

**AFRICA RISK CONSULTING**  
**Guinea Monthly Briefing November 2017**

**Guinea Summary 27 November 2017**

*A government delegation, including President Alpha Condé (2010-present) and international development minister Kanny Diallo, holds a roundtable in Paris (France) with international creditors. The government raises a total of around \$20 billion in commitments from creditors and private investors, 344% more than its target of \$4.5 billion. The Haute Autorité de la Communication (HAC) (high communications authority) suspends private radio station Espace FM for a period of one week, for allegedly disseminating remarks “that are susceptible of undermining state security and draining the morale of the armed forces”. Côte d’Ivoire President Alassane Dramane Ouattara (2011-present) arrives in Conakry for a state visit, meeting with President Condé.*

**Government overreaches fundraising target by 344% at creditor roundtable in Paris**

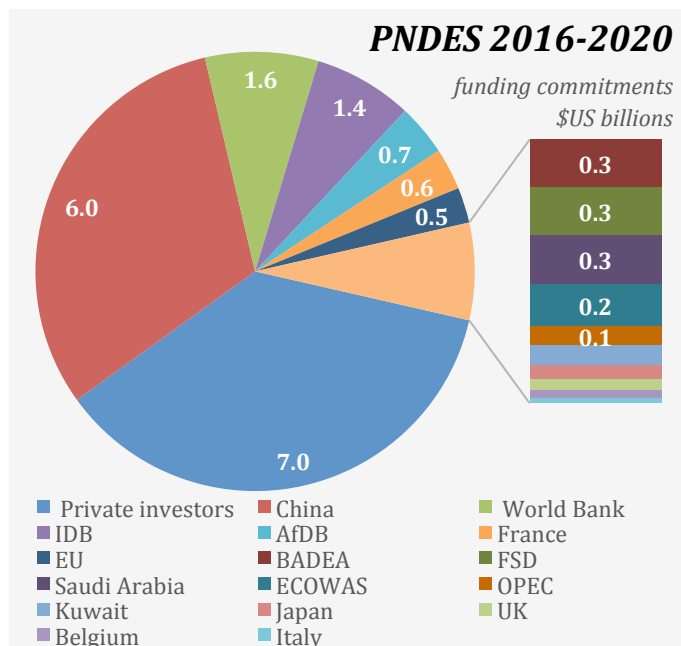


Figure 1: www.boursier.com

A government delegation, including President **Alpha Condé** (2010-present) and international development minister **Kanny Diallo**, held a roundtable in **Paris (France)** with international creditors between 16 and 17 November.<sup>1</sup> The government was aiming to raise financing for its **Plan National de Développement Économique et Social 2016-2020 (PNDES)** (national economic and social development plan), at a total cost of \$14.6 billion.<sup>2</sup> However, after the two-day fundraising, the government obtained around \$20 billion in funding commitments, against an initial target of \$4.5 billion (see *Figure 1*).<sup>3</sup>

According to Diallo, the objective of the PNDES is to achieve double-digit gross domestic product (GDP) growth (or ≥10%) by 2020.<sup>4</sup> Diallo cited government figures of

6.6% GDP growth in 2016 (1.4% above the **World Bank**'s estimate (see *Figure 2*)) and an expected 6.7% GDP growth in 2017.<sup>5</sup> The target growth rate is double any growth rate **Guinea** has experienced in the past decade (see *Figure 2*), and therefore highly ambitious. The government could point to recent political tensions, the **Ebola** crisis of 2014-2016, and the longstanding reputation concerns of the military junta of 2011 as reasons for stifled growth. However, even the **International Monetary Fund's (IMF)** outlook for the 2017-2020 period projects an average growth rate of 6.17%, dropping

<sup>1</sup> Guinée News, 16 Nov 2017.

<sup>2</sup> Guinée News, 16 Nov 2017.

<sup>3</sup> Multiple sources: Boursier, 19 Nov 2017; Guinée News, 17 Nov 2017.

<sup>4</sup> Guinée News, 16 Nov 2017.

