

PPIAF Assistance in Guinea

Guinea has one of the world's largest reserves of natural resources: bauxite, gold, iron, and other mineral resources. In addition, the West African country, also known as the water tower of Africa, has huge potential for hydropower production. Despite such potential, Guinea is among the poorest countries in the world. The country has been plagued with long and recurring periods of ethnic conflicts and civil wars that have rendered the country fragile. Infrastructure services—when available—are of poor quality.

At the request of the Government of Guinea, PPIAF has supported various activities to encourage private sector participation in key infrastructure sectors. Guinea is among the first recipients of PPIAF grants. The partnership between PPIAF and Guinea started in 2000; to date, PPIAF has supported six activities including cross-sector interventions to develop a favorable enabling environment for public-private partnerships (PPPs).

Improving the PPP Enabling Environment in Guinea

Country Framework Report

The Government of Guinea reached out to PPIAF in February of 2000 for technical assistance to identify and develop policy and regulatory reforms to attract private investment in the transport and utilities sectors. PPIAF supported a multi-sector review of the infrastructure regulatory framework, which identified sector-specific issues impeding private sector participation and issued recommendations to encourage private participation in transport and utilities.

The main recommendations of the review were: i) to articulate clear sector policies, ensure greater coherence between the sector policies and long-term objectives, and better assess the government's capacity to meet sector challenges; ii) to define the regulatory regime to be applied to these sectors; iii) to strengthen the judiciary system and ensure strict enforcement of contract provisions; and iv) to tackle fraud and to discourage all forms of corruptive practices.

The government approved the recommendations and requested follow-up funding in September 2000 to disseminate the findings of the Country Framework Report, and to help build consensus on appropriate policies to improve private participation in the transport and utilities sectors. During the stakeholder's workshop held in Conakry, policy makers, private operators, consumer representatives, and prominent members of the Guinean civil society discussed the critical issues facing the infrastructure sectors in Guinea. The workshop also provided Guinean government officials with the opportunity to get feedback on their draft poverty reduction strategy that focused on improving access of the poor to water, electricity, and telecommunications services.

The Country Framework Report recommended policy reforms including updating existing sector laws and drafting a telecommunication sector policy, drafting a law on business competition, and enacting the application decrees for the build-operate-transfer law and water law. The government has established a national technical committee comprised of various sectoral experts to ensure timely and effective implementation of the sectoral reforms. The Country Framework Report and resulting action plan were the building blocks for various infrastructure development initiatives implemented by the Government of Guinea since 2001.

Results of PPIAF's Activities to Improve the PPP Enabling Environment in Guinea

Category	Outputs
Enabling environment reform	
<i>Analyses/assessments prepared</i>	<ul style="list-style-type: none"> • Technical Review of Regulatory framework for utilities and transport, June 2000

<i>Plans/strategies prepared</i>	<ul style="list-style-type: none"> Action plan on the implementation of recommended policy reforms in the transport and utilities sectors, June 2000
<i>Policies prepared or legal or regulatory changes recommended</i>	<ul style="list-style-type: none"> Recommendations on policy reforms in infrastructure sectors, including telecommunications liberalization policy, June 2000
Capacity and awareness building	
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> Stakeholders' seminar in Conakry with 64 participants representing the Guinean government, the civil society, and the private sector, September 13–15, 2000

Category	Outcomes
Enabling environment reform	
<i>Plans/strategies adopted or implemented</i>	<ul style="list-style-type: none"> Action plan for the implementation of the Country Framework Report's recommendations approved by the Government of Guinea and fully endorsed by stakeholders at the workshop
<i>Policies adopted, legislation passed/amended, or regulation issued/revised</i>	<ul style="list-style-type: none"> Following the recommendations of the Country Framework Report, the Government of Guinea adopted a telecommunications liberalization policy in 2005 through law # L/2005/018/AN
Capacity and awareness building	
<i>Consensus achieved</i>	<ul style="list-style-type: none"> Consensus reached on the priority actions/reforms needed to boost private participation in key infrastructure sectors in Guinea

Category	Impacts
<i>Improved level of services</i>	<ul style="list-style-type: none"> The telecommunications liberalization policy (2005) has facilitated the entry of three new private operators in the market. It resulted in improving access to telephone and Internet services in Guinea.

