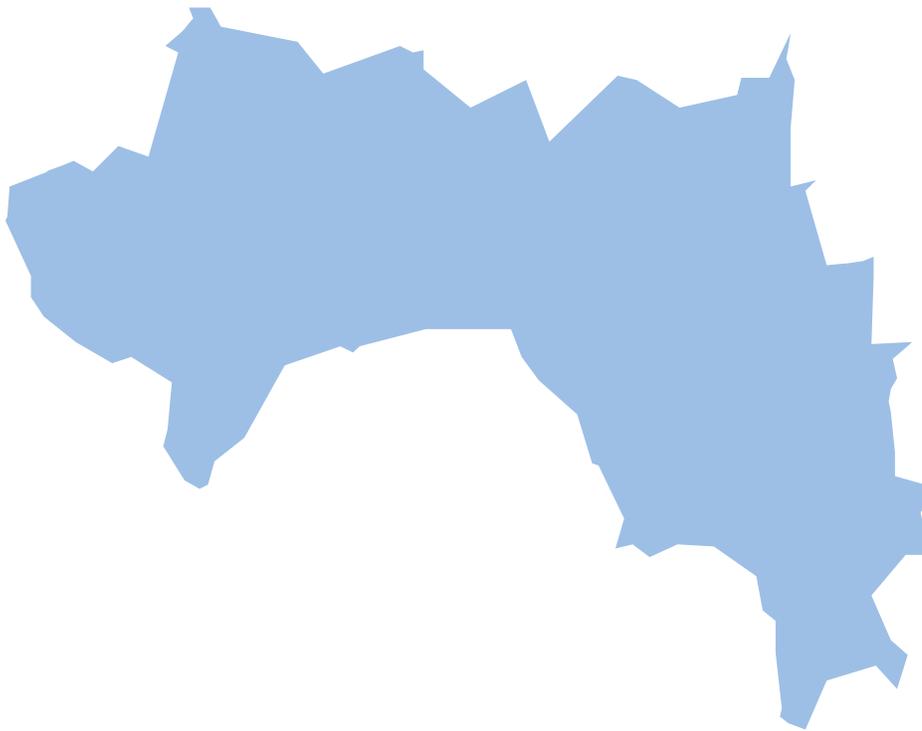




USAID
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Guinea

Economic Recovery Assessment



April 2009

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Guinea

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Sponsored by the Economic Growth office of USAID's Bureau for Economic Growth, Agriculture and Trade (EGAT), under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support (CAS) Project, 2004–2006, Nathan Associates Inc. developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated countries receiving USAID assistance. The reports are tailored to meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains

- A synthesis of key data indicators drawn from numerous sources, including the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations, other international data sets, and host-country documents and data sources;
- International benchmarking to assess country performance in comparison to similar countries, groups of countries, and predicted values based on international data;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, to assist in the identification of programming priorities; and
- A convenient summary of the main findings, in the form of a Highlights Table and a Performance Scorecard (in lieu of an Executive Summary).

Under Contract No. GEG-I-00-04-00002-00, Task Order 004, 2006-2010, Nathan has developed a special Economic Recovery template for countries emerging from crisis.

The authors of the present report are Eric Nelson and Alexander Greenbaum from Nathan Associates, Krista Hendry from Fund for Peace, and Thibaut Muzart from Management Systems International (MSI).

The COTR for this project at USAID/EGAT/EG is Yoon Lee. USAID missions and bureaus may seek assistance and funding for country analytical studies or in-depth follow-on studies by contacting C. Stuart Callison, USAID/EGAT/EG Activity Manager for the CAS project at ccallison@usaid.gov.

Subject to EGAT consent, electronic copies of reports and materials relating to the CAS project are available at www.country-compass.com. For further information or hard copies of CAS publications, please contact:

Rose Mary Garcia
Chief of Party, CAS Project
Nathan Associates Inc.
rgarcia@nathaninc.com

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HIGHLIGHTS OF GUINEA'S PERFORMANCE

Profile of Conflict and Recovery	After independence and two repressive political regimes, the country underwent a decline into civil strife and violent repression in 2006. Guinea's Failed States Index score is high and rising—large population displacements and refugee flows have occurred because of conflict in Sierra Leone and Liberia. Uncertainty has followed the death of long-time President Conté in December 2008.
Postconflict Economic Growth	Low investment levels and low productivity of investment are responsible for growth in per capita GDP of less than half the expected level, one that pales beside comparators.
Poverty and Inequality	More than half the population lives below the poverty line, and poverty rates are rising, especially outside urban centers. Inequality is severe—and poverty and inequality feed social tension. The PRSP suggests that the solution lies in agriculture, infrastructure, and health.
Economic Structure	Export mineral production dominates the value of production, while 82 percent of the labor force is engaged in low-productivity subsistence agriculture; the formal sector is not growing.
Demography and Environment	High population growth and a high youth dependency ratio place pressure on social and environmental resources. The population is largely rural and dispersed. Deforestation is significant.
Gender & Children	Female school enrollment is high when compared to other countries with similar characteristics to Guinea but significantly below the male rate. High female labor force participation indicates household economic pressure rather than opportunities.
Economic Stabilization and Government Capacity	Prudent economic policies since 2007 have reduced inflation, but it remains moderately high. Recent prudent budgets imply budget constraints preventing finance for vital social investments. Government effectiveness is very low.
Business Environment	Marks in rule of law, corruption, and popular voice are low and deteriorating. The environment for starting business and protecting investors is very poor.
Financial Sector	The financial sector is small and weak. Low and stagnant credit to the private sector and negative real interest rates pose constraints to growth.
External Sector	Exports are flat, with recent gains only from the mineral price boom. Dominant mineral exports make other potential tradable sectors less competitive. Low foreign aid and foreign direct investment. Low reserves leave the economy vulnerable to shocks. Debt relief from HIPC was expected in 2009 but may be delayed.
Economic Infrastructure	Incomplete data suggest that road, information communication technology, and energy infrastructure are woefully insufficient for job-creating economic growth.
Health	Guinea performs badly on health indicators, particularly those related to water and sanitation; government spending on health is low.
Education	Big steps forward have been taken recently, but secondary enrollment is low, and there are concerns about quality.
Employment and Workforce	Data are sparse, but high labor force growth and participation rates suggest great household economic needs drive high participation rates.
Agriculture	Productivity is low because of the predominance of small farms that lack access to technology and fertilizer. Agriculture employs most of the population.

Note: The methodology used for diagnostic benchmarking is explained in Appendix A.

GUINEA: NOTABLE STRENGTHS AND WEAKNESSES— SELECTED INDICATORS

Selected Indicators, by Topic	Notable Strengths	Notable Weaknesses
Post-conflict Economic Growth		
Per capita GDP, PPP		X
Real GDP growth		X
Gross fixed investment, percentage of GDP		X
Poverty and Inequality		
Population living on less than \$1 PPP per day		X
Population living below national poverty line		X
Population below minimum dietary energy consumption		X
Economic Structure		
Industry, value added, percent of GDP		X
Demography and Environment		
Youth dependency rate		X
Urbanization rate		X
Gender and Children		
Female labor force participation rate		X
Economic Stabilization and Government Capacity		
Government Effectiveness Index		X
Inflation rate	X	
Overall government budget balance, percentage of GDP	X	
Money supply growth	X	
Business Environment		
Control of Corruption Index		X
Voice and Accountability Index	X	
Rule of Law Index		X
Ease of Doing Business ranking		X
Financial Sector		
Domestic credit to the private sector		X
Money supply, % GDP	X	
External Sector		
Aid, percentage of GNI	X	
Debt service ratio, percentage of exports		X
Foreign Direct Investment, percentage of GDP		X
Gross international reserves, months of imports		X
Present value of debt, percentage of GNI		X

Selected Indicators, by Topic	Notable Strengths	Notable Weaknesses
Economic Infrastructure		
Telephone density		X
Internet users		X
Roads paved, percentage of total roads		X
Health		
Child mortality rate		X
Life expectancy at birth		X
Access to improved sanitation		X
Access to improved water source		X
Public health expenditure, percentage of GDP		X
Education		
Net primary enrollment rate		X
Gross tertiary enrollment rate	X	
Persistence to grade 5		X
Youth literacy rate		X
Employment and Workforce		
Unemployment rate		X
Rigidity of Employment Index	X	

Note: The chart identifies selective indicators for which Guinea's performance is particularly strong or weak relative to benchmark standards, as explained in Appendix A. Details are discussed in the text. Appendix B presents a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions. The supplement is available at <http://www.nathaninc.com/index.asp?bid=751554>

1. Introduction

This report is one of a series of economic recovery assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of key indicators covering a broad range of issues relating to economic recovery in designated host countries. The report draws on a variety of international data sources¹ and uses international benchmarking against reference group medians and statistical norms to identify trends and opportunities for strengthening growth and reducing poverty. The reference groups are low-income sub-Saharan African (LI-SSA) countries to which Guinea is most closely associated and low-income (LI) countries globally to which a comparison of not only Guinea but also LI-SSA countries as a group may be justified. This study uses two countries from Sub-Saharan Africa, Ghana and Senegal, as comparators because the USAID mission identified them as low-income countries of the subregion, neither of which has endured large-scale conflict—although Senegal must deal with low-level localized conflict—to which Guinea can aspire to resemble in the next 10 years.

METHODOLOGY

The CAS methodology permits a rapid and inexpensive analysis of strengths and weaknesses of an economy. The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and determine the best course of action.² Similarly, an Economic Recovery Assessment is based on an examination of key economic, conflict, and social indicators, to see which ones are signaling problems. Some “blinking” indicators have clear implications, while others may require further study to investigate the problems more fully and identify appropriate courses for programmatic action.

¹ Sources include the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, and host-country documents and data sources. This report reflects data available as of October 2008.

² Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

The analysis is organized around two mutually supportive goals: sustainable growth and poverty reduction, similar to the one conducted under the *Country Analytical Template* (April 2005), but adapted to the particular circumstances of postconflict recovery settings.³

Attaining sustained peace, reducing poverty, and achieving economic growth are goals that are influenced by human development outcomes in which many elements are involved, including population growth, public provision of education and health services, job creation and workforce development (especially among youth), demographic composition, agricultural development, and progress toward gender equity. Countries affected by conflict are generally characterized by a lack of government capacity, minimal private sector activity, weak or damaged infrastructure, and a population that lives in uncertainty, often after fleeing war-torn regions.

Transformational growth requires a high level of investment and rising productivity, which are achieved by establishing a strong ***enabling environment for private sector development*** involving multiple elements: macroeconomic stability; a sound legal and regulatory system; including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment***. Here, too, many elements are involved, including effective education and health systems, policies facilitating job creation, agricultural development (in countries where the poor depend predominantly on farming), dismantling barriers to micro and small enterprise development, and progress toward gender equity.

In countries that have experienced ongoing conflict, the interaction between security conditions and economic performance must be taken into consideration. Overt conflict, or even the risk of conflict, can adversely affect growth; conversely, an end to conflict can deliver a peace dividend and a boost to economic growth and development. Not only can conflict affect an economy, economic conditions can exacerbate or ameliorate security problems.

The present evaluation must be interpreted with care. A concise analysis of selected indicators cannot provide a definitive diagnosis of economic performance problems or simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems affecting economic growth (subject to limits of data availability and quality) and offer insight into potential paths for USAID intervention, complement on-the-ground knowledge, and point the way toward in-depth studies.

³ In USAID's white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

USAID missions that commission the reports usually find them very helpful—for instance, in the design of new programs and the development of strategic plans; as a background resource for new staff, temporary duty assignments, and consultants; and for framing in-depth studies.

Two summary tables preceding the main text highlight the essential findings of the analysis. The first presents an overview of Guinea’s performance in a number of sectors or technical areas and the second identifies Guinea’s strengths and weaknesses in these sectors and technical areas.

The remainder of the report presents the most important results of the diagnostic analysis, in three sections: Economy and Conflict Recovery Overview; Private Sector Enabling Environment; and Pro-Poor Growth Environment. Table 1-1 summarizes the topical coverage. Appendix A provides a brief explanation of the criteria used for selecting indicators, the benchmarking methodology, and a table showing the full set of indicators examined for this report.

Table 1-1
Topic Coverage

Economy and Conflict Recovery Overview	Private Sector Enabling Environment	Pro-Poor Growth Environment
<ul style="list-style-type: none"> • Profile of Conflict and Recovery • Postconflict Economic Growth • Poverty and Inequality • Economic Structure • Demography and Environment • Gender and Children 	<ul style="list-style-type: none"> • Economic Stabilization and Government Capacity • Business Environment • Financial Sector • External Sector • Economic Infrastructure 	<ul style="list-style-type: none"> • Health • Education • Employment and Workforce • Agriculture

DATA QUALITY AND FORMAT

The breadth and quality of economic data collected for Guinea are poor. Though the World Bank’s Statistical Capacity Indicator for Guinea was 56 percent in 2007, in line with Ghana’s 53 percent and the expected value⁴ for a country with Guinea’s characteristics (60 percent), the IMF reports a slew of economic data quality problems for Guinea. According to its most recent report, Guinea’s data have “serious shortcomings that significantly hamper surveillance, with staff’s analysis affected particularly by shortcomings in balance of payments statistics and inconsistencies between fiscal data and monetary data.”⁵ Moreover, Guinea is in the process of updating the baseline for its national accounts; hence, indicators defined as ratios to GDP are only estimates. Other real sector statistics are poor and not available in a timely fashion; data on employment and labor costs are not published at all; and the agricultural census was last undertaken in 2000.

These data problems complicate the analysis in several places. Nevertheless, we have strived to identify and incorporate as many updated sources of information as practical in our analysis. In

⁴ Expected values were calculated using our regression benchmarking methodology. See Appendix A.

