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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
INTERNATIONAL FINANCE CORPORATION  
MULTILATERAL INVESTMENT GUARANTEE AGENCY  
PERFORMANCE AND LEARNING REVIEW  
OF THE COUNTRY PARTNERSHIP STRATEGY  
FOR THE REPUBLIC OF GUINEA  
FOR THE PERIOD FY14 -FY17  
JULY 18, 2015**

**International Development Association  
Country Department AFCE2  
Africa Region**

**International Finance Corporation  
Sub-Saharan Africa Department**

**Multilateral Investment Guarantee Agency  
Sub-Saharan Africa Department**

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**The date of the last Country Partnership Strategy was October 3, 2013**

**FISCAL YEAR**

January 1- December 31

**CURRENCY EQUIVALENTS**

(As of May 27, 2015)

Currency Unit=Guinean Francs (GNF)

GNF 1000= US\$ 0.13

US\$1.00= GNF 7,550

SDR 1.00= US\$1.39

**ABBREVIATIONS AND ACRONYMS**

AAA	Analytical and Advisory Activities
CASA	Conflict Affected States in Africa Initiative
CCSA	Cross Cutting Solutions Areas
CPS	Country Partnership Strategy
CRW	Crisis Response Window
EDG	<i>Electricité de Guinée</i> (Guinea Electricity)
EVD	Ebola Virus Disease
GDP	Gross Domestic Product
GoG	Government of Guinea
GPE	The Global Partnership for Education
GPI	Gender Parity Index
IDA	International Development Association
ICT	Information and Communications Technology
IFC	International Finance Corporation
LSDP	Local Supplier Development Program
MFEM	Macroeconomic and Fiscal Management
MIGA	Multilateral Investment Guarantee Association
MSME	Micro, Small and Medium Enterprise
OMVG	<i>Organisation pour la Mise en Valeur du Fleuve Gambie</i> (Gambia River Basin Development Organization)
PAPP	<i>Plan d'Actions Prioritaires Post-Ebola</i> (Post-Ebola Priority Action Plan)
PIP	Public Investment Program
PER	Public Expenditure Review
PFM	Public Financial Management
PIU	Project Implementation Unit
PRSP3	Third National Poverty Reduction Strategy Paper
PLR	Performance Learning Review
SCD	Systematic Country Diagnostic
TA	Technical Assistance
TF	Trust Fund
WAAPP	West Africa Agricultural Productivity Program
WASH	Water Sanitation and Hygiene
WBG	World Bank Group
WHO	World Health Organization

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# GUINEA

## PERFORMANCE AND LEARNING REVIEW OF THE COUNTRY PARTNERSHIP STRATEGY FY14-FY17

### I. INTRODUCTION

1. **The Board of the World Bank Group (WBG) discussed the FY14-FY17 Country Partnership Strategy (CPS) for Guinea in October 2013.**<sup>1</sup> The CPS supports Guinea's Third National Poverty Reduction Strategy Paper (PRSP3) that was approved by the Government of Guinea (GoG) in May 2013, and focuses on: (i) improving governance; (ii) stimulating growth and economic diversification; and (iii) supporting human development. The purpose of the present mid-term Performance and Learning Review (PLR) of the CPS is: (i) to inform the WBG Board of Executive Directors, the GoG and other stakeholders on progress so far with reaching the strategy's objectives; and (ii) to draw lessons and highlight changes to the CPS to ensure that it remains relevant and effective. The PLR is based on portfolio reviews and discussions with the GoG and other stakeholders during March-April 2015.

2. **The main findings of the PLR are that the overall strategy of the CPS remains valid but that some adjustments are needed, especially in light of the Ebola Virus Disease (EVD) epidemic.** Key conclusions and observations of the PLR are:

- The delivery of the program remains on track despite a challenging context.
- The WBG's Program is contributing to putting in place potentially transformative building blocks in the priority sectors of mining, energy, agriculture, public financial management and human resource management and basic social services—all key areas of engagement of the current CPS—and supports regional integration.
- Guinea suffered several shocks during the last few years and the outbreak of the EVD epidemic has dramatically changed the country's economic and social landscape, triggering new emergency operations, sharply increasing the size of the WBG's portfolio, and requiring some portfolio restructuring.
- There is no need to extend the CPS.
- The remaining period of the CPS will focus on implementation and serve as a transition phase towards the next generation of WBG programs, which will be underpinned by a thorough Systematic Country Diagnostic (SCD) exercise.
- The overall risk to the program and achievement of the development objectives remains substantial, especially with regards to the Ebola epidemic, macroeconomic stability and emergence of democratic institutions.

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<sup>1</sup> The CPS was prepared jointly by the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) in close cooperation with the Global Center on Conflict Security and Development in Nairobi. It can be found at: <http://documents.worldbank.org/curated/en/2013/09/18202598/guinea-country-partnership-strategy-period-fy14-17>.

## II. MAIN CHANGES IN COUNTRY CONTEXT

### Changes to Poverty Reduction and Shared Prosperity

3. **Poverty is expected to have further increased in recent years.** A 2012 limited poverty assessment indicated that 55 percent of the population lived below the poverty line, compared to 53 percent in 2007; most poor lived in rural areas, but the aggravation of poverty since 2007 was significantly more pronounced in urban areas. Indications are that these trends have continued during the last few years due to negative per capita economic growth, especially in urban areas, and the impact of the Ebola epidemic (Box 1). The 2012 survey also indicated declining differences in girl/boy school enrollment ratios and noted that the poverty incidence in female-headed households was lower than in male-headed households. Emphasis under the CPS on education for girls and mother-child health care may have further lowered gender gaps.

#### Box 1. Impact of the Ebola Epidemic

The World Health Organization (WHO) declared an Ebola epidemic in Guinea in March 2014. By mid-2014, the epidemic had spread to Liberia and Sierra-Leone; following a surge toward the end of the year, new cases gradually decreased in the first months of 2015. Liberia was declared Ebola-free on May 9, 2015 but Guinea continues to incur new cases and the disease had cost 2,429 lives by end-May 2015. In addition to weak health systems, combatting the disease is complicated by cultural habits and mistrust of central authorities. The declining rate of new infections since end-2014 shows promise that the epidemic can be stopped in 2015, but it will take considerable time and effort to redress the damage while risks of a flare-up remain. To reduce the risk of similar epidemics in the future, the government plans to double the share of health spending in the national budget (to 5 percent in 2016 with annual increases of 2.5 percent thereafter). It has also stepped up involving communities in health care interventions, emphasizing the need for basic hygiene, such as hand washing, which may already have contributed to avoiding outbreaks of other endemic diseases.

Disruptions in international trade and travel and in domestic production and investment have had a very serious economic impact. Frequent market closures resulted in crop losses and reduced activity in the rural areas and in urban areas, private companies closed and unemployment rose. The health system has weakened as many health facilities are no longer operational due to desertion of personnel, avoidance by the population and disruption in basic supplies, and the impact on other social sectors continues to grow, such as the need to provide support for a growing number of orphans. The start of the 2014-15 school year was delayed by 4 months.

Following a slow start, the international community provided substantial assistance to Guinea in combatting the epidemic. The World Bank has provided a total of US\$153 million to the Ebola response in Guinea, including US\$50 million in budget support. Efforts focused on setting up, staffing and equipping treatment centers and laboratories and identifying and monitoring people that had been in contact with Ebola patients. Considerable effort was also put into education, including to induce changes in traditional but risky habits, such as funeral rites.

### Changes in Key Macroeconomic and Debt Developments

4. **Guinea's macroeconomic environment has been less favorable than assumed under the CPS as the country suffered several shocks.** First, investment in the mining sector came to an abrupt halt in 2013 due to delays in completing the legal framework for the major Simandou iron ore project and a deteriorating medium-term outlook for international mineral prices. Second, the political environment is improving more slowly than anticipated and unrest in the run-up to



legislative elections in September 2013 caused the repeated closure of markets and businesses in Conakry. Third, the Ebola epidemic had a severe impact on the economy and caused a sharp drop in government revenue while expenditure needs increased. The CPS envisaged real GDP growth rates of around 5 percent in 2013-14, but in fact growth fell below population growth in 2013 and dropped further to about 1 percent in 2014.

5. **Guinea's medium-term potential remains very good, but growth is projected to remain well below the levels initially anticipated in the CPS.** Guinea has abundant natural resources, including in minerals, agriculture and hydroelectric power generation. Based on advanced plans for large foreign investment, the CPS assumed that growth would accelerate sharply to close to 20 percent in 2015-16. However, due to delays in mining investment and the Ebola epidemic, growth could be close to zero in 2015 and the fiscal situation is also expected to remain very difficult. Economic activity could pick up rapidly once Guinea is declared Ebola-free, provided political stability is maintained in the run-up to presidential (scheduled for October 2015) and municipal elections (due in 2014 but delayed). However, even under those circumstances, annual growth will likely not exceed 4-5 percent during FY16-17.

6. **Guinea's debt profile remains in line with the assumptions under the CPS.** A January 2015 debt sustainability analysis shows that the external debt/GDP ratio went up from 22.1 percent in 2013 to 25.9 percent in 2014 and is projected to further increase to 31.0 percent in 2015 due to low growth and increased short-term borrowing. The country is still at a moderate rate of debt distress, but it is important to monitor new borrowing carefully and to ensure that any non-concessional borrowing has a high grant element and large projected returns. Domestic debt should, at 14 percent of GDP, also be closely monitored.

### **Emerging Country/Development Issues**

7. **Bringing the Ebola epidemic under control, preventing its reoccurrence and addressing its social and economic impact has become a new and urgent development issue for Guinea.** To this end, the GoG has prepared a Post-Ebola Priority Actions Plan (*Plan d'Actions Prioritaires Post-Ebola*—PAPP) for the period 2015-2017 (Annex 9). The PAPP is based on the 2013-15 Poverty Reduction Strategy, maintaining its main focus areas and policies, but emphasizes measures to bring the Ebola epidemic under control, to prevent similar outbreaks in the future, and to address the immediate social and economic needs of those most affected by the epidemic. In addition to new budget support and other assistance to help the country address the impact of the epidemic, the WBG has supported the GoG with the preparation of the recovery strategy.

## **III. SUMMARY OF PROGRAM IMPLEMENTATION**

### **Portfolio Performance Issues—Lending**

8. **The portfolio grew substantially because of additional support to address the Ebola epidemic, but remains consistent with the priority statement in the CPS (Box 2).** The portfolio

amounts currently to US\$314 million, compared to US\$198 million in commitments (IDA and Trust Fund combined) in October 2013, mainly due to US\$153 million in new Ebola-related support. During the same period, the regional operations portfolio grew from US\$77 million to US\$177 million. The portfolio achieved a disbursement ratio of 27.9 percent in FY14, mainly because of the Ebola-support. Despite the EVD crisis, and despite delays in a number of projects, the portfolio generally continues to perform well and remains on track with a disbursement ratio of 24.2 percent as of April 30, 2015.

**Box 2. New Program Delivery under the CPS**

**During the past two fiscal years, the WBG delivered 5 (compared to the original plan of 4) operations, amounting to US\$231 million (compared to a target of US\$78.6 million).** The Ebola Emergency Response Project, totaling US\$97 million, was delivered in response to the EVD crisis. In addition, the Sustainable Energy For All Project—one of two scheduled Trust Fund operations—was effectively delivered for a total of US\$2.1 million. The Board of the Global Partnership for Education (GPE) recently approved a project for a total of US\$37.8 million. Concerning the regional operations, three projects were planned for a total of US\$18.5 million; including the Senegal River Basin Multipurpose Water Resources Development Project 2, which was increased from US\$15.5 million to US\$28.5 million. The two remaining regional projects, i.e. Gambia River Basin Development (*Organisation pour la Mise en Valeur du Fleuve Gambie—OMVG*) Interconnection Project and the West Africa Regional Fisheries Program, have been delivered recently; the OMVG project for US\$10 million (new allocation), and the Fisheries project for US\$5 million (against US\$3 million planned).

9. **In addition to the challenges posed by the negative impact on the economic and social environment of the long and contentious electoral process in 2013, the 2014 Country Program and Portfolio Review highlighted four major recurrent issues:** (i) delays in project effectiveness (on average five months); (ii) long procurement delays on the side of both the GoG and the Bank; (iii) frequent rejections by Bank Procurement due to low capacity, resulting in poor quality of requests; and (iv) the need to improve financial management and disbursement as well as monitoring and evaluation.

10. **To address the challenges facing WBG-funded operations in Guinea and to ensure implementation of the portfolio review’s action plan, the GoG established a Performance Monitoring Committee under the Minister of Finance.** Supplementing regular WBG supervision, the Committee meets quarterly with key staff of the Project Implementation Units (PIUs) and representatives of the Ministry of Finance, which is already having a positive effect on project implementation. The Committee also spearheaded the drafting of a decree to eliminate a time-consuming duplicative parallel procurement approval process.

**Portfolio Performance Issues—Analytical and Advisory Activities (AAA)**

11. **The delivery of knowledge and analytical products has also been satisfactory.** Seven core knowledge products were delivered through FY14 while two planned products were dropped; three products have been completed during FY15, a further seven products are on-track for delivery by end of FY15, and one product is planned for FY16 (Annex 5). The overall *Public Expenditure Review* (PER) was completed in FY13 and provided input in the GoG’s new plan for reform in Public Financial Management (PFM). *Sectoral PERs for Health, Education and*

*Agriculture* have informed GoG policies in the respective sectors and provided valuable input for the preparation of new WBG projects. Four separate *policy notes and a study on a tertiary education strategy* served as critical input to a new higher education project. Bank support has also targeted the internal audit body comprising the Permanent Consultative Framework Secretary, the General Finance Inspection Service and the General State Inspection Service with the aim to improve their capacity and efficiency through risk based internal audit approaches. GoG approved the *Public-Private Partnership* diagnostic report in March 2014 and preliminary work on the implementation of its two main recommendations has been completed. These analytical products, in addition to those anticipated during the remaining period of the CPS and the forthcoming SCD exercise, will contribute to filling existing knowledge gaps in key priority sectors and further inform policy and investment decisions in the years to come.

## **Regional Integration**

12. **Regional Integration is supported under a number of projects.** A key part of the WBG's support for the agricultural sector is provided in the context of the West Africa Agricultural Productivity Program (WAAPP), which has contributed to strengthening institutions and rising yields in rice production. Similarly, progress in Guinea under the West African Regional Communications Project has been instrumental in improving access to information and communications technology (ICT) services while reducing the costs. However, progress under the (closed) regional air transport and safety project was unsatisfactory, reflecting political upheaval in the early years of the project and a lack of commitment and capacity in the latter years. The recently delivered OMVG Interconnection project and the West Africa Regional Fisheries Project are expected to further boost regional integration.

## **Evolution of Partnerships and Leveraging**

13. **The WBG's partnership with the GoG is strong.** Beyond the size of its portfolio, which is the largest of the development partners in Guinea, the WBG's advice, analytical contribution and leadership in the key development areas strongly support the country's development objectives. The Bank Group has catalyzed donor coordination in key sectors such as energy, mining, agriculture, private sector development, and PFM. As the lead coordinating institution of the donor-Government dialogue for energy and mining, the WBG has also been instrumental in the organization of the first ever Government-donor forum (*Cadre de Concertation*) led by the Prime Minister. The WBG also played a key role in the organization of Guinea's first donor and investors' conference in November 2013; however, while some donors re-engaged, the Ebola epidemic and political uncertainty have slowed down the materialization of many expected public and/or private sector transformative projects.

## **Progress Towards Achieving CPS Objectives**

14. **Despite the Ebola-epidemic, progress toward achieving the objectives under the CPS has generally been good.** The sharp fall in international travel to Guinea in 2014-15 had a serious

impact on private sector and donor-funded projects, including WBG-supported projects. In particular, project monitoring and AAA were affected, while the authorities' priorities shifted to addressing the epidemic. Progress under previous WBG-supported health sector projects was partly undone, while schools were closed for part of the 2015-15 school year. Nevertheless, many parts of the country, including the capital Conakry, were relatively untouched by the illness and project implementation continued, with supervision and AAA work conducted through teleconferencing and meetings outside Guinea. As can be expected in a fragile country with weak technical and institutional capacity, several projects incurred delays, even unrelated to the Ebola epidemic. Nevertheless, most projects rate implementation as moderately satisfactory.

