 27,111,551,328 in royalties and GNF 675,060,000 and US\$525,000 in fines;
- Small-scale maritime fishing: GNF 84,875,000 for the issue of 1,095 fishing licenses.

In 2013, approximately 1,800 new jobs were generated in the sector, broken down as follows: industrial fishing: (109 for maritime observers), small-scale fishing (750, all occupations combined), and pisciculture (400).

In the area of fish resource management, 162 licenses were issued for 110 vessels.

In the area of maritime surveillance, 45 days were spent at sea in seven outings. For coastal surveillance, there were 250 outings. These outings made it possible to inspect 140 vessels and 24 vessels were detained by the National Council for the Surveillance and Protection of Fishing Activities (CNSP).

**The fishing sector generated an estimated GDP of GNF 76.15 billion, as against GNF 71.31 billion in 2012, equivalent to a growth rate of 6.7 percent, as against 4.1 percent in 2012.**

### **3.2.4. Development of the mining and geology sector**

During the 2013 season, in the diamond sector, 26 small-scale diamond operating licenses were signed for 40 parcels (one parcel equals one hectare), generating GNF 80,000,000 in mining royalties. Diamond production recorded during the year amounted to 1,754.82 carats, including:

(i) industrial stones: 1,024 weighing 796.82 carats; and (ii) jewelry stones: 683 weighing 957.91 carats.

In the context of developing small-scale diamond operations in new areas, division and parceling projects are in progress in the prefectures of Macenta, Kérourané, and in the Kindia-Coyah-Forécariah triangle, with a total of 300 parcels (300 hectares).

The National Appraisal Bureau (BNE) recorded exports from 20 purchasing agencies (*comptoirs d'achat*) and one industrial company (Guitar Mining S.A.).

The agencies exported 190,308.51 carats at a total value of US\$32,718,860.37, at an average price of US\$171.93 per carat.

The only industrial company (Guitar Mining S.A.) exported 6,746.17 carats at a total value of US\$3,470,098.36, at an average price of US\$514.38 per carat. Total exports for 2013 amounted to 197,054.68 carats, valued at US\$36,188,958.73, at an average price of US\$183.65 per carat, including: (i) jewelry: 23,409.04 carats, valued at US\$19,808,890.83, at an average price of US\$846.21 per carat; (ii) industrial: 100,833.12 carats, valued at US\$3,461,815.29, equivalent to an average price of US\$34.33 per carat; (iii) combined 72,812.52 carats, valued at US\$12,918,252.60 at an average price of US\$177.42 per carat. Commodities processing industries are rare as the required energy is not available.

In terms of certificates of origin, 117 certificates were issued, three of which were cancelled. The main destinations of these certificates were Belgium, Israel, United Arab Emirates, the U.S., and more rarely, Thailand, Switzerland, Russia, China, Ukraine, France, and Germany.

Gold is marketed in two ways in the Republic of Guinea: through small-scale channels (purchase and sale licenses) and industrially (mining companies—SAG, SMD, and Semafo).

For registration purposes, there are 63 gold purchase agencies, 71 buying agencies, and 13 collectors. There were 312 appraisals conducted on a weight of 5,717,750 grams in 2013.

The low export tax levels are explained by the suspension of small-scale operations owing to the agricultural season, the high price of Guinean diamonds, and the porosity of the borders. Moreover, the 2013 Budget Law allocated GNF 2,803,125,000 to the National Appraisal Bureau for its operations, while only GNF 1,592,965,424 could be disbursed, equivalent to a completion rate of 56.8 percent.

Activities in progress during the period under review involved: (i) securing and increasing mining revenue; (ii) supporting governance in the mining sector and strengthening institutional capacities; (iii) preparing reports on collection, reconciliation, and auditing of payment flows; (iv) geological equipment and research; (v) support to strengthen capacities for economic and financial management; hydro-geotechnical mapping of Gaoual Télimélé; and (vi) seeking financing to conduct studies on construction works and equipment of a national mining laboratory for international reference purposes.

To optimize the sector's activities, the government took the following steps during the period: (i) amendment of the 2011 Mining Code and preparation of implementing texts; (ii) revision of mining contracts and agreements in progress; (iii) inter-ministerial missions with Rio Tinto to enforce the schedule for the works to exploit the iron deposits in Sud Simandou and removal infrastructures as defined in the transaction agreement between the parties (investment framework).

In general, the 2013 contribution from the mining sector varied between 14.6 percent and 16.9 percent of GDP. During the same period, the sector's participation in government revenue amounted to 24.4 percent, 80 percent of which in foreign exchange.

**Despite its noteworthy performance, the mining sector registered slippage, with a decline of approximately 6.8 percent in the economic growth rate in 2013, as against a decline of 2.1 percent in 2012.**

This poor performance is attributable to the delay in the revision of mining certificates submitted to a consulting firm that had been hired to assist the Technical Committee for Review of Contracts and Agreements (CTRCC) during 2013-2014.

This situation is essentially attributable to (i) price fluctuations for certain commodities such as bauxite, gold, etc., on the world market; (ii) petroleum product price increases; (ii) insufficient external contributions to the national budget.

In addition, the mining sector encountered the following problems:

- Insufficient knowledge of the geological and mining infrastructure;
- Insufficient exploitation of known potential;
- Rare industries in Guinea to process raw materials;
- Downturn in megaprojects;
- Difficulty for mining companies to cohabitate with the surrounding communities;
- Lack of resources for technical services so that the state can play an effective role.

### **3.2.6. Tourism, artisanal, and hotel sector**

In connection with promotion and marketing, the Conakry International Airport and approved hotels registered more than 100,000 tourists in 2013, as compared with 46,000 three years ago.

Where infrastructures are concerned, one five-star hotel project (Hôtel Camayenne) was completed, with an investment of €17 million. Seven further four and five-star hotel projects are

in progress with private financing, at a total cost of GNF 1,800 billion (approximately US\$2.57 million).

This hotel investment effort will increase the hotel capacity by approximately 2,000 rooms, equivalent to approximately 2,500 additional beds, over a two-year period. Hotel investments in progress should lead to the creation of 2,000 direct jobs during the construction phase and 1,700 indirect jobs during the operational phase. We should also highlight private investments in the construction of hotels, including Hôtel Millennium, Sacha 2, and Simandou.

In terms of diversification and management of the tourism supply, the Fortin Hotel in Boké was refurbished, while resort sites on the Loos Islands and similar hotels and establishments in the Commune of Kaloum were subject to a comprehensive survey.

Substantial efforts were made to improve the institutional and legal framework, including the following, *inter alia*:

- The signing of the Decree of August 12, 2013 Regulating Hotels, Restaurants, and Leisure Establishments in the Republic of Guinea, which abrogated the Decree of December 9, 1991, which only regulated hotels;
- The signing of Joint Order 2293 Revising Stamp Fee Tariffs Applicable to the Tourism and Hotel Sectors;
- The signing of a partnership agreement with *Tourism sans Frontière* (France);
- Payment of arrears in contributions to the coordination committee for the development and promotion of African artisanal activities (CODEPA) (CFAF 70,000,000);
- Election of Guinea to chair the CODEPA regional delegation for West Africa;
- The process of awarding the contract for the construction of the Kindia artisanal village was finalized. The GNF 19 billion contract was awarded to Eguibat, a Guinean company;
- We should also note the launch of the virtual gallery project for the on-line sale of African artisanal products.
- This performance is attributable to the strengthening of the Public-Private Partnership (PPP).

As a partial conclusion, we note that it is a difficult matter to rigorously measure the impact of macroeconomic and sectoral policies on employment owing to the absence of a dynamic database.

A general study on employment and regular surveys would make it possible to identify causality linkages between macroeconomic policy and employment.

However, we can indicate that the dynamics of employment ground to a halt in 2013 as a result of the slowdown of mining sector investment and the shutdown of certain companies such as Sotelgui.