⁵ IMF. IMF Country Report No. 08/275.

the end, the data set was adequate for evaluating and highlighting a broad range of trends and issues in Guinea's fragile economy.

2. Economy and Conflict Recovery Overview

This section reviews basic indicators and information on the Guinea conflict and postconflict recovery, postconflict macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and gender equity. Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

PROFILE OF CONFLICT AND RECOVERY

Unlike many of its neighbors, Guinea has managed to avoid full-scale conflict. President Lansana Conté, who died in December 2008 during his third term in office, seized power in a coup in 1984 after the death of Sekou Touré, Guinea's first president. Although the head of the National Assembly, Aboubacar Somparé, has assumed leadership since Conté's death according to procedures established in the Constitution, there are concerns that a struggle for power involving the military may lead to full-scale conflict (see Exhibit 2-1 for a brief summary of Guinea's postcolonial political context).

These concerns, which contribute to uncertainty about the future behavior of the new government, are reflected in the total score of 101.8 on the Failed States Index (FSI) for 2008 (with 120 representing the highest potential for conflict), compared to 64.6 for Ghana and 70.9 for Senegal. Guinea's FSI score has gotten steadily worse since 2005, the first year the index was produced, when it received a score of 94.7. Its score is high for a country that is neither currently experiencing conflict nor has just emerged from it, indicating that the social, economic, and political pressures the country faces are great. Although Ghana and Senegal face similar social and economic pressures, their political situations are very different—they have open societies and democratic governments, in contrast with Guinea's repressive and unaccountable leadership.

Exhibit 2-1

Chronology of Political Strife and Conflict in Guinea

1958. Guinea rejects membership in the French African Community as a transition to independence, declaring immediate independence. France withdraws all support. President Sékou Touré establishes a socialist agenda, and 20 percent of the population flees. Guinea suffers decades of French and Cold War opposition.

1984. Sékou Touré dies, and a military coup suspends the constitution and appoints Lansana Conté president. Conté dismantles the centralized state and encourages private investment and the return of exiles. The new policy fails, however, to bring about significant improvement in the economy. Multiparty elections that return Conté to power in 1993, 1998, and 2001 are tainted by allegations of fraud.

2000. Guinea becomes host to half a million refugees from Sierra Leone and Liberia. A quarter of a million people become internally displaced in southeastern Guinea after an attempted invasion by insurgents backed by Charles Taylor, an invasion that is suppressed by the Guinean armed forces. In September the brutal Revolutionary United Front (RUF) rebel army, backed by Taylor, commences large-scale attacks on Guinea from Sierra Leone and Liberia. These attacks displace tens of thousands more Guineans and force the United Nations to move Sierra Leonean and Liberian refugee camps.

2001–2003. Guinea's army crosses into northern Sierra Leone in pursuit of RUF rebels, killing civilians and destroying houses and other structures in RUF-occupied villages. Guinea's army halts in May after troops accidentally shell RUF rebels at a disarmament site. The Guinean government allows Liberian rebels to organize and recruit refugees, and becomes the rear base for one of the armed movements, Liberians United for Reconciliation and Democracy, that force Taylor into exile, end the regional conflict, and lead to the Liberian Peace Accord in August 2003.

2007. In January 2007 Guinean police crack down on demonstrations that are part of a series of general strikes in opposition to President Conté, killing an estimated 120 people and injuring many more. Conté declares a state of emergency and instructs the army to restore order. On February 26, Conté gives in to protesters' demands and names civil society nominee Lansana Kouyaté prime minister, only to remove him in May 2008 in favor of a political ally, Ahmed Tidiane Souaré.

2008. Despite concerns that Souaré's installation as prime minister would lead to general protests and rekindle violence, Guinea remained calm through the end of 2008. Conté died in December 2008 with no clear successor, though the Constitution provides for the head of the National Assembly to assume power.

Guinea received two scores of 9.0 or above (on a scale of 1-best to 10-worst) on the FSI for 2008, as shown in Table 2-1. Legitimacy of the state received the very poor score of 7.9 because of increasingly violent popular dissatisfaction with the government. Opposition to Conté's rule grew in recent years, led by Guinea's powerful trade unions. General strikes were held in February and June 2006 in protest against government mismanagement of the economy, which was blamed for the fact that over half the population lives in poverty despite the country's mineral wealth. A third strike in January 2007 quickly spread throughout the country and became a mass protest against the government. The strike lasted for weeks and resulted in police crackdowns in which more than 100 people died and an estimated 1,500 were injured.⁶ In March 2007, Conté bowed to

⁶ International Crisis Group. <http://www.crisisgroup.org/home/index.cfm?id=1236&l=1>, accessed September 30, 2008.

popular and international pressure and named Lansana Kouyaté, an individual acceptable to the protesters, as prime minister. Kouyaté, however, was replaced in May 2008 by a close ally of Conté, paving the way for further unrest.⁷ Further evidence of the lack of legitimacy of the state was seen in May and June 2008 when first soldiers and then police protested and held superiors hostage demanding back pay. Since Conté's death in December 2008 concerns have risen about possible violence among factions in the armed forces, which installed Conté in power and are accused of many abuses, including corruption and human rights abuses.

Table 2-1
Failed States Index Ranking by Indicator of Instability, 2007 and 2008

Indicator of Instability	2007	2008
SOCIAL		
Mounting demographic pressures	7.8	7.9
Massive movement of refugees or internally displaced persons	7.4	7.4
Legacy of vengeance-seeking group grievance or group paranoia	8.1	8.5
Chronic and sustained human flight	8.3	8.3
ECONOMIC		
Uneven economic development along group lines	8.5	8.6
Sharp and/or severe economic decline	8.5	8.6
POLITICAL AND MILITARY		
Criminalization and/or delegitimization of the state	9.6	9.7
Progressive deterioration of public services	8.9	9.0
Suspension or arbitrary application of human rights	8.6	8.9
Security apparatus operates as a "state within a state"	8.1	8.4
Rise of factionalized elites	9.0	8.6
Intervention of other states or external political actors	8.5	7.9
Total FSI Score	101.3	101.8

Note: Scale of 1 (best) to 10 (worst)

Guinea's public services a score rose to 9.0 (on a scale of 1-best to 10-worst) in 2008 because of the government's inability to provide adequate services to much of the population. Electricity and water shortages are common, medical facilities are poorly equipped, and road conditions are poor (see Economic Structure, p. 11). According to UNDP, only 18 percent of the population had access to sanitation in 2004 and only 50 percent had access to an improved water source (see Health, p. 28).

Another factor making the situation more volatile is the fact that the late President Conté, his Cabinet, and many government officials are from the Soussou ethnic group, which makes up only

⁷ International Crisis Group. "Guinea: Ensuring Democratic Reforms." Africa Briefing No. 52, June 24, 2008.

20 percent of the population. This has led to resentment among other groups, who feel their interests are not well represented in government. This situation could have an even more destabilizing influence after Conté's death as groups who have been excluded from high-ranking government positions for over two decades attempt to increase their influence.

POSTCONFLICT ECONOMIC GROWTH

Conflict is inimical to economic growth. It diverts state resources to nonproductive military activities, impairing fiscal capacity for other essential government expenditures. It discourages investment in physical capital and human resources, and the debt it imposes encumbers future budgets.⁸ According to one study, civil wars reduce GDP per capita at an annual rate of 2.2 percent relative to estimates of the trend likely in the absence of conflict.⁹ The impact on per capita income is especially pronounced in regions affected directly by instability.¹⁰

Guinea's GDP per capita was \$974 in PPP dollar terms in 2007, significantly above the median for other low-income sub-Saharan African countries of \$840. However, real GDP growth averaged just 2.1 percent between 2003 and 2007.¹¹ This is less than half the rate of 4.9 percent expected for a country with similar characteristics to Guinea and pales in comparison to the recent growth rates in Ghana and Senegal (Figure 2-1). Moreover, per capita GDP has declined in recent years, as GDP growth was lower than population growth (3.2 percent).

This low economic growth is the result of low productivity and low investment, in turn due to deteriorating governance and increasing political and social tensions. For instance, gross fixed investment averaged 22.7 percent of GDP between 2005 and 2007. This was higher than the LI-SSA median (17.5 percent), but lower than the rates in Ghana (32.4 percent) or Senegal (29.2 percent) in 2006. The return on these investments was low, however, as shown by the incremental capital to output ratio (ICOR), or amount of capital investment needed per unit of extra output. A high ICOR indicates low efficiency. For Guinea, the ICOR averaged 9.4 between 2005 and 2007, far worse than a typically productive country, which would have an ICOR of 4 or less.

Although the IMF estimates that Guinea's growth rate will increase to 4.7 percent in 2008 and will continue at 4.1 percent in 2009,¹² sustained growth, even at these rates, will not be sufficient to achieve the transformational growth needed to lift millions of Guineans out of poverty (see Figure 2-1).

⁸ Daniel Mejia, *Conflict and Economic Growth: A Survey of the Theoretical Links*, Webpondo, September 2004. http://www.webpondo.org/filesoctdic2004/conflict_growth.pdf, accessed April 13, 2007.

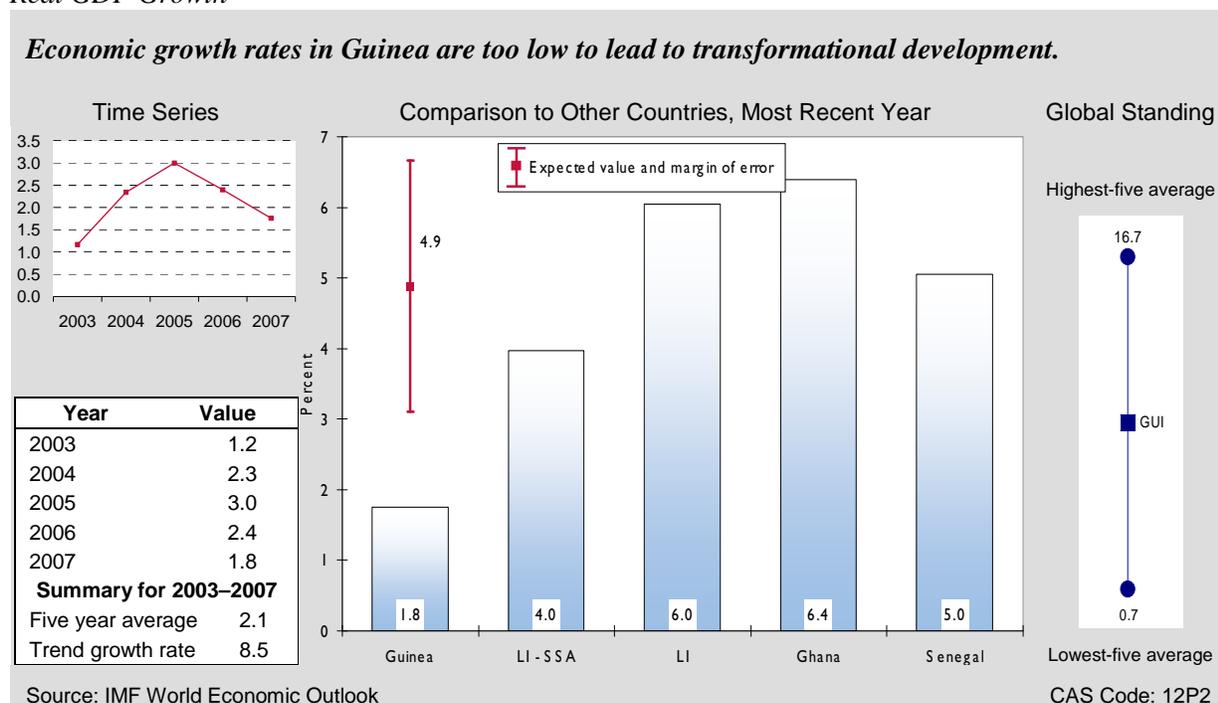
⁹ Paul Collier, *On the Economic Consequences of Civil War*, *Oxford Economic Papers* 51 (1999), 168–83. <http://www.worldbank.org/research/conflict/papers/cw-consq.pdf>, accessed April 13, 2007.

¹⁰ Alberto Abadie and Javier Gardeazabal, *The Economic Costs of Conflict: A Case Study of the Basque Country*, July 2002. <http://ksghome.harvard.edu/~aabadie/ecc.pdf>, accessed April 13, 2007.

¹¹ IMF World Economic Outlook, October 2008 Database.

¹² January 2009 IMF estimates of 2008 and 2009 GDP growth.