PPP Training Workshop

Guinea's economy witnessed severe shocks after the 2009 coup d'état. Poverty rates increased during the crisis, more severely impacting vulnerable groups who have limited access to basic services. Guinea's poor state of infrastructure services constrains economic growth and the country's competitiveness. To re-launch economic growth and address the infrastructure gap, the Government of Guinea intends to promote the involvement of the private sector, including through innovative contractual PPP approaches to leverage financing and enhance efficiency. Given the natural resource endowments in Guinea and the need to rebuild or develop most of the country's infrastructure, a large potential for further private sector involvement in infrastructure development and transaction development exists in a range of sectors (e.g., power, port, rail, solid waste, etc.).

However, the government and other stakeholders lack expertise on how to design and implement a program to attract the private sector to Guinea. Recognizing the need to build capacity in this area, the government wished to establish a National Committee for the Promotion and Development of PPPs. To support this effort and help build PPP capacity, PPIAF co-funded a workshop with the World Bank's

Finance and Private Sector Development Africa Region. The workshop focused on the topic of PPPs in infrastructure and was held in Conakry on May 16 and 17, 2012.

The Minister of Finance opened the proceedings. Representatives of the resident missions of the World Bank, European Union, International Monetary Fund, and Agence Française de Développement attended alongside the Budget Minister and the Transport Minister. Around 50 people attended the two-day workshop from a broad range of line ministries, including the ministries for Public Works and Transport; Energy and Environment; Mines and Geology; Industry and Small and Medium Enterprises; Post and Telecommunications; and Tourism. In addition, the audience included representatives from Guinea's Treasury, Procurement, and Debt Management departments as well as some civil society organizations.

The two-day workshop included seven sessions that covered the following key PPP concepts: PPPs in telecommunications; PPPs in the provision of electricity; PPPs in the development of ports; the role of private actors in the mining sector; as well as a general roundtable discussion.

While the main objective of the workshop was to raise awareness throughout the Guinean government about the opportunities offered by PPPs, attendees also discussed the factors constraining the country's ability to use of PPPs. In terms of next steps, Guinea should first aim to operationalize its 2005 Build-Operate-Transfer Law. In addition, the country should focus on developing a small number of concrete PPP transactions to create a proven track record of using PPPs. Once a clear path for PPPs has been identified, the country should develop a broader program for PPPs such as the envisaged National Committee for the Promotion and Development of PPPs.

Results of PPIAF's Activities in the PPP Enabling Environment in Guinea

Category	Outputs
Capacity and awareness building	
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> • Workshop held in Conakry to discuss key concepts of PPPs and their uses in the electricity, mining, and transport sectors, May 2012

Category	Outcomes
Capacity and awareness building	
<i>Technical capacity enhanced</i>	<ul style="list-style-type: none"> • Capacities of Guinean government officials strengthened regarding designing and negotiating PPPs during the workshop held in Conakry, May 2012

PPIAF's Assistance to the Transport Sector in Guinea

The public transport system is inadequate and inefficient in Guinea. Recognizing the effects of inadequate transport systems on household incomes, especially those of the urban poor living in Conakry, the Government of Guinea requested technical assistance from PPIAF for the improvement of the public transport sector in Conakry, in view of improving economic efficiency and reduction of the poverty in the city. To this end, PPIAF funded a sector study in 2005 to help define the necessary institutional and regulatory reforms to support urban transport, and the associated action plan to strengthen the capacities of implementing agencies in the transport sector.