The report on the specific survey on decent labor and employment revealed the following indicators, which support the accuracy of the concerns expressed in PRSP-3.

**Table 3. Status of activities in connection with selected indicators**

	Conakry	Other cities	Male	Female	None	Professional	Higher
Unemployment rate (percent)	19.10	11.10	18.00	13.00	9.10	23.50	32.30
Discouraged unemployed persons (percent)	1.10	1.50	1.20	1.40	2.10	0.40	1.30
First-time job seekers (percent)	62.90	73.80	64.20	70.40	51.90	70.50	87.70
Unemployed persons prepared to accept any type of work (percent)	83.70	82.70	81.30	86.30	89.70	78.60	78.70
Unemployed persons who prefer salaried status (percent)	71.10	53.90	73.00	53.60	41.10	78.60	84.00
Unemployed persons who prefer independent work (percent)	11.50	21.30	7.30	25.90	28.70	3.10	4.50
Unemployed persons who want to work for the government (percent)	20.60	10.40	19.50	13.50	2.70	19.80	34.00
Unemployed persons who want to work in large private companies (percent)	25.40	30.80	34.90	16.40	17.00	32.30	37.50
Unemployed persons waiting for job offers from employment agencies (percent)	78.20	72.10	82.20	67.30	71.70	86.60	81.90
Unemployment after loss of job (months)	15.2	14.2	14.5	15	15.7	16	12.6
Persons who plan to start their own company in the future (percent)	27.70	33.80	23.70	36.60	46.20	17.00	17.20

Source: Ministry of Employment, Technical Education, and Professional Training

In 2013, the launch of the Productive Social Safety Net Project in Guinea led to the execution of five microprojects in Conakry and five in Kindia. As a result of this project, in the short-term, 24,000 jobs will be created for unemployed or underemployed women and young persons over 18 years of age, with a women's participation rate of 30 percent. In addition, 5,000 beneficiaries will receive training in everyday living skills and preparation for the workplace. The project will also support 150-200 microprojects to be executed in poor districts by local contractors.

## **IV. STRENGTHENED INFRASTRUCTURE DEVELOPMENT**

### **4.1. Development of the public works sector**

In connection with road maintenance on the national road system and urban roads, the activities involved:

- Paved roads in the urban road system, sanitation works in the city of Conakry, manual road repairs, spot improvements, and localized repairs on the main corridors in the city of Conakry and certain intercity roads. The total cost of these operations is GNF 37,452,564,493.
- Implementation of toll and weigh stations costing GNF 1,875,423;
- Earth roads over a distance of 1,106 kilometers in a total amount of GNF 16,779,254,594;
- Crossing works, metal bridges, and box culverts in a total amount of GNF 20,533,291,952.

In the area of rehabilitation, construction, and maintenance of prefectural and community roads, the government executed the following works in its action program: rehabilitation of 227 kilometers of roads, construction and reconstruction of 286 linear meters, and construction of 16 box culverts. These works, with a completion rate of more than 50 percent to date, cost a total of GNF 30 billion.

In connection with urban roads, work has begun in the city of Conakry on the following projects:

- The Matoto-Enta-Dabompa two-by-two lane road;
- The Enta-Sonfonia slip road;
- The T5 Sud transverse road;
- Lot 1 of the Tombo-Moussoudougou project with interchange at the 8 Novembre intersection;
- T6 Nord and T5 Nord transverse roads with the bridge over the railroad;
- The 46 linear meter Taouyah bridge;
- The Dabompa-Km36 two-by-two lane road;
- The works to pave 27 km in districts of five urban communes.

This amounts to a total of 55 kilometers of urban roads, at a total cost of GNF 1,031 billion.

Accomplishments in the interior of the country have involved (i) paving of urban roads in the cities of Coyah and Forécariah; (ii) paving of urban roads in the cities of Boffa and Boké; (iii) paving of urban roads in the city of Kankan; (iv) paving of urban roads in the eight cities of Haute Guinée (Faranah, Dabola, Kouroussa, Siguiiri, Mandiana, Kerouané, Dinguiraye, and Kissidougou); (v) paving of the suburban road from Kankan to Sana.

A total of 149 linear kilometers of urban roads has been delivered or is in progress, at a total cost of approximately GNF 799 billion.

The overall public capital expenditure program for 2013 at December 31, 2013 amounted to GNF 4,099 billion, all taxes included, including GNF 2,548.7 billion from the state's resources (the national development budget), equivalent to 62.16 percent, including GNF 106.9 billion in fees and taxes and GNF 1,551.2 billion in external financing, equivalent to 37.84 percent. The share of resources allocated to the infrastructure sector accounts for 31.2 percent of the overall capital expenditure program. Completion rates for the key activities are shown in the table below.

**Table 4.** Completion rate for works carried out

<b>No.</b>	<b>Programmed activities</b>	<b>Completion rate</b>
1	Two-by-two lane roads, Matoto-Enta-Dabompa (Lots I and II)	90 percent
2	Two-by-three lane roads, Tombo-Moussodougou, plus interchanges	100 percent
3	33 kilometers of roads in the city of Kankan	100 percent
4	52 kilometers of roads in the 8 cities in Haute Guinée	58 percent
5	Development and paving, Kankan-Sana	63.34 percent
6	20 kilometers of roads in Coyah and Forécariah	90 percent
7	30 kilometers of roads in Nzérékoré	70 percent
8	15 kilometers of roads in Boké and Boffa	90 percent
9	Development and paving, Enta-Sonfonia slip road	78 percent
10	Development and paving, T5 Sud	78 percent
11	Development and paving, Labé-Seriba-Madina Gounass	
	Lot 1: Labé-Komba	
	- Lot 1.1: Lébé-Kouramangui	60 percent
	- Lot 1.2: Kouramangui-Manda-Sintourou	60 percent
	- Lot 1.3: Manda-Sintourou-Komba	0 percent
	Lot 2: Komba-Boumehoun	5 percent
	Lot 3: Boumehoun-Border	100 percent
12	Rehabilitation, Boffa-Kolaboui road	100 percent
13	Refurbishment works, Mamou-Kouroussa	
	- Lot 1: Mamou-Dabola	5 percent
	- Lot 2: Dabola-Kouroussa	50 percent
14	Partial rehabilitation, Mamou-Faranah	5 percent
15	Prefectural and community roads	40 percent

*Source: Ministry of public works.*

**These efforts made it possible to achieve stable GDP growth in the construction and public works sector of approximately 8.6 percent between 2012 and 2013.**

#### **4.2. Strengthening of infrastructures in the transportation sector**

The activities involved improving transportation conditions, continued infrastructure works, and implementation of the legal and regulatory framework.

We note the following in the area of land transportation: (i) the supply of quality lower-cost services to the public through the implementation of the Conakry Express, which services more than two million passengers per year, and SOTRAGUI, which has approximately 100 high-capacity buses for urban and intercity transportation; and (ii) acceptance of a 6-story building.

**In the area of railroad transportation**, the project to build the Conakry-Kankan-Kérouané railroad line is observed with special attention. The government intends to make this project a large-scale transportation mechanism for persons and goods, a territorial development tool, and a factor in subregional integration through the envisaged interconnection with Mali and Burkina Faso.

**In the area of maritime transportation**, efforts focused on expanding the container terminal in partnership with Groupe Bolloré, which will make the Conakry port a highly competitive logistical platform capable of ensuring effective transit from the Republic of Mali, enhancing security for vessels and the safety for port facilities (International Ship and Port Facility Security—ISPS Code); construction and availability of the 6-story building that houses the headquarters of Société Navale Guinéenne (SNG); acquisition of a vessel to service the islands; and construction of a landing platform at Kassa, for which 95 percent of the works have been completed.