Figure 2-1
Real GDP Growth



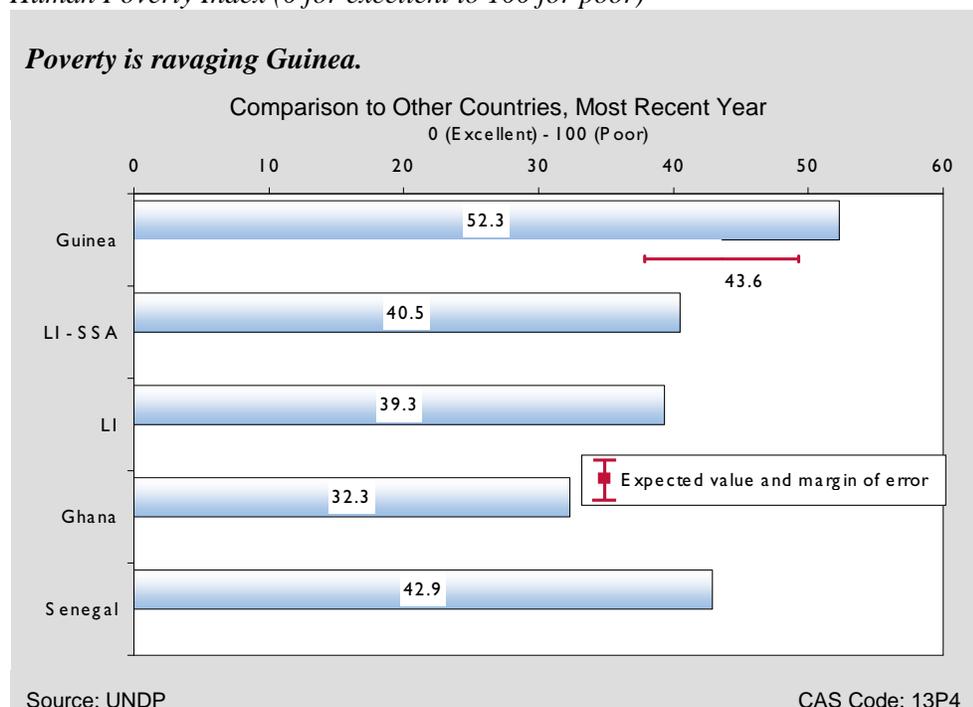
POVERTY AND INEQUALITY

Widespread poverty and income inequality are multidimensional conditions related to a lack of security, education, health, income, and employment opportunities. Moreover, rising poverty or high levels of inequality can fuel political instability.

The available data paint a dire picture of rising poverty rates and severe income inequality in Guinea. In 2005, the latest year for which data are available, more than half of Guinea's population (53.6 percent) were living below the national poverty line (\$196/year), a significant deterioration from the 49.2 percent in 2002 and 40 percent in 1990.¹³ The 2005 figure is also significantly worse than the expected value of 46.1 percent, and almost twice the level in Ghana (28.5 percent in 2006). Guinea's high poverty rates are also reflected in the country's performance on UNDP's Human Poverty Index (HPI), which measures the prevalence of deprivation in terms of life expectancy, literacy, access to safe water, and child nutrition (with 0 being no deprivation and 100 high deprivation). Guinea's score was 52.3 in 2005, worse than Ghana's 32.3, Senegal's 42.9, and the expected value for Guinea of 43.6 percent (Figure 2-2). Food poverty, measured by the percentage of the population living on less than a minimum dietary requirement, is also high in absolute terms. In 2002 (the latest year for which data are available), 24 percent of the population consumed less than the minimum caloric intake needed to sustain good health. Surprisingly, Guinea's rate is better than the expected value of 29 percent and in line with Senegal's 23 percent for the same year, though significantly worse than the rate in Ghana (12 percent). This deprivation has serious consequences for labor productivity and earning capacity as well as children's learning capabilities.

¹³ Second Poverty Reduction Strategy Paper PRSP-2 (2007–2010), Guinea, published January 2008

Figure 2-2
Human Poverty Index (0 for excellent to 100 for poor)



Even more troubling is the extent of poverty outside the major urban centers. A disaggregation of data from the 2002/2003 Integrated Core Survey for Poverty Assessment (EIBEP) shows a poverty rate of 60 percent for rural areas, compared to 21 percent in Conakry and 27 percent in Guinea's other urban areas. The household survey also found that the average monthly income in rural areas was 22 percent below the poverty line, while the average monthly income in urban areas was 6 percent below the national poverty line.

Regional disparities are also stark. Western Guinea fares better than the rest of the country—for example, Kinda has a poverty rate of 44 percent and Boké 41 percent—probably because of better economic infrastructure, the presence of natural resources, proximity to the capital, and more concentrated basic social services and human resources. In middle and upper Guinea, the influx of refugees from the conflicts in Sierra Leone and Liberia and from rebel attacks in 2001 have had detrimental effects on the environment, economic infrastructure, and household assets, keeping poverty levels high.¹⁴ Poverty rates were 55.4 percent and 67.5 percent in middle and upper Guinea, respectively, as of 2003.

Inequality, measured by the share of national income enjoyed by the poorest 20 percent of the population, though poor in absolute terms, is on par with or better than the benchmarks. In 2007, the poorest 20 percent of the population consumed 6.4 percent of national income,¹⁵ slightly

¹⁴ IMF Country Report No. 08/7

¹⁵ Ibid

higher than the expected value (5.9 percent) for a country with similar characteristics and roughly in line with Senegal's performance (6.6 percent).

Facing these enormous problems, Guinea's government has made efforts to reduce poverty and inequality. Its strategy is described in the Poverty Reduction Strategy Papers (PRSP) of 2002 and 2007. The focus of the 2007 PRSP is to develop Guinea's agriculture, infrastructure, education, and health sectors. Achieving these aims will be key to reducing poverty and inequality and calming tensions. Nonetheless, continued political and social tensions will make implementation of the strategy extremely difficult.

ECONOMIC STRUCTURE

Guinea's economy relies heavily on agriculture and mining (bauxite, diamonds, gold, and other metals). In 2004 (the latest year available) the United Nation's Food and Agriculture Organization (FAO) estimated that 82 percent of Guinea's labor force worked in agriculture, compared to 55 percent in Ghana. Mining has become a less important component of the economy in the past two decades, largely owing to the country's financial problems, which inhibited growth in the bauxite sector, and government-initiated title disputes that have discouraged iron ore concessions. Nevertheless, in 2007 the IMF estimated that mining accounted for 93 percent of Guinea's merchandise exports and 23 percent of government revenues. Guinea possesses 50 percent of the world's known bauxite reserves.¹⁶

In looking at the broad structure of value added in Guinea, agriculture has been the driving force behind what little economic growth there has been in recent years, increasing in real terms by an annual average of 3.3 percent in the five years to 2006 (Figure 2-3).

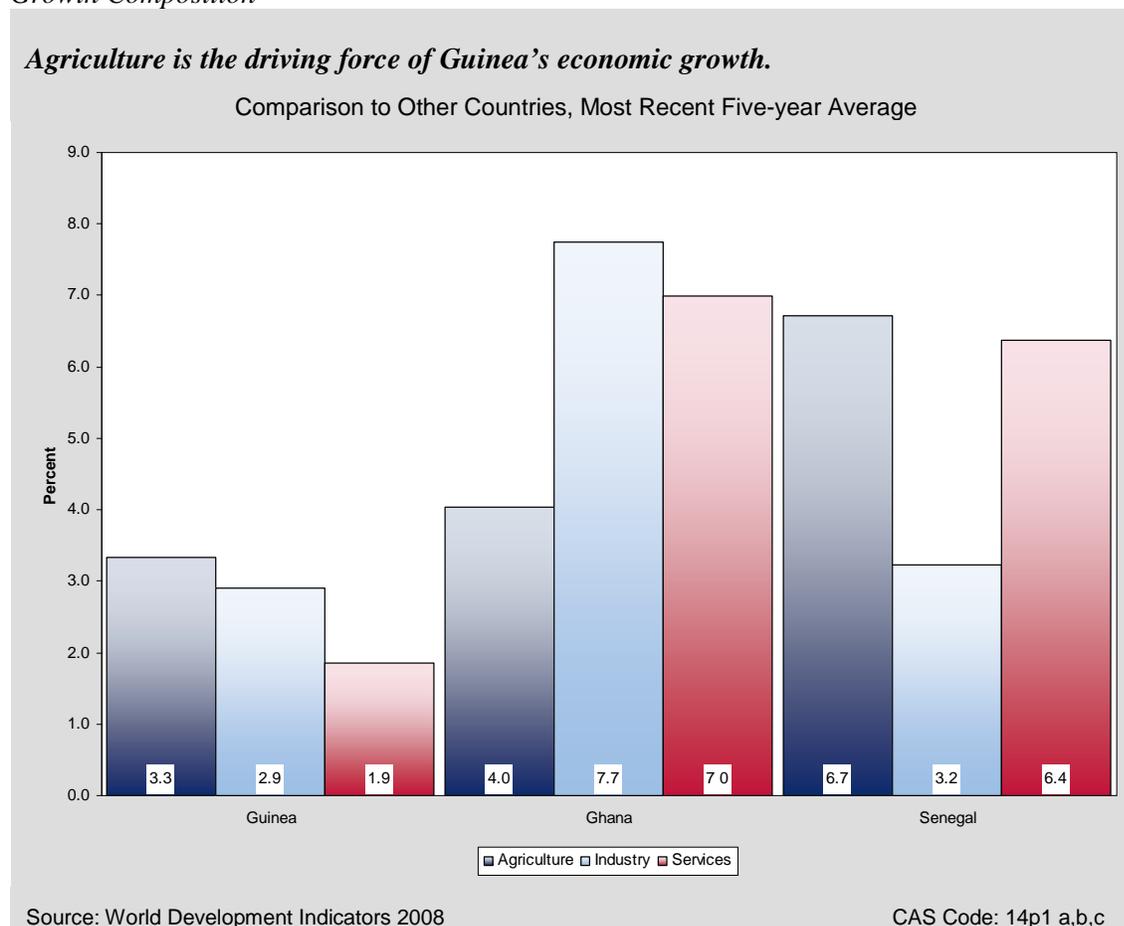
Over the same time period, industry (including mining) increased at a real annual average rate of 2.9 percent, and services at 1.9 percent.¹⁷ These average growth rates are significantly below the average annual five year growth rates for real value added in agriculture, industry, and services in Ghana (4 percent, 7.7 percent, and 7 percent, respectively) and Senegal (6.7 percent, 3.2 percent, and 6.4 percent, respectively).

The movements in Guinea's value added indicate that a central component of the development process, the structural transformation of the Guinean economy from agriculture to industry and services, is not occurring. In fact, the numbers point toward a structural movement from services toward agriculture, perhaps reflecting the increasingly difficult environment for formal sector growth (see Business Environment, p. 18).

¹⁶ <http://eitransparency.org/Guinea>, accessed October 3, 2008 and IMF. IMF Country Report No. 08/275.

¹⁷ IMF. IMF Country Report No. 08/20.

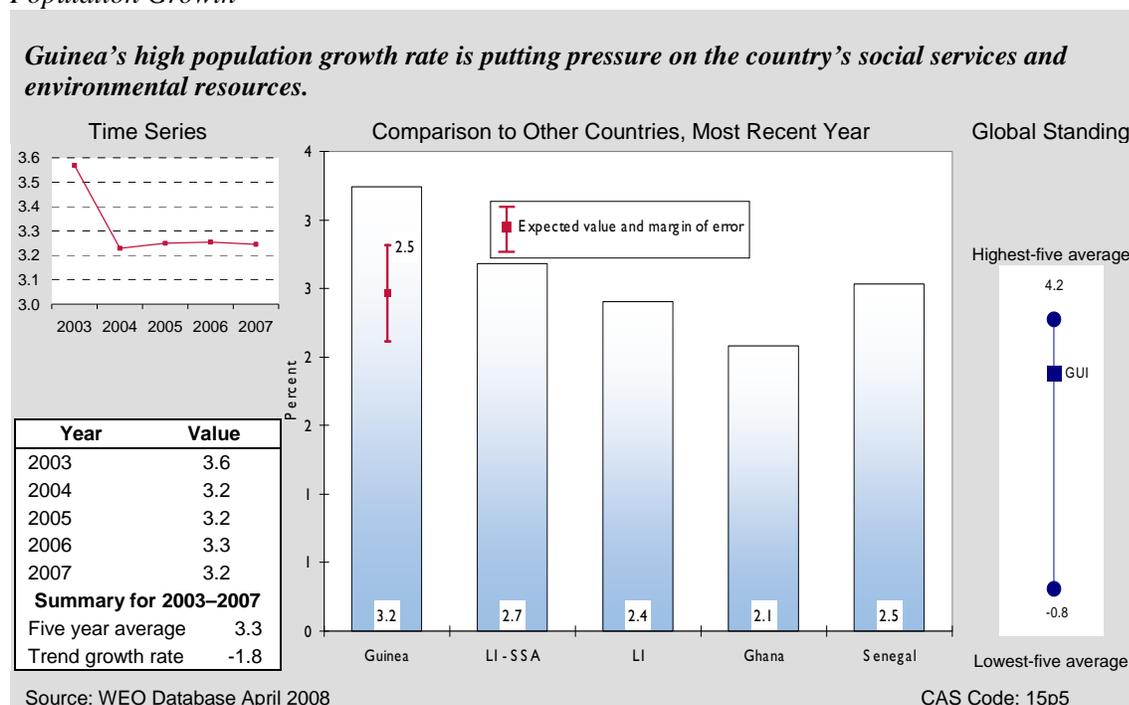
Figure 2-3
Growth Composition



DEMOGRAPHY AND ENVIRONMENT

Guinea faces significant demographic pressures. Its population growth rate of 3.2 percent in 2007 is much higher than the comparable 2006 growth rates for Ghana and Senegal of 2.1 percent and 2.5 percent, respectively, or the low-income and LI-SSA median rates of 2.4 percent and 2.7 percent, respectively (see Figure 2-4). The high population growth rate has been fairly consistent in recent years, contributing to a high youth dependency ratio. Guinea has 43.3 dependents under 15 years of age for every 100 working-age adults (15–64 years), while Ghana and Senegal have 38.6 and 41.9, respectively. The high youth dependency rate, coupled with a substantial increase in population, will place pressure on already strained social services and environmental resources. Furthermore, these conditions increase the entry rate of job seekers in the labor market. This can lead to high rates of youth unemployment, which can be a trigger for conflict (see Employment and Workforce, p. 32).

Figure 2-4
Population Growth



The portion of Guinea's population living in urban areas is 33.5 percent as of 2006, close to the LI-SSA median (34.8 percent) but less than the rates for Ghana and Senegal, which were 48.5 percent and 41.9 percent, respectively. The country is less compact than either Ghana or Senegal, and much of the population lives in areas distant from the capital. Though refugees can also be a source of rapid growth in urban centers, most of Guinea's refugees from the wars in Liberia, Sierra Leone, and Côte d'Ivoire have been in the more isolated areas near the borders with Liberia and Côte d'Ivoire.

