

INTERNATIONAL DEVELOPMENT ASSOCIATION  
AND INTERNATIONAL MONETARY FUND

GUINEA

**Poverty Reduction Strategy Paper  
Joint Staff Assessment**

Prepared by the Staffs of the International Development Association and  
the International Monetary Fund

Approved by Callisto E. Madavo and Gobind T. Nankani (IDA)  
and Donal Donovan and Masood Ahmed (IMF)

July 1, 2002

**I. INTRODUCTION**

- 1. The Poverty Reduction Strategy Paper (PRSP) of the Guinean authorities builds upon the Interim Poverty Reduction Strategy Paper (I-PRSP) presented to the Boards of the International Development Association (IDA) and the International Monetary Fund (IMF) in December 2000.** The PRSP is the result of intensive consultations undertaken during the past year, building on the participatory tradition in Guinea's policy formulation as it has been established since the formulation of the National Human Development Program (NHDP), starting in 1995. It also builds on the groundwork for Guinea's poverty reduction policies as formulated in the "Guinea-Vision 2010" document of December 1996.
- 2. The staffs consider that Guinea's PRSP provides a credible framework for supporting the implementation of effective poverty reduction strategies.** The PRSP provides a detailed description of poverty in Guinea; a review of the country's past strategies, an outline of the objectives of the current strategy; a detailed explanation of the various elements and priority actions to reduce poverty in Guinea; a plan to establish a monitoring and evaluation mechanism for which the first steps have been taken; and a short description of the risks of the ambitious strategy.
- 3. The PRSP's main strengths are: (i) Guinea's participatory and consultative processes leading to a genuinely country-owned strategy; (ii) a relatively thorough poverty diagnosis, despite the limited availability of recent data; and (iii) the comprehensiveness of the strategy, which focuses on accelerating growth, access to basic services, and improving governance and strengthening institutional and human capacity as central priorities for poverty reduction.**

4. **While providing an operational strategy, the authorities envision the evolution of the poverty reduction strategy as an ongoing and continuous process.** There are several areas where work continues and is needed. Though considerable efforts have been undertaken to prioritize and cost the strategy (especially in Appendix I.2), some inconsistencies remain, especially among and within the various tables of the PRSP. In addition, more work is required to refine indicators and targets, to complete the costing of the program, to link it to the budget, to strengthen monitoring and evaluation, to expedite arrangements for the household survey, and to ensure adequate services in core infrastructures. Furthering this work will improve preparedness for implementing the strategy and its monitoring.

## II. THE PARTICIPATORY PROCESS

5. **Guinea's PRSP is the result of an intensive, all-embracing and ongoing consultative process, which builds on Guinea's well-established participatory tradition and capitalizes on previous experiences, such as the preparation of earlier poverty reduction initiatives, and on existing national and sectoral development plans.** Many of these previous initiatives were the result of an in-depth consultation process with key Guinean stakeholders and included a ranking of strategic priorities. In line with the commitments undertaken in the I-PRSP, the authorities executed a comprehensive plan for the preparation of the full PRSP. To this end, the Government established (i) an Interministerial Committee, chaired by the Minister of Economy and Finance, to oversee the preparation of the PRSP; (ii) a permanent PRSP Secretariat; and (iii) eight thematic groups.<sup>1</sup>

6. **The consultative process for the Guinean PRSP was broad and iterative.** During 2001, the I-PRSP was published and disseminated in Conakry and in all of Guinea's eight administrative regions. Representation of all branches of government and civil society ensured a wide internal consultative process. In addition, a number of consultations were held with specific stakeholders groups, including the private sector, the media, civil society organizations, community leaders, and donors to discuss, and to gather feedback on, preliminary drafts of the full PRSP. The Guinean Government presented and discussed the first draft of its full PRSP in a national workshop held on July 11-13, 2001, which was attended by most cabinet members, high level government officials, representatives of civil society from all eight administrative regions in the country, and various bilateral and multilateral development agencies (totaling to about 400 participants). In line with the stated objectives, the workshop provided a formal framework for a structured and lively discussion of the draft of the full PRSP in plenary sessions, as well as in working groups meeting in parallel sessions.