**In air transportation**, we should note the continuation of work on phase two of the expansion and modernization of the Conakry Airport, continuation of the project to enhance security and safety in civil aviation (PRSSAC) with US\$7.1 in financing from a World Bank grant; replacement of landing aid equipment; installation in progress of the new control tower for the Conakry-Gbessia airport; and adoption by the National Transition Board (CNT) of the Law on the Guinean Civil Aviation Code.

**In national meteorology**, a new radar station in Conakry has been made operational and new aeronautical safety equipment has been installed at the Conakry airport, with World Bank financing.

Execution of these activities has made it possible to achieve growth rates of 3.5 percent, as compared with 5 percent in 2012.

#### **4.3. Development of the energy sector**

Poor performance in the energy sectors attributable to the slippage in the electricity sector. In fact, the government undertook in 2013 a vast, 500 MW thermal supplementation program in



Conakry, including 50 MW in Tombo and 50 MW in the upper suburbs of the capital, in Kipé, and construction of the hydroelectric plant in Kaleta (240 MW) is in progress.

We should point out, however, that the technical facilities of the Guinean electrical company, EDG, are in a state of advanced disrepair, meaning that the productive apparatus is largely unavailable and unreliable. Services offered by EDG have deteriorated steadily from the technical and commercial standpoints, reflecting the slippage in the energy sector (2 percent as against a target of 10 percent), despite the efforts the government has made. This situation has led to low levels of access to electricity at the national level, which is estimated at (18.1 percent). The low level of electricity use is explained by the substantial investment deficit in all areas of the sector. The main problems include insufficient high and medium voltage production and transportation capacities as compared with sharply increasing demand levels; unavailability of installed production capacities owing to insufficient maintenance and fuel; high levels of technical losses and poor commercial performance; insufficient coverage of the distribution system; and an inappropriate institutional and legal framework.

Owing to the power deficit and frequent incidents on the networks, EDG uses constant rotating load relief procedures. The quality of electricity services is substandard owing to excessive voltage drops on the network and excessively frequent operating incidents. As a result of this situation, the government has leased a thermal power plant to cover electricity supply requirements in the short term.

The electricity production deficit is unsustainable as a result of (i) constantly increasing demand; (ii) the poor state of repair of the Tombo thermal and hydraulic production facilities, for which the rehabilitation is long awaited; and (iii) the delay in making the 100 MW supplementary supply operational.

To correct these problems, government has decided to contract 50 MW of power from Aggreko for a period of six months (September 2013-February 2014).

To enable EDG to achieve short and medium-term financial equilibrium, taking into account the financial impact of the Aggreko transaction, the following steps have been taken: (i) securitization of GNF 200 billion in supplier debts (fuel) over a 24-month period; (ii) increase in the subsidy to more than GNF 400 billion in 2014.

**This poor performance led to a 7.5 percent growth decline in 2013, as against 34.6 percent in 2012.**

## V. IMPROVED PUBLIC ACCESS TO HIGH-QUALITY SOCIAL SERVICES

This section covers the results obtained during the 2013 annual period in improving access to social services: health, education, housing, sanitation, electricity, drinking water, employment, social security, and culture.

### 5.1. Improved access to health services

*In the area of access to health services, the objectives involve (i) improving public access to health services, including a better supply of services to reduce neonatal and maternal health and child and juvenile health problems; (ii) consolidate the efforts to fight malaria, tuberculosis, sexually-transmitted infections (STI)/human immune deficiency virus (HIV)/acquired immune deficiency syndrome (AIDS), onchocerciasis, and other communicable diseases; (iii) improve the supply and quality of health care and services; and (iv) strengthen the institutional capacities and management of the health system.*

The following results were achieved in connection with these activities during 2013:

- *In the effort to fight maternal and neonatal mortality*, urgent basic obstetric care (SOUB)/urgent complete obstetric care (SOUC) equipment and consumables were provided for 130 training units (health centers/hospitals/medical-surgical centers); 90 sentinel sites became operational, along with 6,250 villages that offer basic community services, at a total cost of US\$343,641.
- *Reduction in infant mortality*. Efforts in this area primarily involved strengthening of expanded program for immunization activities with the immunization of 186,533 children under one year of age; (ii) the fight against child malnutrition; strengthening of activities of 15 Integrated Management of Childhood and Neonatal Illness (IMCNI) facilities in 19 target districts, at a total cost of US\$1,013,065; training of 40 trainers and retraining of 220 community workers in connection with the integrated prevention and care package for pneumonia, diarrhea, malaria, and malnutrition in the health districts of Forécariah, Coyah, Dubréka, Boffa, and Fria; training and retraining of 33 health workers from Labé Centre in connection with clinical IMCNI activities; and community implementation of the integrated package in six districts.
- *Support for implementation of free obstetrical care* by continuing to immunize pregnant women in centers/health stations as well as in the communities; application of national directives on free mother and infant care; establishment of the regional assessment of free care for pregnant women; development of risk-free maternity (RFM) operations in regional health directorates (DRS); training of 142 health officers (health centers and hospitals) in refocused prenatal consultations, neonatal essential care and resuscitation; purchase of SOUB and SOUC equipment (including suction equipment), to be provided to provide care structures; and financing of handing, shipping and storage costs.
- *Fight against key diseases*. Activities in this area involved (i) updating the national contingency plan for fighting epidemics, emergencies, and natural disasters; (ii) distribution of 3,206,661 impregnated mosquito nets out of the programmed 3,258,222, equivalent to a

98 percent completion rate; (iii) treatment of 150,000 malaria patients; (iv) continuation of treatment for cases of malaria in health units as well as in the communities; and (v) continued care of tuberculosis and leprosy patients in health facilities.

- *Fight against HIV/AIDS.* Coverage of persons living with HIV increased from 17,000 individuals receiving anti-retroviral (ARV) treatment in 2012 to 28,000 in 2013, equivalent to a positive differential of 11,000. This coverage was facilitated with financial support from Guinea's financial partners, and particularly United Nations Children's Fund (UNICEF); the United Nations Population Fund (UNFPA); the World Bank through the project of Support for National Health Development Policy (APNDS); the World Health Organisation (WHO); and the Joint United Nations Programme on HIV/AIDS (UNAIDS), in the total amount of US\$253,687. At a total cost of GNF 43,954 million, the following activities were also carried out in 2013:

- Conduct of a study on the project to strengthen the fight against stigmatization and discrimination against persons infected with and affected by HIV, including those in health care institutions;
- Strengthening of institutional capacities of coordination structures and execution of the response to address STI/HIV (public sector, civil society, private sector, local units of government, media, etc.);
- Promotion and conduct of research to address STI and HIV; and
- Execution of the strategic communication program for transparency and accountability in addressing AIDS.

- *Reduction in infant mortality.* The efforts in this area primarily involved the following: strengthening activities of the expanded program for immunization with the immunization of 186,533 children under one year of age; (ii) the fight against child malnutrition; and strengthening of the activities of 15 IMCNI facilities in 19 target districts. The total cost of these activities is US\$1,013,065; training of 40 trainers and retraining of 220 community workers in connection with the integrated prevention and care package for cases of pneumonia, diarrhea, malaria, and malnutrition in the health districts of Forécariah, Coyah, Dubréka, Boffa, and Fria; training and retraining of 33 health workers from Labé Centre in connection with clinical IMCNIs; and community implementation of the integrated package in six districts.

- *Improvement in health coverage with essential services.* In this framework, the main activities involved (i) 80 percent availability of medicines through the Central Pharmacy of Guinea; (ii) 20 percent execution of investment projects as programmed; (iii) organization of 10 health awareness campaigns; (iv) care for 60 percent of births in health facilities; and (v) continuous improvement in hospital services at the national level, leading to the following accomplishments during the year: 363,902 prenatal consultations; 10,223 hospitalizations without surgery (SI); and 31,746 cesarean procedures; (vi) execution of the survey on microfilaria in connection with lymphatic filariasis in the cross-border area of the Mano River Union; (vii) supervision of mass treatment with Azithromycin against trachoma in the health districts of Faranah and Kissidougou; collection and analysis of data on Ivermectin treatment under

Community directives in the 24 health districts where onchocerciasis [river blindness] is endemic; and (viii) epidemiological assessment of lymphatic filariasis in the five communes of Conakry.

