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The government and opposition parties agree to hold local elections in February 2017, despite the earlier proposal of the Commission Électorale Nationale et Indépendante (CENI) (electoral commission) to hold elections no later than 18 December. President Alpha Condé (2010-present) inaugurates a new container terminal at Kamsar Port, as part of the Abu Dhabi-based investment fund Mubadala's \$5 billion bauxite complex. The World Bank Group's International Finance Corporation (IFC) announces the sale of its 4.6% stake in the Rio Tinto-owned Simandou mine.

Government and opposition agree to hold local elections in February 2017

The government's cross-party dialogue on elections ended on 11 October with the signature of a political agreement.¹ Among other things, the agreement states that local elections will take place in February 2017.² The agreement was signed in the presence of representatives of the **European Union (EU)**, the **Organisation Internationale de la Francophonie (OIF)** (international organisation of French speaking countries) and the **Economic Community of West African States (ECOWAS)**.³ The agreement also addresses opposition concerns about the electoral list, promising to review it before May 2017, ahead of the legislative and presidential elections in 2018 and 2020 respectively.⁴

The most contentious and pressing issue on the agenda was that of local elections. The **Commission Électorale Nationale et Indépendante (CENI)** (electoral commission) in early September had announced that local elections would take place no later than 18 December (see *ARC Briefing Guinea September 2016*). However, it appears that both the CENI and the government revised the date following pressure from the main opposition party, the **Union des Forces Démocratiques de Guinée (UFDG)**, which did not take part in discussions prior to 7 September. The UFDG criticised the CENI for being inefficient at organising dialogue with the opposition, and for failing to meet the planned electoral calendar (see *ARC Briefing Guinea September 2016*). The CENI had in June already postponed the elections and then in October, as the opposition repeatedly points out. The CENI did, however, start to redraw local community and district boundaries earlier in 2016, demonstrating a proactive stance towards the elections (see *ARC Briefing Guinea April 2016*). However, the boundary changes drew criticism from the opposition, which claimed that they would unfairly favour the ruling **Rassemblement du Peuple de Guinée (RPG)** party (see *ARC Briefing Guinea April 2016*).

The last local elections in Guinea took place in 2005, indicating both the failure of the CENI to stick to schedule, and the need for change within the country's local governments.⁵ As UFDG leader **Cellou Dalein Diallo** states – “*mayors' mandates have been expired for over six years.*”⁶ Moreover, district and neighbourhood counsellors have reportedly had their mandates renewed since the 1980's.⁷ Voters will choose both district and neighbourhood counsellors during the same elections in February.

¹ RFI, 11 Oct 2016.

² RFI, 11 Oct 2016.

³ RFI, 12 Oct 2016.

⁴ Jeune Afrique, 12 Oct 2016.

⁵ RFI, 12 Oct 2016.

⁶ RFI, 12 Oct 2016.

⁷ RFI, 12 Oct 2016.

The agreement between the ruling government and opposition parties, including the UFDG, CENI, members of civil society and others, marks an important step for constructive dialogue within Guinean politics. The political and security context has been tense under the current government (see *ARC Briefing Guinea January, February and May 2016*). Inter-party dialogue has also been tense, especially after criticism that the previous agreement between government and opposition, signed in August 2015, was never enacted.⁸ As a result, the current agreement has met with much scepticism. Moreover, some members of the opposition, despite signing the agreement, continue to argue that it is less than ideal. As **Ousmane Gaoul Diallo**, UFDG member of parliament (MP) for **Gaoual (Gaoual Prefecture)** said,

“If we must go to local elections, as stipulated by the law, the UFDG is ready. The new agreement that we signed on 12 October doesn’t really suit us. We signed due to a failure to obtain the organisation of elections within the allotted time. The current agreement does not represent a violation of law, as it is not yet applied. When the project comes into law in parliament, we will analyse it and make sure that democracy progresses in this country.”⁹

Although the UFDG signed the agreement, the opposition was not united in backing it. Opponents believe that it violates the electoral code, as it will prevent citizens putting forward independent candidacies in neighbourhoods and districts. **Bloc Libéral** (liberal parliamentary block) leader **Faya Millimouno** stated:

“The law prohibits us from reversing democratic gains. In the electoral code, which is currently being revised, citizens are given the possibility to be a candidate [for local elections]. We reject the 12 October agreement because we are against the status quo. The UFDG entered an agreement that violates the legal principle for the nomination of district and neighbourhood heads... We are displacing the problem, rather than solving it. And in this case, we reserve the right to go to the constitutional court, so that the judges will rule on the unconstitutionality of this law.”¹⁰

