

Guinea: Poverty Reduction Strategy Paper—Annual Progress Report

Poverty Reduction Strategy Papers (PRSPs) are prepared by member countries in board consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated every three years with annual progress reports, they describe the country's 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, dated June 2011, is being made available on the IMF website by agreement with the member country as a service to users of the IMF Website.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
700 19th Street, N.W. • Washington, D.C. 20431
Telephone: (202) 623-7430 • Telefax: (202) 623-7201
E-mail: publications@imf.org Internet: <http://www.imf.org>

International Monetary Fund
Washington, D.C.

REPUBLIC OF GUINEA



Ministry of Economy and Finance



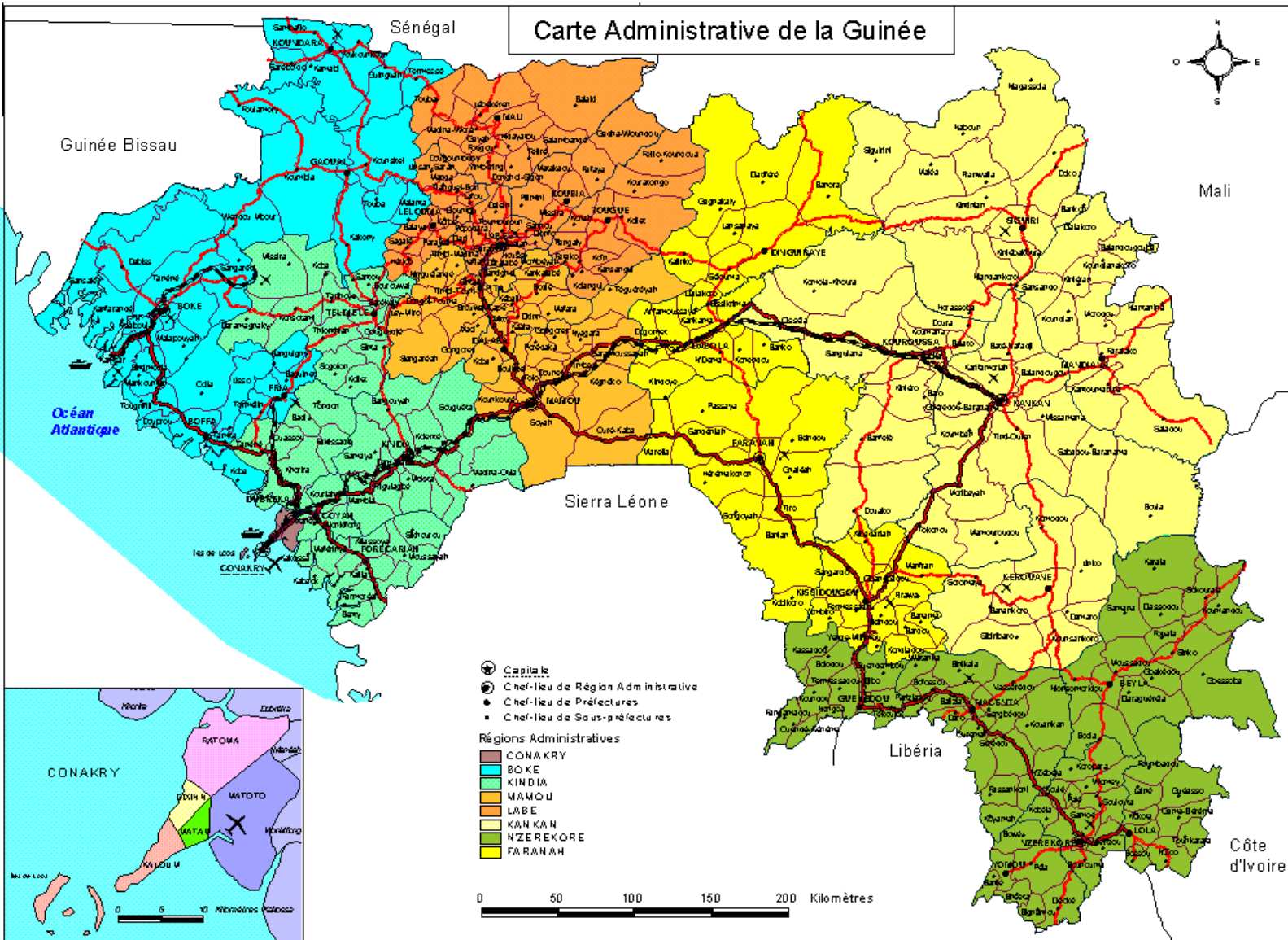
PROGRESS REPORT AND EXTENSION OF THE POVERTY REDUCTION STRATEGY PAPER (2011-2012)



June 2011

Permanent Secretariat for the Poverty Reduction Strategy (SP-SRP)
Website: www.srp-guinee.org.

Carte Administrative de la Guinée



Guinée Bissau

Sénégal

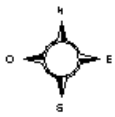
Mali

Sierra Léone

Libéria

Côte d'Ivoire

Océan Atlantique



PREFACE

Today the government has completed the extension of the poverty reduction strategy paper. We may safely say that the progress achieved is well below the expectations legitimately harbored by the people in the early 2000s. The fact that we have witnessed an increase in poverty since 2002 should raise questions in all of our minds. The impact of this blight has increased from 49.2 percent in 2002 to 58 percent in 2010.

It is easy to locate the causes, which to my mind relate primarily to the poor governance that has marked our country's path toward a better future. There was no flaw in the process by which the different poverty reduction strategy papers were prepared. The process was fully participatory, and each Guinean citizen contributed significantly to the search for solutions to our essential concerns.

We all know that these concerns are numerous and concern every aspect of our everyday lives. Indeed, Guineans complain that they lack ready access to education and health services, they cannot properly feed themselves, they lack rural roads and highways to transport their production, they need electricity for lighting, and much more.

What we must realize is that our impoverished condition is not something over which we have no control. Therefore, we must resolutely engage, each to the extent his or her abilities allow, in a hard-fought struggle for development, the successful outcome of which will produce the fruits and wealth we so urgently need. The return to constitutional order begins a new era, an opportunity to be seized. Beginning today, our financial resources and those of our development partners will be used rationally and more transparently to ensure a better future for our children.

This document is the sole framework for all of our partners' interventions. It reflects all of our national priorities. Accordingly, it should have the support of all Guineans – the shopkeeper in Madina, the peasant from Yomou, the rancher in Koubia, the planter in Kindia, and the artisan from Siguiri.

Our people must make the most of these new opportunities that present themselves to Guinea to work hard in order to make our collective dream a reality.

Our conviction today is that we have the capacity to defeat poverty. Let us find the means; they are within our reach, do not let them elude us. This is a wager that I ask all Guineans to win.

/s/
Mohamed Saïd Fofana
Prime Minister
Head of Government

Table of Contents

Executive Summary	8
Introduction	12
PART I: GENERAL CONTEXT AND POVERTY ASSESSMENT	14
Chapter 1. General context and lessons drawn from PRSP2	14
I.1.1. Political context	14
I.1.2. Economic context	14
I.1.3. Lessons drawn from implementation of the PRSP2 (2007-2010)	15
I.1.3.1. Improving governance and strengthening institutional and human capacities	15
I.1.3.2. Accelerating growth and creating job opportunities for all	16
I.1.3.3. Improving access to quality social services	19
I.1.4. Participatory process	20
I.1.5. The 2011-2012 Poverty Reduction Strategy Paper and Priority Action Plan	23
Chapter 2. Poverty assessment	25
I.2.1. Population characteristics	25
I.2.2. Poverty profile	26
I.2.3. Determinants of poverty in Guinea	30
I.2.4. Poverty and food insecurity	32
I.2.5. Poverty and access to education and literacy	33
I.2.6. Poverty, malnutrition and mortality	35
I.2.7. Poverty and access to safe drinking water	36
I.2.8. Poverty and HIV/AIDS	37
I.2.9. Poverty and access to energy	38
I.2.10. Poverty and access to decent housing and sanitation	39
I.2.11. Poverty and Employment	40
I.2.12. Poverty, gender and equity	41
I.2.13. Poverty and governance	42
PART II - STRATEGY AND PRIORITY ACTIONS	46
Chapter 1. Improving governance and strengthening human and institutional capacities	46
II.1.1. Reform of defense and security forces	46
II.1.2. Strengthening capacities to consolidate peace and manage conflict	48
II.1.3. Improving judicial governance	48
II.1.4. Improving political and democratic governance	49
II.1.5. Promoting human rights	50
II.1.6. Fighting corruption and impunity	50
II.1.7. Improving administrative governance	51
II.1.8. Improving local governance	51
II.1.9. Promoting gender equality	52
II.1.10. Improving economic governance and strengthening management capacities	52
Chapter 2. Accelerating growth and expanding job and income opportunities for all	55
II.2.1. Macroeconomic objectives	56
II.2.2. Sector objectives	62
II. 2.2.1. Development of sectors with strong growth potential	62
II. 2.2.2. Development of basic infrastructure	70
Chapter 3. Improving the people’s access to quality social services	77
II.3.1. Improving access to quality education for all	77
II.3.1.1. Short- and medium-term objectives	77

II.3.1.2. Strategies for improving access to quality education for all-----	78
II.3.2. Improving the people’s access to health and nutritional services, in particular on the part of the poor -----	82
II.3.2.1 Objectives for 2015-----	82
II.3.2.2. Objectives for 2011-----	83
II.3.2.3. Constraints-----	83
II.3.2.4. Measures planned-----	85
II.3.3 Improving access to energy services on the part of people in rural and periurban areas-----	87
II.3.4. Improving access to safe drinking water-----	88
II.3.5. Improving housing and sanitation services-----	88
II.3.6. Social protection-----	91
II.3.7. Promotion of culture-----	92
PART III – IMPLEMENTATION, MONITORING, AND EVALUATION-----	93
Chapter 1. PRS Implementation-----	93
III.1.1. Guiding principles and stakeholder roles-----	93
III.1.2. PRS implementation instruments and mechanisms-----	93
III.1.3 PRS financing and associated risks-----	94
III. 1.3.1. PRS financing-----	94
III.1.3.2. PRS financing risks-----	94
III.1.4. Institutional framework for implementation-----	95
Chapter 2. Monitoring and evaluation-----	95
III.2.1 Monitoring execution-----	95
III.2.2. Monitoring impact-----	96
III.2.3. PRS evaluation-----	97
III.2.4. Monitoring indicators for the PRSP (2011-2012)-----	97
III. 2.4.1. Evaluation of triggers for the HIPC Initiative completion point-----	97
III. 2.4.2. Outlook for reaching the HIPC Initiative completion point in 2011-----	99
III.2.4.3. Other PRSP monitoring indicators-----	101
III.2.5. Implementation assumptions and risks-----	101
ANNEXES-----	103

Boxes

Box 1: Results of survey of subjective poverty February 2011	31
Box 2: Integrated MSEGUI/PAMS tool	53
Box 3: National Statistics Development Strategy	53
Box 4: Matrix of government financial management reforms	54
Box 5: Promoting food security	63
Box 6: Principal private-sector mining projects	67

Graphs

Graph 1. Real GDP growth, 2007 - 2010	17
Graph 2. Year-on-year inflation, 2007 - 2010	18
Graph 3. Likely trends in general poverty indicators, 2007 - 2010	28
Graph 4. Poverty and food insecurity by administrative region	32
Graph 5. Poverty and access to safe drinking water by administrative region, 2007	36
Graph 6. Poverty and access to electricity by administrative region, 2007	38
Graph 7. Real economic growth, 2007-2012	57
Graph 8. Budget balance (commitment basis), 2007 – 2012	58

Tables

Table 1: Trends in principal governance indicators.....	16
Table 2: Principal macroeconomic indicators, 2007 – 2010.....	19
Table 3: Poverty by residential setting (1994 - 2007).....	26
Table 4: Satisfaction of households' needs in previous 5 years (2003 – 2007)	29
Table 5: Trends in principal PRSP2 monitoring and evaluation indicators.....	44
Table 6: USAID and EU portfolio (US\$ thousands)	54
Table 7: Principal macroeconomic and poverty indicators.....	61
Table 8: Cost of Interventions (USD millions).....	65
Table 9: Direct jobs created by mining projects.....	67
Table 10: Cost of SME, trade, and artisanal sector projects, 2010-2012.....	69
Table 11: USAID and EU portfolio	69
Table 12: Costs of energy and water supply projects (in millions of Guinea francs).....	71
Table 13: Costs of transport sector and public works contracts (in millions of Guinea francs).....	71
Table 14: Costs of telecommunications projects (in millions of Guinea francs)	76
Table 15: Overview of intervention costs, 2005 to 2015	86
Table 16: USAID and EU portfolio (in thousands of US\$).....	87
Table 17: Costs of projects in the urban planning and housing sector from 2010 to 2012 (in millions of Guinea francs).....	91
I. GOVERNMENT'S PRIORITY ACTION PLAN	103
II. MONITORING MATRIX FOR PRSP RESULTS	114
III. MATRIX OF PRIORITY ACTIONS FOR PUBLIC FINANCE MANAGEMENT, February 17, 2011.....	119

ABBREVIATIONS

AFD	Agence Française de Développement
AfDB	African Development Bank
ANBGLC	National Governance and Anti-Corruption Agency
BCRG	Central Bank of the Republic of Guinea
BCRG	Central Bank of the Republic of Guinea
BND	National Development Budget
CNT	National Transition Council
CTPSE	Prefectural monitoring and evaluation units
CTRSE	Regional monitoring and evaluation units
CTRSE	Regional monitoring and evaluation units
DNP	National Directorate of Planning
ECOWAS	Economic Community of West African States
EIBC	Comprehensive Consumption Budget Survey
EIBEP	Comprehensive Poverty Evaluation Baseline Survey
ELEP	Limited Poverty Assessment Survey
ENI	National Teacher Training Institutes
ERE-TES	Resource-Utilization Balance and Input-Output Table
GNF	Guinean franc
GTSE	Technical monitoring and evaluation groups
HIPC	Heavily Indebted Poor Countries initiative
IMF	International Monetary Fund
INS	National Statistics Institute
MDG	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MEF	Ministry of Economy and Finance
MSEGUI	Guinean Economy Simulation Model
MSHP	Ministry of Public Health
MTEF	Medium-term expenditure framework
PACV	Village Community Support Program
PAMS	Macroeconomic Simulator for Poverty Analysis
PNAEPA	National Drinking Water and Sanitation Program
PNHG	Guinean National Housing Policy
PNHG	National Housing Policy
PRGM	Poverty Reduction and Growth Facility
PRS	Poverty reduction strategy
PRSP	Poverty reduction strategy paper
SNDS	National Statistics Development Strategy
SP-SRP	Permanent Secretariat for the Poverty Reduction Strategy
TFP	Technical and financial partners
UNDP	United Nations Development Programme
WB	World Bank
WFP	World Food Programme

BIBLIOGRAPHY

1. Macroeconomic framing, MSEGUI March 2011, National Directorate of Planning
2. Poverty Reduction Strategy Paper, PRSP2 (2007-2010); Permanent Secretariat for the Poverty Reduction Strategy (SP-SRP)
3. National Report on Human Development, 2008; United Nations Development Program.
4. Report of Limited Poverty Evaluation Survey 2007; National Statistics Institute.
5. Matrix of government financial management reforms, February 2011, Ministry of Economy and Finance.
6. PRSP implementation report, 2007; SP-SRP.
7. PRSP implementation report, 2008; SP-SRP.
8. Demographic and Health Survey, 2005; National Directorate of Statistics.
9. Ministry of Planning 2009 Activity Report; Ministry of Planning and International Cooperation.
10. Public Finance Reform Strategy, 2008; Ministry of Economy and Finance.
11. National Statistics Development Strategy, 2008; National Statistics Institute.
12. Final report of the Integrated Baseline Poverty Evaluation Survey, 2002-2003; National Statistics Institute.
13. Report of the National Food Security Survey, World Food Program.
14. Report of the 2003 National Corruption Survey, National Governance and Anti-Corruption Agency (ANBGLC).
15. Education Statistics Bulletin, 2007-2008; Educational Statistics Service.
16. Report of evaluation and quantification of needs to achieve MDGs and macroeconomic framing - capacity to manage aid (September 2007).
17. National Food Security Survey, World Food Programme.
18. Survey of Food Security in Conakry.
19. National Nutritional Status Survey and monitoring of principle childhood survival indicators, UNICEF, WFP, 2008.
20. Report of Subjective Poverty Survey, World Bank, 2011.

Executive Summary

It nearly goes without saying today that our second 2007-2010 Poverty Reduction Strategy Paper (PRSP) was not properly implemented. The principal macroeconomic and social indicators furnish the most eloquent proof of this.

GDP growth over the period stood at 2.1 percent on average compared to a target of 5.3 percent. Average year-on-year inflation was 13.7 percent compared to a target of 3 percent. The budget deficit was 5.7 percent versus a target of 1.5 percent.

The percentage of underweight children under age five increased from 25.8 percent in 2005 to 26.1 percent in 2008, indicating a slight increase in malnutrition. The coverage of vaccination against measles for children under age 1 declined from 85.3 percent in 2007 to 65.4 percent in 2008. The number of health centers nationwide remains unsatisfactory despite a modest increase from 399 in 2007 to 410 in 2009.

The gross national school enrollment ratio declined from 79 percent in 2007-2008 to 77 percent in 2008-2009 compared to an objective of 83 percent. Among girls, the rate declined from 71 percent in 2007-2008 to 70 percent in 2008-2009.

The national rate of access to electricity remains low (18.1 percent) with a large disparity between residential settings: urban (68.9 percent) and rural (2 percent). Access to safe drinking water, while improved, was only 73.8 percent in 2007, or an increase of 11.6 percentage points in five years.

The logical consequence of this state of affairs is a lower standard of living for the people, illustrated by an increased incidence of poverty, from 49.2 percent in 2002 to 58 percent in 2010 according to the most recent estimates. This situation may be explained by both endogenous and exogenous factors.

The domestic factors that bear mention include: political and institutional instability; poor economic governance characterized by unsound practices such as violation of the public procurement code, extracontractual exemptions, the proliferation of special accounts within ministerial departments, and above all the enormous pressure of military spending on the government budget, to the detriment of priority sectors. Military expenditures represented 10.2 percent and 11 percent of GDP in 2010 and 2011, respectively.

Among the exogenous factors we would include the lack of external financial assistance, the international economic crisis and its repercussions for our economy, particularly in regard to revenue transfers and increased petroleum and food prices. Grain and petroleum prices increased 132 percent and 81 percent, respectively, while mining receipts declined at a rate of 3 percent during 2009.

This Poverty Reduction Strategy Paper, the product of a participatory approach involving all stakeholders concerned (ministerial departments, civil society organizations, development partners, nongovernmental organizations, and the civilian government institutions), is intended to reestablish strong, sustainable economic growth in a favorable political and institutional context. This growth is to be sustained by the private sector, which will benefit from a legal and institutional framework strengthened by the national policy now being finalized to promote the private sector.

The task at hand, then, is to remove all constraints to the sound political, economic, and financial management needed to create productive employment, particularly for the young, and generate the resources to provide the greatest number of Guineans with access to quality social services (education, health, sanitation, decent housing, etc.). The process of reviving economic growth will begin by improving governance and strengthening human and institutional capacities.

In regard to governance and strengthening capacities, the reform of defense and security forces is central to the strategy document. Such reform will reduce military spending, allowing the majority of budget resources to be allocated to financing the priority sectors (education, health, economic infrastructures: roads, electricity, transportation, etc.). It will also allow the defense and security forces to better ensure the integrity of national territory while protecting individuals and their property.

The efforts in regard to capacity building will assist the economic and financial administration in mastering macroeconomic forecasting tools, such as Guinean Economy Simulation Model (MSEGUI); continue strengthening the capacities of civil society and the civilian government institutions (*Institutions Républicaines*), and effectively implement the Strategic Plan for Public Finance Reform, which includes six priority measures:

- ✓ adopt an appropriate legal framework for public finances that incorporates reforms initiated in the subregion,
- ✓ prepare reliable accounting trial balances and make up the delay in regard to budget execution laws,
- ✓ conduct an audit of public contracts,
- ✓ work toward implementation of the single Treasury account,
- ✓ bring the civil service and payroll files up to date, and
- ✓ clear the Treasury liability to the central bank and domestic arrears.

Investments in sectors with growth potential, particularly agriculture, livestock breeding, and fisheries, through the National Agricultural Investment Program and the prospect of higher international prices for mining products warrant a degree of optimism. In addition, there are new opportunities in the mining sector, illustrated by the amendment of the mining code and a resumption of activities under the Extractive Industries Transparency Initiative.

Progress in agriculture, livestock raising, and fishery production will permit the attainment of food security objectives, which remain the peoples' principal priority, as evidenced by the qualitative surveys conducted in 2007 and 2011.

In terms of mobilizing financial resources, the government will take appropriate measures to increase the tax rate, which is expected to represent 17 percent of GDP, and will enforce the principle of centralized cash management. In addition, it will implement the mechanisms needed to access innovative financing made available by the international community. For example, Guinea stands to receive an estimated €70 million in nonreimbursable subsidies to purchase medicines under the 2007-2011 program to control pandemics, which would be financed by a tax on airline tickets the government has yet to institute.

The government will also uphold the central bank charter in order to limit monetary financing and enable the institution to fulfill its role of monetary and financial regulation.

Collectively, the implementation of these actions should expand the government's financial capacities, which could be reinforced by the external financial assistance that has been cruelly absent in recent years. This will support a recovery of economic growth, which could reach 4 percent in 2011 and 5.5 percent in 2012. This should produce a slight improvement in per capita GDP, to 0.7 percent in 2011 and 2.2 percent in 2012. The fruits of this growth will serve to improve the peoples' access to quality social services.

With respect to access to education, improving the girl/boy parity indices and infrastructure will receive particular emphasis. In regard to health, efforts will be focused on combating HIV/AIDS and improving access to primary health care services, particularly for women living in rural areas. The necessary steps will be taken to implement the plan to make cesarean sections available free of charge.

In regard to access to water and electricity, the development policy in this sector is to improve the population's access to services and support economic growth. This will involve, in particular, expanding coverage for electricity and drinking water for the city of Conakry and other large cities by implementing programs and projects such as the National Drinking Water and Sanitation Program, the Integrated Water Resources Management Program, and other similar programs. These actions will be supported by sound, effective management of the sector through the following measures:

- ✓ efforts to control fraud,
- ✓ payment of water and electricity invoices, and
- ✓ reduction of technical losses through rehabilitation of electricity and water distribution networks.

The issue of social protection remains a concern because very few Guineans have social coverage. The rate of social coverage is estimated that less than 3 percent of the population. The mutual health institutions (MURIGA) is an important aspect of social protection and should be strengthened and extended to the entire population, particularly the most vulnerable segments. Because of the seriousness and crosscutting nature of this issue, the government will pursue this effort by developing a national social protection policy. This will involve cooperation between the government, the private sector, and civil society organizations.

In the area of housing, the national policy aims to improve living conditions for 75 percent of households living in slums and substantially increase the proportion of households with security of tenure through the implementation of the Ministry of Housing forward-looking document, "Vision Habitat 2021."

With respect to the environment and sustainable development, the objective is to incorporate the principles of sustainable development in national policies and programs and reverse the current trend of loss of environmental resources and the rate of loss of biodiversity. The goal is to promote improved living conditions for today's generations and protect the environment without mortgaging the productive base for future generations.

The interventions will concern rational, sustainable management focused on natural resources and protection of the environment and soils; control of desertification and bush fires; protected forests and areas; catchment areas, marine ecosystems, coasts, fisheries, and water resources; and consideration of environmental impact studies in implementing infrastructure projects and programs.

Finally, while the development of policies and strategies is important, the implementation, monitoring, and evaluation phases are the most important for attaining objectives. Accordingly, the government, with

support from the development partners, has put in place an information system based on monitoring and assessing poverty and developing a matrix for monitoring poverty reduction strategy (PRS) actions.

In the interest of efficient, effective implementation of the strategy, the government, with support from the development partners, will ensure that the development programs and projects under way are properly executed. It will also ensure:

- ✓ better coordination of the mechanisms established,
- ✓ consistency of actions by the units and bodies involved in the process, and
- ✓ judicious use of available tools to facilitate decision-making to the benefit of the most disadvantaged sectors of the population.

Despite this monitoring mechanism, there are risks that may compromise the implementation of the strategy. These include risks related to the international economic and financial climate, the failure of development partners to fulfill commitments; institutional and sub-regional political instability; and the country's heavy dependence on external aid, which includes an appreciable proportion of loans.

Indeed, the failure to fulfill commitments under the program concluded with the Bretton Woods institutions would prevent the country from receiving the benefits of the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI). This would compromise the prospects for external financing and, accordingly, poverty reduction.

The government will take all appropriate measures to minimize these risks. These efforts concern the following actions and stakeholders:

- ✓ *central government*: (i) consolidate the democratic process and achievements; (ii) reestablish the macroeconomic framework; (iii) improve governance in the management of public resources; (iv) continue and expand delegated and decentralized management of public resources; and (v) intensify efforts to control HIV/AIDS;
- ✓ *civil society*: the process of intermediation and mobilization of populations will be supported;
- ✓ *the private sector*: partnerships with other stakeholders will be sought in order to determine the most effective incentives and framework for the development of different income- and job-creating activities;
- ✓ *projects and programs*: reforms will continue with a view toward better aligning outcomes with the strategic objectives of the PRS;
- ✓ *beneficiaries*: the process of appropriating the PRS will be intensified so as to effectively involve beneficiaries in its implementation; and
- ✓ *Guinea's partners*: Guinea's technical and financial partners must support the government in achieving the HIPC completion point before end-2011 and ensure better coordination of their interventions.

Introduction

In view of grave institutional and political instability, a weak democracy, and a particularly difficult economic situation resulting in heightened social tensions, the PRSP2 was not properly implemented. However, two status reports were prepared for 2007 and 2008 to report on progress in implementation. Their findings were that no progress had been made in the fight against poverty, as the incidence of poverty was on the order of 58 percent in 2010 compared to 49.2 percent in 2002, the year when the first PRSP was prepared and implemented.

The country is unable to support strong and sustainable growth. The following data on the economy's growth provide a sad illustration of this fact: economic growth, which increased from 1.8 percent in 2007 to 4.9 percent in 2008, fell to -0.3 percent in 2009.

At 20.8 percent, annual inflation is clearly above the target of 3.0 percent for 2010. Moreover, international reserves covered only one month of imports in 2008. This underperformance significantly impacted the achievement of PRSP2 objectives as well as the Millennium Development Goals (MDGs).

At the time of the 2011-2012 PRSP was prepared, only six of the 10 triggers of the HIPC completion point had been achieved. These were the indicators related to improving the poverty database, implementing a regulatory framework for microfinance institutions, publishing the annual report of the National Governance and Anticorruption Agency (ANBGLC), improving the primary school gross enrollment ratio, recruiting 1,500 teachers per year, and expanding DPT3 vaccination coverage as part of the effort to control diseases under the Expanded Vaccination Program (PEV). The four indicators that were not achieved relate to satisfactory implementation of the PRSP, the audit of large public contracts, increasing the rate of prenatal consultations, and the Poverty Reduction and Growth Facility, which could not be finalized because of the December 2008 coup. The effort ahead will involve not only preserving gains in the areas of the six triggers achieved, but above all achieving the four triggers still pending.

The suspension of the Constitution and dissolution of civilian government institutions, chiefly the National Assembly, by the junta that came to power on December 23, 2008, was a blow to democracy in Guinea. One of the consequences was suspension of the program concluded with the IMF.

The return to constitutional order will allow Guinea to regain the trust of its development partners – which, as we know, make their assistance contingent on progress in the areas of democracy, good governance, and respect for human rights. But any resumption must be part of a consistent strategic framework encompassing all the interventions. Hence the government's decision to prepare a new poverty reduction strategy.

This new framework extends the PRSP2 to 2012. It incorporates the main issues addressed in the PRSP2 and places particular emphasis on problems of governance, including the urgency of reforming defense and security forces, consolidating peace, and reforming the legal and judicial system. The macroeconomic objectives are also revised and distributed over the period. Achievement of those objectives is subject to the implementation of new economic and financial policy measures. Following the implementation of this PRS, a more detailed PRSP3 will be prepared at end-2012 covering a period of three years.

This document includes three sections. The first section describes the general context of the 2011-2012 PRSP, the lessons drawn from PRSP II and the assessment of poverty in Guinea.

The second section addresses the strategy and priority actions, namely:

- ✓ improving governance and strengthening institutional and human capacities;
- ✓ accelerating growth and creating job opportunities for all; and
- ✓ improving access to quality social services.

The third section addresses implementation, monitoring, and evaluation of the poverty reduction strategy.

PART I: GENERAL CONTEXT AND POVERTY ASSESSMENT

Chapter 1. General context and lessons drawn from PRSP2

I.1.1. Political context

The presidential election of November 7, 2010 marked the beginning of Guinea's return to constitutional order following a December 23, 2008 coup that brought a military junta to power. The junta had suspended the Constitution and dissolved the National Assembly, plunging the country into a constitutional void that impacted the functioning of government.

This new context raises immense hopes on the part of Guineans and hope that new prospects for the country, which has suffered economic difficulties for many years that have considerably hindered its development.

It is important to remember that the crisis faced by the country is primarily due to mismanagement of public resources; weaknesses in the institutional, legal, and regulatory framework for businesses; and absence of dialogue with political parties, civil society, and the private sector.

Under the new framework, it is now possible to put an end to the unsound practices that have characterized the management of public resources. This opportunity offers the new authorities the chance to work to improve macroeconomic and financial management by establishing and implementing policy measures, particularly in the area of budget and monetary policy. The implementation of these new measures are expected to improve budget execution in accordance with the PRSP priorities.

Also, the reform of defense and security forces now under way should be continued. The objective here is to transform these units into a republican corps committed exclusively to territorial defense and integrity and the protection of persons and property. Likewise, reform of the justice system and the fight against corruption should take on a new dimension, in the interest of establishing an independent, professional legal system able to reassure investors and provide the security for investments that is essential to economic and social development. All judicial and related decisions should be systematically enforced. This new environment will attract foreign private investment, thereby helping to improve the business climate.

I.1.2. Economic context

In 2010, all the macroeconomic indicators point to a difficult situation for the country. The economic growth rate is calculated at 1.9 percent, insufficient to push back the tide of poverty. The inflation rate of 20.8 percent projected for 2010 is high and, from all indications, has seriously eroded citizens' purchasing power. According to the results of the 2007 Limited Poverty Assessment Survey (ELEP) the incidence of poverty, which was 49.2 percent in 2002, stood at 53 percent in 2007 and will be 58 percent in 2010.

Foreign reserves have dwindled to the point of covering only two months of imports. Domestic and external arrears have increased sharply, making it difficult to improve the economic framework. All of this is due to mismanagement of public finances, which has failed to reconcile the high pressure of expenditures with particularly weak revenue.

Moreover, debt continues to weigh heavily on meager public resources. At end-2010, Guinea's stock of external debt totaled US\$3 billion with average debt service of approximately US\$175 million. This situation is of great concern today, because it prevents the financing of the sectors essential to reducing poverty. Debt represents 67 percent of GDP, and the ratio of debt service to tax revenue in 2010 was 31.95 percent. It is very clear, then, that the debt greatly constrains the government's ability to finance its antipoverty interventions from the budget. In a context of declining public investment, the government has no choice but to accumulate arrears in order to maintain certain domestic expenditures. Debt relief will enable the government to focus the budget on innovative anti-poverty programs. From this standpoint, reaching the HIPC completion point is a key objective because it will free resources to finance priority sectors. Aggravating this scenario are the drastic reduction in both bilateral and multilateral public development assistance, and the continually increasing prices of key imports such as food and petroleum products.

In fact, between 2004 and 2007 the prices of Guinea's principal imported products increased on the order of 26 percent overall. This pace accelerated beginning in 2006 and continued through the second half of 2008, when international prices of food products, which represent 32 percent of the country's imports, increased by 89 percent. This was driven by the price of grains (rice and wheat), which increased by an average of 132 percent. During the same period, the price of oil climbed from US\$65 to US\$122 per barrel, or an increase of 86 percent. In July 2008, the price of wheat had increased by 130 percent, the price of rice by 124 percent, and the price of oil by 81 percent compared to the same period the previous year. In the grains market, the increased price in dollars was compounded by the weakening of the dollar vis-à-vis the currencies of the principal rice exporters (Thailand, Vietnam, China).

The impact of the global financial and economic crisis was reflected in fiscal revenue. During the first eight months of 2009, fiscal revenue from the mining sector declined sharply at an average of 3 percent per month compared to an increase of approximately 16 percent per month over the same period of 2008. Mining receipts represented 22 percent of fiscal revenue in 2008 (15 percent for the period January – August 2009). They contributed in equal proportion to the deterioration of the current account balance (commitment basis), which declined from a monthly average of GNF 14 billion between January and August 2008 to -GNF 35 billion during the same period of 2009.

At this rate, it would be extremely difficult for the country to reach the HIPC completion point unless this trend is quickly reversed.

I.1.3. Lessons drawn from implementation of the PRSP2 (2007-2010)

I.1.3.1. Improving governance and strengthening institutional and human capacities

Although the PRSP2 placed considerable emphasis on governance because of its impact on economic growth and poverty reduction, it must be acknowledged that little progress was made in this area. We recall in this regard that political problems resulting from the military coup aggravated institutional instability and the absence of dialogue between the various stakeholders, the most serious consequence of which were the events of September 28, 2009. To resolve these problems, it is a matter of urgency to reform the defense and security forces, strengthen the legal system, deepen the dialogue between different stakeholders, and consolidate the peace.

The lack of institutional stability and macroeconomic mismanagement have produced adverse consequences that continue to produce effects for Guinea's development and the struggle against poverty.

In regard to fighting corruption, results have been limited due to factors including those discussed above. In light of impunity and mismanagement that has characterized the national economy since 2007, the objective of reducing the corruption index from 36 percent in 2003 to 10 percent in 2010 was not achieved. Similarly, little progress was made in advancing the status of women. Of the 114 deputies in the national assembly in 2008, only 22 were women, and only 39 of the 159 members of the National Transition Council, or 24 percent, are women. This is far from the 40 percent objective established in the PRSP2.