7. **Following the July 2001 workshop, the PRSP was reviewed and amended in light of the comments received from civil society and various development partners.** The participatory process was conducted in conjunction with a communication plan aimed at raising the awareness within the country about the PRSP's objectives and processes, and requesting

---

<sup>1</sup> The eight thematic groups were: (i) macroeconomic framework and growth-oriented sectors, (ii) private sector and employment, (iii) basic infrastructure, (iv) rural development and environment, (v) gender, population and development, (vi) social sectors, (vii) governance, decentralization, and capacity building, (viii) communication and culture. A ninth thematic group will be set up for defining a suitable system for monitoring and evaluating the PRSP process.

inputs from concerned stakeholders. The consultations confirmed that the PRSP's priority areas were the right ones, stressed the need to ensure effective implementation and delivery, and underscored the critical importance of addressing problems of governance and corruption.

8. **The draft full PRSP was then discussed and finalized in a national workshop held in Guinea in December 2001, providing national stakeholders and development partners an additional opportunity to provide observations.** The final document was approved by the Government in January 2002 and submitted to the National Assembly for information and discussion. Subsequently, a third national workshop was organized in May 2002 with strong participation by the civil society and development partners to prepare for implementation. The document, as well as relevant background documentation, will be posted on a dedicated web page on the internet [www.dsrp.gn]. Its dissemination in the country will include widespread circulation of the document, media coverage in local languages, and discussion in public workshops.

9. **The consultative process drew on the contributions of numerous parties, from civil society to donor agencies.** The PRSP describes the nature and contributions of the consultative process (PRSP Introduction, Section 5.3.1.c, and Annex II.3). Civil society participated effectively in the preparation of the PRSP through active involvement in the eight thematic groups. Various events, which included public debates in each region and seminars with trade unions, students, the media, and various other groups, were organized to stimulate bottom-up consultation on poverty reduction priorities. Importantly, the National Assembly, the Economic and Social Council, and a variety of NGOs were involved throughout the process from its beginning.

10. **The authorities have actively involved Guinea's development partners in the preparation of the PRSP.** Representatives from the World Bank, the Fund, the AfDB, the UNDP, and many bilateral development organizations participated actively in the regional consultations of the PRSP process following the first national PRSP workshop in July 2001. A Guinean delegation visited Washington in early November 2001 to present and discuss the draft PRSP with Bank and Fund staffs. Subsequently, a joint Bank/Fund mission met with representatives of civil society to exchange views and shared comments on sectoral and macroeconomic issues.

### III. POVERTY DIAGNOSIS

11. **Although the poverty diagnosis presented in the PRSP is limited by a lack of a recent household data survey, good use has been made of a variety of existing data and surveys, including the 1996 population census, and population and health surveys (1992 and 1999).** Building on the poverty diagnosis of the I-PRSP, which provided useful information about the overall scale of poverty and some poverty profiles across prefectures, income level, health, education, occupancy and gender, further efforts have been made to improve knowledge of poverty and social development in Guinea. The adoption of a multidimensional concept of poverty, and the use of qualitative analysis of people's perceptions of poverty are important strengths of the PRSP. In addition, a series of multiple indicators maps has contributed to more in-depth understanding of the regional distribution and nature of poverty in Guinea including

disparities in poverty incidence between rural and urban areas, between genders and across socio-professional groups. Trends in health and education access and outcomes were assessed, pointing toward some improvement over time.

12. **Given data limitations, little quantitative analysis is undertaken of the determinants of poverty.** Nevertheless, the PRSP ventures some explanations of the determinants of poverty and inequality, based on qualitative analyses, including access to services, infrastructure, and credit, factors of production, and farming techniques. The PRSP also notes that insecurity, including that from recent regional conflicts, has affected poverty and development. The PRSP provides an overview of previous poverty reduction policies and an analysis of their shortcomings, which provides a basis for defining the policy priorities of the strategy. The PRSP underscores that the burden of poverty falls disproportionately on women and youth but more work will be needed to better understand this situation and develop an appropriate response. The PRSP presents also a brief discussion of the interdependencies among the multiple dimensions of poverty in Guinea.

13. **Though the PRSP provides a good picture of the patterns in poverty, further analytical work is warranted to better understand the determinants of poverty and the impact of past and proposed future policies and programs.** It is expected that the information provided by the upcoming comprehensive household survey (EIBC-II) planned for 2002/2003 will contribute to updating Guinea's poverty profile and to further the understanding of the determinants of poverty, including those dimensions related to vulnerability, disempowerment, and environmental degradation. Issues regarding refugee groups and internally displaced people also deserve more attention in future analyses. In this regard, it would be useful to more clearly define priorities in programming analytical work for the next years.

