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POLICY FOR PRIVATE SECTOR PROMOTION  
AND  
THE ROLE OF CNPIF

prepared For

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POLICY FOR PRIVATE INVESTMENT PROMOTION  
AND THE ROLE OF CNPIP

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ANNEX I.: Ordinance of January 1985 and Proposed Modifications

A. POLICY FRAMEWORK UNDERLYING PRIVATE INVESTMENT PROMOTION

The review of policies which follows is based on two premises:

- i. The Guinean Government sees the need for, and proceeds with, reforms to create a helpful and stimulating environment for the nascent private sector, foreign and domestic.
- ii. The need to absorb some 30,000 employees of the Civil Service creates a potentially explosive situation in which only a rapid growth of private sector can provide a genuine relief.

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## MAIN ASPECTS OF THE ENVIRONMENT OF PRIVATE SECTOR

In this paper we discuss the following aspects of the total environment of the embryonic private sector in Guinea:

- 1) Factors of production (infrastructure, labor, capital, entrepreneurship)
- 2) Regulatory framework affecting the exercise of business
- 3) Incentives (investment code and related issues)
- 4) Support services for the creation and conduct of business operations.
- 5) Elimination of irritants

The rest the present paper is devoted to the discussion of the above aspects. A word on the approach used is needed here.

The Guinean Government has received, since the start of the "Second Republic", many explanations of the constraints on the country's economic growth, as well as sensible advice on policies to follow. The present paper, to the extent possible, avoids the repetition of that discussion. We will limit ourselves to recalling succinctly the basic issues and highlighting the progress, (if any...), during the last few months, i.e. since the time when most recent documents were published.

## 1. FACTORS OF PRODUCTION

### 1.1 FACTOR OF PRODUCTION: INFRASTRUCTURE (ROAD, ELECTRICITY, WATER, COMMUNICATIONS, ETC.)

#### 1.1.1 General Infrastructure Requirements

It is generally expected that the improvement in the country's infrastructure, together with economic policy reforms, will trigger production responses by small farmers and an increasing role of the private sector in agricultural processing and marketing. This is a valid proposition. Guinea's largest single problem and need is infrastructure. Weaknesses in infrastructure permeate all aspects of Guinea's development. The possibilities for developmental impact through infrastructural development, however, must be qualified with respect to the order of magnitude of the expected effects.

Guinea has an area of about 95,000 sq. miles, (about 243,000 sq. kms.). The expenditures scheduled in the Public Investment Program for the forthcoming three years are of the order of about \$300 million for all types of infrastructure, (roughly 40% of the PIP total of \$700 million). Relatively modest resources will be thus applied to very large needs, some of them only loosely related to the immediate needs of the agro-industrial sector.

#### 1.1.2 Proposed Concentration on Conakry-Kindia Strip

It is proposed here that private sector development efforts, involving infrastructure and other activities, be concentrated along the Conakry-Kindia road. There is no denying of the long-term validity of the widely recognized arguments in favor of geographical decentralization and of the spreading of benefits among regions. However, in order to give an effective impulse to the growth of private sector, a minimum threshold of infrastructure, (a "critical mass" of improvements), must be reached. In short term, and with modest resources available, that critical minimum can be achieved only by concentrating on Conakry and areas in its proximity.

The corridor of land from Kindia to Conakry offers a miniature version of Guinea's potential as it can be developed by direct projects of the kind the Guinean Government and the bilateral or multilateral donors of economic assistance would like eventually to realize. It is also a fitting subject for studies and training.

Kindia, not distant from Conakry, is an area of high agricultural potential, both for food crops (rice) and export crops (pineapple, citrus). Its important agricultural university, Foulaya, has four U.S. financed research laboratories and in time may become again a site of important direct USAID or other donor-financed projects.

The road from Kindia to Conakry can be thus considered a representative model of the agricultural economy of Guinea: food staples and export crops from the farm flow to the consumer market and to the export facilities (port, airport). In the opposite direction flow agricultural inputs from imports and, (once they will have been born and developed), from local industries. This "microcosm" shows today all the weaknesses of Guinea, as well as its substantial agribusiness potential.

The southern stretch of the Conakry-Kindia Road, say up to the distance of 50 kilometres from Conakry could be prospected for site(s) for future industrial park(s) endowed with appropriate infrastructural amenities to attract investors, local and subsequently foreign. In more distant development, the density of artisanal, manufacturing, material handling and commercial businesses would be likely to attract such business services as accounting, consulting, computer services, etc.

It must be emphasized at this point that no funding of actual projects is as yet suggested regarding the idea under consideration. The approach would be restricted to the preparatory information gathering, business-oriented studies and preliminary designs of such facilities as vocational schools for the skilled and semi-skilled workers expected to be in demand for the industries of the area, industrial parks, etc.

In coming years, this strip of land, of the order of magnitude of some 1,000 sq. miles, or about one percent of the country's area, could become a very important instrument for the Government's and the donors' development policies. It could be looked at as a "THEME STRIP", in which the "theme" is an holistic study and projection, (and later creation), of conditions needed for private-sector growth. The Ministry of Plan, (perhaps through CNPIP), as well as other Guinean agencies, could join with donors in monitoring together the progress in the rehabilitation and development of infrastructure.

Additional details on studies and training related to the Conakry-Kindia "THEME STRIP" are treated under other headings. Some of these studies would be concerned with the labor market, training in skills, etc. Others would be concerned with transport infrastructure, feasibility of private marketing infrastructure, etc.

## 1.2 FACTOR OF PRODUCTION: LABOR

## 1.2.1 Legislative and Administrative Environment

Under this heading, some progress (at least formal) has been achieved. The proposed Labor Code, elaborated with assistance of ILO, is reportedly in very advanced stage on its way to approval. With regard to the substantive question of the impact of the code on private sector, the judgement must be still suspended.

An issue which alarmed some observers of the Guinean scene, (notably the Center for Privatization), is the Presidential Ordonnance no. 70 of March 1986 which states that employers have to report to the Employment Office their needs of personnel and, upon that report, will receive from that office a list of candidates. The text does not explicitly state how the case will be treated when the employer has his own candidate already selected.

A decision to employ a particular person is often based on the employer's judgement of the candidate's competence and may also be based on the subjective feeling of confidence in the candidate's devotion to work and/or morality. A denial of the freedom of choice by the employer is a serious blow to his effectiveness as manager. The point is crucial for enterprises which would be started in the very difficult environment of Guinea.

The issue is of lesser importance in the case of a Guinean employer who, presumably will find a way to convince the Employment Office of the validity of his choice. It may be much more serious in the case of a foreign employer and might open a way to harassment.

We discussed that issue with the Secretary General of the Ministry of Human Resources, Industry and P.M.E. under whose jurisdiction the issue falls. The answer was that the purpose of the Ordonnance no. 70 was not to restrict the freedom of the employer to choose his workers, but to gain statistical information on the labor market, namely the demand for different kinds of skills. An employer can introduce his candidate and have him approved.

At the same time, however, the argument was advanced that there is a need to protect the Guinean worker against the competition of workers from Senegal and other countries. Such protection already exists, because another ordonnance requires a payment of \$300 for each foreign worker, annually.

The above issue merits careful attention, because it may become an irritant and possibly even an instrument of harassment or extortion. Generally, the policy of the Government of Guinea should be to minimize legislation which puts restrictions on the freedom of entrepreneurs to operate their businesses effectively. Investors, especially potential foreign investors, can be expected to react negatively to such restrictions. Of course, Guinean workers must be protected from unreasonable exploitation. First, however, it is necessary to promote investment so that they can have jobs.

### 1.2.2 Quality and Productivity of Labor

The level of skills in the Guinean labor force is very low, as witnessed by the employment of workers from other African countries even for fairly simple jobs above the absolutely basic unskilled level. This fact will have a negative impact on the labor-productivity in, and the competitiveness of, future processing, manufacturing and marketing enterprises.

The only solution is a long-range one: literacy, numeracy, general training in life skills, vocational training and on-the-job training.

In the coming years the support of USAID and other donors can be well utilized in short-term projects of information-gathering and studies preparatory to future long-term projects in manpower development, especially to supply the needs of the developing private sector.