Although Guinea has avoided intense urbanization and the pressure it entails, this has resulted in a higher population density in the rural areas. The rural population density in Guinea is 503 persons per sq km of arable land, significantly higher than the LI-SSA median of 330 persons and almost double the rural population densities of 281 persons for Ghana and 270 persons for Senegal. In Guinea's agricultural economy, where 82 percent of the population is employed in agriculture, such density can create conflict over land and thereby adversely affect the country's ability to lift itself out of poverty.

On the Environmental Performance Index 2007, which tracks environmental health, air quality, water resources, biodiversity and habitat, productive natural resources, and sustainable energy, Guinea received a score of 51.3 out of 100. This is in line with the 2007 LI and LI-SSA median scores of 54.8 and 51.3, respectively, but considerably worse than comparators Ghana and Senegal, at 70.8 and 62.8, respectively. Guinea's environmental issues include deforestation due to agriculture and the use of wood for fuel, pollution resulting from improper waste disposal, and soil erosion from deforestation and mining. There has also been a loss of biodiversity as deforestation and uncontrolled hunting threaten wildlife, a loss exacerbated by overpopulation and refugee flows in the forest region. Moreover, because natural resource extraction makes up a

considerable part of the economy, the government must enforce environmental standards to protect its natural assets as economic activity increases.

GENDER AND CHILDREN

Gender equity promotes economic growth by ensuring that all citizens have the opportunity to develop and apply their full productive capacities. The indicators for Guinea are mixed. In education, Guinea's gross enrollment rate of females of 70 percent, high compared with the rates for Ghana and Senegal of 44 percent and 36 percent, respectively, might demonstrate a higher level of equity for females in Guinea than in comparator countries. The figure, however, is deceptive. A comparison of gross enrollment for males reveals that for every 100 males enrolled in school, approximately 88 females are enrolled in Ghana and Senegal, while in Guinea, only 82 females are enrolled for every 100 males. Ensuring access to education for girls has been a high priority of the international donor community in recent years and hopefully will help improve gender equity in the long term. Unfortunately, the well-documented prevalence of female genital mutilation, domestic violence against women, and women's lack of participation in political and other leadership positions indicates the need for concerted attention from the government and international community.

Guinea's female labor force participation rate in 2006 for women was 82.7 percent, compared to 88.3 percent for males. Such a small gap between genders would normally indicate a high level of gender equality compared to the LI and LI-SSA female labor force participation rates of 60.3 percent and 65.6 percent respectively. But instead, the high labor force participation rate of women in Guinea may be an indication of a weak economy in which everyone must participate to survive (see Employment and Workforce).

Though life expectancy in Guinea is low (see Health), women live to the average age of 57, three years more than men. This is in line with the expected differential for a country with similar characteristics to Guinea and the gender differential in Ghana and Senegal.

Major issues affecting children in Guinea, aside from malnutrition, are forced labor, child abuse, and child trafficking. According to a 2008 Human Rights Watch report, tens of thousands of children work in conditions akin to slavery as domestic workers, and there is no child protection system in place.¹⁸

Finally, the Coalition to Stop the Use of Child Soldiers reports that the armed forces possibly included persons under the age of 18. In 2001 and 2002, government and militias reportedly recruited children as young as 15. Wars in neighboring Liberia and Sierra Leone, both of which involved child soldiers, also affected Guinea in this area as the Liberians United for Reconciliation and Democracy (LURD) forcibly recruited child soldiers on Guinean territory.¹⁹ These problems appear to have diminished since 2004 as the government has stopped recruiting children for its militias and the wars in Liberia and Sierra Leone have ended. The reintegration of

¹⁸ Human Rights Watch. "Guinea: New Leader Should Address Rights Abuses." <http://hrw.org/english/docs/2008/08/14/guinea19609.htm>, accessed April 6, 2009.

¹⁹ "Guinea." www.child-soldiers.org/document/get?id=777, accessed September 30, 2008.

ex-combatants has placed additional strain the countries' limited resources to address social, educational, and employment training needs.

3. Private Sector Enabling Environment

This section reviews indicators of the enabling environment for encouraging rapid and efficient growth of the private sector, including fiscal and monetary policy, the institutional environment for doing business, development of the financial sector, global integration, and economic infrastructure. Private sector development is essential for encouraging and supporting rapid and efficient growth. International experience shows that in conflict and postconflict economies, enabling environments tend to be weak and are characterized by rigid and outdated institutions, policies, and practices. Reforming the enabling environment is therefore often necessary for economic expansion and recovery. Policymakers must use caution in the sequencing of policies following conflict. For example, the elimination of inefficient state-supported enterprises, although at first glance desirable to establish a basis for sustainable economic growth, may trigger violence on the part of people facing unemployment or exacerbate the social inequalities that were at the root of the conflict.

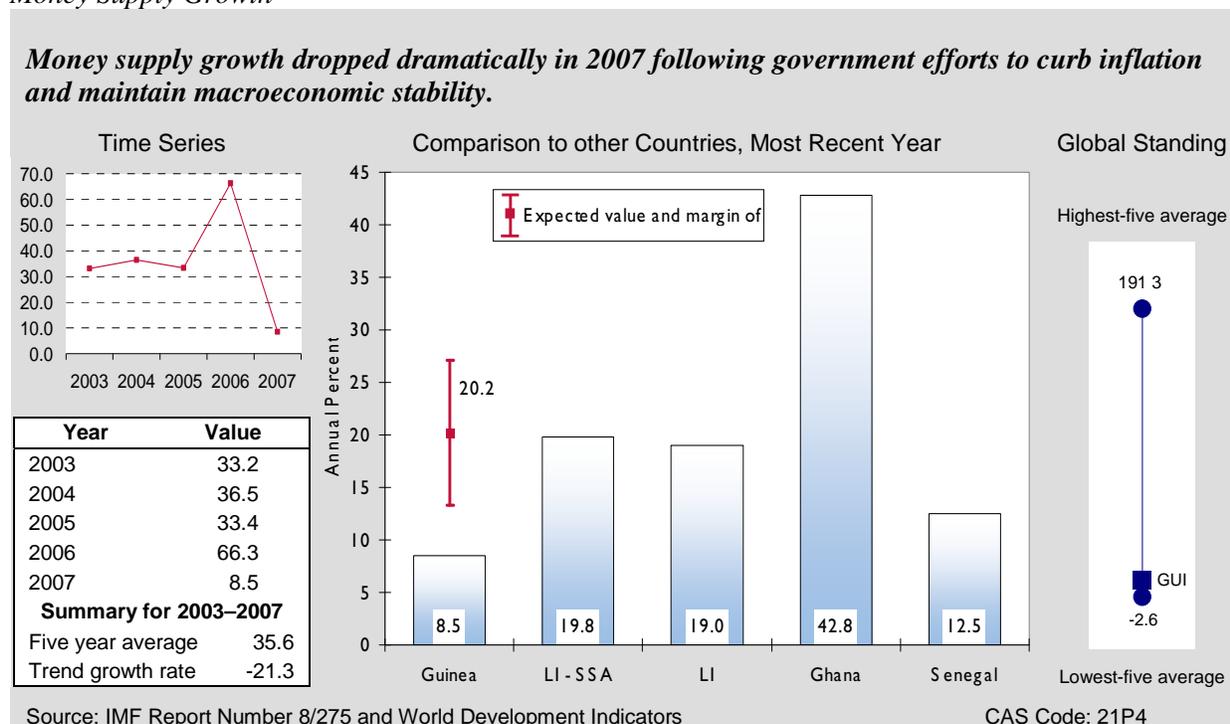
ECONOMIC STABILIZATION AND GOVERNMENT CAPACITY

Fiscal and monetary policies are governments' main instruments for ensuring macroeconomic stability. One of the main concerns in politically and socially fragile economies is to ensure the capacity to maintain a sustainable fiscal balance and low and stable inflation, and to follow transparent policies that are accountable to the population. The government budget must therefore balance the need for services to support growth and poverty reduction with the need for stimulation of the private sector.

In Guinea, the death of Sékou Touré in 1984 ended a quarter-century of revolutionary socialism and opened the way for his successor to reestablish market mechanisms. After years of macroeconomic mismanagement, in 2007 Guinea adopted more prudent fiscal and monetary policies in an attempt to rein in high inflation, a key indicator of macroeconomic instability. The primary measures taken were to implement a balanced budget and reduce money supply growth. As a result, Guinea posted an overall budget surplus (including grants) equivalent to 0.3 percent of GDP in 2007, higher than the expected deficit of 1.5 percent of GDP and far better than the deficits of 9.1 percent and 3.5 percent of GDP in Ghana and Senegal, respectively. Moreover, highly inflationary increases in credit to the government were slashed in 2007 and restricted

money supply growth to 8.5 percent, a dramatic fall from the 66.3 percent growth the previous year (Figure 3-1).²⁰

Figure 3-1
Money Supply Growth



Strict fiscal management and discontinuation of central bank purchases on the foreign exchange market contributed to rapid disinflation and stabilization of the exchange rate in 2007 (despite food-related price increases); inflation fell from 34.7 percent in 2006 to 22.9 percent in 2007. Though high when compared to any benchmark – the LI-SSA median of 5.8 percent, Ghana’s poor 9.6 percent, or Senegal’s 5.9 percent – the IMF anticipates that inflation will continue to fall in coming years if Guinea maintains prudent macroeconomic policies.²¹

Government revenue is very low in Guinea, limiting the resources that are badly needed for social programs. In 2007, government revenue excluding grants amounted to just 14.3 percent of GDP, below the expected value of 15.9 percent, Ghana’s 22.5 percent, and Senegal’s 20.9 percent. As a result, government expenditure is also extremely low, just 14.8 percent of GDP in 2007, well below the 37 percent and 27.2 percent in Ghana and Senegal, respectively. Moreover, more than 15 percent of government expenditures were used to pay interest on public debt (see External Sector) and approximately the same amounts again were devoted to government subsidies and other transfers.²² Though the authorities are undertaking new tax administration measures that

²⁰ First Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, August 2008, IMF Document 08/275

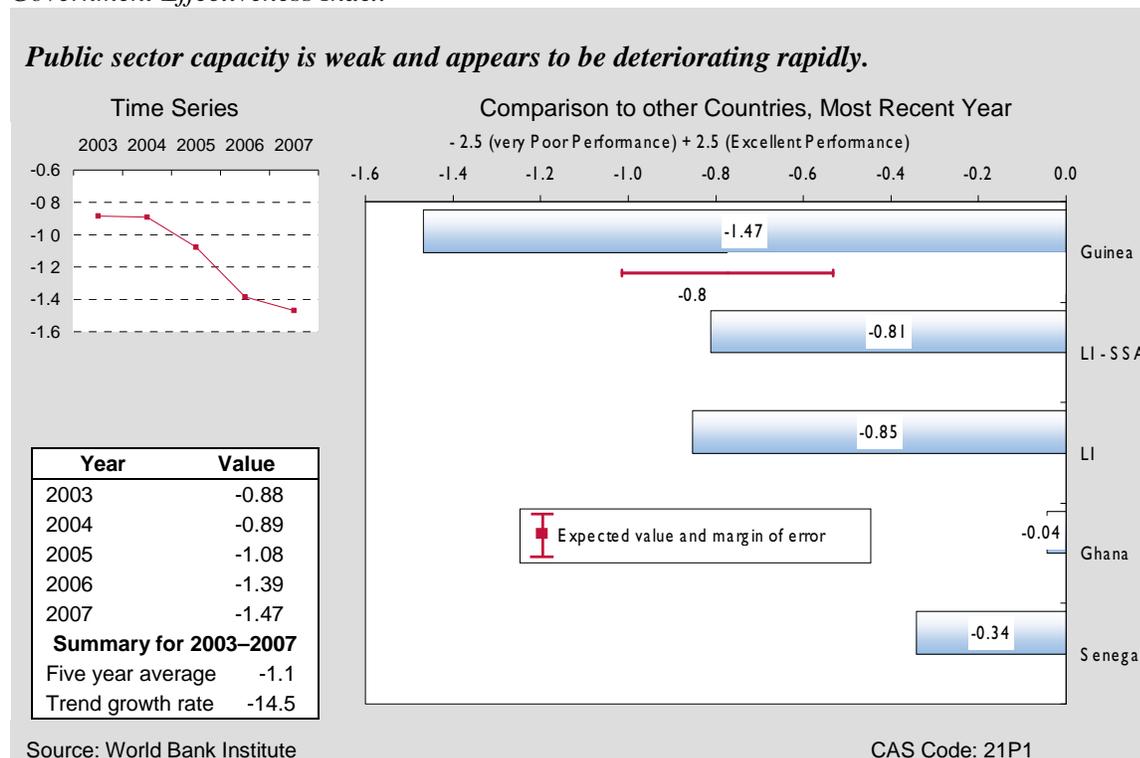
²¹ Ibid.

²² Ibid.

should help boost revenue, a greater emphasis will need to be placed on reducing government subsidies and ensuring that the new measures produce the desired results.

Despite macroeconomic improvements, economic capacity remains weak, and public sector effectiveness appears to be deteriorating steadily, thereby jeopardizing Guinea's political and social stability. The World Bank Institute's (WBI) Government Effectiveness Index measures the quality of public and civil services, the degree of public sector independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its policies. In 2007, Guinea received a score of -1.47 (on a scale of -2.5 to +2.5), much worse than the already poor LI-SSA median of -0.81, Senegal's score of -0.34, and Ghana's score of -0.04 as well as a significant drop from its own score of -0.88 just four years earlier (see Figure 3-2.).