Table 1: Trends in principal governance indicators

Indicator	2006 Baseline	2007	2008	2009	2010	2010 Target	Differ- ence
Girl/boy parity	0.81	0.83	0.81		0.92	0.92	0
Percentage of women in National Assembly or CNT	19.3	19.0	19.0		24	40	-16
Corruption index	36	nd	nd	nd	nd	10	nd
Number of private radio stations established	5				42	20	22

Source: PRSP2 implementation reports

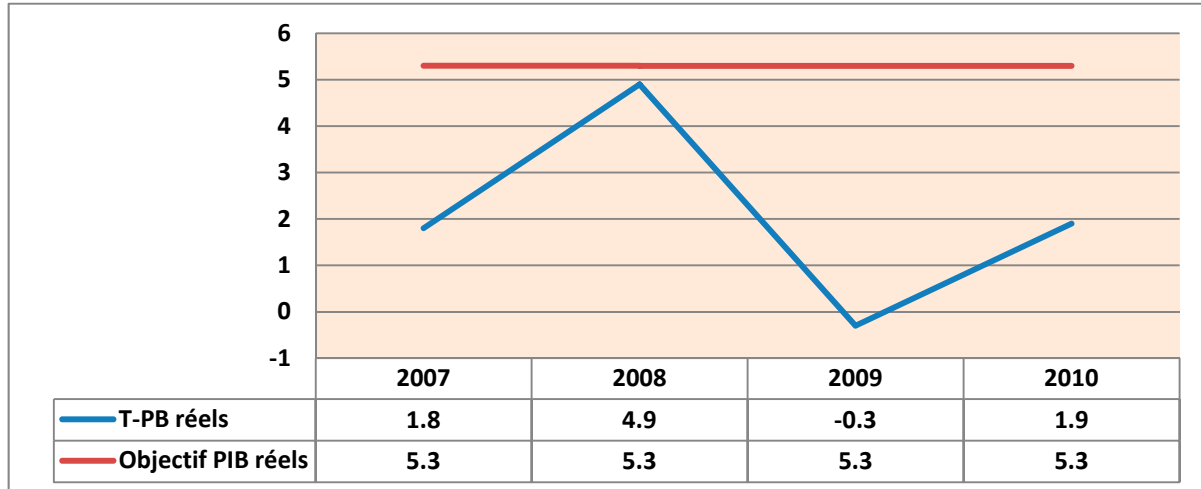
In regard to primary school parity, the girl/boy ratio increased to 0.83 in 2007; the ratio was expected to reach roughly 0.92 in 2010, in line with PRSP2 objectives.

It is important to note the significant progress made in regard to creating private radio stations, which expanded from a total of five in 2006 to 42 in 2010, including 25 commercial and foreign stations. This represents genuine progress in media coverage.

I.1.3.2. Accelerating growth and creating job opportunities for all

The results in terms of economic growth and job creation were quite mixed. Economic growth averaged 2.1 percent between 2007 and 2009, with annual rates of 1.8 percent in 2007, 4.9 percent in 2008, -0.3 percent in 2009, and 1.9 percent in 2010 according to the most recent macroeconomic framing. This indicator is well below the PRSP2 target of 5.3 percent that was to bring the poverty rate to 49.7 percent compared to 53.6 percent in 2005.

Graph 1. Real GDP growth, 2007 - 2010



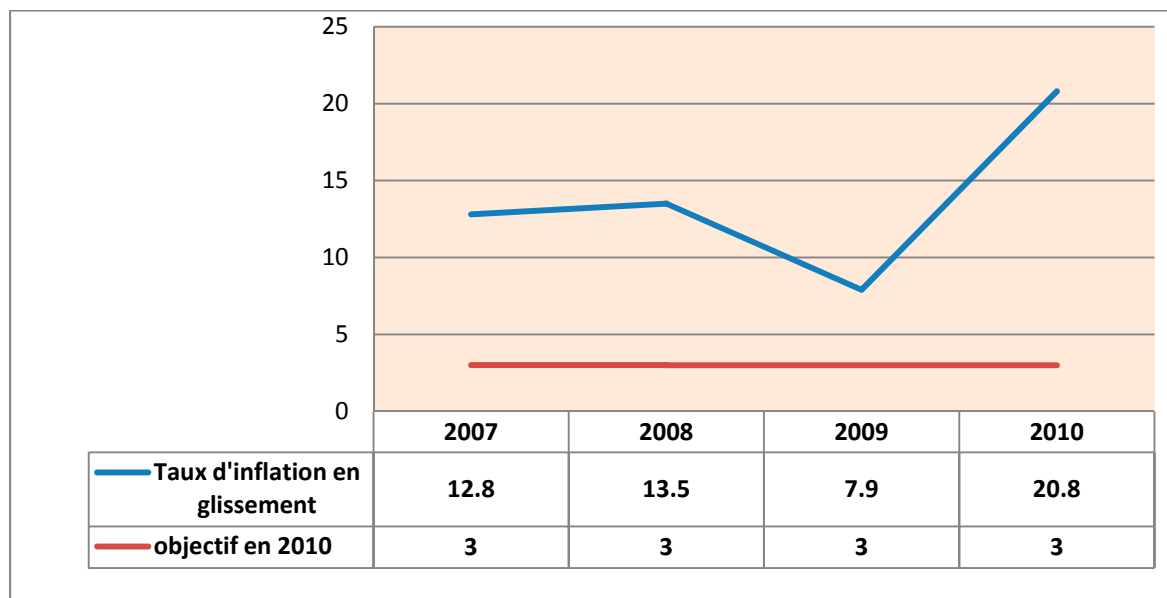
Key: Blue = Real GDP (actual)

Red = Real GDP (target)

Source: macroeconomic framing, National Directorate of Planning (DNP)

Year-on-year inflation stood at 12.8 percent, 13.5 percent, 7.9 percent, and 20.8 percent, respectively, in 2007, 2008, 2009, and 2010 for an annual average of 13.7 percent for the period. This is well above the PRSP2 objective by 3 percent. This result, combined with an average 1.1 percent decline in per capita GDP (compared to a target of +1.9 percent), is a sure indicator of increased poverty.

Graph 2. Year-on-year inflation, 2007 - 2010



Key: Blue = Year-on-year inflation
Red = Target in 2010

Source: macroeconomic framing, DNP

Gains were made with regard to investment. The investment rate averaged 21.3 percent over the period compared to an objective of 17.4 percent. Despite the improvement, however, investments failed to boost growth and substantially reduce poverty. This is essentially because investments were geared toward nonproductive sectors such as security and defense. Moreover, given the suspension of foreign aid, these investments were financed largely from the national development budget. This served to aggravate the budget deficit, which averaged 5.7 percent over the period compared to a target of 1.5 percent.

Debt service expressed as a percentage of exports of goods and services stood at 13.7 percent on average compared to a target of 10 percent, reflecting the continued burden of foreign debt on Guinea's meager public resources.

The following table summarizes the trends in the principal macroeconomic indicators for the period 2007-2010.

Table 2: Principal macroeconomic indicators, 2007 – 2010

Indicator	2006 base-line	2007	2008	2009	2010	Avg 2007 - 2010	2010 Target	Difference
Agriculture share in GDP (%)	13.4	13.6	13.4	13.9	14.2	13.8	13.3	0.5
Real GDP growth	2.5	1.8	4.9	-0.3	1.9	2.1	5.3	-3.2
Per capita GDP growth	-1.1	-1.4	1.7	-3.3	-1.3	-1.1	1.9	-3
Year on year inflation rate	39.1	12.8	13.5	7.9	20.8	13.7	3.0	-10.7
Average annual inflation	34.7	22.9	18.4	4.7	15.5	15.4	4.6	-10.8
Agricultural growth rate	4.4	3.3	3.8	3.2	3.2	3.4	4.8	-1.3
Debt service as % of exports of goods and services	19	16.2	15.9	10.8	11.8	14.0	10.0	-4.0
Budget deficit excl. grants (commitment basis) as % of GDP	-2	-0.9	-1.7	-8.3	-	-5.7	1.5	-4.2
Investment rate	22.4	19.2	21.3	16.4	18	18.7	17.4	0.6

Source: Macroeconomic framing, DNP

I.1.3.3. Improving access to quality social services

The objectives in the PRSP2 were not achieved for a number of reasons, including inadequate financing for the sector and the suspension of certain external financing. In the education sector, for example, human resources management fell short of the objective of rational, optimal use of teaching staff to cover needs. In particular, certain urban centers were overstaffed.

This situation led to setbacks in a number of key indicators for achieving the MDGs. Nationwide, the gross enrollment ratio fell from 79 percent in 2007-2008 to 77 percent in 2008-2009 versus an objective of 83 percent. The rate among girls declined from 71 percent in 2007-2008 to 70 percent in 2008-2009. The gross registration rates, in turn, increased from 60 percent in 2000 (55 percent for girls) to 82 percent in 2007 (78 percent for girls).

In the health sector, the results of PRSP2 implementation were mixed. The measles vaccination coverage rates for children under age 1 declined from 85.3 percent in 2007 to 65.4 percent in 2008. This situation is attributable to a number of factors:

- ✓ inadequate financing for the sector;
- ✓ lack of qualified personnel and poor allocation of personnel, particularly midwives in rural areas;
- ✓ poor allocation of personnel due to the concentration of professionals in urban areas; and
- ✓ limited access to medicine, particularly for persons living in rural areas, due to income constraints and inadequate quality of health care structures.

The proportion of tuberculosis cases detected and treated improved in recent years, increasing from 66.0 percent in 2007 to 71 percent in 2008.

With respect to housing and sanitation, little progress was made in either sector. Not all of the housing and sanitation projects planned were effectively implemented, with the result that housing continues to be inadequate and unhealthy. For example, over 20 percent of households lacked toilets, and roughly 82.6 percent of households dump their waste in the environment. Only 1.1 percent of households have access to a sewer system. However, the formulation of the Guinean national housing policy (PNHG), under the name "Vision Habitat 2021," is a hopeful sign and its implementation is a step toward improving housing and sanitation in Guinea. The PNHG is representative of a forward-looking approach, and reflects the government's intention to address the issue of chaotic housing development and uncontrolled urban growth by relying on a participatory and inclusive approach.

In regard to electric power, electrification continues to be limited. In 2007, the rate of access to electricity was 18.1 percent nationwide, with great disparities between urban areas (68.9 percent) and rural areas (2 percent). The drinking water sector, like other sectors, was impacted by financing problems. The rate of access to clean drinking water, while improved, with only 73.8 percent in 2007, representing an increase of 11.6 percentage points in five years; at that pace, the national rate of access to safe drinking water would be only 81 percent in 2010 compared to an objective of 90 percent.

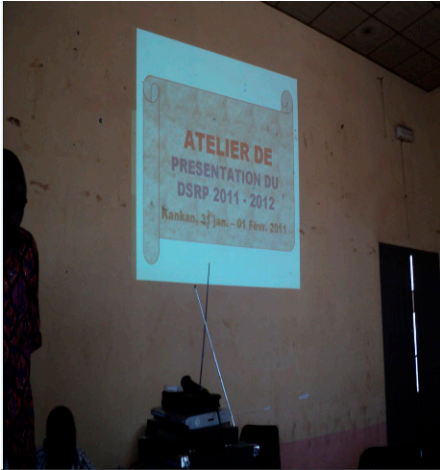
In conclusion, one could say that the promulgation of the new constitution, the free, transparent election of the President of the Republic, the prospect of future legislative and local elections, also free and transparent, are factors conducive to the installation of good governance in managing public affairs. Provided such efforts are made, Guinea can regain the trust of its development partners and return to the path of strong growth that can significantly reduce poverty.

It is against this fragile sociopolitical backdrop that the 2011-2012 PRSP will be implemented. The challenges to overcome are many, and are political as well as economic. From a political standpoint, our country must build strong, modern institutions in order to consolidate the peace and democracy essential to social and economic progress. From an economic standpoint, efforts should focus on restoring a sound macroeconomic framework through effective mobilization of domestic and external resources and improvement of the quality of public expenditure.

I.1.4. Participatory process

Like its predecessors, the 2011-2012 PRSP reflects the principle of participation and empowerment as recommended in the Policy Letter on Poverty Reduction issued by the government in February 2000. As in previous PRSPs, the involvement of stakeholders in the preparation process is greatly appreciated.

The approach was dictated by number of concerns: (i) to ensure that the strategy was relevant and adapted to the essential concerns of our citizens, especially the poorest; (ii) to improve the quality of decisions and the decision-making process in managing public affairs; and (iii) to ensure greater efficiency in public action and consolidate gains.



The objective was to understand poverty as it is experienced by citizens in their everyday lives, and to debate the roles of different stakeholders in formulating, managing, monitoring, and evaluating development actions.

To this end, the government, through the Permanent Secretariat for the Poverty Reduction Strategy (SP-SRP) and with support from the development partners, organized a series of consultations and workshops on the aspects summarized below:

- Preparation of two PRSP2 (2007-2010) implementation reports for 2007 and 2008. These reports evaluated the results achieved between 2007 and 2008 and proposed specific measures for the 2011-2012 PRSP.
- Preparation and presentation of regional PRSP implementation status reports. These progress reports on implementation of the PRS were all prepared and presented by the Regional Monitoring and Evaluation Units at a workshop in Mamou attended by all the stakeholders involved in the process of implementing regional poverty reduction strategies. The reports served as inputs to preparation of the 2011-2012 PRSP.
- Organization of a workshop to develop the framework for monitoring PRSP results. The workshop was held January 25-27, 2011 at the SP-SRP for members of the technical monitoring and evaluation groups (GTSE) with technical support from the World Bank. The workshop prepared a matrix for monitoring PRSP outcomes.
- Presentation of the PRSP to regional and other beneficiaries. Two regional workshops were organized outside the capital to present the PRSP and promote appropriation by citizens. The first, held on January 27-28, 2011 in the Kindia administrative region, was attended by about 100 participants from all the prefectures and communes from the natural regions of Lower Guinea and Mid-Guinea. The second workshop was held in Kankan during January 31-February 1, 2011 and was attended by some hundred participants from the natural regions of Upper Guinea and Forested Guinea. Both workshops were also attended by government officials, members of civil society organizations, unions, local elected officials, NGOs, academics, etc.



- Presentation of the PRSP to members of government. In light of the importance the government attaches to the PRSP, a presentation on the PRSP was given to members of the government during a seminar held at Mariador Palace in Conakry on January 27-29, 2011.
- Presentation of the PRSP to key government bodies (National Transition Council (CNT), Economic and Social Council (CES)). The workshop was attended by some 60 members of the CNT and CES to facilitate their appropriation of the document.
- Organization of a national PRSP validation workshop. This workshop, chaired by the Prime Minister, brought together all of the stakeholders involved, including civil society, unions, NGOs, local elected officials, etc. it was also attended by several ministers and representatives of international institutions and a number of ambassadors appointed to Guinea.

Concomitant with the national and regional presentations of the PRSP, a subjective survey of all workshop participants was conducted with technical support from the World Bank to determine their perceptions of poverty.



One of the findings at the conclusion of the study was the idea that poverty is to a large extent understood in terms of personal experience, that is to say, basic unmet needs. We would note above all the lack of access to basic social services and low per capita income. Accordingly, the study found that the persons surveyed perceived their condition of poverty and that of their community in terms of inadequate nutrition, lack of access to safe drinking water, and low income.

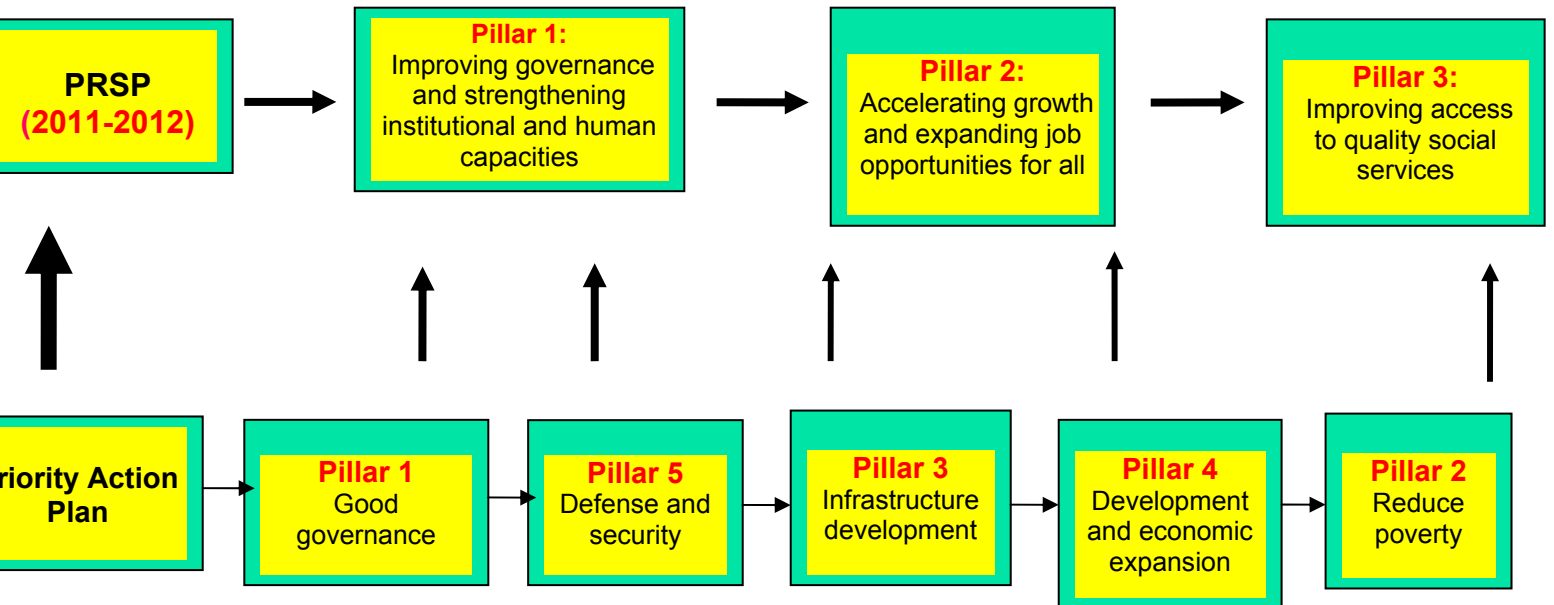
I.1.5. The 2011-2012 Poverty Reduction Strategy Paper and Priority Action Plan

The key strategies in response to Guinea's current political and economic situation are, first, to reform the defense and security forces and preserve and consolidate social peace, and second, to restart the process of economic and social development. From this perspective, according to the program address by the President of the Republic, the government's priority actions focus on the short and medium term.

To restart the development process, the government has established a priority action plan based on five main pillars aligned with the pillars of the 2011-2012 PRSP: (i) improving overall governance; (ii) combating poverty; (iii) developing basic infrastructures; (iv) developing and expanding the economy; and (v) reforming the defense and security forces.

The 2011-2012 PRSP comes within the framework of achieving short-term development objectives, including the MDGs, by 2015. Focused on the period 2011-2012, it aims to build on the achievements of the priority action plan, particularly in the areas of governance, developing basic infrastructures and social services, re-launching sustainable economic growth, and accelerating the achievement of MDGs in Guinea.

1-2012 PRSP and Priority Action Plan Linkages



Chapter 2. Poverty assessment

Poverty is perceived as a multidimensional phenomenon that embraces all aspects of people's lives. During the surveys among individual Guineans, 7.2 percent of respondents considered poverty to be defined by a lack of decent housing; 11.2 percent by unemployment; 15 percent by lack of income; and 25 percent by the inability to afford food.

This demonstrates that the poverty analysis should address all areas that influence living conditions: macroeconomic situation, consumption, energy, sanitation, etc.

A number of statistical sources of information are available in connection with monitoring and evaluating implementation of the PRSP-II. However, most of the statistical information utilized comes from the results of various surveys of poverty conducted in Guinea.

All of the analyses of poverty indicators are based on the results of three surveys: the 1994 Comprehensive Consumption Budget Survey (EIBC 1994), the 2002 Comprehensive Poverty Evaluation Baseline Survey (EIBEP 2002), and the 2007 Limited Poverty Assessment Survey (ELEP 2007). However, the comparability of these three series of results is limited by the different methodologies used in the surveys. This is particularly the case for analyses of trends where the magnitude of the differences is attributable to a methodological factor that was not estimated and that could affect the results.

I.2.1. Population characteristics

The population of Guinea is young, relatively uneducated (particularly heads of households), primarily rural, and employed in agriculture or the informal sector. In 2007, the population was estimated at 9.68 million, with 51.9 percent women and 48.1 percent men. Half the population was under age 16, and only 4.5 percent were age 65 or older. The population grows at a high rate of 3.1 percent per year. In light of the mode of social organization, women are not usually heads of households: 85 percent of Guineans live in households headed by a man. Women are heads of households only when widowed, married to a polygamist who is declared the head of another household, or married to an absent husband. These three situations account for nearly all households headed by women.

While significant gains have been made in the last 20 years in terms of education in Guinea, it goes without saying that heads of household, whose average age is close to 52, are mostly from the generation of Guineans who had few opportunities to attend school (according to 2007 survey data, two-thirds of persons age 15-19 attend or have attended school compared to one-fifth of those age 50-54). As a result, over three-fourths of the population live in households headed by an individual who has never attend school, while only 4 percent of the population live in households headed by an individual who has attended university. While this configuration represents the majority of households, there are variations, particularly between Conakry and the regions. In Conakry, one-half of heads of household have had no schooling and 15 percent have attended university.

An analysis dividing households into five socioeconomic groups based on the occupation of the head of household -- i.e., civil servants, private sector employees including agricultural employees, independent agricultural workers, independent non-agricultural workers, and unemployed -- shows the predominance of agriculture in rural areas. Guinea's weakness in regard to schooling leaves little choice or diversity in terms of economic activities. As a result, over 56 percent of Guineans support themselves through agriculture.

Subsistence agriculture is family based, as reflected by the fact that two out of three households include three or more persons employed in agriculture.

In addition, paid jobs are relatively few in Guinea. After subsistence agriculture, the main activities that provide for the population's needs are crafts and unskilled trades. These activities, generally part of the informal sector, support one out of five Guineans. Also, while agriculture is the principal rural occupation, it accounts for only a small proportion of the inhabitants of Conakry (1.4 percent), where crafts and unskilled trades, particularly small-scale retail trade, feed the largest share of the population (42.2 percent). Conakry is also the city where two other significant categories may be found: individuals working as employees (one out of three) and persons living in households where the head of household is unemployed (one out of four individuals). It should be mentioned here that Guinea has fairly high labor force participation rates and low unemployment, but that summary masks other less favorable characteristics. In Conakry, where a genuine labor market exists, the unemployment rate for the population age 15 and older was 10.2 percent in 2002-2003.

However, if we define underemployment (in relation to job duration) as working less than 39 weeks per year, nearly 11.8 percent of the active workforce age 15 and older are underemployed. Also, in 2002-2003, three-fourths of the unemployed were long-term unemployed (over one year).

I.2.2. Poverty profile

On a nationwide basis, poverty declined significantly over the period 1994-2002. While 62.6 percent of the population lived below the poverty line in 1994, the percentage decreased to 49.2 percent in 2002, a reduction of 13.4 percent in absolute terms and nearly 27.2 percent in relative terms. In addition to the incidence of poverty, all other poverty indicators declined significantly as well. In 1994, the poverty gap was 28.5 percent; in other words, the average poor individual would require 28.5 percent of the value of the poverty line to escape poverty. In 2002, the proportion had decreased to 17.2 percent of the poverty line. Similarly, the severity of poverty decreased from nearly 16.1 percent in 1994 to 8.1 percent in 2002, showing that the situation had improved for the poorest segments of the population.

Table 3. Poverty by residential setting (1994 - 2007)

Indicator	1994			2002			2007		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Incidence	17.5	82.1	62.6	23.5	59.9	49.1	30.5	63.0	53.0
Depth	4.2	39.1	28.5	6.0	21.9	17.2	7.7	22.0	17.6
Severity	1.5	22.5	16.1	2.4	10.5	8.1	3.0	10.5	8.2

Source: Authors' calculations based on EIBC, EIBEP and ELEP data.

After 2002-2003, however, the situation deteriorated for reasons including poor governance and gross mismanagement of public assets, leading to the suspension of the Poverty Reduction and Growth Facility (PRGF) program. The trends show an increase of 3.1 percentage points in the incidence of poverty and a smaller percentage increase in the other poverty indicators. The increase was greater in urban than in rural areas. The variations in poverty were larger in the administrative regions.¹ The analysis shows that the

¹ Between 2002/03 and 2007, the incidence of poverty increased in the Boké, Conakry, Kindia, Mamou and Nzérékoré regions, and declined in the Faranah, Kankan and Kindia regions.

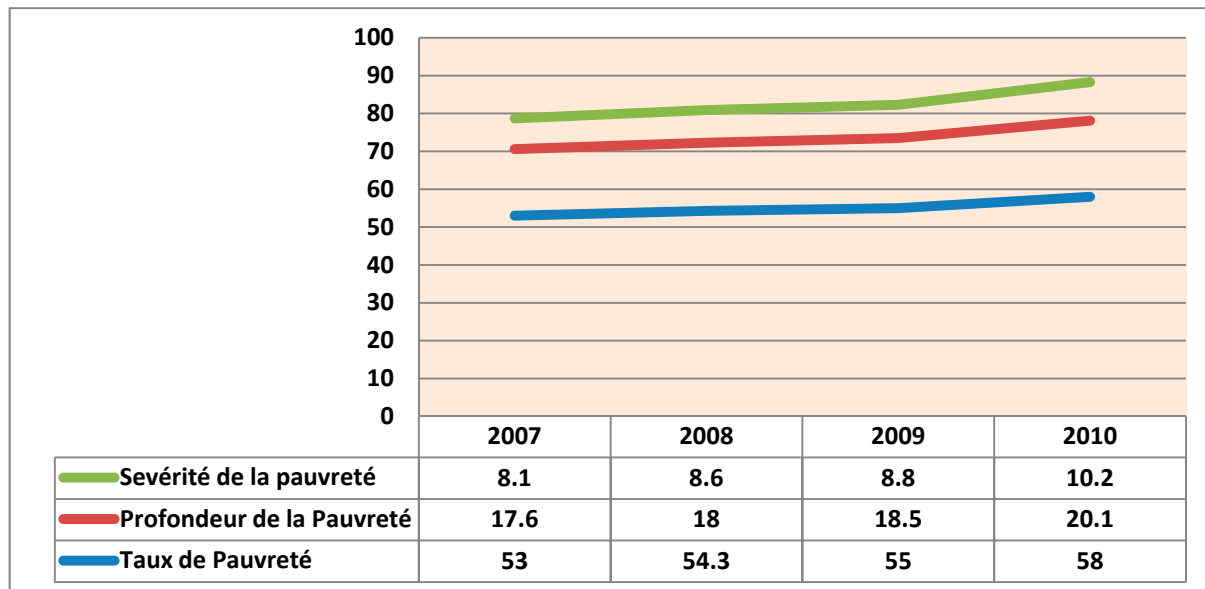
increase in poverty reflects a larger share of the population situated further below the poverty line in 2007 than in 2002/03.

However, the economic and social reforms undertaken by the government served to improve a good number of macroeconomic indicators. The rate of inflation, which was 39.2 percent in 2006, was reduced to 12.5 percent in 2007; the growth rate was estimated at over 4 percent in 2008, giving hope to the population, including the poorest, in accordance with the initial Emergency Minimum Program objectives of: (i) reviving hope among populations through concrete responses to their priority expectations; (ii) consolidating the rule of law through strengthened political and social dialogue in regard to holding free, transparent, and credible elections; and (iii) creating the bases to resume the process of economic development.

After 2007, however, poor governance, political and institutional instability on multiple fronts, and the death of the President of the Republic in December 2008 opened the way for the National Counsel for Democracy and Development (CNDD) to take power. The socioeconomic and political situation sharply deteriorated. The implementation of key projects and programs supporting the PRS, such as the Village Communities Support Program, were slowed and the formal three-year PRGF program was suspended, triggering a deterioration of macroeconomic indicators. In 2009, the real growth rate was estimated at -0.3 percent and per capita growth rate was -1.3 percent, which could lead to increased poverty.

With a view to determining the impact of this economic and political situation on household living conditions, we used the approach based on poverty-growth elasticity over the period 2002-2007, given the fact that the MSEGUI/PAMS tool has not been finalized (cf. Box 2 on MSEGUI-PAMS).

Graph 3. Likely trends in general poverty indicators, 2007 - 2010



Key: Green = Severity of poverty
 Red = Depth of poverty
 Blue = Poverty rate

Sources: ELEP 2007 and SP-SRP Technical Unit estimates.

The simulation showed that with poverty-growth elasticity of -0.12 between 2002 and 2007, the poverty rate could reach 58 percent in 2010. This would be far from the objectives established in the PRSP2, which were to reduce poverty to 49.7 percent in 2010. At the same time, the depth and severity of poverty increased to 20.1 percent and 10.2 percent, respectively, in 2010.

It is important to note that the decline of poverty over the period 1994-2002 was primarily the result of economic growth but also of reduced inequality. Per capita income grew an average of 2% per annum over the period, and inequality, measured by the dispersion ratio between the richest (Q5) and poorest (Q1) quintiles, declined over the same period. The ratio was 12 in 2002, meaning that the richest group consumed 12 times as much as the poorest, and declined to 5 in 2007. The Gini coefficient² declined from 0.480 in 1994/95 to 0.415 in 2002/03, followed by 0.326 in 2007. While the indices reflect decreased inequality, they also reflect a reduction in spending by the richest. However, we also note a slight improvement in meeting the needs of the poorest, as indicated above by the dispersion ratio.

² The Gini coefficient is a measure of inequality of income distribution in a given society. Developed by Italian statistician Corrado Gini, the index ranges from 0 to 1, where 0 indicates perfect equality (everyone earns the same income) and 1 indicates a complete inequality (one individual earns all the income and others earn none, as in the extreme case of master and slave).

Table 4. Satisfaction of households' needs in previous 5 years (2003 – 2007)

	Satisfaction level	Poorest	Q2	Q3	Q4	Richest	Total
Conakry	Improved	12.08	6.63	7.28	12.49	14.57	11.71
	Maintained	12.76	21.38	30.72	40.74	44.46	36.8
	Declined	73.96	71.79	61.41	44.94	39.92	50.4
	Not reported	1.19	0.2	0.59	1.83	1.05	1.09
	Total	100	100	100	100	100	100
Other urban	Improved	8.11	5.85	6.75	9.5	16.81	10.51
	Maintained	17.42	41.08	35.83	39.73	46.47	39.04
	Declined	73.88	51.84	56.78	50.37	36.3	49.87
	Not reported	0.58	1.22	0.65	0.4	0.42	0.59
	Total	100	100	100	100	100	100
Rural	Improved	9.09	11.3	9.32	10.48	14.91	10.65
	Maintained	31.66	36.15	39.15	42.58	40.62	37.3
	Declined	58.69	51.53	51.04	45.81	43.22	51.21
	Not reported	0.56	1.02	0.49	1.13	1.25	0.84
	Total	100	100	100	100	100	100
National	Improved	9.17	10.31	8.7	10.78	15.15	10.82
	Maintained	29.9	35.11	37.45	41.63	43.09	37.43
	Declined	60.34	53.62	53.33	46.42	40.73	50.89
	Not reported	0.59	0.96	0.52	1.17	1.02	0.85
	Total	100	100	100	100	100	100

Source: ELEP 2007

Households' perceptions confirm the extent of poverty. They feel that the situation has not improved in the last five years. As Table 5 demonstrates, 39.4 percent of households report no change in terms of their basic needs being met. Only 10.8 percent of households reported an improvement, while 50.9 percent of households reported a deterioration. These proportions are fairly similar in different areas (Conakry, urban areas, rural areas), but the proportion of households reporting an improvement is higher among the well-off (fifth quintile, 15 percent of respondents who perceive improvement).

Households basically associate poverty with the inability to afford food, lack of income, and lack of jobs. According to data from the 2002/03 EIBEP, 25 percent of all households associate poverty primarily with inadequate resources to buy food, 15 percent with lack of income, 11.6 percent with lack of work, 11.2 percent with the inability to obtain medical care, and 7.2 percent with the inability to obtain decent housing.

In 2007, 53 percent of Guineans, or 5.1 million inhabitants, were poor. The incidence of poverty was 30.5 percent in urban areas and 63 percent in rural areas. Urban areas, which account for 30.7 percent of the population, represent only 17.7 percent of the poor, while rural areas, with 69.3 percent of the total population, account for 82.3 percent of support. While poverty is clearly less prevalent in Conakry, it is high everywhere else, as the poverty rates in other regions range from 50 percent to 64 percent. The regions with the lowest incidence of poverty are Mamou, Boké, and Faranah. Based on this regional profile, three regions (Nzérékoré, Kindia, and Kankan) alone account for nearly 55 percent of the poor. In addition, food consumption (including cash, farm consumption, picking, and barter) represented 69.2 percent of total consumption in 2007, while in 2002 it represented 53 percent of total consumption. Shoes and clothing represented only 4.1 percent in 2007

compared to 9.5 percent of total consumption in 2002. Transport represented 5 percent, and health-related expenditures 3.8 percent.

The level of poverty varies according to characteristics of the head of household. Women generally have less human capital than men and are more often the victims of workplace discrimination. However, according to household surveys, we observe that one-half of persons living in households headed by a man are poor compared to 46 percent of households headed by a woman. In reality, this result may be due to the typology of households headed by women. While half of those households were headed by a widow or divorcee, the other half were headed by married women who were heads of households only because the husband was absent. In the latter case, the husband, who continues to be the rightful head of the family, continues to provide for the household's needs.

I.2.3. Determinants of poverty in Guinea

A linear regression analysis of the determinants of poverty using per capita spending as a percentage of the poverty line as the dependent variable shows that the educational level of the head of household and spouse are significant determinants of poverty, but the effect of head of household educational level on poverty reduction is only substantial for secondary school or higher.

In general, women's skills are not as highly valued in rural as in urban job markets due to the shortage of attractive jobs. Also, the status of head of household employed in private enterprise is associated with a higher standard of living than that of an independent worker.

In regard to access to infrastructures, weak access to infrastructures imposes high transaction costs that also reduce populations' well-being. In rural areas for example, the travel time to the closest health care center is higher for the poorest households, which means that those households live in localities where this type of service is located at a distance or the means of transportation are nonexistent.

