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The Commission Electorale Nationale et Indépendante (CENI) (national independent electoral commission) announces the proposed date for local elections for 18 December. However, the opposition rejects the date and CENI's announcement, claiming it is not ready to hold the elections, and criticises the lack of dialogue on the issue. The World Bank's International Centre for Settlement of Investment Disputes (ICSID) rules that the Guinean government unfairly terminated France-based Necotrans International subsidiary GETMA International's concession of the Port of Conakry container terminal. However, the ICSID grants GETMA only \$880,000 in indemnities. The International Finance Corp (IFC) grants a \$200m loan to the Compagnie de Bauxites de Guinée (CBG) to support expansion at the Sangaredi bauxite mine. The International Monetary Fund (IMF) completes its review mission, revising its 2016 growth forecast from 3.8% to 5.2%.

Electoral commission suggests date of local elections

The **Commission Électorale Nationale et Indépendante (CENI)** (national independent electoral commission) on 7 September announced that local elections will take place in December, no earlier than 18 December.¹ The CENI confirmed that the election campaign period is restricted to 2-16 December, with the final delivery date for candidacies on 2 November.² Operations officer at the CENI, **Etienne Soropogui**, confirmed that this is not a final date, but that the CENI is technically ready to hold the elections,

*"Looking at the reality on the ground, the CENI's organisation of local elections, initially scheduled for October, will take place in December. Technically speaking, the CENI is ready to organise these elections on 18 December... [The proposition] will be referred to president **Alpha Condé** (2010-present), who will... decide on the final date of the vote."³*

The CENI claims that the decision was made following a meeting with opposition political parties, including the **Rassemblement pour le Développement Intégré de la Guinée (RDIG)** party.⁴ However, the main opposition party, the **Union des Forces Démocratiques de Guinée (UFDG)** claims that the decision was made without consultation of the opposition.⁵ UFDG spokesperson, **Aboubacar Sylla** said,

"The opposition hasn't even come together to discuss the subject regarding the CENI's proposed local elections schedule. The CENI is pulling the rug from under our feet. The organisation of the local elections is the first item on the agenda that we proposed to the territorial administration minister. If the CENI is already deciding on this issue, it renders the idea of dialogue obsolete. Nonetheless, the CENI has only suggested a date, but it's now up to [Condé] to call on the electorate."⁶

¹ Guinée News, 7 Sept 2016.

² Guinée News, 7 Sept 2016.

³ Guinée News, 7 Sept 2016.

⁴ Guinée News, 7 Sept 2016.

⁵ Guinée News, 9 Sept 2016.

⁶ Guinée News, 9 Sept 2016.

Sylla continued to criticise the CENI as ineffective at organising elections on time.⁷ According to Sylla, the elections should have taken place on 30 June at the latest, were postponed to October, and now again to December, which is why he “*treats the announcement with great scepticism*”.⁸ Vice president of the UFDG, **Dr Fodé Oussou Fofana** supported this stance,

“Hold tight, this CENI is capable of saying in the coming days that it is in fact not technically ready. They have the habit, when the election date approaches, of announcing another date, under the pretext of lack of means... [Soropogui] reassures us that technically, they are ready. But it is not the first time we hear this. Political parties put the CENI in place, but it never asked us for our opinion. The CENI is even capable of sending people out to enrol without even informing the political parties.”⁹

ISCID rules in favour of GETMA

The **World Bank’s International Centre for Settlement of Investment Disputes (ICSID)** on 16 August ruled in favour of **GETMA International**, subsidiary of **France-based Necotrans International**, in a case against the **Guinean** state.¹⁰ GETMA began litigation against the Guinean state after the government cancelled GETMA’s concession on 9 March 2011 for operation of the container terminal at the **Port of Conakry**, after GETMA had obtained a 25-year concession for the terminal in September 2008, in the final months of president **Lansana Conté’s** (1984-2008) regime.¹¹ The government claimed that GETMA had failed to meet its obligations, and placed military at the terminal in order to prevent GETMA employees accessing the facilities.¹² Two days later, on 11 March 2011, France-based **Bolloré Africa Logistics** obtained the concession for a 25-year period.¹³ GETMA alleged corruption in the Bolloré Africa Logistics deal.¹⁴ Condé has previously said that he knew **Vincent Bolloré**, head of Bolloré Africa Logistics, for over forty years,