#### IV. THE PILLARS OF GUINEA'S POVERTY REDUCTION STRATEGY

14. **The PRSP presents a coherent and results-oriented strategic framework resting on three main pillars: (i) sustaining faster economic growth and creating income-earning and employment opportunities, particularly for the rural poor; (ii) improving and extending access to basic services; and (iii) improving governance and strengthening institutional and human capacity.** The staffs agree that these focus areas appropriately address the root causes of poverty in Guinea and that the policy action plan set forth in the PRSP is generally consistent with these three pillars.

##### A. Sustaining Faster Economic Growth

###### A.1. Macroeconomic Framework

15. **The PRSP stresses the need for accelerated and sustained growth as the basis for the poverty reduction effort.** The medium-term objectives of the PRSP in terms of economic growth, inflation, and the external accounts are consistent with the three-year PRGF-supported program approved by the Executive Board of the Fund in May 2001. The PRSP also analyzes in detail the past shortcomings of fiscal policy, and identifies key structural reforms in the area of revenue mobilization, the efficient management of expenditure, monetary and financial policies,

and external debt management. Together these can be expected to improve macroeconomic performance, maintain stability, and create the conditions for sustained growth. The analysis and presentation of the macroeconomic policy priorities in the PRSP represent a considerable improvement over the I-PRSP, particularly as regards the need to strengthen the capacity to formulate and implement policy at both the central and the local levels.

**16. The PRSP was finalized in January 2002 on the basis of the then available information about available resources and macroeconomic assumptions.** In moving from the preparation to the implementation phase of the PRSP, the authorities have undertaken a preliminary assessment of presently available resources and updated the assumptions on the macroeconomic environment, which have been discussed informally with donors, and are reflected in the latest revision to the macroeconomic framework that took place in May 2002 and is supported by the PRGF program. The currently available resources fall short of the amount needed to implement all the programs identified in the PRSP. There are thus, at present, differences between some key aspects of the macroeconomic frameworks of the PRSP and the latest revision of the macroeconomic program. The growth projections have been lowered somewhat, to an annual average of about 5 percent over the medium term, which staffs consider to be reasonable and attainable. Inflation is projected to decline to 3 percent by 2004, compared with the initial objective of 2.8 percent. The external current account deficit is considerably higher than initially programmed, reflecting the imports associated with the major mining sector investment projects, which are financed by private sector capital inflows. The overall government deficit is somewhat higher in the outer years than initially expected, owing to revised revenue projections, lower projected levels of external grants, and higher programmed spending in the priority areas.

**17. Letters sent by the Government to the Bank and the Fund and attached as an addendum to the PRSP reflect the latest revision to the macroeconomic framework and lay out the Government's approach to adjusting the PRSP accordingly during the course of implementation.** The authorities' implementation schedule foresees, first, the consultation with donors to determine the likely amounts and timing of external resources and to seek to mobilize additional resources in support of the PRSP, as well as, second, regional consultations intended to adjust implementation priorities to reflect available resources. The authorities have committed to implementing the updated macroeconomic framework which forms the basis of the recently revised PRGF-supported program, which will ensure that the government's financial operations remain consistent with available resources and with maintaining macroeconomic stability. Staffs consider this an appropriate approach to adapt to the changed macroeconomic circumstances since the PRSP was adopted. In this context, staffs will assist the authorities in seeking greater external resources in support of the priorities of the original poverty reduction strategy. Staffs encourage the authorities to complete this process as soon as possible, which would allow the macroeconomic framework underpinning the PRSP to be adjusted so as to ensure that policy implementation proceeds in a sustainable and realistic manner. Staffs further encourage the authorities to complete the update by the time of the annual progress reports, so that a common macroeconomic framework will underpin the implementation of the PRSP and its support by donors.

## A.2. Access to Infrastructures

18. **The strategy recognizes that a considerable acceleration of growth is necessary for an effective and lasting reduction of poverty, and identifies the sectors that would be the engine of that growth.** However, there are limited discussions of the interactions between macroeconomic policies, the adequacy of basic infrastructures, and sectoral policies in helping to generate the large increase in investment that is needed to achieve this higher growth. In particular, future updates of the strategy could usefully focus on measures for improving the environment for private sector activity and investment, including actions that may be required in the areas of reforming the public enterprise sector and the judicial and regulatory framework. With regard to reforms of public enterprises, the Government has recently taken the much-needed preliminary steps to improve the efficiency and transparency of the electricity sector and has agreed to detailed plans for the water sector. Further significant reforms are, however, needed in these key sectors. In addition, while the PRSP articulates constraints to agricultural growth that would benefit the poor, further work would need to address how to overcome the identified constraints to agricultural growth.

