



STRATEGY STATEMENT



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USAID/Guinea Strategy Statement

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1. Program Rationale

1.1 Foreign Policy Importance

West Africa contains the highest concentration of conflicts in Africa and is home to three of the six United Nations' Peacekeeping missions in Africa. The Mano River sub-region in particular has been the location of persistent conflict for well over a decade. The result of these on-going conflicts has been massive human suffering, social disruption, and the demise of what was once a healthy regional economy. Guinea, at significant cost to itself and the donor community, has hosted up to a million refugees due to conflicts in this region. According to the report to the Secretary-General of the United Nations from the mission of the humanitarian envoy for the crisis in Cote d'Ivoire (2003) "the Government of Guinea has been the most generous country for asylum seekers in Africa".

Throughout years of turmoil in the sub-region, Guinea has remained a relatively stable country. An unstable Guinea could cause serious disruption throughout this fragile sub-region, threatening progress made to date in Liberia and Sierra Leone and jeopardizing the large U.S. investment made to bring peace to these two countries. Instability in Guinea could exacerbate the situation in Côte d'Ivoire and require significant additional investments in humanitarian assistance in all cited countries, including Guinea.

Life expectancy, literacy rates, child mortality and per capita income rank Guinea 156th out of 177 countries covered in the 2005 UN Development Programme Human Development Index Report. These dismal conditions place Guinea among the poorest countries in the world, despite its rich endowment of natural resources. Guinea holds over one third of the world's bauxite reserves and an estimated 1.8 billion metric tons of high-grade iron ore. The country also possesses diamonds, gold and other precious minerals. Underexploited fishing and agriculture sectors have considerable potential. Every major West African river begins in Guinea, giving it the title of "The Water Tower of West Africa". The watersheds that exist within the Guinean borders are critical to the stable flow of water to six other West African countries.

The USG Mission in Guinea is the ninth-largest of forty U.S. Missions in Africa. Under the *State-USAID Strategic Plan*, the overarching foreign policy objective in Guinea is **to reduce fragility in the region and assist the country in maintaining its stability and its transition to a democratic state**. The top two strategic goals in the *U.S. Mission to Guinea's FY 2007 Mission Performance Plan* are to promote (1) Regional Stability and (2) Democracy and Human Rights. Perhaps with the exception of the U.S. Peace Corps, funding from all USG agencies in Guinea (USAID, Department of Defense, Treasury, and State Department) contributes to these two strategic goals.

Guinea is a secular state with a Muslim majority and it has supported U.S. anti-terrorism initiatives through ratification of numerous U.N. conventions on terrorism. The U.S. private investment in Guinea is significant and includes Alcoa's large, 40-year stake in the bauxite sector and two large alumina-processing ventures planned by Global Alumina and Alcoa/Alcan.

1.2 Guinea's Source of Fragility

To respond to the broader goals of the USG and to improve aid effectiveness through reducing policy incoherence in which multiple and competing goals and objectives pull foreign assistance in different directions, USAID has developed a new Strategic Planning Business Model. Under this model, USAID/Guinea is categorized as a fragile state, vulnerable to crisis. The Agency goal in fragile states is stabilization, reform and/or recovery that provide a foundation for transformational development. In response to these directives, USAID/Guinea has been directed by the Agency to identify the principle sources of fragility and design interventions to address them within a one to three year strategy.

Guinea is a state of paradoxes, in the process of a political and economic transition brought on by disastrous governance and subsequent economic collapse. It has a democratic Constitution and institutional framework, but a patrimonial, kleptocratic government. It has authoritarian rule without order. It has extensive natural and human resources, but abject poverty. There is widespread discontent, but popular quiescence and, despite the existence of conflict resources, there are no evident disaffected militia groups. Guinea remains an island of domestic political stability, but is located in the center of six neighboring states, five of which—Senegal, Guinea-Bissau, Sierra Leone, Liberia and Côte d'Ivoire—have experienced or currently face violent internal conflict.

Today Guinea suffers from the consequences of 47 years of authoritarian rule: dire economic, political and social conditions, as well as relative isolation from external information, improved technologies, global markets, and international political and economic organizations. As emphasized in Guinea's Fragile States Assessment Report, and in many other donor discussions, Guinea's principle source of fragility is **poor governance**. All other sources, symptoms and/or consequences of fragility in Guinea flow from poor governance: endemic corruption, weak economic growth, weak political and civil society institutions, inability or unwillingness to deliver effective public goods and essential services, lack of inclusiveness and dialogue, poor legal and regulatory frameworks, impunity, poverty, and a reticent yet resilient civil society.