Probably the most valuable short-term projects in this domain would be, in the first place, censuses/estimates of the current supply and demand of semi-skilled and skilled manpower in the Conakry-Kindia strip which was proposed earlier in this paper as a "Theme Strip", a microcosm model of the potential agribusiness economy of Guinea. This data should serve for alternative projection models. In turn, the projection models would be raw material for discussions with business circles of the region how a vocational-training program could be developed and financed.

As noted elsewhere, some of the studies could be contracted out to budding consulting firms which procedure could be made possible by BARAF loans, (this of course on the assumption that there will be enough competent would-be consultants among BARAF's clients).

### 1.3 FACTOR OF PRODUCTION: CAPITAL

#### 1.3.1 Real vs. Perceived Shortage of Investment Capital

To some extent, the perceived insufficiency of private capital and of long-term credit for new private-sector enterprises is as much the cause as the effect of the quantitative and qualitative weakness of the private enterprise in Guinea. While we should guard ourselves against simplistic exaggerations, there is no doubt that the informal commercial sector, as well as the clandestine sector of diamond and gold contraband hold substantial capital reserves. Some of these reserves flow into residential construction, undoubtedly a highly desirable activity but also the most conservative among free-market enterprises. There is still an hesitant attitude regarding industry-oriented ventures.

Once investment in modern-style production, processing and marketing offers sufficient attractions of potential profits and security, and once the barrier of timidity caused by the prevailing lack of management skills and habits is broken, one may expect that significant sources of private venture capital will open up.

#### 1.3.2 Financial Vehicles for Investment Capital

The private sector needs not only more capital, but also better instruments for collection and channeling of whatever capital may be available. The Government must give serious consideration to a number of financial formulae and commission the necessary studies and discussions. The following possibilities merit special attention.

1.3.2.1. Various imaginative variations of medium-term certificates of deposit have been suggested to attract private money to banks and reward the depositors by a privileged treatment if they subsequently submit requests for loans for investment purposes.

1.3.2.2. "Société(s) de Caution Mutuelle". This vehicle of capital formation has been widely discussed in Guinea, as well as in other West African countries. It has been put in practice in Ivory Coast, with reportedly a positive result. The formula, if it could be successfully applied in Guinea, would be an even greater help to this country than to other areas which are relatively better-off.

The importance of the "caution mutuelle" resides in the fact that almost in every case a certain minimum level of equity is demanded from a long-term borrower. The same is true with regards to the privileges of the Investment Code. That minimum level, (e.g. for small enterprises wishing to benefit from the Investment Code - 20%), is according to many observers prohibitive for a great number of deserving small prospective

entrepreneurs. The existence of a well functioning "Fonds de Caution Mutuelle", (probably with support of some donors and under the active sponsorship of one or more local banks), would open the road to entrepreneurship for a great number of people, some of them well qualified.

1.3.2.3 Credit unions. This vehicle for medium- and long-term capital accumulation and channeling is, of course, widely recognized as a means of mobilisation of savings and source of credit for very small businesses which constitute a breeding ground for future small and medium units. In this respect, the positive experience of Cameroun could serve as a model and, possibly, could provide a vehicle for training.

1.3.2.4 Debt-Equity Swaps. This is another device for generating capital inflows into developing countries where there are major assets which have, of necessity, been written down by the banks holding loans on them. The mechanism need not be explained here, but it has proved to be very effective in generating capital inflows in numerous developing countries and should be studied and, ultimately, promoted by Guinea.

#### 1.4 FACTOR OF PRODUCTION: ENTREPRENEURIAL AND MANAGERIAL PSYCHOLOGY

In countries which like Guinea are emerging from a prolonged period of statism during which the private sector was severely restricted, the upper echelons of the Government and civil service, while they sincerely desire to stimulate the emergence of a healthy private sector, are in danger of succumbing to a serious fallacy. That fallacy consist in equating the undeniable lack of management skills in the private sector with a lack of entrepreneurial spirit.

The result is an attitude of paternalism. It is presumed that the private entrepreneur needs to be guided towards the opportunities of which he would have remained ignorant until they were discovered for him by Government studies.

In reality, what the private sector needs is not the guidance by civil servants, but (1) **freedom to operate with a minimum of restrictions** and (2) the facilities for a **continuing training in managerial skills**, beginning with the basic disciplines of accounting and up to more and more sophisticated skills of financial planning, market forecasting, etc. Also very important is the acquisition of knowledge of legal concepts which had been neglected or abolished during the years of economic statism.

The standard tools of such training include discussion seminars for owners and/or high-level executives, scholarships and internships for promising junior executives, observation tours in other countries, (e.g. Ivory Coast), visits by foreign specialists, etc. Resident representatives of foreign and international organizations could be recruited, (and would find it very hard to refuse!), to give special seminars, participate in round-table forums, etc. The recently constituted association of banks would be a resource of great interest.

One special point merits to be underlined: while the cost of training events, (sometimes very considerable, especially when foreign travel is involved), is a worthy subject of subsidies by the Government and member institutions of the development community, the prospective beneficiaries, (i.e. business firms and their executives), should **participate in the cost**, (even though at a very modest rate), from the very beginning.

Not to require such participation, would violate the very first principle of entrepreneurial common sense, namely that no improvement can be obtained without effort and cost. A neglect of that principle would vitiate the future relationships with the beneficiaries and would deprive them of some part of the feeling of their dignity as businessmen and risk takers.

## 2. REGULATORY FRAMEWORK

A desirable regulatory framework for the free-enterprise system can be characterized by the following features:

- i. Freedom of activity: "all is allowed what is not forbidden" and not vice versa!
- ii. no arbitrary restraints: clear rules and due process
- iii. simplified procedures
- iv. no undue delays

Numerous friendly observers have called attention to the lack in Guinea of a clear body of laws and regulations which would guide, on the one hand the private businessman in the exercise of his endeavors, and on the other hand, the Government in its regulatory functions. This situation is, of course, a part of the heritage from the previous regime. Assistance in the preparation of new legislation is being provided by several international organizations. A brief survey of the scene indicates that as of mid-June 1987 substantial progress has been achieved. The following are the major examples.

### 2.1 Commercial Code

That important piece of legislation has been completed, with intensive technical assistance of an UNDP/UNCTAD specialist, and at the time of this writing awaits the signature of the President. One of the critical issues in that domain has been whether free exercise of business is a **right**, requiring only an automatic registration, or a **privilege** which could be granted or refused by the state authority. Till now, the latter has been the case: a new enterprise, of the size surpassing a certain minimum, requires an approval, ("agrement"). Objections can be raised by many ministries, for unfounded, as well as well founded, reasons.

The new Commercial Code does away with the arbitrary general "agrement" and, instead, introduces what is believed to be objective technical criteria. Once these criteria are satisfied, the approval of the enterprise is automatic. There is no question that the spirit of the new law is to eliminate arbitrariness. Its application should be now watched to see whether that objective is being achieved, as well as whether there is a simplification and speeding up of procedures. Generally, the simplest possible procedures should be introduced, to make registration by entrepreneurs of their enterprises as fast and easy as possible. After all, the objective of the Government is to encourage businesses to get started, not to put obstacles in their way. If it becomes necessary to deal with abuses, this can be done when specific abuses occur.

## 2.2 Land Property Legislation

Guinea does not have a modern system of land and property rights legislation. The absence of such legislation and of titles to land which would make it possible to establish mortgages has been considered as a major obstacle to long-term credit. While certain legal devices are used as substitutes for mortgages and allow banks to extend long-term credit in certain situations, the need for appropriate legislation is very acute. At present, the World Bank is sponsoring the work on urban property code ("legislation fonciere urbaine"). It seems that no organization is sponsoring work on rural land property. The Government should consider this a priority area and seek donor assistance to develop the necessary legislation.

## 2.3 Other Elements of the Regulatory Framework

There are others areas of legislation which require modernization in order to achieve a favorable investment climate. The World Bank is either directly sponsoring or supporting the work on several other pieces of legislation, namely a code of credit conditions, fiscal code, etc.

