

AFRICA RISK CONSULTING

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President Alpha Condé (2010-present) schedules the presidential election for 11 October 2015 and local elections in March 2016. The opposition calls for local elections before the presidential election and street protests are imminent. Condé appoints ally General Bourema Condé as territorial administration minister to oversee the elections. The government's plans to raise revenue from the mining and oil sectors face difficulties in 2015. There is little mining investor interest in the disputed Simandou North assets. The International Monetary Fund (IMF) releases emergency funding to help cover the cost of the Ebola crisis. The outbreak continues, primarily due to local resistance to healthcare authorities.

Condé schedules elections

President **Alpha Condé** (2010 – present) has confirmed elections in 2015 and 2016. On 10 March **Commission Electorale Nationale Indépendante (CENI)** head **Bakary Fofana** scheduled the presidential election for 11 October 2015.¹ A second round run-off election will take place two weeks after the first round results are issued if no candidate receives more than 50% of votes. The election schedule conforms to constitutional requirements that a presidential election take place after a five-year term. The last election was in November-December 2010. The CENI also scheduled the local elections in March 2016.

The opposition has criticised the scheduling and organisation of elections. In early February the foreign ministry affirmed the government's commitment to allow international election monitors – a key opposition demand – and to renew dialogue with the opposition. However, the opposition had demanded that local elections take place before the presidential election. Under a political pact with the opposition, the local elections were originally scheduled for the first quarter of 2014. The Condé administration has not held local elections since it came to power in 2010. The former military government of **Lansana Conté** (1984-2008) held the last local elections in 2005.

“Condé's local prefects are still in place and will stay there until the local elections are held. The opposition says that the local officials will assist Condé in election fraud at the local level and that it is the reason why the local elections are scheduled after the presidential election.”²

The opposition has also called for greater representation in the CENI. The opposition claims that 10 of the 25 CENI members should be from the opposition. There are currently only three opposition members represented in CENI.³ The opposition has also called for the installation of a **Constitutional Court** with jurisdiction to rule on electoral disputes.⁴ As a result, **Mouctar Diallo**, a hardline ethnic **Peul** member of the opposition, said that the opposition has threatened to boycott the **Assemblée Nationale** and CENI as well as renew street protests.⁵

In the lead up to the election announcement, Condé appointed his ally, General **Bourema Condé**, as territorial administration minister.⁶ **Alassane Condé** had held the position since Condé formed his first government in 2010. (Neither Alassane Condé nor Bouréma Condé is related to the president.) In this role General Condé will have overall responsibility for logistical and technical organisation of the elections.

¹ AFP, 10 Mar 2015.

² Source, foreign correspondent, Guinea

³ Jeune Afrique, 11 Mar 2015.

⁴ Jeune Afrique, 11 Mar 2015.

⁵ Reuters, 11 Mar 2015.

⁶ Aujourd'hui-en-guinee, 24 Feb 2015.

However, the government said that the appointment was aimed at strengthening the fight against the Ebola outbreak.

The opposition has criticised the appointment of a soldier to the role: *“To our amazement they are coming back and occupying strategic posts.”*⁷ Condé appointed General Condé, former governor of **Nzérékoré** in the unstable **Forestière Region**, as army chief of staff in the presidency upon coming to power in 2010. He provides a crucial link between the presidency and the army.⁸

The government looks to mining to drive the post-Ebola recovery

The government’s plans to raise revenue from the mining and oil sectors will face significant difficulties in 2015. At the 2015 **African Mining Indaba** held in **Cape Town (South Africa)** from 9 to 12 February, mines minister **Kerfalla Yansané** announced that the government would launch a tender for the **Simandou North** iron ore concessions in the coming two months, irrespective of the ongoing arbitration process.⁹ **BSG Resources (BSGR)** previously held the concessions but the government cancelled BSGR’s rights to the Simandou North assets in April 2014. BSGR launched arbitration with the government at the **International Centre for Settlement of Investment Disputes (ICSID)**. BSGR claims that the **International Chamber of Commerce in Paris (France)** will hear the case but has not scheduled a date.¹⁰ The government claims it now owns the assets, and therefore the arbitration does not affect the re-tender process. However, BSGR has threatened to sue companies that invest in the assets.¹¹

*“The conclusion we have reached on the re-tender is that it is wishful thinking on the part of the government. There is little interest in the mining community because mining companies are not in the position to acquire such a large and contested asset.”*¹²

Yansané also claimed the government is preparing an oil licensing round for 20 offshore blocks in 2015.¹³