Box 1: Results of survey of subjective poverty³ February 2011

In the context of updating the poverty data, the Guinean government, with support from the World Bank, conducted a survey during the validation workshops for this PRSP. The purpose of the survey was to conduct the most recent participatory assessment of subjective poverty. The survey provided an idea of poverty as it is currently perceived by the participants in the PRSP validation workshops and by certain residents in the cities where the workshops were held (Kindia, Kankan, and Conakry). The method used for the survey was the administration of a brief individual questionnaire to 658 persons, of whom 229 were workshop participants. Based on that sample, the study not only confirmed the increasing trend of all aspects of poverty in Guinea since 2007, but also revealed that the persons surveyed have formed specific conceptions of poverty.

Of the persons surveyed, 44 percent stated that poverty was above all inadequate nutrition. The second element the respondents considered a source of poverty was lack of income (14 percent), followed, respectively, by lack of employment (13 percent), lack of health care (7 percent), lack of support (6 percent), and lack of education (3 percent). It bears mention as well that contrary to what one might expect in a process of constructing democracy, lack of power (0 percent) was not considered a source of poverty by the respondents.

The majority of persons surveyed viewed poverty above all as a handicap in meeting biological needs, in this case, nutritional needs, which means that for those persons, food security should be central to the poverty reduction strategy, followed by increasing household income through access to paying jobs.

In regard to the incidence of poverty, 70 percent of the persons surveyed said their household was poor, only 5 percent considered the household standard of living good, approximately 85 percent of respondents said their households lacked stable income, and 51 percent of them considered the household income low for the past three years. In regard to nutrition, 75 percent of the respondents reported that their households consume fewer than three meals per day, and 52 percent stated that the household lacked sufficient quantities and quality of food. Only 9 percent reported that the household was well fed in terms of quantity and quality. In other words, 91 percent of the respondents' households faced nutritional problems.

In regard to access to basic social services, 24 percent of the persons surveyed stated that at least one member of the household had been excluded from school during the previous 12 months for non-payment of school fees, and 31 out of 100 respondents stated that at least one member of the household had been unable to receive health care in the prior 12 months because they could not afford it.

In regard to the perception of poverty in the geographic area where the respondents live, 46 percent said that the majority of residents of their locality were poor, and 21 percent considered all of the residents poor. According to those results, 67 percent of respondents viewed the inhabitants of their locality as poor. For those persons, poverty is the most widely shared aspect of their immediate environment.

To identify the actions to be undertaken to quickly reduce poverty, the respondents were asked to identify the strategies they would employ to improve their household's standard of living, on the one hand, and the actions they considered priorities to improve their communities' standards of living, on the other. According to their responses, the principal strategies chosen to improve the household standard of living were essentially finding a decent job (19 percent), using credit (18 percent), and taking on additional work (16 percent). Accordingly, the principal strategy the majority of respondents (35 percent) would employ to improve their household's standard of living was to find a decent job.

Finally, with regard to the community priorities in the fight against poverty, the principal priorities cited by the respondents were: the drinking water supply, which headed the list of priorities (21 percent) followed by the fight against food insecurity (19 percent), and in third place the promotion of productive activities (12 percent). Other priorities also cited by the respondents were jobs for youths (10 percent), school construction (7 percent), the construction of health care facilities (6 percent) children's education (6 percent), and road construction (5 percent). For our respondents, then, access to nutrition was a constant concern in regard to the fight against poverty.

Source: Participatory survey, 2011. World Bank

³ See report by A. Kaba (2011), Evaluation of subjective poverty.

Contrary to the descriptive analyses, households headed by women are less well off than those headed by men. All other things being equal, the difference in terms of per capita spending between male- and female-headed households was significant, on the order of 33 percent lower for female-headed households in cities and 11 percent in the country. Households headed by women appear to be more vulnerable, then. Also, households with a large number of persons of each age group had lower per capita consumption and therefore a greater probability of being poor. We note that low per capita consumption takes account of economies of scale within the household.

Finally, geographic location is important, even after taking account of other household characteristics. Regional offerings in terms of job opportunities, infrastructure, climate, etc. influence the standard of living. In general, residing in a region other than the capital is associated with a lower standard of living. However, the gap is less pronounced for two regions, Kankan and Mamou. On the other hand, the Nzérékoré, Kindia, and Labé regions are more disadvantaged. For example, rates of access to electricity are as follows: Nzérékoré 1.5 percent, Kindia 17.2 percent, and Labé 4 percent.

1.2.4. Poverty and food insecurity

Hunger is a symptom, consequences, and expression of poverty. The extremely poor live in a situation of food insecurity and are highly vulnerable. However, the poor are not always vulnerable to food insecurity. Certain populations may have low incomes without facing a situation of food insecurity.



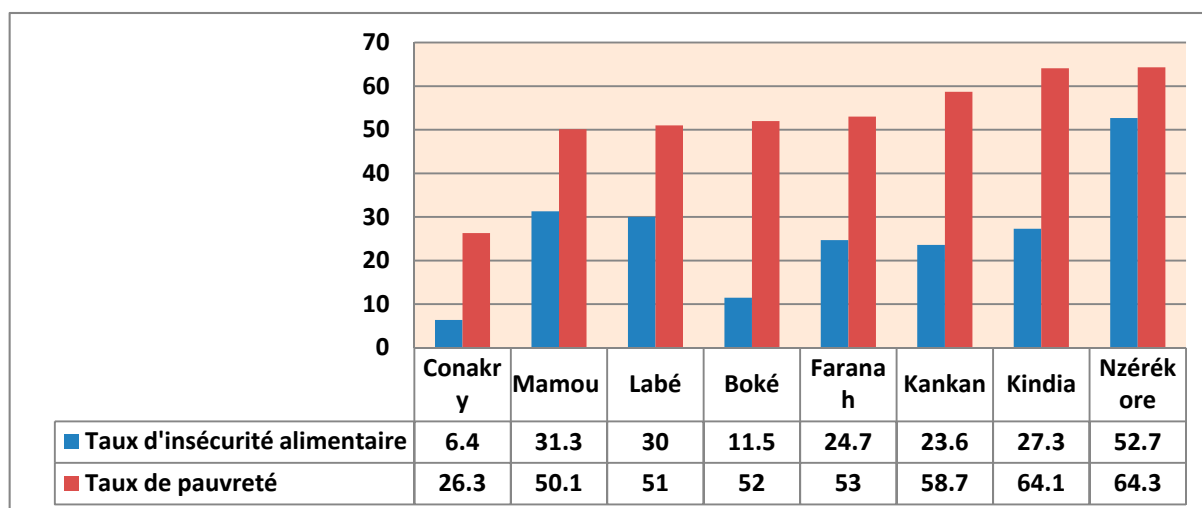
Food security exists when all individuals have the physical and economic access at all times to sufficient healthy and nourishing food to satisfy their energy requirements and food preferences in order to lead a healthy, active life.

Three conditions must be met to ensure food security: (i) sufficient supply or availability of food; (ii) stability of the supply of accessible, affordable food, without fluctuation or shortages from one season or year to the next; and (iii) the quality of food and individuals' consumption of food.

The first MDG is to reduce by half the proportion of the population suffering from hunger by 2015. According to the results of WFP food security surveys conducted in Guinea in 2009 (National Food Security Survey and Food Security Survey in Conakry), 32 percent of rural Guinean households, representing 2,302,000 individuals, experienced food insecurity, while 8 percent of those households (602,000 individuals) experienced low food security, and only 24 percent of households (1,700,000 individuals) had reached the threshold of food security.

Table 6 shows that the administrative regions in general are characterized by high food insecurity as well as high poverty rates. The food insecurity rate in the administrative region of Nzérékoré is 52.7 percent and the poverty rate approximately 64.3 percent, making it the poorest region and hardest hit by food insecurity. The regions of Boké and Conakry occupy seventh and eighth place, respectively, for both food security and poverty.

Graph 4. Poverty and food insecurity by administrative region



Key: Blue = Food insecurity rate
Red = Poverty rate

Source: ELEP 2007 and ENSA.

This graph shows a positive correlation between food insecurity and poverty. In other words, increased food insecurity in the region will have a strong impact on poverty.

I.2.5. Poverty and access to education and literacy

An analysis of the data indicates that the net primary school enrollment rate increased from 57 percent in 2002 to 62 percent in 2008 and, notably, from 52 percent to 57 percent for girls. According to the ELEP,⁴ the national rate was 57.1 percent in 2007 compared to 54.1 percent in 2002. Both sources show that perceptible progress was made. However, sector performance indicators show a relative decline since 2005.

The performance observed between 2002 and 2008 is largely due to the increased supply of educational infrastructure, which remains one of the major gains of the Education Sector Adjustment Program, part of the Education for All initiative, and the Education Sector Program now being executed.⁵ However, the increase in the net enrollment rate conceals significant disparities between regions and urban and rural areas. In fact, the ELEP shows a striking imbalance between the net urban enrollment rate (81 percent) and the net rural rate (48.5 percent). The same survey also reveals that 60 percent of boys were or had been enrolled in primary school compared to 54.1 percent of girls (these rates were estimated at 59.4 percent and 48.7 percent, respectively, in the 2002 EIBEP).

It is important to note that while the quantitative gains in terms of school enrollment are significant, little progress has been made with respect to the quality of education. According to the Educational Planning and Statistics Service, this is due to multiple factors including: (i) the very high student/teacher ratio (particularly in urban areas), resulting in crowded classrooms that undermine the effectiveness of educational administration; (ii) the low textbook/student ratio; (iii) the existence of schools offering incomplete cycles, resulting in dropouts and attrition; (iv) classes without teachers; and (v) high teacher absenteeism in rural areas. In terms of equity,

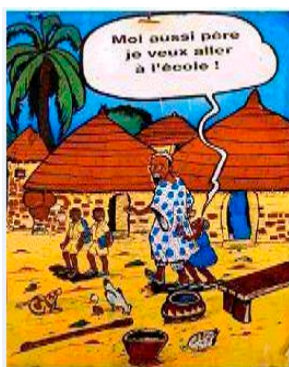
⁴ Data from the 2007 ELEP (Republic of Guinea, Ministry of Planning and Private Sector Promotion, National Institute of Statistics).

⁵ Id.

the gap between boys and girls, which was 10.7 percentage points in 2002-2003, declined to six percentage points in 2007.

The proportion of schoolchildren who complete the first cycle of primary school increased from 29 percent in 2002 to 59 percent in 2007 (49 percent for girls) before declining to 50 percent in 2008 (42 percent for girls). The factors identified above, which have a strong impact on school enrollment, also account for the low primary school completion rate. Added to those factors are: (i) inadequate basic and pedagogical training for many teachers (particularly primary school teachers); (ii) inadequate monitoring of and assistance to teachers; and (iii) dropping out, although this occurs infrequently (3.6 percent) in primary school.

With regard to adult literacy, a significant gap was observed between men and women, but overall indicators remained low. In 2003, the national rate was 45.7 percent for men compared to only 14.1 percent for women (or 28.3 percent for men and women combined).⁶ In other words, the literacy rate for men is 3.2 times higher than for women. In 2005, the literacy rate was 16.1 percent for women and 44.1 percent for men. Efforts by the government in 2007 brought the rate to 49.9 percent for men compared to 21.5 percent for women. From 2005 to 2007, women gained roughly 5.4 points compared to 5.8 points for men. Regional adult literacy rates vary considerably, from a low of 6 percent in Kankan to a high of 39.5 percent in Conakry in 2007.



In view of the rate of increase for each of the three indicators during recent years, and considering the persistence of the causes mentioned above, none of the indicators will meet the objectives established for 2015 unless special efforts are made in the sector.

These quantitative results conceal difficulties relating to financing of the education sector. Investment expenditures (National Development Budget) are low.

At no time during the past decade did the share of education in GDP exceed 3 percent. From 2000 to 2010, the share of the national budget allocated to education spending did not exceed 12 percent. From 9.6 percent in 2003, it continued to decline to a low of 5.7 percent in 2006. However, the government has made significant efforts since 2007, which raised the rate to 11.3 percent in 2009.

⁶ Data from the 2002/2003 EIBEP.

I.2.6. Poverty, malnutrition and mortality

The infant-child mortality rate in Guinea declined from 177 per thousand in 1999 to 163 per thousand in 2005, or a reduction of 14 percentage points in six years. If this trend continues, the rate would be roughly 142 per thousand in 2010. In regard to residential setting, the infant-child mortality rate was higher in rural areas in 2005 (204 per thousand) than in urban areas (133 per thousand), and higher for boys (200 per thousand) than for girls (174 per thousand). In addition, children in the poorest households had rates twice as high (217 per thousand) as those from [words omitted] households, for which the rate was still quite high. The mortality rate for children under age 5 declined significantly in Forested Guinea (215 per thousand) and Upper Guinea (199 per thousand) during 1999-2005, while the rates in Lower Guinea and Mid-Guinea increased by 3.4 percent and 0.4 percent, respectively.

The national infant mortality rate showed a marked decline between 1999 and 2005, from 98 per thousand to 91 per thousand, or an average of one death per thousand live births. If this trend continues, infant mortality could decline to about 85 per thousand in 2010.

The results of the Expanded Vaccination Program (PEV) show that vaccination coverage against the major diseases has improved since 2002, with rates above the average. This improvement is due to wider availability of vaccines, the engagement of health care providers, citizens' acceptance of vaccination, the integration of curative and preventive services, strengthened supervision, and the support of the development partners. DPT3 coverage remained consistently above the 80 percent bar despite underperformance observed in recent years, declining from 88 percent in 2006 to 87 percent in 2007 and 84 percent in 2008. The vitamin A supplementation campaign covered 64 percent of the target, with 97.3 percent of children age 6 to 59 months receiving two doses of vitamin A during July and December 2008, and 95.8 percent of children age 12 to 59 months receiving two doses of antiparasitic drugs during the same period. In addition, 50 percent of women received one dose of vitamin A during the postpartum period.

In Guinea, the elevated maternal mortality rate (980 per 100,000 live births) is linked to the small proportion of assisted birth, which increased from 35 percent in 1999 to 38.0 percent in 2005, or an increase of three percentage points over the period. Despite this increase, performance is far from the target of 95 percent by 2010. The marked disparity in favor urban areas (the figure is only slightly more than 20 percent in rural areas) is a contributing factor in the failure to reach the established objectives.

The prenatal consultation rate improved considerably, from 82.1 percent to 88.2 percent over the period 2005-2007. This outcome is the product of outreach campaigns and numerous projects providing technical support to the health sector over the past 10 years. It is important to recall that the government's objective in regard to prenatal consultations was 85 percent in 2002. In the interest of improving access to health care for women, particularly in rural areas, government recently adopted measures to provide assistance at birth, prenatal consultations, and cesarean sections free of charge.

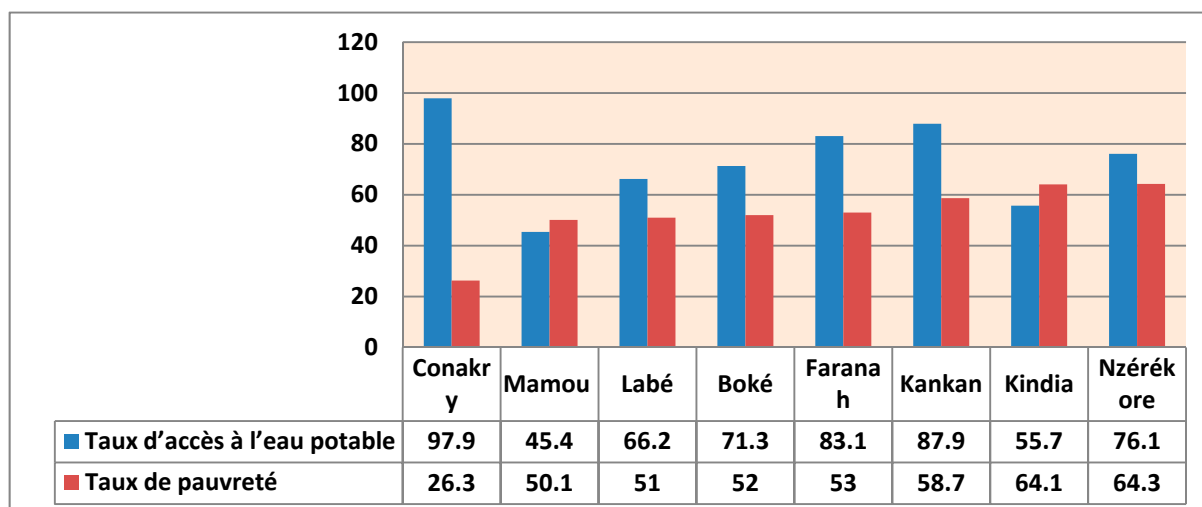
The results of the 2008 National Survey on Nutritional Status and Monitoring of Principal Indicators of Childhood Survival (UNICEF/WFP) indicate that 40 percent of Guinean children under age 5 suffer from chronic malnutrition (WHO standard), and 20.7 percent of them suffer from severe chronic malnutrition. In comparison with the 2005 Demographic and Health Survey (NCHS/CDC/WHO standard), chronic malnutrition has increased by 1.4 percentage points, from 34.8 percent to 36.2 percent. Likewise, severe chronic malnutrition has increased from 15.3 percent to 17.4 percent, or 2.1 percentage points over the period 2005-2008. This is the result of the deterioration of households' socioeconomic situation and the environment in

which they live, in particular the shortage of safe drinking water and worsening conditions in regard to health and hygiene. The situation also reflects the gradual increase in the price of foodstuffs. Moderate emaciation afflicts 8.3 percent of Guinean children under age 5, of whom 2.8 percent suffer severe emaciation (WHO standard). In addition, nearly 21 percent of Guinean children under age 5 are underweight (WHO standards). Among them, 6.7 percent are severely underweight. A comparison with the results of the 2005 Demographic and Health Survey using the NCHS/CDC/WHO reference population reveals that moderate underweight status has remained quite stable over the period 2005-2008, increasing from 25.8 percent in 2005 to 26.1 percent in 2008. Similarly, severe underweight status increased from 7.1 percent in 2005 to 7.3 percent in 2008. Admittedly, most of the indicators appear to be moving in the right direction, and the Ministry of Health and Public Hygiene recently initiated an evaluation of the National Health Development Plan to support reformulation of its policy and preparation of a new plan that would take account of poverty trends.

I.2.7. Poverty and access to safe drinking water

Supplying citizens with safe drinking water was one of the government's priorities for the past five years. In regard to assessing the actions taken in this area, the statistics reveal that 62 percent of Guineans had access⁷ to safe drinking water in 2002, and the rate increased to 73.8 percent nationwide in 2007, or an increase of 11.6 percentage points between 2002 and 2007, or roughly 2.4 percent per year. Local rates ranged from 94.1 percent in Conakry to 85.6 percent in other urban centers and 52.8 in rural areas. At this pace, the rate of access is expected to reach 81.0 percent in 2010, with progress much more pronounced in rural than urban areas.

Graph 5. Poverty and access to safe drinking water by administrative region, 2007



Key: Blue = Access to safe drinking water
Red = Poverty rate

Source: ELEP 2007.

According to the ELEP, the rate of access in 2007 was 67.1 percent in rural areas compared to over 91.2 percent in urban areas. The rate for Conakry was about 98 percent, and Kankan and Faranah had the highest

⁷ A household has access to safe drinking water if the time to travel from home to a source of water and back is less than 30 minutes.

rates, averaging 87.9 percent and 83.1 percent, respectively . Apart from Kindia (55.7 percent) and Mamou (45.4 percent), rates in the other regions ranged between 66 and 77 percent.

This progress reflects investments in wells and emergency programs to improve supplies of water to Conakry and cities in other regions of the country. The National Water Point Improvement Service (SNAPE) completed 728 modern water points in 2007 and 679 in 2008, bringing the total number of modern water points close to the target of 15,000 by 2010 established at the start of the project in 1978. At this date, 14,792 water points have been completed, representing an execution rate of 98.6 percent.

Despite this progress, the sector continues to face problems including limited production and water treatment capacity relative to demand, limited geographic coverage of the water distribution network, significant technical losses and commercial fraud, unavailability of installed capacity due to lack of maintenance or fuel, and weaknesses in the legal and institutional framework.

I.2.8. Poverty and HIV/AIDS

The prevalence of HIV in Guinea has reached the generalized phase (1.5 percent). The prevalence of HIV among persons age 15 to 24 is clearly below the national average. Women are twice as vulnerable as men among the population at large as well as the 15-24 age group. Early sexual relations do not appear to be associated with the prevalence of HIV. However, high fertility rates among this age group (154 per thousand) reflect the proportion of unprotected sexual relations and to a certain extent represents a threat. If appropriate policies are implemented, with the Global Fund in particular, the current prevalence could be reduced substantially by end-2015.

Despite remarkable progress, risky behavior such as high-risk unprotected sex or relations with multiple partners remains the principal cause of the spread of HIV in Guinea.



According to the EDS-2005, more than half (53.6 percent) of all sexually active men report having had high-risk sexual relations during the 12 months preceding the survey, a proportion three times higher than for women (15.6 percent). The proportion is 94.8 percent among young men age 15-24 compared to 36.0 percent for young women in the same age group. However, if the trend observed between 2005 and 2007 continued, the objective established for 2015 (90 percent) [...] would already have been achieved in 2008 .

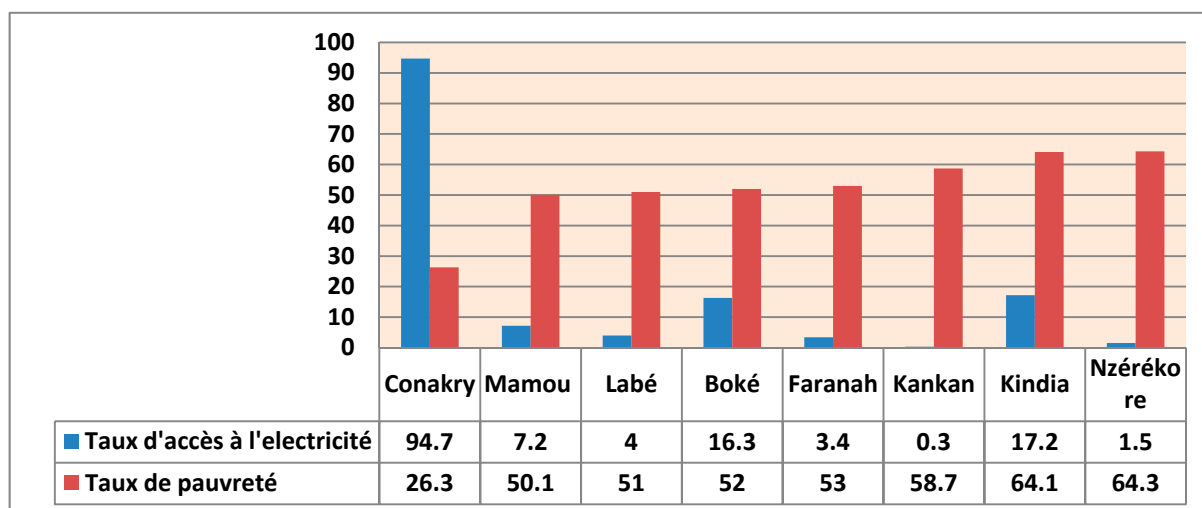
Cor against HIV/AIDS is too dependent on external resources. The government should devote additional efforts to cover these expenditures during periods when disbursements are suspended. To achieve a reduction in HIV prevalence, the various stakeholders involved must be able to cooperate without interruption.

I.2.9. Poverty and access to energy

Storm lanterns were the main source of light for 47 percent of households in 2007. In rural areas, the proportion of households using this source was 56 percent, and in poor urban areas the proportion was 32 percent. Depending on place of residence, storm lamps are used by over 50 percent of households in all regions except the capital, where the rate is 1.9 percent. This circumstance is the direct consequence of low energy consumption in Guinea and weaknesses in the electricity network.

The 2007 ELEP found that electricity is used by only 18.1 percent of households in Guinea. This glaring weakness is compounded by a clear disparity based on residential setting. While 68.9 percent of urban households have access to electricity,⁸ only 62.4 percent use it. In rural areas, the rate of access is 2 percent compared to 0.9 percent utilization. In poor urban areas, the access rate is 54.3 percent compared to 48.8 percent utilization, while in poor rural areas the rates are 1.5 percent and 0.5 percent, respectively.

Graph 6. Poverty and access to electricity by administrative region, 2007



Key: Blue = Access to electricity
Red = Poverty rate

Source: ELEP 2007

There are also enormous disparities between the different administrative regions: in Boké, the rate of access to electricity is 16.3 percent versus 14.8 percent utilization. The rates are 1.5 percent and 0.1 percent in Nzérékore; 3.4 percent and 2.1 percent in Faranah; 0.3 percent and 0 percent in Kankan; and 17.2 percent and 10.2 percent in Kindia, but 94.7 percent and 89.1 percent in Conakry.

The low utilization of electricity is largely due to the lack of investment in all segments of the sector. The main difficulties include lack of production capacity and insufficient high-voltage/low-voltage transport with respect to strong growth in demand (6 to 8 percent per year); unavailability of installed production capacity due to lack of maintenance and fuel; significant technical and commercial losses over the network; limited coverage of the distribution network, and inadequate legal and institutional framework.

⁸

The use of wood and charcoal for cooking is widespread in Guinea: 78 percent of households use wood for cooking. The proportion is 96.2 percent in rural areas and 43 percent among the urban poor. Among rural households, 98.3 percent use both wood and charcoal compared to 96.0 percent in urban areas. The large percentage of households using these sources of energy represents a major concern for environmental protection.

I.2.10. Poverty and access to decent housing and sanitation

The housing sector is a crosscutting sector that impacts all other sectors of economic and social life in Guinea. This crosscutting aspect reflects the multiplicity of stakeholders, complexity of problems, and multiple strategies. In this regard, it is important to bear in mind the correlation between housing and poverty, which go hand in hand and the impact of one on the other calls for appropriate measures. Accordingly, the approach going forward is aligned with the country's strategic framework:

- ✓ the MDGs, in particular Goal 7 on achieving a sustainable environment, and Goal 11, to significantly improve living conditions for at least 100 million slum dwellers throughout the world by 2020. In this context, indicator 32 concerns “proportion of households with access to secure housing tenancy”;
- ✓ the PRSP, which also incorporates the issue of housing, given the strong correlation between poverty and housing. The problems and issues identified call for alternative, shared solutions based on sustainable development of housing, in line with the government's strategic development options.

The burgeoning population and accelerated urbanization in Guinea create increased needs for basic social facilities and infrastructures. According to the 2007 ELEP, households devote 5.8 percent of spending to housing, water, and energy. Various government initiatives and interventions by numerous other entities have been deployed in an attempt to meet these needs. However, the trends and constraints described below continue to impact the housing and sanitation sector.

The urban landscape is particularly uneven in terms of spatial development and land management. The city of Conakry, in particular, occupies less than 1 percent of the national territory but represents one-fifth of the total population and over 40 percent of administrative and commercial activities. This high concentration of population and socioeconomic activities is likely to cause deterioration of the inhabitants' living conditions and natural ecosystems.

The constraints on land management are insecure land tenure and land conflicts that arise over unauthorized subdivisions being developed in disregard of real estate and property rules established by law.

In regard to the supply of new housing, production is constrained by: (i) lack of appropriate financing mechanisms; (ii) the absence of a bank dedicated to (social) housing and absence of mortgage lines of credit among products offered by the traditional banking and finance segments; (iii) the weak framework promotes self-help construction and impacts the production of rural housing in particular, which concerns over 70 percent of the Guinean population; and (iv) the extent of poverty, which prevents a large proportion of Guineans from accessing housing because of high production costs.

Over 80 percent of existing housing consists of improvised dwellings located in unauthorized developments completely lacking in infrastructure. These areas are also the focal point of micro-businesses believed to help the majority of poor populations. Improving this type of housing should include restructuring, legalization, and re-plotting land.

Accordingly, housing construction materials and the number of persons occupying one room are the principal indicators used to identify slums and overcrowding in urban housing.

In 2007, 67.9 percent of Guinean homes had corrugated sheet metal, tile/slate, or concrete/cement roofs, and 31.9 percent had thatch or straw. In urban areas, nearly all homes (90 percent) had metal roofing, while 42 percent of rural homes were covered with thatch or straw. In regard to flooring, 48.8 percent of homes nationwide and 11.8 percent of urban homes had dirt floors in 2003. In 2005, the rates were 56 percent nationwide and 9.3 percent in urban areas. The 2007 estimates were 53 percent nationwide and 17 percent for urban areas.

In regard to occupancy density (number of persons per room), the figure was 2.7 in Conakry and 2.4 in the other urban centers in 1994. The rate was virtually unchanged in 2007 at 2.64 for Conakry and 2.54 for other urban centers.

In the area of sanitation, access to basic services is a major challenge for urban centers in general and the capital in particular. The analysis focuses essentially on access to improved toilets and the mode of eliminating sewage and household waste.

In 2007, 31.3 percent of households had adequate toilets (flushing, covered latrines, or improved ventilated latrines) compared to 25.4 percent in 2002, or an annual increase of 1.2 percent. Households with flushing toilets were rare (fewer than 3 percent). Barely 1 percent of households had access to a sewage system, and those households were concentrated mostly in Conakry. Even in Conakry, that rate was 2.2 percent in 2007. In all, roughly 21 percent of households lack toilets. With current trends, only 34.9 percent of households will have adequate toilets in 2010. Over 9 out of 10 homes (90.7 percent) dispose of wastewater in the street or the environment. In urban areas, this rate is 76.1 percent.

In regard to household waste, 80 percent of households nationwide and 53.6 percent of urban households dispose of waste in the environment. On the other hand, the proportion of households using private or trash collection services or public refuse containers declined perceptibly, from 12.8 percent in 2002/03 to 9.4 percent in 2007. In regard to trash collection service, 9.8 percent of households use such services or public trash containers. This practice is seen most often in urban centers, particularly Conakry, where over half the households use specialized services to dispose of waste. However, only 6.7 percent of households practice a sanitary mode of waste disposal. The elimination of garbage and pollutants from water remains a crucial health problem in urban areas in addition to the problem of wastewater elimination, repeated flooding of certain neighborhoods can lead to alarming public health situations.

I.2.11. Poverty and Employment

According to the 2007 ELEP, the unemployment rate increased from 10.2 percent to 15 percent in Conakry and declined from 6.7 percent to 3.2 percent in other cities between 2002 and 2007. Of the total workforce, 9.1 percent were underemployed in 2007 compared to 11.8 percent in 2002. Women are 1.4 times more likely to be underemployed than men, with rates of 7.5 percent for men and 10.5 percent for women in 2007.

In comparison with 2002, the rate of underemployment declined significantly for all groups, particularly for women, for whom it declined from 13.3 percent to 10.5 percent. The rate of underemployment increases with

the individuals' age. A larger proportion of the underemployed workforce comes from rural (11.1 percent) than urban areas (5.4 percent). The proportion is slightly higher among the poor.

Among the working population, 67.1 percent were independent workers in 2007 compared to 53.3 percent in 2002. The proportion working in family-based businesses declined from 36.5 percent in 2002 to 23.8 percent in 2007. These results show that among the working population, independent work is gaining on family-based activities, but also on other types of employment including as wage-earners. The draw of working for oneself among the working population is not by chance: formal enterprises are rarely created in Guinea, and the supply of wage-earning positions is quite limited. The result is a multitude of informal activities that barely provide a living.

These outcomes show the difficulties faced by Guinea in providing full employment and enabling citizens to find decent, productive work. This situation is of particular concern for the young, and calls for greater mobilization and initiative on their part to access decent jobs.

I.2.12. Poverty, gender and equity

The promotion of women with a view toward full participation in decision-making processes at all levels is an integral part of the government's development policy and one of its priority areas.

It regard to parity in primary school, gender statistics indicate that the girl/boy ratio, which was 0.72 in 2002, stood at 0.76 and 0.83 in 2005 and 2007, respectively, or an annual increase of 0.01 point. If the increase continues, the ratio should stand at about 0.92 in 2010. In secondary education, the girl/boy ratio was 0.45 in 2005 and 0.55 in 2008. In universities, the girl/boy ratio was 0.18 in 2002, and improved to 0.25 and 0.29 in 2005 and 2007, respectively. Following the same trend, the ratio was expected to be 0.3 in 2008.

The proportion of female employees in non-agricultural sectors increased to 27.1 percent in 2002. In the civil service, out of the total staff of 68,715, only 18,229 were women (26 percent). In the education sector, the proportion of female teachers remains low and relatively stable. Among primary school teachers, the ratio of women to men was 0.35 in 2007; in the same year, the ratio for secondary school was estimated at 0.06. The prevalence of food insecurity is also higher among female-headed households, at 42.4 percent, compared to 30.2 percent among households headed by men.

At end-2006, the number of women holding seats in the National Assembly was 22 out of a total of 114 deputies, or 19.3 percent. The number was reduced to 19 in 2007 (16.7 percent) following the deaths of three of them (cf. Table 1). In the Bureau of the National Assembly, only 12 percent of the positions of responsibility were held by women. In parliamentary administration, that rate was 23 percent. However, there were no female Quaestors or chairpersons on any parliamentary committee or group. On the Supreme Court, three of the 17 judges are women, or a ratio of 21 percent. The Economic and Social Council includes 11 women out of a total of 45 members, or 24 percent. The National Communication Council includes only one woman among its nine members. In total, only 36 of the 208 decision-makers of these key institutions, or 17 percent, are women (see Guinea's 2009 national progress report on the MDGs).

Women's participation in positions of responsibility at the different levels of the administrative hierarchy is identical to the situation described above: of a total of 3,003 positions of responsibility identified within the various central government agencies, only 520 are held by women (17 percent). An analysis of decision-making positions throughout the government found that women were most frequently appointed Deputy

National Director (23 percent), followed by advisor (22 percent); among chief of staff positions, 21 percent are held by women compared to 79 percent by men, and the women serving as secretary-generals of ministries can be counted on the fingers of one hand (4 percent). In diplomatic posts, 15 of the 214 slots are currently held by women, or 23 percent.

These indicators should be viewed in parallel with women's educational attainment, which remains low but is improving. In general, Guinea has made notable progress in reducing disparities between the sexes, particularly in terms of school attendance. Progress in education is particularly marked at the elementary level, where the girl/boy ratio reached 0.83 in 2007. The ratio falls to 0.3, however, for higher education and university. Similarly, while the proportion of women employed in the non-agricultural sector has increased, it is still quite small (27 percent). In Parliament, as in other key government Institutions, progress is insufficient. The proportions are still quite low in the civil service as well. However, with the emphasis now placed on educating girls, the ratio is expected to visibly improve in the future.