An innovative project, now being prepared by the World Bank, will create a technical assistance unit for legal expertise. For example, if a need arises to specify a set of technical criteria, such as those foreseen by the Commercial Code (see above), for a new industry not yet represented in Guinea, the World Bank's legal expert assistance will help in formulating appropriate texts.

## 2.4 General Comments on the Legislative Framework

It is encouraging to see that serious work has already been done and continues on various important chapters of the legal system. One question should be asked in each case, namely: "Is the new legislation sufficiently simple so that it will serve, rather than shackle, the nascent private sector?"

The answer to that question ought to be searched for through a continuing dialog between the ministries and private sector. This dialogue must be promoted through some designated investment promotion institution.

### 3. INCENTIVES

The Investment Code of January 1987 has been hailed as a step in right direction and, at the same time, criticized for a lack of precision regarding some important safeguards for the investor and for being less generous than codes of some other African nations. The "spirit" or implied attitude toward the investor, reflected in the language used, has also been criticized, especially by foreign investors considering projects in Guinea. Still other commentators believe that in the present, still very fluid situation, what really counts is the spirit in which the Code will be applied. One also often hears that an investor of substantial size will be able to obtain better conditions than those provided by the Code.

It is fitting to make here a general observation which applies to the new Investment Code, as well as to other pieces of legislation referred to in this paper. Guinea emerged from the period of lawlessness and arbitrary preponderancy of the State without a body of laws which would regulate some of the most elementary situations of a modern free-enterprise economy. It is, therefore, fully understandable that a number of basic legal pieces must be prepared in as short a delay as possible. A luxury of protracted discussion and of refined analysis cannot be afforded for at the moment.

It is, however, equally understandable that the current rush of legislation, necessary as it is, is only a phase in Guinea's legal history. In the next phase, the effects of the legislation must be evaluated and those who are affected by it must have their chance to propose changes and amendments.

The new Investment Code, like any other piece of legislation, should be looked at as a tool designed for certain purposes and not a monument destined to last forever. Like other laws designed to help the growth of private economy, (such as Commercial Code, Urban Property Code, etc., etc., mentioned in the preceding text), it should be among the subjects of a continuing dialog between the Government and Private Sector.

### 4. ELIMINATION OF IRRITANTS

The hospitality and kindness of most Guineans is known and appreciated by their foreign friends. There are, however, certain phenomena of occasional occurrence which make life unpleasant for both Guineans and visitors and dampen the potential enthusiasm for the country's business prospects.

One hears from time to time stories of harassment of businesses and of extortion, petty or serious. The experience of passing through the Conakry airport raises doubts in the mind of an experienced businessman whether he will be able to operate effectively and without petty problems.

Any organization involved in business promotion in Guinea ought to include the elimination of these irritants in the agenda of its dialog with the Government. An improvement in this sphere would help not only to promote business but also to improve the quality of life in this country.

## 5. SUPPORT SERVICES FOR THE CREATION AND CONDUCT OF BUSINESS ENTERPRISES

### 5.1 Types of Support Needed

Judging from conversations in mid-June 1987, the support for the creation and operations of new businesses has been recognized as an important function of both the Government and the semi-independent Chamber of Commerce. Support services can be provided by Government or Government-supported entities, and by private entities, such as consulting firms, engineering firms or law firms, which provide support as a business. Although we believe there will always be a need for public support entities in Guinea, as there is in virtually all private sector oriented countries, the more such services can be taken over by the private sector, in time, the better. Indeed, one of the roles of the public support and promotion entities is to assist the development of such private support entities.

While it cannot be denied that the rate of progress is slow, it is encouraging to see that the need for support services is fully recognized, in spite of unfortunate jurisdictional disputes. Whatever the outcome of the jurisdictional disputes, it is very desirable that the unit, or units, which will emerge as provider(s) of support services for private sector enjoy, in turn, the support of bilateral and multilateral donors.

While the present paper is not an appropriate place to discuss the minutiae of the assistance to local business-support bodies, it will be not out of place to hint at the kind of support a prospective business entrepreneur will find helpful. He will appreciate having access to all relevant statistics, (production, sales, imports, population), assembled in one place, with someone who could help him in the interpretation. Equally he will find helpful to have indicated to him all the legal steps required for starting a business. He will wish to know the basic rules of taxation and of labor relations, (hiring, firing, minimum wage, vacation, etc.). He will appreciate any scrap of information on the substantive aspects of his planned business: technical texts, supplier- and buyer directories, etc.

Other information of importance for feasibility considerations will include cost of power, port charges, local truck charges and similar.

The prospective businessman may and probably will need bona-fide disinterested guidance in approaching various government offices. The business support unit ought to be able to introduce him to appropriate personnel, thus saving him much time and frustrations. In addition, with international communications to and from Guinea so difficult, assistance is often needed and can, and should, be provided by a support entity.

Further, it is clear that the private sector needs an advocate in Guinea. This refers both to the private sector as a whole, and individual entrepreneurs facing specific difficulties in implementing their projects. In absence of a strong private advocacy group, such as an association of manufacturers, the role must fall to the support entity, at least in part. With respect to the sector as a whole, advocacy involves encouraging the Government to make improvements in the investment climate, of the kinds discussed under other heading above. With respect to individual private entrepreneurs, advocacy can involve assistance with a wide range of problems, such as obtaining approvals or individually important relief from onerous regulation.

Support given to the **local** enterprise is at the same time a most valuable contribution to the promotion of opportunities in Guinea for **foreign** investors. There are some extremely cogent reasons for that fact :

- A foreign investment, except for an enclave type of operation, will in most cases need to establish various forward and backward linkages, (if in nothing else, then at least in maintenance and repairs). A well functioning local private sector will make these linkages easy to establish and cost-effective to use.
- A well functioning local sector constitutes an attractive source of potential joint venturers.
- A psychological attitude of respect and helpfulness for the bonafide businessman and entrepreneur should not be graded by nationality. A foreign visiting businessman may be flattered and lionized by official promotion officials, but if he has any experience, he will ask local business people what kind of deal they are getting in their daily work.
- The **foreign businessman** will have certain **special needs** and will appreciate it if he finds personnel which can help in translating and interpreting, in the conversion of weights and measures, in the exchange rates of various currencies, etc. Such support will do very much to make a foreign businessman feel comfortable in an unfamiliar economic environment.

Moreover, familiarity with major international economic issues, ability to see and sympathize with current economic problems in the foreign's - all these acts of empathy and sensitivity are part of promotion of Guinean opportunities among foreign investors. After all, the foreign investor does not come to oblige Guineans but to make money for himself.

- The techniques of business support are diverse, often very sophisticated and, as in any serious discipline, they require training and experience. It is enough to mention search for relevant statistics and descriptive materials,

documentation on the legal framework and business customs, skills of public relations and effective presentation - to realize how much work ahead remains to be done to make the Guinean promotion of business opportunities fully effective. No better way to acquire the needed skills than by learning and perfecting them through their use in favor of the nascent local private sector.

N.O.T.E: The need for easier access to public documents, legislation, statistics, etc. was stressed in the report of Center for Privatization, A Review of Privatization in the Republic of Guinea, Oct. 31, 1986, prepared for AID, Bureau for Private Enterprise, (pp. 14, 35 and others). In this regard, the recently established CNPIP documentation room, if energetically managed, may become a real help to promoters and entrepreneurs).

## 5.2 Support Service Organizations in Guinea

Guinea is fortunate to have already established several, actually four, entities to provide support and assistance to the private sector. Although there is the view that this is too many, and that there are problems of overlap and "double emploi" among them, this is not necessarily the case. The four entities, with a brief summary of their responsibilities, are the following:

(i) La Commission Nationale des Investissements: Established by Ordinance No. 240 Of October 3, 1984, was established essentially to manage the operations of the Investment Code, including development of regulations, approval of applicants and control of performance under the code. The ordinance stipulates, as well, certain coordinating functions.

(ii.) L'Office National de Promotion des Petites et Moyenne Entreprises (PME) established by Ordinance No. 077 of March 27, 1985. The responsibilities of PME cover a wide range of activities in the promotion and control of small Guinean enterprises.

(iii.) La Chambre de Commerce, d'Agriculture et D'Industries, established by Ordinance No. 97 of April 22, 1985, is a Government supported, semi private chamber of Commerce charged with a variety of responsibilities in support of private business in Guinea.