**15. The CPS aims at rebuilding institutions and capacity, laying building blocks that could transform Guinea from one of the poorest countries in the world to sustained growth and shared prosperity.** Guinea went through a long period of political instability during the first decade of the 2000s during which weak governance prevented development of its abundant resources, key institutions deteriorated and technical capacity declined. Based on the PRSP3, the CPS focuses on three strategic areas to rebuild institutions, strengthen capacity, and create an environment conducive for investment and growth: *improving governance*, including of the mining sector—crucial for promoting investment in the sector and for ensuring that the country receives its fair share from the mineral wealth—and the public sector—to ensure that the country is able to use its resources efficiently and cost-effectively; *stimulating economic growth and diversification*, removing serious bottlenecks for economic growth by improving electricity supply, raising agricultural production and improving the business climate; and *strengthening human development*, focusing on basic services in health and education to unlock the country's great potential in human capital, while also laying the basis for building a social safety net.

#### ***Area of Engagement I: Improving Governance***

**16. Guinea's development goal in this area is to improve institutional governance and capacity.** The objectives of the Bank's engagement are to improve the mining governance structure and transparency; to improve transparency in the public sector, including in human resource management; and to support budget reform.

**17. The CPS objectives in the mining sector were achieved ahead of schedule.** This included adoption of the politically sensitive and economically crucial decree on the state-owned entity that will manage the State's mining assets. Extensive technical support contributed to building capacity in the Ministry of Mines and Geology and to improving mining regulations; helped the authorities in negotiations on the Simandou iron ore project; and supported the preparation of a master plan for railroads and ports, aimed at promoting investment in the mining sector by increasing cooperation and reducing costs. To complete the set of basic building blocks for the sector, it will be crucial for Guinea to finalize the implementing regulations of the 2011 mining code and the review of the 18 mining contracts that had been awarded under the previous code, both of which incurred delays due to slow decision processes.

18. **The 2013 Public Expenditure and Financial Accountability exercise revealed significant improvement in PFM compared to the 2006 assessment.** The Bank's involvement in improving transparency in the public sector and budget reform has two main components: strengthening basic PFM and improving human resources management. Supported by several development partners, including the WBG, the GoG was able to modernize a number of basic laws and regulations for PFM. Assistance will now have to focus on implementation, including in the context of a new comprehensive Public Finance Reform Plan that was adopted in May 2014. The completion of the WBG-supported biometric census of the civil service in 2014 was a major achievement, providing the basis for an efficient human resource management; the next challenge will be to set up a mechanism to avoid new irregular cases and to make progress in other areas of HR management, including in assuring that recruitment is merit-based.

*Area of Engagement II: Stimulating Growth and Economic Diversification*

19. **The development goals in this area are to reduce key constraints to growth, diversification and employment creation and strengthen the fight for food security.** The WBG's support aims at playing a catalytic role in energy, agriculture, and private and financial sector development by promoting an environment conducive for: (i) increased electricity generation and distribution; (ii) higher agricultural productivity; (iii) better connectivity and transformation in the area of Information and Communications Technology (ICT); and (iv) private sector development, including of the financial sector.

20. **Improving electricity supply is crucial for Guinea's development and the WBG's assistance aims at addressing technical bottlenecks, improving the financial situation of EDG and developing the country's abundant hydroelectricity potential.** Key achievements include improvement in electricity supply and the start of installation of (pre-paid) electricity meters in the center of the capital Conakry, and the partial rehabilitation of a thermal power plant in Conakry. The WBG has also provided technical advice in other areas, including with regard to the financial and technical rehabilitation of EDG. The selection of a private sector manager for EDG and the start of production by the Kaleta hydroelectricity power plant in the second half of 2015 are expected to mark the beginning of improved financial health of the sector and lower shortages, although the sector continues to face major challenges.

21. **The WBG supports the authorities' primary objective in agriculture to attain food self-sufficiency by 2017 under a national and a regional project.** The projects have contributed to strengthening the Ministry of Agriculture and to raising productivity, especially in rice cultivation. A follow-up local project will focus on further strengthening the capacity of selected institutions, including the Ministry of Agriculture.

22. **Guinea is making some progress with improving the business environment and access to financing but much work remains to be done.** Targeted outcomes of WBG-supported programs (the IFC has the lead in this area) are on track to be achieved. Key achievements were the establishment of a one-stop-shop for starting a business, which reduced the time needed from

40 days to 8 days, and the establishment of a public-private dialogue platform. WBG assistance also played a crucial role in preparing a new Investment Code and in reforms related to customs and the tax regime. With regard to developing the financing sector, the WBG supported the drafting of a leasing law and provided training on leasing to key stakeholders. The progress is reflected in Guinea's rise from 179<sup>th</sup> to 169<sup>th</sup> in the Doing Business ranking during the past two years. IFC has also been instrumental in developing a local supplier development program in connection with the Simandou iron ore project, aiming at increasing local benefits from mining sector investment while building skills. Nevertheless, the business environment remains one of the most difficult with key constraints being a weak legal system, poor Public-Private Dialogue, and corruption. An important challenge for the coming years will be to strengthen the legal system, curb corruption and to address key weaknesses in infrastructure, human resources, and in access to finance.

### *Area of Engagement III: Supporting Human Development*

23. **Guinea's development objectives in this area are to improve delivery of social services, promote youth employment and build resilience for the most vulnerable.** In support of this, WBG assistance aims at (i) improving access to basic service delivery in health and education; (ii) improving skills for job creation; and (iii) establishing a functional social safety net system reaching those below the poverty line. Moreover, in November 2014, the WBG approved emergency budget support to help the GoG fight the Ebola epidemic with the objectives to build resilience and to strengthen budget management of Ebola-related spending.

24. **The Health Sector Support Project, which closed in December 2013, aimed at improving healthcare services for pregnant women and children.** Key results included increased coverage of health services for pregnant women and children at basic and first referral health facilities in the project area and improved skills of clinical staff; about 2.6 million beneficiaries were reached. Nevertheless, the Ebola epidemic aggravated existing structural weaknesses, showing the urgency of a rapid further strengthening of the health sector.

25. **The Bank's support in the education sector was instrumental in further developing a sector-wide education policy and a financing strategy.** The pursuit of innovative quality-enhancing strategies and stronger sector management contributed to increased primary school enrollment and completion rates, including for girls, and higher performance scores. Support for the GoG's post-Ebola action plan aims at minimizing the impact of the epidemic on school-age children by reopening the schools and motivating students and teachers to return.

26. **In addition to providing income support to vulnerable groups, a key objective of the Productive Social Safety Net Project is to lay the foundations of a social safety net strategy.** The project, which aims to test some of the building blocks necessary for a larger social safety net system, had approved 90 highly labor-intensive micro projects by end-March 2015, providing income to more than 13,000 beneficiaries (of which half were female). Preparations for a cash-transfer system and school-meals are well advanced. Under a project restructuring in November 2014, the project added an additional component to allow rapid emergency assistance to combat the Ebola epidemic.

27. **The Emergency Budget Support Operation in November 2014 played an important role in closing the fiscal financing gap in the wake of Ebola and complemented the responses at the project level.** The operation made an immediate contribution to bridging the large financing gap that had resulted from a sharp shortfall in revenue and the additional spending needs to combat the Ebola epidemic. It also helped galvanize additional international assistance. Although the lending was rapidly-disbursing and policy-based without earmarking, in practice the authorities used the funds as part of the Ebola response plan to help pay for administration and expenses that were central in the fight against Ebola.

#### **IV. EMERGING LESSONS**

##### **Lessons from Project Design, Portfolio and Program Implementation and Performance**

28. **Flexibility and risk:** The Ebola epidemic has shown that conditions in fragile and vulnerable countries can change dramatically and quickly. Program design should integrate the notion of risk management and prevention as well as resilience and allow for the possibility to quickly adjust to changing circumstances and for the management of catastrophes. Moreover, several projects incurred delays because of weak national capacity, indicating the need for contingency provisions in project budgets to allow for possible additional technical and project support to offset local weaknesses.

29. **National preparation counterpart team:** Assignment of a national project preparation team by the GoG throughout the project preparation phase has improved ownership and contributed substantially to the quality and delivery schedule of new operations.

30. **Project effectiveness:** To avoid recurrent delays in declaring new projects effective, it is essential to address as much as possible simultaneously all the usual conditions of effectiveness (operations manual, recruitment of staff of PIUs, etc.) before issuing clearance for Board submission. When effectiveness conditions are limited to the standard conditions (Legal Opinion and/or Approval by Parliament), new operations tend to lose less time in the initial year of implementation.

31. **Implementation arrangements:** There was more stability in PIUs where the majority of the staff was hired on a consultant basis. In general, contractual staff hired in the PIUs tends to stay until the end of their contracts, with the caveat that the majority of them also tend to move on to new jobs (generally to similar, newer projects) before fully attending to the closing requirements of the project. On the other hand, high turnover of civil servants, the fact that they usually have other responsibilities in the sector ministries, and their tendency to always take their orders from the hierarchy, can be a major source of delays during implementation.

32. **Procurement delays:** The establishment of a monitoring committee under the Minister of Finance was instrumental in reducing delays in procurement.

## V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP STRATEGY

33. The strategy and objectives of the CPS remain valid, but some adjustment is needed to address the impact of the Ebola epidemic.<sup>2</sup> The WBG’s revised assistance takes Guinea’s post-Ebola action plan into account (Table 1). Based on the building blocks put in place during the first half of the period under the CPS, the second half will increasingly focus on implementation. In the context of the exceptional circumstances characterizing the timing of this PLR and the Government’s priorities defined in the national recovery plan, the Bank and the Government have agreed to propose a significant frontloading of the remaining IDA17 resources in order to meet the emerging needs of building resilience and rebooting the economy. To strengthen resilience and reduce social vulnerabilities, the team further recommends supporting enhanced delivery of social services through better basic health systems, revived education and nutrition inputs, safety nets and improved access to water and sanitation.

**Table 1. Indicative Lending Program**

Guinea Priority Action Plan	Project	IDA17 US\$ million	PLR Strategic Areas of Engagement			Delivery
		Tentative	Priority Area I Governance	Priority Area II Growth	Priority Area III Human Capital	FY
<i>Resilience and Social Services</i>	Third Village Communities Support Program	15			X	FY16
	Additional Financing for Social Safety Nets NEW*	TBC			X	TBC
	Water and Sanitation Services NEW*	TBC			X	TBC
	Power Sector Strengthening NEW*	TBC		X		TBC
<i>Recovery</i>	Development Policy Operation NEW*	40		X		FY16
	Agriculture Productivity and Food Security	20		X		FY17
<i>Governance</i>	PFM/Governance	TBC	X			TBC
<b>Total</b>		<b>75 (TBC)</b>				

Note: The remaining amounts for IDA17 shown in Table 1 above are indicative only. Actual allocations will depend on: (i) the total IDA resources available; (ii) the country’s performance rating, per capita gross national income, and population; (iii) the terms of IDA assistance (grants/credits); (iv) the allocation deductions associated with annual debt service foregone under the Multilateral Debt Relieve Initiative as applicable; (v) the performance, other allocation parameters, and IDA assistance terms for other IDA borrowers; (vi) the number of IDA-eligible countries, and (vii) exchange rates affecting the US\$ value of the SDR denominated allocations.

\*Although the above new operations are deemed critical, final confirmation of each will require identification of additional financing.

Against this background, it is proposed to adjust the CPS in line with the Government’s recovery strategy as follows:

### *Strategic Area 1: Improving Governance*

34. In addition to supporting the GoG in maintaining macro-economic stability and economic governance, the World Bank Group will become more engaged in deepening and

<sup>2</sup> This section focuses on the main changes to the CPS. In several projects, objectives have been rephrased for clarity or to reflect the wording in the relevant project documents. Also, indicators have been adjusted to reflect developments (including where they had already been achieved). Such minor changes are included in the updated results matrix (Annex 1), and in the matrix of change to the original results’ matrix (Annex 2).



**consolidating the decentralization process.** This will entail focusing on local development in order to improve the conditions of the rural population and on achieving the shared growth objective of the Third Village Communities Support Project. This program is intended to consolidate and institutionalize the reforms, thus strengthening resilience at the local level, and assist the GoG in deploying its local development fund. The Bank will also support the GoG in addressing the need for a clear monitoring framework by consolidating PFM systems. In support of this, the team proposes a new budget support operation to help meet the immediate financial needs of the implementation of the PAPP.

35. **Due to Ebola, there has been a deterioration in the country's macroeconomic prospects and fiscal situation.** Declines in revenue and increases in Ebola-related expenditure have created a fiscal gap of \$80 million in 2015. The proposed Macroeconomic and Fiscal Management (MFM) support is aimed at supporting the Government's Ebola response plan while contributing to addressing the fiscal gap. In addition to health, the MFM support will align with the strategic directions of the country in the areas of public finance, electricity, mining, and agriculture. The Bank will aim to support ongoing reforms in these key areas, focusing on ways to improve the efficiency and transparency of public expenditures, support electricity sector reform, improve mining sector transparency, and help enhance food security in the wake of Ebola. The combination of the Bank budget support and the existing project pipeline represents the optimal use of Bank resources given the country situation.

### *Strategic Area 2: Stimulating Growth and Economic Diversification*

36. **The Bank's strategy for the agriculture sector will continue to support the GoG's priorities for food security and for developing the sector as an engine of broad-based economic growth.** Enhanced food production would reduce vulnerability to global price spikes, and production of a wide range of crops for export can generate both income from peasant farming and employment opportunities in commercial agriculture. Additional financing for the regional WAAPP will support the expansion of activities beyond rice and rebuild Guinea's agricultural research and technology transfer capabilities more broadly. The project will help increase productivity for priority commodities selected by the National Investment Program, which have the potential to reduce rural poverty and increase food security. It will be a natural follow-on operation for the current WAAPP project by focusing on providing producers with inputs to increase food crop production (inputs for rice, maize, cassava and vaccination of traditional poultry).

37. **The Bank will complement its ongoing investment and technical assistance activities in the energy sector.** The objective is to provide more and better access to electricity supply to citizens and businesses, by addressing transmission and distribution capacity bottlenecks due to the poor state of the grid. Additional investments in the sector will target the extensive rehabilitation and upgrade of the national distribution system to alleviate distribution capacity

constraints, reduce losses, and ultimately support the expansion of electricity supply and access, in line with the goals of reducing poverty and promoting shared prosperity.

### ***Strategic Area 3: Supporting Human Development***

38. **The CPS has been adjusted to include a stronger focus on integrated basic social services.** Restoring national healthcare delivery services and putting in place a solid framework prioritizing other social services such as education, water, environmental sanitation and hygiene will be key elements of the post-Ebola action plan, as will be increasing support for social protection and safety nets.

39. **Health.** Strengthening the health systems will be critical in a post-Ebola environment to build resilience to future epidemics and associated economic shocks. It will be critical to strengthen health systems in such areas as governance, building capacity under decentralization, service delivery (including engagement of the private sector), human resources, supply chain management, and diagnostic and laboratory systems. Accordingly, the Bank will plan to provide urgent support towards strengthening the delivery and utilization of maternal and child health services for those communities most in need. This will lay the foundation for broader health systems and service delivery reform, which would create a conducive environment for private sector involvement in primary healthcare.

40. **Education.** A key priority will be to ensure that basic education services are fully restored across the country. An additional aim will be to strengthen the school system to ensure that it plays the expected supporting role to other sectors such as healthcare and the functioning of the overall economy.

41. **Water and Sanitation.** Restoring water and sanitation services and building a better performing water and sanitation sector will be critical to regaining citizens' trust and for mitigating uncontrolled spread of future epidemics. For Conakry, investments are needed to repair and construct water points in towns and urban centers, replace damaged pipes and mains, and detect and control water leakages along distribution networks to restore and improve access to water. Equally important will be to mainstream sanitation in schools, as well as to introduce and promote sanitation and hygiene inspections in all villages.

42. **Social Protection.** The Bank's ongoing Social Safety Project will be fine-tuned and strengthened to include restoring lost livelihoods to the most vulnerable low-income groups, and the youth who have been rendered poor or poorer by the EVD crisis. In the next two years, it will be critical to provide schools and other livelihood support to the vulnerable and households mostly affected by the disease, especially for children orphaned by the crisis and one-parent families; and to provide nutritional (food) support to all schools that need such assistance. Other priority actions will include (i) strengthening the function of social officers at district and prefecture levels and supporting their collaboration with local mayors; (ii) promoting youth employment, increasing

financial support towards social protection, health and education; and (iii) scaling up cash transfers and community driven projects.

43. **Gender.** The CPS will continue to build on the growing attention to (i) gender issues (as evidenced by the education and health projects, which were both informed by gender-sensitive PERs); and (ii) women’s economic opportunities (via the Micro, Small and Medium Enterprise (MSME) Development Project and the Stepping Up Skills Project). For the new operations planned during the remaining period (particularly in the agricultural, water and sanitation and additional social safety nets sectors), further attention will be accorded to the use of gender analysis to inform project design, as well as to the need to roll out statistical activities to increase sex-disaggregated data and the use of sex-disaggregated core sector indicators to track gender results more systematically.