- *Strengthening of institutional capacities.* Efforts in the area of strengthening the capacities and management of the health system involved: (i) preparing and disseminating the statistical yearbook of hospitals for 2012 and availability of statistical health yearbooks for the 2008, 2009, 2010, and 2011 annual periods; (ii) purchase by the government of goods and services in the amount of GNF 3,918,730.20 ; (iii) strengthening of capacities of 30 former prevention of mother-child transmission (PTME) sites and integration of 13 new health centers; (iv) training and provision with equipment, management tools, essential medicines, and reagents; (v) training and retraining in essential obstetrics care for 182 prenatal care/birthing staff in the country's district health centers; (vi) training of 66 new staff in the districts of Coyah and Dubreka; (vii) implementation of a national committee to quantify contraceptives and reproductive health products and to integrate the family planning module into a comprehensive community-based service package; (viii) training of 100 statistics officers in the health districts in statistics and the use of the network to improve health data and information (RAMIS); and (ix) provision of an Internet code for 100 statistics officers.

- *The fight against malnutrition, cholera, la meningitis, and other diseases.* The main activities carried out are (i) coverage for malnutrition cases in children under five years of age; (ii) supplies for health care centers (ready to use therapeutic foods and anthropometric materials); (iii) pediatric care training for 60 health workers; (iv) supply of the expanded program for immunization with vitamin A, mebendazol, scissors, and management tools; (v) execution of an immunization campaign against meningitis in the Prefecture of Siguiiri; (vi) organization of an immunization campaign against cholera in the island of Mèngbé (Sonfonia); (vii) implementation and monitoring of sentinel reinforced cholera monitoring sites in the Prefectures of Forécariah, Boffa, and Boké; (viii) risk mapping for lymphatic filariasis in four health districts; (ix) mapping of schistosomiasis and geo-helminthiasis; (x) mapping of trachoma in nine health districts; and conduct of an entomological study on lymphatic filariasis in Conakry.

- *Improvement in public hygiene.* During the 2013 annual period, the main accomplishments involved the following: (i) organization in Conakry and in 7 regional health directorates (DRS) of 12 (5 in Conakry and 7 in the 7 regional health directorates) of environmental improvement campaigns in the area of public hygiene; (ii) biomedical waste management (GDBM) training for trainers; (iii) improvement in the accessibility of chlorine in connection with prevention of diarrheal disease, and specifically cholera, in the regions of Boké, Kindia, Mamou, and Labé; (iv) promotion of good hygienic practices in the city of Conakry; and (v) monitoring of drinking water quality (production units and springs) in the capital, in collaboration with the non-governmental organization Terre des Hommes.

- *Improvement and rehabilitation of health infrastructures.* The following accomplishments were made in this area: (i) an enterprise was selected to complete the construction works on the family health and human reproductive health center (CESFARH); (ii) construction works

continued on the mother and child center in Coronthie; and (iii) construction works continued on the health complex in Nongo.

Based on these achievements, and with a concern for improving public health conditions, the government, through the Department, intends to continue the activities in the area of access to health services. Accordingly, in terms of the *outlook for 2014-2015*, the health sector proposes the following: (i) continuation of care for patients with greater attention to quality service and hygiene with the implementation of a joint supervision program; (ii) improved governance and coordination in the sector while organizing coordination meetings and events with the technical and financial partners; (iii) introduction of monitoring for management indicators and service performance; (iv) strengthening of supervision and inspection of private and public facilities in terms of compliance with their operating specifications.; (v) signing of performance agreements with the heads of national hospital services based on the technical, organizational, qualitative, and production aspects of care; (vi) greater availability of pharmaceuticals while accelerating the delivery of obstetrical care kits by the companies that were awarded the contracts, in strict compliance with expiration dates and delivery periods; (vii) intensification of contacts with the health partners, particularly the World Bank, UNFPA, and UNICEF, to accompany the government financially in making free care operational; and (viii) finalization of the human resource development plan as a component to be used, *inter alia*, in the redeployment of staff to correct imbalances between Conakry and the prefectures in the interior of the country.

## **5.2. Improved access to education**

*The main objectives established for this sector involve support to the educational system to promote economic growth targeting of activities to gradually correct the disparities in connection with gender, location, and income, and to avoid exclusion; development of a strategy to train human resources to meet economic requirements; qualification of training through a more effective management mechanism for the education system; increased access at all levels, and improved supervision of teaching and learning.*

The Sectoral Education Program (PSE) is the main instrument for PRSP-3 implementation in the education sector. In this connection, the government carried out the following activities from the program to achieve its goals during 2013:

### **5.2.1. Preschool education**

The objective is to increase the enrollment rate at preschool education levels and to support measures specifically designed for girls. Accordingly, two approaches were used in preschool education: the *Plan Guinée* community approach and the UNICEF Small and Medium-Scale Enterprise approach achieved the following results during 2012/2013:

- Construction of 20 classrooms with support from UNICEF;
  
- Preparation of 10 Community Education Centers (CEC) and 20 classrooms, six of which were fully completed but not equipped, and a further 14 are in the process of completion with support from *Plan Guinée*;

- Construction of 49 classrooms (including community education centers).

(Source: Simulation model, Medium-Term Expenditure Framework, Education—C/CDMT).

Similarly, we should mention that efforts were made in the areas of training and equipment, including the following, *inter alia*:

- Production and distribution to leaders and those learning the community education centers in connection with 84 Standard Integrated Early Childhood Programs (PISPE) of 3,360 art tablets; 84 PISPE educational guides, and 2,188 picture boxes;
- Remittance of two play kits to the community education centers;
- Training by professional staff from the National Directorate for Preschool Education and Child Protection (DNEPPE) and the firm ID2S of 90 male and female teachers from 30 community education centers built out of the 120 planned, 26 public nursery school teachers, 18 preschool level supervisors/inspectors, and 24 Scholastic Delegations for Elementary Education (DSEEs); and
- Placement of 27 community education centers out of 30 into operation.

In terms of impact, the gross enrollment rate for preschool increased from 8.0 percent to 11.8 percent between 2008/2009 and 2012/2013, as against a target of 20.3 percent; and 2,776 children, all from very marginalized poor families, were served.

**Despite the relevance of these results, there is scope for further efforts to reach the target of 30 percent by 2015.**

### **5.2.2. Primary education**

The objective is to help achieve universal primary school enrollment by the horizon 2015 through the construction and rehabilitation of infrastructures to increase the gross school enrollment rate at the primary level.

*For that purpose, in the area of construction and equipment of infrastructures, the 2013 annual period was characterized by:*

- The reopening of 15 school canteens, in the amount of GNF 750 million, financed by the national development budget;
- Construction of 3,104 classrooms;
- Acquisition and distribution of elementary school textbooks: five textbooks per pupil (approximately 7 million textbooks);

- Preparation of the guide for monitoring and assessment of coastal and marine environmental education activities;
- Recruitment of 7,354 civil servant teachers and 947 contractual teachers out of a projected 11,862 to be recruited for the period, equivalent to a completion rate of 70 percent.

### **5.2.3. Secondary education**

Accomplishments in this cycle for the period 2012/2013 are provided below:

- Payment of stipends for student teachers to attract the best bachelors' candidates to the national teachers' academies; and
- Organization and certification assessment of student teachers at the end of the program (final examinations for the 2012-2013 sessions).