More specifically, the study: i) examined suitable options, including PPP, for improving the efficiency of the public transport in Conakry and for limiting the cost for the users; ii) defined the roles of the various public transport modes (bus, taxis, rails, etc.) in serving the various categories of population in the city; iii) defined the short-term measures of priority action for the management of the urban road space that take into account public transport, road traffic, and parking requirements; and iv) sketched the medium-term

needs of public transport and possibly the need of a rapid transit system and the conditions of its feasibility. The study recommended the implementation of institutional and regulatory reforms in the urban transport sector and the creation of an urban transport regulatory agency in Guinea.

The study found that the inadequacy and poor quality of transport systems in Conakry heavily affected the ability of the poor to access jobs and social services, which caused urban poverty to flare up in certain areas of the city. The study recommended a two-phase approach to solve this issue. The first phase consisted of short-term solutions to improve urban mobility within two years. Upgrading the urban bus systems in Conakry was identified as the most effective way of achieving these short-term goals. For the medium-term (2015), the recommended strategy was to develop rail and bus rapid transit systems. These recommendations were approved by the Government of Guinea and other stakeholders in the transport sector.

Following the completion of the urban transport study, the Government of Guinea added thirty new buses in the public transport system in Conakry. In June 2010, China funded a passenger rail transport system, the Conakry Express, which is already improving the movement of people within the city.

Results of PPIAF's Activities in the Transport Sector in Guinea

Category	Outputs
Enabling environment reform	
<i>Analyses/assessments prepared</i>	<ul style="list-style-type: none"> Collective Transportation System in Conakry, December 2006
<i>Plans/strategies prepared</i>	<ul style="list-style-type: none"> Short- and medium-term strategic action plans for improved public transport services in Conakry, December 2006
Capacity and awareness building	
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> A stakeholders' workshop held in Conakry to discuss the responsibilities of the public and private sectors for the delivery of public transport services, August 3, 2006

Category	Outcomes
Enabling environment reform	
<i>Plans/strategies adopted or implemented</i>	<ul style="list-style-type: none"> The action plan for the implementation of the inter-modal transport system was adopted by the Guinean government

Category	Impacts
<i>Improved level of services</i>	<ul style="list-style-type: none"> Access to urban transport services has improved in 2010 following the procurement of thirty new buses and one railway system in Conakry

PPIAF's Assistance to the Energy and Water Sectors in Guinea

The Government of Guinea requested PPIAF support in 2005 to conduct a study on PPP options for the rehabilitation of existing water and power infrastructures in the region of Boke. The study explored options for PPP arrangements that would facilitate the construction and servicing of associated infrastructure and the transfer of infrastructure management away from the *Compagnie des Bauxites de Guinée* to private operators.

A comprehensive implementation framework was developed to address the infrastructure gap in the Boke region. The study recommended the creation of a multi-sector asset holding company, which would enter

into an affermage contract with a private operator for the provision of water and power services. Two consultation workshops helped build consensus on the most suitable PPP options for the financing, construction, and operation of required electricity and water sector investments in Boke.

The activity achieved two major outcomes: the adoption of an action plan to create a multi-sector asset holding company and the agreement to enter into an affermage contract for the exploitation and management of power and water infrastructure as recommended in the study. Both outcomes have helped the Government of Guinea get a clearer vision of the role of private sector in the development of the Boke region. Unfortunately, implementation of this strategy has been delayed due to the 2006 political crisis in Guinea. The situation has improved since a new democratically elected regime gained power in December 2010. Prospects for the achievement of the PPIAF activity's goals are encouraging as the new government has put infrastructure development on the top of its priority list.