## VI. RISKS

44. **The Ebola epidemic adds a substantial new factor to Guinea’s risk profile, which otherwise remains broadly similar (with an overall rating of substantial) as identified in the CPS (Table 2).** A prolonged presence of Ebola would slow down preparation of pipeline projects as well as regular supervision of the portfolio by Bank operations and fiduciary staff. Equally, delays in provision of goods and services by contractors could also affect project performance in the long run and undermine achievement of the development outcomes. The team will seek to strengthen project teams and improve communications to allow greater local independence in case of continuing impairment of monitoring due to Ebola.

**Table 2. Revised Systematic Operations Risk-Rating Tool<sup>3</sup>**

Risk Categories	Rating (H, S, M or L)
1. Political and governance	H
2. Macroeconomic	S
3. Sector strategies and policies	M
4. Technical design of project or program	S
5. Institutional capacity for implementation and sustainability	S
6. Fiduciary	S
7. Environment and social	L
8. Stakeholders	M
9. Other	M
<b>Overall</b>	<b>S</b>

45. **Political uncertainty and weak governance remain a high risk, especially in the run-up to presidential elections scheduled for October 2015.** This is compounded by continuing socio-economic tensions caused by the electricity and water shortages in the suburbs of Conakry. Continued close engagement by international partners will be important to assist the country in

<sup>3</sup> The CPS did not include a Systematic Operations Risk-rating Table.

managing the election process, while the WBG's focus on improving basic service delivery, including in the electricity sector is key in reducing socio-economic tensions and improving confidence in the State.

46. **Macroeconomic risk remains substantial despite strong economic management in recent years. In addition to the impact of the Ebola epidemic, Guinea remains vulnerable to exogenous shocks, as also evidenced by the overwhelming share of minerals in total exports.** Moreover, recent public-sector wage negotiations (unions asked for a 300 percent increase and the authorities agreed to a 40 percent rise despite very low growth, single digit inflation and falling government revenue) show a tendency towards unrealistic demands and weak understanding of macroeconomic and fiscal limits. The fiscal vulnerabilities remain acute for 2015 and revenue slippage continues, contrasted with expenditure increases to manage Ebola. A combination of donor fatigue, complex domestic political economy, and the international perception that Ebola is over have hindered resource mobilization efforts. The Bank will continue to support the government's ongoing reform and capacity-building efforts through the Economic Governance Technical Assistance and Capacity Building project, while additional budget support is envisaged to help mitigate Guinea's external vulnerability.

47. **Guinea remains a fragile country with weak institutional and technical capacity.** The strong effort to formulate a post-Ebola recovery plan shows the ability to formulate strategies and policies, but the risks concerning technical project or program design and implementation capacity remain substantial. Despite considerable progress in improving public financial management, the lack of adequate control systems and a weak judiciary imply a continued substantial fiduciary risk. The WBG's support under the CPS aims at reducing these risks while staff will continue to monitor developments and, if warranted, adjust assistance to help the Government address those factors that are in its reach.

48. **Looking forward and barring the possibility of a prolonged health crisis in the sub-region and/or a new political stalemate, Guinea has the opportunity to strengthen the building blocks it achieved so far in the areas of energy, agriculture, and mineral sector governance to put it back on the path to growth and improved basic social services.** With continuous financial and analytical support from all development partners and efficient management of public resources, the medium and long-term development prospects of Guinea remain positive. The World Bank Group will remain engaged to play a key role in that agenda.

## ANNEX 1. Update of the results framework of the Country Partnership Strategy

<p align="center"><b>Overarching Goals:</b> Reduce Extreme Poverty and Boost Shared Prosperity</p> <p><b>Strategic Areas of Engagement to reach Goals:</b> Governance and Service Delivery * Shared Growth * Economic Diversification</p> <p><b>High level country outcomes</b></p> <p>Low income country (Population: 10.3 million)</p> <p>Baseline (2012) <b>GDP per Capita: US\$487; Percent Poor: 55.2%</b></p>			
<p align="center"><b>CPS RESULTS MATRIX</b></p>			
<p align="center"><b>Country Development Goals</b></p>	<p align="center"><b>Issues and Obstacles</b></p>	<p align="center"><b>CPS Outcomes and Indicators</b></p>	<p align="center"><b>World Bank Group Program (Ongoing and Indicative)</b></p>
<p align="center"><b>Strategic Areas of Engagement 1: Improving governance</b></p>			
<p align="center"><b>Improve institutional governance and capacity (PRSP-III Pillar 1)</b></p>	<p>Weak capacity and governance systems of key institutions managing the minerals sector</p> <p>Lack of oversight of autonomous agencies and state-owned enterprises by the Ministry of Finance</p>	<p><b>1.1 Improved capacity and stronger governance systems of key Institutions for managing the mineral sector</b></p> <ul style="list-style-type: none"> <li>• <i>A new decree is signed which aligns SOGUIPAMI's structure with international best practice by FY17</i></li> <li>• <i>Guinea has completed its EITI membership process by FY16</i></li> <li>• <i>A new decree is adopted to clarify institutional relationship, responsibilities and mandate of SOGUIPAMI vis a vis Ministries in charge of mines, finance and transport</i></li> <li>• <i>Annual EITI reports are produced.</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Mineral Governance FY13/FY19 US\$20m (P122916)</li> </ul> <p><u>Ongoing TA:</u></p> <ul style="list-style-type: none"> <li>• Guinea Mining Ancillary Infrastructure (Phase 2): Legal Regulatory and Institutional Reforms US\$0.44m (P153462)</li> </ul>
	<p>Public procurement does not follow standard, transparent procedures.</p> <p>Civil service is ineffective due to lack of an HR management system.</p>	<p><b>1.2 Reestablished and strengthened basic systems and practices to improve public financial management and human resource management, and service delivery.</b></p> <ul style="list-style-type: none"> <li>• <i>One single HR system is established for the Guinean Civil Service by FY17</i></li> <li>• <i>Discrepancies between MEPS civil service database and the payroll reduced from 4% in 2014 to 2% by 2016</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> </ul> <p><u>Indicative Lending/ESW/AAA</u></p> <ul style="list-style-type: none"> <li>• Development Policy operation US\$40m FY16</li> <li>• PFM/Governance Project– Amount and delivery to be confirmed</li> <li>• PER (II) FY16</li> </ul>

		<ul style="list-style-type: none"> <li>• Increase public contracts procured through open competition from 15% in 2014 to 55% by 2016</li> </ul>	
	Inefficient and non-transparent budget process and budget management	<p><b>1.3 Budget reform introduced including citizen monitoring</b></p> <ul style="list-style-type: none"> <li>• A budget law and a public accounts law are adopted by FY16</li> <li>• Budget preparation occurs following new PFM legal framework by 2017</li> <li>• Citizen participation in budget preparation and monitoring of services delivered is institutionalized by FY17.</li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> <li>• SPF US\$2.7m FY14/FY16 (P149067)</li> </ul>
<b>Strategic Areas of Engagement 2: Stimulating growth and economic diversification</b>			
<b>Develop access to energy and improve infrastructure (PRSP-III Pillar 3)</b>	High level of technical and non-technical losses in distribution impact financial viability and quality of service delivery.	<p><b>2.1 Improved technical and commercial performance of the national power utility</b></p> <ul style="list-style-type: none"> <li>• Increase bill collection rate in Kaloum from 66% in 2006 to 95% by FY16</li> <li>• Decrease total electricity distribution losses in Kaloum from 26.5% in FY12 to 16% by FY16</li> <li>• Increase overall bill collection rate nationally from 77% in 2014 to 96% in 2018</li> <li>• Reduce overall energy losses from 42% in 2014 to 27% in 2018.</li> </ul>	<p><u>Ongoing Lending/TA:</u></p> <ul style="list-style-type: none"> <li>• Electricity Sector Efficiency Improvement Project, US\$7.2m + US\$18.3m FY06/FY16 (P077317)+US\$4.5m from GEF FY08/FY16 (P098742)</li> <li>• Power Sector Recovery Project US\$50m FY14/FY20 (P146696)</li> <li>• OMVG Interconnection project US\$10m FY15/FY23 (P146830)</li> <li>• SE4ALL US\$2.31 (P145846) FY14/FY16</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Power Sector Strengthening Project – Amount and delivery to be confirmed</li> </ul>
<b>Strengthen fight against hunger and malnutrition (PRSP-III Pillar 4)</b>	The agricultural sector lacks access to technology required to increase productivity.	<p><b>2.2 Stronger local level planning of agricultural investment and advisory services</b></p> <ul style="list-style-type: none"> <li>• Irrigated rice yield increased from 2.5t/ha in year FY13 to 3.6t/ha by FY 17</li> <li>• Rainfed rice yield increased from 1.0t/ha in FY 13 to 1.6t/ha by FY17</li> <li>• Budget execution rate increased from 74% in FY15 to 85% in FY19</li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Guinea Agriculture Sector Support Project FY15/FY19 US\$15m (P148114)</li> </ul> <p><u>Ongoing Trust Fund:</u></p> <ul style="list-style-type: none"> <li>• WAAPP–(PHRD grant)US\$9m FY11/FY16 (P122065)</li> <li>• PUAPA2 – (GRFP grant) US\$20m FY13/FY16 (P128309)</li> </ul> <p><u>Indicative Lending:</u></p>

		<ul style="list-style-type: none"> <li>• <i>Communes level Annual Investment Plans (AIPs) increased from 2 in FY15 to 4 by FY17</i></li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture Productivity and Food Security US\$20m FY17</li> <li>• Third Village Communities Support Program US\$15m FY16</li> </ul>
<p><b>Develop ICT infrastructures (PRSP-III Pillar 3)</b></p>	<p>Cost of communications services is very high.</p> <p>Inadequate geographical reach of broadband networks.</p> <p>Foreign investors are reluctant to invest due to lack of guarantees.</p>	<p><b>2.3 Increase the geographical reach of broadband networks and reduce the costs of communications services in West Africa</b></p> <ul style="list-style-type: none"> <li>• <i>Retail price of internet services (per Mbit/s per month, in US\$) reduced from \$1,200 in FY10 to \$500 by FY16</i></li> <li>• <i>International Communications (Internet, Telecom, and Data) bandwidth per person (Kbit/person) increase from 5 in FY10 to 11 by FY16</i></li> <li>• <i>Access to broadband services (256 kb/s guaranteed) increases from 20% to 25% of the population in FY16</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• WARCIP US\$34m FY11/FY17 (P122402)</li> </ul> <p><u>Ongoing MIGA support:</u></p> <ul style="list-style-type: none"> <li>• US\$51.9m in guarantees supporting telecom infrastructure</li> </ul> <p><u>Ongoing TA:</u></p> <ul style="list-style-type: none"> <li>• Policy Dialogue and Donor Coordination Backbone US\$0.2</li> </ul>
<p><b>Accelerate, diversify and promote private sector-led long term growth (PRSP-III Pillar 2)</b></p>	<p>Lack of technical and managerial skills in the private sector, notably in agri-businesses impedes growth</p>	<p><b>2.4 Improved selected processes of Guinea's investment climate and improved financial systems</b></p> <ul style="list-style-type: none"> <li>• <i>New Leasing Law</i></li> <li>• <i>5,000 entrepreneurs trained in basic business modules by FY17 including 500 women Established 3 SME sector focused technical centers</i></li> <li>• <i>Increase number of reforms adopted through the PPD platform from 0 in FY15 to 4 by FY18</i></li> <li>• <i>Increase the number of businesses registered and included in the Credit Reporting System from 0 in FY15 to 150 by FY18</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• MSME Support Project US\$10m FY13/FY18 (P128443)</li> </ul> <p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Investment climate program-IC: FY12/FY16 US\$3,140,000</li> <li>• TA &amp; Local Supplier Development Project FY13/FY15 US\$4,661,500</li> </ul>
	<p>Limited access of MSMEs to financial</p>	<p><b>2.5 Improved institutional framework to broaden investment opportunities</b></p>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• Business environment and MSME Support Project in partnership with IFC's Entrepreneur initiative</li> </ul>

	<p>services including savings and finance</p> <p>Leasing as an alternative to bank loans does not exist</p> <p>Lack of a public- private partnership framework boosting private sector investment in key economic sectors</p>	<ul style="list-style-type: none"> <li>• <i>Implementation decrees of the new Leasing Law are published and disseminated by FY15</i></li> <li>• <i>PPP transactions in key sectors</i></li> <li>• <i>At least 2 PPP transactions are completed in key sectors such as energy, agribusiness and services</i></li> </ul>	<p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Leasing US\$450,000 FY13/FY16</li> </ul> <p><u>Indicative Lending/IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• PPP Project TF US\$3,300,000 FY13/FY16</li> </ul>
	<p>Guinea is not realizing its export potential and integration to regional and global market is stunted by inefficient policies</p>	<p><b>2.6 Enhanced regional integration and improved regulation of transport sub-sectors</b></p> <ul style="list-style-type: none"> <li>• <i>Civil aviation code revised and approved by FY14</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• West and Central Africa Air Transport US\$7m (P083751)</li> </ul>
	<p>Widespread illegal fishing and lack of effective fisheries management programs.</p> <p>Import ban on its fishing products by European Union due to illegal, unreported and unregulated fishing activities</p>	<p><b>2.7 Stronger governance and management of targeted fisheries and improved handling of landed fish at selected sites</b></p> <ul style="list-style-type: none"> <li>• <i>Share of fisheries management data published regularly and made publicly accessible increase from 0% in FY15 to 83% by FY21</i></li> <li>• <i>Share of fishing vessels inspected by the national fisheries surveillance agency for compliance with national regulations increase from 25% in FY15 to 80% in FY21</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• West Africa Regional Fisheries Program (P126773)-US\$5m FY15/FY21</li> </ul>
<b>Strategic Areas of Engagement 3: Supporting Human development</b>			
<p><b>Improve delivery of social services (PRSP-III Pillar 4)</b></p>	<p>Majority of deliveries not supervised by trained personnel. Immunization rates are low.</p>	<p><b>3.1 Improve the utilization of maternal. Child health and nutrition services at the primary level of care in target regions</b></p> <ul style="list-style-type: none"> <li>• <i>Percentage of deliveries assisted by trained health personnel in targeted areas</i></li> </ul>	<p><u>Ongoing Lending/TF:</u></p> <ul style="list-style-type: none"> <li>• Health Sector Strengthening Project US\$15m /FY15 (P065126)</li> <li>• Ebola Recovery and Reconstruction Trust Fund US\$5m FY16</li> </ul>



	<p>Low transition rate from primary to lower secondary school</p> <p>Ineffective teacher deployment strategy</p>	<p><i>increased from 24% in 2012 to 28% by FY17</i></p> <ul style="list-style-type: none"> <li>• <i>Percentage of children (0-11months) fully vaccinated from 16% to 20% in FY17</i></li> <li>• <i>Number of newly trained community health workers engaged in health promotion and basic service delivery increased from 0 in FY15 to 530 by FY19</i></li> </ul>	<ul style="list-style-type: none"> <li>• Guinea Community Service Delivery Strengthening Project US\$15m FY15</li> <li>• Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> </ul> <p><u>Ongoing ESW:</u></p> <ul style="list-style-type: none"> <li>• GN- Education Impact Evaluation</li> <li>• PER Health</li> <li>• PER Education</li> <li>• Towards a tertiary Education Strategy</li> <li>• Youth Employment TA</li> </ul>
<b>Promote youth and youth employment (PRSP-III Pillar 4)</b>	<p>Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.</p>	<p><b>3.2 Improved access and learning in basic education for underserved populations in project areas and strengthened capacity in evidence based management for MEPUA</b></p> <ul style="list-style-type: none"> <li>• <i>Percentage of teachers deployed using the “barême de mutation” approach increased from 92% in 2013 to 95% in FY17</i></li> <li>• <i>Number of teachers participating in the performance based incentive program increased from 1300 in FY15 to 1900 by FY19</i></li> <li>• <i>Number of Grade 1 and Grade 2 student passing rates on EGRA (in ER pilots’ schools) increased from 12% in FY15 to 22% by FY19.</i></li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>• HD PER/Policy Notes 2</li> <li>• Education for ALL FTI FY02/FY14 US\$40m (P111470)</li> <li>• Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> <li>• Pooled Fund for Basic Education US\$37.8 m FY15/FY18 (P148127)</li> <li>• Ebola Recovery and Reconstruction Trust Fund US\$1m FY15</li> </ul>
	<p>Unexpected Ebola Virus Disease outbreak deteriorated already poor health system and services</p>	<p><b>3.3 Contribute in the short term to the control of the Ebola Virus Disease (EVD) outbreak and the availability of selected essential health services, and mitigate the socio-economic impact of EVD</b></p> <ul style="list-style-type: none"> <li>• <i>Availability of at least two weeks needs of PPEs and other required IPC supplies in the Ebola treatment centers (ETCs) and</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Ebola Emergency Response Project and Additional Financing (P152359)-US\$97m FY15/FY16</li> </ul> <p><u>Budget Support Operation:</u></p> <ul style="list-style-type: none"> <li>• Emergency Macroeconomic and Fiscal Support Operation-EMFSO US\$50m (P151794) FY15</li> </ul> <p><u>Indicative Lending:</u></p>

