



# GUINEA

## STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION AND REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY— INFORMATIONAL ANNEX

December 8, 2022

Prepared By

African Department  
(In Consultation with other departments)

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## RELATIONS WITH THE FUND

(As of October 31, 2022)

**Membership Status:** Joined: September 28, 1963

Article VIII

<b>General Resources Account:</b>	<b>SDR Million</b>	<b>%Quota</b>
Quota	214.20	100.00
Fund holdings of currency	187.35	87.47
Reserve Tranche Position	26.85	12.54

<b>SDR Department:</b>	<b>SDR Million</b>	<b>%Allocation</b>
Net cumulative allocation	307.77	100.00
Holdings	42.98	13.97

<b>Outstanding Purchases and Loans:</b>	<b>SDR Million</b>	<b>%Quota</b>
RCF Loans	117.81	55.00
ECF Arrangements	188.96	88.21

<u>Type</u>	<u>Date of Arrangement</u>	<u>Expiration Date</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
ECF	Dec 11, 2017	Dec 10, 2020	120.49	120.49
ECF	Feb 24, 2012	Nov 07, 2016	173.66	173.66
ECF <sup>1/</sup>	Dec 21, 2007	Dec 20, 2010	69.62	24.48

<sup>1</sup> Formerly PRGF

### Outright Loans:

<u>Type</u>	<u>Date of Commitment</u>	<u>Date Drawn</u>	<u>Amount Approved (SDR Million)</u>	<u>Amount Drawn (SDR Million)</u>
RCF	Jun 19, 2020	Jun 23, 2020	107.10	107.10
RCF	Sep 26, 2014	Oct 02, 2014	26.78	26.78

### Projected Payments to Fund<sup>1/</sup>

(SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>2022</u>	<u>2023</u>	<u>Forthcoming</u>	<u>2025</u>	<u>2026</u>
Principal	3.67	34.35	37.56	38.06	51.03
Charges/Interest	1.21	6.58	6.58	6.58	6.58
<b>Total</b>	<b>4.88</b>	<b>40.93</b>	<b>44.14</b>	<b>44.63</b>	<b>57.6</b>

<sup>1</sup> When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

**Implementation of HIPC Initiative:**

	Enhanced
I. Commitment of HIPC assistance	<u>Framework</u>
Decision point date	Dec 2000
Assistance committed	
by all creditors (US\$ Million) <sup>1/</sup>	639.00
<i>Of which:</i> IMF assistance (US\$ million)	36.01
(SDR equivalent in millions)	27.80
Completion point date	Sep 2012
II. Disbursement of IMF assistance (SDR Million)	
Assistance disbursed to the member	27.80
Interim assistance	11.30
Completion point balance	16.49
Additional disbursement of interest income <sup>2/</sup>	7.45
<b>Total disbursements</b>	<b>35.25</b>

<sup>1</sup> Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

<sup>2</sup> Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

**Implementation of Multilateral Debt Relief Initiative (MDRI): Not Applicable****Implementation of Catastrophe Containment and Relief (CCR):**

<u>Date of Catastrophe</u>	<u>Board Decision Date</u>	<u>Amount Committed</u> <u>(SDR million)</u>	<u>Amount Disbursed</u> <u>(SDR million)</u>
N/A	Mar 18, 2015	21.42	21.42
N/A	Apr 13, 2020	16.37	16.37
N/A	Oct 02, 2020	16.37	16.37
N/A	Apr 01, 2021	18.21	18.21
N/A	Oct 06, 2021	1.84	1.84
N/A	Dec 15, 2021	16.37	16.37

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

**Decision point:** Point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

**Interim assistance:** Amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

**Completion point:** Point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

## Safeguards Assessment

The last safeguards assessment was concluded in April 2021. Progress in implementing the previous safeguards recommendations has been slow, partially due to coup-related disruptions. Only four of 18 recommendations have been implemented to date. Staff will continue to engage with the BCRG to move ahead with the remaining recommendations. A recent bank-wide restructuring exercise should accelerate implementation of the remaining recommendations. Priority should also be given to resolving the dispute with Belgian company Affinor, which refines part of the BCRG international gold reserves.