### **5.2.4. Assistance for girls**

One of the major concerns in connection with the education system is to reduce the gender disparities observed in access for girls to school and keeping girls in school. For this reason, the government envisaged mechanisms to encourage girls to enroll in school and to prevent girls from dropping out, as well as to improve the quality of teaching and scholastic success. The FIERE approach, which is consistent with this philosophy, aims specifically to improve school enrollment for girls, to keep them in school, and to help them succeed in elementary education. During the period 2012/2013, this approach led to the following results:

- The FIERE approach was developed and introduced in 175 schools in 33 prefectures Guinea;
- Academic and professional skills were strengthened with the relevant CAPE courses for 350 teachers;
- 5,250 girls benefited from catch-up courses;
- 48 FIERE trainers were supported for monitoring and management of FIERE teachers;
- An awareness campaign was conducted for managers of decentralized units, school parents and friends associations (APEAE), opinion leaders, and religious leaders in 33 prefectures;
- The German cooperation authorities (GIZ) provided support for 35 further schools (6th year classes) not covered by the education sector plan;
- The national policy to accelerate education for girls was revised;

- School supplies were distributed to girls; and
- Stipends were awarded (health cover, scholastic and hygienic kits, etc.) by Guinean and international non-governmental organizations.

**In terms of results, the approach made it possible to achieve an enrollment level of 75.38 percent entering the seventh year, as against 62 percent for girls at the national level and 58.29 percent for the control schools. In the fifth year, 86.62 percent of the girls from the FIERE program were admitted to higher classes, against 62.14 percent in the control schools.**

#### **5.2.5. Technical education and professional training**

Construction of 288 post-primary and post college classrooms and the equipment of 144 classrooms and 9 professional integration centers were planned. These options were replaced by the project to support mining industry trade training (FORMINE) including construction, equipment, and development of an administrative facility for the Matoto Professional Training Center, and redevelopment and equipment of certain areas of the National Schools for Post and Telecommunications.

#### **5.2.6. Literacy**

The objective is to reduce the illiteracy rate in the adult population, particularly in women. In terms of results, 27,929 persons had become literate at end-December 2013 out of a projected 25,000 persons in 2012, equivalent to a completion rate of 112 percent. The persons trained in this capacity are distributed as follows: 18,042 in women's groups; 2,704 in professional literacy centers (CAP); 2,594 local elected officials and APEAEs; 2,375 grassroots management committees, and 2,214 in other categories.

#### **5.2.7. Management of human, material, and financial resources**

In the framework of improving human resource management in the education sector, the major objectives are to: (i) improve the legislative and regulatory framework for human resource management; (ii) strengthen the criteria and objectivity for assignments and transfers; (iii) plan recruitment and assignment of new teachers based on real requirements; (iv) develop a reliable information system; and (v) apply incentives in the teachers' bylaws and introduce a performance bonus.

The following activities were carried out to achieve these objectives: (i) preparation and distribution of manuals of procedure for human resource management and training of professional staff to use them led to strengthened and more consistent management by clarifying the relevant roles and responsibilities; (ii) implementation and application of the personnel transfer schedule made it possible to rationalize use of staff and to introduce criteria of objectivity, transparency, and fairness in staff movements; (iii) preparation and dissemination of tools to estimate requirements for teachers made it possible to strengthen the capacity to plan recruitment of new teachers.



The introduction of incentives for student teachers at ENIs attracted more bachelors' candidates to the teaching profession; (iv) implementation of personnel management databases for ministries in the sector, the National Directorate of Elementary Education (MEPU-EC), the Ministry of Employment, Technical Education, and Professional Training (MEET-FP) and the Ministry of Higher Education and Scientific Research (MESRS) helped to improve the staff information system; and (v) in terms of incentives to motivate teachers, a performance and merit bonus was introduced, and a location premium was updated for those entitled.

**Table 1.** Key Sectoral Education Program performance indicators

Components	Key performance indicators	Reference percentage	Target (2010)	Achieved (2010)	Target (2013)	Achieved (2013)
<b>Improved access to education</b>	• First level enrollment rate (total/girls)	77 percent/ TBD	88 percent/ TBD	82.35 (including 77.69 percent girls)	86.10 percent (including 81.20 percent girls)	85.50 percent (including 80.4 percent girls)
	• Primary gross enrollment rate	79 percent	90 percent	78.34 (including 70.19 percent girls)	84.30 percent (including 79.1 percent girls)	82.1 percent (including 74.6 percent girls)
	• Ratio, girls/boys enrolled in primary school	0.83	0.92		0.90	0.89
	• Completion rate for primary studies (total/girls)	59 percent/ TBD	71 percent/ TBD	56.63 percent (including 45.08 percent girls)	63.44 percent (including 56.66 percent girls)	58.7 (including 51.2 percent girls)
<b>Improved quality</b>	• Rate of transition to the first cycle of secondary education	73 percent	65 percent	57.1 percent	47.03 percent	40.9 percent
	• Percentage of students at graded average in French (Fourth year)	50 percent (2005)	55 percent (2009)	NA	NA	19.2 percent
	• Percentage of students graded average in French (Fourth year)	51 percent (2005)	57 percent (2009)	NA	NA	24.7 percent
	• Repeater rate, primary school	9 percent	9 percent	17.03 percent (of which 18.4 percent for girls)	12.76 percent	14.1 percent (including 14.3 percent girls)
<b>Improved management</b>	• Recurrent state expenditure on education	13.7 percent	18.1 percent		20.0 percent	18.1 percent

Components	Key performance indicators	Reference percentage	Target (2010)	Achieved (2010)	Target (2013)	Achieved (2013)
	• Expenditure on primary education in the education budget	33 percent	42 percent	54.5 percent	46.7 percent	52.3 percent

**Source:** Ministry of Education (Project of the Sectoral Education Program).

Analysis of the data in the table above yields the following results for 2012/2013:

- The overall enrollment rate for primary school increased from 82.35 percent (77.69 percent for girls) in 2010/2011 to 85.50 percent (80.4 percent for girls) as compared to a target of 86.10 percent (81.20 percent for girls) in 2012/2013;
- The overall gross enrollment rate for primary school increased from 78.34 percent (70.12 percent for girls) to 82.1 percent (74.6 percent for girls) as compared to a target of 84.3 percent (79.1 percent for girls);
- The gross enrollment rate in Primary Class 1 increased from 81.9 percent to 85.5 percent, as against a target of 86.10 percent;
- The ratio of girls/boys is 0.89 percent as against a target of 0.90 percent.
- The repeater rate is 14.1 percent (14.3 percent for girls) as compared to a target of 12.76 percent;
- The net enrollment rate increased from 38.2 percent to 42.6 percent; and
- Recurrent state expenditure on education was 18.1, as against a projected 20 percent.

These results, however, still fall short of the objectives for the 2015 period. Gender disparities in the area still persist: the gross enrollment rate is 74.6 percent, as compared with 89.5 percent for boys, while it is 63.9 percent in rural areas, as against 115.4 percent in urban areas.

One of the main causes of this situation is the insufficient national budget devoted to education expenditure (an average of 12 percent), and insufficient human resources in financial management.

### **5.3. Improved access to drinking water**

*The objective is to implement the National Drinking Water and Sanitation Program (PNAEPA) to substantially increase in the proportion of persons having access to drinking water.*

To that end, the government conducted the following activities through the National Service for Development of Water Points (SNAPE):

- Completion of the village water project, in which the Arab Bank for Economic Development in Africa (BADEA) financed 353 boreholes in the Prefectures of Kissidougou, Beyla, and Macenta, at a cost of GNF 31,389 million;
- Completion by the Saudi village water program of eight solar water points (AEPs) in the prefectures of Tougué, Dinguiraye, and Mandiana, at a cost of GNF 4,918 million.