I.2.13. Poverty and governance

The proper functioning of the defense and security forces and legal system today will shape the country's future. These institutions are responsible for maintaining a calm, secure environment compatible with investment and development. However, both sectors face problems that impact their effectiveness and practices that tarnish their image, resulting in harsh criticism from public opinion throughout Guinea.

The weaknesses in defense and security forces relate first of all to the recruiting system, which places criteria of ethnicity above strict rules based on the intellectual and physical aptitudes of recruits. The system has excluded numerous potentially qualified youths from the defense and security forces and considerably reduced the national character of those forces.

The difference in treatment between the senior ranks and the rest of the troops has provoked considerable unrest, including mutinies in which soldiers demand the removal of their commanding officers. Lack of discipline has taken hold in the army, police and paramilitary Gendarmerie, undermining their operations and creating a climate of insecurity throughout the country.

Even more serious is the involvement of defense and security forces in drug trafficking. Seizures of contraband are not always reported for purposes of incineration, allowing them to be reintroduced in the drug trafficking circuit.

The fierce criticisms levied against the Guinean legal system also reflect a crisis of confidence between citizens and the institutions that embody the law. According to the 2007 ELEP, the great majority of citizens (roughly 74 percent) do not trust the legal system, which they consider ineffective, biased, and corrupt.

Violations of basic human rights have continued and even worsened in the last three years, as illustrated by the bloody repression of the September 28, 2009 demonstrations and accompanying attacks on human dignity. Corruption has assumed even larger proportions than in the past, notably within the justice, finance, security, and decentralization ministries and the agencies responsible for water and electricity. The 2007 ELEP found that 89 percent of the population considered corruption a significant problem that hinders development and serves to aggravate poverty.

The decentralization process, despite a degree of progress, still suffers from gaps and deficiencies. Transfers of funds from the national budget to local governments have not been fully implemented, particularly since 2007, due to the instability of Guinean institutions. Weaknesses in regard to human resources, particularly on the part of local administrators and elected officials, is a considerable constraint on the development of local and municipal administrations. The administration faces weaknesses in regard to its structures as well as the rules and regulations governing its operations. The recruitment, promotion, and assignment of civil servants is based on inappropriate criteria that provoke feelings of unfairness within the administration. Over 30 percent of the population feel the administration's credibility is undermined by a lack of professionalism, respect for ethics, and sense of civic duty. The administration is also accused of corruption and collusion with business interests, and misappropriation of public assets is widespread; all of these factors serve as obstacles to growth and poverty reduction.

The foregoing demonstrates clearly that strengthening human and institutional capacities is the sine qua non of economic and social progress in Guinea.

Table 5. Trends in principal PRSP2 monitoring and evaluation indicators

Indicators	2006 Baseline	2007	2008	2009	2010	Average 2007 - 2010	2010 Target	Difference
Incidence of income poverty	53.6% (2005)	53%	53%	57%	58%		49.70%	-8.30%
Depth of poverty	19.3% (2005)	17.60%	17.70%	17.90%	18.10%		17.40%	-0.70%
Number of inhabitants per magistrate	36000(2007)	36000	36000	36000	36000	36000.00	28925	-7075
Number of inhabitants per police officer	2450 (2006)	2450	2450	2450	2450	2450.00	778	-1,672
Mobile telephone density	4.5% (2005)	21%	36.70%				25%	
Fixed telephone density	0.3% (2005)	2%	2.30%				15%	
Agriculture share in GDP	12.4% (2006)	13.60%	13.40%	13.90%	14.20%	13.8	13.30%	-0.50%
Real GDP growth	2.5% (2006)	1.80%	4.90%	-0.30%	1.90%	2.1	5.30%	-3.20%
Per capita GDP growth	-1.1% (2006)	-1.40%	1.70%	-3.30%	-1.30%	-1.1	1.90%	-3
Year on year inflation	39.1%(2006)	12.80%	13.50%	7.90%	20.80%	13.7	3.00%	-10.70%
Average annual inflation	34.7%(2006)	22.90%	18.40%	4.70%	15.60%	15.4	4.60%	-10.80%
Agricultural growth rate	4.4%(2006)	3.30%	3.80%	3.40%	3.60%	3.7	4.80%	-1.10%
Debt service as % of exports	18.7%(2006)	17.70%	15.70%	10.80%	11.80%	14.0	10.00%	-4.00%
Budget deficit excl. grants (commitment basis) as % of GDP	1.8%(2006)	0.90%	1.80%	8.30%	11.70%	5.7	1.50%	-3.20%
Investment rate	12.1%(2006)	29.50%	21.30%	16.40%	18.00%	21.3	17.40%	3.90%

Table 5. Trends in principal PRSP2 monitoring and evaluation indicators (concluded)

Tax burden as % of GDP	14.6% (2006)	13.50%	15.7%	15.4%	16.4%	7.25	17.90%	1.5%
Foreign reserves as months of imports	0.8 (2006)	0.4	1.1	1.4	1.9	1.20	3	-1.8
Unemployment rate, persons age 15 and older	3.2% (2002)	1.60%	nr	nr	nr		1.60%	
Primary school gross enrollment ratio	78% (2006)	79%	79%	78%	nr	nr	100% (2015)	
Primary school girl/boy parity	0.81(2006)	0.83	0.82	0.83	nr	nr	0.92	
Current education spending/total government spending	12.3%(2006)	13.10%	15%				18.90%	
Net primary school enrollment	63%(2006)	64%	62%	63%	nr	nr	90% (2015)	
Rate of access, 1st year of primary school	60%(2006)	77%	76%	82			100% (2015)	
Primary school completion rate	60%(2006)	59%	51%	59%	nr	nr	79%	
Adult literacy rate (age 15 and older)	35% (2006)	34.50%	34.50%				50% (2012)	
Tuberculosis vaccination coverage	71%(2004)	81%	72%		nr	nr	80%(2010)	-8%
DPT3 vaccination coverage	89% (2005)	88%	84%				100% (2010)	-16%
Measles vaccination coverage	71%(2004)	86.00%	87%		nr	nr	80%(2010)	7.00%
Yellow fever vaccination coverage	84% (2005)	85%	84%		nr	nr	100%(2010)	-16%
Tetanus vaccination coverage	75% (2005)	82%	61%				80%(2010)	-19%
Prenatal consultation rate (%)	82.1% (2005)	88.2%(2007)	nr	nr	nr	nr	nr	nr
Proportion of women holding seats in parliament	19% (2006)	19%	19%				44% (2010)	-25%

PART II - STRATEGY AND PRIORITY ACTIONS

Chapter 1. Improving governance and strengthening human and institutional capacities

The 2005 PRSP assessment revealed a serious deficit of governance in all sectors of national activity. It concluded at the time that poor governance was a root cause of increased poverty in Guinea, and had

The poor quality of governance, particularly in managing public resources, has adversely impacted economic growth. Rather than decreasing, inflation has increased, undermining citizens' purchasing power.

As constitutional order is being reestablished, it is important that the security of property and persons be guaranteed. Moreover, judicial administration, which has sided with the accused, must regain its independence and credibility, because an independent judiciary that upholds the law is a guarantee of development and a secure, viable environment for the investors and the technical and financial partners.

The defense and security forces must also be confined to their original mission of protecting republican values. In that capacity they contribute to promoting the private sector as the engine of development and growth. Accordingly, reform of the defense and security forces and the legal system is a central theme of this document.

The fight against corruption is necessary and essential. To that end, the respect and effective enforcement of our laws will strengthen the fight against this phenomenon, which pervades the political and administrative system to the point of poisoning every aspect of life in our country. According to the 2003 National Survey of Corruption and Governance in Guinea, substantial sums of money that could have financed poverty reduction initiatives went instead to greasing palms.

Modernization of the administration is also an imperative, as is strengthening decentralization. Professionalization of the corrupt and ineffective civil service is essential to good governance, which is a prerequisite to economic performance. Decentralization, understood as a transfer of authority and resources to local governments, should be continued and deepened if we hope to create rapid, sustained growth for the economy, the fruits of which, equitably distributed, will help improve living conditions for citizens.

A national dialogue among all sectors of society, including civil society and the political parties in particular, is the tried and tested guarantee of national unity. Guinea's development is heavily dependent on it. For all of these reasons, this PRSP attaches central importance to the problem of governance.

II.1.1. Reform of defense and security forces

The events that occurred in Guinea since the army's seizure of power on December 23, 2008 illustrate the fragility of the country's sociopolitical and, by consequence, security situation. This led the authorities to include the reform of defense and security forces among their priorities by means of a number of measures to strengthen discipline within those forces and create a climate of peace and security for all.

Currently, military spending represents 10 percent of GDP and roughly 37 percent of the central government budget. The government's principal objective is to gradually and steadily reduce military spending in order to bring it within reasonable proportions. This process may extend beyond the period covered by this document.

To summarize, the objective of the reform of defense and security forces is twofold: to devote the majority of budget resources to financing priority sectors (education, health, roads, agriculture) by reducing military spending, and ensure the integrity of national territory while protecting persons and property.

The following measures are planned to achieve this dual objective:

- ✓ the assumption of a substantial portion of the cost of reform by certain partners;
- ✓ the preparation of a reform plan extending over at least five years;
- ✓ that continued restoration of quarters and construction of infrastructures to enable defense and security forces to live in barracks in accordance with military regulations;
- ✓ logistics support and training of officers, noncommissioned officers, and enlisted men in republican principles of good governance and democracy;
- ✓ clarification of the status of defense and security forces by army corps, professionalization of each specialty corps, and reappraisal of working conditions and compensation;
- ✓ improvement of the recruiting process to promote multiethnic participation and comply with applicable laws and regulations;
- ✓ inclusion of civic education in the training program for new recruits;
- ✓ redeployment of certain members of the defense and security forces in honorary capacities or as appointees (diplomatic missions, international institutions);
- ✓ reintegration of discharged staff and units into civilian society;
- ✓ continuation and intensification of efforts against drug trafficking, proliferation of small arms, and trafficking in children;
- ✓ creation of a social service and mutual support association for each entity (army, police, and Gendarmerie);
- ✓ promoting and increasing participation by defense and security forces in the electoral process, dialogue, reconciliation, and sustainable human development actions;
- ✓ strengthening civilian-military dialogue, including through seminars on civilian-military relations;
- ✓ participation in defense and security missions in connection with UN peacekeeping missions and regional and subregional organizations;
- ✓ strengthening subregional and regional integration of technical assistance and international cooperation in the area of defense and security;
- ✓ professionalization of community and local police forces;
- ✓ strengthening neighborhood security through the recruitment of sufficient numbers of policemen;

- ✓ restructuring and revitalizing fire brigades by increasing personnel and material resources; and
- ✓ preparing, adopting, and disseminating a framework law on the police force.

II.1.2. Strengthening capacities to consolidate peace and manage conflict

Poverty reduction can only be achieved in an environment of peace, stability, and security. That heavy price paid in terms of human lives and material and financial costs during the events of January-February 2007 and December 28, 2009 call out to all Guinea's stakeholders and partners to prevent all conflicts of any kind: these events should never happen again.

To this end, the implementation of mechanisms to prevent, manage, and resolve conflicts and consolidate the peace are essential. Furthermore, these mechanisms should be combined with an early warning system to identify potential and actual sources of conflict, monitor the evolution of warning signs, and formulate appropriate recommendations.

Measures that can contribute to the resolution of conflicts and consolidation of peace are summarized below:

- ✓ strengthening civilian-military dialogue;
- ✓ implementation of a permanent framework for dialogue and reconciliation at the national and local level composed of representatives of all stakeholders (administration, civil society, private sector, media, and defense and security forces);
- ✓ development of a national plan to prevent, manage, and resolve conflicts and consolidate peace;
- ✓ implementation of a national and local early warning and conflict prevention system, supported by the entities on which the communities are founded (groups of elders, religious institutions, media, women, youths, security and defense);
- ✓ continued training of defense and security forces in issues of human rights and humanitarian law;
- ✓ decentralization of the office of Mediator of the Republic to the regional and prefectural level;
- ✓ outreach on texts relating to the role and responsibilities of the mediator; and
- ✓ strengthening capacities of civil society organizations, particularly those active in the area of promoting peace, protecting human rights, and upholding humanitarian law.

II.1.3. Improving judicial governance



One of the major problems of the judicial system is the inadequate number of judges, roughly 250, or a ratio of one judge per 38,000 inhabitants. The accepted standard is one per 10,000 inhabitants; in other words, the target of one judge per 28,000 inhabitants established in the PRSP2 has not been achieved. This situation is the result of the system's ineffectiveness and demonstrates the importance of efforts to improve the sector's performance.

The objective in regard to judicial governance is to strengthen the credibility and authority of the legal system to restore its independence and integrity and make justice accessible to all. The actions planned relate essentially to two areas:

1. implementing the framework law for the judiciary; and
2. ensuring that the judiciary oversight body (Conseil supérieur de la magistrature) and the Disciplinary Board are fully operational.

The following actions could be added to the aforementioned two actions:

- ✓ increasing the budget for the justice sector, which is currently quite low at roughly 1 percent of the national budget;
- ✓ implementing targeted, positive measures to redeploy and motivate judiciary personnel (judges, clerks, and other staff), particularly at the prefectural and regional courts and tribunals;
- ✓ implementing a continuing education program for judges and judiciary personnel;
- ✓ strengthening the capacities of the professional associations of solicitors, notaries, process-servers, and auctioneers to ensure that decisions of the courts and tribunals are properly executed;
- ✓ rebuilding the central courthouse; and
- ✓ organizing judiciary conferences.

II.1.4. Improving political and democratic governance

The weakness of the central government is manifest in its inability to promote development. For more than a decade, the country has faced numerous challenges including a loosening of the rules of the political game, deteriorating relations among communities, deteriorating economic and social infrastructures, and the lack of a forceful, politically legitimate authority.

The objectives in regard to improving political and economic governance are: (i) increasing participation by political actors and civil society in the democratic process through the organization of free and transparent local and community elections; and (ii) improving the work of the institutions responsible for conducting the democratic process.

The strategic actions to achieve these objectives will entail:

- ✓ strengthening the capacities of the National Transition Council or the National Assembly through support for constitutional reforms and accompanying outreach throughout the country;
- ✓ institutional reform and strengthening of the National Independent Election Commission so as to ensure effective participation by political actors in activities to promote democracy;
- ✓ strengthening the capacities of the High Authority on Communication (HAC) through enactment of the new press law in June 2010⁹ to enable it to fulfill its role of regulating media operations;
- ✓ consolidating peace through increased national dialogue, achieved by enhancing the frameworks and forums for civilian-military consultation such as the regional and prefectural coordinating offices and religious institutions;
- ✓ strengthening the capacities of the Constitutional Court and Court of Accounts as independent jurisdictions, in order to enhance the transparency of voting results and public spending; and
- ✓ implementing sanctions to punish offenses committed during the election period.

⁹ It should be noted that the implementing regulations concerning the HAC will not enter into force until all of the key civilian institutions (*Institutions Républicaines*) have been established following the transition process.

The objectives in regard to enhancing social cohesion are to build democracy, ensure peace, and strengthen civic and political participation by educating citizens and political activists as to their rights and obligations before, during, and after the transition period.

II.1.5. Promoting human rights



Human rights are universal and inalienable. Respect and protection of human rights are the basis of social peace and a condition for ensuring the development of society as a whole.

In light of the events that engulfed the country between 2006 and 2010 and to a large extent compromised its development, the promotion and protection of fundamental human rights becomes a central issue for governance, as emphasized in this poverty reduction strategy paper.

The measures taken to promote human rights are as follows:

- ✓ develop a program to strengthen capacities of the legal system through the creation of an office on human rights;
- ✓ implement programs for young men and women to introduce the principles of human rights;
- ✓ introduce courses on the principles of human rights, conflict management, and consolidation of the peace in school curricula;
- ✓ ensure equality of the sexes before the law, particularly as regards property rights and working conditions;
- ✓ improve prison conditions for all detainees, particularly women and minors;
- ✓ enforce the procedures for summons, police custody, and detention; and
- ✓ implement the International Convention on Human Rights.

II.1.6. Fighting corruption and impunity

Corruption and similar practices are obstacles to economic development and poverty reduction. Studies of this phenomenon indicate economic agents pay a total of GNF 500 billion per year in bribes and spend a considerable amount of time understanding the constantly changing tax and customs administration rules.

Audits of public finances have been conducted in the past four years and have resulted in recoveries. In 2007, 13 purchase contracts worth over GNF 100 million were audited and the results were published in 2008.

As part of its efforts to strengthen transparency in the management of public affairs and fight corruption, the government instituted a system of quarterly audits, which is one of the triggers for the HIPC completion point. An interministerial committee was established to recover debts to the government, and succeeded in recovering GNF 138,782,271,394 for the Treasury, taxes, and cooperation account. In addition, training sessions were conducted for government audit personnel.

To improve and maximize results, the government recommends the following pillars of intervention:

- ✓ strengthening the institutional framework of the National Governance and Anti-Corruption Agency (ANBGLC) through the adoption of an anticorruption law transposing the provisions of UN and African Union anti-corruption conventions into national law;
- ✓ preparing the proposed framework law on the national good governance and anticorruption program;
- ✓ conducting a survey to determine the level of corruption in Guinea;
- ✓ improving transparency in the management of natural resources in the context of the Extractive Industries Transparency Initiative, the Kimberly process and the Rio Convention, by strengthening the partnership between all stakeholders concerned (administration, private institutions, civil society, rule population, and decentralized administrations);
- ✓ strengthening the capacities of the ANBGLC complaints bureau and implementing decentralized mechanisms to receive public complaints of corruption and similar practices;
- ✓ continuing the establishment of regional governance and anticorruption offices with a view toward expanding the chain of partnership with civil society in implementing citizen control of local resources and fighting corruption at the local and regional level;
- ✓ organizing citizen awareness and mobilization campaign against corruption through outreach on anticorruption conventions, laws, and regulations, including the content of the central government budget and the rules and procedures governing the award of public contracts;
- ✓ continuing with the project to improve the public contracting framework;
- ✓ continuing the audits of all central and decentralized agencies; and
- ✓ outreach concerning the African Peer Review Mechanism with a view toward Guinea's accession to this mechanism of good governance in the very near future.

II.1.7. Improving administrative governance

This component seeks to reform the civil service by:

- ✓ increasing transparency in regard to recruiting, employment, compensation, incentives, and retirement. As provided in the labor code reform, controlling staff through biometric identification of civil servants and contractual employees;
- ✓ strengthening the institutional mechanisms of social security (national social security agency, pension fund, minimum starting salary and guaranteed minimum salary);
- ✓ strengthening the capacities of social stakeholders (unions and institutions established to resolve workplace conflicts);
- ✓ establishing a labor tribunal to protect workers' rights; and
- ✓ defining an institutional framework for utilization of information and communication technologies in the public administration to promote good governance.

II.1.8. Improving local governance

Decentralization is, above all, the transfer of authority, responsibility, and resources from the center to the periphery. The decentralization policy instituted by the government is founded on the following fundamental objectives: (i) deepening the democratic process, which formally repositions civil society and the government in their respective roles and responsibilities; (ii) promoting participatory local development and promoting transparency in the management of local affairs. The measures to be implemented to further these objectives are:

- ✓ continued preparation of the National Policy Letter on Decentralization;

- ✓ drafting and promulgation of orders implementing the framework law on local governments (CCL);
- ✓ continued outreach on the CCL to promote appropriation by all local stakeholders and organizations and the populations represented;
- ✓ strengthening of the organizational framework of local governments and renewal of the terms of local authorities (commune, local development community), taking account of their level of education;
- ✓ strengthening local executives' capacities in preparing and executing local budgets, allocating resources, awarding contracts, and verifying services rendered;
- ✓ strengthening local elected officials' capacities in human, material, and financial resources management and security management;
- ✓ promoting participatory development by expanding local development plans and annual investment plans to all local and regional administrations; and
- ✓ improving the management of vital statistics registries.

II.1.9. Promoting gender equality

Equality of the sexes is one of the objectives of the Millennium Declaration. The strategies recommended to this end are:

- ✓ strengthening laws protecting women and vulnerable persons;
- ✓ increasing women's autonomy through improved access to microcredit and domestic and foreign markets through the establishment and implementation of the National Fund to Support Women's Economic Activities;
- ✓ developing microfinance to mobilize savings and development for Financial Services Associations in the prefectures and sub-prefectures;
- ✓ equal access and full participation for women and youths in power structures and decision-making bodies;
- ✓ promoting measures for women and youths to prevent and protect against HIV-AIDS, malaria, and tuberculosis through screening measures and techniques, the provision of antiretroviral drugs, and continuation of the outreach campaign on the distribution and use of insecticide-treated mosquito nets;
- ✓ implementation of the measure to provide cesarean sections free of charge;
- ✓ implementation of microfinance institutions in the prefectures and sub-prefectures to create income-producing activities for women and young girls; and
- ✓ enactment and enforcement of Law L/010/AN 2000 of 10 July promoting on reproductive health and prohibiting female genital mutilation.

II.1.10. Improving economic governance and strengthening management capacities

The actions recommended by the government essentially concern:

- ✓ the quarterly audit of public contracts valued at over GNF 100 million;
- ✓ strengthening capacities for design, planning, and strategic analysis;
- ✓ strengthening capacities to produce statistical information for the nation, the ministerial departments, and decentralized administrations through implementation of the 2009-2013 action plan under the National Statistics Development Strategy;
- ✓ improved capacities for programming, managing, and monitoring public finances; and
- ✓ continued efforts to link the Guinean Economy Simulation Model (MSEGUI) to the Macroeconomic Simulator for Poverty Analysis (PAMS).

The following two boxes discuss the strengthening of our capacities in the areas of macroeconomic analysis and monitoring of the strategy.

Box 2: Integrated MSEGUI/PAMS tool

The current version of the Guinean Economy Simulation Model (MSEGUI) represents an important step in adapting the instruments of macroeconomic analysis. For purposes of simulation, the National Directorate of Planning (DNP) combined the Macroeconomic Simulator for Poverty Analysis (PAMS) with the MSEGUI to take account of the impact of development policy decisions on poverty.

In this context, the source and application of funds table (TRE) was integrated into the model and new modules were created specifically to determine the property profile and income distribution of different socioeconomic groups. It should be noted that a data calibration was performed so as to migrate the data from the MSEGUI to the new version without TRE. However, the model is not yet fully operational.

In the area of improving budget and tax policy, the measures concern: (i) strict adherence to the principle of centralized cash management through the closing of special accounts and transfer of credit balances to the main Treasury account; (ii) cash-based budget execution accompanied by a monthly cash management plan supervised by the Treasury Committee; (iii) strict deference to the ministries' payment authorization authority by increasing their responsibilities in regard to managing the budgets allocated to them; (iv) reinstatement of the Medium Term Expenditure Framework (MTEFs) unit and expansion of such units to all departments; (v) the drafting and execution of employment contracts for senior positions in the revenue-collecting agencies (customs, tax administrations); (vi) control of all imports of merchandise; (vii) elimination of all ad hoc exemptions and intensified control of legally established exemptions; (viii) improved collection of administrative revenue, particularly revenue associated with mobile telephone service; and (ix) compliance with established procedures for the award of public contracts.

Box 3: National Statistics Development Strategy

In 2008, the government adopted the National Statistics Development Strategy (SNDS), which provides for an action plan covering the period 2009-2013. The SNDS is based on four strategic pillars:

- improvement of the institutional and regulatory framework for the national statistics system;
- improved coverage and quality of statistics produced;
- strengthening of the personnel, material, and financial resources of the national statistics system;
- improved dissemination and archiving of data through the use of new information and communication technologies; and
- mobilization of US\$34.3 million from the technical and financial partners for implementation of the SNDS, which will cost a total of US\$44.2 million.

Also, in the context of implementing the Strategic Plan for Public Finance Reform, the government plans a certain number of measures that will improve the public finance system. The six priority measures identified are summarized in the box below.

Box 4: Matrix of government financial management reforms

<p><u>Urgent Actions</u></p> <p>Adopt an appropriate legal framework for government finances that incorporates reforms being enacted in the subregion</p> <ul style="list-style-type: none"> Framework law on government finance Budget nomenclature General public accounting regulations Central government chart of accounts <p>Prepare reliable accounting trial balances and make up for delays in approval of budget review laws (lois de règlement)</p> <p>Audit public contracts¹⁰</p> <p>Work toward implementation of Single Treasury Account</p> <p>Update payroll and civil service files</p> <p>Develop a roadmap to supplement the assessment and ensure consistency between the numerous initiatives under way to improve effectiveness when implemented</p> <p>Clear the Treasury liability vis-à-vis the BCRG and domestic arrears</p>
--

Source: Excerpt of government financial management reform matrix (cf. annexes)

Table 6: USAID and EU portfolio (US\$ thousands)

Project / program title	Budget		Donor
	2010	2011	USAID
<i>Faisons Ensemble</i> project	4,042	2,500	USAID
Support for transition process (Elections)	2,541	1,077	USAID
Civil Society program	2,056	1,700	USAID
Institutional support for decentralization	2,000	-	EU
Institutional Support for Governance Project (PAIG) (government finance - justice)	-	6,000	EU
Clearing arrears with BEI in connection with HIPC initiative	-	7,200	EU
FED program supporting national payment authority functions / technical cooperation facility	-	6 000	EU
ECHO reserve for humanitarian emergencies	-	4,050	EU
Supplementary Program Supporting Elections (PACE)	4,950	-	EU
Electoral process support program – supplement for legislative / local elections / i	5 000	-	EU
Support for prsp process, strengthening statistics, general population and housing	-	5 000	EU
Support for Security Sector Reform (RSS)	-	4 900	EU
Legal system support program / RSS	-	40 000	EU
Supplemental program to support government financial management reform	-	20 000	EU
Total	11 950	33150	

Source: USAID and European Commission.

1 Euro = US\$1.3834

¹⁰ This is a trigger for the HIPC completion point.

Chapter 2. Accelerating growth and expanding job and income opportunities for all

Guinea, formerly known as “les Rivières du Sud” and West Africa’s Water Tower, is a country brimming with immense natural resources that provide sufficient growth potential to lifted from poverty.

These abundant and varied resources are a major advantage for diversification of the economy, and range from mining resources (gold, diamonds, bauxite, iron, uranium), forest resources, and fishing resources to hydraulic resources (several rivers, including the Niger and Senegal rivers, have their source in Guinea).

The diversity of its agrosystems enables Guinea to grow a wide range of food crops. The climate is tropical and semi-humid or Sudano-Guinean. It has two very distinct seasons: a dry season of 4 to 7 months, and a rainy season of 5 to 8 months depending on the region. The average rainfall is from 1,200 to 4,200 mm per year. Guinea therefore has strong potential for agricultural development, which could be supported both by improving yields, which are still quite low, and by expanding cultivated areas (low-lying river basins, mangroves, irrigation systems).

Guinea’s arable land is estimated at 6.2 million hectares, or 25 percent of the national territory. Of those 6.2 million hectares, less than 2,000,000 hectares is actually exploited each year, and the rest lies fallow. Hydro-agricultural potential is estimated at 180,000 hectares, divided into 157,000 hectares of planes and 23,000 hectares of low-lying river basins [data from the Technical Center for Agricultural and Rural Cooperation (CTA)]. The capacities for expansion of cultivated agricultural lands are therefore significant. Agriculture employs over 80 percent of the rural population, and 80 percent of growers cultivate rice. According to the joint CILSS-FAO-GG assessment of the 2010/2011 crop year, gross rice production could reach 1,604,348 tons per rice paddy (an increase of 7 percent relative to 2009) or roughly 1,123,044 tons of brown rice,¹¹ making Guinea one of the principal rice-growing regions of West Africa.

Guinea’s exploited fishing potential is estimated between 150,000 and 250,000 tons of fish per year and consists of pelagic, demersal, and cephalopod species and shrimp. The pelagic species have high capture potential, while the state of demersal species ranges from full exploitation to over-exploitation.

Agricultural potential is considered significant in Forested Guinea, especially for aquaculture in rice fields, and in Lower Guinea for the development of shrimp farming along the coast, oyster culture, sea cage aquaculture, and inland aquaculture. In Upper Guinea, ponds and other reservoirs offer excellent conditions for aquaculture. In Mid-Guinea, floodplains and agricultural and hydroelectric dams provide opportunities for aquaculture. Fishing is one of the resources and opportunities available to Guinea for accelerated economic growth and diversification of the economy. Fishery products contribute in the range of 40 percent of animal protein requirements. The annual individual consumption of fish has increased from 13 kg prior to 2003 to the current average of 17 kg in 2010.

In the mining sector, Guinea attracts the largest multinationals in the different mining areas (e.g., Rio Tinto, BHP Billiton, Alcan, Alcoa). Its flows of foreign direct investment (FDI) have increased from US\$30 million in

¹¹ According to FAO, the figures for brown rice can be inferred by deducting 25 to 30 percent per rice paddy. We used 30 percent, the most pessimistic rate.

2002 to US\$111 million in 2007, a 270 percent increase in five years. Other megaprojects planned for the next 10 years (alumina and aluminum refinery projects) are estimated at over US\$24 billion.

As we see, the judicious utilization of Guinea's enormous potentialities should lead to sustained, accelerated growth in the coming years so as to reduce poverty.

However, economic growth does not automatically ensure a reduction in poverty. The link depends essentially on the sector composition of growth. Growth is needed most of all in the branches and sectors that occupy the majority of the poor. However, Guinea's poor population are concentrated in rural areas and earn their living from agriculture, livestock raising, and fishing. It is growth in that sector that is most likely to rapidly reduce poverty in Guinea.

However, a more diversified economy supported by multiple productive sectors is a more reliable guarantee of sustainable, long-term improvement of living conditions for the poor. Diversification of the economy is another essential factor in the link between growth and poverty reduction. In this regard, the mining sector should play a key role by increasing its value added through the processing of raw materials.

The rural sector (agriculture, fishing, livestock) can also contribute added value by establishing competitive processing industries.

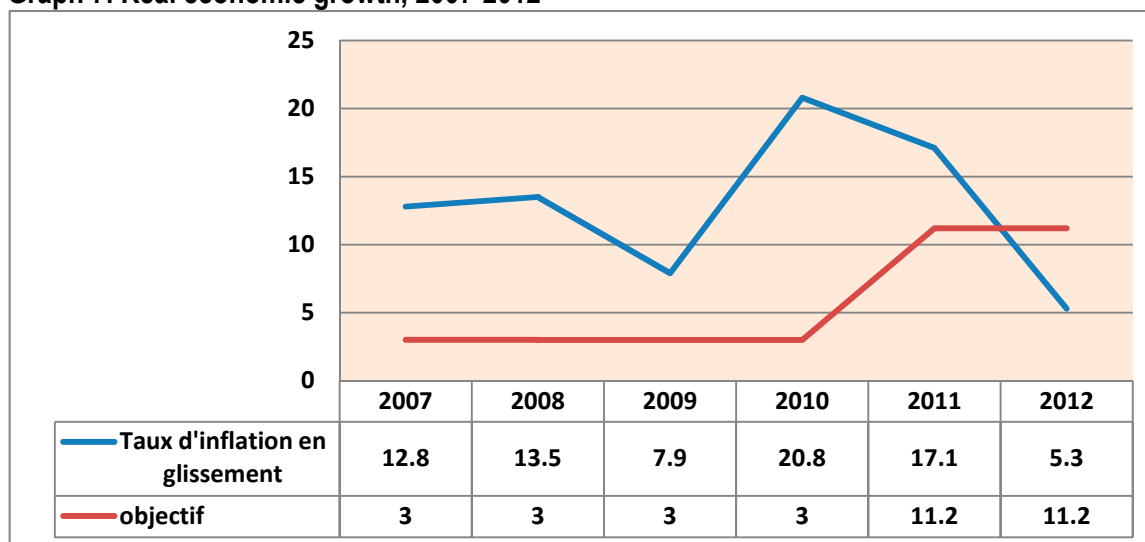
To summarize, growth driven by the rural sector and financed by revenue from the mining sector should serve to reduce poverty. In fact, the establishment of agrifood industries, increased value added in the mining sector, and Guinea's participation in regional and international trade would likely provide citizens with sufficient income to satisfy their needs and provide taxes and duties to the government, enabling it to provide citizens with good quality basic social services.

However, the availability of appropriate, productive, basic economic infrastructures to serve as levers of growth is a sine qua non. The construction of hydroelectric dams to provide water and electricity and the interconnection of the principal cities with production areas are essential to accomplish the development objectives.

II.2.1. Macroeconomic objectives

The macroeconomic objectives are: (i) achieve annual growth in production of 4 percent in 2011 and 5.5 percent in 2012 to increase per capita GDP by 0.7 percent in 2011 and 2.2 percent in 2012; (ii) reduce year-on-year inflation to 17.1 percent in 2011 and 5.3 percent in 2012; (iii) increase gross international reserves to the equivalent of 1.7 months of imports of goods and services for the period 2011-2012 compared to 1.4 months and 1.9 months of imports, respectively, in 2009 and 2010. Total revenue (excluding grants) should increase from 18.0 percent of GDP in 2011 and 19.3 percent of GDP in 2012, and the budget deficit (commitment basis, excluding grants) should be reduced to -5.1 percent of GDP in 2011 and -2.6 percent in 2012. Total expenditures as a proportion of GDP should be 16.8 percent in 2011 and 16.1 percent in 2012. In addition, foreign debt service should be reduced to 57.7 percent of GDP in 2011 and 51.3 percent of GDP in 2012.

Graph 7. Real economic growth, 2007-2012



Key: Blue = Year-on-year inflation
Red = Target

Source. Macroeconomic framing, April 2011, DNP

Five measures are planned to achieve these objectives: (i) consolidation of the macroeconomic framework; (ii) implementation of an effective, prudent monetary policy accompanied by strengthening of the financial system; (iii) improvement of budget and tax policies; (iv) effective debt management; and (v) incorporation of the regional dimension of economic and financial integration.

