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President Alpha Condé (2010 – present) personally manages the Ebola response with national coordinator Sakoba Keita and renews French government assistance. The outbreak is still spreading in the south-east Forestière region. The World Bank revises downwards the economic growth for Guinea to 0.5% in 2014 and -0.2% in 2015. A United States (US) court approves an asset forfeiture request as part of the US grand jury investigation into BSG Resources' (BSGR) acquisition of the Simandou North (blocks 1 and 2) iron ore concessions in 2008. Guinea places 145th out of 175 countries on Transparency International's Corruption Perceptions Index (CPI) 2014, marking another marginal improvement since the start of democratic rule in 2010.

Condé moves to improve his Ebola response record

President **Alpha Condé** (2010 – present) is personally involved in **Guinea's** Ebola response, which has become his priority. Condé is reportedly involved in organising all aspects of the response from the **Palais Sékhoutouréya** (presidency) and maintains close contact with **Sakoba Keita**, the **Cuba**-trained doctor whom he appointed national coordinator for the response in September.¹ Condé reportedly speaks with Keita “several times a day...Condé wants to know everything”.² Condé held several international press interviews in late November, stating his intention to fight the crisis. He said, “While shaving I think of Ebola, while eating I think of Ebola, while sleeping I think of Ebola.”³

Condé's micro-management of the crisis is characteristic of his governing style since taking power in Guinea in 2010. Condé has little trust in his bureaucracy and therefore creates “parallel structures with some individuals”, in this instance Keita.⁴ Keita – who is respected among diplomats and international healthcare officials – reportedly bypasses the “ineffective” health ministry.⁵

“Condé is known for micro-managing. He is on record several times for saying that he doesn't trust anyone in his government. The problem is there will be no lasting reform. When he goes government management will return to where he started.”⁶

Condé has also secured increased support from **France** to aid the response. French president **François Hollande** visited Guinea on 28 November en route to the **Organisation Internationale de la Francophonie (OIF)** summit held on 29-30 November in **Dakar (Senegal)**. The visit was the first by a French president to Guinea in 15 years (since ex-president **Jacques Chirac** (1995 – 2007) visited in 1999). Hollande praised Guinea's democratic transition and reiterated Condé's message to the international community not to isolate Guinea amid the Ebola crisis.⁷ Condé said Hollande's “great symbolic” visit reduced the stigma attached to Guinea, and said, with investors in mind, “everyone can come to Guinea.”⁸ Hollande undertook to establish a military hospital and pledged \$125m assistance for the Ebola response effort.⁹

¹ Jeune Afrique, 3 Dec 2014.

² Jeune Afrique, 3 Dec 2014.

³ Interview with Condé, New York Times, 20 Nov 2014.

⁴ Diplomat source, quoted in New York Times, 20 Nov 2014.

⁵ New York Times, 20 Nov 2014.

⁶ Source, francophone journalist, Guinea

⁷ RFI, 28 Nov 2014.

⁸ Le Monde, 29 Nov 2014.

⁹ Reuters, 29 Nov 2014.

Condé's involvement in the Ebola response marks a turn since the early months of the epidemic in the first half of 2014. Condé said the situation was "*well under control*" in April. He exerted "*pressure to downplay*" the crisis on non-government organisations (NGOs), particularly **Médecins Sans Frontières (MSF)**, which he publicly criticised for raising the alarm.¹⁰ While Condé's denied the severity of the outbreak, Ebola entrenched itself in the remote south-east **Forestière** region, the outbreak's ground zero, and the capital **Conakry**. A **Centers for Disease Control and Prevention** source told the press that Condé ordered the removal of probable and suspected cases from official statistics, which impeded assessing the extent of the outbreak.¹¹ Condé's change of approach came in August, when MSF chief of mission **Marc Poncin** told the press that Condé "*admitted in front of everybody that he had been wrong.*"¹² However, in an interview on 28 November Condé pushed blame for the initial subdued response on to international organisations, saying they "*did not react quickly enough*" and that there was "*poor communication.*"¹³

Despite stabilising in November, the outbreak is still spreading in the Forestière region. Since the start of the outbreak, the rates of infection have ebbed and flowed in Guinea. MSF's Poncin in late November noted a new "*deterioration*" in Guinea, confirming a significant increase in suspected cases and the spread of the outbreak into new areas previously unaffected. The **World Health Organisation (WHO)** on 8 December said the number of registered cases is "*slightly increasing*" in Guinea. The WHO estimates that the death toll in Guinea has reached 1,428 of 2,292 cases.