## Exchange Rate Arrangement

Guinea's *de jure* exchange rate arrangement is managed floating, but its *de facto* exchange rate arrangement is classified as a crawl-like arrangement given more information is needed to change this *de facto* classification. The foreign exchange system gives rise to an MCP because the reference rate can potentially deviate by more than 2% from the commercial banks' purchase and sales rates on a given day. The BCRG organizes an FX auction to buy (sell) FX when the market rate is below (above) 0.25 percent of its 5-day moving average. The BCRG regularly publishes information regarding foreign exchange market interventions.

## Article IV Consultation

The last Article IV consultation was concluded by the Executive Board on June 21, 2021.

## Mission Chief and Resident Representative

Ms. Clara Mira has been the IMF's Mission Chief since August 2020. Mr. Salifou Issoufou has been the IMF's Resident Representative since June 2019.

## RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

World Bank:

<https://www.worldbank.org/en/country/guinea>

African Development Bank

<https://www.afdb.org/en/countries/west-africa/guinea>

# STATISTICAL ISSUES

(As of November 9, 2022)

I. Assessment of Data Adequacy for Surveillance
<p><b>General:</b> Data provision is broadly adequate for surveillance with some key data shortcomings in national accounts and fiscal statistics.</p>
<p><b>National Accounts:</b> Real sector statistics are incomplete and published with insufficient timeliness to fully support economic policymaking. Statistics on economic activities are published less frequently and less regularly; the monthly and quarterly bulletins of the Guinean economy include limited available macroeconomic variables. Monthly surveys of mining, industrial, and agricultural production are produced with some delays. With technical assistance (TA) from AFRITAC West, the National Institute of Statistics plans to implement the 2008 SNA with 2018 as new benchmark year. However, more work is needed to reconcile artisanal gold production with gold export statistics, including by utilizing the results of the forthcoming survey of the sector. Employment and population statistics are published on an annual frequency. The 2018–19 National Household Living Standards Survey was recently concluded.</p>
<p><b>Price Statistics:</b> The monthly consumer price index (CPI), which covers only Conakry, was published until July 2022. The National Institute of Statistics has developed a new index with expanded coverage to include the entire country, with TA from AFRISTAT. The new index methodology has been reviewed by the Statistics Department and the Authorities have agreed to implement gradually the recommendations. The new index, starting in August 2022, was disseminated in November 2022.</p>
<p><b>Government Finance Statistics:</b> The Ministry of Economy and Finance compiles comprehensive monthly budgetary central government data on a cash basis for revenues, and on commitment and cash basis for expenditures based on a national presentation that does not meet international standards. The latest Government Finance Statistics (GFS) TA mission (August 2022) provided support in compiling the TOFE of the budgetary central government, reviewing and refining GFSM 2014 consistent series, and improving the compilation processes to use going forward based on the template developed with IMF TA in 2020. The methodology for compiling the government operations tables (TOFE) has been modernized, and it is currently being reconciled with budgetary execution and financing data. The production of the TOFE based on GFSM 2014 requires the use of the data outside the general accounting system as it lacks comprehensiveness and timeliness. Data on extra-budgetary units, local government and central government investments in public and private corporations are available but will need to be assessed from a GFS perspective.</p>
<p><b>Monetary and Financial Statistics:</b> Monetary data are compiled and monthly shared with the African Department. In November–December 2020, STA provided TA to the BCRG to finalize the reporting of monetary data using the recommended standardized report forms (SRFs). Subsequently, the SRFs were compiled and disseminated in IMF's International Financial Statistics publication (May 2021). The BCRG reports data and indicators of the Financial Access Survey (FAS), including mobile and internet banking, mobile money, gender-disaggregated data, and the two indicators adopted by the UN to monitor Target 8.10 of the Sustainable Development Goals (SDGs).</p>
<p><b>Financial Sector Surveillance:</b> Financial Soundness Indicators (FSI) are consolidated on a quarterly basis by the BCRG and are reported to the Fund. They are published on the IMF's FSI website. The reported FSIs comprise all the core FSIs, 8 encouraged FSIs for deposit takers, and 2 encouraged FSI for real estate market. In November–December 2020, STA provided TA to the BCRG to review the compilation of FSIs. In April 2021 new datasets were disseminated with some revisions in the capital adequacy and profitability ratios.</p>
<p><b>External Sector Statistics:</b> The Central Bank compiles quarterly balance of payments and annual international investment position statistics in line with the sixth edition of the <i>Balance of Payments and International Investment Position Manual (BPM6)</i>. Although the quality of external sector statistics (ESS) has improved consistently, the central bank still lacks information from some important data sources to compile the ESS. The Central Bank is encouraged to improve the quality of BOP statistics, particularly on imports, the financial account, and the artisanal gold sector. A March 15–26, 2021 TA mission assisted in addressing the consistency of imports of goods data provided to the IMF's African Department with the data published by the authorities as well as the recent increase in gold exports. It also assessed the incorporation of direct investment data in the BOP and the sources of these data, in connection with the complex transactions involved in the construction of the Souapiti hydroelectric plant by a Chinese company. Customs data on exports of gold are reliable, although the origin of the gold exported should be ascertained. Further, the INS has launched a survey of artisanal gold to better evaluate the volume of the domestic production. Gold operators should also provide information on the use of the proceeds of gold exports. The chronology and details of all transactions, and</p>