		<p><i>referral centers increased from 0% in 2014 to 80% by FY16</i></p> <ul style="list-style-type: none"> <li>• <i>Number of New Community Care Units established and fully operational increased from 0 in 2013 to 42 by FY16</i></li> </ul>	<ul style="list-style-type: none"> <li>• Water and Sanitation Services - Amount and delivery to be confirmed</li> </ul>
Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.	<p><b>3.4 Improved employability and employment outcomes of Guinean youth in targeted skills programs</b></p> <ul style="list-style-type: none"> <li>• <i>Established relevant training and education programs to train 8,000 youth by FY17</i></li> <li>• <i>Share of graduation rates/certification at the end of the Bank-supported training programs increased from 0% in FY15 to at least 70% by FY17</i></li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>• Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> </ul>	
Existing safety nets mechanisms are inadequate and limited	<p><b>3.5 Established functional social safety net system reaching those below the poverty line</b></p> <ul style="list-style-type: none"> <li>• <i>50,000 beneficiaries reached through public works by FY17</i></li> <li>• <i>12,000 beneficiaries reached through conditional cash transfers by FY17</i></li> </ul>	<p><u>Ongoing Social protection Lending/TF/TA</u></p> <ul style="list-style-type: none"> <li>• Productive Social Safety net project US\$25m (P123900)</li> <li>• Peace Building Fund TF US\$2m</li> <li>• Social Protection Strategy TA</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Additional Financing to Social Safety Nets FY16- Amount and delivery to be confirmed</li> </ul>	

## ANNEX 2. Matrix of Change to original CPS Results Matrix

{Note: Proposed changes are **highlighted** in relation to the original matrix}

<b>Overarching Goals:</b> Reduce Extreme Poverty and Boost Shared Prosperity <b>Strategic Areas of Engagement to reach Goals:</b> Governance and Service Delivery * Shared Growth * Economic Diversification <b>High level country outcomes</b> Low income country (Population: 10.3 million) Baseline (2012) <b>GDP per Capita: US\$487; Percent Poor: 55.2%</b>			
<b>CPS RESULTS MATRIX</b>			
Country Development Goals	Issues and Obstacles	CPS Outcomes and Indicators	World Bank Group Program (Ongoing and Indicative)
<b>Strategic Areas of Engagement 1: Improving governance</b>			
<b>Improve institutional governance and capacity (PRSP-III Pillar 1)</b>	Weak capacity and governance systems of key institutions managing the minerals sector  Lack of oversight of autonomous agencies and state-owned enterprises by the Ministry of Finance	<b>1.1 Improved mining governance structure and transparency</b> <b>New outcome: Improved capacity and stronger governance systems of key Institutions for managing the mineral sector</b> <ul style="list-style-type: none"> <li>• A new decree is signed which aligns SOGUIPAMI's structure with international best practice by FY17</li> <li>• Guinea has completed its EITI membership process by FY16</li> <li>• A new decree is adopted to clarify institutional relationship, responsibilities and mandate of SOGUIPAMI vis a vis Ministries in charge of mines, finance and transport</li> <li>• Annual EITI reports are produced.</li> </ul>	<u>Ongoing Lending:</u> <ul style="list-style-type: none"> <li>• Mineral Governance FY13/FY19 US\$20m (P122916)</li> </ul> <u>Ongoing TA:</u> <ul style="list-style-type: none"> <li>• Guinea Mining Ancillary Infrastructure (Phase 2): Legal Regulatory and Institutional Reforms (P153462)</li> </ul>
	Public procurement does not follow standard, transparent procedures.  Civil service is ineffective due to lack of an HR management system.	<b>1.2 Improved transparency of the public sector including HR system management</b> <b>New outcome: Reestablished and strengthened basic systems and practices to improve public financial management and human resource management, and service delivery</b>	<u>Ongoing lending:</u> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> </ul> <u>Indicative Lending/ESW/AAA</u> <ul style="list-style-type: none"> <li>• Development Policy operation US\$40m FY16</li> </ul>

		<ul style="list-style-type: none"> <li>• One single HR system is established for the Guinean Civil Service by FY17</li> <li>• Discrepancies between MEPS civil service database and the payroll reduced from 4% in 2014 to 2% by 2016</li> <li>• Increase public contracts procured through open competition from 15% in 2014 to 55% by 2016</li> </ul>	<ul style="list-style-type: none"> <li>• PFM/Governance Project– Amount and delivery to be confirmed</li> <li>• PER (II) FY16</li> </ul>
	Inefficient and non-transparent budget process and budget management	<b>1.3 Budget reform introduced including citizen monitoring</b> <ul style="list-style-type: none"> <li>• A budget law and a public accounts law are adopted by FY16</li> <li>• Budget preparation occurs following new PFM legal framework by 2017</li> <li>• Citizen participation in budget preparation and monitoring of services delivered is institutionalized by FY17.</li> </ul>	<u>Ongoing Lending:</u> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> <li>• SPF US\$2.7m FY14/16 (P149067)</li> </ul>
<b>Strategic Areas of Engagement 2: Stimulating growth and economic diversification</b>			
<b>Develop access to energy and improve infrastructure (PRSP-III Pillar 3)</b>	High level of technical and non-technical losses in distribution impact financial viability and quality of service delivery.	<b>2.1 Increased electricity generation and distribution</b> <b>New outcome: Improved technical and commercial performance of the national power utility</b> <ul style="list-style-type: none"> <li>• Increase bill collection rate in Kaloum from 66% in 2006 to 95% by FY16</li> <li>• Decrease total electricity distribution losses in Kaloum from 26.5% in FY12 to 16% by FY16</li> <li>• Increase overall bill collection rate nationally from 77% in 2014 to 96% in 2018</li> <li>• Reduce overall energy losses from 42% in 2014 to 27% in 2018.</li> </ul>	<u>Ongoing Lending:</u> <ul style="list-style-type: none"> <li>• Electricity Sector Efficiency Improvement Project, US\$7.2m + US\$18.3m FY08/FY16 (P077317) +US\$4.5m from GEF FY12/FY16 (P098742)</li> <li>• Power Sector Recovery Project US\$50m FY14/FYFY20 (P146696)</li> <li>• OMVG Interconnection project US\$10m FY15/FY23 SE4ALL US\$2.31m FY14/FY16</li> </ul> <u>Indicative Lending:</u> <ul style="list-style-type: none"> <li>• Power Sector Strengthening Project – Amount and delivery to be confirmed</li> </ul>

<p><b>Strengthen fight against hunger and malnutrition (PRSP-III Pillar 4)</b></p>	<p>The agricultural sector lacks access to technology required to increase productivity.</p>	<p><b>2.2 Improved agricultural productivity</b>  <b>New outcome: Stronger local level planning of agricultural investment and advisory services</b></p> <ul style="list-style-type: none"> <li>• Irrigated rice yield increased from 2.5t/ha in year FY13 to 3.6t/ha by FY 17</li> <li>• Rainfed rice yield increased from 1.0t/ha in FY 13 to 1.6t/ha by FY17</li> <li>• Budget execution rate increased from 74% in FY15 to 85% in FY19</li> <li>• Communes level Annual Investment Plans (AIPs) increased from 2 in FY15 to 4 by FY17</li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Guinea Agriculture Sector Support Project FY15/FY19 US\$15m (P148114)</li> </ul> <p><u>Ongoing Trust Fund:</u></p> <ul style="list-style-type: none"> <li>• WAAPP–(PHRD grant) US\$9m FY11/FY16(P122065)</li> <li>• PUAPA2 – (GRFP grant) US\$20m FY13/FY16 (P128309)</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Agriculture Productivity and Food Security US\$20m FY17</li> <li>• Third Village Communities Support Program US\$15m FY16</li> </ul>
<p><b>Develop ICT infrastructures (PRSP-III Pillar 3)</b></p>	<p>Cost of communications services is very high.</p> <p>Inadequate geographical reach of broadband networks.</p> <p>Foreign investors are reluctant to invest due to lack of guarantees.</p>	<p><b>2.3 Improved ICT connectivity and transformation</b>  <b>New outcome: Increase the geographical reach of broadband networks and reduce the costs of communications services in West Africa</b></p> <ul style="list-style-type: none"> <li>• Retail price of internet services (per Mbit/s per month, in US\$) reduced from \$1,200 in FY10 to \$500 by FY16</li> <li>• International Communications (Internet, Telecom, and Data) bandwidth per person (Kbit/person) increase from 5 in FY10 to 11 by FY16</li> <li>• Access to broadband services (256 kb/s guaranteed) increases from 20% to 25% of the population in FY16</li> </ul>	<p><u>Ongoing Lending/TA:</u></p> <ul style="list-style-type: none"> <li>• WARCIP US\$34m (P122402) FY11/FY17</li> <li>• Policy Dialogue and Donor Coordination Backbone US\$0.2m</li> </ul> <p><u>Ongoing MIGA support:</u></p> <ul style="list-style-type: none"> <li>• US\$51.9m in guarantees supporting telecom infrastructure</li> </ul>
<p><b>Accelerate, diversify and promote private sector-led long term</b></p>	<p>Lack of technical and managerial skills in the private sector, notably in agri-businesses impedes growth</p>	<p><b>2.4 Enhanced technical skills to boost private sector development</b>  <b>New outcome: Improved selected processes of Guinea’s investment climate and improved financial systems</b></p> <ul style="list-style-type: none"> <li>• New Leasing Law</li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• MSME Support Project US\$10m FY13/FY18 (P128443)</li> </ul> <p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Investment climate program-IC: FY12/16; US\$3,140,000</li> </ul>

<p><b>growth (PRSP-III Pillar 2)</b></p>	<p>Leasing as an alternative to bank loans does not exist</p>	<ul style="list-style-type: none"> <li>• 5.000 entrepreneurs trained in basic business modules by FY17 including 500 women</li> <li>• Established 3 SME sector focused technical centers</li> <li>• Increase number of reforms adopted through the PPD platform from 0 in FY15 to 4 by FY18</li> <li>• Increase the number of businesses registered and included in the Credit Reporting System from 0 in FY15 to 150 by FY18</li> </ul>	<ul style="list-style-type: none"> <li>• TA &amp; Local Supplier Development Project FY13/15; US\$4,661,500</li> </ul>
	<p>Limited access of MSMEs to financial services including savings and finance</p> <p>Lack of a public- private partnership framework boosting private sector investment in key economic sectors</p>	<p><b>2.5 Improved institutional framework to broaden investment opportunities</b></p> <ul style="list-style-type: none"> <li>• Implementation decrees of the new Leasing Law are published and disseminated by FY15</li> <li>• PPP transactions in key sectors</li> <li>• At least 2 PPP transactions are completed in key sectors such as energy, agribusiness and services</li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• Business environment and MSME Support Project in partnership with IFC's Entrepreneur initiative</li> </ul> <p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Leasing US\$450,000 FY13/FY16</li> </ul> <p><u>Indicative Lending/IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• MRU Trade, Land and Economic Growth FY15 US\$10m</li> <li>• PPP Project TF US\$3,300,000 FY13/FY16</li> </ul>
	<p>Guinea is not realizing its export potential and integration to regional and global market is stunted by inefficient policies</p>	<p><b>2.6 Enhanced regional integration and improved regulation of transport sub-sectors</b></p> <ul style="list-style-type: none"> <li>• Civil aviation code revised and approved by FY14</li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• West and Central Africa Air Transport US\$7m (P083751)</li> </ul>
	<p>Widespread illegal fishing and lack of effective fisheries management programs.</p> <p>Import ban on its fishing products by European Union due to illegal, unreported and unregulated fishing activities</p>	<p><b>2.7 Stronger governance and management of targeted fisheries and improved handling of landed fish at selected sites</b></p> <ul style="list-style-type: none"> <li>• Share of fisheries management data published regularly and made publicly accessible increase from 0% in FY15 to 83% by FY21</li> <li>• Share of fishing vessels inspected by the national fisheries surveillance agency for compliance with national regulations increase from 25% in FY15 to 80% in FY21</li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• West Africa Regional Fisheries Program (P126773)- US\$5m FY15/FY21</li> </ul>

Strategic Areas of Engagement 3: Supporting Human development			
<b>Improve delivery of social services (PRSP-III Pillar 4)</b>	<p>Majority of deliveries not supervised by trained personnel. Immunization rates are low.</p> <p>Low transition rate from primary to lower secondary school</p> <p>Ineffective teacher deployment strategy</p>	<p><b>3.1 Improved access to basic service delivery (this outcome has been split to separate health, education and skills outcomes)</b></p> <p><b>New outcome: Improve the utilization of maternal, child health and nutrition services at the primary level of care in target regions</b></p> <ul style="list-style-type: none"> <li>• <i>Percentage of children (0-11months) fully vaccinated from 16% to 20% in FY17</i></li> <li>• <i>Number of newly trained community health workers engaged in health promotion and basic service delivery increased from 0 in FY15 to 530 by FY19</i></li> </ul>	<p><u>Ongoing Lending/TF:</u></p> <ul style="list-style-type: none"> <li>• Health Sector Support Project FY05/FY14 US\$25m (P065126)</li> <li>• Guinea Community Service Delivery Strengthening Project <b>US\$15m FY15</b></li> <li>• Stepping Up Skills <b>US\$20m</b> FY14/FY20 (P146474)</li> </ul> <p><u>Ongoing ESW:</u></p> <ul style="list-style-type: none"> <li>• GN- Education Impact Evaluation</li> <li>• PER Health</li> <li>• PER Education</li> <li>• Towards a tertiary Education Strategy</li> <li>• Youth Employment TA</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Higher Education Project US\$12m FY17 (<b>Postponed</b>)</li> </ul>
<b>Promote youth and youth employment (PRSP-III Pillar 4)</b>	<p>Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.</p>	<p><b>3.2 Improved access and learning in basic education for underserved populations in project areas and strengthened capacity in evidence based management for MEPUA</b></p> <ul style="list-style-type: none"> <li>• <i>Percentage of teachers deployed using the “barême de mutation” approach increased from 92% in 2013 to 95% in FY17</i></li> <li>• <i>Number of teachers participating in the performance based incentive program increased from 1300 in FY15 to 1900 by FY19</i></li> <li>• <i>Number of Grade 1 and Grade 2 student passing rates on EGRA (in ER pilots’ schools) increased from 12% in FY15 to 22% by FY19</i></li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>• <b>HD PER/Policy Notes 2</b></li> <li>• Education for All FTI US\$40m FY02/FY14 (P111470)</li> <li>• Stepping Up Skills <b>US\$20m</b> FY14/FY20 (P146474)</li> <li>• <b>Pooled Fund Basic Education US\$37.8 m FY15/FY18</b></li> <li>• <b>Ebola Recovery and Reconstruction TF US\$1m FY15</b></li> </ul>

<p>Unexpected Ebola Virus Disease outbreak deteriorated already poor health system and services</p>	<p><b>3.3 Contribute in the short term to the control of the Ebola Virus Disease (EVD) outbreak and the availability of selected essential health services, and mitigate the socio-economic impact of EVD</b></p> <ul style="list-style-type: none"> <li>• Availability of at least two weeks needs of PPEs and other required IPC supplies in the Ebola treatment centers (ETCs) and referral centers increased from 0% in 2014 to 80% by FY16</li> <li>• Number of New Community Care Units established and fully operational increased from 0 in 2013 to 42 by FY16</li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Ebola Emergency Response Project and Additional Financing (P152359)-US\$97m FY15/FY16</li> </ul> <p><u>Budget Support Operation:</u></p> <ul style="list-style-type: none"> <li>• Emergency Macroeconomic and Fiscal Support Operation FY15 US\$50m (EMFSO)-(P151794)</li> </ul> <p><u>Indicative Lending:</u></p> <p>Water and Sanitation Services - Amount and delivery to be confirmed</p>
<p>Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.</p>	<p><b>3.4 Improved employability and employment outcomes of Guinean youth in targeted skills programs</b></p> <ul style="list-style-type: none"> <li>• Established relevant training and education programs to train 8,000 youth by FY17</li> <li>• At least 70% graduation rates/certification at the end of the Bank-supported training programs by FY17</li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>• Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> </ul>
<p>Existing safety nets mechanisms are inadequate and limited</p>	<p><b>3.5 Established functional social safety net system reaching those below the poverty line</b></p> <ul style="list-style-type: none"> <li>• 50,000 beneficiaries reached through public works by FY17</li> <li>• 12,000 beneficiaries reached through conditional cash transfers by FY17</li> </ul>	<p><u>Ongoing Lending/TF/ TA</u></p> <ul style="list-style-type: none"> <li>• Productive Social Safety net project US\$25m FY12/FY18 + Peace Building Fund TF US\$2m (P123900)</li> <li>• Social Protection Strategy TA</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Additional Financing to Social Safety Nets - Amount and delivery to be confirmed</li> </ul>