Figure 3-2
Government Effectiveness Index



In conclusion, the government must remain focused on maintaining a stable macroeconomic environment and improving its own capacity and accountability. This will not only help Guinea to attract foreign investment and inspire confidence in the financial system, but should also increase resources for social and economic programming as well as its effectiveness, thereby creating an environment more conducive to the maintenance of peace and stability.

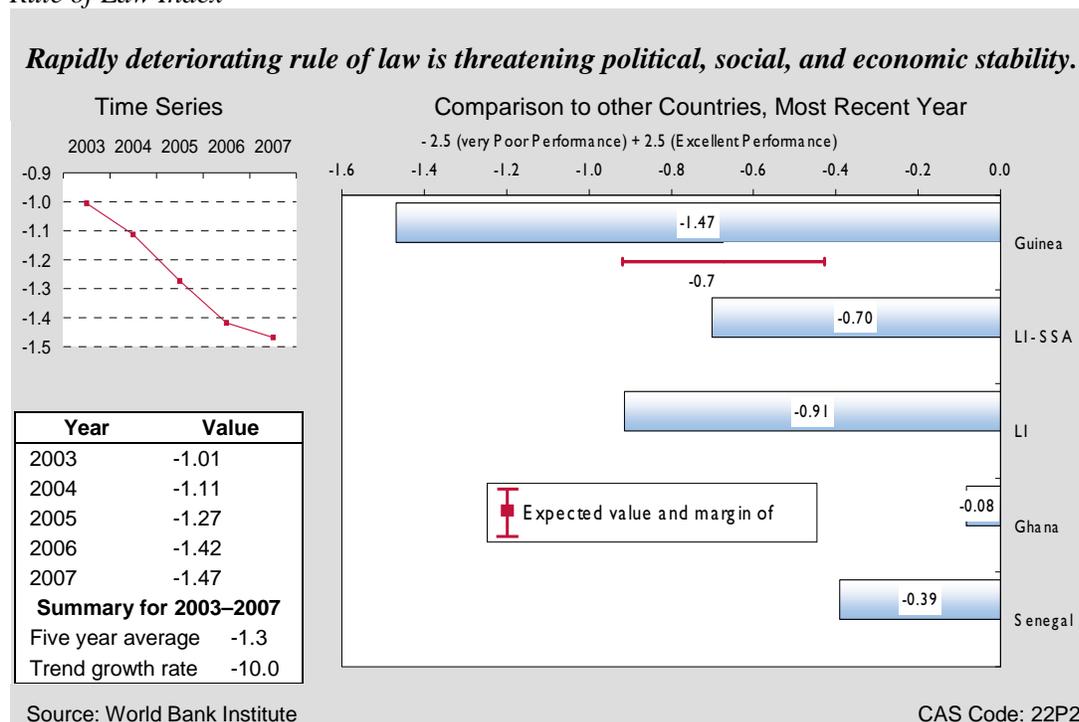
BUSINESS ENVIRONMENT

A primary institutional impediment to growth and stability in fragile states is poor governance, including rampant corruption, weak private sector infrastructure, and an ineffective judicial framework. The challenges that Guinea has to overcome to create a welcoming environment for

both domestic and foreign private sector businesses (the principal engine of economic growth) are immense. Maintaining rule of law has become more difficult, corruption is rampant, and red tape is extremely cumbersome. According to the 2007 PRSP, the deterioration in governance and rise in corruption have fueled much of the social and political crisis in Guinea.

Maintaining rule of law and ensuring that the public has a voice are critical not only for improving the business-enabling environment but also for fostering long-term peace and security. The WBI Rule of Law index measures the extent to which all players have confidence and abide by the rules of society (on a scale from -2.5 for very poor to +2.5 for excellent performance). Guinea’s scores point to a deterioration in the rule of law in recent years. In 2007, Guinea received a score of -1.47, down from an already poor score of -1.01 in 2003 and significantly worse than the expected score of -0.67 for a country with Guinea’s attributes, or the actual scores of -0.08 for Ghana and -0.39 for Senegal (see Figure 3-3).

Figure 3-3
Rule of Law Index

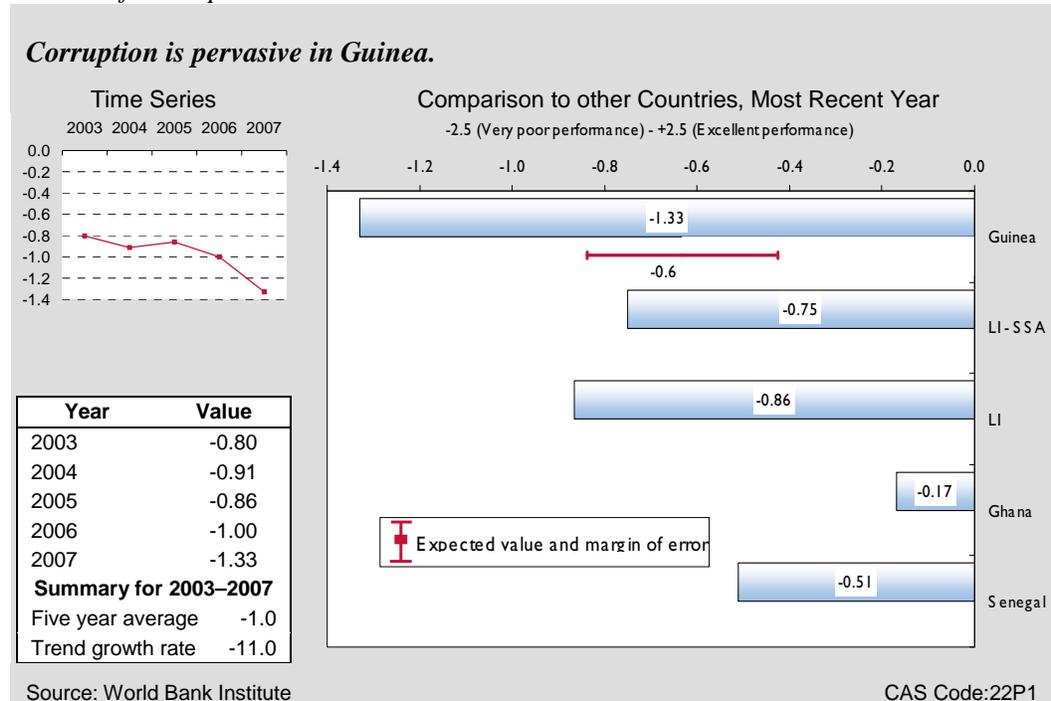


The extent to which Guinea’s citizens can participate in selecting their government and express themselves freely is also unsatisfactory. The WBI’s Voice and Accountability index was -1.23 in 2007, well below the expected score of -0.38, Ghana’s -0.50, and Senegal’s score of -0.02.

Though Guinea’s National Anticorruption Agency (ANLC) has called for tough measures to combat corruption and nepotism, corruption remains rampant and by all accounts is growing. The WBI’s Control of Corruption index points to a severe deterioration in corruption in recent years, with Guinea’s score falling from -0.80 in 2003 to -1.33 in 2007 (see Figure 3-4). In 2006 Transparency International rated Guinea, along with Haiti, as the most corrupt government in the world. Moreover, despite the government’s willingness for Guinea to subscribe to the Extractive

Industry Transparency Initiative (EITI) and make its financial dealings public, corruption in the mining sector is one of the country's biggest problems and will have to be addressed head on.

Figure 3-4
Control of Corruption Index



Red tape is also a serious problem. The World Bank's global index of the ease of doing business ranks countries on starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business. On the World Bank Group's 2009 composite Ease of Doing Business rankings, (reflecting survey results from the previous year) Guinea was ranked at 171, almost at the bottom of 181 countries and basically unchanged from 172 in the previous year. This is weak compared to the LI-SSA median of 158 and Ghana's 82, though on par with Senegal's poor performance of 168. According to this index, the areas in which Guinea appears to do particularly badly are in starting a business, protecting investors, and paying taxes. For instance, it takes 41 days, 13 procedures, and 136 percent of GNI per capita to open a business.²³ Though these numbers are in line with the values expected for a country like Guinea (36 days, 10 procedures, and 128 percent of GNI per capita) they are more costly and require more procedures than the number for Ghana (42 days, 11 procedures, and 41 percent of GNI per capita) and Senegal (58 days, 10 procedures, and 107 percent of GNI per capita).

In conclusion, Guinea faces a difficult challenge in improving its business enabling environment, particularly in maintaining rule of law, curbing corruption, reducing red tape, and improving institutional efficiency. According to the 2007 PRSP, civil society has been successful in

²³ GNI figures have not been recalculated. Because GNI per capita will probably be revised downwards, Guinea's position will probably be worse than depicted in the Doing Business scores.

promoting human rights, rural development, and greater government transparency. Donors might therefore wish to consider support to strengthen the justice system, fortify civil society, increase government and private sector transparency more directly, and improve the legal and institutional environment for fostering private sector growth. Improvements in these areas might also reduce some of the elements that fuel political and social unrest.

FINANCIAL SECTOR

The financial sector is crucial for the resumption of normal economic activity in socially and politically fragile environments. Its contributions range from providing basic means of payment for monetary transactions, to trade finance, to complex schemes for financing investment. Depth, stability, and quality in financial institutions are fundamental for mobilizing savings, allocating financial resources, and improving risk management, thereby fostering entrepreneurship; these are essential to ensure lasting peace.

Guinea has a small and weak financial system. The measure of money supply as a percentage of GDP is a principal indicator of the degree of monetization of an economy and the size and depth of a banking system. Its inverse, the velocity of money, indicates the degree to which the public is prepared to hold money as an asset, a store of value, and a means of payment. A high velocity (meaning a low ratio of money supply to GDP) indicates lack of confidence. Guinea's ratio of 14.4 percent in 2007 is much lower than the expected ratio—25.8 percent—for a country with similar characteristics, the LI-SSA median of 22.4 percent, and the ratios in Ghana and Senegal—28.8 percent and 34.3 percent, respectively.

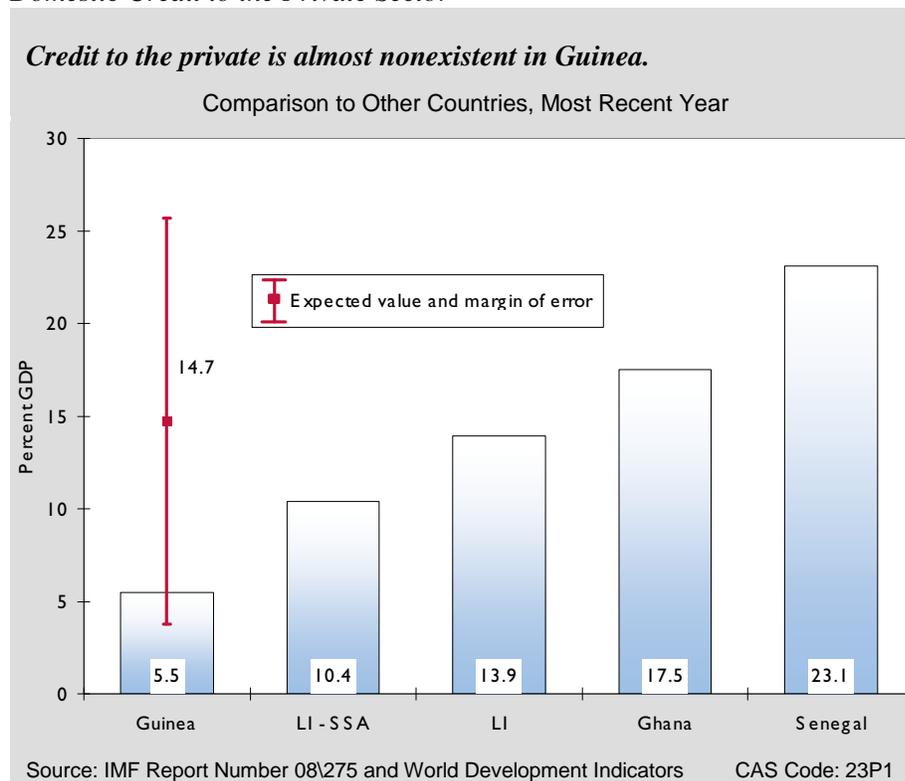
Another primary indicator of financial sector development is domestic credit to the private sector. The latest figures show domestic credit to the private sector (averaging just 6.2 percent of GDP in the three years to 2007) to be stagnant and very low compared to all benchmarks (see Figure 3-5). The figures reveal a financial system that has difficulty mobilizing funds to finance business, especially SMEs. For Guinea, this is especially relevant for the agricultural sector, perhaps the most import sector in the struggle for peace, stability, and sustained economic growth (see Agriculture).

Finally, between November 2005 and April 2007, Guinea's real interest rate remained negative, between -13.8 percent and -24.4 percent.²⁴ In large part due to high inflation, negative real interest rates are a serious concern because they create incentives for the misallocation of Guinea's scarce financial resources.

In conclusion, Guinea's financial system poses severe constraints to renewed economic growth. Donor assistance to the financial sector would increase credit to the private sector, particularly if provided as microfinance loans to those working in the agricultural sector. It will also be critical for the government to maintain its fiscal balance to rein in inflation and allow real interest rates to move into the positive domain.

²⁴ Direction Nationale de la Statistique de Guinée, <http://www.stat-guinee.org/>, accessed Oct. 2, 2008.