<sup>5</sup> Guinée News, 16 Nov 2017.

to 5.2% in 2022 (see *Figure 3*). Therefore, the PNDES' double-digit GDP growth appears to be at the upper limit of the range of plausible growth rates.

Over 300 representatives from countries such as France, **Germany, United States (US), China, Russia and India**, including development finance institutions (DFIs), investment banks and funds, government development agencies, and private sector members were invited to the event in Paris.<sup>6</sup>

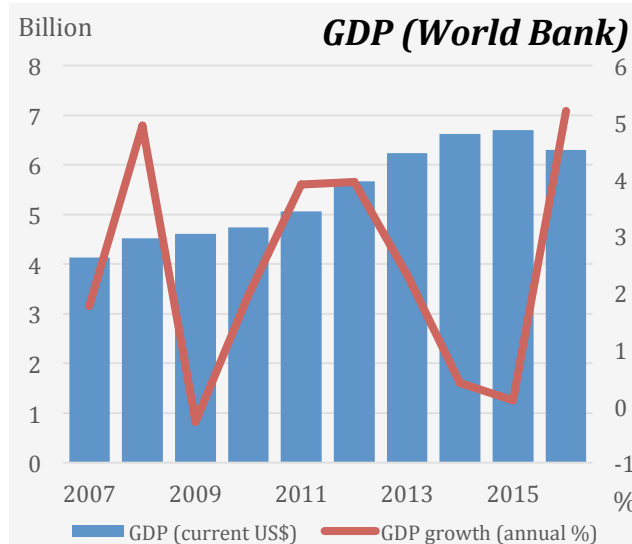


Figure 3: [www.worldbank.org](http://www.worldbank.org)

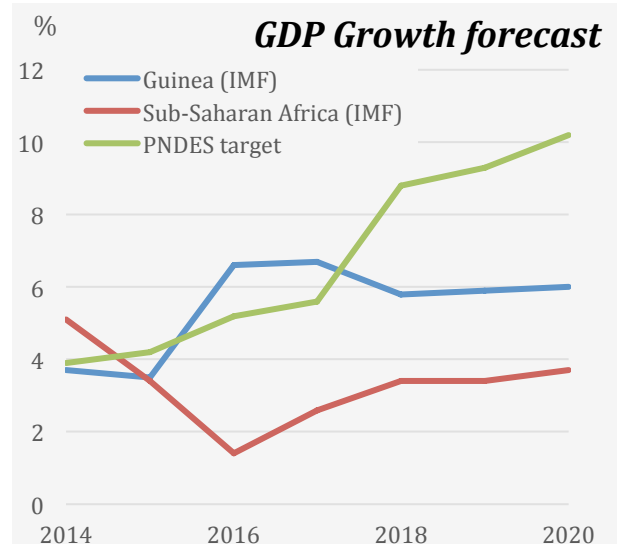


Figure 2: Multiple sources: [www.gouvernement.gov.gn](http://www.gouvernement.gov.gn); [www.imf.org](http://www.imf.org)

The Guinean government had set a target of 30% funding from the national budget (which in 2017 was 50.7% externally funded), 38% from public-private partnerships (PPPs), and 32% from creditors and state partners.<sup>7</sup> Including the sources of funding of the national budget, the government planned that 47.2% of the PNDES 2016-2020 would be externally funded, 38% from PPPs and just 14.8% from internal sources.<sup>8</sup> The rate of funding received exclusively from private investors and state actors (see above) that the Guinean government has obtained is 37% above its original \$14.6 billion target.<sup>9</sup> Therefore, it is unclear whether the government will seek to increase the spending on the PNDES, or limit the external financing to its original target of 32% of the total. Condé said that he would discuss the proposed projects with creditors in order to achieve the PNDES goals.

*"We will systematically send people with concrete projects before those that promised [funding] so that we can concretely reach our five-year plan."<sup>10</sup>*

The PNDES also targets several structural and world development indicator improvements, such as:<sup>11</sup>

- An 8.1% growth rate in the primary sector and an 11.2% growth rate in the secondary sector by 2020;
- A 12.5% increase in value-added exports by 2020;
- A reduction in food poverty from 18.2% to 9.1% by 2020;
- An increase in the **Human Development Indicator (HDI)** from 0.411 to 0.482 by 2020;
- A decrease in monetary poverty from 55.2% to 45% by 2020;
- A decrease in multidimensional poverty from 60.7% to 42% by 2020;
- A decrease in the **GINI** index<sup>12</sup> from 0.317 to 0.25 by 2020.