### ANNEX 3. Progress Toward Achieving the CPS Objectives and Changes in Targeted Objectives and Indicators

<b>Overarching Goals:</b> Reduce Extreme Poverty and Boost Shared Prosperity <b>Strategic Areas of Engagement to reach Goals:</b> Governance and Service Delivery * Shared Growth * Economic Diversification <b>High level country outcomes</b> Low income country (Population: 10.3 million) Baseline (2012) <b>GDP per Capita: US\$487; Percent Poor: 55.2%</b>			
CPS RESULTS MATRIX			
Country Development Goals	Issues and Obstacles	CPS Outcomes and Indicators	World Bank Group Program (Ongoing and Indicative)
<b>Strategic Areas of Engagement 1: Improving governance</b>			
<b>Improve institutional governance and capacity (PRSP-III Pillar 1)</b>	Weak capacity and governance systems of key institutions managing the minerals sector  Lack of oversight of autonomous agencies and state-owned enterprises by the Ministry of Finance	<b>1.1 Improved capacity and stronger governance systems of key Institutions for managing the mineral sector</b> <ul style="list-style-type: none"> <li>• <i>A new decree is signed which aligns SOGUIPAMI's structure with international best practice by FY17 (Achieved)</i></li> <li>• <i>Guinea has completed its EITI membership process by FY16 (Achieved)</i></li> <li>• <i>A new decree is adopted to clarify institutional relationship, responsibilities and mandate of SOGUIPAMI vis a vis Ministries in charge of mines, finance and transport</i></li> <li>• <i>Annual EITI reports are produced.</i></li> </ul>	<u>Ongoing Lending:</u> <ul style="list-style-type: none"> <li>• Mineral Governance FY13/FY19 US\$20m (P122916)</li> </ul> <u>Ongoing TA:</u> <ul style="list-style-type: none"> <li>• Guinea Mining Ancillary Infrastructure (Phase 2): Legal Regulatory and Institutional Reforms US\$0.44m FY 15 (P153462)</li> </ul>
	Public procurement does not follow standard, transparent procedures.  Civil service is ineffective due to lack of an HR management system.	<b>1.2 Reestablished and strengthened basic systems and practices to improve public financial management and human resource management, and service delivery.</b> <ul style="list-style-type: none"> <li>• <i>Timeframe for public procurements financed by the national budget is reduced from 65days in 2011 to 10 days by FY17 (Dropped)</i></li> </ul>	<u>Ongoing lending:</u> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> </ul> <u>Indicative Lending/ESW/AAA</u> <ul style="list-style-type: none"> <li>• Development Policy operation US\$40m FY16</li> <li>• PFM/Governance Project– Amount and delivery to be confirmed</li> <li>• PER (II)</li> </ul>

		<ul style="list-style-type: none"> <li>• <i>Audit of all active SOEs conducted by FY17<sup>4</sup> (Dropped)</i></li> <li>• <i>One single HR system is established for the Guinean Civil Service by FY17(Achieved)</i></li> <li>• <i>Discrepancies between MEPS civil service database and the payroll reduced from 4% in 2014 to 2% by 2016</i></li> <li>• <i>Increase public contracts procured through open competition from 15% in 2014 to 55% by 2016</i></li> </ul>	
	Inefficient and non-transparent budget process and budget management	<p><b>1.3 Budget reform introduced including citizen monitoring</b></p> <ul style="list-style-type: none"> <li>• <i>A budget law and a public accounts law are adopted by FY16 (Achieved)</i></li> <li>• <i>Citizen participation in budget preparation and monitoring is institutionalized by FY15 (On track, the civil society platform has been identified and should be institutionalized by FY17))</i></li> <li>• <i>Budget preparation occurs following new PFM legal framework by 2017</i></li> <li>• <i>Citizen participation in budget preparation and monitoring of services delivered is institutionalized by FY17.</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• EGTACB US\$11.35m FY12/FY17 (P125890)</li> <li>• SPF US\$2.7m FY14/16 (P149067)</li> </ul>
<b>Strategic Areas of Engagement 2: Stimulating growth and economic diversification</b>			
<b>Develop access to energy and improve infrastructure (PRSP-III Pillar 3)</b>	High level of technical and non-technical losses in distribution impact financial viability and quality of service delivery.	<p><b>2.1 Improved technical and commercial performance of the national power utility</b></p> <ul style="list-style-type: none"> <li>• <i>Increase bill collection rate in Kaloum from 66% in 2006 to 95% by FY16 (On track, bill collection in Kaloum is currently at 73.5% with target of 95% by FY16)</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Electricity Sector Efficiency Improvement Project US\$7.2m + US\$18.3m FY06/FY16 (P077317)+US\$4.5m from GEF FY08/FY16 (P098742)</li> </ul>

<sup>4</sup> Source: DNMP and ARMP annual reports

		<ul style="list-style-type: none"> <li>• <i>Decrease total electricity distribution losses in Kaloum from 26.5% in FY12 to 16% by FY14 (Achieved)</i></li> <li>• <i>Increase overall bill collection rate nationally from 77% in 2014 to 96% in 2018</i></li> <li>• <i>Reduce overall energy losses from 42% in 2014 to 27% in 2018.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Power Sector Recovery Project US\$50m FY14/FY20 (P146696)</li> <li>• OMVG Interconnection project US\$10m FY15/FY23 (P146830)</li> <li>• SE4ALL US\$2.31 FY14/FY16 (P145846)</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Power Sector Strengthening Project – Amount and delivery to be confirmed –</li> </ul>
<p><b>Strengthen fight against hunger and malnutrition (PRSP-III Pillar 4)</b></p>	<p>The agricultural sector lacks access to technology required to increase productivity.</p>	<p><b>2.2 Stronger local level planning of agricultural investment and advisory services</b></p> <ul style="list-style-type: none"> <li>• <i>Irrigated rice yield increased from 2.5t/ha in year FY13 to 3.6t/ha by FY 17 (On track, 1,100 ha. Irrigated perimeters and full exploitation of all rehabilitated perimeters (3,620 ha.) during the upcoming production campaigns will result in the achievement of the targeted indicator by FY17)</i></li> <li>• <i>Rainfed rice yield increased from 1.0t/ha in FY 13 to 1.6t/ha by FY17 (Achieved under WAAPP (1.63t/ha) in the widespread rain fed plain’s rice system)</i></li> <li>• <i>Budget execution rate increased from 74% in FY15 to 85% in FY19</i></li> <li>• <i>Communes level Annual Investment Plans (AIPs) increased from 2 in FY15 to 4 by FY17</i></li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>• Guinea Agriculture Sector Support Project FY15/FY19 US\$15m (P148114)</li> </ul> <p><u>Ongoing Trust Fund:</u></p> <ul style="list-style-type: none"> <li>• WAAPP–(PHRD grant)US\$9m FY11/FY16(P122065)</li> <li>• PUAPA2 – (GRFP grant) US\$20m FY13/FY16 (P128309)</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>• Agriculture Productivity and Food Security US\$20m FY17</li> <li>• Third Village Communities Support Program US\$15m FY16</li> </ul>
<p><b>Develop ICT infrastructures (PRSP-III Pillar 3)</b></p>	<p>Cost of communications services is very high.</p> <p>Inadequate geographical reach of broadband networks.</p> <p>Foreign investors are reluctant to invest due to lack of guarantees.</p>	<p><b>2.3 Increase the geographical reach of broadband networks and reduce the costs of communications services in West Africa</b></p> <ul style="list-style-type: none"> <li>• <i>Retail price of internet services (per Mbit/s per month, in US\$) reduced from \$1,200 in FY10 to \$500 by FY16 (On track, retail price was \$800 per Mbits/s by May 2014 and target remains to reach \$500 by FY16)</i></li> <li>• <i>International Communications (Internet, Telecom, and Data) bandwidth per person</i></li> </ul>	<p><u>Ongoing Lending/TA:</u></p> <ul style="list-style-type: none"> <li>• WARCIP US\$ 34m (P122402)</li> <li>• Policy Dialogue and Donor Coordination Backbone US\$0.2 (Completed)</li> </ul> <p><u>Ongoing MIGA support:</u></p> <ul style="list-style-type: none"> <li>• US\$51.9m in guarantees supporting telecom infrastructure</li> </ul>

		<p>(Kbit/person) increase from 5 in FY10 to 11 by FY16 (<i>Achieved</i>)</p> <ul style="list-style-type: none"> <li>• Access to broadband services (256 kb/s guaranteed) increases from 20% to 25% of the population in FY16</li> </ul>	
<p><b>Accelerate, diversify and promote private sector-led long term growth (PRSP-III Pillar 2)</b></p>	<p>Lack of technical and managerial skills in the private sector, notably in agri-businesses impedes growth</p>	<p><b>2.4 Improved selected processes of Guinea's investment climate and improved financial systems</b></p> <ul style="list-style-type: none"> <li>• <i>New Leasing Law (Achieved)</i></li> <li>• <i>5.000 entrepreneurs trained in basic business modules by FY17 including 500 women (Delayed, a prerequisite was to build technical centers but the project is planning a restructuring which will recommend starting the training before the centers are completed)</i></li> <li>• <i>Established 3 SME sector focused technical centers (Delayed, sites have been identified and are pending GoG confirmation. The restructuring will also advise to reduce the number of centers to 2)</i></li> <li>• <i>Increase number of reforms adopted through the PPD platform from 0 in FY15 to 4 by FY18</i></li> <li>• <i>Increase the number of businesses registered and included in the Credit Reporting System from 0 in FY15 to 150 by FY18</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• MSME Support Project US\$10m FY13/FY18 (P128443)</li> </ul> <p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Investment climate program-IC: FY12/16 US\$3,140,000</li> <li>• TA &amp; Local Supplier Development Project FY13/15 US\$4,661,500</li> </ul>
	<p>Limited access of MSMEs to financial services including savings and finance</p> <p>Leasing as an alternative to bank loans does not exist</p> <p>Lack of a public-private partnership framework boosting private sector</p>	<p><b>2.5 Improved institutional framework to broaden investment opportunities</b></p> <ul style="list-style-type: none"> <li>• <i>Implementation decrees of the new Leasing Law are published and disseminated by FY15 (Achieved)</i></li> <li>• <i>PPP transactions in key sectors (On track, List of priority sectors established and key measures identified to establish PPP including PPP law and PPP implementation Unit by FY16)</i></li> </ul>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> <li>• Business environment and MSME Support Project in partnership with IFC's Entrepreneur initiative</li> </ul> <p><u>Ongoing IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• Leasing US\$450,000 FY13/16</li> </ul> <p><u>Indicative Lending/IFC Advisory:</u></p> <ul style="list-style-type: none"> <li>• PPP Project TF US\$3,300,000 FY13/16</li> <li>• MRU Trade, Land and Economic Growth FY15 US\$10m (<i>Postponed</i>)</li> </ul>

	investment in key economic sectors	<ul style="list-style-type: none"> <li>• <i>At least 2 PPP transactions are completed in key sectors such as energy, agribusiness and services</i></li> </ul>	
	Guinea is not realizing its export potential and integration to regional and global market is stunted by inefficient policies	<b>2.6 Enhanced regional integration and improved regulation of transport sub-sectors</b> <ul style="list-style-type: none"> <li>• <i>Civil aviation code revised and approved by FY14 (Achieved and project has been closed in FY13)</i></li> </ul>	<u>Ongoing lending:</u> <ul style="list-style-type: none"> <li>• West and Central Africa Air Transport US\$7m (P083751)</li> </ul>
	Widespread illegal fishing and lack of effective fisheries management programs.  Import ban on its fishing products by European Union due to illegal, unreported and unregulated fishing activities	<b>2.7 Stronger governance and management of targeted fisheries and improved handling of landed fish at selected sites</b> <ul style="list-style-type: none"> <li>• <i>Share of fisheries management data published regularly and made publicly accessible increase from 0% in FY15 to 83% by FY21</i></li> <li>• <i>Share of fishing vessels inspected by the national fisheries surveillance agency for compliance with national regulations increase from 25% in FY15 to 80% in FY21</i></li> </ul>	<u>Ongoing lending:</u> <ul style="list-style-type: none"> <li>• West Africa Regional Fisheries Program (P126773)- US\$5m FY15/FY21</li> </ul>
<b>Strategic Areas of Engagement 3: Supporting Human development</b>			
<b>Improve delivery of social services (PRSP-III Pillar 4)</b>	<p>Majority of deliveries not supervised by trained personnel. Immunization rates are low.</p> <p>Low transition rate from primary to lower secondary school</p> <p>Ineffective teacher deployment strategy</p>	<b>3.1 Improve the utilization of maternal, child health and nutrition services at the primary level of care in target regions</b> <ul style="list-style-type: none"> <li>• <i>Percentage of deliveries assisted by trained health personnel in targeted areas increased from 24% in 2012 to 28% by FY17 (Project has closed on June 30, 2013 at 25% of the initial planned target)</i></li> <li>• <i>Health centers applying Results Based Financing increases from 0 in 2013 to 10% by FY17 (Dropped, the GoG couldn't implement RBF approach because of the Ebola outbreak)</i></li> <li>• <i>Percentage of children (0-11 months) fully vaccinated from 16% to 20% in FY17</i></li> <li>• <i>Number of newly trained community health workers engaged in health promotion and</i></li> </ul>	<u>Ongoing Lending/TF:</u> <ul style="list-style-type: none"> <li>• Health Sector Support Project US\$25m (P065126)- (Project Closed)</li> <li>• EERTF US\$1m FY15</li> <li>• Guinea Community Service Delivery Strengthening Project \$US15m FY15</li> <li>• Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> </ul> <u>Ongoing ESW:</u> <ul style="list-style-type: none"> <li>• Education Impact Evaluation (In progress)</li> <li>• PER Health (Completed)</li> <li>• PER Education (Completed)</li> <li>• Towards a tertiary Education Strategy (Completed)</li> <li>• Youth Employment TA (Completed)</li> </ul>

		<i>basic service delivery increased from 0 in FY15 to 530 by FY19</i>	<u>Indicative Lending:</u> <ul style="list-style-type: none"> <li>Higher Education Project US\$12m FY17- <b>(Postponed)</b></li> </ul>
<b>Promote youth and youth employment (PRSP-III Pillar 4)</b>	Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.	<p><b>3.2 Improved access and learning in basic education for underserved populations in project areas and strengthened capacity in evidence based management for MEPUA</b></p> <ul style="list-style-type: none"> <li>Transition rate from primary to lower secondary school increase in targeted areas from 28% in 2012 to 36% by FY17 <b>(Dropped, project has closed in FY14)</b></li> <li>Percentage of teachers deployed using the “barème de mutation” approach increased from 92% in 2013 to 95% in FY13 <b>(Achieved)</b></li> <li>Number of teachers participating in the performance based incentive program increased from 1300 in FY15 to 1900 by FY19</li> <li>Number of Grade 1 and Grade 2 student passing rates on EGRA (in ER pilots’ schools) increased from 12% in FY15 to 22% by FY19.</li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>HD PER/Policy Notes 2 <b>(Ongoing)</b> Education For All FTI US\$40m (P111470)- <b>(Closed)</b></li> <li>Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> <li>Pooled Fund for Basic Education US\$37.8 m FY15/FY18 (P151794)</li> <li>Ebola Recovery and Reconstruction TF US\$1m FY15</li> </ul>
	Unexpected Ebola Virus Disease outbreak deteriorated already poor health system and services	<p><b>3.3 Contribute in the short term to the control of the Ebola Virus Disease (EVD) outbreak and the availability of selected essential health services, and mitigate the socio-economic impact of EVD</b></p> <p><b>Outcome and indicators are yet to be achieved as this is an emergency project still ongoing</b></p> <ul style="list-style-type: none"> <li>Availability of at least two weeks needs of PPEs and other required IPC supplies in the Ebola treatment centers (ETCs) and referral centers increased from 0% in 2014 to 80% by FY16</li> <li>Number of New Community Care Units established and fully operational increased from 0 in 2013 to 42 by FY16</li> </ul>	<p><u>Ongoing Lending:</u></p> <ul style="list-style-type: none"> <li>Ebola Emergency Response Project and Additional Financing (P152359)-US\$97m FY15/FY16</li> </ul> <p><u>Budget Support Operation:</u></p> <ul style="list-style-type: none"> <li>Emergency Macroeconomic and Fiscal Support Operation (EMFSO) FY15 US\$50m -(P151794)- <b>(Completed)</b></li> </ul> <p><u>Indicative Lending:</u>  Water and Sanitation Services - Amount and delivery to be confirmed</p>