The government has also started negotiations to allow iron ore projects in the Forestière Region to export via **Liberia**. Yansané said that mining companies must meet a requirement that their operations be below production of 5m tonnes per year before the government will allow export via Liberia.¹⁴ The government has so far only awarded permission to **Sable Mining** for its **Nimba** project. The negotiations reportedly include **ArcelorMittal**, which acquired a stake in another Nimba iron ore project from **BHP Billiton** in 2014.¹⁵

Rio Tinto and other project developers, **Chinalco** and the **International Finance Corporation**, have delayed the **Simandou South** mine and infrastructure project due to the Ebola outbreak. On 6 February Rio Tinto said it would restart construction projects and that it would complete a feasibility study in 2015.¹⁶ An **African Development Bank (AfDB)** official has said that the bank aims to provide a \$300m loan for the \$900m project.¹⁷

The government secures emergency funding but Ebola outbreak continues

On 17 February the **International Monetary Fund (IMF)** released \$64m of immediate emergency funding to help cover the cost of the Ebola crisis. The disbursement followed the completion of the IMF’s fifth review under the **Extended Credit Facility (ECF)**. The IMF also approved an extension of the ECF, a three-year programme that started in 2012, until December 2015.

⁷ Opposition figure Faya Bourouno in IOL, 25 Feb 2015.

⁸ Africaguinee, 29 Dec 2010.

⁹ Reuters, 9 Feb 2015.

¹⁰ Mining Weekly, 6 Mar 2015.

¹¹ Mining Weekly, 6 Mar 2015.

¹² Source, foreign correspondent, Guinea

¹³ Jeune Afrique, 10 Feb 2015.

¹⁴ Reuters, 9 Feb 2015.

¹⁵ Reuters, 9 Feb 2015.

¹⁶ Bloomberg, 6 Feb 2015.

¹⁷ Mining Weekly, 10 Mar 2015.

The IMF said the government's performance under the ECF was "*satisfactory*" despite the Ebola crisis. It said economic growth in 2014 had slowed to 0.4%, from 2.3% in 2013 due to the Ebola outbreak. Finance minister **Mohamed Diaré** said the economy could lose \$2 billion due to the Ebola outbreak.¹⁸ Diaré said the outbreak has cost the government over \$142m in lost customs and tax revenues.

The Ebola outbreak persists in Guinea. The **World Health Organisation (WHO)** has recorded rising cases over three consecutive weeks to 17 March. The new cases centred around the capital **Conakry** and **Forécariah** in the south bordering **Sierra Leone**. The Ebola death toll – mostly from cases in Guinea, Sierra Leone and **Liberia** – passed 10,000 on 12 March, according to the WHO. In mid-February the three governments targeted zero infections within 60 days.¹⁹ However, unsafe burials continue to drive new infections, particularly in Guinea. In early March the WHO reported that only half of new infections came from registered contacts.²⁰ Liberia's last Ebola patient left hospital on 5 March but the country cannot be declared Ebola free until 42 days have passed without a new infection.²¹ The **United States (US)** military officially ceased its mission in Liberia on 26 February.²²

Local resistance to healthcare authorities continues in Guinea and has resulted in further security incidents. On 14 February in **Faranah** (Forécariah Region) local residents destroyed an Ebola treatment facility and attacked health workers after rumours spread that **Red Cross** staff planned to disinfect a school.²³ On 9 February clashes between police and civilians injured dozens of people after authorities arrested an imam who had led funeral prayers for an Ebola suspect.²⁴ The Red Cross claims that aid workers have been subjected to an average of 10 attacks each month.²⁵

Implications

The opposition will renew large street protests in the coming weeks over the organisation of the elections. Clashes with security forces and some fatalities are likely. However, Condé has managed to keep soldiers away from protests and in the barracks, limiting the risk of localised clashes escalating. In addition, since Condé has allowed election observers, international attention on the election should reduce some tensions. The announcement of the election results and the aftermath will probably result in more concerted and violent protests. Condé remains the favourite for the election due to the advantages of incumbency, notably greater campaign financing than the opposition.

The downturn in the mining and oil sectors stands against the government raising revenues in election year, despite its stated intentions to award key concessions. However, the government's claims that it will re-tender the Simandou North concessions appear to be a symbolic gesture to combat BSGR's aggressive media and legal strategy.

The IMF funding and good ECF review show that the Condé administration retains the support of key donors. However, the government and international authorities have not been able to reduce local resistance to the Ebola outbreak to trace transmission lines more effectively.

¹⁸ Mining Weekly, 10 Mar 2015.

¹⁹ Bloomberg, 16 Mar 2015.

²⁰ WHO, 5 Mar 2015.

²¹ Reuters, 5 Mar 2015.

²² Reuters, 26 Feb 2015.

²³ Reuters, 14 Feb 2015.

²⁴ News24, 9 Feb 2015.

²⁵ BBC, 12 Feb 2015.

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