Guinea: Towards Inclusiveness

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Remarks at the signing ceremony of the loans and grants Agreements for the Republic of Guinea:
ECONOMIC AND FINANCIAL REFORM SUPPORT PROGRAMME PHASE III (PAREF-III)
and
SUPPORT PROJECT FOR BUILDING THE ADMINISTRATION’S CAPACITY FOR INTEGRATED PROJECT MANAGEMENT (PARCA-GPI)
18 July 2016
Abidjan, Côte d’Ivoire
Your Excellency, Mrs. Olga Syradin, Ambassador of the Republic of Guinea in Ivory Coast,

Mr. Amadou Kone, Executive Director for Guinea,

Distinguished Guests,

Dear Colleagues,

I’m very pleased to welcome you to the signing ceremony of a series of **financing agreements** for two key projects for Guinea totaling **USD 23 million**:

- the third phase of the Economic and Financial Reform Support Programme, which we are financing through a **series of loans and grants totaling USD 15 million**; and

- the Support Project for Building the Administration’s Capacity for Integrated Project Management (two grants totaling **USD 8 million**).

The first one is a budget support operation, and the second one is an institutional support project.

The **Economic and Financial Reform Support Programme** aims to address serious constraints arising from exogenous shocks such as the Ebola crisis and fluctuations in commodity prices, which require substantial and coordinated support of Development Partners. Not
only will it contribute to closing the budget financing gap for 2016, but has a very strong underlying results framework. Overall, as result of this support,

- **economic growth is projected to increase** from 0.1% in 2015 to 5% in 2022; and

- **the poverty rate is projected to decrease** from 55% to 50% by 2022.

The program will also help improve tax and customs revenue collection, while enhancing the transparency and management of budget execution. As a result of this,

- **there will be a significant increase in budget revenues as percentage of GDP**, from 18% in 2015 to more than 20% in 2017;

- the budget revenue from the mining sector as a percentage of overall budget revenue will increase from 16 to 20%;

- Mining product exports as a percentage of GDP will increase from 17% to 20% in 2020.

These are concrete results.

These projects will also help improve the business climate and governance in the mining and energy sectors.
Given the need to strengthen the government’s technical capacity for effective implementation of the program, we have combined this project with a second operation. This is a capacity building operation in the mining sector namely the Project to Build Government Capacity in the Management of Integrated Projects.

This project seeks to build the government technical capacities required for implementation and supervision of the Simandou Project and other large mining projects under development in the country.

It will also facilitate administrative procedures for getting authorizations, licenses and permits for operating in the mining sector. For example, as a result of this operation, the time for issuing a mining license will be cut from 180 days to 30 days only in 2020.

The project also aims to support the authorities in maximizing the socio-economic benefits of the Simandou Project. This includes for instance the implementation of a land policy that respects the interests and rights of communities directly affected by the project.

In the medium term, the government intends to use the system and the institutions that will be established to manage the integrated projects that are presently under development.

These projects are closely linked to priorities of the African Development Bank – the High Fives.
Indeed, these two projects will contribute to private sector development and support implementation of Guinea’s electricity sector recovery plan. They will also help improve the business climate in the mining sector and support the implementation of rail and port infrastructure projects. These infrastructures will promote integration with countries of the sub-region.

Finally, I would like to mention that both projects have been approved by our Board less than one week ago. And here we are today for the signing ceremony. This is a clear testimony that when there is a shared vision, we can collectively move very fast and deliver results to better serve Guinea.

*Honorable Ambassador,*

To conclude, I want to reiterate the Bank commitment to support the Government of Guinea’s efforts to improve the well-being of its people.

Thank you.