<sup>6</sup> Guinée News, 16 Nov 2017.

<sup>7</sup> Guinée News, 16 Nov 2017.

<sup>8</sup> Guinée News, 16 Nov 2017.

<sup>9</sup> Boursier, 19 Nov 2017.

<sup>10</sup> AFP, 16 Nov 2017.

<sup>11</sup> [www.gouvernement.gov.gn](http://www.gouvernement.gov.gn)

<sup>12</sup> A GINI coefficient of 0 equates to maximum equality, while a coefficient of 1 is maximum inequality.

The PNDES fundraising appears to have been completed successfully, with commitments far above expected. This will help the government in its aim to achieve over 10% GDP growth in 2020. However, the discrepancy between IMF and PNDES growth forecasts after 2017 (see *Figure 3*) show a very different prognosis for the next three years. It remains unclear how government will make use of the additional funding commitments, which could take the form of an amendment of the original PNDES, or a selective elimination and/or reduction of commitments. Nevertheless, most forecasts of Guinea's economy predict that it is headed towards significant growth up until 2020, even if below the double-digit target. The only evident downside risks would be a failure of China – the provider of 30% of total external funding – to meet its commitments, which could dampen optimism around the Guinean economy.

### Communications authority suspends private radio station Espace FM

The **Haute Autorité de la Communication (HAC)** (high communications authority) on 2 November suspended private radio station **Espace FM** for a period of one week, for allegedly disseminating remarks “*that are susceptible of undermining state security and draining the morale of the armed forces*”.<sup>13</sup> Espace FM is a subsidiary of **Lamine Guirassy's Hadafo Médias SA**, and has held critical views of the Condé government in its programme ‘**Les Grandes Gueules**’.<sup>14</sup> Hadafo Médias also operates **Sweet FM** and a television station **Espace TV**.<sup>15</sup> Hadafo Médias does not have an overt political affiliation, and appears to be an independent Guinean media voice, with strategic syndicated press service partners such as **Agence France Presse (AFP)** (French press agency), **Agence de Press Africaine (APA)** (African press agency) as well as the **United Kingdom (UK)** non-departmental public body, the **British Broadcasting Corp (BBC)**.<sup>16</sup> However, local sources believe Guirassy could be close to **Sidya Touré**, head of the **Union des Forces Républicaines (UFR)**, Guinea's third largest party, or even the ruling **Rassemblement du Peuple de Guinée (RPG)**,

*“Guirassy is a Franco-Guinean deemed close to Touré, with which he shares the same Diaka ethnic clan. However, his biological father, Elhadj Baba Guirassy, is a supporter of the ruling RPG.”<sup>17</sup>*

The media was critical of the HAC's suspension of Espace FM. This was compounded by the fact that the HAC had already suspended Espace FM in June 2017, targeting solely ‘Les Grandes Gueules’ for a period of five days.<sup>18</sup> At that time, the HAC said that the programme had made “*gross and violent statements*”.<sup>19</sup> According to **Moussa Iboun Conté**, president of the **Association Guinéenne des Editeurs de la Presse Indépendante (AGEPI)** (Guinean editors and independent press association), the current measures are “*disproportionate*”.<sup>20</sup> A grouping of press organisations, including the AGEPI, the **Union des Radiodiffusions et Télévision Libres de Guinée (UTELGUI)** (Guinean free radio and television union), the **Association Guinéenne de la Presse en Ligne (AGUIPEL)** (Guinean online press association), the **Association des Professionnelles Africaines de la Communication (APAC)** (professional African communication association), the **Union de la Presse Libre de Guinée (UPLG)** (Guinea free press union), and the **Réseau des Médias sur Internet en Guinée (REMIGUI)** (Guinea internet media network), issued a joint statement condemning the suspension of Espace FM.<sup>21</sup> In the statement, the press organisation announced it would hold a protest in response,

*“The most compelling proof of the [HAC's] contempt for information professionals in our country was the lack of solidarity from this institution during the caning of journalists by a horde of*

<sup>13</sup> BBC, 3 Nov 2017.