Millimouno withdrew from the dialogue session, after spending over a week in discussions with the respective stakeholders.¹¹ Millimouno accuses the UFDG of undermining the dialogue, by accepting the agreement,

*“The UFDG must recover and understand that this is a problem that affects everyone – [constitutional and democratic] principles are being violated. There is an intention here to protect the interest of a few [the main political parties] at the detriment of the general interest. We have decided not to participate in the elections. If parliament signs the agreement and [president **Alpha Condé** (2010-present)] promulgates it, it will be legal. But before this happens, it is clear that we will have thereby validated the violation of the constitution.”¹²*

Several non-governmental organisations (NGOs) also launched a petition against the agreement,

“Guinean civil society says no – to the violation of our law, whatever the political pretext; to the renegotiation of legal rights of our citizens to be elected and to elect their neighbourhood and district counsellors and the asphyxiation of individual freedoms.”¹³

Gaoul Diallo claimed, however, that the agreement is by no means final,

“The true problem today is that there are a lot of parties that do not want to go to elections because they are not ready and have no electoral stronghold. Our wish is that we go to elections as soon as possible.”¹⁴

⁸ Jeune Afrique, 12 Oct 2016.

⁹ Source, UFDG MP, Conakry

¹⁰ Source, Leader of the Bloc Libéral, Conakry

¹¹ Source, journalist, Conakry

¹² Source, Leader of the Bloc Libéral, Conakry

¹³ www.change.org

Government inaugurates container terminal at Kamsar Port

President Condé on 19 October inaugurated the new port terminal and commercial quay – the **GAC Port Terminal** – at **Kamsar Port**, part of the **Abu Dhabi (United Arab Emirates (UAE))**-based **Mubadala** investment fund’s \$5 billion bauxite complex.¹⁵ Mubadala, together with the **Investment Corp of Dubai**, owns **Emirates Global Aluminium (EGA)**, which in turn owns wholly owned subsidiary **Guinea Alumina Corp S.A. (GAC)**.¹⁶ GAC owns the greenfield **Sangaredi** mine in **Boké** region, which plans to export over 1.3 billion tonnes of bauxite once the mine is completed, in around 2018.¹⁷ The commercial quay will allow for over 10,000 tonnes of imports to speed up development on the planned railway between Boké region and the port, along the Boké corridor.¹⁸ GAC estimates that the first phase alone will create over 4,000 indirect and direct jobs for local workers.¹⁹ As mining journalist **Thierno Souleymane Diallo** explains,

“The inauguration of this quay comforts us that Guinea will continue to pursue bauxite exploitation and export for a long time. The fact that GAC took part in the construction of the quay shows the company’s commitment to the project. Even if this project inhibits some drawbacks in Guinea at the moment, such as mineral transport by road, it does not make this a less important project, which the government really should push forward.”²⁰

GAC was first founded as **Global Alumina** in 2001, then a **Canada**-based junior mining company, which owned the concession and its accompanying infrastructure.²¹ In 2007, Global Alumina sold its majority interest in the project to **BHP Billiton** (33.33%), Mubadala and **Dubai Aluminium (DUBAL)**.²² Mubadala then signed an agreement with BHP Billiton and Global Alumina in May 2013, for transfer of full ownership to Mubadala.²³ Mubadala signed an agreement with the government in November of the same year, which would consolidate the \$5 billion investment in two phases, the first to develop the mine and accompanying port, and, at a later date, an alumina refinery.²⁴ The agreement gives exclusive rights to Mubadala for 25 years from 2014, which will automatically renew for a further 25 years, and potentially a further 10 years after this.²⁵ All of the material output produced in Guinea will be shipped to EGA’s aluminium smelters in **Jebel Ali (Dubai)** under **DUBAL** and **Al Taweelah (Abu Dhabi)** under **Emirates Aluminium (EMAL)**.²⁶ The two smelters have a combined output of 2.4 million tonnes of aluminium per annum.²⁷ However, the port will also serve producers outside of Mubadala’s mine.²⁸

Companies such as France-based junior mining vehicle **Alliance Minière Responsable (AMR)** will look to use the state-owned railway line and GAC-owned port in order to export its production from its Boké mine.²⁹ AMR’s shareholders include telecommunications billionaire **Xavier Niel** and former president of **Areva**’s supervisory board **Anne Lauvergeon**.³⁰ Press sources reported after the inauguration of the port that AMR had entered in negotiations with the **Agence Nationale de**

¹⁴ Source, UFDG MP, Conakry

¹⁵ Reuters, 19 Oct 2016.