Results of PPIAF's Activities in the Energy and Water Sectors in Guinea

Category	Outputs
Enabling environment reform	
<i>Analyses/assessments prepared</i>	<ul style="list-style-type: none"> • PPP Options Study for the upgrading of Power and Water Infrastructures in the Boke Region, May 2006
<i>Plans/strategies prepared</i>	<ul style="list-style-type: none"> • Action plan for the implementation of the recommendations of the PPP Options Study, May 2006
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> • Two consultation workshops held in Kamsaar in October 2005 and March 2006 to discuss the findings of the study and agree on the best approach for the development of power and water infrastructure in Boke

Category	Outcomes
Enabling environment reform	
<i>Plans/strategies adopted or implemented</i>	<ul style="list-style-type: none"> • The action plan proposed in the final report of the PPP options study was approved by the Government of Guinea. However, an unfavorable political environment and civil unrest have delayed the implementation of the plan.
<i>Consensus achieved</i>	<ul style="list-style-type: none"> • Consensus was reached on the priority actions/reforms needed to boost private participation in the power and water sectors in the Boke region of Guinea

PPIAF's Assistance to the Telecommunications Sector in Guinea

Based on the recommendations from the PPIAF-funded Country Framework Report, the Government of Guinea endorsed a telecommunications liberalization policy for the full liberalization of all segments of the telecommunications sector. Following its adoption in 2005 through Law # L/2005/018/AN, the government adopted a legal framework governing the telecommunications, postal, and radio communications sectors. Along with the telecommunications reforms, the Government of Guinea also created an independent regulatory authority for post and telecommunications (ARTP). ARTP defined a regime for licensing and interconnection, and the rights and obligations of the licensees, and created universal access and solidarity funds to ensure a wider access to ICT in Guinea.

In 2008 PPIAF supported the implementation of policy and regulatory reforms for the telecommunications sector. The PPIAF activity facilitated the effective establishment of the ARPT and provided assistance to the government to resolve the most outstanding regulatory constraints to unleash the economic and

social development potential of the telecommunications sector. The study recommended the implementation of secondary legislation, application decrees, and regulatory instruments in the telecommunications sector as well as the preparation of comprehensive interconnection and competition frameworks to ensure a level playing field among telecommunications operators.

The creation of ARTP significantly contributed to boosting the confidence of private operators investing in Guinea's telecommunications sector. Several international companies are investing in the rapidly growing telecommunications industry of Guinea, where mobile phones and internet are extending outside the capital, Conakry. These investments are reflected in the Public Participation in Infrastructure database which shows that between 2008 and 2009, \$176 million was invested in the telecommunications sector in Guinea. Furthermore, the increase in the number of telecommunications service providers has improved the access and quality of services in the telecommunications sector.

Results of PPIAF's Activities in the Telecommunications Sector in Guinea

Category	Outputs
Enabling environment reform	
<i>Analyses/assessments prepared</i>	<ul style="list-style-type: none"> • Telecommunications Reform Study in Guinea, June 2009
Capacity and awareness building	
<i>Workshops/seminars</i>	<ul style="list-style-type: none"> • Workshop held in Conakry in June 2008 to discuss diagnostic and growth perspectives in the telecommunications sector in Guinea, June 2008

Category	Outcomes
Enabling environment reform	
<i>Policies adopted, legislation passed/amended, or regulation issued/revised</i>	<ul style="list-style-type: none"> • Adoption of rules on interconnection regime
Capacity and awareness building	
<i>Technical capacity enhanced</i>	<ul style="list-style-type: none"> • Capacities of ARTP strengthened during the workshop held in Conakry in June 2008

Category	Impacts
<i>Additional private investment in the sector (US\$)</i>	<ul style="list-style-type: none"> • \$176 million invested in the telecommunications sector in Guinea between 2008 and 2009

Looking Ahead: Moving Forward the PPP Agenda in Guinea

Following successful and transparent Presidential elections in 2010, Guinea is on the path to recovery. As in most post-conflict states, the government's priority is to restore key infrastructures and provide basic services to its citizens. Many donors have now returned to Guinea and have pledged millions of dollars to support the reconstruction of Guinea's infrastructures. PPIAF can also play an important role in this rebuilding process by helping the Government of Guinea identify various private sector participation options in key sectors, such as energy, water and sanitation, and transport.