Given the possibility that a sudden change in government might come about due to the failing health of President Lansana Conté, national and international opinion and analyses conclude that programming and sequencing of activities must first and foremost address governance in order to assure the country's stability during a transition and build the necessary foundation for transformational development to occur.

1.3 Country Context

The political and economic situation in Guinea has deteriorated in the last seven years, particularly after the incursion of Liberian rebels in Guinean territory in 2000/2001. The Government of Guinea (GOG) began investing heavily in arms and increasing its defense budget to secure its borders and protect its territorial integrity. As a result of these increased expenditures and due to widespread corruption, the government has not serviced its external debt in a timely manner; it is experiencing double-digit inflation and increased prices for basic commodities; and it fails to deliver efficient, reliable public and social services to the Guinean public. Due to these dire conditions and suspensions in donor support, the government decided to embark on a series of reforms.

In an effort to redress the stagnant economic and political situation exacerbated by a temporary suspension of some donor support, President Conté appointed a new Prime Minister in December 2004 to preside over a series of economic and political reforms. Backed by the President, the Prime Minister presented a four-point reform program: stabilize the macro-economic situation; improve the delivery of public services (especially electricity, water and telephone service); improve governance and reduce corruption; and fight against HIV/AIDS.

Starting in early 2005, in an effort designed to stabilize the macro-economic situation and qualify Guinea for funding under a Poverty Reduction and Growth Facility (PRGF), the GOG has pursued a rigorous economic reform agenda under a Staff Monitored Program with the IMF. Exchange rates have been allowed to float, price controls on gasoline have been loosened, and government spending, including extra-budgetary spending, has been curtailed while tax collection has improved. Other reforms are evident in the mining sector. Guinea is an active member of the Kimberly Process and, in December 2004, the GOG signed on to the Extractive Industry Transparency Initiative (EITI) demonstrating a commitment to better management of extractive industry revenues. Extractive industries comprise the most important single source of revenue for the Guinean national budget. Global Alumina has recently signed an agreement with the GOG to construct an alumina refinery (over \$2.5 billion), as has Alcoa and Alcan (\$1.5 billion). Combined, they represent the largest private investment in sub-Saharan Africa since the Chad-Cameroon oil pipeline. Transparent management of these revenues and others from extractives industries is essential to ensure proper government investment in development sectors and poverty reduction.

In addition to these economic reforms, the GOG has made advances toward more democratic governance and political pluralism. In 2005, the GOG renewed dialogue with opposition parties that had criticized the flawed legislative elections of 2002 and the presidential election of 2003. In 2005, the GOG instructed local officials to allow opposition parties to freely organize political meetings. Opposition party leaders held numerous rallies throughout Guinea in the summer of 2005 without significant interference by the government. Local elections, which will allow communities to choose their grassroots representatives, have been announced for December 18, 2005 and the vast majority of opposition political parties have agreed to participate. In October 2005, the GOG created an Autonomous National Electoral Commission (CENA) with representatives from most parties and civil society, to control and administer elections. The organization of free and fair local elections, if successfully implemented, will demonstrate that the GOG is seriously committed to political and economic reform.

Under the Prime Minister's reform agenda and in response to donor pressure, Guinea has made forward progress in anti-corruption and media liberalization efforts. In August, 2005, the government authorized private ownership of radio and television media. Guinea was the last country in West Africa to open broadcast media to non-state ownership. The law now allows individuals and private corporations to operate radio and television stations, providing a counter-balance to previously state-run and controlled radio and television. In an attempt to address rampant corruption, the GOG also created a new Ministry of Economic and Financial Control, under which the revitalized National Anti-Corruption Agency is housed.

1.4 Guinea's Fragility Framework

In designing this strategy USAID carried out an analysis of current conditions in Guinea to identify the sources of fragility and inform the nature of USAID/Guinea's new activities.

Political: During colonial rule and since Guinea's independence 47 years ago, the country has known only authoritarian rule. No Guinean alive today has ever experienced genuine democracy in Guinea, and an authoritarian culture remains the political norm. The main impediments to political effectiveness and legitimacy in Guinea are:

- Lack of free and fair elections since independence,
- Lack of accountability of the State, with dominance of power in the executive branch,
- Culture of corruption and weak rule of law,
- Weak civil society and political parties, and
- Humanitarian and security crises in neighboring countries.