	Lack of relevant skills from schools, tertiary institutions or company-based vocational training programs.	<p><b>3.4 Improved employability and employment outcomes of Guinean youth in targeted skills programs</b></p> <p>Outcome and indicators are yet to be achieved as the project has been declared effective in March 31, 2015</p> <ul style="list-style-type: none"> <li>Established relevant training and education programs to train 8,000 youth by FY17</li> <li>At least 70% graduation rates/certification at the end of the Bank-supported training programs by FY17</li> </ul>	<p><u>Ongoing ESW/lending:</u></p> <ul style="list-style-type: none"> <li>Stepping Up Skills US\$20m FY14/FY20 (P146474)</li> </ul>
	Existing safety nets mechanisms are inadequate and limited	<p><b>3.5 Established functional social safety net system reaching those below the poverty line</b></p> <ul style="list-style-type: none"> <li>50,000 beneficiaries reached through public works by FY17 (<i>On track, 13,505 beneficiaries have received a total amount of approximately US\$2m for days worked in the public works program and 90 micro projects have been completed, and the initial number of targeted beneficiaries has been increased from 24,000 at CPS stage to reach 50,000 beneficiaries by FY17</i>)</li> <li>12,000 beneficiaries reached through conditional cash transfers by FY17 (<i>Delayed, although beneficiary targeting and registration is ongoing, the program was delayed because of the Ebola outbreak which induced school closing. The baseline for the impact evaluation has also been completed and the new initial number of targeted beneficiaries has been increased from 10, 000 at CPS stage to 12, 000</i>)</li> </ul>	<p><u>Ongoing Lending/TF/TA</u></p> <ul style="list-style-type: none"> <li>Productive Social Safety net project US\$25m (P123900)</li> <li>Peace Building Fund TF US\$2m</li> <li>Social Protection Strategy TA (<b>In progress</b>)</li> </ul> <p><u>Indicative Lending:</u></p> <ul style="list-style-type: none"> <li>Additional Financing to Social Safety Nets- Amount and delivery to be confirmed</li> </ul>

## ANNEX 4. Lending Program Update

Operations planned by Fiscal Year (FY)	Original Amount		Revised Amount			Status
	Source of Financing (US\$ million)		Source of Financing (US\$ million)			
	IDA	TF	IDA	TF	CRW	
<b>FY14</b>						
Stepping Up Skills	16.6		20			Ongoing
Guinea Agriculture Sector Support Project	10		15			Ongoing
Sustainable Energy for All (SE4ALL)		1.8		2.31		Ongoing
Pooled Fund for Basic Education		37.8		1		Ongoing
<b>Sub-Total FY14</b>	<b>26.6</b>	<b>39.6</b>	<b>35</b>	<b>3.31</b>		
<b>FY15</b>						
Emergency macroeconomic and fiscal support operation	22		40		10	Ongoing
Power Sector Recovery Project	30		50			Ongoing
Guinea Community Health Services Improvement Project	10		15			Ongoing
<b>Sub-Total FY15</b>	<b>62</b>		<b>105</b>		<b>10</b>	
<b>FY16</b>						
Water and Sanitation Services	0		TBC			Planned
Third Village communities Support Program Project	0		15			Planned
Development Policy Operations	0		40			Planned
Additional Financing for Social Safety Nets	0		TBC			Planned
Power Sector Strengthening	0		TBC			Planned
PFM/Governance	15		TBC			Planned
Regional Trade and Growth Corridor	13		0			Postponed
<b>Sub-Total FY16</b>	<b>58</b>		<b>55 (TBC)</b>			
<b>FY17</b>						
Agriculture Productivity and Food Security	30		20			Planned
Higher Education	12		0			Postponed
<b>Sub-Total FY17</b>	<b>12</b>		<b>20</b>			
<b>TOTAL</b>	<b>158.6</b>	<b>39.6</b>	<b>215 (TBC)</b>	<b>3.31</b>	<b>10</b>	
<b>Regional Program</b>						
<b>FY14</b>						
Senegal River Basin Multi-Purpose Water Resources Development Project 2	15.5		28.5			Ongoing
<b>Sub-Total FY14</b>	<b>15.5</b>		<b>28.5</b>			
<b>FY15</b>						
OMVG Interconnection Project	0		10			Ongoing
West Africa Regional Fisheries Program (WARFP)	3		5			Ongoing
Ebola Emergency Response Project and Additional Financing					97	Ongoing
<b>Sub-Total FY15</b>	<b>3</b>		<b>15</b>		<b>97</b>	
<b>TOTAL</b>	<b>18.5</b>		<b>43.5</b>		<b>97</b>	
<b>MIGA PROJECT</b>						
<i>Guarantees for telecom infrastructure</i>	<i>51.9</i>					Ongoing



## ANNEX 5. Core Knowledge Products Update

AAA&ESW	CPS Strategic Area/s of Engagement and Foundation			Status
	Priority Area I	Priority Area II	Priority Area III	
<b>FY13</b>				
PER	X			Completed
Health and Education PER			X	Completed
Higher Education and Skills			X	Completed
Agriculture PER		X		Completed
<b>FY14</b>				
Policy Dialogue and Donor Coordination Backbone		X		Completed
Youth Employment TA			X	Completed
Development of Accounting Profession	X			Completed
Financial Sector Development Roadmap Study		X		Dropped
Access to Finance for MSMEs (urban and rural) Policy Note.		X		Dropped
<b>FY15</b>				
Guinea Mining Ancillary Infrastructure (Phase 2): Legal Regulatory and Institutional Reforms		X		Ongoing
Towards a Tertiary Education Strategy			X	Completed
Assessment of Mining		X		Completed
Diagnostic Trade Integration Study (DTIS)		X		Completed
Tourism Sector Note		X		Ongoing
GN HD PER/Policy Notes			X	Ongoing
HD PER/Policy Notes 2		X		Ongoing
GN- Social Protection Strategy			X	Ongoing
Support to Boost	X			Ongoing
GN- Education Impact Evaluation (RSB)				Ongoing
<b>FY16</b>				
PER (II)	X			Planned

## ANNEX 6. IFC Program Update

Investment (Sector) /(Commitment Year)	Commitment		Outstanding		Status
	Source of Financing (USD million)		Source of Financing (USD million)		
	IFC	Other	IFC & Other		
<b>PORTFOLIO</b>					
<b>SIMFER</b> (Oil, Gas and Mining)/ (2007/2008/2012)	185.00	0.00	171.39		Ongoing
<b>Palma Guinee</b> (Accommodation & Tourism Services)/ (2014)	15.00	11.00	10.00		Ongoing
<b>Ecobank Guinea</b> (Finance & Insurance)/(2012/2013/2014)	26.55	0.00	11.55		Ongoing
<b>BICIGUI RSF</b> (Finance & Insurance)/ (2014)	2.49	0.00	0.00		Ongoing
<b>Orabank Guinee</b> (Finance & Insurance)/ (2014)	2.25	0.00	2.25		Ongoing
<b>SGHI – Novotel</b> (Accommodation & Tourism Services)/ (1995/1999)	0.00	0.00	0.00		Ongoing
	<b>231.29</b>	<b>11.00</b>	<b>195.19</b>		
<b>PIPELINE</b>					
CBG Expansion (Oil, Gas and Mining) / (FY16/17)	135.00	65.00	NA	NA	Pipeline
GAC Sangaredi Mubadala (Oil, Gas and Mining) / (FY16)	150.00		NA	NA	Pipeline
	<b>285.00</b>	<b>65.00</b>			
<b>ADVISORY SERVICES</b>					
<b>Investment climate program</b> - Establishment of Public-Private Dialogue platform - Revision of the investment code - Reforms related to extractives enabling environment - “Entreprenant” status pilot project - Formulation of national local content policy - OHADA reforms implementation	NA	NA	NA	NA	Ongoing
<b>Public Private Partnership</b> - PPP EDG Management Contract - PPP Law and Unit	NA	NA	NA	NA	Ongoing
<b>Rio Tinto Local Supplier Development Program</b>	NA	NA	NA	NA	Ongoing
<b>Access to Finance – Guinee Leasing Program</b>	NA	NA	NA	NA	Ongoing

## **ANNEX 7. Update on Progress Integrating Gender into World Bank Operations**

### **Gaps identified in the Guinea Gender Portfolio Review**

1. A Gender Portfolio Review was carried out as an input for the FY14-FY17 CPS. This review called on the country team to increase the proportion of IDA projects that are rated as gender-informed from 45 percent to at least 60 percent (the IDA16 target), increase the availability of gender analysis in AAA activities, and to include an indicator to measure progress on these objectives in the CPS Results Framework. The review also provided the following suggestions to facilitate the greater integration of gender into the portfolio:

- Increase the use of gender analysis to inform operations and encourage project teams to be more explicit in illustrating how gender analysis has influenced the design of their project activities;
- Improve the availability of existing country level gender analysis by encouraging greater attention to gender in AAA work (including via gender informed analysis of the 2012 Core Welfare Indicators Questionnaire survey and/or production of a Country Gender Assessment or integrated Poverty and Gender Assessment);
- Improve the explicit integration of gender into infrastructure sector operations, so that activities take account of women's and men's specific and differing infrastructure needs;
- Ensure that projects which use participatory approaches are more specific in outlining the exact mechanisms to be used to facilitate women's participation (both in numbers and also in terms of women's ability to actually have an impact on project decision-making) and that projects recognize that women's participation alone is not sufficient to ensure that activities are gender sensitive;
- Strengthen attention to women's economic opportunities.

Looking at pipeline activities and projects approved and analytical outputs delivered since the Gender Portfolio Review was released can provide a sense of progress made in these areas.

### **New and Pipeline Projects**

2. Of the 5 projects approved by the Board and rated by the gender Cross-Cutting and Solutions Areas (CCSA) since the end of FY13, only 2 are rated as having gender-informed analysis (MSME Development and Stepping Up Skills). However, in addition to these projects there is the pipeline Pooled-Fund for Basic Education Project (not yet rated by the CCSA), which appears to be well informed by gender considerations.

3. The MSME Development project appears to be informed by quite extensive analysis of gender issues. The PAD discusses evidence on women's concentration in the informal sector and in less productive sectors, their greater time constraints, and their lower access to skills development programs and finance. The PAD explicitly draws on relevant analysis of these issues from a series of key diagnostics and other work, including the Poverty Reduction Strategy, a World Bank analysis of women who cross-over into male-dominated sectors, the World Bank Country Gender Assessment, and the 2007/08 Household Survey. Moreover, the project explicitly shows how this evidence informed the design of the project.

4. The MSME Development project should also address the recommendation provided in the Gender Portfolio Review that attention to women's economic opportunities be strengthened. Moreover, the project should generate valuable evidence that can be used to inform future projects and policy-making as it is planning an impact evaluation which will look at the effects of support centers on firm-level performance and job creation, disaggregated by gender.

5. The PAD for the Stepping Up Skills Project highlights statistics on gender differences in enrollment in higher education and the lack of women in teaching positions. It also references research which suggests that the education of women can have important impacts on a wide range of factors, including fertility and mortality. The PAD states that the project will pay particular attention to attracting women, for example by targeting women in the communications strategy and via a quota for women in the E2E (education to employment) program. The results framework includes the following indicators: Students completing professional degrees fostering market relevant skills developed through the competitive fund (disaggregated by gender); and female beneficiaries (%). Additionally, the program will include an impact evaluation (RCT) which aims to analyze the impact (and cost-effectiveness) of (i) E2E counseling, (ii) firm-based training and/or (iii) short-term professional training. If possible, it could be worthwhile for the team to use the IE to also look specifically at gender differential impacts of the program.

6. While the new Agriculture Sector Support Project is not rated as being gender-informed in the official gender CCSA ratings, it clearly has the potential to have an impact on the livelihoods of female farmers. The Gender Portfolio Review already noted women's lower access to land and other productive inputs. In many countries, women's access to irrigated land is especially constrained, as is women's overall involvement in decision-making on key natural resources. The new Agriculture Sector Support Project could contribute to this issue by ensuring that a gender lens is used in the feasibility studies for the national irrigation master plan (sub-component 2.1). Some of the sub-sector studies (sub-component 2.2) may also focus on issues that are critical to women's livelihoods – for example, if any of the proposed value chain studies focus on products which represent an important source of livelihood for women (e.g. small ruminants or poultry farming).

7. The pipeline Community Health Services Improvement Project will continue the strong focus on maternal health (in terms of both supply and demand) after the Health Sector Support Project which closed at the end of 2013. The project development objective is to *improve the utilization of maternal, child health and nutrition services at community level in target districts*. The project appears to be heavily informed by gender-relevant findings in the Health PER (see below). As with the Health Sector Support Project, the Community Health Services Improvement Project will target communities based on their level of poverty, ensuring that benefits reach the most vulnerable women. Additionally, in selecting target areas the project will also identify those areas with the lowest maternal and child health indicators. The project will also ensure that it is more likely to reach women by focusing on the most basic health facilities (e.g. health posts,

community level providers) which the PER suggests are more likely to serve women and the poor. The project also addresses the issue of a lack of trained personnel in rural areas (also highlighted by the PER) and will provide training for nurse assistants. In the longer term, the use of an RBF approach to increase incentives for other health workers to move to underserved areas will be considered (a proposed RBF pilot was postponed due to the outbreak of Ebola and, in the short term, the above proposed approach is considered more realistic).

8. The SE4ALL TA activity includes a minor focus on clean cooking: “*While not a core focus of the TA, clean cooking will be included in the scope of the stock-taking exercise, and will help mobilize other donors to come in on the cooking agenda.*” This is significant: as noted in the Gender Portfolio Review, almost 80 percent of Guineans use charcoal as their main cooking fuel, putting women (who spend more time in the home) at greater risk of acute respiratory infections and worsening their time poverty (as it is women who generally collect firewood).

9. The PAD for the pipeline Pooled-Fund for Basic Education Project highlights the significant gender disparities that still exist in access to education as well as learning outcomes, especially at higher levels. The design of the project actions outlined in the PAD appears to have been informed by gender-relevant evidence from the Education PER (see below). Sub-component 2.1 focuses on non-formal education (via the NAFA centers), which is known to be particularly important for females, and on adult functional literacy programs which will specifically target women and will help address the human capital gender gap for those who have already exited the education system. This component will also address the costs that reduce demand for education for females: e.g. provision of daycare, stipends to cover transportation and basic costs, and health care. Overall, the project also has a general focus on reducing gender and urban/regional disparities and includes the Gender Parity Index (GPI) for primary education among its results indicators.

### **Selected outputs from analytical work**

10. Some of the AAA work reviewed at design stage in the Gender Portfolio Review has since been completed. Some of the results of this work can feed back into the portfolio to further inform operations with gender-relevant analysis.

11. The policy notes produced under the “towards a higher education strategy” activity highlight the following:

- Women/girls achieve lower levels of education.
- One constraint to girls’ school access is violence (though more detailed analysis and evidence is not presented to show whether this is the main binding constraints relative to other factors).
- Boys are more likely to receive public financial assistance for tertiary study but once females get into higher education they do not appear to face higher constraints than males and actually often have superior academic performance

- Women’s relative participation is higher in medicine and pharmacy, communications, economics/business, and law compared to other subjects and, like males, they avoid the hard sciences.
- Women are confined to sectors that are traditionally seen as suitable for them.

12. The Health and Education PERs produced under the HD PER/Policy Notes activity further highlight some key gender issues in these two crucial sectors. The Health PER (which has already informed the Community Health Services Improvement Project) notes the general lack of sufficient public funds directed to the sector. It also emphasizes the lack of health personnel and infrastructure outside of Conakry and notes that access to delivery services is especially problematic in rural areas as it is highly dependent on the presence of qualified personnel. The PER presents evidence that can inform strategies for targeting women, finding that women and the poor are more likely to use the most basic health facilities (e.g. health posts, community level providers) rather than higher-level facilities (e.g. hospitals). The policy recommendations provided by the PER include the need for the Government to provide incentives to encourage health workers to work in underserved areas and the need to improve the training of midwives.

13. The Education PER notes the following gender-relevant items: the continuing gender gaps in access to education (which become more pronounced from the 9-10 age cohort and up); the high proportion of female students in the informal “NAFA” centers which mostly offer ‘traditional’ courses, such as sewing, fashion, and baking; the fact that education programs in Guinea are socially regressive and do not target the rural poor or girls (although there are some short-term projects to improve access to education for girls there are no long term policies to direct more public spending to support them and other disadvantaged groups). In terms of solutions, the Education PER notes the success of a GIZ program (since absorbed into Government policy) to provide extra tutoring in French and Mathematics to girls at risk of dropping out of primary school. The PER also provides the following policy recommendations: to provide additional aid (to reduce direct costs and opportunity costs) to address demand for education for girls; to increase funding for informal education (which is important for girls); and to prioritize the provision of services in rural areas.