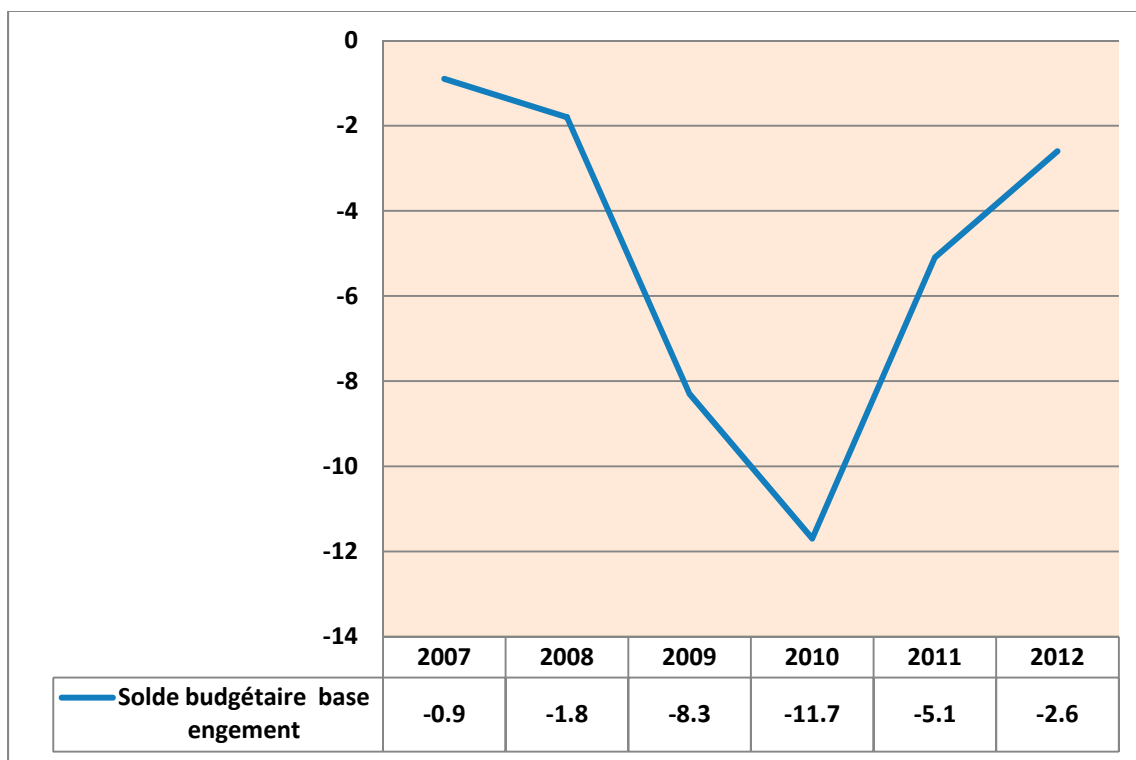
a) In regard to improving the macroeconomic framework, the immediate challenge facing the government is to restore macroeconomic and budget stability. The government's first task will be to control the budget deficit and reduce the high rate of inflation that disproportionately affect the most disadvantaged Guineans and threaten social stability. The success of these stabilization policies will enable the government to plan and implement medium-term policies that will reduce poverty and ensure stronger growth and the resumption of the debt relief process under the HIPC.

b) In regard to the budget policy, the 2011 budget is intended to drastically reduce the excessive spending of previous years and, consequently, avoid supplemental bank financing. The initial budget estimates, which already provide for significantly reduced spending compared to the previous year's budget and include the government's emergency action plan to address certain of the citizens' needs, present a financing requirements of close to 13 percent of GDP. This would have led to considerable bank financing and would have further accelerated inflation. To avoid this situation, additional measures representing 4.1 percent of GDP are expected to reduce the budget balance (commitment basis) from about -11.7 percent of GDP in 2010 to -5.1 percent in 2011 and -2.6 percent in 2012. The measures taken to achieve these results include the following:

- ✓ increasing revenue by about GNF 1,000 billion, or 3 percent of GDP;
- ✓ increasing receipts by GNF 50 billion through tax revenue, including collections for prior years;
- ✓ intensified efforts by revenue-collecting authorities;
- ✓ cutting back the excessive public spending of recent years;
- ✓ reducing the rapid growth of the public sector wage bill;
- ✓ meeting the population's most urgent needs;

- ✓ implementing the corrective measures required by means of a supplementary budget law developed in cooperation with the IMF;
- ✓ executing expenditures on a cash basis throughout fiscal year 2011;
- ✓ reforming the civil service;
- ✓ improving the management of finances;
- ✓ re-starting implementation of the expanded public finance reforms based on the 2008 Public Finance Reform Strategy;
- ✓ reducing the excessive pressure of the money supply on the inflation and exchange rates;
- ✓ stepping up surveillance of commercial banks;
- ✓ improving the management of public enterprises; and
- ✓ adopting a new mining code and model mining contract.

Graph 8. Budget balance (commitment basis), 2007 – 2012



Key: Blue = Budget balance (commitment basis)
 Source: Macroeconomic framing, April 2011, DNP

c) In regard to improving monetary policy, efforts will focus on reducing the pressure exerted by excessive growth of the money supply from 2009 to 2010 on inflation and the exchange rate. The main cause of this growth was the excessive use of central bank (BCRG) advances to finance the budget. This supplemental financing must be avoided if inflation is to be reduced. The policy will be supported by measures to sterilize excess liquidity in the economy to the extent possible and encourage private savings by providing for positive real interest rates.

The BCRG will take all measures necessary to stabilize the Guinean franc: (i) raising commercial bank reserve requirements from 9.5 percent to 17.5 percent; (ii) placing nonnegotiable Treasury bills with banks recording

especially high levels of liquidity, in close cooperation with the Ministry of Economy and Finance; (iii) converting a portion of the existing stock of government advances to Treasury bills; (iv) prohibiting advances to the government; (v) adjusting the BCRG policy rate according to the results of Treasury bill auctions; (vi) refraining from re-injecting the proceeds of sales of farm products into the economy, in order to further absorb liquidity; (vii) monthly publication of a summary bulletin and brief analysis of the monetary outlook in the local press in order to reduce uncertainty in the incipient financial market; and (viii) instituting periodic meetings with the professional bankers association at least once a month to discuss the monetary outlook.

The BCRG plans to reinstate the interbank market for national currency in order to optimize the allocation of liquidity in the banking system. This would enable the BCRG to serve in its role of lender of last resort and significantly reduce pressure on the currency caused by demand from commercial banks. The table below summarizes the principal macroeconomic and poverty indicators for the period 2010-2013.

The assumptions for growth in 2011 are based on the following factors:

- ✓ a return to constitutional order and restoration of the development partners' trust;
- ✓ continued reform of public finances;
- ✓ implementation of the National Agricultural Investment Program;
- ✓ improvement of Guinea's business climate and attractiveness to investors; and
- ✓ a gradual increase in the price of mining products.

In the context of increasing support the banking system to reduce credit-related risks, the BCRG is focusing its efforts on improving the risk unit and implementing a payment risk management unit. It also plans the following new measures: (i) increasing international reserves; (ii) improving the operation of the foreign exchange market; (iii) limiting the use of Treasury bills to finance the budget deficit to a maximum of 5 percent of average tax revenue for the previous three years and to a term of no more than 92 days, as provided by the BCRG charter; (iv) strengthening existing financial intermediation institutions and opening additional branches outside the capital; (v) establishing new financial intermediation institutions to provide increased density and diversification of financial services.

d) In regard to debt management and mobilization of resources, the objective is to sustainably control the external debt burden by reducing the outstanding balance as a percentage of GDP from 66.6 percent in 2009 to 64.8 percent in 2011 and 57.0 percent in 2012. The following measures are planned to this end: (i) the formulation of a debt policy based on at least 35 percent grants; (ii) a conversion of the debt that promotes investment in the priority sectors; (iii) strengthening negotiating capacities, including techniques for redemption and conversion of debt on a case-by-case basis; (iv) creating a flexible, dynamic interministerial structure for consultation, coordination, and development of debt management strategies appropriate for the international environment. In addition, the achievement of the completion point under the HIPC Initiative could serve to reduce Guinea's external debt.

There are also other worthwhile avenues for mobilizing resources. The signature of the 10th European Development Fund will enable Guinea to mobilize substantial financial resources, estimated at €205.8 billion, including €189.6 billion from envelope A for development projects and programs, and €16.2 billion from envelope B for budgetary assistance.

Another source of new financing are the innovative financing mechanisms introduced in international debate at the summit of the March 18-22, 2002 Monterey conference on development financing. A pilot group on

solidarity contributions to support development was established for this purpose. Unfortunately, however, there have been delays with respect to its membership and the establishment of mechanisms that could enable it to mobilize additional resources for Guinea's development.

For example, Guinea might receive an estimated €70 million in nonreimbursable subsidies to purchase drugs to control pandemics during the period 2007-2011, through the project financed by funds from the tax on airline tickets the government has yet to institute.

Table 7: Principal macroeconomic and poverty indicators

Area and Indicators	2010	2011	2012	2013
1. Poverty				
Poverty rate	58.0	57.0	56.0	54.0
Depth of poverty	18.2	18	17.9	17.8
Severity of poverty	8.5	8.4	8.3	8.3
2. Growth				
Real GDP growth	1.9	4.0	5.5	5.8
Per capita GDP growth	-1.3	0.7	2.2	2.5
3. Inflation and currency				
Consumer price index (year on year)	20.8	17.1	5.3	4.8
Consumer price index (annual average)	15.5	19	10.8	4.5
Gross foreign assets in months of imports of goods and services	1.90	2.5	2.9	3.0
4. Investment				
Total investment rate	18.0	16.9	19.4	19.3
Public investment rate	6.4	4.6	4.3	4.6
Private investment rate	11.6	12.3	15.2	14.7
5. Central government budget				
Current revenue as % of GDP	16.4	18.0	19.3	20.2
Current expenditure as % of GDP	19.3	16.8	16.0	14.9
Capital expenditure as % of GDP	8.7	6.3	5.9	6.3
Budget savings as % of GDP	- 2.9	1.2	3.3	5.3
Primary balance as % of GDP	- 8.6	-1.1	1.0	2.3
Balance excl. grants, commitment basis as % of GDP	- 11.7	- 5.1	- 2.6	- 1.1
6. Debt				
External public debt service (US\$ millions)	174.7	213.4	224.1	235.3
Debt service as % of exports of goods and services	11.8	12.7	11.3	10.4
Outstanding debt (US\$ millions)	3,020.6	2,919.8	2,794.3	2,668.7
Outstanding debt as % of GDP	67.0	64.8	57.0	50.2

Source: Excerpt of macroeconomic framing, December 2010 MSEGUI

e) **In the area of regional integration**, the policies contemplated will entail more rigorous macroeconomic and financial management and improvement of the mechanism for reporting and monitoring the member countries' economic and financial performance. In particular, the government will commit to timely payment of Guinea's contributions to the regional and sub-regional cooperative organizations.

II.2.2. Sector objectives

II. 2.2.1. Development of sectors with strong growth potential

The objectives and measures to be implemented are described for each sector below:

a) **In the agriculture sector**, the principal objectives are to:

- ✓ ensure food security;
- ✓ develop food crops and export crops; and
- ✓ create jobs and income for populations, particularly those living in rural areas.

To accomplish this, the sector must achieve a growth rate of 4.1 percent in 2011 and 5.7 percent in 2012, with a stable GDP contribution of 14.2 percent in 2011 and 2012. The achievement of this growth rate will depend essentially on economic consistency and effectiveness, social equity and sustainability, the decentralization policy, the ECOWAS common agricultural policy, and the African Union's Comprehensive African Agricultural Development Program/New Partnership for Africa's Development.

The specific objectives are to: (i) increase the production and productivity of family-owned operations; (ii) promote agricultural entrepreneurship by stimulating private initiative; (iii) improve access to markets for agricultural products; and (iv) ensure sustainable utilization of natural resources and the environment. The achievement of these objectives calls for:



- ✓ developing rice cultivation in order to meet the population's growing needs;
- ✓ diversifying agriculture through the development of other food crops;
- ✓ adopting an integrated approach to managing natural resources;
- ✓ strengthening institutional capacities and program coordination;
- ✓ strengthening the capacities of agronomy research centers; and
- ✓ strengthening the capacities of chambers of agriculture and commerce.

Accordingly, the agricultural development strategy is primarily based on expanding irrigated areas in order to reduce the high dependence on rain-fed farming, and increasing production through increased use of agricultural inputs in order to significantly increase productivity. Crosscutting support measures to ensure the effectiveness of investment will be based, inter alia, on: (i) improving the legal and regulatory environment; (ii) increasing the productivity of agricultural operations by improving soil fertility; (iii)

improving access to the factors and means of production (land, inputs, technologies, training, equipment, and information); and (iv) developing a viable system of financing for producers in the different agricultural segments.

Box 5: Promoting food security

- ✓ Increase the availability and stability of the food supply by increasing crop, animal, and fishery production and their respective added values.
- ✓ Ensure greater economic and physical access to food for households by reducing poverty in Guinea, particularly in the most vulnerable areas.
- ✓ Effectively reduce malnutrition through measures that will improve the nutritional situation of the most vulnerable groups in the short term.
- ✓ Implement appropriate lines of defense to protect populations from natural and other disasters.
- ✓ Stabilize the food supply: (i) leverage the agricultural potential of lands, waters, livestock, and forests; (ii) improve the performance of production systems: access to inputs, distribution of technology packages, etc.; (iii) use appropriate conservation and processing technologies; (iv) facilitate access to credit; and (v) sustainably manage natural resources.
- ✓ Increase access to food: improved integration of livestock grazing and food security programs; (ii) development of income-generating activities.
- ✓ Greater involvement of women in the processes of production and resource management.
- ✓ Implement an institutional framework for food security that actively involves all stakeholders and sectors concerned in analysis and decision making. This should be the cornerstone of Guinea's food security strategy, given the multisector aspect of interventions and actors in the area of food security, which is a departure from the strictly agricultural interpretation of food security currently observed in Guinea.
- ✓ One of the major weaknesses in Guinea is the unavailability of information required to analyze food and nutritional situations in order to guide investments. An information system on the food and nutritional situation of Guinea's populations is essential and is a priority pillar of the strategy.
- ✓ Strengthen the capacities of professionals and professional organizations in the different agricultural, animal, forest, and fishery segments of the rural sector.
- ✓ Improve management of and access to the different resources that support food security: (i) increase the stability of supply of agricultural, animal, and fishery productions to reduce significant post-production losses and facilitate the population's access to food products (post-production technologies, market operations, price liberalization, elimination of unjustified taxes); (ii) strengthen services supporting rural areas (research, outreach, policy, control, etc.) that exhibit weaknesses in terms of human, financial, and material resources to enable them to provide the support necessary to improve production in rural areas; (iii) increase the competitiveness of Guinea's agricultural products in the regional and international market; (iv) develop mechanisms to support activities for women in the area of food security, since women play a key role in the household's food security; (v) develop strategies to reduce malnutrition in order to combat transitory food insecurity so as to provide relief to the most vulnerable groups and those at risk (children under age 5, pregnant and breast-feeding women); (vi) develop consistent food assistance strategies for populations facing emergency situations (refugees, persons displaced by disasters), areas of extreme poverty and or vulnerable groups in Upper and Mid-Guinea (specific funds to support youth and women in developing cash crops, livestock production, and trade and artisanal activities during dry seasons); (vii) develop strategies to improve populations' economic and physical access to food products; and (viii) develop specific strategies for the natural regions that take account of their constraints.

b) In the livestock segment, the objectives are to significantly increase the population and national production of meat, milk, and eggs, which have great potential for meeting the population's food requirements. Through implementation of the pasture policy, the government also intends to increase added value in the sector by close to 3.9 percent in 2011 and 5.6 percent in 2012 compared to 5.5 percent in 2010.

To achieve this rate of growth, the sector will require: (i) increased access to microcredit and inputs; (ii) sedentation of livestock farmers (organization, training, animal health, outreach, planning); (iii) intensified livestock breeding; (iv) breeding of livestock with shorter gestation periods; (v) effective integration of agriculture and livestock breeding; (vi) development of the pasture code; and (vii) close cooperation with neighboring countries in efforts to control epizootic disease.

These actions will be supported by two strategic pillars: (i) the crosscutting strategic pillar, or program approach, that supports traditional livestock breeding systems through actions to be carried out by the government with the participation of livestock breeder groups; and (ii) the vertical strategic pillar, or segment approach, that will support the improve cattle breeding system or semi-intensive periurban system.

c) The fishery and aquaculture sector is one of the principal sources of animal protein for the populations and means of mobilizing revenues. The government's fisheries policy aims to increase the sector contribution to GDP by increasing growth to 4.5 percent in 2011 and 4.8 percent in 2012.

The implementation of the following three strategic pillars, defined in the policy letter on the development of fisheries and aquaculture, is expected to achieve this objective: (i) strengthening of sector institutional and professional capacities; (ii) the sustainable management of fishery resources through improved research and surveillance; (iii) developing/promoting fishery and aquaculture products. Specifically, this will involve implementing the following actions provided in the Ministry of Fisheries and Aquaculture 2008-2011 the emergency program:

- ✓ improving production services through the implementation of a national policy;
- ✓ developing infrastructures for downloading, storing, processing, packaging, and marketing fishery products;
- ✓ managing fishery capacities and reducing illegal, unreported, and unregulated fishing through the implementation of fishery management plans and efforts to combat illegal fishing;
- ✓ improving upstream and post-capture services to increase products' competitiveness by making landing facilities viable, creating commercial fishing enterprises on par with international standards, bringing the means of production up to standards, and establishing sensory analysis and microbiology labs;
- ✓ reinstating the village aquaculture development support program in Forested Guinea, the pond and basin development program in Upper Guinea, and the artisanal fishery program in Maritime Guinea;
- ✓ combating illegal fishing by strengthening the operational capacities of the National Fishery Surveillance Center;
- ✓ improving knowledge of resources by increasing the operational capacities of the Boussoura National FisheryHalieutic Sciences Center; and
- ✓ restoring and preserving aquatic (maritime and inland) ecosystems.

It should be noted that the National Agricultural Investment and Food Security Program (PNIASA) encompasses the agriculture, livestock, fishery and environment sectors. The following table presents the PNIASA costs and financing plan.

Table 8: Cost of Interventions (USD millions)

Program	2011/13	2014/15	Total	Mobilisé	Recherché
1. Sustainable development of rice cultivation	282	492	774	319	455
1.1 Promoting irrigation and water management	150	250	400	250	150
1.2 Agricultural inputs and equipment	75	125	200	15	185
1.3 Research, technology transfer, and consulting services	5	15	20	2.5	18
1.4 Developing capacities to access agricultural markets	50	100	150	50	100
1.5 Program coordination	1.5	1.5	3	1	2
2. Food security through diversification	156	315	471	15	457
2.1 Cultivation of non-rice crops	126	252	378	8	371
2.2 Animal segments	23	52	75	1	75
2.3 Fishing and aquaculture	2	3	5	2	4
2.4 Promoting the right to food, managing crises, and nutrition	5	8	13	5	8
3. Promoting agricultural exports and agribusiness	72	656	728	262	466
3.1 Improving performance of agroindustry and export segments	13	19	32	3	29
3.2 Developing irrigation, processing, and marketing infrastructure	34	52	86	3	83
3.3 Improving the business climate to promote exports and develop agribusiness	13	19	32	1	31
3.4 Fishing and aquaculture	8	562	570	253	317
3.5 Marketing information system	2	2	4	1	3
3.6 Animal segments	2	2	4	1	3
4. Integrated management of renewable natural resources	52	75	127	11	116
4.1 Support in managing forest and fauna ecosystems, and cross-border ecosystems	7	10	17	3	14
4.2 Fishing and aquaculture, conservation and surveillance of fisheries	38	56	94	3	91
4.3 Managing pasture spaces and agriculture-livestock integration	1	1	2	1	1
4.4 Managing land tenure	1	1	2	1	1
4.5 Improving soil fertility	1	1	2	1	1
4.6 Adapting to climate change	2	3	5	2	3
4.7 Managing animal genetic resources	2	3	5	1	4
5. Institutional strengthening and coordination	63	55	118	8	110
5.1 Improving the quality of public services	50	40	90	3	2
5.2 Strengthening stakeholder capacities	10	10	20	3	2
5.3 Fishing and aquaculture	2	3	5	1	1
5.4 Program coordination	1	2	3	1	0

d) The mining sector: Of all the sectors with growth potential, the mining sector is the most important and provides the largest contribution to exports. Because production declined following the downturn in global demand, the sector's share of GDP decreased to 14.7 percent in 2009 compared to 15.8 percent in 2008. It continued to decline, to 14.5 percent in 2010 and 14.2 percent in 2011, but is expected to recover to 14.5 percent in 2012.

The overall mining policy objective is to maximize mining receipts and increase the benefits of mining operations to citizens through job- and income-creating activities. The rate of growth expected in 2011 is on the order of 1.8 percent and in 2012, 4.6 percent.

The achievement of this objective relies essentially on measures to consolidate the mining rights register and review mining contracts with a view toward potentially renegotiating them and making them more advantageous for the public treasury. The mining sector should also contribute to a large extent to the fight against poverty.

The measures will include: (i) the execution of megaprojects such as GAC, Rio Tinto, BSGR, etc.; (ii) improvement of basic services through the sector's contribution to central government revenue as well as local authorities' budgets and direct actions on the ground; (iii) a contribution toward reducing unemployment, particularly for young graduates; and (iv) strengthening Guinea's liquidity position in foreign currency.

To meet this challenge, the government expects to promote large mining projects in the iron and aluminum segments. To this end, it will facilitate the creation of infrastructures to support these projects (trans-Guinea railroad, deepwater mining port). These megaprojects will help accelerate economic growth, create decent jobs, and generate income.

The mining policy will be implemented through two pillars, intensification of mining activity and better leveraging of mining products.

In this regard, the government is in the process of implementing structural reforms in the sector. The mining code and the system of taxes on bauxite, which date from 1995, are being revised to incorporate changes in the national and international market.

Guinea's accession to the Extractive Industries Transparency Initiative (EITI) in April 2005 marks the government's intention to establish transparency in the management of mining resources. In particular, it will promote rational use of the resources generated by the extractive industries to ensure that they serve as an engine of economic growth. In 2005, the first year, data collection, reconciliation, and audits were completed for six large mining enterprises – ACG, CBG, CBK, SAG, SMD, and SEMAFO – and a report of the findings was published the same year. The report for 2006 has been completed but is not yet published.

In the context of efforts to improve the legal and regulatory framework, the mining and petroleum codes must be amended to address the new realities in those sectors. From that standpoint, [words omitted] which was selected for the review, with financing from the African Development Bank in the amount of €300,000. The review will include the statute itself, the implementing regulations, including a model mining contract, and finalization of the policy letter on the mining sector.

The review is expected to significantly increase the local development tax, which would be raised from 0.4 percent of revenues to 1 percent. This will entail better distribution of receipts from the mining sector between the national budget and local government budgets.

In the context of support for the negotiation of mining and petroleum agreements, capacity building may prove necessary for potential renegotiation of existing and future agreements. In the past, Guinea has signed one-sided contracts granting exorbitant customs and tax advantages to certain companies while eliminating others. The model mining contract is expected to put all companies on an equal footing. The estimated cost is US\$250,000.

The Center for Mining Promotion and Development has a mining rights register that must be maintained. In view of taxes of US\$10/KM², it is an important source of revenue for the central government and local governments. The estimated cost is US\$350,000.

Box 6: Principal private-sector mining projects

✓ Global Alumina project with partners BHP-Billiton, Dubal and Mudabala, for production of 10 million tons of bauxite and 4 million tons of alumina at Sangaredi for a cost of US\$4.5 billion;
✓ Dian-Dian project with partner Rusal, for production of 13.4 million tons of bauxite and 2.8 million tons of alumina for a cost of US\$4 billion;
✓ Alumina plant construction project at Kamsar with partners Alcoa and Rio Tinto/Alcan, for initial production of 1.5 million tons of alumina, with possible expansion to 3 million tons using bauxite produced by CBG; for a cost of US\$1 billion;
✓ Dabola /Tougué project in partnership with Iran, for production of 10 million tons of bauxite and 1 million tons of alumina for a cost of US\$4 billion;
✓ Boffa alumina plant project with partner BHP-Billiton;
✓ Gaoual bauxite project with partner Alliance Mining Corporation;
✓ four iron extraction projects being developed at Simandou with Rio-Tinto, at Mont Nimba with BHP-Billiton, at Kalia, Faranah with the Australian company Belle Zone, and at Zogota, Nzérékoré with BSGR.
✓ Program consolidating support to the National Confederation of Rural Organizations (PACNOP), €1,600,000;
✓ Thematic facility for non-state actors and local authorities, €1,425,000; and
✓ European Instrument for Democracy and Human Rights, €100,000.

These mining projects will create varying numbers of direct jobs depending on the nature of the mining project. The following table presents the jobs created in the mining sector.

Table 9: Direct jobs created by mining projects

Project	Construction phase	Operation phase
Kamsar alumina plant project (PUAK)	4,000 – 5,000	1,000 – 1,200
Sangaredi alumina plant project (PUAS)	7,000 – 10,000	1,200 – 1,500
Dian Dian combined project	5,000 – 10,000	2,000 – 3,000
Dabola Tougué bauxite project (SBDT)	1,500	700 – 800
SIMFER Rio-Tinto	10,000 – 15,000	7,500
TransGuinée	25,000	2,000 – 3,000
SIMFER BHP-Billiton	7,000	3,000

Source: National Directorate of Multiyear Programming

e) The industrial development policy will pursue the following objectives:

- ✓ the creation of an industrial fabric that will add value to our natural resources through local processing;
- ✓ the creation of an agrifood industry enabling us to leverage our agripastoral products;
- ✓ integration in international and subregional trade; and
- ✓ the creation of an attractive climate for high-labor-intensive industries in order to take advantage of industrial relocations.

The achievement of these objectives will lead to the creation of sustainable jobs and income for our graduates and rural population groups working in the various agricultural segments. To accomplish this, the sector will require a better organized private sector and framework, a better adapted business climate, and basic infrastructures (roads, water and electricity, transportation, etc.). These in turn will open the possibility of achieving growth in manufacturing sector value added from 1.2 percent in 2010 to 4.4 percent in 2011 and 5.1 percent in 2012.

To achieve this growth rate, the government is committed to consolidating the business climate, increasing support to the private sector, facilitating access to credit, and improving the system of institutional support by finalizing and implementing the Policy Letter on Private-Sector Promotion.

f) The trade development policy, the key objectives of which are identified in the Diagnostic Assessments of Trade Integration, places trade among the priority sectors of the poverty reduction strategy in Guinea.

In 2009, trade increased only slightly, by 0.8 percent, due to the downturn in trade activities in response to a national sociopolitical climate marked by a wait-and-see attitude on the part of economic operators.

In the coming years, the trade sector could increase its rate of growth by 3.8 percent in 2011 and 4.9 percent in 2012 compared to 1.0 percent in 2010 by improving the institutional and regulatory environment, establishing basic infrastructures, and increasing the supply chain capacity for products intended for the domestic and international market.

The expected implementation of the Enhanced Integrated Framework is expected to contribute to this objective by implementing the following components of the trade policy:

- ✓ modernizing and establishing qualifications for the sales profession;
- ✓ strengthening supply chain capacities while diversifying exports, giving priority to processed, high-value-added products;
- ✓ increasing foreign currency revenue resulting from exports and repatriation of products;
- ✓ monitoring foreign trade statistics; and
- ✓ improving Guinea's brand image in the international arena by enhancing commercial diplomacy.

These actions will enable the trade sector to fulfill its role as a factor of growth and engine of economic development for Guinea, with a GDP share ranging from 17 percent to 20-25 percent in the next three years.

In this regard, the trade sector will benefit from attention from the development partner authorities, particularly in terms of allocating the financial resources needed to achieve the above objectives.

g) The tourism and artisanal development policy is expected to contribute to Guinea's economic and social dynamic. The overall objective of the sector policy is to strengthen and accelerate economic development to produce a positive impact on living conditions for citizens, particularly those living in poverty.

Specifically, the objectives are to: (i) help speed the pace of economic growth; (ii) promote jobs and wide distribution of income; and (iii) contribute to the mobilization of foreign currency.

The interventions contemplated to achieve these objectives include: (i) increasing the sector's productivity and competitiveness; (ii) creating productive, stable jobs; (iii) enhancing technical skills and management while contributing to the development of the industrial base; (iv) implementing the Policy Letter on Artisanal Sector Development; and (v) implementing projects to support the artisanal sector, such as those included in the Framework Program to Support Private Sector Development.

h) Promoting the private sector and employment: the objective is to promote the creation of decent jobs and significant income for all, particularly for the poor. This will require attracting private local investment and foreign direct investment in the mining sector as well as other high-value-added sectors; supporting local entrepreneurship; giving particular attention to microenterprises and small and medium-size businesses; and decentralizing the key agencies supporting enterprises and employment for the young.



The measures planned to support private sector development will seek to:

- ✓ finalize and implement the Policy Letter on Private-Sector Promotion;
- ✓ improve the investment climate;
- ✓ increase financial and nonfinancial support to the private sector;
- ✓ consolidate viable industrial zones and create industrial free zones;
- ✓ strengthen the managerial capacities of Guinean sponsors; and
- ✓ facilitate access to markets through regional integration.

The measures will entail a review of the investment code, which dates from 1995 and needs to be updated to make investment more attractive.

These various actions will result in implementation of an institutional framework that includes ministries in charge of private-sector promotion, private-sector promotion and support offices, professional organizations, consular chambers, banking system, and all other support mechanisms (research and assistance funds, guarantee funds, investment funds) initiated by the government and the development partners.

In regard to the institutional framework, the government plans to implement a Private Investment Promotion Agency, replacing the Office of Private Investment Promotion, whose mission will be expanded to include: (i) the creation of a one-stop window to facilitate and improve monitoring of the formalities of creating, amending, and dissolving companies and enterprises; (ii) consistency between the SME/SMI investment code and sector codes; and (iii) harmonization with other ECOWAS agencies.

Table 10: Cost of SME, trade, and artisanal sector projects, 2010-2012

(GNF millions)

Project Name	Years			Total	Donors
	2010	2011	2012		
Industry, SME, Trade and Artisanal production				-	
Conakry/Interior industrial zones	5,900	3,400	-	10,300	BND
Metrology lab equipment	-	-	-	1,000	BND
National multifunctional platform development project	1,248	-	-	2,383	UNDP
Matoto Laboratory	121	-	-	621	BND
Studies and Construction of Artisanal Villages	-	-	-	500	BND
Fishing products diversification & marketing	750	145,657	253,361	401,053	
Potato segment development in A.O	1,426	1,290	1,015	5,096	CFC
Pilot center	-	-	-	1,000	BND
TOTAL	9,445	150,347	254,376	421,953	

Source: National Directorate of Multiyear Programming

The above table presents a breakdown of the GNF 421,953 for interventions to promote the private sector, notably industry, SMEs, trade, and the artisanal sector, for the period 2010-2012. The majority of financing is provided by the national development budget.

i) Promoting sustainable development: The objective is to integrate the principles of sustainable development in international policies and programs, reversing the current trend of depletion of environmental resources and loss of biodiversity. The ultimate goal is to improve living conditions for current generations and protect the environment without mortgaging the productive base for future generations.

The strategy for managing water resources and protecting species is essentially based on: (i) expanding the proportion of protected areas; (ii) involving population groups in the conservation of ecosystems and resources; (iii) increasing protections to prevent water sources and riverbeds from drying out; and (iv) strengthening protections for endangered species.

The interventions will involve rational, sustainable management focused on natural resources and protection of the environment and soils; control of desertification and brush fires; protected forests and areas; catchment areas, marine ecosystems, coasts, fisheries, and water resources; and consideration of environmental impact studies in implementing infrastructure projects and programs.

Table 11: USAID and EU portfolio

(US\$ thousands)

Project / Program Name	Budget		Donors
	2010	2011	
Local agricultural TA program	2,970	2,700	USAID
Microenterprise programs	1,853	1,100	USAID
Biodiversity program	1,056	1,200	USAID

Forest region rehabilitation and development program	2,691	-	EU
Food security facility	7,130	-	EU
Total	15	5,000	

II. 2. 2.2. Development of basic infrastructure

(a) The energy and water sector development policy is aimed at improving the living conditions of the people and sustaining economic growth. The objective is significantly to improve the people's access to energy services. To do so, the sector should achieve a growth rate of 6.2 percent in 2011 and 7.4 percent in 2012, as compared to 1.7 percent in 2010.

Specifically, this entails: (i) improving electricity supply in the city of Conakry; (ii) improving electricity supply in the outlying cities; and (iii) improving the efficiency of the electricity sector.

At the national level, the interventions planned for the electricity subsector involve:

- ✓ Revision of the petroleum code and its implementing provisions;
- ✓ Rehabilitation and extension of the MT/LT distribution grid to Conakry, Nzérékoré, Kankan, Faranah, and Labé;
- ✓ Improvement to the efficiency of the electricity sector in Conakry, with efforts to combat fraud;
- ✓ Implementation of a micro-power plant program.

For urban water supply, the aim is to: (i) rehabilitate and expand capacities for the production, transport, and distribution of drinking water; and (ii) improve the productivity of the subsector and carry out institutional reforms of the subsector to improve its management.

Accordingly, the government intends to create a viable institutional and legal framework for the subsector. In addition, other technical interventions will be focused on tapping the value of the hydroelectric potential, promoting energy savings, rural electrification, and alternate energy sources.

At the subregional level, ECOWAS participation should make it possible to move forward with integrating the markets for electric interconnections and developing small-scale hydropower.

Table 12: Costs of energy and water supply projects (in millions of Guinea francs)

Project title	Year			Total	Donors/Lenders
	2010	2011	2012		
Energy					
OMVG Kaléta/Sambagalou Energy Program	13,135	20,281		33,416	OMVG
Multipurpose Fomi Dam Improvement Project (Updating of Study)	15,550	16,350	228	32,128	NBA,WB/CCE
Decentralized Rural Electrification	165	-	-	165	IDA/GEF
Electrification of Conakry's Peripheral Areas	326	-	-	326	BND
Groups for Strategic Locations (Palais + Case belle-Vue)	434	-	-	434	BND
Rehabilitation and Expansion of Conakry Electrical Grid	37,660	54,134	-	91,794	ISDB/AfDB
Electricity Sector Efficiency Improvement Project	36,505	-	-	36,505	IDA
OMVG Energy Development Project	72,000	43,500	-	115,500	AfDB/IDA
Public Lighting Program	-	16,598	4,409	21,007	BND
Rehabilitation of Regional Grids (Faranah, Kankan, and N'Nzérékoré)	35,348	6,691	-	42,039	BIDC
Manéah Power Plant	4,000	-	-	4,000	China
Capacity Building for National Hydrocarbons Directorate	365	-	-	365	BND
Subtotal	215,488	157,554	4,637	377,679	
Water Supply				-	
OMVG Optimization and Natural Resource Management, Gambia River	6,057	8,983	-	15,040	ISDB/ADF
Ongoing Investment. Land Deterioration and Niger Watershed Water	1,587	681	-	2,268	IDA/UNDP
Niger HYCOS	500	-	-	500	AFD/AfDB
Integrated Management Program, Water Resources and Multiple Use, Senegal River	6,000	2,247	6,241	14,488	IDA
DREGDE Project of the Niger Basin Authority (NBA)	5,800	10,810	-	16,610	IDA
Subtotal	19,944	22,721	6,241	48,906	
GRAND TOTAL	235,432	180,275	10,878	426,585	

The government further intends to strengthen its participation in the subregional river organizations through integrating projects, in particular with regard to the plan to interconnect electricity grids and production. By way of illustration, mention may be made of the energy project of the Gambia River Development Authority (OMVG), the Fomi dam project headed up by the Niger Basin Authority (NBA), and the Koukoutamba, Boureya, and Balassa projects of the Senegal River Development Authority (OMVS).