Figure 3-5
Domestic Credit to the Private Sector



EXTERNAL SECTOR

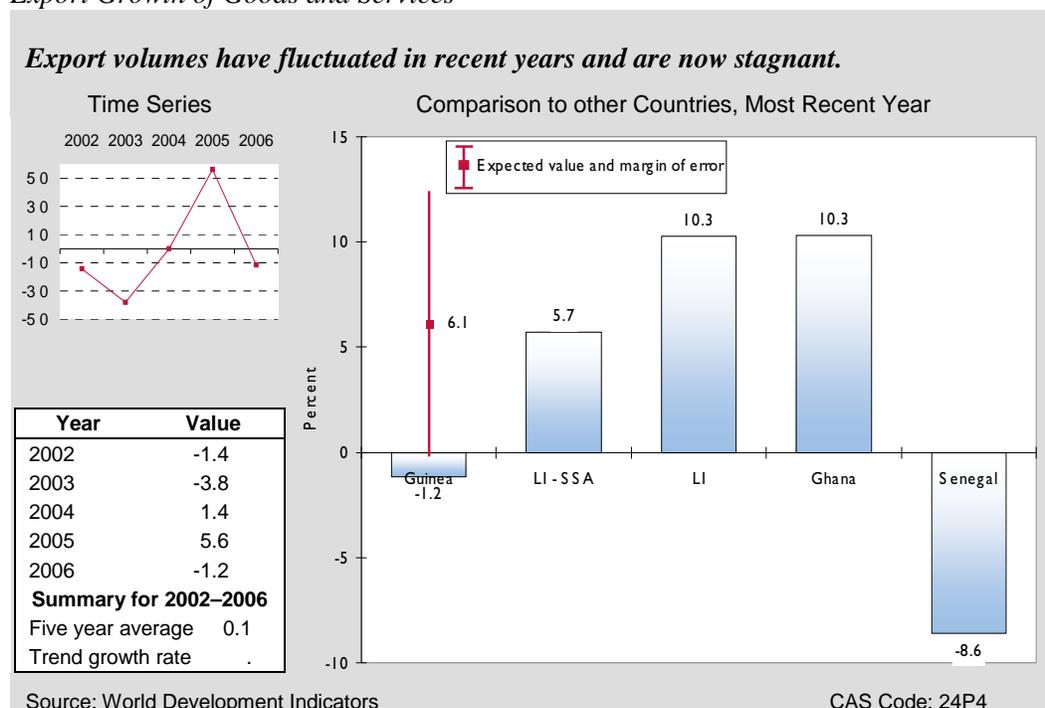
Fundamental changes in international commerce and finance, including reduced transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration in the past 25 years. Fragile states, owing to their circumstances, may not take—or be able to take—full advantage of these new markets. Moreover, they often have large external debt burdens that have to be reduced.

The most important external sector performance indicators for evaluating a fragile state's progress are the growth of its exports and its ability to attract international aid and foreign direct investment, reduce its debt service and the value of its debt, and build up international reserves to help its economy cope with exogenous shocks. Unfortunately, Guinea's export revenue has been flat, the country has failed to attract much foreign aid in recent years, and international reserves remain woefully low. Guinea was supposed to reach the completion point of the Enhanced Heavily Indebted Poor Countries Initiative (HIPC) in early 2009, thereby eliminating most of its external debt, but this has been delayed indefinitely because of uncertainty after the recent change in government.²⁵ Upon reaching completion point, Guinea will receive Multilateral Debt Relief Initiative relief from the International Development Association, the International Monetary Fund and the African Development Bank.

²⁵ Telephone confirmation, World Bank Country Team for Guinea, April 6, 2009.

In 2007, the IMF estimates that Guinea’s exports amounted to \$1.15 billion, up from \$1.07 billion in 2006. These numbers, however, are distorted by the global minerals boom. Guinea’s exports excluding mining products actually declined from an already low \$111 million in 2006 to just \$78 million in 2007.²⁶ Moreover, in the five years to 2006, the total export volume of goods and services increased on average by a mere 0.1 percent, well below the expected value of 6.1 percent for a country with Guinea’s characteristics and the LI-SSA median of 5.7 percent (see Figure 3.6).

Figure 3-6
Export Growth of Goods and Services



Given its large mining sector, Guinea should have realized significant benefits in recent years from the rise in aluminum and gold prices. Instead, because of a significant increase in the value of its imports, Guinea’s current account balance deteriorated marginally in the past couple of years from a deficit of an estimated 0.6 percent of GDP in 2005 to an estimated 2.0 percent of GDP in 2007. In 2008, the IMF projects that Guinea’s current account deficit will rise to 5.4 percent of GDP. Furthermore, increasing transportation and transformation costs and the failure of the government to negotiate beneficial contracts with mining companies have meant that Guinea receives little in terms of taxes or income from its natural wealth. In light of this and building on the recent successful strategy of neighboring Liberia (and Guinea’s own lack of success in unilaterally stripping international mining companies of their concessions), Guinea should consult with legal counsel about opportunities for renegotiating its mining contracts to realize more of the benefits.

²⁶ IMF Country Report No. 08/275.

With the deterioration of governance in Guinea and international concerns about risks to Guinea of renewed localized violence in the unstable region, Guinea has failed to attract sufficient foreign aid to promote broad-based economic growth and poverty reduction. In 2006 (the latest year for which data are available) foreign aid accounted for 5.0 percent of GNI, down from 7.8 percent in 2002,²⁷ less than half the expected value of 11.5 percent and well below the values of 9.2 percent and 9.1 percent of GNI for Ghana and Senegal, respectively. Foreign direct investment (FDI) is another source of external financing that can catalyze productivity gains by transferring technology, developing human capital, and enhancing competition. Unfortunately, recent FDI figures for Guinea are unavailable. Nonetheless, Guinea clearly has been able to attract significant flows of FDI through its mining industries, though whether these flows are helping the general population is much less clear.

The unfavorable terms for obtaining foreign exchange from mineral exports and insufficient foreign capital inflows has left Guinea with woefully low international currency reserves, equal to just 0.4 months of imports at year-end 2007, down from an already dismal 0.8 months in 2006.²⁸ Not only is this well below the expected 3.8 months for a country with Guinea's characteristics and the 2.6 months and 3.7 months held in Ghana and Senegal, respectively, but it is well below the IMF's recommended 3 to 4 months' worth of reserves (Figure 3-7).

Figure 3-7
Gross International Reserves



²⁷ The GNI figures have not been amended to reflect the new GDP estimates for Guinea.

²⁸ IMF. IMF Country Report No. 08/275.

The low levels of international reserves leave Guinea vulnerable to external shocks, particularly because export earnings are concentrated in primary goods that are extremely sensitive to price fluctuations. In fact, in 2002 (the latest year available) Guinea's top three exports accounted for 91 percent of merchandise exports, a rate of concentration far worse than the already poor LI-SSA median of 77 percent, Ghana's 71 percent, and Senegal's 35 percent. Furthermore, in 2007, it is estimated that mining products had risen to account for 93 percent of total merchandise exports in Guinea.²⁹ This highlights the need for Guinea to build foreign exchange reserves and adopt a comprehensive export diversification strategy. Given that 82 percent of the population works in the agricultural sector, improving agricultural productivity will be central to this process. Donors might wish to consider funding programs that target improvements in this area. (See also Agriculture, p. 33.)

A country which relies heavily on a few natural resource exports, as does Guinea, will often develop an overvalued exchange rate that makes both other potential exports and import-competing goods and services uncompetitive, a phenomenon that economists refer to as "Dutch disease." Although Guinea's central bank should reduce monetization of the foreign exchange earnings to mitigate this adverse influence on exports and import-competing activities, the Dutch disease phenomenon is mitigated by the unfavorable concession agreements described above, which would leave a relatively large share of the resource revenues in the hands of offshore companies and not contribute to domestic price inflation. Therefore, improved concession terms in the future must be accompanied by appropriate central bank policies.

Guinea also must ensure that it reaches the HIPC completion point as quickly as possible to reduce its external debt burden. In 2007, the IMF estimates that Guinea's debt service ratio was 18.8 percent of exports. This far exceeds the LI median of 7.2 percent and Ghana's 4.9 percent.

Although Guinea passed the HIPC decision point years ago and received good terms under the Paris Club agreement in 2006 and 2007, greatly reducing the net present value of its debt stock (from 80.2 percent of GDP in 2006 to an estimated 53.0 percent in 2007), it has yet to reach HIPC completion point. Until it reaches this point—delayed past early 2009 by the change in government and provided that local violence and external shocks do not further derail the process—Guinea will be unable to borrow internationally to fund the desperately needed programs that would help increase economic growth, reduce poverty, and ultimately stabilize the country. The IMF projects that following the completion point, Guinea's debt-service ratio will fall to just 6.3 percent of exports by 2010.

ECONOMIC INFRASTRUCTURE

Physical infrastructure—for transportation, information and communications technology (ICT), and energy—is a critical determinant of success in all aspects of development. Without adequate infrastructure, advances in health, education, and economic growth are severely impeded. Investment in infrastructure catalyzes all aspects of development, including enhancing productive capacity and improving competitiveness. Though data are not available for assessing Guinea's

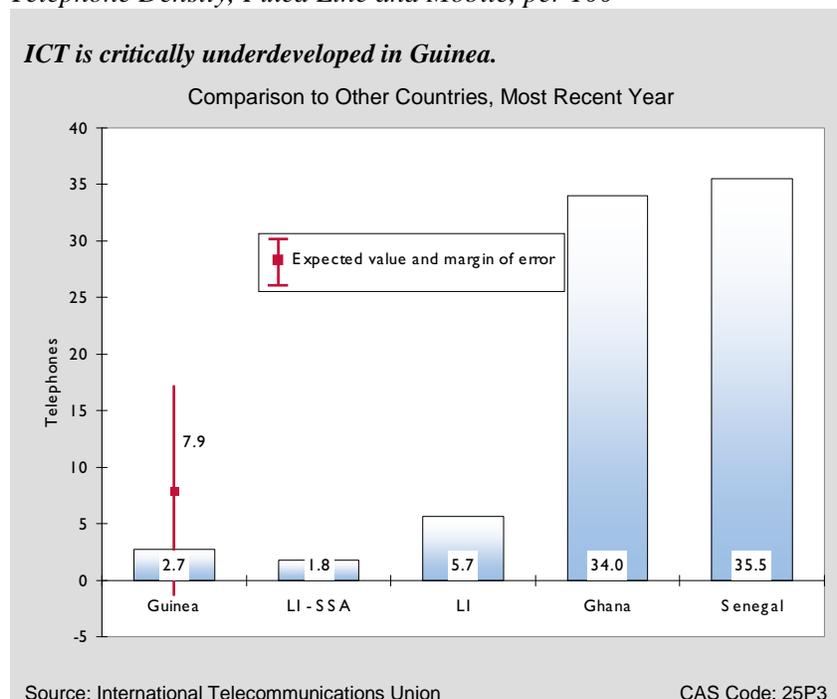
²⁹ Ibid.

overall infrastructure quality, quantitative and qualitative data are available for some of the individual sectors and describe a country with very poor economic infrastructure.

Transportation infrastructure is crucial for both domestic economic and trade-related activity. In Guinea this is particularly true because its core economic activities, mining and agriculture require physical access to markets. Road coverage is low and conditions are very poor, particularly in forest areas, because of heavy rainfall. Road density is just 2.9 km per 100 sq km,³⁰ and only 9.8 percent of roads were paved in 2003 (the most recent data available). This is particularly worrying considering that paved roads as a percentage of total roads declined from 16.5 percent just four years earlier, and that the 2003 figure is far lower than the LI median of 14.8 percent, Ghana's 17.9 percent, and Senegal's 29.3 percent. Unfortunately, no data are available on Guinea's air transport and railroad systems; the rail lines in use are those that mining companies use.

ICT infrastructure is also critically underdeveloped. Telephone density (fixed and mobile) in Guinea is 2.7 subscribers per 100 people, a very low number when compared with the expected value of 7.9 subscribers, Ghana's 34 subscribers, and Senegal's 35 subscribers (Figure 3-8). Internet usage is even less developed. Though the expected value is an already low 1.6 users per 100 people, and Ghana and Senegal have 2.8 and 6.6 users per 100 people, respectively, Guinea has only 0.5 users per 100 people.³¹ Given the critical role that ICT plays in creating linkages with the global economy, low ICT penetration has critical consequences for economic growth.

Figure 3-8
Telephone Density, Fixed Line and Mobile, per 100



³⁰ IMF Country Report No. 08/7.

³¹ International Telecommunications Union.

Access to electricity has declined in recent years as production and transportation facilities have deteriorated, institutional management has declined, and distribution systems have remained weak. Guinea is a member of the West Africa Power Pool and has significant hydroelectric potential, estimated at 19.4 Gwh/yr, only 1 percent of which has been harnessed.³² In stark contrast, in 2005 just 20 percent of the population had access to electricity,³³ and there were extreme differences in energy use between regions: 90 percent of those living in Conakry use electricity compared to 17 percent in Lower Guinea and just 5 percent in other parts of the country.³⁴ Moreover, just 35 percent of national electricity demand is being met.³⁵ Despite Guinea's great hydroelectric potential, almost all the electricity generated is thermal. To increase access in periurban and rural areas, among other things, the 2007 PRSP argues for increased commercial investment backed by subsidies in periurban and rural areas. Attracting large-scale private investment appears to be difficult to achieve under the circumstances.

The state of Guinea's transportation, ICT, and energy infrastructure has grave implications for the competitiveness of the business environment, economic productivity, and in some cases, regional inequality and social tensions. Donor funding and private investment for the rehabilitation of all three sectors would contribute significantly to Guinea's ability to develop a competitive, growing economy.

³² Mbendi (<http://www.mbendi.com/indy/powr/af/gu/p0005.htm>), used with caution because Equatorial Guinea data are erroneously included under Guinea.

³³ ORC Macro Calverton. 2005. Guinea Demographic and Health Survey, 2005.