*“Vincent, I have known him for over forty years. He’s now in **Indonesia**, but otherwise I would have called him and would have dined together at **Laurent** (high-end restaurant in **Paris**).”¹⁵*

Condé also defended awarding the concession to Bolloré earlier this year,

“Bolloré ticked all the boxes of the tender, and I can tell you that no one wanted GETMA anymore, who did not honour its commitments... He’s a friend. I favour friends. So what?”¹⁶

There is no record of Guinea issuing a tender for the concession. The quick succession of revocation of GETMA’s concession to granting the concession to Bolloré – two days – may indicate that, if there was indeed a tender, either the government issued it before cancelling GETMA’s concession, the government accepted Bolloré’s proposal before the deadline, or it imposed so tight a deadline that no other company could reasonably win the tender. In the case of the latter, Bolloré may possibly have had prior knowledge that GETMA’s concession would be revoked.

Reportedly, Necotrans initially tried to reverse the decision through its relationship with then president of **Burkina Faso, Blaise Compaoré** (1987-2014), who sent his then loyal general **Gilbert Diendéré** to Conakry to meet with Condé.¹⁷ Condé admitted to receiving him,

“I received Diendéré. And I told him the same as everyone else: we no longer want GETMA.”¹⁸

⁷ Guinée News, 9 Sept 2016.

⁸ Guinée News, 9 Sept 2016.

⁹ Guinée 360, 8 Sept 2016.

¹⁰ Guinée 360, 2 Sept 2016.

¹¹ Multiple sources: Guinée 360, 2 Sept 2016; Jeune Afrique, 9 Mar 2011.

¹² Jeune Afrique, 9 Mar 2011.

¹³ www.bolloré-africa-logistics.com

¹⁴ Le Monde, 16 Sept 2016.

¹⁵ Le Monde, 16 Sept 2016.

¹⁶ Le Monde, 16 Sept 2016.

¹⁷ Le Monde, 16 Sept 2016.

¹⁸ Le Monde, 16 Sept 2016.

Head of business development of Bolloré Group, **Eric Melet**, spoke to the press to defend the Guinean government's concession,

*"In Africa, what counts is that things work. Before we obtained the concession, ships were waiting over two weeks to unload and the investments hadn't been made... We fought to obtain the concession, which wasn't easy. Since 2011, we have invested €140m (\$156m), €80m (\$89m) of which has gone solely to infrastructure."*¹⁹

The ICSID deemed that the tribunal is insufficiently competent to evaluate the cash flows of the Guinea treasury over the concession period, which could have indicated corruption.²⁰ The ICSID also judged that the Guinean state violated **Article 5** and **Article 6** of the **1987 Investment Code**.²¹ These respectively state that the government will not expropriate investors in a discriminatory fashion and that the all foreign companies and nationals receive fair treatment and protection compared to Guinean companies and nationals.²² The ICSID observed that the contract between Bolloré and the government was "*irregular and contractually inaccurate*", while it claimed that it could not "*clearly and convincingly prove evidence of corruption or fraud*".²³ As such, the ICSID ordered the state to pay approximately \$882,000 in compensation and legal fees, part of which is contingent upon the ruling of an ongoing parallel case at the **Common Court of Justice and Arbitration (CCJA)** in **Abidjan (Côte d'Ivoire)** between the same two parties.²⁴ Although the lawyer representing GETMA claimed that the fact that the court acknowledged the illegality of the attribution of the concession, this is far less than the €100m (\$112m) that GETMA was claiming from the court.²⁵