(iv.) Le Centre National de Promotion des Investissements Prives (CNPIP), established by Ordinance No. 28 of January 2, 1985, was established to assist in the promotion of larger scale private investment projects, especially involving foreign investors. In the major two sections which follow, we provide a much more detailed discussion of the role and operations of CNPIP. The point here is that support organizations, like the four mentioned, are important elements in the Government's policy of promoting and developing the private sector.

## B. MANDATE, ORGANIZATION AND PROGRAMMATIC STRATEGY OF CNPIP

CNPiP was established in January, 1985, as a successor to ONFAI, and as the Government's entity to promote foreign investment in Guinea. A copy of the ordinance establishing CNPIP is included in the annex to this memorandum.

CNPiP has operated for two and one half years under that ordinance. Experience during that period has shown that (1) many of the provisions were not followed and (2) some changes are needed to make the role of CNPIP clearer and more in tune with current requirements and policy. This document suggests a redefinition of the **mandate of CNPIP** as a part of the whole group of institutions the combined mission of which is to stimulate and encourage the development of a healthy private sector in Guinea.

### 1. THE MANDATE OF CNPIP

A private enterprise, be it a physical or legal person, has two kinds of needs:

- o Needs of the **general** nature, related to the existence of conditions needed for an effective economic performance.

Here are included facilities for acquiring management skills, existence of, and access to, relevant information; the legal and the regulatory or administrative framework in which the enterprise operates and the mechanisms to modify that framework so that it may better serve the growth of private enterprise; financial policies of the Government and activities of financial institutions.

- o Needs of the **specific** nature related to specific objectives of a particular enterprise.

Here belong the business plan of the enterprise, its soundness as determined by a feasibility study, its financial needs and its assistance in obtaining funding from financial institutions. Further, during the life of a particular enterprise, need may arise for specific consulting or remedial actions.

It is suggested that the functions of support of a **general** nature for business enterprises in Guinea, as described above, would continue to be entrusted to CNPIP.

This support of a **specific** nature, particularly for small and medium enterprises, would continued to be entrusted to the Ministry of Human Resources and Industrial Development **PME**.

These respective mandates are made complete by two additional provisions:

Firstly, CNPIP will continue to be called upon to help in specific needs of enterprises whose size exceeds the "small and medium".

Secondly, whenever promotion is likely to be cost/effective, CNPIP will promote abroad opportunities in Guinea and will provide general support and hospitality for visiting foreign business people.

## 2. LEGAL STATUS AND ORGANIZATION OF CNPIP

CNPIP will continue to be an autonomous public unit, headed by a Director General reporting to the Minister of Plan.

The policies of CNPIP will be proposed by the Director General after discussion with the Executive Committee of the Advisory Council. To the extent possible, the membership on the Advisory Council will be broadened to include the following persons and organizations:

- \* Ministers or their representatives, as at present.
- \* Resident representatives of, or, if there are no resident representatives in Guinea, persons named by the headquarters of, the World Bank, International Finance Corporation, African Development Bank and other such institutions as at present or to be added.
- \* Commercial attaches and delegates of assistance organizations of the principal donor nations and trading partners of Guinea.
- \* Representatives of the Chamber of Commerce, Agricultural and Industry, of the Association of Banks in Guinea, of PME and of recognized private sector associations.
- \* Others as proposed to the Minister of Plan by the Director General of CNPIP.

By-Laws of CNPIP will determine the manner of formation of the Executive Committee of the Advisory Council. The Committee is expected to be a relatively small body, with no more than nine persons, with effective interest in CNPIP's activities and capable of prompt action in their support.

It is hoped that the diversified membership of the Advisory Council and its Executive Committee will assure that the viewpoints of business people and potential investors from as many countries as possible will be adequately represented and given due hearing.

It may also be expected that, while the initial funding assistance for programs of CNPIP is and will be provided by USAID, other

other donors will gradually join, so as to buttress the truly international character of the institution.

The organizational structure of CNPIP, to be designed in detail in subsequent documents and plans, will aim at economy and cost/effective use of high level technical talent. It should be based on the concept of a small number of hard working professional people, supported when needed by contracted talent. There should be no tendency to develop extensive and costly in-house capabilities with heavy overhead costs and with no full time demand for their services.

The building which houses CNPIP and the guest house accommodations constitute valuable assets and will prove of great use in future expanding activities of CNPIP involving meetings, seminars etc.

### 3. PROGRAMMATIC STRATEGY OF CNPIP

As was emphasized during a recent meeting with the Minister of Plan, CNPIP does not and should not claim that its role is to direct investments of private sector entrepreneurs into specific industries. CNPIP's concept of the private sector recognizes that that sector has great reserves of talent and intelligence and is perfectly capable of tracing its own course and choosing from among suggestions which CNPIP's research and analysis can provide for entrepreneurs.

What the private sector expects, above all, from an organization like CNPIP is support and assistance in acquiring management skills, in the search for relevant information on markets and technology, in maintaining data bases of general business usefulness. Another means of support which private sector expects from CNPIP is that of opening channels of communication between the business and the Government, of maintaining a dialog with the Government how to improve the legislation relevant to investment and to the conduct of business. Finally, the investor and the business person need an organization which would undertake a strong and effective advocacy in favor of creating conditions in which business may be executed without obstructions and delays caused by a redundant or malicious bureaucracy and red tape. This kind of assistance is needed by the private sector not only in Guinea, but in every country, including the most developed ones.

In line with the above stated concept of the close relationship between CNPIP and vital interests of private sector, the

programmatic activities of CNPIP fall under the following major headings:

### 3.1 Development of Management Skills

Activities to help Guinean businesspeople to improve their management capabilities and enrich their concepts. Principal vehicles under this heading are these:

- \* Technical seminars and workshops of the type similar to those organized by professional-improvement organizations in numerous industrialized countries
- \* Discussion seminars with
  - local talent and resident foreign experts
  - visitors from abroad
- \* Observation and study tours in such countries as Ivory Coast, Cameroun, and if judged cost/effective, on other continents
- \* Placing promising junior executives as short- or long-term interns (stagers) in business enterprises recognized for the quality of their management
  - in Guinea
  - abroad
- \* Scholarships for study at appropriate schools

### 3.2 Information and Documentation Service

Besides an adequate library of basic statistical, legislative, technical and reference materials, on which CNPIP has already made a good beginning, CNPIP will continue to train its documentalists in an extensive familiarity with existing sources of information, so a business person in need of information can be promptly and effectively directed to an appropriate source. It has been most encouraging recently to see that this service is already given to many visitors and has already gained expressions of appreciation.

### 3.3 Business-oriented Studies and Filling of Information Gaps

There is a great need for additional information on many important aspects of the Guinean economy, such as for example, wholesale- and retail distribution channels and price-structure of products which pass through these channels; prices of important industrial and transportation inputs; statistics and analysis of the supply of, and demand for, skilled and semi-skilled manpower; data on vocational schools and their coordination with the actual needs of industry, and a variety of other subjects, some of which can be understood and planned for in advance, and others which arise over time.

CNFIP will intensify its interest in the identification of specific needs for such studies and will arrange for carrying them out as needed and as resources are available. They will be done through a combination of reliance on technical assistance personnel working with CNFIP personnel, locally contracted Guinean specialists and others. It should be, however, emphasized that CNFIP should not expect to have a monopoly on donor funds available for the management of such studies. It will have to compete with other potential executing agents, both with respect to cost and quality of performance.

### 3.4 On-going Dialog of Business with the Government

Guinea is now engaged in a reconstruction of its legal and regulatory system in all domains which impinge on existing business, as well as on investment in new enterprises. This is a vital, and delicate process. No matter how benevolent the intention of the Government, there will always arise cases of ambiguity of the laws and regulations, and cases in which the original benevolent intention of the government became vitiated in implementation of those laws and regulations. A legal system is a living system and must continuously adapt to the changing modes of economic life. This is especially true for the economy of Guinea which hopefully will continue change profoundly and rapidly.