<sup>14</sup> RFI, 11 May 2013.

<sup>15</sup> www.hadafomedias.com

<sup>16</sup> www.hadafomedias.com

<sup>17</sup> Source, investigator, Conakry

<sup>18</sup> BBC, 3 Nov 2017.

<sup>19</sup> BBC, 3 Nov 2017.

<sup>20</sup> Source, AGEPI president, Conakry

<sup>21</sup> www.justinmorel.info

*police officers and the destruction of their work materials by these minions in the total indifference of the HAC... The press associations of our country decided to hold a protest against the HAC's exactions and fury against the private national press... on 7 November."*<sup>22</sup>

The protest was accompanied by a 'day without press' on 7 November, in protest against the HAC's measures.<sup>23</sup> Espace FM, represented by **Kalil Oularé**, director general of the radio station, on 8 November delivered a complaint to the **Cour Suprême** (Supreme Court), calling for a nullification of the HAC's decision (**010/SP/AC** on 2 November) and compensation totalling 100m francs (GNF) (\$11,082).<sup>24</sup> The Supreme Court agreed to open to case, and rejected an inadmissibility claim from the state judicial agent.<sup>25</sup> At the time of writing, there have been no further developments on the case at the Supreme Court. However, the HAC on 27 November issued an ambiguous statement to,

*"Strongly condemn the radicalisation of certain political and union members and call on journalists to exercise good judgment in the treatment and diffusion of information. [The HAC] reminds that it is the sole institution with the authority to suspend or close a media outlet."*<sup>26</sup>

The HAC also reiterated that overt or indirect political support from the media is illegal under the **Loi Organique de Liberté de la Presse 2010** (2010 press freedom law), which could be interpreted as a justification of its actions,

*"Article 30 paragraph 2 of the [press freedom law] says that 'no private or communal radio or television station must either directly or indirectly identify with a political party, religion, region or ethnicity."*<sup>27</sup>

The Guinean private press is far from the ideal of being apolitical, or without religious, regional or ethnic followings. It remains unclear which statements Espace FM made that undermined state security and reduced morale in the armed forces. However, there may be implications for the political outlook ahead of the 2020 presidential elections. If Espace FM is truly Touré-affiliated (see above), then HAC's suspension of Espace FM could be an impediment to a successful presidential campaign, if Touré decides to run. Currently Touré remains affiliated with Condé's government, but reportedly wishes to contest for the presidency.

### Ivorian president visits Conakry

**Côte d'Ivoire** President **Alassane Dramane Ouattara** (2011-present) on 26 October arrived in Conakry for a state visit, meeting with his counterpart, Condé.<sup>28</sup> Ouattara is arguably francophone **West Africa's** most influential leader, with significant economic and diplomatic weight, through the region's largest port, the **Port Autonome d'Abidjan (PAA)**, and strong ties to France. Condé is also the chair of the **African Union (AU)** until January 2018.<sup>29</sup> Condé and Ouattara are reportedly close, and Ouattara appears to confirm this in public speeches,

*"I would like to thank my elder, my friend, my political adviser, President Condé... and for the support he has always given us in the evolution of events in Côte d'Ivoire."*<sup>30</sup>

Condé also praised Ouattara,

*"With my brother and political adviser, President Ouattara, we reviewed several problems concerning the **Economic Community of West African States (ECOWAS)** and the AU."*<sup>31</sup>

<sup>22</sup> [www.justinmorel.info](http://www.justinmorel.info)

<sup>23</sup> [www.justinmorel.info](http://www.justinmorel.info)

<sup>24</sup> Guinée Matin, 8 Nov 2017.

<sup>25</sup> Mosaique Guinée, 8 Nov 2017.

