

AFRICA RISK CONSULTING

Country briefing – Guinea

November 2013

1 Summary

The Supreme Court confirms the 28 September legislative elections – establishing the Assemblée Nationale and drawing to a close a three-year democratic transition. President Alpha Condé has a parliamentary majority to pass the budget and mining contracts, but falls short of an absolute majority to pass fundamental laws. This will allow the opposition to obstruct and delay reforms in the lead up to the 2015 presidential election. Condé plans an imminent cabinet reshuffle to launch the post-transition recovery focused on the agriculture, energy and mining sectors. He starts an investment charm offensive in Abu Dhabi and Paris. An accord with the International Finance Corporation (IFC) will improve electricity generation – and Condé's re-election prospects. Business disruption in Conakry due to opposition street unrest will probably reduce in the coming weeks.

2.1 The government and opposition take the battle to the Assemblée Nationale

Guinea now has an elected parliament, the **Assemblée Nationale**. On 15 November the **Supreme Court** confirmed the results of the 28 September 2013 legislative elections. It rejected all appeals filed by political parties, and as expected, confirmed the results announced by the **Commission Electorale Nationale Indépendante (CENI)** on 18 October¹. The Supreme Court said that the irregularities had no impact on the results. Thus, President **Alpha Condé's** (2010 -) **Rassemblement du Peuple Guinéen (RPG)** will hold 53 of the 114 seats. The opposition launched street protests following the Supreme Court announcement, although a heavy security forces presence contained the protests (see below). The *assemblée nationale* replaces the temporary **Conseil National de Transition (CNT)** installed in 2010. This is the last formal step in the three-year democratic transition since the December 2008 death of former military ruler **Lansana Conté** (1984 – 2008) and subsequent military junta coup.

¹ See ARC Guinea Briefing October 2013

The opposition is expected to retreat from threats to boycott the *assemblée nationale*, but seeks reassurances to improve the electoral process for the 2015 presidential elections. In private, high level opposition officials have agreed not to boycott, “*They are just trying to get assurances over the electoral process.*”² Condé dismissed opposition concerns, “*In which African country does the opposition have such a percentage of seats?*”³

A government official claimed said,

“They are thinking ahead for the presidential election [2015] and want reassurances over the electoral process. But the process is clear and transparent. They should go to parliament and not on the street. We don’t have an absolute majority and have to work with the opposition.”

Condé’s RPG will form a majority (51%, or 58 seats) with smaller partners within the president’s alliance. This will allow it to pass the budget and mining contracts and most other bills.⁴ Condé says that passing the 2014 Budget will be one the new legislature’s priorities, in order to secure **International Monetary Fund (IMF)** and other donor funding.⁵ However, Condé fell short of an absolute majority (two-thirds), which is required to pass fundamental laws.

*“One of the things they should be doing as a priority is voting on organic [fundamental] laws to properly put in place the main institutions of the state... the Supreme Court, the **Constitutional Court**, the **Human Rights Commission** and the electoral body [CENI]. Two thirds absolute majority is needed for this.”*⁶

This, together with street unrest, will form the basis of the opposition’s strategy.

*“The opposition will employ the same strategy with the legislative elections. They will seek to delay and obstruct the government’s programme....make complicated debates... some provocations. It’s easy to do. If they go to the presidential election in this context they think they can have a chance.”*⁷

Thus, the *assemblée nationale* will be tense,

*“It’s going to be a fight... between the government who want to rush things through and the opposition trying to hamstring this.”*⁸

Condé allegedly told a close associate, “*If I need I can get things through [parliament] by paying.*”⁹

² Source, Guinea security and political researcher, Senegal

³ Speaking to Bloomberg, 25 November 2013

⁴ Source, Guinea security and political researcher, Senegal

⁵ Interview with RFI, 23 November 2013

⁶ Source, Guinea security and political researcher, Senegal

⁷ Source, Guinea security and political researcher, Senegal

⁸ West Africa correspondent, Senegal

2.2as Condé prepares a new government

Condé has confirmed that he will soon reshuffle cabinet.¹⁰ With the legislative election hurdle passed, it is a “*natural time*”¹¹ for a reshuffle. “*He has only got a year before preparations for the [2015 presidential] elections start so he wants to get a team in place to push his plans forward.*”¹² A government official said Condé was likely to replace Prime Minister **Mohamed Said Fofana**. However, the source claimed that the position will remain with a figure from the Lower Guinea (coastal) region. There are several names mooted in Conakry, including the respected finance minister **Kerfalla Yansané**, and the **Compagnie des Bauxites de Guinée (CBG)** CEO **Kémoko Touré**. The government source also mentioned **Kassory Fofana** as a potential candidate. Fofana and the current prime minister are both from the same the **Forecariah** region. A former economic advisor under Conté, Fofana joined Condé’s presidential alliance in 2010, before falling out with the president and joining the opposition. After a poor showing in the legislative elections with his **Guinée Pour Tous**, he has returned to favour with the president.¹³

2.3 Condé launches the post-transition investor charm offensive

Following the legislative elections, Condé has sought to “*sell the country as an investment destination*”.¹⁴ The new government will focus on attracting investment for the agriculture, energy and mining sectors.¹⁵ Agriculture minister **Marc Yombouno** said the government planned to increase rice production 50% to 3m tons per year over the next five years.¹⁶