¹⁶ www.ega.ae

¹⁷ www.ega.ae

¹⁸ Africaguinée, 20 Oct 2016.

¹⁹ Africaguinée, 20 Oct 2016.

²⁰ Source, journalist, Conakry

²¹ www.ega.ae

²² www.ega.ae

²³ www.ega.ae

²⁴ Reuters, 19 Oct 2016.

²⁵ www.ega.ae

²⁶ www.ega.ae

²⁷ Reuters, 19 Oct 2016.

²⁸ Reuters, 19 Oct 2016.

²⁹ Jeune Afrique, 7 Oct 2016.

³⁰ Jeune Afrique, 7 Oct 2016.

L'Aménagement des Infrastructures Minières (ANAIM) (national mining infrastructure agency).³¹ AMR is reportedly seeking to acquire a larger share of the railway's capacity, taking away from both GAC and the two other current users of the railway line – **Compagnie des Bauxites de Guinée (CBG)** and **Russian-owned UC RUSAL**.³² 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%) (see *ARC Briefing Guinea September 2016*).

*"The presence of CBG, GAC and AMR in the Kamsar region obviously makes this area very strategic for the Guinean mining industry. In a broader way, it affects the whole Boké region... This concentration of companies truly does not represent a threat. On the contrary, it constitutes a strength for the economy and for investors... It is important that the Guinean state and ANAIM work very seriously on [developing infrastructure]. It is also important for the state to allow each company, including AMR, to pursue their exploitation and exports as their concessions intends."*³³

IFC sells its stake in Simandou

The **World Bank Group's International Finance Corporation (IFC)**, on 10 October, announced that it is divesting its 4.6% indirect stake in the Rio Tinto majority-owned **Simandou** mine, the world's largest untapped iron ore deposit.³⁴ Rio Tinto owns 46.6% of the operator, **Simfer S.A.**, while the **China-based Chinalco Mining Corp International** owns 41.3% and the Guinean government the remaining 7.5%.³⁵ The IFC enacted an option within its agreement with the consortium.³⁶ The decision appears to confirm that the mine's development will remain stagnant for the foreseeable future, after newly appointed Rio Tinto CEO **Jean-Sébastien Jacques** announced that the company would shelve development of the mine (see *ARC Briefing Guinea July 2016*). IFC's stake will reportedly cost Rio Tinto and Chinalco approximately \$200m to acquire.³⁷ According to a local mining journalist, the IFC's exit is due to the government's bad mining policy,

*"The Guinean government did not radiate assurance on the issue. It is certain that the IFC retraction will delay the Simandou project. Even though the IFC was a minority stakeholder in the project, its presence reassured people nationally and internationally. The IFC's departure could discourage potential future partners' entry into the project. This retreat is a dissuasive factor for other large companies investing in the Guinean mining sector too. But while [Chinalco] holds the capital, and the Guinean state assures good management of the project, the Chinese can influence the market and seize the opportunity."*³⁸

Implications

The UFDG adherence to the CENI election discussions represents a major victory for government's relationship with the opposition, especially following a tense relationship in recent months. Nonetheless, there remain significant questions regarding CENI's capacity. The agreement appears somewhat tenuous in nature, given the opposition's resistance to the omission of independent candidates' ability to stand for local representative roles. If the government forces the agreement through parliament it will not improve Condé's standing among opposition supporters.

The inauguration of the Kamsar Port's mineral and commercial terminal marks an important milestone towards developing Guinea's largely untapped bauxite reserves. GAC's investment in infrastructure will support growth not only of its own mine, when it comes online in 2018, but also of

³¹ Jeune Afrique, 7 Oct 2016.

³² Jeune Afrique, 7 Oct 2016.

³³ Source, journalist, Conakry

³⁴ Bloomberg, 10 Oct 2016.

³⁵ Bloomberg, 10 Oct 2016.

³⁶ Bloomberg, 10 Oct 2016.

³⁷ Bloomberg, 10 Oct 2016.

³⁸ Source, journalist, Conakry

others operating in Boké region. Although AMR's request to obtain a larger quota of transit along the railway may cause friction, overall it will provide quality infrastructure to boost the sector's growth in the coming years.

On the other hand, IFC's exit from Simandou may result in the country's largest bauxite deposit remaining undeveloped, and with little or no indication that it will progress soon. Since Rio Tinto announced the shelving of the project, it has made no public communication to indicate when it might come back online, which does not instil confidence.

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