An extremely important function of CNFIP is to establish and continue a **Business-Government Roundtable** which will serve as a mechanism for an on-going dialog the aims of which will be these:

- to evaluate the working of the legislation as it affects the investment climate
- to give the private sector a chance to explain its position regarding the present and future legislation
- to give the Government a chance to explain to the private sector the rationale behind various legislative programs
- more generally, to open a channel for discussion of many issues of interest to both sides, which are bound to arise especially if the economy grows vigorously

### 3.5 Foreign Promotion Activities

A realistic appraisal of the immediate prospects indicates that, at present, more cost/effective results will be obtained from the work in Guinea on the improvement of the investment climate, as well as from the rehabilitation and extension of the infrastructure, than from a heavy pre-mature spending on foreign investment promotion abroad. However, a number of activities can well continue, for the direct benefit and as worthwhile

preparation for the time when a full-scale promotion effort becomes justified. Among these activities, some of which have already been initiated by CNPIF, the following deserve to be carried on and further developed:

- \* publicity materials for media and for distribution by Guinean representatives abroad, describing how Guinea helps its local businesspeople to re-start the economy
- \* description of successful Guinean businesspeople and their ventures
- \* explanation for foreign business and legal groups of the application of Guinean legislation

### 3.6 Technical Services for Foreign Visitors

Here belong some basic services which are likely to be appreciated by any foreign business person. Even if the business person is not an immediate prospective investor, these services, (which should be free of charge in most cases), are an excellent means of publicity for CNPIF, as the experience to date has already shown. At the same time, they provide excellent training and experience for the staff. This experience will have proved to have been of great value when the services can be extended, on a larger scale than now, to actual investors.

The simple repertory of the most appreciated services are the help in finding interpreters, translators and typists; arrangements for out-of-town transportation; conversion of weights and measures and conversion of currency values; advice on sources of information; introduction to relevant persons in the business world and in public administration.

Even now, many people in business and public administration know of CNPIF's capability to render this kind of service. It would be good to make them even better known by circular letters to foreign commercial attaches in Conakry; the Conakry branch of Rotary and similar clubs which have contacts with visiting business people; to major organizations abroad such as the International Chamber of Commerce in Paris, the French Chamber of Commerce, the U.S. Chamber of Commerce, OPIC and Guinea's embassies in key countries.

## C. OUTLINE OF A WORK PLAN

### 1. General

The work of CNPIP involves, in the next two years, the initiation of diverse techniques of providing services to the private sector. "Initiation". in spite of the fact that CNPIP has been providing certain rudimentary services for the past two years. With no professional staff, little real service has been possible. The initiation will in almost every case be followed by incremental improvements and adaptations of these services to the changing conditions and needs of clients. Parallel to the process of services rendered to the private sector will be the process of internal training and improvement of the personnel of CNPIP.

The plan of work of CNPIP must, therefore, extend over a relatively long period, in order to provide for the dynamics of a staggered introduction of various services and of cycles of improvements in the performance of these services. The plan will include frequent evaluations, to stimulate the effort and to allow for modifications and corrections when needed.

Accordingly, it is proposed that CNPIP's next plan of work have a horizon of five years. Within that five-year horizon, we will distinguish the first two years from the remaining three years.

The next two years will start with the tasks of internal organization, establishment of the Advisory Council and its Executive Committee, more developed contacts with other organizations, potential donors and - a task of great importance - establishment of close, friendly relations with private sector leaders, both traditional and new. Also, as soon as a staff is on board, a program of training for CNPIP staff will be initiated.

As soon as the new internal organization is in place and the personnel shows the effects of training, the phasing-in of various programs described below will begin and will continue until gradually all the proposed program are in implementation.

It does not appear feasible for an undertaking with so many complex functions to reach its "cruising speed" in a shorter period of time, without sacrificing the quality of performance. Regarding some of the functions of CNPIP, e.g. assistance to visiting foreign business people, or roundtables with local private sector, low-quality performance is worse than no performance at all.

The remaining three years will see a continuation of the services initiated in the previous period, a continuing internal evaluation and feedback of lessons learned into the system. We can plausibly hope that in the coming years Guinean private sector will grow, gain in vitality and sophistication. This will introduce another dynamic factor into CNPIP's mandate: the need to be able to offer more and more sophisticated services to its clientele.

Within the timeframe discussed above, we should like to suggest the following outline of a plan of work for the first two years. That plan treats first, the organizational aspects. In the second place are treated various aspects of CNFIP programmatic strategy indicated in section A. above.

## 2. PLAN OF WORK FOR ORGANIZATIONAL ASPECTS

The work plan for the steps required to complete the organization of CNFIP can be summarized as follows.

### 2.1 Establishment of Basic Organization

Broadening of the Advisory Council and establishment of its Executive Committee.

Creation of a committee for the selection of personnel (The committee will include the Director of CNFIP, persons appointed by the Minister of Plan and by the Director of USAID and other donors, and the long-term Consultant of CNFIP.)

### 2.2 Organization chart and personnel

This includes the following:

- job descriptions
- salary scales
- recruitment

### NOTE ON ORGANIZATION CHART AND PERSONNEL

During a recent discussion of the above matters with a specialist from REDSO, it was made abundantly clear that, if CNFIP is to gain acceptance as a cost effective organization, it must avoid a rigid structure, with many functions separated on an overgrown organization chart. It should rather, ideally, consist in a small group of technical personnel, selected for their high qualifications, with no rigid division of permanent functions, but rather with a willingness to undertake, at a short notice, any of the many tasks involved in CNFIP programs.

That system of work is especially to be recommended during the next two years of activities, when various lines of action will have to be introduced for the first time to new professional staff members. A rigid system of separate divisions and sub-divisions of functions would run a risk of keeping the rare and difficult-to-find talent underemployed and of inflating the cost of running the organization.

An important principle to be observed in that flexible system of assignment of tasks among the technical personnel, is the principle of clear definition of responsibility among the members of each work team. We recognize that this approach, based on ad hoc assignments and flexibility puts considerable strain on the leadership, and is difficult to apply in bureaucratic organizations. However, when it is applied, it is usually effective. And there are reasons to strive to make CNPIF as unbureaucratic as possible.

Also, with respect to the administrative personnel, a determined effort should be made to keep its number small. In this case, however, the substitutability among personnel is limited.

2.2 Establishment of rules and responsibilities for the management of physical assets.

2.3 Establishment of procedures for budget and accounting. It should be noted that Chemonics assisted in the preparation of a computerized accounting system for CNPIF in 1986. This has not been used since the departure of the advisor who prepared it, but remains available for use when the appropriate personnel are hired.

2.4 Preparation of Quarterly and Monthly Work Plans.

2.5 Preparation of Detailed Budget.

#### NOTE ON THE BUDGETARY PROCESS OF CNPIF

Hopefully CNPIF will eventually have several donors. Its budgetary procedures will be adapted to that situation. Without entering into details, it is enough to indicate here that, before submitting the budget for the approval of the tutelary ministry, the Minister of Plan, the projected receipts and the proposed expenditures will need an approval of the donors, all of which will be represented on the Executive Committee.

The procedures to be elaborated will make it possible for particular donors to earmark their contributions for specific uses which they can determine. Further, the accounting system must be sufficiently sophisticated to manage funds from multiple sources and to report on expenditures in such a way as to reassure donors that their contributions are spent for the agreed upon purposes.

Although there should be no attempt to make CNPIF financially self sufficient through income generating activities, since this is not feasible given CNPIF's scope of work, certain income producing activities can and should be carried out. These will (1) tend to render certain of CNPIF's services more valuable to the recipients and (2) reduce the budgetary burden on the Government and the donors.

### 3. PLAN OF WORK FOR PROGRAMMATIC ASPECTS

#### 3.1 Development of Management Skills

3.1.1 CNPIP will commission a simple questionnaire-survey among a representative sample of local businessmen to learn which management skills are considered as most urgently needed, what training methods are most convenient to active executives, and how much cost would they be willing to share.

3.1.2 A committee on management training will be formed within the Advisory Council and the results of the above survey will be analysed by the Committee, CNPIP technicians and, if needed, consultants, in order to arrive at estimates of the size of the potential clientel, and to identify and prioritize the perceived needs.