Local resistance to treatment centres and aid continues to hamper Ebola response efforts in Guinea. On 4 December youths protested against the opening of a new Ebola treatment centre in **Yimbaya**, a neighbourhood of Conakry.¹⁴ The protest prevented prime minister **Mohamed Said Fofana** from laying the foundation stone for the construction of the clinic. The crowd shouted, "*We do not want Ebola in our neighbourhood! We fear Ebola! Do not pollute our environment.*"¹⁵ The protesters ransacked the event, forcing the evacuation of government officials, the French and **United States (US)** ambassadors and MSF representatives from the site.¹⁶

Sierra Leone replaced **Liberia** as the outbreak epicentre in November, and on 10 December its number of cases (7,897 cases and 1,768 deaths) surpassed that of Liberia (7,719 recorded cases and 3,177 deaths) Rates of infection in Liberia are "*stable or declining*", according to the WHO. The WHO estimates that the combined death toll from the outbreak has reached 6,388, with 17,942 reported cases, as of 10 December.

The rates of infection in the Ebola-affected countries are highest in Sierra Leone's western region and its capital **Freetown**. The situation has resulted in increasing criticism directed at the **British** government, which has taken the lead in the Sierra Leone response effort, and NGO **Save the Children**. A press report claimed that only 11 beds supplied by the **United Kingdom (UK)** were operational as at 27 November.¹⁷ Several press sources also noted Save the Children's lack of experience in managing an Ebola treatment clinic at **Kerry Town**, which is part of the UK's \$360m Ebola response plan for the country.¹⁸

...as the World Bank confirms the scale of Ebola's economic impact

World Bank analysis released on 1 December confirms the significant economic impact of the Ebola outbreak in Guinea. It revised downwards the gross domestic product (GDP) economic growth for Guinea to 0.5% in 2014, from 4.5% prior to the outbreak taking hold in June; and -0.2% in 2015, from

¹⁰ New York Times, 20 Nov 2014.

¹¹ New York Times, 20 Nov 2014.

¹² Interviewed in New York Times, 20 Nov 2014.

¹³ Le Monde, 28 Nov 2014.

¹⁴ AFP, 4 Dec 2014.

¹⁵ AFP, 4 Dec 2014.

¹⁶ RFI, 5 Dec 2014.

¹⁷ Bloomberg, 8 Dec 2014.

¹⁸ Bloomberg, 8 Dec 2014.

4.3% (pre-outbreak). It claims that the outbreak will cost the government \$800m in forgone income. The fiscal impact in 2014 is estimated at \$200m, with direct Ebola-related spending having increased to \$90m. The World Bank reiterated its forecast in October that the regional financial impact of the crisis could range from \$3.8 billion to \$32 billion by the end of 2015, if the outbreak continues to increase and spread to other neighbouring countries.

The World Bank also revised downwards for 2014 and 2015 economic growth for Liberia and Sierra Leone, the other Ebola-affected countries.

- For Liberia it forecast 2.2% growth in 2014 (down from 5.9% pre-outbreak in June); and 3% growth in 2015 (6.8% pre-outbreak). The outbreak will cost the Liberian government an estimated \$250m in forgone income. There are clear signs of an “*abating trend*” in Liberia. The outbreak has resulted in a 25% decline in rice output, however workers are starting to return to farms. Mining investment in Liberia remains on hold, with **ArcelorMittal** stalling the expansion of its **Yekepa** mine.
- For Sierra Leone, the World Bank forecast 4% growth in 2014 (11.3% pre-outbreak); and -2% in 2015 (8.9% pre-outbreak). The outbreak will cost the Sierra Leonean government an estimated \$1.3 billion in forgone income. While the output of mining (bauxite, iron ore and gold) has reduced due to the outbreak, the manufacturing sector and consumer activity (particularly the reduction in demand for gasoline and diesel) is the main driver of the economic downturn.

US corruption investigation against BSGR moves forward

US prosecutors continue to secure landmarks in the corruption investigation against **BSG Resources (BSGR)**. On 25 November a **Florida** court approved a request to seize three properties and restaurant equipment belonging to **Mamadie Touré**, widow of former president **Lansana Conté** (1984-2008).¹⁹ The forfeiture request is one of several against individuals’ ‘*ill-gotten gains*’, as part of the US corruption investigation into the transfer of the **Simandou North** (blocks 1 and 2) iron ore concessions in 2008, weeks before Conté’s death, from **Rio Tinto** to BSGR. The forfeiture request filing alleges that Touré received \$5.3m in bribes to help secure the mining concessions. Much of the prosecutors’ case against BSGR is based on Touré, who turned a co-operating witness. It is unclear whether the asset forfeiture is part of a plea deal with Touré.²⁰

The forfeiture request marks another step in the US prosecutor’s case against BSGR. The US investigation secured its first conviction on 25 July when it sentenced former BSGR agent and French citizen **Frederic Cilins** to two years in prison for obstructing a **Federal Bureau of Investigation (FBI)** corruption investigation.²¹

In April 2014 the Guinean government cancelled BSGR’s rights to Simandou North based on the US grand jury investigation. On 10 September 2014 BSGR formally filed for arbitration at the **International Centre for Settlement of Investment Disputes (ICSID)** against the government for the cancellation.²² Prior to this, on 3 September BSGR’s lawyers filed documentation with a federal court in **New York** claiming that a **South African**-linked network helped rig the 2010 presidential election for Condé in exchange for mining concessions.²³

Following the forfeiture request, on 26 November BSGR released a statement saying that its arbitration claim would “*finally separate fact from fiction*”, and that the Guinean government “*is the real perpetrator of corruption*”. BSGR reiterated its claim that the allegations “*are being used to justify an illegal expropriation of BSGR’s assets in Guinea*”.