³⁴ IMF. IMF Country Report No. 08/7.

³⁵ Ibid.

4. Pro-Poor Growth Environment

This section reviews the conditions and performance in sectors crucial to poverty reduction. Rapid growth can be one of the most powerful and dependable instruments for enterprise creation and employment generation that reduces poverty and deters relapse into conflict. Growth without development, however, may intensify inequality and breed hostility; thus pro-poor growth is a critical component of Guinea's postconflict reconstruction. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor by improving livelihoods, building assets, and enhancing mechanisms to cope with shocks while reducing their vulnerability. In fragile states and postconflict countries, however, these policies and institutions are often weak or nonexistent. Sustainable economic development hinges on the implementation of programs to improve primary health and education, the environment for job creation, labor market skills, and agricultural development.

HEALTH

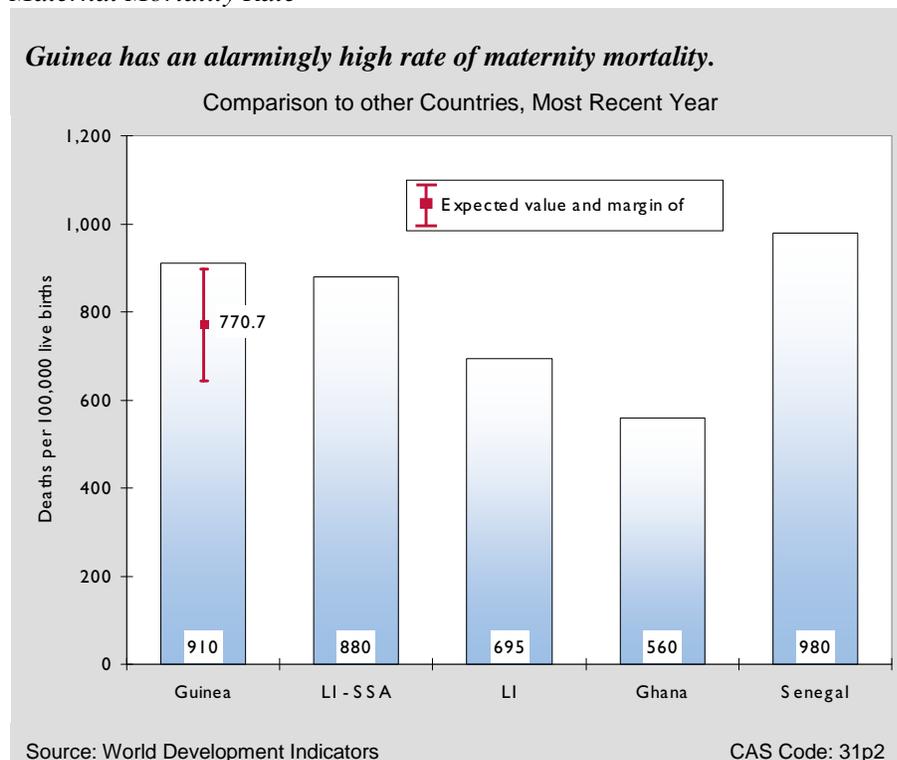
The provision of basic health services is a major form of human capital investment and a significant determinant of economic growth and poverty reduction. Although health programs are usually supported for motives independent of generating economic growth, an understanding of the health status of a population can influence the design of economic recovery interventions. Political and social tensions add to the complexity of coordinating and providing basic health care by interrupting the supply of drugs and services or by damaging health infrastructure.

Life expectancy at birth is commonly regarded as the best overall indicator of the health status of a population. In Guinea, life expectancy was just 55.5 years in 2006. Though better than the LI-SSA median of 51.7 years, it is lower than Ghana's 59.7 years and Senegal's 62.8 years (for same year) and low in absolute terms. One possible reason why life expectancy remains better than the LI-SSA median might be Guinea's relatively low rates of HIV/AIDS prevalence: In 2005, 1.5 percent of the adult population were either HIV positive or had AIDS, compared to the 2.8 percent LI-SSA median.

Unfortunately, Guinea performs poorly on most other health indicators. For instance, the maternal mortality rate (MMR) is another basic indicator of health conditions, and the 2005 estimate for Guinea was 910 deaths per 100,000 live births. Although lower than Senegal's rate of 980 deaths, it is extremely poor in absolute terms and significantly worse than the expected rate of 771 deaths per 100,000 live births and Ghana's rate of 560 deaths (see Figure 4-1). Guinea's poor MMR results from a combination of high poverty, widespread malnutrition (see Poverty and Inequality),

and limited access to health care. The latter is exemplified by the fact that in 2005 just 38 percent of women were attended at birth by a health professional.³⁶

Figure 4-1
Maternal Mortality Rate



Because Guinea's youth population is so large, the health of its children has a direct impact on the future security and productivity of the economy, the delivery of public services, and the education of future generations. Guinea's child mortality rate is extremely poor. In 2006, approximately 161 children per 1,000 died before the age of five. This was far worse than the expected rate of 125 deaths, the LI-SSA median rate of 138 deaths, and rates of 120 deaths in Ghana and 116 deaths in Senegal in the same year. One reason for the high mortality rates is the prevalence of child malnutrition. In 2005, 22.5 percent of Guinean children under five were underweight. Although somewhat better than the expected rate of 24.3 percent, 22.5 percent is much worse than the 18.8 percent in Ghana (in 2003) and the 14.5 percent in Senegal (in 2005). Childhood diseases also contribute to the high mortality rate. Acute respiratory infections, malaria, pneumonia, and severe dehydration (causing diarrhea) are the most common causes of death among young children.

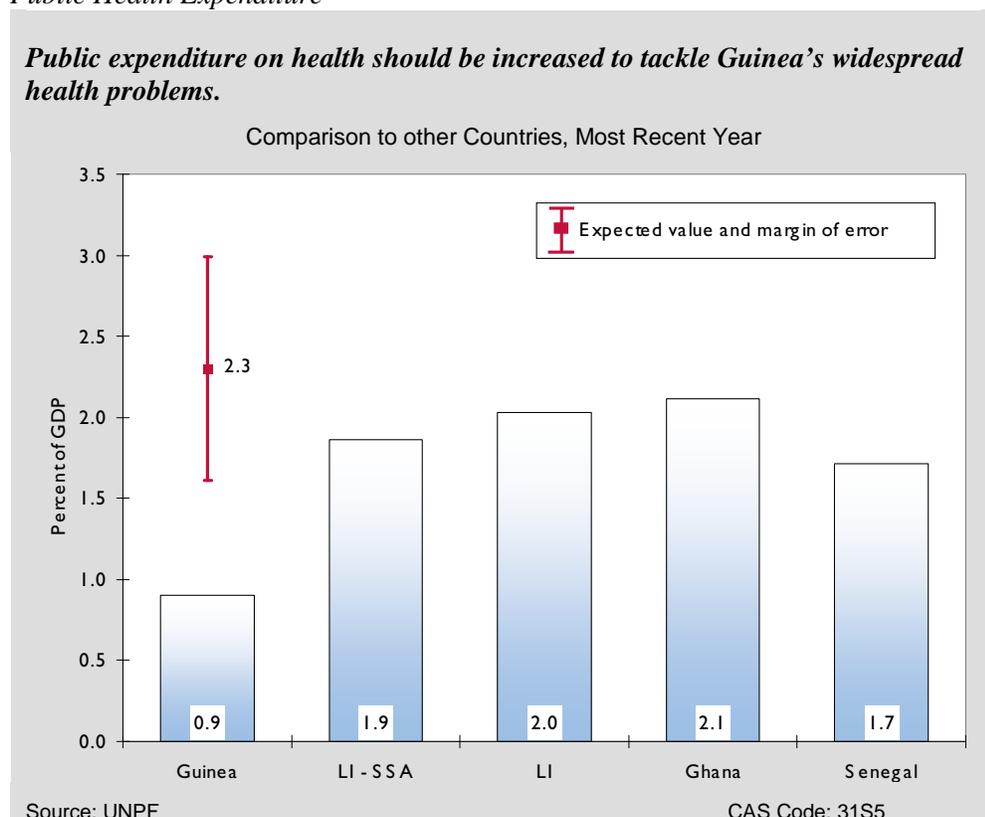
The prevalence of preventable diseases is related to the extreme lack of access to improved water and sanitation, two of the most important determinants of health outcomes. In 2004, only 18 percent of Guinea's population had access to improved sanitation, far below the expected rate

³⁶ PRSP-2 (2007–2010), Guinea, January 2008

of 34.2 percent, the LI-SSA median of 34 percent, and Senegal's 57 percent in the same year. Moreover, in 2004, only 50 percent of the Guinean population had access to an improved water source, which is lower than the expected rate of 64.1 percent, the LI-SSA median of 60.5 percent, and Ghana's and Senegal's rates of 75 percent and 76 percent in the same year, respectively.

Meager government spending on health programs contributes to Guinea's poor outcomes. In 2007, the government spent just 0.9 percent of GDP on health.³⁷ This is far lower than the expected value of 2.3 percent and than the values in Ghana and Senegal, which are close to the expected value for Guinea (Figure 4-2).

Figure 4-2
Public Health Expenditure



Given the critical importance of health for an economy and overall welfare, Guinea's growth requires a serious government commitment to improving the health of its population through increased health spending. Strong donor support will supplement the local resources and build capacity at the national and local levels to improve the quality of health care.

EDUCATION

Education, like health, is a fundamental investment in human capital and a basic input for transformational growth and poverty reduction. Education, particularly primary school for girls, is

³⁷ Ibid

strongly associated with better family health and nutrition, greater opportunities, smaller family size, and other profound socioeconomic changes. In fragile environments, education can diminish grievances by eliminating historic inequalities in access to economic opportunities.

Guinea has taken big steps forward in recent years in providing access to education, as reflected by improvement in the number of children enrolled in primary school in recent years. Between 2002 and 2007, the net primary enrollment rate rose dramatically, from 59.6 percent to 71.6 percent, reaching a level that is on par with the expected rate (70.4 percent) and the rates in Senegal (70.7 percent) and Ghana (71.6 percent) (see Figure 4-3). The improvements are also reflected in the reasonably high rates of persistence to grade five (76 percent in 2005).³⁸ In 2006, Guinea's net secondary enrollment rate was 27.6 percent, an increase of more than 8 percentage points over 2002 and in line with the expected rate of 25.4 percent. Guinea's gross tertiary enrollment rate was 3 percent in 2005, in line with the expected rate of 2.6 percent. As the PRSP notes, however, more improvement in education has been made in rural than in urban areas in recent years. Notwithstanding these welcome improvements, secondary and tertiary enrollment rates, though rising and in line with or better than comparators, remain low in absolute terms. The low rates can be partly explained by the enduring lack of education infrastructure in rural areas.³⁹

Though overall enrollment rates provide a basic framework for analyzing the state of education in Guinea, gender differences provide more insight into the weakness of the education system. In 2006, Guinea's net female primary enrollment rate was 66.2 percent, significantly lower than the rate of 76.8 percent for boys. The female enrollment rate, however, did increase faster than the enrollment rate for boys in the five years to 2006. Despite the gains, the 10.6 percentage point differential remains significantly larger than that for Senegal (1.3 percentage points) or Ghana (2 percentage points in 2007).

The quality of education in Guinea is also of concern. The 2007 PRSP indicates that 66 percent of primary school attendants and 63 percent of secondary school attendants are dissatisfied with the quality of their education, citing factors such as lack of books and supplies, low quality of teaching, and lack of discipline.⁴⁰ Moreover, Guinea's youth literacy rate was only 47 percent in 2005,⁴¹ significantly lower than the expected rate of 66.4 percent. Although it is too early for the recent improvements in access to education to manifest in higher youth literacy rates, it is paramount that access to education and educational quality improve at the same time.

In conclusion, Guinea must continue investing in its education system if it is to improve its educational outcomes. Particular attention should be given to improving educational infrastructure in rural areas, because doing so should also help defuse social and economic tensions. In the same vein, a government focus on the secondary and tertiary levels would retain future primary school graduates in the education system. But increased access should not compromise the quality of education.