Condé visited the government’s key international partners in late November. On 24-25 November Condé hosted the **Conference on Partnership, Development and Investment in Guinea**, under the theme “*Guinea is back*” at **Abu Dhabi, United Arab Emirates (UAE)**. The conference involved “*high-level talks for macro projects*”.¹⁷ The government signed a \$5 billion contract with Abu Dhabi state-owned investment fund **Mubadala**.¹⁸ It includes \$1 billion for extraction and exports, and \$4 billion for an aluminium refinery and a port. According to the agreement bauxite exports will start in 2017 from a multi-user port in **Kamsar**, and the refinery will be operational by 2022.

⁹ West Africa correspondent, Senegal

¹⁰ Bloomberg, 25 November 2013

¹¹ West Africa correspondent, Senegal

¹² West Africa correspondent, Senegal

¹³ Source, government official, Guinea

¹⁴ West Africa correspondent, Senegal

¹⁵ Source, central bank official, Guinea

¹⁶ Bloomberg, 25 November 2013

¹⁷ West Africa correspondent, Senegal

¹⁸ Reuters, 25 November 2013

During the conference, the **International Finance Corporation (IFC)** announced an agreement with the government to structure a public-private partnership (PPP) for national electricity distribution company **Électricité de Guinée (EDG)**¹⁹. The project will be managed in parallel with the **World Bank's** energy sector reform programme. Condé's re-election may depend on increasing electricity generation. *"It's crucial ...if they manage to bring electricity full-time to Conakry that will be a game-changer and the opposition will have no chance."*²⁰ Current electricity provision is 17% in urban areas and 3% in rural areas.²¹

The government also secured \$480m in funding from donors at the conference, including:²²

- \$300m from the **Islamic Development Bank**;
- \$50m from the World Bank;
- \$100m loan and \$30m grant from the **Saudi Fund for Development**.

Condé was also in Paris on 21-23 November where he addressed 50 business leaders at the **Mouvement des Entreprises de France (MEDEF)**.²³ However, Condé's relationship with French businessman **Vincent Bolloré** has allegedly soured. After coming to power, Condé re-awarded **Bolloré Group** a concession to construct and operate a container terminal at the port of Conakry. In October 2013 a commercial court in Paris ordered Bolloré to pay \$2.85m to **NCT Necotrans** who previously held the concession.

*"Condé and Bolloré are not getting on at all and there is speculation that DPW [Dubai Ports World] is interested in Guinea. The government made a promotional video for Abu Dhabi, but they weren't allowed to show anything on Bolloré."*²⁴

2.4 **Opposition street unrest will ease**

Police and gendarmes contained street protests following the Supreme Court confirmation of the legislative election results and during an opposition general strike day on 25 November.²⁵ The protests remained localised. They were also confined to opposition strongholds, including **Wanidara, Enco 5, Cosa, Bambéto** and **Hamdallaye**. The protests typically target major roads to disrupt traffic

¹⁹ IFC, 25 November 2013

²⁰ Source, Guinea security and political researcher, Senegal

²¹ IFC, 25 November 2013

²² Bloomberg, 25 November 2013

²³ Guinea 24, 28 November 2013

²⁴ West Africa correspondent, Senegal

²⁵ Several sources

into **Kaloum**, the business and administrative centre.²⁶ There was one reported fatality attributed to the security forces. On 17 November police allegedly shot dead a 15-year-old in the Cosa neighbourhood during clashes with security forces.²⁷ An accusation from **Planet FM** journalist **Mandian Sidibe** that he was the target of an assassination attempt triggered the clashes. A government spokesman said his accusation was "*completely false and irresponsible*".²⁸

Street unrest will probably continue to cause sporadic business disruption in Conakry, but will decline in the coming weeks. The 25 November general strike did not reach Kaloum,²⁹ and opposition desire for such action will probably weaken,

*"They won't be able to continue. They will do a few more protests then enter parliament. There is attrition also. There is a lot of money and political risk involved in this action as well. I don't think they can continue the protests until the [2015] presidential election."*³⁰

Implications

Before and after the legislative election, political maneuvering has been focused on the presidential elections scheduled in 2015 given the executive power granted under Guinea's political system. However, the establishment of the *assemblée nationale* is a milestone for the country's democratic trajectory and reduces the country's overall political risk profile. Political tensions will likely ease as the opposition uses the legislature to voice its concerns. Through blocking reforms in the legislature and sporadic street unrest the opposition will obstruct and delay the government's programme. With the transition complete, Condé is now able to effectively promote Guinea's investment opportunities and the next year will see an increase in foreign investment. This will improve Condé's 2015 election prospects, specifically if this investment is targeted towards the key sectors, agriculture, energy and mining. The end of the transition will also result in accelerated donor support, which will further improve the business environment.

²⁶ West Africa correspondent, Senegal

²⁷ Jeune Afrique 18 November 2013

²⁸ Reuters, 18 November 2013

²⁹ RFI, 25 November 2013

³⁰ Source, Guinea security and political researcher, Senegal