## B. Access to Basic Services

19. **The staffs appreciate the PRSP's emphasis on the importance of access to basic services, the detailed description of policies to provide basic education and health services for all, and the Government's goal to increase efficiency in the provision of basic social services.** The staffs recognize also the progress made during the last few years and encourage the Government to address more fully the sharp regional and gender differences affecting the various dimensions of poverty, including provision of and access to basic services, which are described in more detail below.

20. **Over the last 10 years, Guinea has experienced steady improvement in health indicators reflecting a better policy framework that emphasized partnerships with community organizations to provide maternal and child health services.** The focus of the PRSP on sustaining and expanding community-based health services and on addressing communicable diseases and malnutrition thus appears appropriate. But there are concerns about the public expenditure program to underpin these policies. Most of the progress achieved during the 1990s in rural areas has been funded by patients' out-of-pocket contributions and donor assistance, while public spending for health has remained low and skewed towards urban centers. The document does not provide details on how public expenditures will be reoriented to consolidate past successes and take on new challenges, such as the reduction of the severe regional disparities highlighted in the PRSP. In particular, the document does not address the issue of chronic underfunding of recurrent expenditures. The government of Guinea has committed to prepare a comprehensive medium-term expenditure program for health during the first year of implementation of the PRSP, on the basis of the on-going public expenditure review.

21. **The PRSP appropriately stresses the area of HIV/AIDS and forthcoming data from the latest prevalence survey and projections on the number of AIDS orphans, new cases, and deaths will help strengthen knowledge in this area.** However, the document puts too much emphasis on the treatment of AIDS at the expense of prevention. In addition, some of the

targets set for HIV/AIDS are not financially or technically realistic. The document should also strive to complement the proposed actions and policies with measures focusing on the families of HIV/AIDS victims, and in particular on orphans.

22. **The PRSP embraces the broad objectives of the Education For All program, but the strategy could strive to sharpen priorities in education objectives and present concrete plans of actions to reflect these priorities.** Over the 1990s, Guinea experienced one of the highest sustained rates of growth in primary education enrollment (10% annually overall, 12 percent for girls). Progress has also been achieved in higher education, with the introduction of cost recovery, increase in gender equity, and development of programs directly linked to the labor market. However, important challenges remain, as the country's low level of human capital will continue to adversely affect economic returns to investment.

### C. Governance

23. **Appropriate emphasis is placed on good governance, which is the third pillar of the PRSP, in particular the attention given to anti-corruption efforts.** Moreover, in the area of public expenditures, the deconcentration of the sectoral budgets and the public procurement has already had a positive impact. Following some delays, reforms in the legal system have recently begun. The strong focus on governance of the PRSP should help accelerate the pace of reforms in this sector.

24. **Given that the authorities are at the initial stages of the fight against corruption, the PRSP does not provide an analysis of corruption or detailed concrete proposals to address it, nor does it set out clear objectives or indicators of progress in this area.** Nevertheless, the staffs believe that the systemic reforms proposed in the PRSP to improve governance and the legal system will have a significant impact on reducing corruption. Staffs welcome the development of an anti-corruption strategy and action plan and the undertaking of a governance and corruption survey by the Anti-Corruption Committee, both of which are critical elements of this policy and thus essential to the success of the overall strategy. In its discussion of governance, the PRSP also treats the issues of transparency and accountability in the budgetary process, which are addressed in more detail below.

## V. TARGETS, MONITORING, AND IMPLEMENTATION OF GUINEA'S POVERTY REDUCTION STRATEGY

### A. Targets and Indicators

25. **The PRSP lays out extremely ambitious long-term targets, which—while broadly in line with the Millennium Development Goals (MDGs)—may not be realistic in the Guinean context.** For example, the targets for primary school enrollment and gender equality in enrollment are more ambitious than the MDG targets; infant and maternal mortality targets are expected to be reached more rapidly than laid out in the MDGs; and access to safe drinking water is also ambitiously targeted to increase from 49 percent in 1999 to 100 percent in 2010. Further work would be necessary to ensure consistency of targets across sectors and with

resource availability (see section VI). It is suggested that this aspect receive more attention in future annual progress reports.