With regard to meeting energy requirements using biomass and renewable energy sources, interventions will focus primarily on: (i) the rational use of forest resources with the increased accountability of subnational governments; and (ii) continuing the program on improved stoves and the promotion of substitute renewable energy sources (butane), biogas, and solar power.

Furthermore, other ways of covering energy needs merit exploration, such as hydrocarbons for household use in order to reduce the pressure on biomass. In cooperation with its Technical and Financial Partners (TFPs), the government has already identified relevant projects in this area.

(b) The transport sector development policy is aimed at meeting transport requirements at the lowest possible cost for the people while ensuring acceptable quality of service and safety. To achieve this objective, the sector should grow by 3.6 percent in 2011 and 4.3 percent in 2012, as compared to 1.4 percent in 2010.



In addition to the efforts recently made by the government by establishing a fledgling road transport network in the city of Conakry and rehabilitating the suburban train by introducing Conakry-Express, there are plans to rehabilitate the heavy duty rail line between Conakry and Kankan (662 kilometers in length) and then Kankan-Kérouané (under the agreement recently signed with the BSGR firm).

Project title	Year			Total	Donors/Lenders
	2010	2011	2012		

Table 13: Costs of transport sector and public works contracts (in millions of Guinea francs)

Labé – Tougué – Dinguiraye - Siguiri Road	2,100	1,360	2,780	6,240	ISDB / BADEA
Kankan Primary Roads, 20 km	14,555	75,000		89,555	BND
Rehabilitation of the Kissidougou – Gueckédou – PK15 - Sérédou Road	-	-	160,000	160,000	EU
Study on ferry replacement by bridges	2,114	2,140	-	4,254	BADEA
Improvement of 4-lane Tombo-Gbessia Road, Lot 1	65,660	-	-	65,660	AFD / AfDB
Labé – Seriba – Madina – Gounass Road	85,000	-	-	85,000	BDEA/ISDB/ AfDB/KFAED
Boké-Quebo Road Works	-	31,500	160,500	192,000	AfDB
Improvement of Sonfonia – Kagbélen Express Lanes	-	5,500	5,500	11,000	BND
Matoto - Enta – Dabompa T5 South Road	37,000	4,003	7,560	48,563	KFAED
Study and Construction of Kankan - N'zérékoré – Yomou – Liberia Border Road	1,800	61,950	214,634	278,384	BADEA pr, APD DAO
Construction of Kaka, Soumba, Fanyé, and Dandaya bridges	10,535	9,500	-	20,035	JICA
Road Network Rehabilitation in Administrative Capitals and cities in the interior	15,714	-	-	15,714	BND
Rehabilitation of the Mamou – Dabola – Kouroussa Road	-	83,900	20,900	104,800	EU
Official buildings rehabilitation project (PREBO)	-	30.000,000	-	30.000,000	EU
Study of interchanges on the Le Prince Road	-	3,500	3,500	7,000	BND
Petit Bateau Road	50,000	3,500	-	53,500	BND
Construction of Conakry Bus Terminal	8,500	11,300	-	19,800	AfDB
Labé – Mali – Kédougou Road (6 lots)	-	450,000	810,000	1,260,000	ISDB, FSD, GG, and others
Program of highly labor intensive road improvement projects in Conakry and secondary cities		48,000,000		48,000,000	EU
Total	292,978	78,743,153	1,385,374	80,371,505	

Source: National Multiyear Planning Directorate.

(c) Development of the post and telecommunications sector

Telecommunications and Information and Communication Technology (ICT)

The telecommunications sector has made considerable progress in recent years. Indeed, the level of mobile telephony access rose from 2 percent in 2005 to over 40 percent in 2010, a 38 percentage point increase in five (5) years, well in excess of the objective of 25 percent in 2010.

In this sector, the major problem is still the poor quality of interconnections among the various operators. Efforts to improve interconnections will be made in order to facilitate communications among users. Accordingly, during 2010 the Ministry of Posts, Telecommunications, and New Information Technologies (MPTNTI) finalized and validated its **National Policy and Strategy Paper on the Development of Information and Communication Technologies**. This paper was adopted by the government on December 22, 2010 and takes its concerns with regard to telecommunications into account.

The general objective of this paper is the contribution that the information and communication technologies (ICT) sector can make to achieving the PRSP objectives and the MDGs, to building an inclusive information society, and to introducing Guinea into the knowledge economy.

In accordance with its action plan, the total cost of implementing the National ICT Strategy is estimated at US\$445 million. This plan will be readjusted every three (3) years in order to take account of the real capacities for resource mobilization and changes in the country's needs and capacities for opening new areas of work. The strategy is intended to contribute to: (i) improving governance and building institutional and human capacities; (ii) achieving strong and sustainable economic growth; (iii) facilitating equitable access to basic social needs; and (iv) developing the private sector and creating jobs for young people.

Overall, the strategy for the telecommunications sector may be summarized under seven (7) focal points, namely: (i) the introduction of cyber legislation and an appropriate institutional framework; (ii) the development of human resource skills in the ICT area; (iii) establishing a shared backbone for transmitting data, voice, and video; (iv) ensuring a supply of quality communications services at the national level; (v) reforming and developing the postal sector; (vi) the promotion of ICTs for development; and (vii) dynamic cooperation.

To make this vision a reality, the government intends to work with all public and private operators and with civil society, as well as with the development partners.

With regard to postal services, the government is continuing the reform of the postal sector in line with the decentralization policy and while taking account of the new requirements associated with development of the information society. Moreover, the operational capacities of the Guinean Post Office (OPG) will be strengthened so as to make it possible to deal with technological changes, improve competitiveness, and diversify its product range in order better to address the expectations of its customers and meet the demands of sustainable development, so as to: (i) continue the reform of the postal sector; (ii) adopt the ICTs; (iii) expand the postal transport fleet in order to maintain and consolidate the quality of routing to the interior of the country; and (iv) build human resource capacities.

To implement this strategy, a plan has been drawn up for making it operational. This plan identifies estimated requirements and will be readjusted every three (3) years in order to take account of actual capacities for mobilizing such resources.

Table 14: Costs of telecommunications projects (in millions of Guinea francs)

Project title	Year		Total	Donors/Lenders
	2010	2011		
Protection of Nzérékoré/Sonfonia Forwarding Centers	628	-	628	BND
Government Network and Electronic Administration	1,570	-	1,570	China
Restoration of Postal/Telecom Buildings	650	-	650	BND
Total	2,848		2,848	

Source: National Multiyear Programming Directorate.

Thereafter, tapping this growth potential will make it possible to generate resources for offering quality basic social services.

Chapter 3. Improving the people's access to quality social services

The population of Guinea continues to be characterized by its youth and rapid growth (3.1 percent a year). Improving its access to basic social services calls for extraordinary efforts. For this reason, in 1991 the government adopted a Population Policy Declaration which was revised in 2002. The basic aim of this policy is to make the most of human resources through actions aimed at striking a balance between population size and the resources available. It is a clear reflection of the government's desire to address thorny population issues, in particular through solving the problems associated with education, healthcare access, decent housing, and questions relating to gender, social protection, combating HIV/AIDS, etc. In short, the aim of the declaration is to bring about a matching of economic growth with population growth. It is predicated on recognition of the rights of individuals, couples, and social groups. While an institutional framework is in place, the impact of implementing programs relating to lowering the fertility rate leaves something to be desired. Indeed, there was a stagnation of the fertility rate over the 1992-2005 period (at about 5.6 children per woman).

Human capacity building constitutes one response to these concerns, and is a necessary condition for improving individual incomes and economic growth.

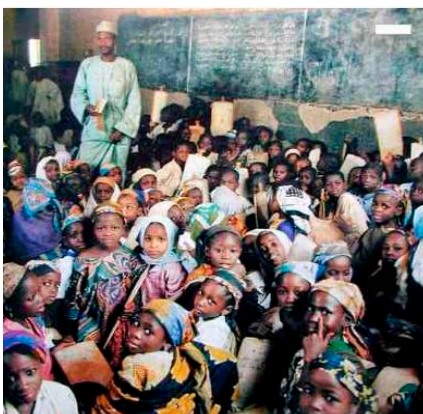
Under the PRSP, human capacity building through improved access to quality education, improved access to healthcare services, social promotion, and culture on the part of people, as well as responding to HIV/AIDS, are critical components in poverty reduction.

For this to occur, the government must mobilize the resources necessary for meeting the ever mounting social needs (education, healthcare) of the people. Accordingly, we will achieve the MDGs by satisfactorily pursuing the strategy in place.

II.3.1. Improving access to quality education for all

II.3.1.1. Short- and medium-term objectives

The objectives for developing the education system included among the Millennium Development Goals (MDGs) are fully consistent with those of the Poverty Reduction Strategy (PRS). Hence, *by the 2015 deadline, universal school enrollment* will have been achieved, with a **100 percent completion rate for primary school**.



These objectives are aimed at: (i) supporting the education system in order to promote economic growth, regarded as the primary driving force for ultimately reducing poverty; (ii) targeting actions making it possible gradually to correct disparities associated with gender, geographical areas, incomes, and preventing exclusion; (iii) developing a strategy that can produce human capital that meets the requirements of the informal and modern sectors of the economy; (iv) enhancing training through an improved mechanism for managing the education system; and (v) improving access to all levels and enhancing the monitoring of instruction and apprenticeships.

The education sector has set the objective of further improving the available supply of education by improving all of its services, but also by improving the understanding of citizens' rights and duties through the active adoption of a culture of peace.

The specific objectives are as follows:

- ✓ Increase the education budget in the BND from 11.3 percent in 2009 to 25 percent in 2012;¹²
- ✓ Increase the primary school share in total education expenditure from 37 percent in 2010 to 44 percent in 2011, to reach 50 percent by 2015;
- ✓ Improve capacities for transferring resources and responsibilities from the central level to subnational governments in order to ensure improved school management by grassroots communities;
- ✓ Increase the rate of access to the first year of primary school from 76.05 percent in 2010 to 80 percent in 2011, to reach 100 percent by 2015;
- ✓ Increase the primary cycle completion rate from 56.53 percent in 2010 to 60 percent in 2011, to reach 100 percent by 2015;
- ✓ Increase the girl/boy parity index in primary school from 0.81 in 2010 to 0.85 in 2011, to reach 1 by 2015;
- ✓ Increase the adult literacy rate from 35 percent in 2010 to 50 percent (including 40 percent for women) by 2012;
- ✓ Improve management capacities to cover at least 55 percent of school administrators at the central and deconcentrated levels by 2012;
- ✓ Build housing for instructional personnel in at least 30 percent of the schools in extremely poor areas; and
- ✓ Provide all primary schools in areas of food insecurity with school canteens with a view to increasing attendance rates.

II.3.1.2. Strategies for improving access to quality education for all

There are three key components to the education policy: increased access, quality improvement, and strengthened management.

With regard to increasing access to education, the aim will be to achieve a first year access rate of 100



percent by 2015 in order to achieve a primary school completion rate of 60 percent by 2011, this through the development of the school coverage map, enhanced community awareness, incentives to increase educational demand, improving the retention rate and publicizing positive experiences for keeping children in school, and girls in particular, increasing the capacity to accept students through an infrastructure construction and rehabilitation program and school equipment program, bringing schools with incomplete cycles up to standard, increasing the use of multigrade classes, and gradually reducing recourse to doubling up classes in areas of high population concentration.

¹² As compared to a subregional average ranging between 25 percent and 30 percent, so as to achieve 40 percent by 2015 (standard set for UNESCO member countries).

Extending the school canteen program to schools in areas with low gross enrollment ratios and food insecurity will contribute to boosting enrollment ratios and attendance rates and reducing the inequalities between boys and girls in the schools.

In the quality improvement area, the actions to be taken should be better targeted and oriented toward improving the quality of programs aimed at training pupils and students for participation in active employment. The relevant approaches in educational projects (initial and continuing training of instructional staff, apprenticeship and the monitoring and evaluation thereof, associated reforms, and the production/purchase of instructional manuals and materials) will be used to maximum advantage in a cohesive and sustainable system that has a genuine impact in the classroom.

In the area of strengthening management, the strategy is aimed at increasing the public financing of the sector from 2 percent of GDP in 2009 to at least 4 percent of GDP in 2012. To achieve the objective of universal quality primary education, the share of the government budget devoted to elementary education will be increased to 50 percent of current education expenditure by 2015.

The strategic options adopted to achieve the objectives defined above are as follows:

- ✓ Consolidation of the progress in basic education by improving coverage and retention ratios, boosting the quality of apprenticeships, and correcting disparities at all levels;
- ✓ Development of mechanisms for regulating flows between the different levels of the educational system by: (i) making consistent tradeoffs between quantity and quality; and (ii) introducing short-term vocational training at the end of primary school and the first cycle of secondary school;
- ✓ Improvement in the quality of future primary school instructors through the rigorous application of recruitment and certification standards in the national teachers colleges (ENIs) and the introduction of updated training modules;
- ✓ Intensification of the training of multifunction secondary school instructors, taking advantage of successful experiments with the initial training of primary school instructors and quality specialists in sufficient number to meet the needs of technical vocational training and higher education;
- ✓ Capitalizing on and replicating the successful experiments with community participation in school management and educational development planning at the deconcentrated levels;
- ✓ Preparation and implementation of a sectoral plan for institutional capacity building in order to enhance the efficiency of transforming inputs into results;
- ✓ Stepped-up efforts to combat illiteracy through literacy programs and nonformal education;
- ✓ Effective enforcement of the special legislation on education; and
- ✓ Introduction of HIV/AIDS instruction into national education curricula (primary, secondary, technical, and university levels).

Moreover, with a view to bringing about qualitative changes in the education system, the government undertakes to improve the functioning of that system so as to achieve the objectives of quality education at all levels. To this end, the goals to be pursued are: (i) strengthening the practical steps for ensuring adequate administrative and instructional service so as to improve the quality of instruction and apprenticeships; (ii) continuing to strengthen the ethical aspects and credibility of national examinations with a view to establishing a culture of personal effort among students and instructional staff; and (iii)

promoting and strengthening civic education in the school and informal educational environments, and in communities as well, so as to firm up the base of a culture of good citizenship.

As regards strengthening the practical mechanisms for ensuring adequate administrative and instructional services so as to improve the quality of instruction and apprenticeships, it will be necessary to:

- ✓ Provide the central and deconcentrated agencies with adequate material and financial resources that enable them to perform their respective missions, namely the oversight, monitoring, and supervision of instructional staff and school administrations;
- ✓ Provide school facilities with essential inputs (furniture for shared usage, instructional manuals and guides, program brochures, and codes of conduct);
- ✓ Ensuring the functionality of damaged or seriously deteriorated school infrastructures with a view to increasing enrollment capacities;
- ✓ Outfitting completed and available premises to ensure that they become functional;
- ✓ Providing educational facilities with additional furniture in order to accommodate new students and replace defective furniture; and
- ✓ Ensuring coverage of the wages of the new instructional staff assigned, continuing the process of cleaning up the roster of educational staff, and immediately redeploying personnel in order to cover needs throughout the national territory and address the requirement for “one teacher per primary school class and 18 hours weekly for secondary level teachers.”

In the area of pursuing and strengthening the ethical standard and credibility of national examinations with a view to establishing a culture of personal effort among students and instructional staff, it will be necessary to:

- ✓ Achieve the optimal and essential conditions from the material, logistical, and financial standpoints to ensure the proper conduct of national evaluations;
- ✓ Continue instructor training on the evaluation of apprenticeships;
- ✓ Carry out awareness campaigns for the various stakeholders in order to establish a sound basis for the intrinsic values of probity, merit, and equity in the evaluation area.

As regards promoting and strengthening civic education in the school and informal education environments, as well as in communities, in order to instill a good citizenship culture, the specific steps will be to:

- ✓ Carry out citizen awareness campaigns on the culture of peace before, during, and following elections; and
- ✓ Continue to disseminate the Code of Conduct for the school environment in order to eradicate violence and any other form of criminality.

In that it will be necessary synergistically to pursue a number of operational strategies in order to achieve the afore-mentioned objectives, three strategic focuses are unavoidable, namely: (i) relaunch of the Sectoral Education Program (PSE) as soon as possible; (ii) the allocation of sufficient resources to address the priorities identified; and (iii) the mobilization of the social partners in the area of education.

All the stakeholders and partners in the educational system must be closely involved and be accountable in the implementation of these strategies.

With regard to improving human resources in the education sector, there are 62 actions to be carried out in the short and medium terms, each with their own deadlines and responsibilities. These have been grouped under five component areas:

Component 1: Strengthen the normative framework and the effectiveness of rules and responsibilities in terms of managing human resources in education.

The actions proposed are aimed at:

- ✓ Strengthening the cohesiveness of the management framework, clarifying roles and responsibilities; and
- ✓ Ensuring the effectiveness of rules by strengthening oversight mechanisms, introducing accountability mechanisms, and involving the social partners.

Component 2: Ensure the return of instructional staff to classes and strengthen the objectivity and rationality of assignment criteria.

The programmed actions are aimed at:

- ✓ Redeploying unassigned instructional personnel to classes, with priority to areas with shortages, on the basis of objective and equitable rules;
- ✓ Defining and enforcing the rules, procedures, and criteria for streamlining the assignment and transfer process, in the context of regulated and periodical personnel movements; and
- ✓ Continuing the restructuring already begun at the level of the IREs, DPEs, and DCEs at the central and school levels to make possible the reassignment of all surplus instructional personnel into these structures in light of the new job position architecture.

Component 3: Improve the recruitment and assignment modalities for new instructional staff.

The programmed actions are aimed at:

- ✓ Raising the quality level of future instructional staff through greater selectivity at the ENIs;
- ✓ Planning the annual recruitment at the ENIs and the ISSEG in light of the estimate of real need, which estimate must be made after the various possible redeployments have been made;
- ✓ Gradually incorporating the new recruits in response to real needs and only in the context of job slots opened under the budget; and
- ✓ Making teaching more attractive as a profession.

Component 4: Introduce a streamlined, cohesive, and high performance information system.

The programmed actions are aimed at:

- ✓ Providing access to a comprehensive and regularly updated personnel database that includes all education levels and is harmonized with all of the ministry's other data sources; and

- ✓ Harmonizing the data from Payroll, the general administration file (FGA), and the Human Resources Directorate of the MEPU-EC.

Component 5: Take merit and performance into account.

The actions planned are aimed at:

- ✓ Making optimal use of teaching staff completing their service in difficult areas;
- ✓ Recognizing and valuing the performance of high merit teaching staff and administrators; and
- ✓ Ensuring that teaching staff earn a decent living wage.

In addition, in higher education there is a sizable imbalance between the high number of graduates and the existing possibilities for jobs on the market. For this reason, the Higher Education Institutions (IESs) are devoting considerable importance to curriculum renewal in their institutional development plans.

Accordingly, in the context of the Education For All (EFA) program, major steps have been initiated to increase the quality of the training provided to students and to improve the set of studies, programs, and training methods applied in connection with the master's or doctoral degree (LMD) system.

The curriculum renewal efforts have been supported by intense training and retraining activities for instructional personnel, the modernization of science laboratories and equipment, the strengthening of library and educational support activities, the provision of texts and computer hardware to institutions. A number of IESs also have Internet access. A Research and Innovation Fund (FRI) has been introduced to assist the research-oriented instructional staff of the various institutions.

In the effort to identify solutions for enhancing internal and external efficiency, and the quality and relevance of training programs, the department responsible for higher education has set the following objectives for the 2011-2015 period:

- ✓ Improve university infrastructures;
- ✓ Build the technical and pedagogical capacities of the IESs;
- ✓ Introduce a quality and standards control mechanism among the IESs;
- ✓ Promote scientific research;
- ✓ Improve the content of programs to make our graduates more competitive;
- ✓ Bolster and diversify cooperation;
- ✓ Strengthen the way in which gender and equity are taken into account in the management of IESs and research centers;
- ✓ Initiate the reform of higher education financing.

II.3.2. Improving the people's access to health and nutritional services, in particular on the part of the poor

II.3.2.1 Objectives for 2015

Guinea has joined the global "Health for All" strategy. For this reason, the national health policy is predicated to a large extent on the primary health care strategy adopted by the WHO in 1978. It is based on the harmonious integration of curative, preventive, and promotional care, the promotion of individual, family,

and community health, and community participation in the design, implementation, and evaluation of health-related actions.



The general objective is to ensure that all men and women living in national territory, without regard to geographic, economic, and sociocultural barriers, have access to quality healthcare. This means the establishment, by 2015, of an accessible healthcare system capable of addressing the health needs of the population.

The specific objectives have a target deadline of 2015.

In keeping with the government's desire to achieve the MDGs, this will entail:

- ✓ Reducing the mortality of children under 5 years of age from 177 per 1,000 to 90 per 1,000 from 2005 to 2015 ;
- ✓ Reducing the mortality of infants under age 1 from 98 per 1,000 to 50 per 1,000 from 2005 to 2015; and;
- ✓ Reducing maternal mortality from 980 per 100,000 live births to 220 per 100,000 live births from 2003 to 2015;
- ✓ Holding HIV/AIDS seroprevalence below 1.5 percent by 2015;
- ✓ Reducing mortality from malaria by 40 percent from 2005 to 2015;
- ✓ Reducing mortality from tuberculosis by 50 percent from 2003 to 2015; and
- ✓ Reducing the incidence of failure to thrive among children under age 5 from 26 percent to 13 percent from 2005 to 2015.

II.3.2.2. Objectives for 2011

For 2011, the government proposes improving a number of indicators with a view to making healthcare accessible to the greatest possible number of people. This entails:

- ✓ Increasing the pentavalent vaccination coverage of children to 90 percent as against 85 percent in 2009;
- ✓ Increasing the prenatal care (PNC) rate to 90 percent as against 88.2 percent in 2007;
- ✓ Raising the tuberculosis screening rate to 64 percent and the success rate to 80 percent;
- ✓ Improving the availability of STI (sexually transmitted infections) prevention services;
- ✓ Increasing the proportion of properly staffed health facilities to 60 percent; and
- ✓ Increasing the rate of availability of tracer medications in basic health facilities to 80 percent in 2011.

II.3.2.3. Constraints

For improving the geographic coverage and quality of healthcare, actions will largely be focused on the infrastructures for basic healthcare facilities, stations, and health centers. Strengthening this policy involves extension of the minimum activities package (MAP), incorporating the adequate and regular provision of consumables, generic essential drugs (GEDs) and vaccines.

Within this component, the number of basic infrastructures has changed little over the period; the number of health centers increased from 399 in 2007 to 410 in 2009.

As regards the availability of medicines: during the 2002-2004 period, there was some improvement in accessibility as regards to country coverage by private pharmacies. This improvement entailed an increase of 274 such facilities, of which 61 in the interior of the country, as against 256 existing pharmacies with only 59 in the interior.



Despite the improvements made, there is a clear insufficiency as regards the geographic coverage of the populations in the poorest areas: 13 prefectures out of 33 have no private pharmacy coverage. It bears noting that the country's interior accounts for only 22.3 percent of private pharmacies serving almost 82 percent of the national population.

For financing the health system, there are four principal sources: the state, subnational governments, the people themselves, and the TFPs.

Financing from the people concerns: (i) community participation in the establishment of health infrastructures; (ii) the cost recovery system, proceeds from which are used for the operations of healthcare facilities; (iii) the purchase of pharmaceutical products; (iv) measures to motivate staff; and (v) upkeep and maintenance expenditure as well as the purchase of management tools.

The rates applied in healthcare facilities are aimed at promoting financial accessibility to quality care, this to achieve the objective of "Health for All."

The purchase of essential medications using the own revenues of healthcare structures has proven to be inefficient, creating qualitative and quantitative shortages of some medicines, for lengthy periods, in health centers and hospitals.

The state's subsidies are irregular, inadequate, and difficult to disburse. Therefore, to rectify this de facto situation, the structures have unilaterally set ceilings of GF 8,000 in Health Centers and GF 90,000 in prefecture hospitals since September 2005.

While this approach does improve the revenues of healthcare structures and their supplies of essential drugs, it has the drawback of making such services less accessible to the poor. The deterioration in household buying power and cutoffs of medications in health facilities have impaired the performance of this approach in financing healthcare.

In the area of human resource availability, there is currently a shortfall in a number of socioprofessional categories, including midwives, laboratory technicians, healthcare aides, specialized nurses, and specialized physicians.

In particular, there is a disparity in staff distribution, with excesses in urban areas.

II.3.2.4. Measures planned

To achieve these objectives, the following measures are planned:

Vaccination: (i) inclusion of antimalaria and anti-hepatitis B vaccines in the routine Expanded Program on Immunization (EPI) and introduction of specific measures for covering poor and isolated areas using door-to-door vaccination; (ii) implementation of the “Reach Every District” (ACD) strategy; and (iii) introduction of the AH1N1 flu vaccine in the routine EPI.

Combating tuberculosis: (i) continued improvement of high-quality DOTS (Directly Observed Therapy Short course) throughout the country; (ii) HIV testing among those ill with tuberculosis; (iii) introduction of the practical respiratory health approach; and (iv) strengthening of community participation.

Combating HIV/AIDS: (i) capacity building in healthcare structures; (ii) establishment of service provision contracts between the National Program with NGOs and the community associations for communication activities promoting behavior changes; (iii) establishment of contracts with the technical and financial partners; and (iv) introduction of a plan for the management of stocks and the provision of medications and reagents.

Reproductive health: (i) expanding emergency obstetric and neonatal care in basic healthcare units and complete obstetric and neonatal care in the reference hospitals; (ii) facilitating the referral of expectant mothers to hospitals in order to ensure adequate follow-up for the complications associated with pregnancy and childbirth; (iii) raising technical competence levels in reference institutions; (iv) introducing supporting mechanisms through subsidies for cost-free childbirths and Caesarian sections.

Also noteworthy are other measures such as:

- ✓ The establishment of units for treating diseases specific to each region or prefecture;
- ✓ Organizing and taking account of traditional medicine;
- ✓ Establishing pharmaceutical depots in the regions to facilitate the supply process;
- ✓ Human resource capacity building;
- ✓ Adoption and application of the individual health statute; and
- ✓ Decentralization of human resource management in the health field.

Regarding financial accessibility

(1) With respect to state financing

- ✓ Continue to introduce indigents' funds, a form of support extended by the state to the poorest groups, commonly referred to as indigents, so as to promote their access to quality healthcare services. This form of assistance is based on subsidies intended to support healthcare structures directly in order effectively to cover the costs of caring for indigents; and
- ✓ Increase the level of state financing of healthcare and strengthen the mechanisms for managing the subsidy so as to improve transparency and thereby ensure that the resources effectively reach intended recipients.

In 2006, with UNDP support, a study was conducted on the basis of simulation models developed by the Millennium Project to estimate the costs of each intervention required for achieving the MDG targets by 2015.

Table 15: Overview of intervention costs, 2005 to 2015

Component	Total cost in millions of US\$	Annual per capita cost
Health system	333.9	2.54
Infant/child health	258.2	1.98
Maternal health	179.9	1.22
Malaria prevention	32.3	0.26
Malaria treatment	178.7	1.46
Tuberculosis	25.3	0.21
HIV/AIDS	40.3	0.31
Total	1,048.5	7.99

Source: MDG Report 2006.

Achieving the MDG targets by 2015 requires US\$1,048.5 million for the implementation of health interventions. This amount corresponds to roughly US\$8 per inhabitant per year.

The financing of the health sector poses enormous difficulties. Grants from the international community fall short of the budget items recorded. While tax receipts are up, nontax receipts are dropping from one day to the next. This means that the state has problems mobilizing funds for achieving the Millennium Development Goals (MDGs). Despite this situation, current contributions are of the following order:

- ✓ US\$60 million from the Global Fund over 5 years for combating malaria, tuberculosis, and HIV/AIDS;
- ✓ US\$13 million from the UNFPA over 5 years for maternal health;
- ✓ US\$17 million from UNICEF over 5 years for infant/child health;
- ✓ US\$25 million from the World Bank over 5 years for maternal mortality and infant/child mortality; and
- ✓ US\$10 million a year from budgetary resources.

Table 16: USAID and EU portfolio (in thousands of US\$)

Project and Program Titles	BUDGET		Donors/ Lenders
	2010	2011	
HIV/AIDS Program	2,000	2,000	USAID
Maternal and Infant/Child Health Program	2,500	2,500	USAID
Reproductive Health and Family Planning Program	3,000	3,000	USAID
Improvement of Urban Nutritional Security (ASANU)	3,735	2,912	EU
Total	11,235	10,412	

Source: USAID and EU.

(2) With respect to HIPC funds

- ✓ HIPC funds will be used to supplement the financing available for carrying out the measures contemplated.

(3) With respect to the mutual health associations

- ✓ The health insurance system (SAM) is based on a mechanism aimed at enabling the people to benefit from various forms of care, including through the National Social Security Fund, health insurance services offered by insurance companies, and the mutual health associations;
- ✓ Introduction of mandatory health insurance for public sector workers; and
- ✓ The development of mutual health associations at the community level and the level of the major corporations.

II. 3.3 Improving access to energy services on the part of people in rural and periurban areas

The rural areas of Guinea, where over 60 percent of the poorest live, are characterized by a particularly low rate of electrification, which scarcely exceeds 2 percent.

At this writing, in the country as a whole, 16 rural localities have power generation facilities, which open opportunities for the development of numerous economic and social activities (woodcraft, video clubs, telecom centers, etc.). These economic effects go hand in hand with environmental protection effects in terms of the use of fuelwood, although it is difficult to determine their magnitude.

The objective pursued by the government is to provide each of the 304 CRDs with a power production unit. To do so, the following measures are needed:

- ✓ Supporting the Rural Electrification Office (BERD);
- ✓ Promoting private initiative in the sector; and
- ✓ Exploring other energy sources, in particular clean or nonpolluting energy sources.

II.3.4. Improving access to safe drinking water



The objective set for 2010 was to increase potable water access to 90 percent at the national level, to 92.8 percent in urban areas, and to 77.9 percent in rural areas. However, owing to financing problems for the sector, the outcomes sought were not achieved.

On the basis of the conclusions of the study used to draw up the National Program for the Provision of Drinking Water and Sanitation (PNAEPA), it has been determined that the objective of providing access to safe drinking water for 77.9 percent of rural residents will be difficult to achieve. According to ELEP data, this ratio currently stands at 67.1 percent.

This said, there has been considerable improvement since the latest survey (CWIQ 2002), which determined that the drinking water access rate was 52.8 percent in rural areas and 62.3 percent nationally.

The government's efforts during the 2010-2011 period should be focused on implementing the National Drinking Water Supply and Sanitation Program (PNAEPA), the aim of which is to reduce by half, by 2015, the proportion of persons lacking access to safe drinking water and increase the service availability rate from 42.25 percent to 71.12 percent.

II.3.5. Improving housing and sanitation services

The strategic vision of the national housing policy is the creation of a healthy and secure living environment by promoting housing that meets the needs of the people in a perspective of effective, ecologically sustainable, and socially equitable economic development.

This vision is based on an in-depth assessment of the housing problems in Guinea, and is part and parcel of the international and national strategic frameworks.

These are the MDGs formulated in 2000, especially Goal 7 on ensuring environmental sustainability and Target 11, to have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers. In this context, Indicator 32 refers to the "proportion of households with access to secure tenure."

At the national level, the objective defined by the National Housing Policy (PNGHG) is to improve the living conditions of 75 percent of Guinean slum dwellers and substantially to increase the proportion of households with access to secure tenure.

The Government of the Republic of Guinea, under the auspices of the Ministry of Urban Planning and Construction, has produced a paper on the prospective outlook for housing (PNHG) covering the 2010-2021 period. The PNHG uses the dynamic of a prospective vision and is based on four major focal areas, namely:

a) Spatial and property development

The strategic focus in the area of spatial and property development involves achieving a balance between urban and rural centers and strengthening the regulatory powers of the property system in order better to guide the spatial development of land areas.

Implementation of this strategic orientation is supported by the following policies:

- ✓ Controlling the planning and development of the national space;
- ✓ Controlling the planning and development of the urban space.

b) New housing and its financing

With regard to new housing, the major focus is on the introduction of synergistic mechanisms conducive to efforts to ensure the large-scale production of decent housing at affordable costs, and thereby facilitate access on the part of the greatest possible number of Guineans.

In this area, the government's policies will be focused on:



- ✓ Introduction of a regulatory mechanism, and the adoption and enforcement of the provisions of the Construction and Housing Code;
- ✓ Creation of a bank specializing in housing finance; adoption of the charter of the National Housing Fund; strengthening the microlending networks benefiting the people; promoting the extension of banking services for household incomes;
- ✓ Introduction of mechanisms for controlling production and financing costs for improvements made possible by the National Housing Fund;

- ✓ Introduction of incentive measures for the production of improved lots and housing by the private sector, NGOs, and local communities;
- ✓ Providing standardized plans for low- and middle-income households.

c) Squatter communities and financing their elimination

The strategy consists in eradicating slums and other squatter communities in urban centers through urban restructuring and land tenure regularization, as well as by providing urban public facilities. This focal area also includes poverty reduction by improving the quality of the urban environment as a whole and bettering the living conditions of the people located at the sites concerned. Taken together, the operations initiated in this regard should make it possible fully to eliminate irregular housing in Conakry by 2021 and to reduce irregular housing areas in the other cities by 50 percent.

