Board Meeting of December 16, 1997
Statement by Pieter Stek

Guinea - Country Assistance Strategy

We welcome the opportunity to discuss CAS for Guinea and would like to endorse its main objectives (i) promoting rapid and sustainable growth with a focus on the rural sector (ii) improving service delivery for poverty reduction and (iii) enhancing governance and institutional capacity. We are of the view that the proposed strategy adequately addresses policy, institutional and external risks.

We specially would like to welcome the participatory approach that has been taken in the preparation of the CAS -- the document was extensively discussed with the donor community, and with all segments of the country’s society.

Although the country performance has been mixed we are very pleased with the progress that has been made in portfolio performance which significantly improved implementation of several projects -- drinkable water is available for 60% of the population, the number of girls in school has been increased by 15% in each of the last years. However, we regret that performance in the energy sector, which is so important for economic growth of the country, is still unsatisfactory and that the Power II project may be canceled. We also would like to encourage staff to reconsider the possibility of restructuring it.

This chair is of the view that the proposed program for IDA lending and non-lending assistance is appropriate. However, we would like to encourage staff to continue with strengthening the capacity building component of all projects in the future.

The mining sector still contributes about 80 percent of total exports and it is very important to diversify the country’s export base. Thus, we concur with staff’s intention to continue with investments in several potentially export-oriented sectors, but especially in the agricultural sector which also provides the best opportunity for future economic growth and poverty reduction.

As population growth is very high we welcome government’s new population policy aimed at curbing the rate of the population growth. However, we hope that the Bank-financed Population...
and Reproductive Health project will attract adequate donor support since it is going to provide a good framework for addressing the population issues.

Given the fact that the weak institutional and implementation capacity of the public administration represents one of the main risks for an effective implementation of the CAS, and the very mixed past performance of the government in the area of public management, we strongly support the proposed Public Expenditure Management Adjustment Credit and its objective to improve transparency and governance. At the same time we hope that the project will make an important change in restructuring of public expenditures toward priority areas and to provide more sustainable financing of the education and health sector in the future. Thus, we agree with staff’s proposal to keep this project as one of the triggers for CAS.