Economic: In real terms, GDP growth was 1.2% in 2003 and 2.7% in 2004, compared to an annual population growth rate of 3.1%. In 2005 it was estimated that 53% of the population were living below the poverty line, compared to 40.3% in 1994/95. Per capita gross national income declined from \$450 in 2000 to \$386 in 2004. Over-reliance by the GOG on extractive industries to supply much-needed revenue has led it to neglect other sectors—thereby limiting growth and opportunity. Agriculture has grown at an average annual rate of 4% over the past decade, with most growth coming from expansion of cultivated areas rather than through improvements in productivity. The political context described above has led to the following economic problems:

- Double digit inflation over the past several years,
- An investment climate which is weak and insecure and prone to corrupt bureaucratic oversight,
- An undiversified economy incapable of fostering new enterprises,
- Limited regional and international trade,
- Inadequate economic infrastructure, particularly in the transport and communication sectors,
- Limited human capacity to obtain and manage financial resources, and
- A regulatory framework for business that is outdated, disregarded by entrepreneurs, and complex.

Social: Although progress was made in the 1990s on health indicators in Guinea, the 2005 Demographic and Health Survey (DHS) shows more recent stagnation and even reversals. For instance, both maternal mortality and childhood stunting have increased since 1999. Access to primary education has improved markedly during the past ten years, but there are serious shortfalls in children's primary cycle completion and persistence. The Guinean system is increasingly unable to meet the growing demand for education and issues of equity and quality still need to be addressed. In spite of some improvements, effectiveness and legitimacy issues that continue to impede the social sector include:

- Health and education expenditures continue to be low (approximately 2 percent of GDP for both sectors in 2001),
- Weak institutional and human capacities,
- Lack of accountability, transparency, and mismanagement of financial resources—the government has about 5,000 more teachers on its payroll than there are in classrooms, which represents about 35 percent of the total, and
- Slow progress on decentralization of services, decision-making authority, and fiscal resources.

Security: Total security forces in Guinea number approximately 18,000 and cover both national defense and public safety. Although they focus more on maintaining security than respecting human rights, overall the military is

considered a competent and effective institution in the country, while the police are seen as corrupt and inept. Control of the security forces is highly centralized—President Conté serves as the Minister of Defense—and the military dominates society from behind the scenes. Increased military spending (at the expense of other government priorities) has continued unabated since 2000, even as external threats have declined. Legitimacy and effectiveness issues affecting the security sector include:

- Politicized, aging organization, with a continued generational gap,
- Effective protection of borders but little respect for human rights and providing public safety,
- Highly centralized and secretive, lack of oversight and accountability, and blurred responsibilities among the various security branches, and
- Corrupt police force.

1.5 Global Issues and Special Concerns

Several global issues and special concerns are applicable to Guinea. Under the Strategic Framework for Africa’s Annex 3 “Parameters for Country Programming by Goal and Objective”, Guinea has medium priority on biodiversity. Polio is the top ranking health global concern followed by malaria, primary causes and family planning in second position, and TB, infectious disease surveillance and HIV/AIDS in third place. Guinea’s forests and watersheds make it a significant country for effecting positive changes on global climate change.

As described below, USAID/Guinea will address these global issues and special concerns, meeting Agency guidance about the use of these funds, while maintaining a focus on poor governance as Guinea’s main source of fragility. There are very few exceptions where funds will be used exclusively for sectoral outcomes and will not contribute to addressing Guinea’s source of fragility and the Strategic Framework for Africa (SFA). Following programmatic recommendations under Guinea’s Fragile State Assessment report, global issues and special concerns will focus on, among others, increasing local empowerment, reducing corruption, creating transparent legal and regulatory frameworks, and strengthening capacities. At the same time, USAID/Guinea’s program will continue to make advances in polio eradication, HIV/AIDS and malaria prevention, family planning, and biodiversity conservation. PL-480 activities will contribute to addressing Guinea’s source of fragility by strengthening local institutions, promoting free and open markets, creating an informed and educated citizenry, promoting a vibrant civil society and supporting improved relations between the private and public sector.

1.6 Linkages to Initiatives

USAID/Guinea will benefit from the Presidential Africa Education Initiative (AEI) to improve the Ministry of Education’s capacity to provide quality in-service and pre-service teacher and supervisor training. Centrally-funded initiatives also include the AEI’s girls’ scholarship program. Guinea is involved in the global Education for All program which USAID supports. To date, Guinea has received approximately \$3 million for tuberculosis programs funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria, which are managed in coordination with USAID’s health technical office.