### **Commitments set out in the FY14-FY17 CPS Document**

14. A couple of gender-relevant and sex-disaggregated targets/indicators were included in the FY14-17 CPS results matrix. These included:

- 5,000 entrepreneurs trained in basic business modules by FY17 including 500 women
- % of deliveries assisted by trained health personnel in targeted areas increased from 24% in 2012 to 28% by FY17

15. With regard to the first of these indicators, the Support Centers planned under the MSME Development Project have not yet been set up (expected in FY16), so no female entrepreneurs have yet been trained. However, the project built support for the creation of a National Confederation of Women Entrepreneurs of Guinea (CONAFEG). With regard to the second of

these indicators, it appears that the portfolio has made excellent progress. The Health Sector Support Project reports that this target has already been surpassed, with an actual achievement of 38 percent.

16. The FY14-FY17 CPS also included a summary of key lessons from the previous CAS and ISN. These included discussion of the progress made on gender equity in primary school enrollment and the need for further progress, including on gender equity in completion (though no indicators for gender equity in school enrollment/completion were included in the CPS results matrix).

### **Corporate Commitments and Gender CCSA Project Ratings**

17. Under IDA17, there are two key corporate gender targets set out at the project level that the World Bank is committed to achieve by FY17:

- a. At least 66 percent of all projects should be gender-informed across all three scoring dimensions (analysis, design and monitoring)
- b. At least 75 percent of all projects with gender monitoring at the design stage (i.e. in PADs) should report on it during implementation

**Target (a): The number of gender informed operations below the IDA17 target of at least 66 percent of World Bank operations to be gender-informed across all three scoring dimensions by FY17.**

18. To track progress on gender commitments at the design stage, the Gender CCSA carries out regular monitoring of gender inclusion in the PADs of projects approved by the Board. These scores (Table 3) reveal the following trends in the degree to which gender was integrated into World Bank operations in Guinea for projects approved following the Gender Portfolio Review that was put together in FY12:

- The proportion of projects that are gender-informed on at least one dimension is higher for the cohort of projects approved since the Gender Portfolio Review (compared to the total stock of projects included in the original review).
- The number of gender-informed operations remains below the IDA17 target for at least 66 percent of all World Bank operations to be gender-informed across all three scoring dimensions by FY17.
- Of projects approved after the Gender Portfolio Review (i.e. FY13-15), only two projects out of 6 (33 percent) were rated as gender-informed across all three scoring dimensions: (1) MSME Development Project; and (2) Stepping Up Skills Project.

**Table 3. CCSA Gender Project Ratings for Guinea, FY12-15**

<b>FY</b>	<b># projects approved</b>	<b>% gender-informed in at least 1 dimension</b>	<b>% gender-informed in at least 2 dimensions</b>	<b>% gender-informed in 3 dimensions</b>
<b>12</b>	3	67	33	33
<b>13</b>	2	100	100	50
<b>14</b>	1	100	0	0
<b>15 (Q1-2)</b>	3	67	67	33
<b>Total</b>	<b>9</b>	<b>78</b>	<b>56</b>	<b>33</b>

**Target (b): At least 75 percent of all projects with gender monitoring at the design stage should report on it during implementation**

19. It appears that all the projects which committed, in their project results frameworks, to monitoring gender indicators have actually carried out this monitoring (with a couple of minor exceptions) and have reported on progress in their ISRs/ICRs (Table 4)<sup>5</sup>

**Table 4. Reporting of gender indicators in ISRs/ICRs**

Project	Indicator(s) in RF	Reported on in ICR/ISR?	Target	Actual
<b>GN-Village Comm Supp Program - Phase 2</b>	Percent of women on CRD management committees	Yes	30%	20%
<b>Education for All Project</b>	Girls' gross primary enrollment	Yes	72%	70%
<b>Mineral Governance Support Project</b>	Female beneficiaries (%)	Yes	25%	5%
	Female ASMs who have participated in sensitization (number)	Yes	2000	0
	Females trained in environmental legislation (number)	Yes	300	0
	Female participants in trainings on technical, financial, control and monitoring of mining ancillary infrastructure (number)	Yes	5	0
<b>Health Sector Support Project</b>	Institutional deliveries assisted by trained health personnel	Yes	25%	38%
	Pregnant women receiving antenatal care (at least one visit) during a visit to a health provider	Yes	90%	93%
	Female beneficiaries (number)	Yes	1.6m	1.4m
	Health centers providing standard basic obstetrical care (SOUB)	Yes	175	213
	District hospitals, and improved health centers providing standard obstetrical care (SOUC)	No	n/a	n/a
	Caesarian-section deliveries	Yes	2%	1.54%
	Pregnant women living with HIV who received antiretrovirals to reduce the risk of MTCT (number)	Yes	800	0
	Pregnant women who benefited from intermittent malaria treatment	Yes	80%	70.9%
	Health personnel receiving training in Medical Waste Management (number)	Yes	300	2,854
	Long-lasting insecticide-treated malaria nets purchased and/or distributed (number)	Yes	795K	234K
<b>Productive Social Safety Net Project</b>	Female beneficiaries of Safety Nets programs (number)	Yes	3,978	13,600

<sup>5</sup> It should be noted that only the Stepping Up Skills project and the Agricultural Support project were approved during the IDA17 period (neither of which have any monitoring data to report yet), but looking at all active projects with ICRs/ISRs allows a better picture of how well the country portfolio is currently performing in terms of reporting on gender indicators.



Project	Indicator(s) in RF	Reported on in ICR/ISR?	Target	Actual
Stepping Up Skills	Female beneficiaries (percentage)	Yes	30%	n/a
Agricultural Support Project	Agricultural producers benefiting from the project (% female)	Yes	20%	n/a
MSME Development Project	Sales of MSMEs supported by the SCs, relative to control group (gender-disaggregated)	No <sup>6</sup>	n/a	n/a
	Number of entrepreneurs supported by the Support Centers (of which percentage female)	Yes	50%	n/a

**Notable gender-related achievements since the start of the FY14-17 CPS**

20. As suggested by the figures presented in Table 4, the project that has probably had the largest direct impact on key gender issues during the period of the current CPS is the Health Sector Support Project (which closed during the first year of the CPS). The project contributed to improved maternal health indicators for some of the poorest women in Guinea: *“sixteen of the 18 project prefectures were selected based on the national poverty map and have the worst health indicators; the two other prefectures (Gueckedou and Kissidougou) were added due to the influx of refugees from neighboring countries.”* Among its various achievements, the project successfully prevented 15,596 maternal deaths, increased the percentage of institutional deliveries assisted by a trained health personnel from 14 percent to 38 percent, and increased the proportion of women receiving at least one ANC visit to a health provider from 85 percent to 93 percent.

21. The Guinea portfolio’s strong focus on maternal health will be resumed with the Community Health Services Improvement Project (see above).

**Conclusion and recommendations**

22. The World Bank’s portfolio in Guinea has continued to build on its strong attention to gender issues in education and health, with the Pooled-Fund for Basic Education Project and the Community Health Services Improvement Project, both informed by gender-sensitive PERs for their respective sectors. The portfolio now also has more attention to women’s economic opportunities (via the MSME Development Project and the Stepping Up Skills Project), an area of weakness that was previously highlighted in the Gender Portfolio Review.

23. However, while there have been some strong additions to the portfolio’s coverage of gender since the start of the CPS period (MSME Development Project; Stepping Up Skills), there are areas that could still benefit from further attention:

- The use of gender analysis to inform project design is still in need of strengthening.

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<sup>6</sup> However, the MSME Development Project will carry out an impact evaluation that will disaggregate impact by gender.

- Given the IDA17 targets on gender, there is even greater need for the country team to increase and deepen the integration of gender into all new projects at the design stage and to also ensure that commitments to monitor gender are followed up on via reporting in ISRs/ICRs.
- As suggested in the Gender Portfolio Review, the team could address the lack of a recent Country Gender Assessment or joint Poverty and Gender Assessment (and, to this end, could use data from 2012 Core Welfare Indicators Questionnaire survey).
- Given the importance of agriculture to the welfare of the poorest, and given the often large gaps in productivity between male and female farmers in sub-Saharan Africa<sup>7</sup>, the Agriculture Sector Support Project could explore ways to ensure that project activities address any existing gender issues, for example:
  - Ensure that a gender lens is used in the feasibility studies for the national irrigation master plan (sub-component 2.1) or in the sub-sector studies (sub-component 2.2) some of which may focus on value chains for products which represent an important source of livelihood for women (e.g. small ruminants or poultry farming).
  - Draw upon existing impact evaluation evidence for what works in terms of strengthening women's land rights and women's access to other productive assets (e.g. the impact evaluation of the Land Tenure Regularization pilot in Rwanda)<sup>8</sup>.

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<sup>7</sup> For evidence from other SSA countries see World Bank/One Foundation, 2014. Levelling the field: improving opportunities for women farmers in Africa. Available online at: <http://documents.worldbank.org/curated/en/2014/01/19243625/levelling-field-improving-opportunities-womenfarmers-africa>

<sup>8</sup> Ali, Daniel Ayalew, Klaus Deininger, and Markus Goldstein. "Environmental and gender impacts of land tenure regularization in Africa: pilot evidence from Rwanda." *Journal of Development Economics* 110 (2014): 262-275.

## ANNEX 8. Performance and Learning Review: Stakeholders Consultations

<b>Stakeholder Consultations<sup>9</sup></b>	
<b>National Assembly</b>	Maintain emergency support to reach zero cases of Ebola; strengthen the health sector and systems (infrastructure, research, and epidemiology); provide appropriate trainings to health workers; cancel debt for the three most affected countries; finance projects in priority sectors; provide budget support for the next three to four years; provide humanitarian assistance for orphans; find ways to increase universities/youth access to internet; remediate the lack of sufficient studies in key sectors; establish investment banks; support feasibility studies in the energy and agriculture sectors and financing of dams; help the country conduct studies on mineral exploration; provide guaranties for industrial investors; promote increase of “Schools of Excellence” throughout the country and at least in every district; improve communication on existing financial instruments; increase training opportunities for members of the national assembly; and increase access to microfinance in Conakry and in country.
<b>Civil Society</b>	Sustain ongoing efforts to reform the justice sector; ensure effective project implementation, monitoring and evaluation of impacts; strengthen the health sector; better inform populations on the utilization of funds allocated to the fight against Ebola; identify appropriate mechanisms for civil society to participate in the elaboration process of the Country Policy and Institutional Assessment; promote decentralization for the management of resources at the community level; strengthen human capital; strengthen dialogue with the civil society; increase support to the education sector with a focus on research; promote peace and social cohesion; stimulate the agricultural sector and further support the energy sector.
<b>Private Sector</b>	Increase awareness on the Ebola Virus disease; increase support to SMEs, and facilitating access to credit especially for firms in the informal sector; support tourism and hospitality sectors; assist in structuring the PPD platform; create training opportunities for Guinean sub-contractors in the mining sector; and conduct a mapping of the private sector.
<b>Development Partners</b>	Continue sensitization on the issues related to non-concessional loans; encourage the authorities to manage nonrealistic expectations including salary increase which is deteriorating the budget; analyze the possibility of addressing inefficiency of non-ghost workers through the ongoing Economical Governance Technical Assistance and Capacity Building project; confirm the Bank’s support to Third Village Community Support project; and ensure sustainability of the Productive Social Safety nets project.
<b>Government</b>	Better integrate IDA and IFC interventions in terms of resource mobilization and implementation; accelerate reforms within the framework of the Economic Reform Program; identify lessons learned in terms of risk and catastrophe management; be selective over a five to six year period based on resource constraints and absorption capacity; strengthen project implementation capacity and Monitoring and Evaluation; and think of innovative financing instruments on the long run considering the fiscal space.
<b>Cross-cutting messages</b>	Account for fragility and political governance; consider informal sector; promote economic diversification; promote food security; guarantee adequate access to energy services; promote gender equality; and implement appropriate infrastructure.

<sup>9</sup>Consultations were held in Conakry from March 30th to April 2<sup>nd</sup> with civil society, private sector, donors and in Washington on April 14<sup>th</sup> 2015 with the Government.

## ANNEX 9. Summary of the Post-Ebola Priority Action Plan

1. The Guinea post-Ebola socio-economic recovery plan draws from recent technical/analytical studies, including some from development partners, an assessment of the socio-economic impacts of the EVD by several stakeholders, and an inclusive consultative process which involved all ministerial departments, private sector, unions, development partners, civil society and NGOs, and the Parliament.

2. In preparing this socio-economic recovery plan, the objective of the GoG is to identify immediate priority actions aiming to **reach the target of zero Ebola cases as soon as possible, to rebuild a stronger system of delivering basic and resilient, social services, and to put the country back on the trajectory to growth and economic development.**

3. In pursuit of these objectives and in alignment with the Government's 2013-2015 Poverty Reduction Strategy Paper (PRSP3), the Government developed a Post-Ebola Priority Action Plan (PAPP) which builds on targeted investment programs and promotes support measures for the recovery, resilience, and economic stabilization.

4. The following strategic priorities have been set in the area of rebuilding **basic social services**:

- Doubling the current share of the health sector allocation in the national budget and increasing by at least 1 percent thereafter for the next five years;
- Upgrading and strengthening of the health system (infrastructure, human resources, essential medicine etc.) to meet both immediate needs and the challenges related to Ebola pandemics and other infectious diseases;
- Providing universal access to water and sanitation in schools, health facilities, and areas of high vulnerability exposed to poverty and endemic diseases;
- Acceleration of basic literacy programs;
- Advancement of women and gender promoting activities;
- Boosting child protection, including caring for Ebola orphans.

5. In the same vein, the following strategic priorities will be pursued to promote **economic recovery**:

- Improving the business environment;
- Targeted support to productive sectors/systems;
- Economic diversification;
- Renewed support for agricultural intensification;
- Investments in basic economic infrastructure;
- Revitalization of commercial, import and export, value chains;
- Adding value to local produce through investments in processing and storage;
- More structured and systematic advisory and support systems for producer and research organizations.

6. Finally, as a cross-cutting issue, **governance** of the state will be strengthened and reinforced through targeted public sector reforms aiming to increase the efficiency and professionalization of public services, promote transparency and reinforce the rule of law.

7. This Post-Ebola Priority Action Plan is not intended to replace existing development strategies such as the PRSP3, or the Government's Five Year Investment Plan and their successors. Rather, it aims to strengthen and complement the Guinea's "zero Ebola" strategy, and serve as a basis for future strategic plans.

8. The overall Post-Ebola Priority Plan comprises:

- Eight existing priority projects of the 2015-17 Public Investment Program (PIP) amounting to a combined cost of US\$66 million (Type 1 projects). The costing of these projects was not affected by the EVD epidemic.
- Forty-four existing priority projects of the 2015-17 PIP and whose costs were impacted by the EVD epidemic. The total cost of these projects increased from US\$241 million to US\$1.054 billion (Type 2 projects).
- One hundred and twenty four projects aiming to mitigate the vulnerabilities and negative impacts of the EVD epidemic for a total cost of US\$1.775 billion over the period of 2015-17 (Type 3 projects).

9. **The total estimated cost of Guinea's national post-Ebola social and economic recovery plan for the 2015-2017 period is US\$2.895 billion dollars** allocated as follows:

- 56.9 percent for recovery and the resilience of social sectors,
- 14.0 percent for acceleration and diversification of economic growth,
- 24.5 percent for infrastructure,
- 4.6 percent for governance.

10. The Government is determined to invest in this post-Ebola recovery and resilience effort by significantly increasing the share of spending in social services from 22 percent in the previous Public Investment Plan, to 57 percent in the Post-Ebola Priority Plan. Taking into account the Government's contribution and available partner financing commitment, the PEPAP has a **financing gap of US\$1.818 billion**.