We should note the following in this connection:

The Siguiri development project drilled 353 boreholes at a cost of GNF 7,800,000,000;

The N'Zérékoré village water project drilled 10 boreholes at a cost of GNF 1,050,000,000;

The Guinée Forestière village water project drilled 160 boreholes for GNF 15,000,000,000;

The School Drinking Water Project drilled 40 boreholes at a cost of GNF 3,840,000,000; and

The Access to Drinking Water for All Project drilled 32 boreholes for GNF 322,000,000.

The following activities were carried out by the Guinean water company, Eaux de Guinée (SEG):

1. Monitoring and supervision for execution of the emergency Action Program to Improve Water Service

Execution of this program with GNF30,132 million in financing from the state enabled the following to be accomplished: supply of technical water production and distribution equipment; an increase in production to 15,000 cubic meters per day; supply of fuel for normal operation of tank trucks to supply the public at high elevations; three months' supply of water treatment products in Conakry and in the interior; and the supply of metering equipment to a number of production sites;

2. Connection of the Lake Sonfonia water treatment plant to the EDG network. This activity was 38 percent completed, and is scheduled for completion during the 2014 annual period;

3. Repair of the collapsed 110 mm glass fiber reinforced polyester (PRV) conduit at the Kissosso River;

4. Water adduction in the city of Boké. This project involved the drilling of three boreholes financed by the government and BADEA;

5. Drinking water adduction in the city of Télimélé; the project was 78 percent completed at end-2013;

6. Supply of 12 generating units for the centers out of a projected 16.

As a result of these achievements, the volume of drinking water production in 2013 reached 30,576,159,000 cubic meters, as against 29,259,482,000 cubic meters in 2012, equivalent to an increase of 4.5 percent.

Activities planned by the government for 2014 and 2015 will involve:

- Drinking water adduction in the prefectures of Lola, Yomou, Tougué, Lelouma, and Gaoual, at a total of US\$18.5 million, including US\$9.5 million from BADEA; US\$7 million from the OPEC Fund for International Development; and US\$2 million from the Guinean government;
- Continuation of works to connect the Lake Sonfonia water treatment plant to the EDG network;
- Continuation of drinking water adduction works in the city of Téliimélé;
- Continuation of drinking water adduction works in the city of Boké; and
- Purchase of four generating units in 2014.

#### **5.4. Improved public access to decent housing**

*The government's ambition expressed in the national housing policy "Vision Habitat 2021" is to build a healthy, secure standard of living that meets the requirements of the population, against a backdrop of balanced regional development; and effective, ecologically sustainable, and socially equitable regional development.*

Activities in the area of urban development, an improved living environment, and public health led to the following accomplishments: (i) continuation the activities under the Third Urban Development Project (PDU3 - Phase 2) with the work to pave urban roads with a view to improving public health and the living environment for the population; (ii) collection of trash and cleaning of gutters through the campaign to clean the city of Conakry and eight cities in the interior; (iii) continuation of wastewater sanitation works in the area of Moussoudougou; (iv) annual maintenance of the system in Kaloum and the Yimbaya and Sonfonia discharge stations in the framework of improving public health.

All of these accomplishments were strengthened with implementation of the national public housing policy, "Vision Habitat 2021," adopted by the government on April 5, 2012.

#### **5.5. Social security**

In the area de la social security, the government's efforts supported by Guinea's technical and financial partners, and specifically the World Bank, are reflected in the implementation of the Productive Social Safety Net (PFSP) project. The overall cost of the project is US\$25 million.

With an additional US\$2 million in financing from the Peace Consolidation Fund, the PFSP program cost increased from US\$25 million to US\$27 million. In terms of accomplishments, in addition to the progress made during 2011 and 2012, the main activities conducted by the Coordination Unit during the 2013 annual period are provided below:

- Execution of the survey on the reference status of PFSP beneficiaries;
- Preparation of the draft manual of procedures for component 1 of the project (highly labor-intensive works—HIMO);
- Organization of informational and awareness meetings for the authorities of the administrative regions of Kindia, Mamou, Kankan, and Conakry area on the project;
- Identification of microprojects in the regions of Kindia, Mamou, and the Conakry area;
- Recruitment of support personnel (a civil engineer and a consulting engineer);
- Acquisition of the project headquarters;
- Development of the contracting plan, the project execution manual, and reports for financial and physical monitoring of the project;
- Acquisition of the specific manual of procedures for the HIMO and the Monitoring and Evaluation components;
- Procurement of two vehicles, computer equipment, and office furniture.

Number microprojects by administrative region

Order	Commune	Programmed	Microprojet number	
			Submitted to the Productive Social Safety Net Unit (CFS)	Validated by CFS
1	Conakry	5	3	2
2	Kindia	5	5	5
3	Mamou	-	13	3

**Source:** Ministry of Economy and Finance (Productive Social Safety Net Project)

## 5.6. Promotion of culture

*The main objective of this sector, which is considered one of the foundations of development in Guinea, is to strengthen activities in progress to promote culture and optimize the cultural heritage.*

To that end, the ministry responsible for culture prepared and presented to the government its operational plan for 2013, consisting of the identification of six main objectives comprising 26 activities: (i) inventory and preservation of assets; (ii) rehabilitation of cultural institutions; (iii) construction and rehabilitation of spaces for artistic creativity and communication; (iv) support for cultural activities; (v) restoration of two figures in the resistance to colonial expansion; and (vi) strengthening of the ministry's institutional capacities.

*In the area of inventorying and preserving assets, with an average completion rate of 75 percent, the activities carried out involved:*

- Finalization of the application for the cultural area of Gbérédou Hamana to be entered on the world heritage list through studies (55 percent completed);
- Launch of construction works on the Sossobala shelter and the Museum of Oral Traditions in Niagassola through a study (100 percent completed);
- Recruitment and deployment of 500 young culture and heritage volunteers to identify sites and monuments and collect traditional heritage data in the four natural regions; and
- Rehabilitation of the Farenya slave trading site in Boffa (phase 1).

*In the rehabilitation of cultural institutions, with an average completion rate of 61.66 percent, the activities consisted of:*

- Rehabilitation of exposition and preservation rooms at the National Museum of Sandervalia;
- Completion of the exhibition of pieces from the Niani explorations;
- Start of works to expand the National Museum of Sandervalia;
- Reconstruction of the documentary base and start of the reconstruction of the Pr. Djibril Tamsir Niane Library;
- Start of construction works on the national library; and
- Support for Cultural Activity and Reading Centers (CLAC).

*In the rehabilitation of creative and artistic communication area*, a completion rate of 20 percent was achieved in the construction of a cultural complex including a 300 seat event hall, a panoramic restaurant, a 40-room hotel, and parking facility.

*In support of cultural activity*, 25 percent of the activities were completed:

- Organization of eight regional podiums (20 percent);
- Publication of new national orchestra disks in partnership with Syllart Productions in France (30 percent);
- Organization of 72 hours of books and celebration of “book and copyright day” in collaboration with Harmattan Guinée; and
- Collection of copies of Guinean films available in foreign media libraries (20 percent).

*In the restoration of heroes of the resistance to colonial expansion*, the project to identify tombs and the orders to return the mortal remains of Thierno Ibrahima N’Dama (1824-1902) and Thierno Aliou N’Diaye, also known as Waliou de Gomba (1829-1912) to Guinea were prepared.

*In terms of developing institutional capacities*, the following activities were 100 percent completed: (i) drafting and validation of organic texts; and (ii) updating and validation of the National Cultural Policy Paper (DPCN).