1.7 Strategic Issues

Extractive industries: Extractive industries is an important strategic issue in Guinea and is a priority concern to the U.S. Embassy. Extractive industry management issues are cross-cutting and relevant to conflict, anti-corruption, economic growth, and social service problems. Guinea suffers from the so-called “natural resource curse”. The economy relies too heavily on natural resources to the detriment of other sectors. Countries that manage natural resource wealth through investments in people and institutions can grow and prosper from them. Other countries, such as Guinea, that do not make those investments, primarily because of corruption, squander the opportunity to accelerate broad based economic growth. Guinea participates in the Kimberly Process, and its decision to join the Extractive Industry Transparency Initiative (EITI) will help improve management of extractive industry resources.

USAID/Guinea’s program will support Guinea’s participation in and compliance with the Kimberly and EITI processes, as well as other regional and international initiatives that are being developed. The program will focus on the reinvestment of extractive industry wealth into people, institutions, essential services, and infrastructure and the proper management of these funds.

Counter-terrorism: Guinea is situated in a sub-region that has experienced widespread violence and includes more fragile states than any other region on the continent. Guinea had no major developments related to terrorism in 2005 but conditions in this fragile state could provide breeding grounds for extremist groups. Although the GOG remains focused on border control issues related to the possibility of insurgent or rebel attacks rather than transnational terrorism, the host government continues to express support for USG efforts in counter-terrorism and has made attempts to improve its own counter-terrorism capabilities. USAID/Guinea's programs will not directly address counter-terrorist concerns but the focus on good governance should help relieve some of the conditions that foster participation in extremism.

1.8 Relevance to the Poverty Reduction Strategy Paper (PRSP)

Guinea's PRSP was finalized in January 2002 and has three main focus areas: (1) boosting economic growth; (2) developing basic services and equitable access to such services; and (3) improving governance and institutional and human capacity-building. USAID/Guinea's program emphasis on good governance complements the PRSP. The PRSP states, "Good governance is a major aspiration of Guinea's people and a critical prerequisite for economic and social development. It is required to establish a favorable environment for private-sector investment and for economic development. It also affects the efficiency of government action and its impact on people's lives. Therefore, good governance is a critical prerequisite for the success of the strategy." As discussed in the PRSP, good governance is hindered by Guinea's weak institutional capacity, by the limited participation of citizens in public affairs, and by its centralized procedures for managing government business. Although implementation of the PRSP was complicated in 2005 by Guinea's attempts to adhere to a tight budget and delay in holding local elections, the return to a PRGF in 2006 should provide more resources for social sector expenditures. A second generation PRSP will be developed in 2006 that will give greater priority to governance issues and more rational and realistic allocation of funds for social sectors and other expenditures. This future PRSP will reflect financial commitment to democratic reforms and poverty alleviation.

2. USAID/Guinea's Program Structure

USAID/Guinea's proposed FY 2006 – 2008 strategy supports the USAID foreign assistance operational goal of *Strengthening Fragile States*, and contributes directly towards the Strategic Framework for Africa's Goal "to manage crisis and promote recovery, stabilization, and democratic reform".

USAID/Guinea has taken the bold step of designing a strategy that has a single Strategic Objective (SO), "Advance Democratic Governance" As stated in the Strategic Framework for Africa, USAID/Guinea will use earmarks and sectoral funding to first and foremost accomplish the Fragile States objective and at the same time attain sectoral results. While activities will contribute to furthering economic growth, agricultural production, biodiversity conservation, family planning, maternal and child health, polio eradication, HIV/AIDS, and basic education, USAID in Guinea is not mandated to carry out purely humanitarian interventions. USAID/Guinea's primary focus is on addressing Guinea's status as a fragile state by achieving changes in its governance. Therefore almost all of the Mission's activities will have a D/G focus, either strengthening civil society knowledge, behavior, and participation, or improving GOG accountability, transparency, and efficiency. The vast majority of the Mission's work is designed to improve governance in the areas where we have earmarked funds. The hypothesis is that the main blockages to advances in economic growth, agriculture, NRM, health, and education is the performance of the government. Before USAID can have an impact on improved service delivery or improved livelihoods, it must first address the governance constraints that impeded development in these areas. By increasing GOG capacity, accountability and efficiency, USAID/Guinea will have a greater, longer lasting effect on its targeted sectors. Thus while the USAID/Guinea program has one SO focused on governance reform, USAID/Guinea will use program components and indicators to demonstrate that the program addresses fragile governance *and* achieves impact in USAID's respective earmarked sectors. USAID/Guinea will continue to report on earmarks, directives and global issues as required. The Mission intends to consolidate the geographic location of activities in different sectors so that they complement each other. Although geographic focus is still under discussion, it is likely that the Forest Region, which suffered from cross border incursions and is more vulnerable to conflict, will be a focus.