26. **The PRSP lays out several key indicators for monitoring the effectiveness of the poverty reduction strategy.** The staffs are of the view that the core set of indicators proposed (see Table 6) is generally appropriate. In some sectors (e.g. agriculture and education), indicators could be better chosen to reflect the objectives and key constraints in the sector. To do so will require further analytical work to understand the linkages between proposed policy actions, intermediate indicators and outcome indicators. In implementing the strategy the authorities may wish (i) to further fine tune the indicators for the immediate future (2003-04) and (ii) to apply greater selectivity in the choice of indicators listed in Annex I.1, such that chosen indicators have associated baseline data and are appropriate given monitoring capacity.

27. **The Poverty Reduction Strategy aims at reducing the incidence of income poverty from 40 percent (in 1995) to 30 percent (in 2010).** This seems generally achievable as long as political and macroeconomic stability can be maintained and that growth rates accelerate significantly, although they do not have to reach the PRSP's unrealistically high 10 percent. However, the target of reducing the incidence of income poverty to 30 percent would be difficult to achieve if poverty elasticity were to remain constant and if the growth rate were to remain at its long-term historic (1988-99) trend of about 4 percent.

28. **The PRSP provides detailed medium-term indicators and costing estimates, which should facilitate monitoring and evaluation of the strategy.** However, given that the targets are overly ambitious, it would be opportune to carry out sensitivity analyses to assess the impact on indicators of weaker growth assumptions. It would also be important to adjust the targets upon completion of the costing exercise associated with the medium-term expenditure framework. Staffs also anticipate that a variety of indicators may need to be adjusted in the course of time, especially once the monitoring and evaluation framework has been strengthened and the results of the 2002/2003 household survey are available.

## **B. Monitoring and Evaluation**

29. **Staffs consider the description of the monitoring and evaluation useful and adequate.** However, given the weak monitoring and evaluation capacity prevailing in Guinea, the document would have benefited from presenting a comprehensive assessment of the poverty impact of past policies and programs. The absence of such an assessment, which would have been useful in supporting the prioritization of policies, reinforces the importance of establishing the monitoring and evaluation elements described in the PRSP.

30. **Furthermore, many of the PRSP's weaknesses in the areas of monitoring and evaluation are currently addressed through a variety of programs.** Of critical importance are the extension and improvements in Guinea's medium-term expenditure framework, the expenditure management reform program, the upgrading of Guinea's statistical system, and various elements related to IDA's Institutional Development Fund (IDF) Grant. The expenditure management reform program will contribute to improving the quality of expenditure data, starting with the implementation of a new budget classification in 2003. This should allow for



better identification and tracking of pro-poor spending. The Government is at an advanced stage of discussions with development partners on the upgrading of the national accounts system in the framework of a sub-regional capacity-building program. The government is also establishing a poverty observatory and instituting an integrated statistical information system.

### **C. Policies for Implementing the Strategy**

31. **Compared to the I-PRSP, some progress has been made with regard to policy prioritization.** This has been achieved in three ways: first, by differentiating priority and auxiliary programs; second, by identifying key measures within each of the priority sectors; and third, by setting targets and milestones in the operational matrix. Staffs welcome the progress with regard to prioritization and concur with priorities identified in the PRSP; but more information about selection criteria of priorities and trade-offs between options would be welcome. This would particularly be useful should availability of total resources be lower than projected to implement the strategy. It would also be useful to give more attention to regional priorities and the sequencing of reforms.

32. **On the other hand, some key aspects are either missing or poorly defined with regard to urban development and water resource management.** Given the high rate of urbanization, urban populations' needs have outpaced infrastructural development leading to poor hygiene and sanitation conditions in urban and peri-urban areas. Second, Guinea's river basins are currently facing rapid environmental degradation and threaten the sub-region's water resource supply.

## **VI. EXPENDITURES, FINANCING, AND RISKS OF THE POVERTY REDUCTION STRATEGY**

### **A. Public Expenditure Program and Financing**

33. **The medium-term expenditure program is linked to the poverty reduction targets for 2002-2005, but better linkage with the budgetary process and a further prioritization of expenditures would have been useful.** Public expenditures are focused on the sectors of education, health, rural development, rural roads, private sector development and urban development, consistent with the priorities that emerged from the poverty diagnosis and the consultation process. However, the public investment program is not fully integrated into the budget process through a link to the medium-term expenditure framework, making it difficult to assess the consistency of the poverty reduction with the macroeconomic framework. In addition, while staffs agree with the priorities laid out in the PRSP, there is a need for greater prioritization of the key public policies required for economic growth and poverty reduction. It would also be useful to indicate how the strategy would be adapted in response to unexpected developments, such as negative external shocks or a shortfall of financing.