positions deriving from the implementation of the loan agreement for the construction of the Souapiti dam must be made available to the BOP/IIP compilers by the Ministry of Economy and Finance.

## II. Data Standards and Quality

Guinea participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its [National Summary Data Page](#) since November 2019.

No data ROSC is available.

**Table 1. Guinea: Common Indicators Required for Surveillance**  
(As of November 22, 2022)

	Date of Latest Information	Date Received	Frequency of Data <sup>6</sup>	Frequency of Reporting <sup>6</sup>	Frequency of Publication <sup>6</sup>
Exchange Rates	10/31/2022	11/08/2022	D	D	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities <sup>1</sup>	10/31/2022	11/08/2022	M	M	M
Reserve/Base money	09/30/2022	10/30/2022	M	M	M
Broad Money	09/30/2022	10/30/2022	M	M	M
Central Bank Balance Sheet	09/30/2022	10/30/2022	M	M	M
Consolidated Balance Sheet of the Banking System	09/30/2022	10/30/2022	M	M	M
Interest Rates <sup>2</sup>	09/30/2022	10/30/2022	M	M	M
Consumer Price Index	08/30/2022	10/30/2022	M	M	M
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> - General Government <sup>4</sup>	NA	NA	NA	NA	NA
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> - Central Government	08/31/2022	11/01/2022	M	M	M
Stocks of Central Government and Central Government - Guaranteed Debt <sup>5</sup>	12/31/2021	03/01/2022	A	A	A
External Current Account Balance	06/30/2022	08/06/2022	Q	Q	Q
Exports and Imports of Goods and Services	06/30/2022	08/06/2022	Q	Q	Q
GDP/GNP	12/31/2020	06/1/2022	A	A	A
Gross External Debt	12/31/2021	03/01/2022	A	A	A
International Investment Position	12/31/2020	09/30/2022	A	A	A

<sup>1</sup> Includes reserve assets pledged or otherwise encumbered as well as net derivative positions.

<sup>2</sup> Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

<sup>3</sup> Foreign, and domestic bank and non-bank financing.

<sup>4</sup> The general government consists of the central government (budgetary and extra-budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Including currency and maturity composition.

<sup>6</sup> Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A), Not Available (NA).