2.1 SO-5 "Advance Democratic Governance"

As described elsewhere in this strategy statement, all sectoral funds will contribute to the fragile state objective. The Program Components that are critical to this SO and address Guinea's source of fragility include: Strengthen Civil Society; Establish and Ensure Media Freedom and Freedom of Information; Promote and Support Anti-Corruption Reforms; Support Democratic Local Government and Decentralization; Promote and Support Credible Elections Processes, Increase Agricultural Sector Productivity; Improve Sustainable Management of Natural Resources and Biodiversity Conservation; Achieve Equitable Access to Quality Basic Education; Reduce Transmission and Impact of HIV/AIDS; Improve Child Survival, Health, and Nutrition; Improve Maternal Health and Nutrition; and Support Family Planning.

The SO Advance Democratic Governance means that USAID-targeted GOG institutions and systems operate more efficiently and effectively with more transparency and accountability. They respond to citizen needs/demands and contribute to the development of the country and its people. USAID alone cannot solve Guinea's governance issues. Even with the help of development partners, we must be strategic about which governance problems to tackle. Given that 1) the ultimate objective for Fragile States is to move them towards Transformation Development (TD) status in which traditional development sectors are strengthened; 2) prior to the Agency's Fragile State status, USAID/Guinea was conducting traditional TD type programs and has built capacity and systems in these areas; and 3) funding sources for USAID in Guinea still follow traditional TD sectoral interventions, the program will focus on improving governance in the following key areas:

- **Economic Growth**, i.e. policies and practices regulating exporting
- **Agriculture**, i.e. improvement in agricultural input policy and practice at national and local levels; enhancement of GOG capacity to simplify and clarify agricultural export and import laws and regulations; improvement in GOG capacity to assist farmers
- **Biodiversity**, i.e. laws and practices regulating protected forests, parks, endangered species and water sources; co-management and decentralization of authority over natural resources
- **Family Planning**, i.e. GOG management, supply, and distribution of family planning commodities
- **Primary Causes of child and maternal morbidity/mortality**, i.e. GOG provision of quality services in maternal and child health, and health education
- **HIV/AIDS**, i.e. GOG provision of HIV prevention, testing and treatment services
- **Basic Education**, i.e. Public education expenditure transparency and decentralization of the education sector; improved GOG capacity to deliver quality educational services
- **Democracy and Governance**, i.e. improved electoral processes and advanced media liberalization

For USAID to make advances in the identified key governance areas, the program needs to address both the supply and demand sides of the problem. On the demand side, low participation and low expectations of the Guinean population contributes to poor governance. Many Guineans are not aware that their government can and should perform better, those who are aware do not believe they have the capacity to bring about change; others are simply relieved that they have more freedoms now than they had under the Sekou Touré regime. The weak participation of civil society in the public sphere is exacerbated by low education levels and illiteracy, by poverty and lack of discretionary income and time, and by a population that is weakened by disease and insufficient nutrition. The demand side of the SO works to increase citizen awareness of and demand for government transparency, accountability, and effectiveness and improved governance frameworks. There needs to be an active and informed civil society that is able to articulate its own needs and demand accountability and improved performance from its government. USAID/Guinea will work to strengthen civil society participation in governance, health, education, food security and NRM; to bring about more free and fair elections; and to increase citizen access to information. USAID/Guinea will also promote civil-military dialogue and civil society discussions on the need for a peaceful political transition in Guinea, whenever that may occur.