34. **Programs in the high priority areas of education, health, rural development, rural roads, private sector development and water and sanitation are estimated to amount to 51 percent of total public expenditure over the 2002-2004 period, equivalent to US\$1.2 billion, or about US\$400 million a year.** Based on the macroeconomic framework

currently underpinning the PRSP, capital spending accounts for about 42 percent of total projected expenditures. Programs financed through HIPC funds are fully integrated in the poverty reduction framework, and HIPC debt relief is expected to provide about US\$53 million a year, beginning in 2001. An additional US\$726 million are expected to be provided by existing projects over the 2002-04 period. Despite significant efforts expected in revenue mobilization, this medium-term expenditure program would result in a residual gap of about US\$152 million for the 2002-04 period, which could be financed by debt relief and external funding. Staffs understand that it is Government's intention to revise these medium-term expenditure and financing estimates to reflect the evolving fiscal situation through the process described in paragraph 16.

35. **Though considerable efforts have been made to fully cost sectoral programs, especially in education and health, further refinement will be needed in the course of implementation to better reflect the coherence between investment and recurrent costs, especially in the area of road transport, given the historically poor maintenance of Guinea's extensive road network.** Similarly, the analysis of the sustainability of important investments for rural development may need to be reassessed to reflect recurrent cost implications.

36. **In addition to the allocation of the budget to priority sectors, ensuring actual budget execution is critical to attaining poverty reduction objectives.** Budget execution in Guinea has been traditionally hampered by low disbursements leading to poor delivery of public sector programs. The PRSP does not adequately address this issue and, more particularly, concrete steps to ensure better budgetary execution in the future. Steps have been taken to make the budget process (allocation and execution) more transparent, e.g. through the sharing of information with citizens.

37. **Finally, Guinea has begun implementing the poverty reduction strategy with the adoption of the 2002 budget.** The Budget Law approved by the National Assembly in April 2002 reflects the priorities of the PRSP and integrates the continuation of the poverty reduction programs financed through resources freed by interim relief under the Enhanced HIPC Initiative. As in other countries, Guinea's main external partners have started to harmonize their strategic planning with the PRSP exercise. The Government is planning to convene a donors' round table on the PRSP to strengthen donor coordination, improve the regional and geographic distribution of foreign-funded projects in Guinea, and mobilize additional resources.

## **B. Risks to the Strategy**

38. **The staffs consider that the successful implementation of the poverty reduction strategy is subject to considerable risks, some of which are neglected in the PRSP.** The PRSP addresses important risks related to the support the poverty reduction strategy garners from various players and beneficiaries, including Guinea's development partners. However, the PRSP does not address adequately the risks related to weak institutions and weak implementation capacity (e.g. capacity constraints related to the costing of the strategy and the extension of the medium-term expenditure framework (MTEF)). Furthermore, the PRSP does not deal directly with the risks related to possible internal and external political conflicts, especially the risk posed by external refugees and internally displaced people, Guinea's

dependency on the export of bauxite, and various other internal and external sources of macroeconomic instability (e.g. terms of trade shocks).

39. **Future updates should address the possible negative impact on growth (and thus on the likelihood of attaining the poverty reduction objectives) of Guinea's high vulnerability to external shocks including conflicts in the sub-region.** The strategy would also benefit from an explicit recognition of the need to diversify the structure of production and exports in order to reduce this vulnerability. Furthermore, the contribution to this objective of the various sectoral policies should be regularly assessed.

## VII. CONCLUSIONS

40. **The staffs consider that Guinea's PRSP constitutes an adequate framework for the country's overarching objective of reducing poverty.** The PRSP is the result of high-level political commitment, strong country ownership, and an extensive consultation process. The strategy presents well-defined, albeit ambitious, poverty reduction objectives. Successful implementation will require that several knowledge gaps be filled. The strategy is also subject to significant risks, some of which are outside the control of the Government.

41. **The staffs of the IMF and IDA consider that this PRSP presents a credible poverty reduction strategy and provides a sound basis for Fund and IDA concessional assistance.** The staffs recommend that the respective Executive Directors of the IMF and IDA reach the same conclusion.