3.1.3 Using the advise of the Advisory Council and, if necessary, of consultants, CNPIP's technicians will prepare:

- (a) a program and time frame of events and activities for the development of management skills.
- (b) a schedule of required personnel and logistics
- (c) estimate of the budget of proposed activities, with alternatives for various levels of availability of funds.

3.1.4 The program of activities which will be approved as a result of the budgetary process will now enter into execution. Since many functions of this program are expected to be executed or assisted by contractors, expatriate and local, CNPIP will establish a regular schedule of follow up, feed back of lessons learned and internal evaluation. The result of this schedule will be regularly communicated to the tutelary minister (the Minister of Plan), to the donors and to the Executive Committee.

#### 3.2 Information and Documentation Service

As explained above, the ambition of CNPIP will not be to create a great collection of materials, but rather to have a solid, basic collection of the documents really needed by the staff and potential investors, and to develop the skills of its information specialist(s) as effective researchers who can promptly tell a business person where a needed information, (statistics, legal text, etc.), can be found, help in locating the item, advise who can help to interpret it and perform similar services with full competence.

Accordingly, the budgetary needs of this service should be modest and the substantive work can continue as it has

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been for the past two years, hopefully with a bit more initiative on the part of the personnel than has been displayed in the past. An initial step, not yet undertaken, will be a tour of familiarization visits with all relevant institutions at Conakry, in an effort to improve relationships between the CNPIF library and sources of data. The following will be collected:

- i. copies of principal pieces of legislation relevant to investment and business activities
- ii listing of legislation and regulations currently in elaboration (by whom, where)
- iii. Listing of or copies of principal statistical series and of the agencies which prepare them

The above copies should be obtained and initially circulated to the senior staff before entering the collection, and the listings ought to be regularly updated and circulated among agencies and associations likely to be interested in them. (It would be a good publicity to make both copies and listings available to all commercial attaches stationed in Conakry, as well as to Guinean embassies, consulates, etc. abroad).

### 3.3 Filling the Gaps in Important Information, and Business-Oriented Studies

The procedures used to develop activities under this heading will be similar to those recommended above in section I "Development of Management Skills".

3.3.1 A committee on research will be created within the Advisory Council which, together with CNPIF, will determine a program of research priorities.

3.3.2 With advice of export members of the Advisory Council and consultants, CNPIF will prepare the following:

- a. a program, and time frame, of proposed research.
- b. a schedule of required personnel and logistics
- c. budget estimates for alternative levels of effort

3.3.3 After the budgetary decisions, the program will enter its execution, with the process of follow up, feedback, and evaluation carried on in a manner similar to that described above.

CNPIF will not create a permanent in-house capacity for specialized studies. Rather, the technical personnel of CNPIF will be helping to define the need for particular studies and their basic design, and will participate in the execution of studies as their time permits and their capabilities indicate.

The studies would be entrusted to contracted consultants and an exceptional effort would be made to find qualified Guinean consultants.

### 3.4 Ongoing Dialog Between the Business Sector and the Government

These activities will be relatively less demanding from the point of view of money expenditures than from that of human relations skills of the personnel of CNPIP. Also, a great deal of collaboration will be necessary from the Ministry of Plan and from members of the Advisory Council.

During the next twenty-four months, the following steps will be taken:

3.4.1 CNPIP will prepare a brochure describing its proposed activities, especially those aiming at the establishment of a close, friendly and supportive relationship with private sector and those involving sponsoring dialog between the private sector and the Government. The brochure will be sent to the Chamber of Commerce and executives of large firms in Guinea. Note that CNPIP has a brochure but it is aimed almost exclusively at its foreign investment promotion activities, so another brochure will be needed for this purpose.

3.4.2 CNPIP will organize several conferences on the subject of legislation affecting private sector. At these meetings, personnel who were or still are engaged in the preparation of laws and regulations affecting the development of private sector will discuss with private businessmen such topics as:

- the spirit and purpose of laws and regulations as envisaged by those preparing them;
- the impact, (positive or negative), as perceived by business persons;
- ideas for the future, etc.

CNPIP will produce reports of these conferences and will work for a follow-up on a high level in the agencies responsible for the preparation and/or application of the laws and regulations in question.

3.4.3 Another cycle of conferences on the subject of laws and regulations will be organized for commercial attaches and equivalent personnel of foreign embassies. Parallel to the above described conferences with the Guinean private sector, (3.4.2 above), these meetings will serve to discuss the impact of various measures on foreign business people and ways to facilitate their operations.

The role of CNPIP in organizing the above outlined dialog between the Government and private sector will be difficult. CNPIP's task will be to prevent an adversarial relationship from developing at these occasions and to foster a spirit of mutual trust.

### 3.5. Foreign Promotion Activities

During the next two years of CNPIP's operations, too much concentration on these activities would not be cost-effective. The reason is that, at present, the country does not yet offer great attractions to foreign investors, neither as a consumer market, nor as a reservoir of inexpensive and productive manpower which, on the condition of being supported by an adequate infrastructure, could warrant the establishment of off-shore industries by foreign manufacturers. The class of opportunities which, at present, offers most hope is in the production for export of tropical fruits and other plant products. However, many of these opportunities must await an improvement in infrastructure and additional progress in the reform of the legal and regulatory framework. Some projects can, we believe, go ahead under present conditions if a major effort is made.

As a consequence, these activities under the heading of foreign promotion should avoid the heavy expense by extensive foreign travel. They should mainly consists in what can be done in Conakry, working with Guinean embassies abroad in conjunction with participating entities in foreign countries such as the Chamber of Commerce and Industries in Paris or consulting firms and OFIC in the United States.

5.1 CNPIP will assure for itself availability of translation service in principal foreign languages. (Note: until the volume of work warrants it, the availability does not imply an expensive in-house capacity but rather contractual arrangements.)

5.2 CNPIP will initiate a continuing program of foreign language training for its staff.

5.3 A multilingual investors guide will be prepared for distribution at relevant institutions abroad, and in Guinea. This guide will describe how the Government of Guinea is promoting local private sector investment and how the legislation is applied in the case of foreign investors. The guide will also provide such basic information as principal taxes, cost of main production inputs (minimum wages, cost of electricity and fuel.)

5.4 In order to improve the quality of the staff's performance in promoting investment, CNPIP will send its senior personnel on visits to successful investment promotion agencies in other countries, especially in Africa. In addition, an effort, already underway, to collect information about such entities world wide will be accelerated, and, where feasible, contact will be opened up with such agencies.

5.5 As a means of financing some of these promotional activities, CNFIP will explore with the Ministry of Plan and the Advisory Council the possibility of establishing a Government of Guinea fund for such promotional activity. This fund would be similar to but much smaller than the fund established for the promotion of mining ventures.

5.6 A committee of the Advisory Council on obstacles to foreign investment will be invited to work with CNFIP on a continuing review of obstacles and irritants. It will be the charge of the executive staff of CNFIP to bring the results of the review to the attention of appropriate agencies. The first review will be concerned with the facilities for processing travelers at Conakry Airport, and an appropriate international agency may be requested to provide technical assistance to solve this problem.

### 3.6. Technical Services for Foreign Visitors

These services, once CNFIP is in a position of providing them at a high level and on a regular basis, will be announced to foreign commercial attaches and similar personnel. It will be very important to assure that these services remain truly free of charge and are limited to such functions as help in finding interpreters or translators and other office or support services required, in deciding who to see and in making appointments, in communications between the visitor's homeland and Guinea and other follow-up activities, in conversion of weights and measures or monetary units, etc. They should not lead to situations which could lead the visitor to perceive that he was abused. It should be noted that the Director General, Resident Advisor and some of the existing CNFIP staff now provide some of these services to potential investors and other foreign businessmen seeking them, and have received numerous expressions of appreciation and gratitude. However, but the provision of these services can and should be expanded and regularized once CNFIP has the staff to do it.