USAID/Guinea will work to raise the awareness of and strengthen the following types of community based organizations (CBOs): forest co-management committees, agricultural production and entrepreneurial groups (including PL-480 beneficiaries), community land and natural resource management groups, district and village health committees, health center co-management groups, parent associations for education at local and regional levels, girls' education groups, youth groups, and prefectural development committees. The USAID-targeted CBOs will learn their civic rights and receive advocacy training as well as information and technical assistance in respective sectoral areas in order to, for instance, better manage natural resources, increase agricultural production, change health behaviors, and improve school management and quality. Literacy training, especially for women, will

be an important aspect of the CBO work. USAID/Guinea will target youth for a basket of cross-cutting interventions such as civic education, health messages, employment skills, literacy and leadership training, youth involvement in school governance, and youth radio. USAID/Guinea will also strengthen formal Civil Society Organizations (CSO) who can complement at a national level the work of the community-based organizations as well as CSOs active in elections, anti-corruption, media, extractive industry transparency, and peaceful transition.

Having government officials that are elected in conformity with the law and that genuinely represent the people they are elected to serve is one of the most important and powerful means by which citizens communicate their needs and interests to government. With a history of fraudulent elections, Guineans do not have confidence in the electoral system and do not use elected officials to voice their concerns. In election years, USAID/Guinea will seek ESF funds to carry out appropriate activities such as supporting electoral education campaigns, strengthening the electoral commission and political parties, and training election monitors.

A high degree of isolation and lack of exposure to the outside world is part of the problem contributing to the complacency and low expectations of the Guinean population. USAID will take advantage of the liberalization of the media to increase the sources of information available to Guineans. USAID/Guinea will help advance independent media in Guinea by training journalists, funding the start-up of community radio stations, and developing radio programming that relays messages in support of USAID priority areas such as health, education, agriculture, biodiversity, and aspects of good governance. USAID/Guinea's participant training program will also help to expose Guineans to the outside world.

On the supply side of addressing poor governance, USAID/Guinea will work to improve the performance of local and national government institutions, namely through better technical capacity and systems and more inclusive, participatory, transparent and accountable management. This will be done by creating anti-corruption mechanisms, advancing decentralization efforts, providing training and technical assistance in technical and management capacity, providing assistance with legal and regulatory frameworks, and improving two-way interactions with civil society.

USAID/Guinea will identify key issues of corruption and political will which block Guinea's development in the sectors where USAID has an interest and comparative advantage. Guinea is currently experiencing forward momentum in the battle against corruption. USAID/Guinea will support the National Anti-Corruption Agency's action plan where it intersects with USAID's priorities such as the health sector's commodity distribution system, the payment of phantom teachers, health and education budget transparency, and the system for granting timber and other extractive industry concessions.

USAID/Guinea recognizes that governance shortcomings in Guinea are not all related to issues of political will or corruption, but also result from inadequate management and technical capability. USAID/Guinea intends to provide management and technical training to strengthen the functioning of targeted GOG institutions and functions such as the Ministry of Health, particularly its HIV prevention, testing and treatment and family planning programs; the Ministry of Agriculture's extension services to farmers and protection of environmentally sensitive natural areas; the Ministry of Education's ability to recruit and deploy teachers; the Ministry of Vocational Education's ability to recruit, screen and train a qualified workforce for the mining industry; the National Communication Council's ability to support and advance media liberalization; the Ministry of Mines' compliance with the Extractive Industry Transparency Initiative; and the Ministry of Territorial Administration and Decentralization, which organizes elections and administers the GOG decentralization policies.

The Mission will ensure that CSH funding will contribute to CSH outcomes. Illustrative examples of health-funded impacts at the national systems level as well as the community level include:

- # of Guineans receiving HIV/AIDS prevention/health education
- # of USAID-supported VCTC opened/ # persons receiving VCT services from targeted sites)
- # of MOH and MOE officials trained (and/or related to child and/or maternal health)
- # of in-school and out-of-school youth receiving health education
- Immunization coverage rates/ # of districts reached by immunization activities
- Women and children receiving micronutrient supplementation
- % targeted providers with adequate supplies of family planning products

- # of qualified midwives and health agents placed and retained in MOH facilities
- # of community-based distributors of family planning products deployed
- # of health-related CBO/CSOs created and/or strengthened
- % health centers with fee schedule clearly displayed

Risk Factors

- The President is in ailing health. While the Constitution sets forth a clear succession process, many Guinea watchers believe that a military take over is likely if the President dies in office. This situation threatens stability in Guinea and could put an end to the reform windows that are currently open. (Annex 1 contains a list of critical events and possible transition scenarios that may take place during the life of this strategy.)
- There are committed reformers in the GOG and USAID/Guinea will support their efforts, but there are many officials with vested interests who try to block reforms.
- Guinea is suffering from an economic crisis. If this situation worsens and the prices for basic commodities (rice and gas) continue to increase, it could aggravate mass discontent and threaten domestic stability.
- If the December 2005 elections are not transparent there could be negative repercussions such as political contestation or the withdrawal of donor support.
- Neighboring countries of Sierra Leone and Liberia have reached a fragile peace. Civil war continues in Côte d'Ivoire. A change for the worse in any of these neighboring countries could have a destabilizing effect on Guinea which has hosted hundreds of thousands of refugees and been the target of cross border rebel attacks in the past.
- Improved donor coordination and greater coherence in the assistance provided by the various USG agencies in Guinea are crucial to the success of USAID/Guinea's program. If this improved coordination does not come about, results on the supply side of the SO will be diminished.