The intervention axes for this focal area will relate to:

- ✓ The renovation and rehabilitation of housing areas in older neighborhoods;
- ✓ The improvement of rehousing sites;
- ✓ The improvement of secure tenure for housing occupied by poor families in irregular neighborhoods;
- ✓ Computerization of the land registry, establishment of property plans, and collective registration of the sites concerned;
- ✓ Training the residents of irregular urban housing zones in trades;
- ✓ Developing microcredit targeted at the poorest population groups;
- ✓ Access to subsidized financing by poor families; and
- ✓ Inclusion of the poor populations living in irregular housing in the process of reaching decisions on city development.

d) Governance of the housing sector

The major focus of this topic is centered on the construction of an institutional architecture whereby all entities will be strengthened and properly equipped. This approach involves promoting democracy, the rule of law, transparency in planning, and property and space management. This in turn calls for strengthening the quality of public services, judicial governance, decentralization, and social dialogue.

Accordingly, this focal area entails a range of interventions for which the main policies are:

- ✓ Improving the institutional framework for sector management;
- ✓ Updating the legislative and regulatory framework;
- ✓ Introducing a training plan for institutional stakeholders;
- ✓ Introducing an Oversight and Inspection System, audits, and sanctions in the relevant agencies; and
- ✓ Effectively deconcentrating the procedures for access to property and construction permits.

To this end, the interventions proposed for 2011 are the continued implementation of the Third Urban Development Project (PDU3) and the strategic focuses of the national housing policy.

As regards housing: (i) the organization of States-General on land-related issues in Guinea; (ii) the identification and registration of land reserves in Conakry, Kindia, Labé, Kankan, and Nzérékoré; (iii) the introduction of a land and property registry information system with a view to improving the mobilization of local resources and securing access to property; (iv) establishing land plans aimed at securing poor land-owning households for two communes in Conakry; (v) restructuring three poor neighborhoods in Conakry and regularizing ownership and occupancy statuses, in particular for the poorest; (vi) improving slums in densely populated cities; (vii) building a test public housing unit in Conakry (studies); and (viii) the conduct of concerted improvement operations in two peripheral housing subdivisions in Guinea.

As regards sanitation, the measures will involve: (i) rainwater drainage in the city of Conakry in order to protect people and their property, in particular in underequipped housing areas; (ii) sanitation in poor neighborhoods in Conakry and in secondary cities, with intensive involvement of the people and the private sector; and (iii) the management of wastewater and household refuse.

On the institutional level, efforts will focus on (i) establishment of the Housing Bank and launching of the National Housing Fund; and (ii) capacity building in the urban planning and housing sector.

**Table 17: Costs of projects in the urban planning and housing sector from 2010 to 2012
(in millions of Guinea francs)**

Project Title	Year			Total	Donors/ Lenders
	2010	2011	2012		
Urban Planning and Housing					
Application of City Master Plans	1,400	2,434	1,291	5,125	BND
Third Water and Sanitation Project	15,150	8,500	-	23,650	IDA
Third Urban Development Project (Phase 2)	29,400	34,000	-	63,400	IDA
Reconstruction of Disaster Areas	14,614	3,000	3,000	20,614	ISDB
Inventory, Protect/Registr. Land Reserve Areas	49	809	539	1,397	BND
Renovation, Construction, and Outfitting of Buildings	-	5,000	-	5,000	BND
Rehabilitation and Paving of Conakry Road Segments	150	2,000	-	2,150	BND
Reconstruction Social Infrastructures in Southern Border Areas	13,500	-	-	13,500	ISDB
Rehabilitation of Public Buildings destroyed during strikes	-	10,000	25,000	35,600	EU
Improved Access to Conakry Neighborhoods	126	11,939	-	12,065	BND
Opening of Crossways for T5 north- T14 (Boundary Marking)	9,121	8,000	-	17,121	BND
Infrastructure/Equipment Ministry of National Defense	186,530	-	-	186,530	BND
Moussoudougou Sanitation	25,000	-	-	25,000	BADEA
Road network rehabilitation in districts of Hamdallaye, Dar Salam, and Cité de l'Air	25,000	2,150	15,000	42,150	BND
Improvement of Border Enclaves (Boké, Koundara, Siguiri, Kankan, Lola, Gueke, Faran, Foreca)	3,500	4,450	-	7,950	ECOWAS/ AfDB/AFD
Total	334,140	109,893	23,717	467,750	

Source: National Multiyear Investment Directorate.

II.3.6. Social protection

Given the inevitable risks and vulnerabilities of human existence, social protection measures are an essential aspect of life. Social protection is defined as the (formal and informal) private and public initiatives that interconnect men and women with job markets, reduce the risk exposure of persons, and improve their capacity to protect themselves against risks and income losses that jeopardize their current and future well-being. Social protection measures generally include labor market policies and programs, social insurance (pensions, unemployment, health insurance, etc.), social assistance and safety nets, as well as targeted

interventions aimed at promoting access to services on the part of poor communities and households. Family networks, community and religious groups, private insurance companies, and the public sector through social protection policies and programs, play a crucial role in risk management and provide responses to the inevitable and often random shocks of life.

The African Union issued the Livingstone “Call for Action” in 2006, calling upon all African countries to introduce sustainable basic packages of social protection programs.

With regard to the promotion of women, this will include taking, in the short and medium terms, priority actions for the 2011-2012 period. Among others, these include:

- ✓ Harmonization of the National Gender Policy with that of the African Union, and its finalization;
- ✓ Conduct of a diagnostic study on the financing of gender-related activities;
- ✓ Capacity creation and building for gender divisions at all ministerial departments;
- ✓ Capacity building for statistical and planning units in the gender area;
- ✓ Enhanced coordination capacity of the Ministry of National Solidarity and the Promotion of Women and Children;
- ✓ Capacity building of the Topic-based Group on Gender;
- ✓ Development of a multisectoral action plan for implementation of the National Strategy for Combating Gender-Based Violence;
- ✓ Publicizing and disseminating the implementing provisions of Law/L010/AN of July 10, 2000 on Reproductive Health;
- ✓ Signature of the draft Declaration banning the practice of genital mutilation;
- ✓ Adoption, promulgation, and publicizing of the draft revised Civil Code;
- ✓ Promulgation of the draft Law on Parity between Men and Women;
- ✓ Implementation of the Integrated National Program on the Literacy of Women;
- ✓ Capacity building for women on the management of microcredit;
- ✓ Increasing the National Support Fund for the Economic Activities of Women;
- ✓ Continued work to build and outfit centers for supporting self-help for women;
- ✓ Creation of a National Solidarity Fund;
- ✓ Development of a strategy for expediting the implementation of Resolutions 1325, 1820, 1888, and 1889; and
- ✓ Creation of a fund for the implementation of the 2009-2013 Strategic Planning for implementation of the afore-mentioned resolutions.

II.3.7. Promotion of culture

The government regards access to culture by the people as a requirement for the implementation of its development policy. In this regard, making the most of the national cultural heritage is an imperative, the achievement of which requires, on a priority basis, the conduct of a national inventory of the cultural heritage and the construction of cultural infrastructures and equipment.

PART III – IMPLEMENTATION, MONITORING, AND EVALUATION

Chapter 1. PRS Implementation

Implementation, monitoring, and evaluation are the most important stages in achieving the objectives of the Poverty Reduction Strategy (PRS). For this reason the government has, with support from its development partners, introduced an information system based on the monitoring and evaluation of poverty and the development of a matrix for monitoring actions under the PRS.

III.1.1. Guiding principles and stakeholder roles

Because the PRSP is the underpinning for negotiations between the government and development partners, it is governed by the same guiding principles as the PRSP-2, namely: participation, proximity, results, transparency, relevance, rapidity, subsidiarity, complementarity, synergy, job creation in particular for the poor and youth, sustainable development, and social justice.

The state, the development partners, and the other stakeholders will acquit their respective responsibilities by:



(i) Applying simplified disbursement procedures at the project and program level with a view to improving the resource absorption rate; (ii) harmonizing the interventions of development partners; (iii) interconnecting the state budget and the priorities under the PRSP; (iv) timely payment of debt service and counterpart funds; (v) strengthening dialogue between stakeholders; (vi) reforming the defense and security forces; (vii) eliminating extrabudgetary expenditure; (viii) mobilizing the people so they take ownership of the PRSP; (ix) taking actions in respect of facilitation, information, education, literacy, public awareness, and the dissemination of legal and regulatory

provisions; (x) support in mobilizing financial resources; (xi) the development of economic activities; (xii) contributing to wealth and job creation benefiting the poorest; (xiii) participation in PRS monitoring and evaluation; and (xiv) monitoring the execution of expenditure in favor of the priority sectors.

III.1.2. PRS implementation instruments and mechanisms

The instruments for implementing the PRS (2011-2012) will be the projects and programs being carried out. These include the Support Program for Village-Level Communities (PACV2), the Project for the Sustainable Socioeconomic Development of Upper and Middle Guinea (PDSD – HMG) which in 2010 was upgraded to an economic and social development fund, the Poverty Reduction Strategy Support Project (ASRP) financed by the GIZ, the *Faisons-Ensemble* Project and the ALP-GDO Project, and other sectoral programs and projects.

The monitoring and evaluation process for this PRSP will be iterative and evolutionary. The monitoring and evaluation mechanism and institutional arrangement defined for implementation of PRSP-2 could be improved and adapted as needs are identified, this while taking account of the capacity building of the various stakeholders enabling them to make effective contributions to the process through improved tools.

This means that these monitoring and evaluation mechanisms are based on what is now in place, thus requiring proper coordination, good matches between the various structures involved, better functioning, and proper refinement of the tools available for facilitating simulation of the impact of economic policies on poverty: MSEGUI, the ERETES module of MSEGUI-PAMS, etc.

In addition and as needed, numerous tools and/or mechanisms will be developed with a view to introducing a global monitoring and evaluation system as espoused by the National Statistical Development Strategy (SNDS).

III. 1.3 PRS financing and associated risks

III. 1.3.1. PRS financing

The core principle of PRS financing is that the state has to play a preponderant role in steering and driving the state and non-state stakeholders. To this end, efforts will be focused primarily on the mobilization of domestic and external resources. Thus, all possibilities will be explored for domestic financing: national private sector, grassroots communities, contributions from Guinean nationals, etc., so as considerably to reduce the country's high degree of dependence on external assistance.

However, external assistance will still be preponderant in the financing of our projects and programs aimed at reducing poverty. In this regard, special preference will be accorded to concessional loans and perhaps to foreign direct investment. Moreover, the funds obtained after reaching the HIPC completion point will constitute important resources for financing the strategy.

In addition, as the strategy is to put the MDGs into practice, the costs of implementing the strategy represent a portion of the resource requirements for achieving the MDGs in the period covered.

III.1.3.2. PRS financing risks

The economy of Guinea remains quite vulnerable owing to its strong dependence on external assistance, a sizable proportion of which is in loan form. It is therefore important to stress debt sustainability, the optimal utilization of development assistance resources, and institutional capacity building aimed at improved aid absorption.

At the same time, budgetary resources are excessively dependent on mining proceeds. Unanticipated disruptions in the prices of these products could jeopardize the country's capacity to cover the requirements of the PRS. In addition, although more precise costs of the PRS have yet to be determined, it is quite likely that the financing gap will be very large and impossible to cover from projected resources owing to: (i) the unpredictable nature and constraints of aid; and (ii) the narrowness of the national economic base owing to the weakness in nonmining resources and the preponderance of subsistence and informal activities.

Failure to observe the program commitments entered into with the Bretton Woods institutions would keep the country from benefiting from the HIPC Initiative and the MDRI, lowering the prospects for external financing and hence poverty reduction.

In addition, macroeconomic stability and the financing of PRS implementation could be negatively affected by the government's strategic expenditure requirements induced by the legislative and community elections of 2011. This situation could, however, be remedied by means of strengthened fiscal discipline and the resolve to meet the targets of monetary policy on the one hand, and also by the sound management of the resources provided by the partners in connection with the organization of these elections.

III.1.4. Institutional framework for implementation

Coordination of the implementation, monitoring, and evaluation of the PRSP will be provided by the institutional mechanisms used under PRSP-2.

At the national level, the topic-based group (*groupe thématique*) on monitoring and evaluation, which has 25 members, will be expanded in order to take the concerns of the other sectors into account. It will continue to meet periodically to take stock of progress made with strategy implementation. The other topic-based groups will be made more dynamic.

In the sectoral departments, sectoral PRS monitoring and evaluation units will be introduced; at the regional level, technical and financial capacity building will be carried out in the existing CTRSEs and the new CTPSEs will be established.

Chapter 2. Monitoring and evaluation

The monitoring and evaluation system put in place during PRSP-2 implementation, which was based on the principles and practice of the participatory approach, will be maintained and strengthened. The monitoring and evaluation depended largely on the activities of the "Monitoring and Evaluation" topic-based group, with support from the Technical Unit of the PRS Permanent Secretariat. This arrangement is supplemented by regional and prefectural units made up of all the stakeholders involved in PRS implementation.

III.2.1 Monitoring execution

Execution monitoring pertains to the physical and financial conduct of all actions and investment programs and projects identified and included in the poverty reduction strategy. The execution monitoring arrangement will be strengthened as follows:

- ✓ **The National Budget Directorate (DNB)** will be responsible for monitoring the execution of the Medium-Term Expenditure Framework (MTEF) and the program budget. It will ensure that this process is extended to all sectors and that the PRSP objectives are reflected in the national budget.
- ✓ **The National Directorates of Planning and the Economy** will be responsible for monitoring the execution of priority action plans through the execution of the projects and programs selected. To this end, they must: (i) ensure consistency among the strategies and interventions of donors and

lenders and those of the PRSP; (ii) produce and publish a half-yearly monitoring report with the outcomes and recommendations for changes in the PRSP should this prove necessary; (iii) contribute to the development of an evaluation capacity as a tool to aid decision-making and instrument for improving the efficiency of the public sector. The National Directorate of Planning, in partnership with the PRS Permanent Secretariat, will improve the MSEGUI tool to finalize its linkage with the macroeconomic simulator for poverty analysis (PAMS) so that the macroeconomic frameworks developed can provide reliable estimates of the poverty rate.

- ✓ **The National Directorates of Multiyear Programming and Public Investment** will be at the heart of the entire system for programming and monitoring public investments implemented under the PRSP. They will ensure that PRSP objectives are taken into account at budget programming conferences. Their experiences and tools for programming and monitoring the execution of all development projects throughout national territory position them particularly well to serve as the focal point in monitoring and evaluating PRS implementation. They will convey their annual monitoring reports to the PRS Permanent Secretariat with the outcomes and recommendations for changes in the PRSP should this prove necessary.
- ✓ **The National Directorate of the Public Debt and Official Development Assistance** will be responsible for monitoring ODA and HIPC resources and will ensure control of the domestic and external debt. It will submit a half-yearly report on the management of ODA and HIPC resources.
- ✓ **The National Directorate of International Cooperation** will be responsible for supporting the various structures in identifying and mobilizing financing from the development partners. It will submit a half-yearly report on the mobilization of external resources.
- ✓ **The Executive Secretariat of the National Anti-AIDS Committee (CNLS)** will be responsible for monitoring the execution of the National Strategic Plan for Combating HIV/AIDS; it will ensure that this pandemic is taken into account in the instruments for macroeconomic and sectoral planning.

III. 2.2. Monitoring impact

Steered by the National Statistical Institute (INS), impact monitoring will focus on analyzing the evolution of poverty and the living conditions of the people, doing so by: (i) implementing the Action Plan of the National Statistical Development Strategy, which will include all the surveys essential for monitoring household living conditions and poverty; (ii) gathering information on monitoring indicators for socioeconomic data; and (iii) developing a communication strategy.

Thus the INS, in addition to organizing a General Population and Housing Census (RGPH), will organize the population and health survey (EDS4), a quick survey for purposes of poverty evaluation with a view to updating the data on poverty.

In addition, the INS will introduce a database on the PRS monitoring indicators in collaboration with all the sectoral departments that produce statistical information. It will assume the mission of gathering, processing, analyzing, and disseminating monitoring indicators (see the annexed table) and surveys defined in the context of the poverty monitoring system.

To this end, an SNDS implementation report is produced half-yearly. The INS has already produced two progress reports, the first for 2009 and the second for 2009.

In addition, to ensure the participation of beneficiaries in the process and identify the impact of poverty reduction policies and programs, the Communications Unit of the PRS Permanent Secretariat will continue to publish the PRS journal and update its website with support from the development partners.

III.2.3. PRS evaluation

The evaluation will concern the PRSP (2011-2012), the extension of PRSP-2. The approach will include both a qualitative and a quantitative appraisal. A Steering Committee made up of all stakeholders in implementation will be put in place. In addition, the approach will be consolidated by capacity building in the area of internal evaluation, and a monitoring and evaluation strategy will be developed in order to enhance the efficiency of interventions by monitoring and evaluation units throughout the country.

III. 2.4. Monitoring indicators for the PRSP (2011-2012)

III. 2.4.1. Evaluation of triggers for the HIPC Initiative completion point

In the context of monitoring the program under the Poverty Reduction and Growth Facility (PRGF) concluded between the government and the Bretton Woods partners with a view to evaluating the performance recorded in implementing the Poverty Reduction Strategy Paper (PRSP) and reaching the completion point of the HIPC Initiative, ten key indicators have been identified. These ten indicators constitute triggers for the completion point, on which the PRSP places particular emphasis. They are:

In the health area:

- ✓ Increase in the vaccination rate of children at least 1 year of age (DTC3: diphtheria, tetanus, whooping cough) from 45 percent in 2000 to 50 percent in 2001, and 55 percent in 2002;
- ✓ Improvement in the percentage of pregnant females receiving at least one (1) prenatal consultation from 70 percent in 2000 to 80 percent in 2001 and 85 percent in 2002.

In the education area:

- ✓ Increase in the gross enrollment rate for primary school pupils from 56 percent in 1999 to 62 percent in 2001 and 71 percent in 2002, in which respect the gross enrollment rate of girls should be 40 percent in 1999, 51 percent in 2001, and 61 percent in 2002;
- ✓ Increase in the number of primary school teachers through new hiring of at least 1,500 a year for each year until reaching the HIPC completion point, this from an estimated base of about 15,000 primary school teachers in 2000.

In the area of governance and combating corruption:

- ✓ Introduction of a suitable regulatory framework for microcredit institutions;

- ✓ Availability to the public of a one-year progress report (showing resources and activities) for the ANBGLC;
- ✓ Auditing of all large contracts for amounts exceeding GF 100 million and publication of the audit findings on a quarterly basis.

In the PRSP area:

- ✓ Complete preparation of a PRSP on a participatory basis, and its satisfactory implementation for one year as borne out by the joint evaluation of the country's annual activity report;
- ✓ Improvement in baseline poverty and in surveillance capacity by conducting a survey to measure living conditions, which includes the establishment of poverty survey and poverty indicators, and a poverty monitoring system that involves the key stakeholders;
- ✓ Continued maintenance of macroeconomic stability, as evidenced by the satisfactory implementation of the PRGF program.

Six of these ten indicators have been achieved and efforts will need to be made to maintain them. The other four indicators will be subject to ongoing monitoring during PRS execution with a view to their achievement. To this end, records have already been submitted and others will be during the period.

(1) **Satisfactory PRSP implementation:** Lessons have been drawn from implementing PRSP 1 and PRSP 2 and incorporated in the course of preparing this PRSP. Consequently, it should, following its validation, benefit from a better sociopolitical climate than its two predecessors. Indeed, increased awareness of the harmful effects of poor governance and political instability, as well as the return to constitutional order and the interest shown by the technical and financial partners, bode well for successful implementation. This situation could, as planned, open possibilities for a credit arrangement with the IMF and ultimately a formal program with the IMF.

(2) **Macroeconomic framework:** The macroeconomic framework has suffered from the political instability prevailing in the country in recent years. Indeed, the PRGF program approved in 2000 was suspended in 2002. After the installation of the consensus government in 2007, a new PRGF-supported program was approved on December 21, 2007. However, despite the completion of a first program review in July 2008 and the launching of discussions on the second review in September 2008, work was interrupted after the military junta came to power on December 23, 2008.

However, the restoration of constitutional order, which will permit a return of the technical and financial partners, will constitute a considerable contribution to stability of the macroeconomic framework. Indeed, this new situation should enable the country to conclude a program and benefit from external assistance for financing fiscal deficits, with increased aid as well as community-level development projects. This could have the effect of eliminating or at least reducing monetary financing by the BCRG, ensuring stability of prices and the exchange rate of the Guinea franc in terms of the major currencies quoted in the Conakry market (the euro and the U.S. dollar), and make it possible to lay the groundwork for solid pro-poor growth. This trigger could be reached as a result of PRS implementation.

(3) **Governance:** This trigger basically pertains to the quarterly publication of the audits of the procurement contracts signed by the Government. In 2008, with support from the World Bank and IMF staff, a system of

quarterly audits based on a sample of large procurement contracts was introduced. The first audit report (covering 13 contracts and 20 percent of the procurement contracts for over GF 100 million signed in the first quarter of 2007) was published in October 2008. A project has been drafted with a view to initiating the second quarterly audit for major contracts. Implementation of this project is still suffering from the financial problems still facing the country.

(4) ***Prenatal consultations***: The end-2008 evaluation of the HIPC Initiative concluded that the trigger intended to increase the number of prenatal consultations for expectant mothers had not been satisfied. It is important to stress that this assessment is attributable to a problem with the reliability of the administrative statistical data in the health sector rather than a problem associated with achieving results. With respect to this issue, the statistics from pinpoint surveys have proven that the prenatal consultation rate has improved significantly since 2000 and stands at 88.2 percent in 2008. This improvement may be attributed primarily to the availability of infrastructure and equipment, human resources, management tools, and vaccines made available by the government with the support of its partners.

Indeed, between 2005 and 2007, seven (7) public health centers, two (2) maternity facilities, and ten (10) health posts were built. In the area of materials and equipment, twenty-five (25) health centers were provided with basic obstetrical, sterilization, and recovery kits. In addition, 86 percent of the health centers have been provided with motorbikes and/or bicycles for advanced strategies and thirty-two (32) districts have received new vehicles for supervision purposes.

As regards human resources, 329 health personnel have been recruited for the 18 poorest prefectures. The personnel providing prenatal consultations have been evenly distributed and numerous supervisory staff have received training. In addition, bonuses have been institutionalized for personnel providing vaccinations, public criers, and ambulance drivers for transporting patients with obstetrical problems in the poorest prefectures, which have also received equipment in the form of motorbikes.

In terms of vaccine availability, there has been no interruption in stocks since 2006. To solidify these gains in the poorest prefectures, the government has undertaken to continue its efforts through effective actions in the area of reproductive health.

III. 2.4.2. Outlook for reaching the HIPC Initiative completion point in 2011

Reaching the completion point in 2011 requires measures by the government to consolidate the gains made in terms of the triggers already deemed satisfactory, but especially the implementation of relevant measures aimed at improving outturns in respect of the triggers not yet reached. To do this, all stakeholders remain mobilized for the restoration of constitutional order, reform of the defense and security forces, and the consolidation of peace so as to permit satisfactory PRSP implementation and reaching the completion point.

(a) Improvement of results

The establishment of strong and transparent institutions after the presidential elections could make it possible to open discussions with the partners, in particular with the Bretton Woods institutions, with a view to rapidly drawing up a program supported by the PRGF. The proper and successful implementation of

such a program for a year would go a long way toward achieving the HIPC Initiative completion point in 2011.

Accordingly, alongside adequate PRSP implementation, the government will have to do everything it must to continue the quarterly audits by proceeding with the selection of large contracts. It should also continue the audits interrupted in late 2008.

Improving the rate of prenatal consultations depends upon the involvement all stakeholders (the government, health experts, multilateral and bilateral organizations, local communities, etc.). This coming together of synergies to find adequate solutions for improving the health conditions of expectant mothers and improving the system for collecting health information is an absolute necessity. Therefore, in view of the small amount of resources allocated to health sector (about 2 percent of the national budget), the government will be obliged to provide it with more resources.

Similarly, the strategic intervention for reducing maternal mortality needs to be publicized and complications properly addressed, especially those relating to pregnancies, and need to be strengthened through the creation of health mutual associations, the development of solidarity, and the sharing of risks at the community level.

In respect of the macroeconomic framework, the government should continue perfecting the various forecasting and analysis tools.

(b) Consolidation of gains

To maintain the results obtained in the education sector, emphasis will be placed on broadening access to basic education in conformity with the HIPC Initiative.

In the public health area, improving vaccination coverage against tuberculosis and tetanus entails intensification of the public awareness campaign and the mobilization of human and financial resources. To this end, the assistance of financial partners involved in combating the priority diseases need to be strengthened.

In view of the political and economic situation of the country over the past five years, the government has revised the trigger targets as follows:

In the health area:

- ✓ Increase the rate of prenatal consultations from 88.2 percent in 2007 to 90 percent in 2011 and 92 percent in 2012;
- ✓ Increase the rate of measles vaccine coverage from 65.4 percent in 2008 to 80 percent in 2011 and 82 percent in 2012.

In the education area:

- ✓ Increase the national gross enrollment ratio from 77 percent in 2009 to 90 percent in 2011 and 92 percent in 2012;
- ✓ Increase the girl/boy parity from 0.81 in 2008 to 0.83 in 2011 and 0.85 in 2012.

In the area of governance and combating corruption:

- ✓ Conduct and publish quarterly audits on public procurement contracts awarded in amounts exceeding GF 100 million and on public funds management;
- ✓ Prepare a progress report on the activities of the National Anti-Corruption Agency;
- ✓ Organize legislative and community elections in a transparent and credible manner.

In the PRSP area:

- ✓ Prepare a PRSP and implement it in a participatory and satisfactory manner;
- ✓ Produce half-yearly monitoring and evaluation reports on the PRSP;
- ✓ Conduct a survey aimed at improving the poverty database and the capacity to monitor socioeconomic indicators; and
- ✓ Pursue macroeconomic stability by the satisfactory implementation of a program supported by the Poverty Reduction and Growth Facility.

III.2.4.3. Other PRSP monitoring indicators

For purposes of ensuring the monitoring of the Poverty Reduction Strategy, an outcomes matrix has been developed which takes account of the chain of results for achieving the HIPC Initiative triggers and other sectoral objectives (see annexes). This matrix will include the PRS monitoring and evaluation indicators. Thereafter, these indicators will be exhaustively analyzed by developing metadata and an indicator monitoring report.

III.2.5. Implementation assumptions and risks

PRS implementation depends on endogenous and exogenous factors, among which are: (i) political instability at the national and subregional levels; (ii) poor governance in the management of public affairs, thereby prolonging the interruption in cooperation with our principal bilateral and multilateral partners; (iii) poor resource mobilization and failure to continue the process of deconcentrating and decentralizing public management, thereby depriving the deconcentrated and decentralized administrations of the resources necessary for financing their sectoral action plans and strategies; and (iv) instability of the macroeconomic framework, possibly generating social crises such as those experienced early this year.

Other no less important risks are associated with the failure to achieve ownership of the strategy and, as a result, the noninvolvement of the various stakeholders in its implementation. The ways and means whereby these risks can be minimized call upon all stakeholders in the various areas are identified below:

- ✓ **State:** (i) Consolidate democratic processes and gains; (ii) restore the macroeconomic framework; (iii) improve governance in the management of public resources; (iv) continue and strengthen the deconcentration and decentralization of public resource management; and (v) strengthen the efforts to combat HIV/AIDS.
- ✓ **Civil society:** The dynamic of intermediation and mobilization of the people will be continued to achieve its sense of ownership and the effective participation of the people in implementation.

- ✓ **Private sector:** The partnership with other stakeholders will be strengthened in order to determine the most stimulating framework for carrying out income-generating and job-creating activities.
- ✓ **Projects and programs:** Further thinking will be devoted to making project and program outcomes more in keeping with the strategic objectives of the PRS.
- ✓ **Beneficiaries:** The process of promoting PRS ownership to ensure the effective involvement of beneficiaries in PRS implementation will be strengthened.
- ✓ **Partners:** The development partners must support the government in rapidly reaching the HIPC Initiative completion point and in ensuring better coordination of their interventions.

ANNEXES

- I. THE GOVERNMENT'S PRIORITY ACTION PLAN
- II. MONITORING MATRIX FOR PRSP RESULTS
- III. MATRIX OF PRIORITY ACTIONS FOR PUBLIC FINANCE MANAGEMENT, FEBRUARY 17, 2011

I I. GOVERNMENT'S PRIORITY ACTION PLAN

No.	Policies/Objectives/Results/Activities	Structures responsible	Objectively verifiable indicators	Costs (GF millions)	Financing sources (GF millions)		Financing requirement
					BND	External	
POLICY I: GOOD GOVERNANCE				168,932.9	2,981.0	124,627.5	41,324.4
Objective 1: Improve good governance				141,989.0	2,981.0	124,239.0	14,769.0
<i>Result 1: State authority is restored and the local development process relaunched</i>				128,174.0	2,981.0	124,239.0	954.0
1	Organization of a national forum on the state of decentralization	MATD	LPNDDL validated	1,193.0	0.0	239.0	954.0
2	Allocation of operating appropriations to local administrations	MATD	LFI 2011, Appropriations effective	1,981.0	1,981.0		0.0
3	Resumption of suspended project activities (PACV, PDU3)	MATD	Initiation of projects	125,000.0	1,000.0	124,000.0	0.0
<i>Result 2: Sociopolitical dialogue strengthened with a view to pursuing electoral process</i>				15.0	0.0	0.0	15.0
4	Preparation of national reconciliation process	Office of Prime Minister	TORs available, legal provisions introduced				0.0
5	Recomposition of the CENI	MATD	Decree issued	15.0			15.0

Result 3: Process to revamp public administration launched				6,000.0	0.0	0.0	6,000.0
6	Launch of biometric census of civilian and military personnel	MTFP	Biometric file	6,000.0			6,000.0
7	Preparation of a national forum on the state of Civil Service on the topic of "Civil Service and Reform of the State"	MTFP	Stock-taking complete Reform program available				0.0
Result 4: Guinean diplomacy relaunched with development focus				7,800.0	0.0	0.0	7,800.0
8	Introduction of a dialogue and negotiation framework for partners and the government	MCI/M Planning MEF	Framework in place Many meetings held	800.0			800.0
9	International donors conference on Guinea: change in Guinean diplomacy with special emphasis on emerging countries, with a view to increased mobilization of financial resources for development	MCI/M Planning MEF/MAE	Conference held Volume of commitments made				0.0
10	Opening of embassies in emerging countries	PRG/MAE	Number of embassies opened				0.0
11	Preparation of forum for Guineans abroad	MDGE	HCGE constituted	7,000.0			7,000.0
12	Census of Guineans abroad	MDGE/MAE/MP	File exists				0.0
Objective 1.2: Improve economic governance				26,863.9	0.0	388.5	26,475.4
Result 1: Planning process relaunched and visibility of government action improved				24,505.8	0.0	388.5	24,117.3
13	Finalization of PRS 2011-2012	M. Planning	Document adopted	688.5		388.5	300.0
14	Introduction of monitoring and evaluation mechanism for the government's priority action plan	M. Planning	frequency of meetings	700.0			700.0
15	Preparation of Five-Year Plan 2011-2015	M. Planning	Plan available	3,000.0			3,000.0
16	Launching preparation of "Guinea, Vision 2035"	M. Planning	Vision drawn up	288.3			288.3

17	Completion of preparatory phase of the General Population and Housing Census	M. Planning	Documents finalized Financing mobilized	5,379.0			5,379.0
18	Strengthening of public media	M. Information	Reports	14,450.0			14,450.0
Result 2: Strengthened public finance management				1,302.0	0.0	0.0	1,302.0
19	Preparation and adoption of a budget for 2011	MEF/MDB	Formal budget available				0.0
20	Cash-based budget execution with rigorous compliance with cash flow plan	MEF/MDB	Frequency of compliance with cash flow plan				0.0
21	Streamlining of missions abroad, costs and lodging covered, as well as medical evacuations	MEF/MDB	Number of missions planned and carried out				0.0
22	Elimination of extrabudgetary revenue and expenditure operations and observance of cash unity principle	MEF/MDB	Revenue volume Number of accounts outside Treasury control				0.0
23	Rehabilitation of financial relations between the state and public enterprises (water, electricity, telephony, ARPT SOGEAC, Autonomous Port)	MEF, MDB, MACEF	Payments made				0.0
24	Effective application of government procurement code	MEF, MDB, MACEF	Share of contracts entered into in compliance with code				0.0
25	Elimination of ad hoc exemptions	MEF, MDB, MACEF	Volume of ad hoc exemptions				0.0
26	Redefinition of state's role in pilgrimages	MEF Islamic League					0.0
27	Evaluation of performance contracts of financial administrations	MEF, MDB, MACEF	No. of contracts evaluated				0.0
28	Securing of fisheries receipts (fishing royalties)	M Fisheries	Volume of fisheries receipts	1,302.0			1,302.0
Result 3: Exchange rate stabilized				0.0	0.0	0.0	0.0

29	BCRG intervention on exchange market	BCRG	Exchange rate				0.0
30	Review of foreign exchange regulations and, where appropriate, updating of legal and regulatory provisions with units concerned (BCRG, banks, MEF, Security)	BCRG	Effective application of exchange arrangement				0.0
Result 4: Strengthened control of public management and notable reduction in corruption				1,056.1	0.0	0.0	1,056.1
31	Evaluation of taxation position of the oil sector	MEF, MDB, MACEF	Report				0.0
32	Audit of strategic sectors (mines, telecoms, fisheries, Autonomous Port, energy and water, etc.)	MEF, MDB, MACEF	Report No. of inspections	548,1			548.1
33	Audit of government procurement contracts	MEF, MDB, MACEF	Percentage of contracts audited	508			508.0
Objective 1.3: Improve judicial governance				80.0	0.0	0.0	80.0
Result 1: Sector reform initiated				80.0	0.0	0.0	80.0
34	Organization of a national forum on the state of justice	M Justice	Paper on justice reform available	80.0			80.0
POLICY 2: COMBATING POVERTY				307,855.2	13,681.7	283.7	293,889.8
Objective 2.1: Strengthen food security				187,813.5	0.0	0.0	187,813.5
Result 1: Essential commodities and products made accessible to the people				187,813.5	0.0	0.0	187,813.5
35	Improve the supply of essential products (rice, vegetable oils, and others) to the people	MC/MEF/Office of Prime Minister	Stocks of commodities available Prices thereof	185,010.0			185,010.0
36	Introduction of a food security stock mechanism	MC/MEF/MDB/M. Agri					0.0
37	Rehabilitation of Conakry slaughterhouse	M Livestock		2,803.5			2,803.5
Result 2: Strengthened support for the activities of women				0.0	0.0	0.0	0.0
38	Launching the rehabilitation of markets in Conakry and regional capitals	MEE, MUHC, METPT	No. of markets rehabilitated				0.0