**In general, if we analyze the average completion rates, we observe an average completion rate for activities programmed for 2013 of 48.88 percent. These poor results can be attributed in part to the amount of budget allocated to the department (GNF 14 billion) and the low completion rate (65 percent), equivalent to GNF 9.1 billion.**

## **7. Improved access to postal and telecommunication services**

*The following objectives, among others, were established in the area of telecommunications: improvement in fair, non-discriminatory public access to information; reduction in the digital divide; and improved quality and continuity of services offered to users.*

To that end, the government's areas of intervention during 2013 were:

*In the improvement of networks and equipment*, the following accomplishments were made:

- The national telephone numbering plan was changed from eight to nine digits;
- The request for proposals was launched to recruit a service provider to build the national backbone;
- Equipment was procured to monitor and control network service quality; and efforts were made to fight fraud.

*In this context of issuing licenses, the activities involved the following:*

- Issue of three licenses to installers;
- Issue of seven licenses, all categories combined; and
- Issue of three HF, VHF, and UHF licenses, as well as two for VSAT products.

*In interconnection management:*

- Reconciliation of interconnection traffic data;
- Balancing of traffic on different interconnection links; and
- Maintenance and updating of signal links between signal transfer points and operator switches.

*In the postal sector, as is true for telecommunications, this sector is an important component of the national economy.*

This important sector, however, is regulated in a particularly difficult context, as the proposed regulatory texts are still pending validation. This prevents the government's goals, which include the following, from being reached: (i) improvement of postal services with better indicators (one mailbox per 200 inhabitants, as compared to one per 1,000 in 2010); (ii) improved quality and continuity of service; and (iii) assured conditions for sustainable development of postal services.

Despite the substantial number of operators, the sector is still characterized by: (i) an insufficient coverage rate; (ii) poor quality services; (iii) no postal financial services or indicators to assess network and service quality.

While confronted with a requirement to finance telecommunication infrastructure investments to reduce access costs, Guinea has taken large steps in the area of mobile telephone service usage. This has led to changes in the following indicators: (i) the Internet penetration rate increased from 128.20 percent in 2012 to 337.84 percent in 2013; (ii) the mobile telephone penetration rate increased substantially, from 42.7 percent in 2011 to 60 percent in 2013; (iii) the contribution of the telecommunication sector to GDP improved slightly from 5.5 percent in 2012 to 5.6 percent in 2013; (iv) the average national coverage rate increased from 25.80 percent in 2012 to 31.17 percent in 2013; (v) the number of Internet users amounted to 544,729 in 2013, as against 124,235 in 2012, equivalent to an annual increase of 337.76 percent; (vi) direct jobs created by mobile telephone operators [fell] from 5,765 employees in 2012 to 3,126 in 2013, equivalent to a decline of 45.9 percent. These jobs include 27 percent permanent jobs, 65 percent contractual positions, and 23.79 percent trainees.

This improvement is explained in part by 3G service offered by operators, available connection rates, and the efforts operators have made to provide quality services to meet increasing public demand.



## CONCLUSION

PRSP-3 implementation for the 2013 annual period registered disappointing results, explained by the unfavorable domestic as well as international context (political instability and falling commodities prices) and poor performance in growth sectors such as mining.

In fact, GDP growth amounted to approximately 2.3 percent in 2013. If this growth rate does not improve substantially in 2014 and 2015, it will be impossible to reach the target of an average of 5 percent for the period 2013-2015. Accordingly, there will be no significant impact on poverty owing to the estimated demographic growth rate of 3.1 percent.

By contrast, investments in infrastructures in support of growth increased substantially. Support and strengthening of the efforts made in this area will make it possible to ensure stable GDP growth rates of approximately 7.8 percent between 2013 and 2015.

We should note, however, that investments in the energy sector have yielded disappointing results as a result of the poor condition of the network, commercial management problems, and other factors.

In global governance, we should highlight substantial efforts specifically in the areas of justice, strengthening the state of law, and structural reform.

The combination of all of these efforts has enabled the government to give the public better access to social services. Accordingly, we note the following progress in the education sector: improvements in the following indicators: overall primary school enrollment increased from 82.35 percent in 2010/2011 to 85.50 in 2012/2013 as against a target of 86.10 percent; the overall gross enrollment rate increased from 78.34 percent to 82.1 percent, as against a target of 84.34 percent; the ratio of girls to boys is 0.89 percent, as against a target of 0.90 percent; and recurrent state expenditure on education was 18.1 percent, as against a projected 20 percent. We note the following in the area of health: an improved prenatal consultation rate, and support for implementation of free obstetrical care. The fight against key diseases includes efforts to fight HIV/AIDS. Infant mortality was reduced through the immunization of 186,533 children under one year of age; Integrated Management of Childhood and Neonatal Illness activities was strengthened in 19 targeted districts; the supply of health services was improved; and more medicines and health products in are available health facilities.

Where public access to water is concerned, the volume of drinking water production in 2013 amounted to of 30,576,159,000 cubic meters, as against 29,259,482,000 cubic meters in 2012, equivalent to an increase of 4.5 percent.

Last, we should point out that these results still fall short of the Government's objectives for the 2013-2015 period.

**Annexes**

Physical completion level

<b>Activities</b>	<b>Unit</b>	<b>2013 Annual budget and technical program</b>	
		<b>Projected</b>	<b>Outturn</b>
<b>Component A: Support for professional agricultural organizations</b>			
<b>Support for women's college</b>			
Organization of two workshops in cooperation with the National Women's College	Number	2	1
Support in preparing five women's college action plans in four natural regions and at the national level	Number	5	3
Organization of coordination meetings of the regional women's college of Moyenne-Guinée (MG), Haute-Guinée (HG), and Guinée Forestière (GF), to raise awareness in women's groups aware and to validate the biannual action plan for 2013-2014	Number	9	9
Organization of four monitoring and assessment and technical support missions for regional technical units (CTRs) and professional agricultural organizations (OPAs)	Number	4	1
<b>Recruitment of area advisors</b>			
Recruitment of area advisors and persons responsible for gender issues, for regional technical units/Council for Rural Organizations of Guinea (CNOP-G)	Number	30	30
<b>Procurement of equipment</b>			
Procurement of seven all-terrain vehicles for CNOP-G	Number	7	7
Procurement of all terrain motorbikes for national technical units (CTN) and CTR/CNOP-G	Number	76	76
Computer equipment	Lot		
Procurement of solar kits	Lot	9	9
<b>Construction of CTR/CNOP-G headquarters</b>			
Construction/rehabilitation works	Number	2	2
Equipment of offices, CTR/CNOP-G	Number	2	2
<b>Training/organization of groups/unions</b>			
Training for elected officials in the new unions in the maize sector in Moyenne-Guinée on management principles for professional agricultural organizations	Number	50	35
Training of 287 elected officials from the new groups and new maize unions organized in 2012 on their roles and responsibilities in CTR-MG.	Number	287	290
Training of 30 technicians on the approach of accompanying dynamics of farmers' groups, preparation of POAs and POs in support of CTR-HG	Number	30	30
Support in implementation, organization, and structuring of new groups, unions, and cooperatives	Number	150	145

<b>Activities</b>	<b>Unit</b>	<b>2013 Annual budget and technical program</b>	
		<b>Projected</b>	<b>Outturn</b>
<b>Strengthening capacities of federations, unions, and groups</b>			
- Training of OPA members	Number	2,912	1,341
- Functional literacy	Number	1,300	In progress
- Exchange visits	Pers	500	530
<b>Seed importing and production:</b>			
- Potato seed	Tons	685	685
- Onion seed	Kilograms	945	945
- Shallot seed	Tons	50	In progress
- Sweet potato seed	Number	168,000	168,000
<b>Oil palm and hevea</b>			
- Germinated oil palm seed	Number	50,000	50,000
- Hevea seed	Number	150,000	150,000
- Grafted hevea plants	Number	20,000	20,000
Producers having access to inputs	Number	7,200	6,419
<b>Support in the supply of inputs and small agricultural tools:</b>			
- Miscellaneous fertilizers (NPK, T urea, etc.)	Tons	950	800
- Phytosanitary products	Liter	10,400	8,400
- Bags for packaging	Units	60,000	60,000
<b>Procurement of equipment:</b>			
- Light equipment	Lots	2	1
- Moderate equipment	Number	31	3
Support for establishing nurseries for perennial crops (oil palms and hevea)	Number	12	12
<b>Works</b>			
Construction of storage warehouses/sheds for schools	Number	5	5
Lowlands development and rehabilitation works	Hectares	68	In progress
Rural road rehabilitation works	Kilometers	32	32
<b>Crossings</b>			
-Bridges	Number	8	7
-Box culverts	Number	27	27
<b>Subcomponent component B2: Rural finance support</b>			
Implementation of a credit facility guarantee fund for the Fouta Djallon Farmers' Federation (FPFD) (amount)	US\$	290,000	290,000
<b>Procurement of equipment</b>			
- Vehicles	Number	13	13
- Minibikes	Number	25	25
- Miscellaneous equipment	Lots	1	1
<b>Subcomponent component C4: Monitoring and evaluation</b>			