**Table 5. Costing of the Resilience and Recovery Plan (USD millions)**

	July 2015- December 2015	2016	2017	Total 2015- 2017	Percentage of total 2015-2017
<b>Recovery and Resilience of Social Sectors</b>	<b>610</b>	<b>563</b>	<b>474</b>	<b>1,647</b>	<b>57%</b>
Health	495	436	391	1,321	46%
Education	51.19	85.12	47.17	183	6%
Social Affairs	64.14	41.81	36.59	143	5%
<b>Economic Sectors</b>	<b>177</b>	<b>134</b>	<b>94</b>	<b>405</b>	<b>14%</b>
Agriculture	50.30	59.07	68.77	178	6%
Livestock	4.56	2.48	8.15	15	1%
Fisheries	2	6	6	14	0%
Trade	18.03	13.33	7.66	39	1%
Trade and SME	100.43	50.00	0.00	150	5%
Mining	0	0	0	0	0%
Transports	0.00	2.14	2.86	5	0%
Hospitality and Tourism	0	0	0	0	0%
Environment	1.62	1.00	0.57	3	0%
<b>Infrastructure</b>	<b>3</b>	<b>434</b>	<b>272</b>	<b>710</b>	<b>25%</b>
ICT	0.00	34.00	17.00	51	2%
Public Works	0	100	100	200	7%
Hydraulics	3.00	300.44	155.29	459	16%
<b>Governance</b>	<b>67</b>	<b>44</b>	<b>24</b>	<b>134</b>	<b>5%</b>
Public Sector and Administration Reform	3.21	3.21	2.00	8	0%
Territorial Administration and Decentralization	26.29	26.14	21.90	74	3%
Civil Protection	0.52	0.16	0.00	1	0%
Communication	0	0	0	1	0%
Public Finance	36	14	0	50	2%
<b>Total</b>	<b>857</b>	<b>1,174</b>	<b>864</b>	<b>2,895</b>	<b>100%</b>

**Table 6. Financing Plan and Gap Analysis**

<b>FINANCIAL FRAMEWORK WITH PAPP</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total 2015-2017</b>
<b>Total Expenditures</b>	3,140	3,241	3,244	9,625
Including Capital Expenditures	1,668	1,835	1,629	5,132
Including PAPP Costs	857	1,174	864	2,895
Including Costs induced by the PAPP	779.5	1048.6	760.6	2,589
<b>Methods of Financing</b>				
Tax and Non-tax Revenues	1,454	1,645	1,946	5,045
Donations	193	221	260	
Net External Debt	267	216	206	689
Net Domestic Financing (Bank and non-Bank)	216	-26	-19	171
PAPP acquired External Financing	309	251	212	771
Funding Gap	702	935	640	2,276
<b>PAPP Specific Funding request needs</b>	<b>470.70</b>	<b>798.10</b>	<b>549.10</b>	<b>1,818</b>

## **ANNEX 10. Update of the Drivers of Fragility: Findings and Recommendations**

### **April 2014 Background**

1. The objective of this analysis is to inform the mid-term PLR for FY14-FY17 CPS, taking into account the impact of the Ebola Virus Disease (EVD) outbreak in 2014 and the upcoming elections in 2015 and 2016. This analysis is intended to highlight any drivers of fragility that might have an impact on the performance of the country program.

### **PLR findings**

2. The main findings of the PLR are that the objectives of the CPS remain broadly attainable although some adjustments are needed; specifically:

- While a number of contributing factors and underlying drivers of fragility have been improved, some hard won gains remain at risk, especially with regards to macroeconomic stability and structural reforms, and emergence of democratic institutions.
- There is an urgent need to structure and sequence a resilience and recovery plan that is timely, seamless and efficient to return to the path of a sustainable development driven by national strategies and plans.

3. The analysis seeks to be helpful in shaping the above outlined needs, as well as to be useful in shaping the broader portfolio and for informing project design. It sets out a brief overview of the recent dynamics related to fragility and puts forward some preliminary, portfolio-level recommendations for enhancing the performance of the portfolio in light of these factors of fragility.

### **Methodology**

4. This analysis of the recent drivers of fragility in Guinea builds on the analysis conducted in 2012, which informed the development of the CPS. The 2012 analysis built on the results of a qualitative survey, which was designed in cooperation with a local firm and two international experts in social science survey methodology. A review of recent literature was conducted to assess the impact of EVD on the initial understanding of the drivers of conflict and fragility in Guinea. A joint AfDB, EU, UN and WBG recovery assessment was conducted in early 2015 which provided important inputs to this report. Finally, a short Fragile Country Visit mission to Conakry was fielded in early April 2015 to participate in the consultations with the Legislature, international donors, and representatives of the private sector and of civil society, as part of the preparation for the PLR.



## **Findings: Drivers of Fragility**

### **Overview**

5. The introduction of democratic elections in 2010 brought with it political competition based on ethnic divisions, which have exacerbated and reignited underlying social tensions. The tensions were further compounded by long delays in holding legislative elections which were finally held in 2013. Much of the political rhetoric that has accompanied Guinea's Presidential and Legislative elections was centered on divisive discourse that divided the population along ethnic fault lines. This rhetoric continues to be the mainstay of political discourse in the run up to elections in 2015 and 2016.

6. Factors of resilience, which in the past have helped to mitigate large-scale internal conflict, were eroded in recent years by emerging factors, such as the lack of confidence in state institutions, negative perceptions of the role of the military, lack of access to justice and the seeming inability of the Government to meet the needs of the public through service delivery. The current administration has made great strides to improve services, mobilize external and internal sources of revenue and address shortcomings in licensing of mining resources. However, the outbreak of the Ebola virus has greatly impacted public confidence in the state and has further fueled public sentiment related to exclusion of social groups.

7. This update looks at the recent drivers of fragility to try and understand how they might impact delivery of the World Bank program in Guinea. It includes a review of the impact of the EVD on Guinea's economy and subsequent influences on the drivers of fragility and conflict.

### **Recent factors exacerbating fragility**

#### **Regional outbreak of Ebola Virus Disease**

8. Guinea was the first country to be affected by the Ebola virus, which has had a massively damaging impact on the economy. Guinea is continuing to be adversely impacted by this epidemic, jeopardizing its macroeconomic stability and damaging human welfare. The overall macroeconomic assessment for 2014 indicates a combination of much slower growth than envisaged, worsening food security, a deteriorating fiscal position, but also lower inflation (although with some regional variations). Prior to the Ebola epidemic, the general outlook for growth in 2014 was promising in Guinea. However, with deteriorating external conditions, investments, especially in mining production and cash crops, were less able to support strong expansion in overall GDP, export receipts and, to a lesser extent, Government revenues. Ebola could be contained by the third quarter of 2015, but the effects on Guinea can well continue into 2016.

9. *Impact on the Economy:* The poverty rate in Guinea remains high. With elusive and volatile growth, the poverty rate increased from 53 percent in 2007 to 55 percent in 2012. With the outbreak of Ebola, the fear is that the poverty rate will worsen in both rural and urban areas. Growth has been adversely affected by Ebola in 2014, with the projected real GDP growth falling from 4.5 percent in June to 2.4 percent in September to 0.5 percent in December. Estimated real GDP growth in 2014 is about 1 percent, with commerce and transport contracting by 2 percent and agriculture contracting by more than 5 percent. Ebola has adversely impacted all sectors of the Guinean economy, although there has been some variance across sectors. Commerce and services have been hit by a sharp drop in international travel and regional trade; agricultural and manufacturing exports to neighboring countries have come to a standstill; and projects involving expatriate workers have slowed or stopped. The northern part of the country remains relatively free of the disease, although Ebola has spread from its epicenter in the southeast. The epidemic has affected a very large mining investment with likely delays and associated complementary investments, leading to anticipated slower growth in 2015 and beyond.

10. *Impact on Health Sector:* The Ebola crisis in Guinea is rooted mainly in the weakness of the health system, which was unprepared to meet the challenge of the epidemic. Long before the crisis, the health system was faced with many difficulties, including the weakness of the epidemiological surveillance system, lack of adequate preparedness and of qualified personnel, and lack of adequate financial and logistic resources. The lack of access to safe water for the population and the lack of proper hygiene contributed to the propagation of the virus. These conditions are particularly prevalent around public health structures receiving patients suspected of being infected with Ebola. Even before the outbreak of the Ebola crisis, social infrastructures were in an advanced state of decay. Most public health centers lacked human resources. Access to water was limited and latrines were either not available or in a poor state. The insufficiency of Water Sanitation and Hygiene (WASH) facilities in schools as well as poor linkages between the health and education sectors contributed to the delayed reopening of schools, though safe and equipped schools could play a critical role in preventing the further spread of Ebola, protecting children and youth and catalyzing social and economic recovery. Moreover, the communication infrastructures (working telephone lines) particularly in isolated villages were non-functional. This situation delayed access to people suspected of being or known to be infected with the Ebola virus.<sup>10</sup>

### **Ongoing challenges in the democratic process**

11. With the support of the international community, the country took bold steps towards reform with the first democratic elections in 2010. However, this transition was hindered by delays

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<sup>10</sup> AfDB, EU, UN, and WBG. *Recovering from the Ebola Crisis*. 2015. Print; Pg. 14

in holding the subsequent legislative elections, resulting in a loss of public confidence in the democratic process.

12. The postponement of the local elections, which were due in 2014, is likely to reignite the same political tensions and stand-off between the incumbent and the opposition parties. In a pattern reminiscent of the legislative elections held eventually in 2013, the opposition is calling for public demonstrations which have already resulted in violent clashes between security forces and protesters in Conakry. The opposition party has called for nationwide protest. The situation impacts other drivers, further exacerbating the tension between the public and the security forces as well as further eroding confidence in the state. Although non-political observers in Conakry (March 2015) downplayed the risk of violent protests in the run-up to the elections, the risk is to be monitored through multiple sources of information.

### **Intensified exploitation of ethnic tensions and marginalization of minority groups**

13. More than 100 political parties exist in Guinea since the introduction of the multi-party system. These political parties rely for the most part on ethnic alliances to muster their political base, lacking the means or motivation to garner support otherwise. The political rhetoric of the country seeks to reaffirm ethnic alliances and emphasizes ethnic divisions. As a result, moments of ethnic tensions that have occurred over the last decades are now reignited and reemphasized in the public arena. Political elites have in the past exploited these tensions to garner support at the expense of social cohesion and national unity.

14. This rhetoric has had practical implications for citizens particularly in Conakry, where different ethnic groups reside. During the previous legislative elections these tensions resulted in public unrest and loss of life in Conakry and in the Forest Region in particular.

15. At a national level, the negative political rhetoric has greatly undermined the sense of national unity that the country enjoyed directly after the last Presidential elections. The frustrations of the youth, which include lack of jobs, inter-generational issues and lack of education, make them more vulnerable to political manipulation and easier to incite to violence. Many of those consulted cited the lack of education and understanding of the political process amongst the general public as greatly contributing to the ease at which ethnic tensions could be ignited for political purposes.

16. The marginalization of women in the management of public affairs, including in crisis response/management as well as the lack of effective mechanisms of social reconciliation has left

some areas of the country feeling marginalized and was a contributing factor of instability that existed before the outbreak of Ebola, contributing to its spread.<sup>11</sup>

### **Recent abuses by security forces**

17. The security forces have been responsible since 2006 for a number of human rights abuses that have undermined the possibility of reconciliation between civil and military actors. The Conakry stadium massacre in 2009, as well as violent repressions of public demonstrations in 2010 and use of force during the protests in the lead-up to the legislative elections in 2013, have left a lasting impression on the general public of security personnel as a force to be feared and a threat to security.

18. Next to these recent examples of large scale abuse, everyday abuse on the part of the security forces is often cited as a factor that destabilizes communities across the country. A strong link was made during past consultations between lawlessness and the behavior of the security forces, including the police and the military. The sentiment was that security forces across the country act above the law, are self-serving and do not recognize their responsibility towards citizens. Security forces were cited as being a key factor in undermining the security of citizens, given their involvement in illicit activities and crime, coupled with almost complete impunity. As a result, citizens rarely revert to formal institutions to seek justice against crimes perpetrated by members of the security forces and those associated with them.

19. While the steps taken to reform the security forces by the current Government are welcomed, the reform is still in its early stages. Some communities cite the continued presence of the military in their neighborhoods as a source of insecurity. The continuing reform of the public sector and the transfer of Government positions to civilians brings into question what the new role of the military will be in Guinea.

### **Unmet public expectations**

20. Since the presidential elections in 2010, the public has experienced an increase in the price of basic goods, high unemployment and rising levels of poverty. These challenges have increased sentiments of frustration and disillusionment, particularly amongst the youth who feel excluded from decision-making and employment opportunities. Further, the crisis of confidence and trust between the state and the population, especially in the area where EVD erupted, and local tendencies to politicize the epidemic, coupled with the weakness of the judicial system in the face of lawless acts against health workers. At the same time, weak Government provision of basic

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<sup>11</sup> AfDB, EU, UN, and WBG. *Recovering from the Ebola Crisis*. 2015. Print; Pg. 15

services (i.e., water, electricity, health and education), especially in the rural areas, and social protection further exacerbate the existing fragile state.

### **Increase in piracy in the Gulf of Guinea**

21. The last five years have seen a steep increase in the incidents of piracy in the Gulf of Guinea. These incidents have involved heavily armed perpetrators and high levels of violence. Most incidents have taken place close to the shore. According to a 2013 report by Chatham House, the impact of this increase in piracy includes; “increased costs of maritime transportation in the region; decreasing revenues for ports of the region as fewer ships call at them; serious oil theft, with some countries losing up to a third of production to offshore theft; poaching and overfishing, with disastrous consequences for artisanal fishermen of the region and depletion of fish stocks; and political unrest leading to disruption of hydrocarbons production.”<sup>12</sup>

### **Factors of Resilience**

22. **Continuation of the democratic process:** Since 2010, the country has held democratic presidential and legislative elections. Two further elections are due, although the municipal elections are expected to be delayed until 2016. These elections have taken place despite many setbacks, challenges and complications, both technical (related to the electoral register) and political (related to political rhetoric of parties). This shows that although still in its nascent stages, the democratic process is still supported by the public at large and has been resilient to even the hardest challenges. This in itself represents a factor of resilience and sets the country on a continuing path to stability.

23. **Guinea has raised its international profile and continues to receive support from public and private sector partners:** The President has been successful in further consolidating international support for the country. The “Guinea Development Partners and Investor Conference” held in November 2013 (before the outbreak of the Ebola Virus) saw pledges of support to the tune of US\$6 billion. While some of this confidence may have been eroded by the Ebola outbreak, the conference was successful in highlighting the economic potential of the country as the ‘bread basket’ of West Africa.

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<sup>12</sup> “Maritime Security in the Gulf of Guinea”, Chatham House, March 2013

## **Possible impact of recent drivers of fragility (the Ebola Virus Disease) on the continued delivery of the country program – Possible responses**

### **Impact on Contracting**

24. The outbreak of the Ebola virus has resulted in the suspension of many contracts by the triggering of *force majeure* and has also resulted in unresponsive bids, particularly in the case where international contractors are sought. This situation is expected to continue, given that private sector service providers are often risk adverse and often take months to respond to improved safety/health conditions on the ground.

25. In response to this challenge, the Country Team could consider the following:

- **Look at adapting project/procurement processes to accommodate local contractors:** Some PIUs have identified a number of regional consultants/contractors who have proven more resilient than international bidders in the face of EVD, carving out a market niche for themselves.
- **Improve knowledge of supply:** Sharing experience and a roster of service providers across the portfolio (through a country team meeting) could help expand the benefits of regional bids across the portfolio. The country team could also coordinate with teams across the region to identify potential service providers in the region.
- **Adapt Request for Proposals (RFP) to meet demands and restrictions of situation:** FCV's Operations Solutions Team can work with TTLs to propose options for the formulation of RFPs (drawing also on the experience of Liberia and Sierra Leone) to make the portfolio more resilient in the aftermath of EVD.
- **Look into other possible contracting arrangements:** Possible restructuring and the option of UN-execution for two projects were discussed with the Country Management on a preliminary basis – FCV Group could provide further guidance on this implementation model drawing on experience from across the Bank in crisis contexts.
- **Options for broader IFC investment engagement** (beyond the mining sector) to be explored, to supplement Conflict Affected States in Africa Initiative (CASA).

26. The Country Team may want to consider doing a 'deep dive' on the top priority projects to understand in more detail the impacts of the drivers of fragility, in particular, EVD and the electoral process. Teams could then work with the FCV Group to understand the potential vulnerabilities and design remedial action to build the resilience of the projects.

### **Impact on policy dialogue and reform**

27. As has been seen in other countries and in previous experience in Guinea, the electoral process often results in a reluctance to implement highly visible reforms that might have an impact

on public opinion. Furthermore, there is the risk that projects and policies could become the target of political discourse.

28. The “Public Sector Governance and Accountability” project (P149067) has the potential to play a role in building resilience of the public and also of the portfolio to negative political rhetoric by engaging with the electorate and also producing analytical pieces.

29. The project’s recipient-executed component could be directed to producing public information material to educate the electorate on the democratic process and the elections. Activities could target in particular youth who may be prone to acts of violence (using data from previous elections to identify where these groups are in the country).

30. The project’s Bank-executed component could be used to produce short analytical pieces that could serve to keep the Country Team and the client counterparts informed on the situation of fragility across the country in order that preventative measures can be taken.