IFC announces \$200m loan for CBG

The **World Bank Group's International Finance Corporation (IFC)** on 6 September announced that it has extended a \$200m investment package, with a 15-year repayment period, for **Compagnie des Bauxites de Guinée (CBG)**.²⁶ CBG is a public-private partnership between the **Halco** consortium (51%), composed of **United States (US)**-based **Alcoa**, **Australia/United Kingdom (UK)**-based **Rio Tinto** and **Guernsey**-based **Dadco Alumina**, and the Guinean government (49%).²⁷ The investment will support the expansion of the **Sangaredi** mine, which has high-quality reserves of bauxite.²⁸ The IFC claims the investment will allow for a boost in production from 15 million metric tonnes of bauxite a year to 42 million tonnes by the mid-2020s, which would include complementary private investment.²⁹ The IFC's investment will offset the drop in investment optimism in the sector since Rio Tinto announced that it would shelve its **Simandou** mine in July (see *ARC Briefing Guinea July 2016*). IFC executive vice president and CEO **Philippe Le Houérou** said,

*"Guinea has been working toward improving conditions to attract investment on a much larger scale. The Sangaredi mine expansion and investments in the **Kamsar-Sangaredi** rail corridor provide an important opportunity to sustain employment for more than 5,000 staff."*³⁰

... and the IMF revises growth forecast to 5.2% in 2016

The **International Monetary Fund (IMF)** on 7 September completed its review mission to Guinea, ahead of the IMF's eighth and final review under its \$198.9m extended credit facility (ECF).³¹ Guinea

¹⁹ Le Monde, 16 Sept 2016.

²⁰ www.icsid.worldbank.org

²¹ www.icsid.worldbank.org

²² www.icsid.worldbank.org

²³ www.icsid.worldbank.org

²⁴ www.icsid.worldbank.org

²⁵ Guinée 360, 2 Sept 2016.

²⁶ www.ifc.org

²⁷ www.ifc.org

²⁸ www.ifc.org

²⁹ www.ifc.org

³⁰ www.ifc.org

³¹ www.imf.org

contracted IMF aid in February 2012 for the ECF, which then comprised a three-year programme, and was later extended for unclear reasons.³² The IMF discussed with the government the policies which would render Guinea eligible for the final disbursement of the ECF.³³ The IMF also revised its growth forecast from 3.8% to 5.2% due to “*positive supply shocks*” in the mining, agriculture and energy sectors, now largely unaffected by Ebola, since the **World Health Organization (WHO)** announced the end of the epidemic in June.³⁴

Implications

The CENI’s continual postponement of local elections is an indication of both inefficient management and potentially of government interference. The date is temporary, as it would appear that the opposition will seek to challenge it, and further postpone it to a time more suitable or favourable to them. Condé’s decision in respect of CENI’s announcement will illustrate the extent of conciliation, as he may wish to ignore the opposition’s demands for dialogue on the date of elections.

The ICSID’s ruling raises doubts about the award of the concession for the Port of Conakry terminal to Bolloré, though it would appear that the plaintiff presented insufficient evidence to prove corruption. ICSID’s evaluation that the government violated the investment code shows that there are significant doubts surrounding Bolloré’s award of the concession. For example, the speed with which Bolloré obtained the concession following GETMA’s revocation, as well as the personal relationship between Condé and Vincent Bolloré, appear to raise further doubt. However, there is evidently not enough proof to indict Bolloré further.

The IFC’s loan to CBG is a boost to Guinea’s mining sector following Rio Tinto’s shelving of investment in the Simandou mine. This, in addition to the end of the Ebola crisis, is cause for increased optimism about the Guinean economy. The IMF’s revision of its growth forecast is indicative of this.

³² www.imf.org

³³ www.imf.org

³⁴ www.imf.org

About Africa Risk Consulting:

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Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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