<sup>26</sup> [www.espacefmginee.info](http://www.espacefmginee.info)

<sup>27</sup> [www.espacefmginee.info](http://www.espacefmginee.info)

<sup>28</sup> Guinée Matin, 26 Oct 2017.

<sup>29</sup> Guinée Matin, 26 Oct 2017.

<sup>30</sup> Guinée Matin, 26 Oct 2017.

<sup>31</sup> Guinée 7, 27 Oct 2017.

Ouattara brought up “the issue of a single currency”<sup>32</sup>, which appears to have been the salient issue of the meeting. Ouattara said that the single regional currency is “an ambition that we both [Ouattara and Condé] have.”<sup>33</sup> It appears that Ouattara and Condé will seek to promote the introduction of an ECOWAS single currency, in order to replace the current CFA franc (FCFA), the regional currency and remnant of colonial French West Africa.<sup>34</sup> Condé said,

“You know, at the ECOWAS level, we have the intention to make a single currency in 2020. So, I have a meeting in **Niamey (Niger)** with the platform designated to create the single currency.”<sup>35</sup>

The FCFA is pegged to the Euro, and the **Banque de France** (French central bank), meets regularly with the West and **Central African** central banks – the **Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO)** (West African central bank) and **Banque des Etats de l’Afrique Centrale (BEAC)** (Central African central bank) – to decide on monetary policy. However, the CFA franc receives significant criticism from political structures against alleged neo-colonialism, as not a single monetary policy decision can be made without the Banque de France’s approval.<sup>36</sup> Ouattara is a former governor

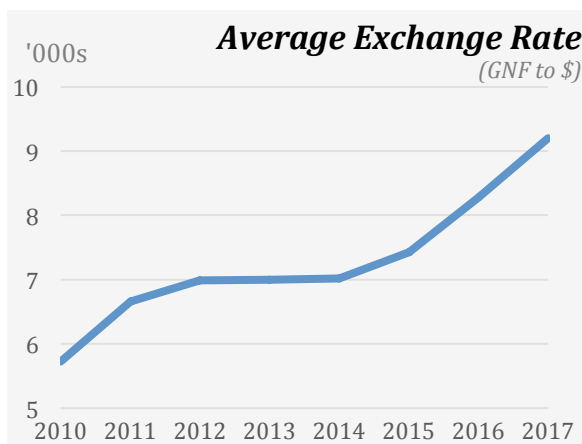


Figure 4: www.bcr.gov.gn

of the BCEAO, and continues to play an influential role in the organisation’s operation.<sup>37</sup> In recent months, the subject of monetary independence has gained more political traction from pro-independence parties in countries using the FCFA, especially after Franco-**Beninois** activist **Kémi Séba** burned several CFA franc bills in public in **Dakar (Senegal)** in June.<sup>38</sup> Due to the pegged exchange rate, which has been fixed at FCFA 655.957 per euro since 1999, FCFA countries are dependent on the economic strength of the **European Union (EU)** for the relative price of exports, imports and debt issuance.<sup>39</sup> Interestingly, Ouattara had defended the CFA franc during a state visit to Paris in September, meeting with President **Emmanuel Macron** (2017-present) (see *ARC Briefing Côte d’Ivoire September 2017*). At the moment, the extent of political will and support for an ECOWAS common currency is unclear. If a common ECOWAS monetary policy were to materialise, it would appear likely that more autonomy would be devolved to the regional central bank(s). Condé did not make any official statement on a possible change from the Guinean franc to a new regional currency. However, considering the volatility of the Guinean franc in recent years, and the size of the national economy, a transition to a more stable currency would be attractive (see *Figure 4*).

Ouattara and Condé also discussed subjects such as the political tension between the partially recognised **Sahrawi Arab Democratic Republic (SADR, Western Sahara)** and **Morocco**, and the anti-government protests in **Togo** against incumbent President **Faure Gnassingbé Eyadema** (2005-present) ahead of the **African Union – European Union Summit 2017** in **Abidjan (Côte d’Ivoire)** on 29-30 November and the ECOWAS summit in December.<sup>40</sup>

According to one Guinean opposition party member, Ouattara is Condé’s strongest ally in a potential bid for a third presidential mandate,

<sup>32</sup> Guinée Matin, 26 Oct 2017.