¹⁹ Financial Times, 26 Nov 2014.

²⁰ Financial Times, 26 Nov 2014.

²¹ See ARC Guinea September 2014 Briefing

²² See ARC Guinea September 2014 Briefing

²³ See ARC Guinea September 2014 Briefing

Brazil-based Vale, which acquired a 51% share of BSGR's Guinea assets in 2010, is considering an out of court settlement in separate litigation brought by Rio Tinto. On 5 December Vale's general counsel said it would consider a settlement if the judge moved the case to **London (UK)**, due to high legal costs in the US.²⁴ However, Vale said it would not "*accept any blame*" in the case. Rio Tinto filed the detailed complaint in New York on 30 April against Vale, BSGR founder **Beny Steinmetz**, BSGR, Touré, and former mines minister **Mahmoud Thiam** seeking unspecified damages under the **Racketeer Influenced and Corrupt Organizations Act**.²⁵

Despite the myriad lawsuits – and the global mining downturn – Condé told the press that the government was preparing the re-award tender for the North Simandou concessions, but he failed to mention a timeframe.²⁶ Condé said the government should expect at least \$100m for the permits. BSGR has sought to block the re-award tender in its arbitration request with the ICSID.

*"I don't believe the government will be able to sell the North Simandou permits whilst the BSGR arbitration is ongoing. But it's part of the government's strategy to keep on the front foot in the face of BSGR's aggressive strategy. The government is trying to send a signal to BSGR that it is committed to re-tendering the assets."*²⁷

Corruption Perceptions Index (CPI) 2014 marks Guinea's slow progress

Despite the progress in the BSGR corruption investigation, Guinea remains placed 145th out of 175 countries on **Transparency International's Corruption Perceptions Index (CPI) 2014**, released on 3 December. The CPI 2014 marks another marginal improvement on the CPI since the introduction of democratic rule in 2010. It has climbed from 173rd during the military junta administration in 2008, to 164th in 2010 and 150th in 2013. The leading international corruption study "*measures perceived levels of public sector corruption*" and ranks countries based on a "*corruption perception*" scale ranging from 0 (highly corrupt) to 100 (very clean).

Guinea's 2014 CPI score increased to 25, from 24 in 2012 and 2013. Guinea placed alongside **Kenya** in the 2014 CPI, and scored well below neighbours Senegal (69th), Liberia (94th), Sierra Leone (119th) and **Cote d'Ivoire** (115th). **Botswana** was the highest ranked African country (31st); **Somalia** was the lowest ranked country (174th).

Implications

Condé's micro-management of key issues has been a feature of his presidency and highlights his lack of trust in his own administration. His current management of the Ebola crisis is a case in point. However, the seriousness of the situation (and its economic impact) warrants his direct involvement, which has improved the local and international Ebola response effort in Guinea. Condé's appointment of national coordinator Keita also appears a good – albeit late – move. French President François Hollande's visit will also boost the response effort, and improved relations and cooperation with France following the visit will reduce potential stability risks. That said, Condé's weak response in the early months of the outbreak has tarnished his record on the Ebola response.

The revised World Bank growth forecasts confirm the deteriorated economic situation due to Ebola. With the outbreak still spreading in the Forestière region, Guinea is now expected to fall into recession in 2015. The economic situation will increase the risk of unrest in 2015, particularly with the next presidential election currently scheduled for late 2015.

²⁴ Reuters, 8 Dec 2014.

²⁵ See ARC Briefing for Guinea, May 2014.

²⁶ Bloomberg, 26 Nov 2014.

²⁷ Source, francophone journalist, Guinea



The asset forfeiture request against Touré marks another victory for US prosecutors in the corruption investigation into BSGR's acquisition of the Simandou North iron ore concessions. The investigation remains in the early stages and further litigation around the concessions – as well as the global mining downturn – will undermine the government's attempts to attract interest in the re-award process.

Guinea has now increased nearly 20 places in the CPI since the start of democratic rule four years ago. This demonstrates a slow but positive trend, and particularly highlights the transparency improvements in the mining sector with the assistance of **Revenue Watch Institute**.