<b>Activities</b>	<b>Unit</b>	<b>2013 Annual budget and technical program</b>	
		<b>Projected</b>	<b>Outturn</b>
Strengthening of monitoring and evaluation capacities for professionals and partners	Number	40	39

*Source: National Agriculture Directorate, Ministry of Agriculture.*

Exports by agencies

<b>Number</b>	<b>Agencies</b>	<b>Carats</b>	<b>Value (US\$)</b>	<b>Average Price (US\$)</b>
1	Rufex Sarl	57,810.55	5,761,263.89	99.66
2	Domer Guinea	6,160.01	5,394,242.80	875.69
3	Guinée Gems	18,726.16	5,036,717.54	268.97
4	IDC	29,803.74	5,024,010.50	168.57
5	Fella sandanfara	9,164.64	4,082,715.00	445.49
6	Lion Star	10,760.93	2,113,384.09	196.39
7	Carat Diamond	19,941.83	1,490,040.84	74.72
8	SWR Int.	5,196.26	788,057.76	151.66
9	I et J Diamonds	27,196.02	664,718.66	23.71
10	ADG Diam Sarl	256.88	619,926.54	2413.29
11	PMI	1,502.12	455,103.19	302.97
12	Odia Mining	1,980.63	288,677.90	145.75
13	Notion Business Mg	206.42	283,825.00	1,374.99
14	Naoma Sarl	148.20	251,304.31	1,695.71
15	Sky Diamond	1,238.06	250,594.55	202.41
16	Market Link	60.43	102,731.00	1,700.00
17	Titanium SA	16.24	76,328.00	4,700.00
18	Malovyk Guinée	34.48	34,500	1000.58
19	Int.Sidik's Grp	98.48	18,218.80	185.00
20	Orixadex SA	6.43	2,500	388.80
Total		190,308.51	32,718,860.37	171.73

Industrial company exports

<b>Number</b>	<b>Companies</b>	<b>Carats</b>	<b>Value (US\$)</b>	<b>Average price (US\$)</b>
1	Guitar SA Mining	6,746.17	3,470,098.36	514.38

Monthly export trends

<b>Number</b>	<b>Month</b>	<b>Assessment no.</b>	<b>Carats</b>	<b>Value (US\$)</b>	<b>Average price (US\$)</b>
1	January	07	27,971.98	2,499,682.55	89.36
2	February	10	30,897.41	2,376,683.01	76.93
3	March	10	12,417.81	5,097,684.98	410.52
4	April	13	26,090.10	4,222,021.42	161.83

<b>Number</b>	<b>Month</b>	<b>Assessment no.</b>	<b>Carats</b>	<b>Value (US\$)</b>	<b>Average price (US\$)</b>
5	May	14	17,949.13	4,911,565.29	273.64
6	June	08	16,939.43	4,051,736.89	239.19
7	July	11	6,634.39	833,072.50	125.57
8	August	12	20,883.71	3,621,862.20	173.43
9	September	07	6,667.44	1,059,773.52	158.95
10	October	08	7,280.48	2,332,002.62	320.31
11	November	06	8,989.13	1,052,619.05	117.10
12	December	11	14,333.67	4,130,254.70	288.15
<b>Total</b>		<b>117</b>	<b>197,054.68</b>	<b>36,188,958.73</b>	<b>183.65</b>

Certificates exported and return coupons received and not received by destination country

<b>No</b>	<b>Destination country</b>	<b>Number of certificates exported</b>	<b>Return coupons</b>	
			<b>Received</b>	<b>Not received</b>
1	Belgium	47	25	22
2	Israel	26	21	05
3	Dubai	10	08	02
4	Switzerland	03	01	02
5	China	03	-	03
6	U.S.	08	-	08
7	Czech Republic	02	-	02
8	Thailand	04	01	03
9	South Korea	02	-	02
10	Russia	05	02	03
11	Germany	03	03	-
12	Canada	01	-	01
13	South Africa	01	-	01
14	Japan	01	01	-
15	India	01	01	-
<b>Total</b>		<b>117</b>	<b>66</b>	<b>51</b>

Source: Ministry of Mining.

### Small-scale gold exports in 2013

<b>Period</b>	<b>Evaluation number</b>	<b>Weight (grams)</b>
January	27	448,285
February	32	553,218
March	37	711,078
April	19	298,536
May	35	665,440

<b>Period</b>	<b>Evaluation number</b>	<b>Weight (grams)</b>
June	25	436,595
July	30	500,155
August	24	491,290
September	18	325,650
October	23	574,413
November	17	163,430
December	25	549,660
<b>TOTAL</b>	<b>312</b>	<b>5,717,750</b>

N.B.: 5,717,750 grams, equivalent to 183,850 ounces.

Small-scale gold exports improved substantially as compared with 2013.

<b>Year</b>	<b>Weight in grams</b>
2012	4,181,276
2013	5,717,750

### Mining company exports, 2013

<b>Period</b>	<b>Companies</b>			<b>Total in grams</b>
	<b>SAG</b>	<b>SMD</b>	<b>SEMAFO</b>	
January	592,028	379,656	79,009	1,050,990
February	645,956	335,034	-	980,990
March	953,131	394,608	163,953	1,511,692
April	721,567	249,388	57,061	1,028,016
May	569,661	186,277	97,659	853,597
June	930,882	615,297	-	1,546,179
July	1,281,543	455,849	81,338	1,818,730
August	654,276	641,566	91,311	1,387,153
September	577,127	523,171	59,014	1,159,312
October	913,588	364,211	78,994	1,356,793
November	932,386	445,589	67,584	1,445,559
December	6,760,852	684,586	53,415	1,414,053
<b>TOTAL</b>	<b>9,448,197</b>	<b>5,275,232</b>	<b>829,338</b>	<b>15,379,071</b>

N.B.: 15,379,071 grams, equivalent to 494,503.89 ounces

The financial position at December 31, 2012 is provided below:

#### Revenue

<b>No.</b>	<b>Headings</b>	<b>Projected, GNF</b>	<b>Outturn, GNF</b>	<b>Percentage execution</b>
1.	<b>Diamonds</b>			
	Royalties, agencies, buyers, collectors, alternates	<b>38,660,875,000</b>	<b>2,807,902,383</b>	73 percent

No.	Headings	Projected, GNF	Outturn, GNF	Percentage execution
2.	<b>Gold</b> Royalties, agencies, collectors, buyers, weighing facilities	<b>4,075,000,000</b>	<b>1,968,000,000</b>	48 percent
3.	<b>Export duties</b>	<b>8,970,000,000</b>	<b>3,679,700,638</b>	41 percent
4.	<b>Mining fees</b>		<b>1,023,213,639</b>	
5.	<b>Colored stones</b> Agencies Buyers' royalties Collector		<b>34,440,347</b> <b>8,264,387</b> <b>2,000,000</b>	

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Source: National Appraisal Bureau, Ministry of Mining.