Overall Impact during the Strategy Period

USAID's agency-wide priority in fragile states is to increase stability through democratic practice, non-violent resolution of conflict and equitable economic recovery. By the end of this three-year strategy, USAID/Guinea will have promoted recovery, stabilization and democratic reform in Guinea. USAID/Guinea does not expect Guinea to transition from a fragile to a transformational development state in just three years. However, by the end of the strategy period USAID/Guinea does expect to see governance reforms in its targeted sectors, alleviating some of the conditions that could lead to conflict in Guinea, providing a springboard for broader reforms and greater likelihood that Guinea will transition to a transformational development state.

USAID/Guinea will have increased the knowledge and capacity of Guinean civil society and provided the technical know-how and political pressure necessary to improve government transparency, accountability, and effectiveness. Members of targeted CBOs will understand their rights to health and education services, their rights and responsibilities with regard to public lands and resources, and their roles as citizens, especially in a situation of a political transition. They will have developed effective means to monitor the quality of their schools and health centers and public access to natural resources. They will have learned how to interface with authorities and participate in political life. Civil society at two levels—community based organizations and national CSOs—will have actively advocated for GOG reforms in the target sectors. The GOG will have a more rational management system for teachers and other educational inputs, made progress in creating a functioning system for procuring and distributing contraceptives, and improved HIV prevention and treatment services. There will be more public scrutiny of national education and health budgets and expenditures and the process for granting concessions for the exploitation of natural resources. Access to alternative sources of information will have been advanced through the establishment of independent community radio stations and better trained journalists. Guinea will have continued to engage with and make progress on EITI and Kimberly. Local and legislative elections will have been carried out with more transparency than before, resulting in greater public confidence and participation in elections. USAID/Guinea believes these targeted reforms will contribute to creating a more stable environment in Guinea to avoid conflict and pave the way for eventual transformational development.

2.2 Mandatory Cross-Cutting Themes

Gender: Under the new strategy, it is envisioned that USAID/Guinea will have a limited number of management units with built-in mechanisms for changing direction in response to circumstances. A gender analysis will be

conducted during the design of each instrument to ensure that gender issues are considered for both the efficiency of program performance and for gender equity. Specific gender issues that have already been identified include:

- The necessity of literacy training for women and girls to enable them to participate actively in community based organizations;
- The equally important roles of both men and women in governing and benefiting from the natural resource base must be taken into consideration in the design of activities to ensure that both benefit;
- When targeting youth the priority issues of young men and of young women are quite different and both should be addressed;
- Girls' education continues to be a priority for USAID/Guinea. Guinea scores especially low on the MCC indicator for girls' education despite impressive advancements in recent years;
- Take into consideration the role men play in family planning decision making and reproductive health of women and girls;
- HIV prevalence is twice as high for women (1.9%) as for men (.9%); and
- Women and women's organizations are said to have important behind-the-scenes influence in public life but women are underrepresented in government, politics, and professional fields. USAID/Guinea will work to increase their participation at the decision-making level in Guinean society.

HIV/AIDS: Guinea is fortunate to have a low HIV rate (1.5%). HIV/AIDS is not yet prevalent enough in Guinea to reflect a measurable impact on development or the economy. As a low prevalence country, the focus of USAID/Guinea's HIV activities remains prevention and the ABC message, targeted especially at high risk groups and the education system. USAID/Guinea will also focus to a lesser extent on mother to child transmission, de-stigmatization, testing, and treatment.

Youth: USAID/Guinea considers youth to be an important cross cutting issue in its new strategy. The majority of the population is aged 0-14 (52%), with 27% aged 15-24. With such a large number of people under 14, a future youth bulge is inevitable. Low primary school completion rates (only 42% of children complete primary school) coupled with the lack of secondary schools in Guinea (secondary enrollment rate is only 28%, 13% for girls) have led to large numbers of out-of-school youth, many of whom lack the basic literacy and skills to become productive members of society. There is potential for instability and even conflict in Guinea and a precedent set by neighboring countries for child and youth soldiers. USAID/Guinea plans to target programs at vulnerable youth including alternative education programs and creating increased employment opportunities for them.