<sup>33</sup> Guinée Matin, 26 Oct 2017.

<sup>34</sup> Jeune Afrique, 31 Aug 2017.

<sup>35</sup> Guinée 7, 27 Oct 2017.

<sup>36</sup> www.banque-france.fr

<sup>37</sup> Jeune Afrique, 31 Aug 2017.

<sup>38</sup> Jeune Afrique, 31 Aug 2017.

<sup>39</sup> www.banque-france.fr

<sup>40</sup> Guinée Matin, 26 Oct 2017.

*“Condé is looking for international support for a third mandate at the helm of Guinea. At home, religious leaders have advised against it. Regional coordination representatives in **Basse Guinée**<sup>41</sup> have shown their position against such an initiative, which they deem anti-constitutional. The **Union des Forces Démocratique de Guinée (UFDG)**... has begun an awareness campaign in the **Soussou** and **Malinké** areas.”<sup>42</sup>*

Other commentators agree that the issue of the ECOWAS single currency could become a decisive political issue,

*“The battle for Condé’s succession has begun, and Condé has clearly chosen one side of the ECOWAS currency issue. Let’s see where the UFDG and UFR position themselves.”<sup>43</sup>*

Outspoken support from both Condé and Ouattara makes their intentions for an ECOWAS single currency, and its introduction into Guinea, clear. Local support for, or opposition to, this initiative is currently unclear. However, if the UFDG and/or UFR decide to go against Condé’s support of an ECOWAS single currency, it could become a major determinant of the outcome of the election, all other factors being equal. It appears that the argument of economic stability as a result of a single regional currency would be hard to oppose, however, it is difficult to determine this without accurate polling on the issue.

### Planner

9 May 2018 **Conakry (Guinea)** *Press Release*. The **Symposium Mines Guinea** (international mining conference and exhibition) **2018** begins;

4 Feb 2018 **(Guinea)** *AFP*. Tentative date for local elections;

### Chronology

22 Nov 2017 **(Guinea, Libya)** *Guinée News*. The Guinean foreign ministry retracts its consul to **Libya** after **CNN** reports evidence of slavery in Libya;

19 Nov 2017 **(Guinea)** *Boursier*. The government successfully raises close to \$20 billion in **Paris (France)** towards its planned \$14.6 billion national development plan for the 2016-2020 period;

16 Nov 2017 **(Guinea)** *Guinée News*. The government hosts a roundtable with lenders in **Paris (France)**, seeking funding towards its planned \$14.6 billion national development plan for the 2016-2020 period;

13 Nov 2017 **Conakry (Guinea)** *BBC*. The public prosecutor’s office calls on education unions to cancel a strike begun today;

9 Nov 2017 **Sangaredi (Guinea)** *Guinée News*. Riots break out against electricity load shedding;

7 Nov 2017 **Conakry (Guinea)** *Jeune Afrique*. Hundreds of journalists protest in the capital against alleged repression of freedom of speech, after the suspension of the private radio station **Espace FM**;

3 Nov 2017 **Conakry (Guinea)** *BBC*. The **Haute Autorité de la Communication** (high communications authority) suspends private radio station **Espace FM** for a period of one week, for allegedly disseminating remarks *“that are susceptible of undermining state security and draining the morale of the armed forces”*;

<sup>41</sup> Basse Guinée is comprised of **Kindia** and **Boké** regions, and is arguably Guinea’s most competitive electoral battleground, where both the **Union des Forces Démocratiques de Guinée (UFDG)** and UFR have a strong following.

<sup>42</sup> Source, opposition party member, Conakry.

<sup>43</sup> Source, political commentator, Conakry.

27 Oct 2017 (**Côte d'Ivoire, Guinea**) *RFI*. President **Alassane Ouattara** begins a state visit to Guinea;

22 Oct 2017 **Conakry (Guinea)** *BBC*. A short-circuit in the **Alpha Yaya Diallo** military barracks in Conakry leads to several explosions and a fire;

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