ANNEX I

ORDINANCE OF JANUARY 1985 AND  
PROPOSED MODIFICATIONS

No \_\_\_\_\_ /PRG/85

Version indiquant des  
changements proposés

-ORDONNANCE-  
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Portant Creation du Centre National de Promotion  
des Investissements Privés

LE PRESIDENT DE LA REPUBLIQUE

- VU la déclaration de prise effective du pouvoir par l'armée en Guinée en date du 3 Avril 1984 ;
- VU la proclamation de la IIIe République ;
- VU les Ordonnances No. 329 et 330 des 18 et 19 Décembre 1984, portant nomination des membres du Gouvernement ;

Sur proposition du Ministre d'Etat, Chargé du Plan (et de la  
Coopération Internationale)

ORDONNE

1ère PARTIE : DU CENTRE NATIONAL DE PROMOTION DES  
INVESTISSEMENTS PRIVES

TITRE IER : Création et Statut juridique

ARTICLE 1ER : Le décret N° 599 PRG 20 du 30 Décembre 1983 instituant l'Office National de Promotion des Agro-industries (ONPAI) et remplacé par les dispositions de la présente ordonnance.

ARTICLE 2 : Il est créé en République de Guinée un Centre National de Promotion des Investissements Privés (CNPIP), placé sous la tutelle du Ministère d'Etat Chargé du Plan et de la Coopération Internationale.)

ARTICLE 3 : Le Centre National de Promotion des Investissements Privés est un organisme public doté de la personnalité juridique et jouissant de l'autonomie financière dans l'exercice de ses attributions et dans le cadre du respect des lois et règlements en vigueur.

ARTICLE 4 : Le Centre a son siège à Conakry et peut, en cas de besoin, créer des antennes dans d'autres localités du territoire national et implanter des bureaux à l'étranger.

TITRE II : Objet et attributions :

ARTICLE 5 : Le Centre National de Promotion des Investissements Privés est chargé, en rapport avec les organismes de soutien au Développement National existants ou à créer, d'étudier, de contribuer et de veiller à la mise en oeuvre d'une stratégie et d'une politique de promotion des investissements (Guinéens et) étrangers, conformément aux objectifs de la libre entreprise.

Dans l'exercice de ses fonctions, le Centre coordonnera ses activités avec celles d'autres organismes Guinéens dont le but est d'assister le secteur privé, en particulier les PME, la Chambre de Commerce et de l'Industrie et la Commission Nationale de l'Investissement.

Généralement l'empase de l'activité du Centre sera mise sur (1) les investisseurs étrangers, (2) les investisseurs Guinéens dont le chiffre d'affaires est au-dessus de celui des PME, comme indiqué dans la législation en vigueur.

Le Centre est chargé :

- d'apporter tous ces efforts dans l'amélioration du Climat de l'Investissement, surtout par la voie de contacts étroits entre les représentants du secteur privé et les organismes responsables du gouvernement.)
- d'élaborer et réaliser une programme intégré de formation du personnel Guinéens de sociétés privées locales dans le domaine de la gestion de l'entreprise.)
- de recueillir, traiter, diffuser toute information susceptible de favoriser l'application du Code des Investissements et textes associés en République de Guinée ;
- En collaboration avec la chambre de Commerce, d'industrie et d'Agriculture de rechercher, identifier et mettre en rapport les investisseurs étrangers, de tenir à leur disposition une infrastructure administrative, leurs dossiers, et d'induire des associations sous la forme de joint-ventures ;
- En collaboration avec les services techniques des différents départements ministériels, d'entreprendre des études sectorielles en vue de la détermination des opportunités d'investissement ;
- (à barrer) d'assurer la cohérence des projets nouveaux à financer ou à agréer avec les priorités et objectifs du développement National ;
- de rechercher et mettre en place l'assistance technique, financière, et juridique aussi bien locale qu'étrangère nécessaire à la réalisation du programme de promotion des investissements ;

(à barrer: - de porter ses efforts tout particulièrement sur l'exécution du projet Préparatoire en Agribusiness mis en place par la commission Présidentielle des Etats-Unis d'Amérique (CPA) sur financement de l'agence Américaine pour le développement international (USAID) avec les objectifs suivants pour la période 1984-1986 :

- a) - planter et mettre en fonction le CNPIP ;
- b) - suivre les recommandations faites par la CPA ;
- c) - participer dans la conception d'un plan - cadre de développement agro-industriel en Guinée.)

ARTICLE 6 : Le Centre National de Promotion des Investissements Privés offre ses services aux investisseurs économiques étrangers gratuitement. Dans certains cas, lorsque les services requis par les investisseurs étrangers vont au-delà des services normaux offerts par le CNPIP, ils seront rémunérés afin d'apporter à ses activités un taux de rentabilité compatible avec les exigences du marché et les impératifs de son propre développement. Les sommes ainsi reçues à titre de services seront communiquées au Comité consultatif ainsi qu'aux donateurs de fonds.:

- Activités promotionnelles;
- Identification, études de réalisation et de pré-faisabilité en vue de l'agrément par la Commission Nationale des investissements des promoteurs étrangers.
- Etudes de pré-investissement et de faisabilité ;
- Recherches de financement ;
- Etudes de marché, et de réhabilitation de projets ;
- Assistance et conseils aux investisseurs privés ;
- Etablissement d'une banque de données ;
- Expertise ;
- Conseil juridique, fiscal et financier ;
- Elaboration de prospectives économiques ;
- Implantation d'un centre de documentation et de traitement informatisé ;
- Assistance pour la gestion et la supervision des projets ;
- Formation et transfert de technologies ;
- Audit .....etc.....

ARTICLE 7 : Pour remplir correctement sa mission le Centre pourra s'associer avec des bureaux ou centres d'études, de conseil et d'audit de réputation internationale en vue d'exécuter les prestations sus-décrites, sans préjudice pour les autres bureaux d'études nationaux d'en faire autant.

(a barrer: ARTICLE 8 : Le Centre mettra en place un fonds d'aide et d'assistance à l'initiative privée. Ce fonds pourra bénéficier de l'aide et des subsides des organisations nationales et internationales, publique et privées. La gestion et l'utilisation de ce fonds feront l'objet d'un accord à convenir entre le gouvernement, le Centre et les donateurs et (ou) bailleurs éventuels.

ARTICLE 9: Le Centre est autorisé, avec l'approbation du ministère du Plan et de la Coopération Internationale, de recevoir une assistance de bailleurs de fonds, et basé sur cette assistance, d'entreprendre d'autres activités dont le but général est d'assister des entreprises Guinéennes avec des niveaux d'activités au-dessus de ceux des PME et les entreprises étrangères dans l'établissement, et le fonctionnement de leurs projets et d'une façon générale l'amélioration du climat de l'investissement en Guinée.

TITRE III : Administration et organisation interne

ARTICLE 9 : Le Centre National de Promotion des Investissements Privés est placé sous la tutelle du MFCI assisté d'un Comité Administratif consultatif présidé par le Ministre du Plan et (de la Coopération Internationale), et composé des membres ci-après :

- le Ministre de l'Economie et des Finances ou son représentant
- " du Développement Rural ou son représentant
- " du Développement Industriel " "
- " du Commerce " "
- Le Président de la Commission Nationale des Investissements
- Le Secrétaire Général de la Chambre de Commerce d'industrie et d'Agriculture
- Le Directeur Général de l'office National de Promotion des PME
- Les Représentants (du secteur privé Guinéen)
- Les représentants des principaux bailleurs de fonds ou associés.

Pour rendre le travail du Comité consultatif plus efficace, un Comité exécutif d'un effectif plus réduit, sera nommé par le Ministre du Plan et de la Coopération Internationale. Ce Comité exécutif ne doit excéder plus de neuf membres, dont deux appartiendront au secteur privé.

ARTICLE 10 : Le Comité Administratif consultatif se réunira en session ordinaire une fois au moins tous les ans, et en sessions extraordinaires en tant que besoin, sur convocation de son Président. Le Comité exécutif se réunira mensuellement avec le personnel professionnel du CNPIP pour débattre les problèmes quotidiens de gestion et de politique du centre.

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ARTICLE 11 : Le Comité Administratif consultatif est chargé :

- de définir la politique du Centre dans le cadre de l'accomplissement de sa mission promotionnelle ;
- de connaître de toute question importante touchant aux orientations générales du Centre ainsi qu'à sa gestion ;
- d'examiner et approuver les bilans et comptes, ainsi que les rapports des commissaires aux comptes.

