Board Meeting of December 16, 1997
Statement by Surendra Singh

Guinea: Country Assistance Strategy

We welcome the presentation of the Country Assistance Strategy for Guinea. The overall socio economic performance of the country during the mid-nineties (i.e., since the last CAS) has been a mixed one. On the negative side, there has been slippage, mainly on the fiscal and expenditure control side. A matter of equal concern is the issue of governance and the distorted public service orientation. The country has experienced political developments that have themselves been the cause of such weaknesses and have provided the basis for much of the foreseen risk in achieving the stated development objectives.

On the positive side, the country has achieved some significant developmental gains. It is highly encouraging to see the progress made in the social sectors. Not only has gross primary enrollment increased (from 32% in 1991 to 51% in 1996), but the number of girls in school has risen by over 15% in each of the last two years. And here we note the country’s ambitious goal of achieving a net enrollment rate of 100% by 2005. Similar progress has been recorded in the health sector, with general improvement in infrastructure and introduction of cost recovery schemes. In fact, as the document informs us, Guinea is now recognized as one of the two most advanced countries in the efforts to decentralize health services, provide essential drugs, and involve local communities in managing health delivery services.

Similarly, there have been other areas of progress, for instance, improved management of public utilities (with the exception of power), agriculture sector growth, and the initial efforts towards privatization. It is noteworthy that these achievements have been made in the face of a number of constraints, and must be appreciated in that context.

In view of the politico-economic track record of the country and the persistence of a fragile environment (domestic as well as external), there is a constant refrain of caution in the document. While this is no doubt prudent, two basic issues provide cause for optimism about the sustainability of current commitments and efforts for reform. First, the overall approach that has been adopted by the present government. In identifying the priorities for the national agenda, this government invited the participation of a whole host of stakeholders. The paper refers to the “bottoms-up” approach that has characterized the workings of the government. This is in
evidence not only at the macro level, but has also percolated to the micro level, for example in the health sector. Such an open and participative approach will no doubt lead to more broad based societal acceptance of and support to the efforts for reform.

Second, the demonstration effect of the gains of reforms. This is best achieved by actual tangible benefits that accrue to the populace. For instance, 60% of the population has access to clean water, as opposed to 15% in 1980. Similar would be the case in other sectors. Surely as these gains reach the intended beneficiaries, the appetite for further structural reforms should improve.

The issue of delivery capacity is an important one. The country, despite having made significant achievements in certain areas, faces continuing difficulties. Civil service orientation, lack of regulatory structures, weak financial sector, poor export base etc., are areas which continue to constrain growth and general economic development. The proposed strategy quite rightly seeks to address some of these key areas for future focus. We are in general agreement with this focus. We also agree with the mix of lending and non lending services. Here we particularly look forward to the implementation of programs towards governance and capacity building. We also endorse the areas on which IFC will focus, and are particularly encouraged by the involvement of FIAS.

There are two specific questions that I would like to raise. First, we are aware of the fact that currently the export base of the country is limited? This of course has its implication for the external sector. The strategy proposes to address this problem by diversifying and expanding the base. I would like to have some details in this regard.

Second, the document carries very little mention of the environment sector. I would be interested in knowing what the problems are, and whether the Bank would be involved in addressing associated issues. Some good work has been done on solid waste for instance. Are there any other plans for the environment?

In sum, we endorse the strategy and commend staff for the preparation of a good comprehensive document. Along with this, we also extend our support to the Public Expenditure Management Adjustment Credit.