Urbanization: Urban areas can be focal points for violent protests and conflict and many fragility problems are manifested in urban settings. Due to limited resources, however, urbanization will not be a priority intervention area for USAID/Guinea. The Strategy should have secondary impact on addressing urbanization through its focus on improving the capacity of the GOG and Civil Society.

2.3 Regional Issues

Guinea has been active in efforts toward regional integration and cooperation, especially regarding the Africa Union, the Economic Organization of West African States (ECOWAS) and the Mano River Union. Guinea has participated in both diplomatic and military efforts to resolve conflicts in Sierra Leone, Liberia, and Guinea-Bissau, and contributed contingents of troops to peacekeeping operations in all three countries as part of ECOMOG (the Military Observer Group of ECOWAS). Major regional issues affecting Guinea include: strengthening partnerships and Guinea's involvement in regional integration and cooperation; improving the environment for regional trade; ensuring stability of border areas and prevention of cross-border transnational crimes including human trafficking, illicit trade in small arms, drugs and mineral resources; regional protection of the environment; and cross-border containment of HIV/AIDS.

USAID/WARP will contribute to the Mission's Strategy Statement through: continued conflict mitigation, and expanded anti-corruption efforts in the MRU; ECOWAS institutional building and development of standards for good governance, elections, and anti-corruption, as well as continued support to regional trade policy issues; extractive industries; support to AGOA; value and movement of resources that can be used to promote improved resource management, transparency in trade, civil society development and poverty reduction; regional conservation issues and policy prioritization; and cross-border containment of HIV/AIDS. From a technical assistance

standpoint, WARP will continue to provide and/or improve assistance in health especially HIV/AIDS, gender, extractive industries, Public-Private Alliances, youth, trade/AGOA, and biodiversity conservation.

2.4 Local Expertise, Donor Harmonization and Public-Private Alliances

Local Expertise: Guinean staff make up more than 90% of the total personnel of USAID/Guinea, and USAID-funded contractors and grantees. In all instances, qualified Guinean staff are hired in preference over U.S. or third-country citizens. In 2004, approximately 36 Guinean NGOs, received over \$1.3 million in sub-grants through USAID's primary implementing partners. As the Mission is committed to strengthening local NGOs as much as possible under this new strategy, the Mission will continue to try and improve upon its use of local expertise through increased outreach and training on how to do business with USAID. The Mission will also explore the use of grants under contracts mechanisms, in which NGOs will be used as sub-recipients who carry out the vast majority of community-based activities. They will receive extensive technical training and institutional capacity building from the prime recipients.

Donor Harmonization: Foreign assistance to Guinea from multilateral and bilateral donors represented on average 85% of Guinea's investment budget during the periods 1990 – 2003, with total bilateral and multi-lateral donor assistance in 2003 exceeding \$245 million. Guinea has seen a lack of donor stability in recent years as several major donors have suspended activities. Overall, there is good donor coordination at the sectoral levels, as evident through the HIV/AIDS working group, the Education for All committee, and the donor group for the local elections. However, at the donor institutional-level, there is room for improvement. G-8 coordination is quite solid at the diplomatic level, but as some donors' assistance program in Guinea are managed out of Embassies, coordination at the development working level is hampered. Several GOG entities (including the Ministries of Cooperation, Plan, Finance, and the Offices of the President and Prime Minister) are involved in various aspects of donor coordination, adding complexity to the task of coordination. Strong donor coordination will be vital to attaining achievements under this strategy, as well as increasing the likelihood that the GOG continues down the path of much needed reforms and improved governance. USAID/Guinea has already begun working with the GOG and other major donors in developing improved coordination mechanisms. In December 2005 the Ministry of Cooperation will organize a national forum on aid effectiveness, partially funded by USAID.

Public-Private Alliances: Over the past few years, USAID/Guinea has established several public-private alliances (PPAs). There is ample potential for PPAs within the extractive industries sector and in agri-business to a lesser extent. The Mission is currently in negotiations with Global Alumina on a potential PPA that would strengthen the Ministry of Vocational Education's ability to provide a larger and more qualified workforce to the rapidly expanding mining sector.