Objective 2.2: Improve the poor's access to basic social services				72,711.7	101.7	283.7	72,326.3
Result 1: Improved reproductive health and access to care				60,028.0	0.0	0.0	60,028.0
39	Entry into service of Kipé Specialized Hospital	M. Health	No. of patients received	4,700.0			4,700.0
40	Purchase and distribution of medicines for providing care in medical/surgical emergencies	M. Health	Stocks of medicines purchased and distributed	3,500.0			3,500.0
41	Purchase and distribution of 225,000 childbearing kits and 11,250 Caesarian kits to hospitals and health centers to make free provision of childbirth and Caesarian section care effective	MSHP	225,000 childbirth kits and 11,250 Caesarian kits purchased	28,828.0			28,828.0
42	Free access to prenatal care consultations	M. Health	Effectively free No. of patients consulted at no charge	23,000.0			23,000.0
Result 2: Instructional quality improved				12,683.7	101.7	283.7	12,298.3
43	Strengthened structures for training trainers	MESRS	No. of structures affected	10,000.0			10,000.0
44	Launch of study on the financing of higher education in Guinea	MESRS	Level of progress made with study	283.7		283.7	0.0
45	Launch organization of regional jobs and technical training fairs for 10,000 young people	MEFP	No. of fairs held No. of persons reached	1,000.0			1,000.0

46	Dialogue (fair) on implementation of a national forum on the state of education	MEPU	Discussion document	300.0	101.7		198.3
47	Validation of strategic plan for reducing illiteracy by 2020	M. Literacy	Paper	1,100.0			1,100.0
Objective 2.3: Improve living conditions of the people				22,450.0	12,450.0	0.0	10,000.0
Result 1: Household environment rehabilitated and secure				22,450.0	12,450.0	0.0	10,000.0
48	Census, registration, and securitization of state lands and land reserves	M Urban Planning	File	5,000.0	5,000.0		0.0
49	Clean-up campaign in Conakry and cities in interior	MEE, MUCH, METPT	No. of campaigns conducted	10,000.0			10,000.0
50	Completed construction of waste water purification station in Conakry (3 rd PEA)	M. Urban Planning	Degree of completion of station	3,850.0	3,850.0		0.0
51	Completion of construction at sanitation works for the site of the Moussoudougou interchange	M. Urban Planning	Surface area cleaned	3,600.0	3,600.0		0.0
52	Organization of dialogue among all stakeholders in the solid waste collection area	MEEE, MUCH, METPT, MATD	Dialogue held Paper				0.0
Objective 2.4: Promote youth employment				24,880.0	1,130.0	0.0	23,750.0
Result 1: A framework for youth employment promotion is created				11,800.0	200.0	0.0	11,600.0
53	Organization of training seminars for 200 youths on job-seeking techniques	MJEJ	No. of youths trained and employed	200.0	200.0		0.0
54	Sessions for dialogue on youth employment	MJEJ	Reports	600.0			600.0
55	Support for the creation and financing of microprojects for youths	MJEJ	Reports	11,000.0			11,000.0

Result 2: Supervisory capacities for youth sports are strengthened				13,080.0	930.0	0.0	12,150.0
56	Surfacing athletic track at the 28 September Stadium	MS	Area surfaced	900.0	900.0		0.0
57	Improvement of a multidisciplinary field in the Bambéto-Cosa axis	MS	Field improved	150.0	0.0		150.0
58	Improvement of multisport areas	MS	Areas improved	12,000.0			12,000.0
59	Preparation of legal texts creating the Sports Arbitration Tribunal	MS	Text adopted	30.0	30.0		0.0
POLICY 3: DEVELOPMENT OF INFRASTRUCTURE				498,676.1	134,003.1	0.0	364,673.0
Objective 3.1: Improve access to water and electricity				188,635.1	8,803.1	0.0	179,832.0
Result 1: Institutional reforms in the sector have begun and fraud considerably reduced				0.0	0.0	0.0	0.0
60	Creation of antifraud brigades and securing of electrical facilities	MEE	Effectiveness of brigade No. of officers mobilized				0.0
61	Establishment of a management committee and interministerial monitoring committee for the EDG and SEG	MEE	Committee reports				0.0
Result 2: Electricity production capacities strengthened and the transport and distribution grid improved				170,136.0	0.0	0.0	170,136.0
62	Reconditioning of the 110kV Donkéah - Grandes Chutes line	MEE	No of pylons installed	3,968.0			3,968.0
63	Strengthening of source posts (Tombo, Matotom and Sonfonia)	MEE	No. of posts strengthened	6,167.0			6,167.0
64	Provision and installation of 3,500,000 low consumption lamps	MEE	No. of lamps installed	52,776.0			52,776.0
65	Addition of leased thermal capacity	MEE	Service level	22,462.0			22,462.0
66	Purchase of petroleum products for groups	MEE-EDG	Service level	84,763.0	0.0		84,763.0

Result 3: Drinking water production and distribution capacities strengthened				18,499.1	8,803.1	0.0	9,696.0
67	Purchase of 16 200- 400 KVA power generators for use in supplying water to cities in interior	MEE	No. of generators purchased and functional in these cities	8,803.1	8,803.1		0.0
68	Connection of Lake Sonfonia water treatment station to the priority electrical grid of Sonfonia University	MHE	Station connected	9,696.0			9,696.0
Objective 3.2: Improve transport and telecommunications infrastructures				310,041.0	125,200.0	0.0	184,841.0
Result 1: Transport infrastructures improved				301,041.0	125,200.0	0.0	175,841.0
69	Campaign to eliminate critical points on national highways	MTPT	Km of highways affected	24,000.0			24,000.0
70	Manual sectioning of 2,300 km of the surfaced network	MTPT	Km sectioned	6,000.0			6,000.0
71	Restarting paving work on the Matoto-Enta-Dapompa segment	MTPT	Km of roads affected	150,000.0	125,200.0		24,800.0
72	Rehabilitation and paving of road segments to Conakry and in cities of the interior	MTPT	Km of roads rehabilitated	75,000.0			75,000.0
73	Resumption of work on T 5 South crossings and Enta Sonfonia crossover	MTPT	Km covered	45,875.0			45,875.0
74	Rehabilitation of Bantala Ferry in Gaoual	MTPT	Ferry rehabilitated	166.0			166.0
Result 2: Public transport supply improved				9,000.0	0.0	0.0	9,000.0
75	Increase in number of buses available on the SOGUITRANS network	M. Transport	No. of buses put back on network	3,000.0			3,000.0
76	Resumption of Conakry highway signaling work	M. Transport	No. of signals installed	6,000.0			6,000.0
POLICY 4. ECONOMIC DEVELOPMENT AND EXPANSION				207,209.7	550.0	24,000.0	182,659.7
Objective 4.1: Promote development of the mining sector				206,709.7	550.0	24,000.0	182,159.7
Result 1: Agricultural production improved				205,377.0	500.0	24,000.0	180,877.0

77	Support for 2011/2012 crop year	M. Agri	Fertilizer quantity provided Quantity of seed distributed Production volume	205,377.0	500.0	24,000.0	180,877.0
Result 2: Legal and institutional framework of mining sector improved				1,332.7	50.0	0.0	1,282.7
78	Definition of a new mining policy (Policy Declaration)	M. Mining	Document	50.0	50.0		0.0
79	Revision of mining code	M. Mining	Document	1,282.7			1,282.7
Objective 4.2: Promote the development of trade				500.0	0.0	0.0	500.0
Result 1: Reform of private sector initiated				500.0	0.0	0.0	500.0
80	Organization of a national forum on the state of the private sector	MIPME M.Commerce MEF	The national forum held No. of participants	500.0			500.0
81	Inventory of and status report on idled factories	MIPME M.Commerce MEF	File Individual files				0.0
82	Renovation of consular chambers	MIPME M.Commerce MEF	No. of chambers renovated	320.7			320.7
83	Establishment of a plan for the reliable delivery of petroleum products in light of storage capacity and stock turnover velocity	M. Commerce	Delivery frequency				0.0

POLICY 5: DEFENSE AND SECURITY				25,030.0	0.0	0.0	25,030.0
Objective 5.1: Implement the reform of the defense and security forces				0.0	0.0	0.0	0.0
Result 1: The legal and institutional framework for the reform is in place				0.0	0.0	0.0	0.0
84	Review of the recommendations of the security sector evaluation report	M. Defense M Security	Document, Letter				0.0
85	Creation of the National Steering Committee for Security Sector Reform (Army-Police-Justice)	PRG/PM	Decree issued				0.0
86	Updating of the National Defense Policy	M. Defense M Security	Document				0.0
87	Creation of National Defense Council	PRG/PM	Decree issued				0.0
88	Reorganization of Police and Civil Protection services	M Security	Document adopted				0.0
Result 2: Improvement in civilian-military relations							
89	Removal of military and mixed roadblocks	M Security M Defense/Others	No. of roadblocks eliminated				0.0
90	Prohibition on use of the defense and security forces by private entities and individuals	M Security M Defense/Others	No. of officers demobilized by private economic operators				0.0

Objective 5.2: Guarantee the security of persons and property				25,030.0	0.0	0.0	25,030.0
Result 1: Living and working conditions of security forces improved				25,030.0	0.0	0.0	25,030.0
91	Completion of two (2) buildings (R+3) on behalf of the Directorate General of National Police	M. Security M. Urban Planning	No. of buildings completed	2,000.0			2,000.0
92	Completion of construction of barracks for the Mobile Intervention and Security Companies (CMISs) of ENTA (Conakry), Kankan, Kindia, Nzérékoré, Labé, and Kagbélén	M. Security M. Urban Planning	No of barracks completed	21,280.0			21,280.0
93	Completion of construction for the Fire and Emergency Services of Kindia and Labé	M. Security M. Urban Planning	No. of fire stations constructed	1,750.0			1,750.0
GRAND TOTAL FOR 100 DAY ACTION PLAN BUDGET				1,207,704.0	151,215.8	148,911.2	907,576.9

	Core actions
	Actions with no budgetary impact

II. MONITORING MATRIX FOR PRSP RESULTS

General Objective: Reduction in poverty rate from 58 percent in 2010 to 56 percent in 2012

Strategic objectives	Indicators of medium-term results (with reference data and targets)	Short-term results indicators	Reference 2010	Target 2011	Target 2012	Priority actions
Overall objective of the strategy						
Significantly reduce the poverty rate	Reduction in poverty rate from 58% in 2010 to 56% in 2012	Increase the share of the poorest quintile in total consumption from 7.8% in 2007 to 10% in 2012	7.8%	8.2	10	Increase workers' incomes Lower foodstuff prices
Strategic Policy I. Improved governance and institutional and human capacity building						
Improved transparency in the management of public affairs and combating corruption	Increase in proportion of public procurement contracts audited	% of procurement contracts for over GF 100 million audited and published quarterly	20	40	50	. Conduct and publish quarterly audits on procurement contracts awarded in the amount of over GF 100 million and on the management of public funds . Draw up the public procurement award framework (CPAR)
	Reduce the incidence of corruption	Annual report on the activities of the National Anti-Corruption Agency published	Yes	Yes	Yes	Prepare a progress report on the activities of the National Anti-Corruption Agency . Conduct a study to establish the level of corruption in the country
		. Anti-corruption law drafted and approved				Yes
Improved political and democratic governance		Legislative and community-level elections organized	Presidentials	Legis-lative	Communal and community-level	. Organize legislative and community-level elections in a transparent and credible manner . Build the capacities of the Constitutional Court and Audit Office as independent jurisdictions

Strategic Policy II. Accelerating growth and creating job opportunities for all						
Maintain macroeconomic stability	Increase the rate of growth of per capita GDP from -1.3% in 2010 to 2.2% in 2012	Annual average inflation rate	20.8	17.1	5.3	Improve the functioning of the exchange market .Limit budget deficit financing using Treasury bills . Satisfactory implementation of a program supported by the Poverty Reduction and Growth Facility
		Gross foreign assets in months of goods and services imports	0.5	1.5	2.9	. Improve the functioning of the exchange market . Limit budget deficit financing using Treasury bills in accordance with BCRG Charter
		Balance (excl. grants) on commitments basis, in % of GDP	-11.7	-5.1	-2,6	. Relaunch MTEF Units and broaden their coverage to all Departments . Prohibit all ad hoc exemptions and strengthen oversight of conventional exemptions
		Outstanding debt as % of GDP	67.0	64.8	57.5	. Restructure debt that favors investment in priority sectors
Improve growth of the agricultural sector	Increase agricultural growth from 4.1% in 2011 to 5.7% in 2012	Production of local paddy rice and other food products (metric tons)	1,466	1,806	2,000	Improve production factors and means of production (land, inputs, seeds, technologies, training, working methods, information)
		Significant increase in herd size, milk and egg production	65,016	70,000	75,000	Improve livestock input factors Enforcement of effort to combat rustling Enforcement of effort to combat foot and mouth and epidemiologic diseases Stabilize short-cycle producers
		Increase in supply of animal protein and revenue mobilization	99,200	99,308	99,420	Improve trade, jobs created, and food availability Organize fisheries research Strengthen efforts to combat illegal fishing
Maximize mining revenues	Increase the growth rate of the mining sector	Investment volume of mining projects				. Clean up the mining cadastre . Revise the mining code and standard mining convention

	from 1.1% in 2010 to 1.8% in 2011, and 4.6% in 2012					. Examine conventions with a view to the possibility of renegotiating them, in the interest of the public treasury
Promote the private sector and employment	Increase the value added of the manufacturing sector from 1.2% in 2010 to 4.4% in 2011	. No. of days required to register an enterprise	20	15	10	. Improve business climate . Creation of a one-stop shop for creating businesses and corporations . Develop a strategy for promoting the private sector . Revision of the investment code
Development of basic economic infrastructures	Increase rate of growth of the energy sector from 1.2% in 2010 to 6.2% in 2011 and 7.4% in 2012	. Electricity generation in MW	660	700	750	. Installation and rehabilitation of new thermal power plants . Revise the petroleum code and its implementing provisions
	Increase in % of population with access to electricity from 18.1% in 2007 to 20% in 2012	. Km of electricity grid rehabilitated and developed				. Rehabilitate and extend the MT/LT distribution grid to Conakry, Nzérékoré, Kankan, Faranah, and Labé
Strategic Policy III. Improved access to quality social services						
Improved access to quality education for all	Increase primary school completion rate from 58% in 2009 to 72% in 2013	Gross enrollment ratio in primary school	76%	80%	85%	. Provide schools with essential inputs (furniture, textbooks, guides, etc.) . Restore functionality of damaged or seriously deteriorated school infrastructures . Ensure that teachers receive initial and continuing training . Strengthen the institutional capacity of the gender and equity committees in the education area
		Girl/boy parity in primary school	0.82	0.83	0.85	
	Increase adult literacy rate from 35.8% in 2008 to 44% in 2014	No. of adults taking literacy and nonformal education classes	35,000	40,000	50,000	. Develop literacy and nonformal education centers
Improved access to health and	Reduction in mortality of	Rate of DTC3 vaccination coverage	80%	82%	85%	. Ensure vaccine availability and storage capacity (cold chains)

nutrition services on the part of the people	children under 1 year of age from 98 per 1,000 in 2005 to 50 per 1,000 in 2015					. Improve health staffing and personnel logistics in rural areas . Cover poor and isolated areas using door-to-door vaccination
		Rate of measles vaccine coverage	80%	81%	82%	
	Reduction in maternal mortality from 980 per 100,000 live births to 220 per 100,000 live births from 2003 to 2015	Rate of prenatal consultations	88%	90%	92%	. Extend emergency obstetrical and neonatal (SSONU) services to basic health facilities . Facilitate referrals of expectant mothers . Improve technical baselines in referral services
	Percentage of childbirths assisted by qualified personnel	46.1%	48.2 %	50%		
	Hold HIV/AIDS seroprevalence below 1.5% by 2015	% of expectant mothers screened for HIV/AIDS	1.4%	1.3%	1.2%	. Extension of voluntary HIV/AIDS screening and counseling sites . Implementation of the strategy for combating the feminization of HIV/AIDS
	Reduce malaria-specific mortality by 40% from 2005 to 2015	Rate of use of treated mosquito netting	8.3 %	10%	13%	. Ensure the availability and community-level distribution of mosquito netting . Ensure coverage of uncomplicated malaria cases at the community level
	Reduce tuberculosis-specific mortality by 50% from 2003 to 2015	Tuberculosis screening rate	63%	66%	70%	. Ensure extension of the directly observed therapy (DOT) program to the community level
	Reduce the prevalence of failure to thrive among children under age 5 from 26% in 2005 to 13% in 2015	Percentage of children suffering from chronic malnutrition	40 %	37%	30%	. Introduction of the health and nutrition program in poor areas
		Percentage of children suffering from severe chronic malnutrition	20.7%	18%	15%	Introduction of the health and nutrition program in poor areas

Improved access to safe drinking water	Increase the proportion of persons with access to safe drinking water from 67.1% in 2010 to ... % in 2015	Rate of water service (in urban and rural areas)	42%	46%	50 %	. Implementation of the National Water Supply and Sanitation Program (PNAEPA)
Improved housing and sanitation services	Increase in proportion of households with healthy waste water evacuation from 1.1% in 2007 to 10% in 2015	Proportion of households with access to healthy waste water evacuation	1.1%	3%	5%	. Continue implementation of the Third Urban Development Project (PDU3) and the strategic focuses of the national housing policy
Extension of social coverage	Increase in coverage rate of social protection from 3% in 2010 to 50% in 2015	Number of persons with CNSS social insurance	3%	5%	7.5%	Develop the national social protection policy Build capacities at the CNSS Introduce mutual assistance and supervision structures for vulnerable groups

Sources: Macroeconomic framework of March 26, 2011 and topic-based groups on PRS monitoring and evaluation.

MATRIX OF PRIORITY ACTIONS FOR PUBLIC FINANCE MANAGEMENT, February 17, 2011

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
Policy 1 – Strengthened coordination and monitoring of economic and financial reforms							
1	Launching of the mechanism for steering, monitoring, and executing the economic and financial reforms	Introduction in the Office of the Minister of the MEF of a permanent secretariat responsible for steering and monitoring economic and financial reform projects and programs. It will supervise Project Coordination and Execution Unit, supported by institutional support programs under way (PADIPOC/ PARCGEF), which will be made available to all TFPs.	MEF / Office of the Minister	Technical assistance (TA) Logistical support	To be indicated	AfDB / WB / EU / UNDP / AFD	March 15, 2011
1 bis	Introduction of a technical assistance coordination mechanism	Establishment of TA to coordinate donor/lender efforts in the public finance area and to ensure a linkage with real needs in the ministries/departments concerned. The TA will work as part of the government's steering mechanism and in close cooperation with the TA planned under the PARCGEF.	MEF / Office of the Minister	TA	To be indicated	EU	May 1, 2011
Policy 2 – Improvement in budget process							
2	Revise the organic law on budget laws (LORLF) to ensure gradual convergence with international standards	Text prepared but not finalized / <i>Revise the LORLF to ensure gradual convergence with international standards. Adapt training manuals and application guides relating to the basic texts on public finances.</i> Plan to include revenue from oil and mining activities (especially direct and indirect taxation) in the budget law	MEF / DNB	TA /study	100,000	WB /IMF	September 1, 2011
3	Revise the Budget Nomenclature: Economic and functional classification	Almost finalized with AFRITAC assistance; necessary in order to facilitate development of the project to design the PICOT accounting application / <i>Conduct a comparative study of the not yet finalized Nomenclature in light of international public finance standards and</i>	MEF / DNB	TA /study	50,000	WB / IMF	September 2, 2011

¹³ Indicative.

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
		<i>identify deviations. Revise the Budget Nomenclature to ensure gradual convergence with international standards. Adapt the training manuals and application guides relating to the basic texts on public finance.</i>					
4	Design of a budget preparation model	Current tool developed in an Excel spreadsheet does not take revenue forecasts into account / <i>Development of a model that incorporates data from macroeconomic and PRSP frameworks and which allows for automated budget preparation. Development of guides and manuals for the use of this tool. Devise a system for preparing a monthly cash flow plan and thereby facilitate the commitments planning process.</i>	MEF / DNB	TA /study / equipment	375,000	AfDB /IMF	December 1, 2011
5	Enhance the transparency and comprehensiveness of budget management	No midterm review of the budget has been conducted. 112 contracts signed in 2010, almost all without competitive tender, account for GF 4,000 billion, or 81% of the 2010 budget. A limited review was carried out. A schematic report was drawn up to report on budget execution / <i>Improve the framework of the midterm review of budget execution; make it a permanent feature for forthcoming fiscal years.</i>	MEF / DNB	TA	To be indicated	AfDB	September 2, 2011
6	Prepare Budget Execution Laws (<i>Lois de Règlement</i>)	The last budget execution law is for 2004. Expenditure without prior payment authorization in 2005 and 2006 causes problems with clearing the provisional charging accounts. Corrective measures taken in 2010 / <i>Introduce a methodology for settling accounts so as to catch up on time lags and permit preparation of budget execution laws / Observe normal expenditure execution procedures.</i>	MEF / DNB	TA	To be indicated	IMF	September 2, 2011
7	Improve the preparation of macroeconomic forecasts	The current MSEGUI system does not integrate all components required for proper macroeconomic forecasting / <i>Update economic simulation model to allow in particular for highlighting poverty indicators.</i>	MPC / DNP	TA / Equipment	300,000	AfDB	June 1, 2011

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
8	Revise the General Regulation on Government Accounting to ensure gradual convergence with international standards	Text prepared but not finalized / <i>Conduct a comparative study of the unfinalized RGCP in light of international public finance standards and identify all gaps. Revise and adapt the RGCP to ensure migration toward international standards. Adapt training manuals and application guides on the basic public finance texts</i>	MEF / DNTCP	TA / Study	50,000	WB / IMF	September 1, 2011
9	Revise Government Chart of Accounts (PCE) to ensure gradual convergence with international standards	Internal validation completed / <i>Conduct a comparative study of the unfinalized PCE in light of international standards and identify all gaps. Revise and adapt the PCE to ensure gradual convergence with international standards. Harmonize the budget and accounting nomenclature. Finalize the conversion table for the TOFE and the Treasury's management indicators</i>	MEF / DNTCP	TA / Study	50,000	WB / IMF	September 1, 2011
Policy 3 – Improve government revenue							
10	Converge toward introduction of a Treasury Single Account	Numerous initiatives with mixed results as regards closing so-called “satellite” accounts. New accounts opened in 2009. Conduct quarterly inventory of accounts in a framework of dialogue (commercial banks, Treasury, and central bank). <i>Continue the introduction of performance contracts with the ministries collecting government revenue. Analyze the option of introducing annexed budgets and/or special earmarked Treasury accounts for the management of special situations in accordance with the Budget Law. Set a deadline for closing accounts and impose penalties in the event of violations.</i>	MEF / DNTCP	TA	To be indicated	WB / EU / IMF	March 1, 2011 In progress An account inventory has been carried out as shown by the draft version of the inventory report dated February 18, 2011. This identified 1,823 accounts. The report specifies the

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
							actions needed for convergence with the CUT
11	Evaluation of tax system	The tax system has a number of constraints with regard to local taxation, the exemptions granted to particular sectors, and the preponderance of the informal sector. <i>Conduct a diagnostic study of the existing system to identify alternative actions which might improve the efficiency and equity of the system / Relaunch the tax appeals commission created by decree in 1998 / Plan and conduct tax audits.</i>	MEF / DNI	TA / Study	250,000	AfDB / France	June 1, 2011
12	Sign and carry out performance contracts	The performance contracts should be more detailed. In this regard, best practices in other countries may provide a source of inspiration. <i>Prepare a performance contract with the DNI for 2011.</i>	MEF / DNI	TA / Equipment		AfDB	June 1, 2011
13	Revision of General Tax Code	The latest version of the General Tax Code dates from 2005 and does not include the measures espoused in successive Budget laws / Revision and updating of the General Tax Code	MEF / DNI	TA		AfDB	June 1, 2011
14	Mining sector's contribution to government revenue	Conduct an institutional audit of the MMG Support for the conduct of a study on the mining sector's contribution to the national economy Study on harmonization of the community development approach Support for the preparation of a mining policy	MMG/ MEF	TA	300,000	AfDB	December 2, 2011
15	Revision of Mining Code	New mining code being prepared. <i>Finalize the new Mining Code and prepare implementing provisions</i>	MMG	TA	150,000	AFD	December 2, 2011
16	Reform petroleum legislation	<i>Support for drafting a petroleum code and its implementing provisions.</i>	MMG	TA	150,000	AfDB	December 2, 2011
17	Support for transparency	Support for implementation of Guinea's EITI action plan	MMG	TA	641,000	AfDB	December 2, 2011

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
	and improvement of business climate in the mining sector						
18	Support for modernization of mining sector management	Update mining cadastre <i>Provide the MMG with material resources and training in skills for mining sector management</i>	MMG	TA / Training	456,000	AfDB	December 2, 2011
19	Contribution of forestry and wildlife sector to government revenue	Support for conduct of a study on the contribution of the forestry and wildlife sector to the national economy Support for developing a forestry and wildlife policy Support for revision of the forestry and wildlife code	MEEFDD	TA / Training	600,000	AfDB	December 2, 2011
20	Reform of customs legislation	Provide assistance for the adaptation of customs legislation to give consideration to the transaction value of merchandise in accordance with GATT VII – WTO	MEF / DGD	TA	To be indicated	AfDB /EU	June 1, 2011
21	Update customs nomenclature	Provide assistance for migration from the 2002 version to the 2007 version of the Tariff	MEF / DGD	TA	To be indicated	AfDB /EU	June 1, 2011
22	Modernization of the customs information system	Migrate from ASYCUDA++ system to ASYCUDA World	MEF / DGD	TA / Equipment	To be indicated	AfDB / EU	June 1, 2011
Policy 4 – Streamlining expenditure							
23	Expenditure chain	Expenditure chain not deconcentrated. At present, the DAFs and CFs of the ministries need to go to the MEF to initiate commitments and give approvals / <i>Deploy the Expenditure Chain application in the pilot ministries (provisional cost of US\$30,000 per ministry plus</i>	MEF / DNB	TA	500,000	IMF	January 3, 2012

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
		<i>one satellite office).</i>					
24	Improve CF deconcentration	Deconcentration in progress. Financial Controllers (CFs) in place in all ministries at central level, but extra efforts needed in some spending ministries to achieve greater efficiency. No CFs at the prefectural level, and roles is performed by the DPEF in 16 of 13 prefectural directorates / <i>Increase the number of Financial Controllers in largest spending ministries (Education, Health, Infrastructure). Appoint Financial Controllers in prefectural directorates and provide them with resources for performing their duties).</i>	MEF / DNCF	TA		WB	January 3, 2012
25	Have CF carry out prior oversight of expenditures and regulatory actions	The abuse of expenditures without prior payment authorization (DSOPs) contributed to disregarding Financial Controllers as regards a priori control of expenditures and services rendered. Absence of market price listings for performing effective ex ante controls. Commission in place at the National Procurement Directorate for initiating the procedure for updating the listings / <i>Reduce exceptional procedures by restoring the normal procedure for expenditure execution and revise the order permitting simplified procedures. Reassess the advisability of maintaining the mechanism for updating price listings at the level of the National Procurement Directorate instead of the National Financial Control Directorate</i>	MEF / DNCF	TA	100,000	WB	March 1, 2011 Two draft orders (restoring the normal budget execution procedure, including the central role of the CF and strictly limiting use of the exceptional procedure have been drawn up
26	Update the CF manual of procedures, including background documentation nomenclature,	Manual of procedures, and Background Documentation Nomenclature developed, but in early form / <i>Update and adopt manual of procedures, control guide and nomenclature of background documentation to ensure gradual convergence with international standards.</i>	MEF / DNCF	TA	50,000	WB / IMF	June 1, 2011

	Measure	Progress to date / Actions to be implemented	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
	to ensure gradual convergence with international standards						
27	Strengthen oversight of services provided	Oversight of services not operative owing to lack of logistical resources / <i>Provide the unit responsible for oversight of services provided within the DNCF with the resources necessary for performing its assigned tasks. Draw up a half-yearly report on oversight of services provided. First report should cover the first half of 2011 and be submitted by end-August 2011.</i>	MEF / DNCF	TA	300,000	WB	January 3, 2012
28	Prepare General Balance Sheets of the Treasury and Budget Execution Laws	General Balance Sheets drawn up with sizable balances in provisional charging account. No Budget Execution Law has been prepared since 2004. Unit established in Treasury for regularization of suspense accounts / <i>Introduce a methodology for regularizing accounts to make it possible to overcome the lag (e.g.: obtain agreements and maturity notices for payment of the external debt –Title 1)and the preparation of reliable Balance Sheets and Budget Execution Laws. Observe normal procedures for expenditure execution.</i>	MEF / DNTCP	TA / Study		IMF	September 1, 2011
29	Clear domestic debt arrears and the debit balance of the Treasury with the BCRG	Increase in the stock of domestic debt arrears during exception period. Existence of a sizable Treasury debit balance with the BCRG, for about AGF 5 billion, for which a clearance protocol has been signed / <i>Conduct a domestic debt audit and gradually clear this debt. Implement the protocol with the BCRG and conduct an audit to attest to the accuracy and correct calculation of the debit balance.</i>	MEF / DNTCP	TA	100,000	AFD /IMF	June 1, 2011
30	Conduct	Audits for first 2 quarters of 2007 completed in	MEF / IGF	TA	100.000	AfDB	March 1,

	Measure	Progress to date / <i>Actions to be implemented</i>	Ministry / Directorate	Instrument	Estimated cost in US\$	Financing source ¹³	Priority /deadline
	quarterly audits of government procurement contracts	collaboration with IGF. Contract audit should be launched after mid-July unfreezing by PADIPOC (AfDB project) of GF 508 million. Multidisciplinary teams established and terms of reference already established . Scope of audit extended to include contracts for 2008 and 2009 (392 contracts for roughly GF 3,600 billion, almost all without competitive bids) and 2010 (first two months 112 contracts begun for GF 4,000 billion). / <i>Validate sample to be audited with donors/lenders. Launch procurement contract audits taking account of WB/AfDB comments on initial reports.</i>					2011 Audit of 2009 and 2010 contracts nearing being finalized

31	Introduce the risk auditing approach and ensure that examiners receive training	Approach not based on risks. <i>Include Guinea in the Africa regional program for risk-based auditing</i>	MEF / IGF	TA	100,000	WB / France	September 2, 2011
32	Introduce a framework for dialogue among the state's supervisory bodies	Article 6 of Decree D/2010/128 setting forth the powers and organization of the MCEA calls for centralization at the CMEA of the activity and audit reports of the public administrations and parapublic sector. Mechanism limited by the lack of a framework for dialogue. Creation of four MCEA directorates (including the IGE and Audit Directorate for which risks of duplicated efforts could occur during implementation) / <i>Introduce a framework for dialogue between supervisory entities to avoid duplications and improve work synergy.</i>	MCEA	TA	100,000	AfDB / France	December 2, 2011
33	Adopt the new Government Procurement Code	New text of government procurement code finalized in February 2009 but not yet validated. Validation workshop planned for end-October 2010. Request for administrative structure being finalized. Submission to legislature by end-December 2010. <i>Finalize and adopt new government procurement code. Finance phases 2 and 3 of instituting public procurement reform, as regards dissemination.</i>	MEF / DNMP	TA	400,000	AfDB / EU (phase 3)	September 1, 2011
Policy 5 – Improve financial governance							
34	Launch all modules of PICOT (Treasury's accounting software)	PICOT project working in some modules; the objective is to establish consolidated balance sheet and table of operating indicators of the Treasury / <i>Finalize PICOT to bring all modules into operation.</i>	MEF / DNTCP	TA / Equipment	100,000	IMF	December 3, 2011
35	Introduce materials accounting	No application for materials accounting / <i>Develop an application for managing materials accounting</i>	MEF / DNTCP	TA	200,000	IMF	December 3, 2012
36	Implement the	A number of studies completed or under way to	MEF / DNSI	TA	200,000	AfDB	June 2, 2011

	IT master plan	modernize and deploy the IT tool and the basis of the IT master plan / <i>Mae high-level technical assistance available to draw up an action plan based on analysis of the current situation and propose technical solutions for implementing an information system encompassing all public finance management activities.</i>					
37	Adopt the anti-corruption law	Prepared but not yet reviewed by the Council of Ministers for adoption and forwarding to the National Transition Council for legislative approval. The 8 regional offices of the Anti-Corruption Agency have been set up: four are operational and the other four will be within a few weeks / <i>Train stakeholders that will lead up the regional focal points (OSC, grassroots authorities, judges, commissioners, etc.) and provide public awareness activities in support.</i>	MCEA	TA	100,000	France /IMF	June 2, 2011
38	Adopt the National Good Governance Program	The order establishing the National Good Governance Campaign should be adopted shortly. Coordination office in place. First meeting held early August 2010. <i>Adopt the National Good Governance Campaign.</i>	MCEA	TA		UNDP / France	March 2, 2011
39	Establish a documentation center	Lack of a documentation and records center / <i>Establish a documentation center at the ministry and a system for archiving all audits.</i>	MCEA	TA / Equipment	50,000	IMF	December 3, 2011
40	Adopt the regulatory provisions attesting to creation of the Audit Office and make it operational	Draft Organic Law Establishing the Audit Office not yet adopted. Audit Office poorly staffed given its future responsibilities / <i>Conduct a comparative study of the draft organic law establishing the Audit Office in light of international public finance standards and identify all gaps. Revise and adopt the Organic Law Establishing the Audit Office. Draw up a strategic plan for making the future Audit Office operational.</i>	Audit Office	TA/ Study	300,000	AfDB / EU	December 2, 2011
41	Finalize/updat	A DEMPA was initiated in 2008 but was not	MEF	TA			December 3,

	e the DEMPA	finalized / Finalize the DEMPA initiated, and update the debt management data					2011
Policy 6 – Civil service reform / Wage bill control							
42	Clean up the payroll and Civil Service files	Numerous poorly coordinate efforts under way (extension of banking services e-billing, census, organic framework, review of information system, commitment statements, Single State Administrative and Contract Management, etc.). Assignment of staff lacking requisite skills in some units / <i>Establish a clear roadmap for completing the diagnostic assessment and ensure overall consistency with initiatives to achieve greater efficiency in their implementation. Review skills profiles of new hires and assess opportunities for reassignment to appropriate units.</i>	MEF / MFP	TA / Equipment	300, 000	EU / UNDP	June 2, 2011