Un directoire veillera à l'application des décisions et recommandations du Comité Administratif Consultatif et assurera la bonne gestion du Centre.

ARTICLE 12 : Le Directoire est dirigé par un Directeur général nommé par le Président de la République (à barrer: pour un mandat de 5 ans renouvelable,) sur proposition du Ministre d'Etat, chargé du Plan et de la Coopération Internationale)

Il est chargé de la coordination et de l'animation de l'ensemble des services techniques du Centre et de la tenue du secrétariat du Comité Administratif Consultatif.

ARTICLE 13 : Le Directeur Général est assisté dans sa mission par des Directeurs de division nommés selon les dispositions d'un règlement intérieur publié par le Ministère de tutelle, et qui définira également les conditions de traitement des membres du directoire ainsi que l'organisation interne et les règles de fonctionnement du Centre.

TITRE IV : Prise d'effet

ARTICLE 14 : La présente ordonnance qui prend effet à compter de sa date de signature, sera enregistrée et publiée au journal officiel de la République et communiquée partout où besoin sera.

CONAKRY, LE.....1987

LE PRESIDENT DE LA REPUBLIQUE

Général Lansana CONTE

PRESIDENCE DE LA REPUBLIQUE

SECRETARIAT GENERAL DU  
GOUVERNEMENT

No \_\_\_\_\_/PRG/85

ORDONNANCE-

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Portant Création du Centre National de Promotion  
des Investissements Privés

LE PRESIDENT DE LA REPUBLIQUE

- VU la déclaration de prise effective du pouvoir par l'armée en Guinée en date du 3 Avril 1984 ;
- VU la proclamation de la IIe République ;
- VU les Ordonnances No. 329 et 330 des 18 et 19 Décembre 1984, portant nomination des membres du Gouvernement ;

Sur proposition du Ministre d'Etat, Chargé du Plan et des Ressources Naturelles ;

ORDONNE

1ere PARTIE : DU CENTRE NATIONAL DE PROMOTION DES  
INVESTISSEMENTS PRIVES

TITRE 1er : Creation et Statut juridique

ARTICLE 1ER : Le décret N°599 PRG 20 du 30 Décembre 1983 instituant l'Office National de Promotion des Agro-industries (ONPAI) et remplacé par les dispositions de la présente ordonnance.

ARTICLE 2 : Il est créé en République de Guinée un Centre National de Promotion des Investissements Privés (CNPIP), placé sous la tutelle du Ministère d'Etat Chargé du Plan et des Ressources Naturelles.

ARTICLE 3 : Le Centre National de Promotion des Investissements Privés est un organisme public doté de la personnalité juridique et jouissant de l'autonomie financière dans l'exercice de ses attributions et dans le cadre du respect des lois et règlements en vigueur.

ARTICLE 4 : Le Centre a son siège à Conakry et peut, en cas de besoin, créer des antennes dans d'autres localités du territoire national et implanter des bureaux à l'étranger.

TITRE II : Objet et attributions :

ARTICLE 5 : Le Centre National de Promotion des Investissements Privés est chargé, en rapport avec les organismes de soutien au Développement National existants ou à créer, d'étudier, de contribuer et de veiller à la mise en oeuvre d'une stratégie et d'une politique de promotion des investissements étrangers, conformément aux objectifs de la libre entreprise.

Le Centre est chargé :

- de recueillir, traiter, diffuser toute information susceptible de favoriser l'application du Code des Investissements et textes associés en République de Guinée ;
- En collaboration avec la chambre de Commerce, d'industrie et d'Agriculture de rechercher, identifier et mettre en rapport les investisseurs étrangers, de tenir à leur disposition une infrastructure administrative, leurs dossiers, et d'induire des associations sous la forme de joint-ventures ;
- En collaboration avec les services techniques des différents départements ministériels, d'entreprendre des études sectorielles en vue de la détermination des opportunités d'investissement ;
- d'assurer la cohérence des projets nouveaux à financer ou à agréer avec les priorités et objectifs du développement National ;
- de rechercher et mettre en place l'assistance technique, financière, et juridique aussi bien locale qu'étrangère nécessaire à la réalisation du programme de promotion des investissements ;
- de porter ses efforts tout particulièrement sur l'exécution du projet Préparatoire en Agribusiness mis en place par la commission Présidentielle des Etats-Unis d'Amérique (CPA) sur financement de l'agence Américaine pour le développement international (USAID) avec les objectifs suivants pour la période 1984-1986 :
  - a) - Implanter et mettre en fonction le CNPIP ;
  - b) - suivre les recommandations faites par la CPA ;
  - c) - participer dans la conception d'un plan - cadre de développement agro-industriel en Guinée.

ARTICLE 6 : Le Centre National de Promotion des Investissements Privés offre ses services aux opérateurs économiques étrangers en contrepartie d'une rémunération proposée à assurer à ses activités un taux de rentabilité compatible avec les exigences du marché et les impératifs de son propre développement. En tant qu'organisme à but lucratif, le Centre sera soumis aux lois du marché et se conformera aux pratiques contractuelles Internationales. Les prestations du Centre consisteront essentiellement en :

- Activités promotionnelles;

- Identification, études de réalisation et de pré faisabilité en vue de l'agrément par la Commission Nationale des investissements des promoteurs étrangers.
- Etudes de pré-investissement et de faisabilité ;
- Recherches de financement ;
- Etudes de marché, et de réhabilitation de projets ;
- Assistance et conseils aux investisseurs privés ;
- Etablissement d'une banque de données ;
- Expertise ;
- Conseil juridique, fiscal et financier ;
- Elaboration de prospectives économiques ;
- Implantation d'un centre de documentation et de traitement informatisé ;
- Assistance pour la gestion et la supervision des projets ;
- Formation et transfert de technologies ;
- Audit .....etc.....

ARTICLE 7 : Pour remplir correctement sa mission le Centre pourra s'associer avec des bureaux ou centres d'études, de conseil et d'audit de réputation internationale en vue d'exécuter les prestations sus-décrites, sans préjudice pour les autres bureaux d'études nationaux d'en faire autant.

ARTICLE 8 : Le Centre mettra en place un fonds d'aide et d'assistance à l'initiative privée. Ce fonds pourra bénéficier de l'aide et des subsides des organisations nationales et internationales, publique et privées. La gestion et l'utilisation de ce fonds feront l'objet d'un accord à convenir entre le gouvernement, le Centre et les donateurs et (ou) bailleurs éventuels.

### TITRE III : Administration et organisation interne

ARTICLE 9 : Le Centre National de Promotion des Investissements Privés est placé sous la tutelle du MEPRN assisté d'un Comité Administratif consultatif présidé par le Ministre du Plan et des Ressources Naturelles, et composé des membres ci-après :

- le Ministre de l'Economie et des Finances ou son représentant
- " du Développement Rural ou son représentant
- " du Développement Industriel "
- " du Commerce "
- Le Président de la Commission Nationale des Investissements
- Le Secrétaire Général de la Chambre de Commerce d'industrie et d'Agriculture
- Le Directeur Général de l'office National de Promotion des PME
- Le Représentant de l'USAID à Conakry,
- Les représentants des principaux bailleurs de fonds ou associés.

ARTICLE 10 : Le Comité Administratif consultatif se réunira en session ordinaire une fois au moins tous les ans, et en sessions extraordinaires en tant que besoin, sur convocation de son Président.

ARTICLE 11 : Le Comité Administratif consultatif est chargé :

- de définir la politique du Centre dans le cadre de l'accomplissement de sa mission promotionnelle ;
- de connaître de toute question importante touchant aux orientations générales du Centre ainsi qu'à sa gestion ;
- d'examiner et approuver les bilans et comptes, ainsi que les rapports des commissaires aux comptes.

Un directoire veillera à l'application des décisions et recommandations du Comité Administratif Consultatif et assurera la bonne gestion du Centre.

ARTICLE 12 : Le Directoire est dirigé par un Directeur général nommé par le Président de la République pour un mandat de 5 ans renouvelable, sur proposition du Ministre d'Etat, chargé du Plan et des Ressources Naturelles.

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LE PRESIDENT DE LA REPUBLIQUE

General Lansana CONTE

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