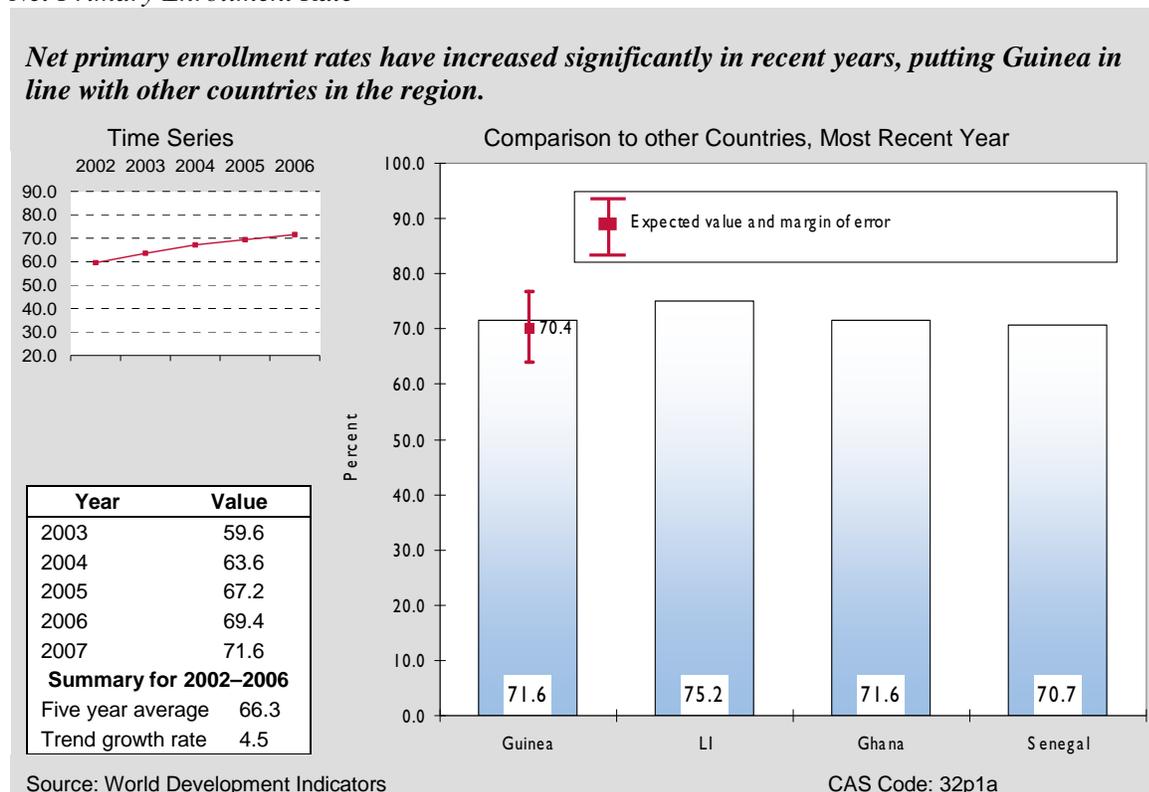
³⁸ First Review, August 2008, IMF Document 08/275

³⁹ PRSP-2 (2007–2010), Guinea, January 2008

⁴⁰ PRSP-2 (2007–2010), Guinea, January 2008

⁴¹ First Review, August 2008, IMF Document 08/275

Figure 4-3
Net Primary Enrollment Rate

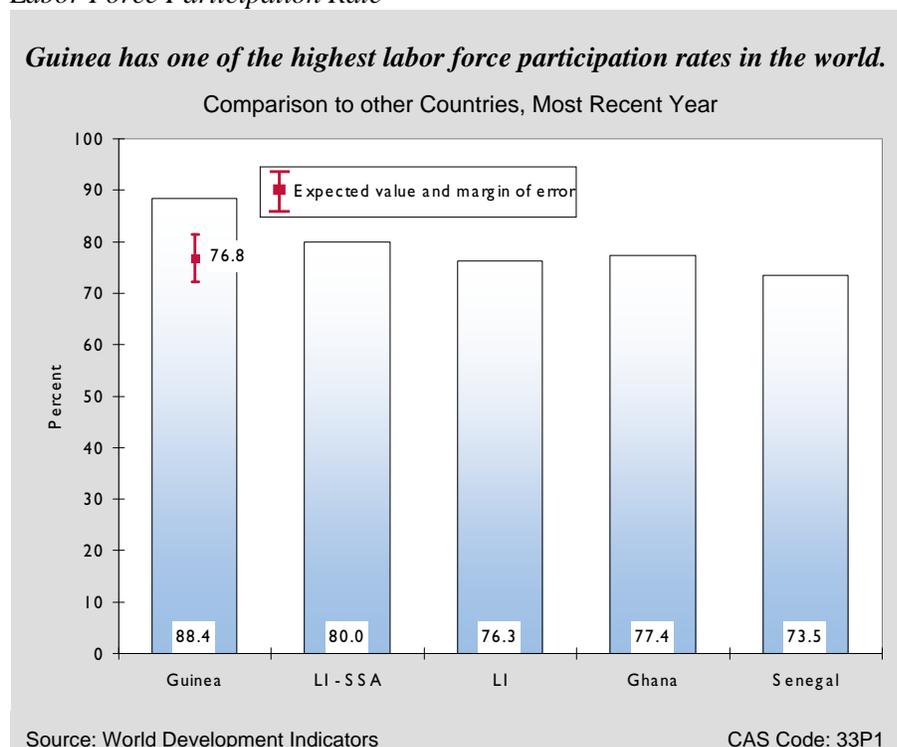


EMPLOYMENT AND WORKFORCE

The most important mechanism for delivering the benefits of growth to fragile states is to provide earning opportunities, whether through informal activities, self-employment, or formal jobs. Unfortunately, the Guinean government does not publish any data on employment and labor costs; as a result, data are sparse. Nonetheless, the data available provide important insight into Guinea's economic, social, and political problems.

The labor force participation rate in Guinea, 88.4 percent in 2006, is not only notably higher than the expected value for a country with Guinea's characteristics of 76.8 percent, Ghana's 77.4 percent, and Senegal's 73.5 percent, it is one of the highest in the world (see Figure 4-4). Moreover, the 2007 PRSP estimated that on average 1.36 people rely on every economically active adult among the nonpoor and that 1.04 individuals rely on every economically active adult among the poor. These figures suggest an acute need for all able adults in Guinea to work to support their families.

Figure 4-4
Labor Force Participation Rate



Guinea's labor force is growing at an estimated rate of 2.1 percent per year,⁴² resulting in the need to create jobs or income opportunities for roughly 91,000 workforce entrants per year. As noted in the second PRSP, the labor market is struggling under demographic pressure and with a severe mismatch between training provided in educational institutions and the needs of the Guinean economy. These problems have contributed to high levels of underemployment and unemployment among Guinea's youth and exacerbate social and political tensions. Donor interventions to improve workforce development, expand agricultural productivity to reduce the economic burden on economically active adults, and provide a better environment for fostering private sector job creation would help Guinea maintain stability and mitigate a major source of social unrest.

AGRICULTURE

Because of the lack of internationally comparable data on agriculture in Guinea, this section does not follow our standard benchmarking methodology. Instead, it relies on statistics from other sources to enable a useful analysis of the agricultural sector.

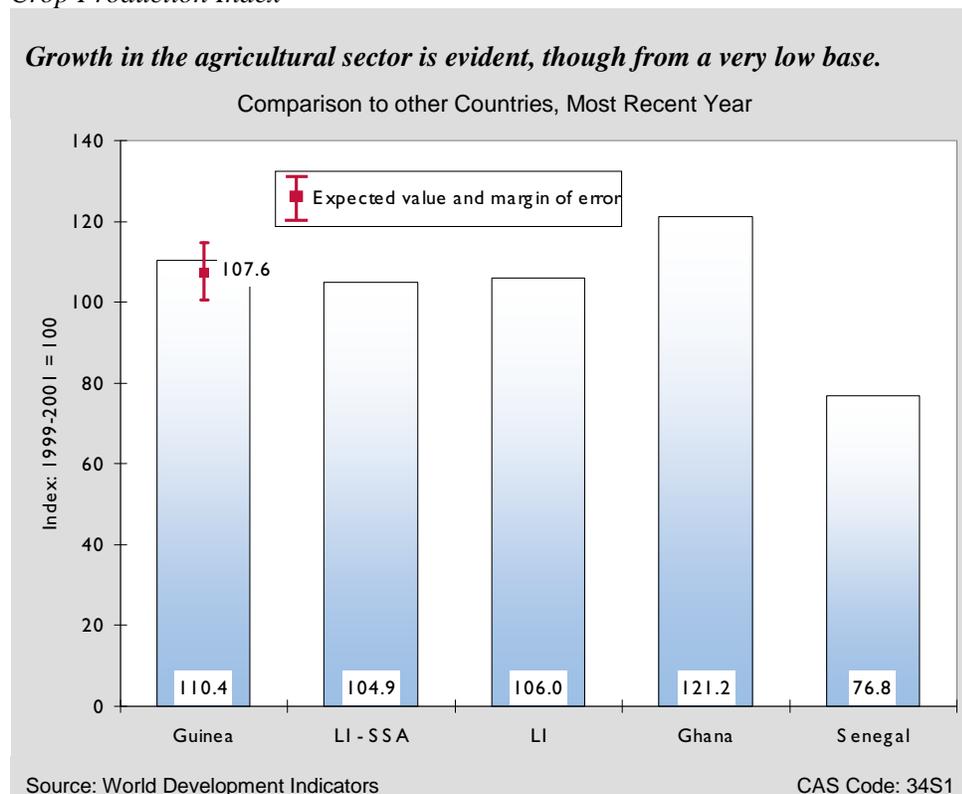
The Economic Structure section noted that 82 percent of Guinea's labor force is engaged in agriculture and that Guinea's modest growth in recent years has been driven largely by increases in agricultural value added. Nonetheless, evidence suggests that in absolute terms productivity in the agricultural sector is low and that Guinea will need to work with donors to improve

⁴² WDI Database.

productivity if it is to reduce poverty—which stands at 62.5 percent among families who rely on agriculture for their income—and foster transformational growth.

Guinea’s major agricultural products include rice, peanuts, and cassava. Its major agricultural exports include green coffee, rubber, and cattle. Guinea’s growth in agricultural production is evidenced by the crop production index increase (where 1999/2001=100) to 110.4 in 2004 (the latest year available), slightly above the expected value of 107.6 and well above Senegal’s 76.8, though far worse than Ghana’s 121.2 (see Figure 4-5). Unfortunately, the gains that have been made are from a very small base; Guinea’s agriculture is almost entirely subsistence.⁴³ Though agricultural exports from Guinea have been increasing, in 2004 they amounted to just \$51 million, or 5.4 percent of total exports. These figures compare very poorly with those of Ghana and Senegal: In 2004, Ghana’s agricultural exports amounted to \$1.2 billion, or 52.1 percent of total exports, while Senegal’s agricultural exports amounted to \$182 million, or 14.3 percent of total exports.⁴⁴

Figure 4-5
Crop Production Index



⁴³ IMF. IMF Country Report No. 08/7.

⁴⁴ Of course, the percentage comparisons are distorted by the predominance of minerals in Guinea’s export mix.

Guinea's low agricultural productivity stems in large part from the small size of farms and poor access to technology, modern farming techniques, and fertilizer. Half of all farms in the country are less than 2 hectares in size, and just 13 percent of farms have a pulled tool, whether by animal or machine.⁴⁵ Using an internationally comparable proxy for access to agricultural technology, Guinea in 2004 had just 0.5 tractors per 1,000 hectares of arable land, falling short of Ghana's 0.9 but exceeding Senegal's 0.3. Fertilizer use is particularly low in Guinea, averaging just 3 kilograms per hectare, far less than Ghana's 7 kilograms per hectare and Senegal's 14 kilograms per hectare.⁴⁶

Donor funding to help Guinea improve its agricultural productivity and produce higher value-added products would have a large payoff. Political and social turmoil reinforce the economic argument in favor of working directly with the private sector rather than with government. Because Guinea relies heavily on agriculture, any gains in the sector should help reduce poverty and the risk of more intensified conflict.

⁴⁵ Ibid.

⁴⁶ FAOSTAT.

Appendix A. CAS Methodology

CRITERIA FOR SELECTING INDICATORS

This economic recovery evaluation is designed to balance the need for broad coverage and diagnostic value on the one hand and the need for brevity and clarity on the other. The analysis covers 15 economic growth–related topics and approximately 100 variables. For the sake of brevity, the report highlights issues for which the “dashboard lights” appear to be signaling problems, and which suggest possible priorities for USAID intervention. The table in this appendix lists all the indicators examined for this report, while the Data Supplement in Appendix B contains the complete data set for Guinea, including data for the benchmark comparisons, and technical notes for every indicator.⁴⁷

The analysis in this report falls into two categories. The first level identifies critical constraints by examining a limited number of *primary indicators*, or Level I indicators, that address the following questions: What are the conflict-related obstacles to economic growth? What are the economic performance obstacles to peace? How intense is or was the conflict? How delicate is the situation? In addition, some Level I indicators—such as per capita income, structure of the labor force, and the occurrence of a youth bulge—are descriptive variables. The second level of analysis examines *supporting indicators* that shed light on *why* performance is strong or weak.

When Level I indicators suggest weak performance, we review Level II indicators, a limited set of *diagnostic supporting indicators*. Level II indicators reflect constraints or determinants of performance outcomes or provide additional detail to help diagnose the problems.⁴⁸

The indicators have been selected on the basis of the following criteria. Each must be accessible through USAID’s Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If

⁴⁷ The Data Supplement is available on line at <http://www.country-compass.com>

⁴⁸ The distinction between Level I and Level II indicators is not always clear-cut. In many cases, it is difficult to find readily available discerning and broadly applicable diagnostic indicators.

two indicators provide similar information, preference is given to one that is simplest to understand or most widely used. For example, both the Gini coefficient and the share of income accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes. For some particularly important indicators, we apply these criteria loosely because of a lack of data for countries in conflict or recently emerged from conflict.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The benchmarking analysis draws on several criteria, all related to postconflict and neighboring situations.

- ***Income-Region.*** Variables are also examined against the median of low-income Sub-Saharan Africa.
- ***Two comparator countries.*** When pertinent, the indicator values are compared to values of two comparator countries. In the case of Guinea, Ghana and Senegal, were so designated by the USAID mission in the target country or by USAID/EGAT/EG.
- ***Regression benchmarks.*** A second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects. This approach has three advantages. First, the benchmark is customized to Guinea's level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows the quantification of the margin of error and the establishment of a "normal band" for a country with Guinea's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.⁴⁹

When possible, time-series data for the past five years are examined to get the values and the five-year average growth rate. In interpreting the indicators, the most recent value, the multiyear average, or growth rates can be examined. Often, however, this time analysis is not possible because of data limitations.

Finally, when relevant, Guinea's performance is weighed against absolute standards. For example, a double-digit inflation rate is a sign of macroeconomic problems, regardless of the regional comparisons or other benchmark results.

⁴⁹ This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

POSTCONFLICT CAS INDICATORS

Indicator	Level ^a	MDG, MCA, EcGov, CAS std ^b
Profile of Conflict and Recovery		
Failed State Index score	I	
Episode of significant violence, highest magnitude in previous 10 years	I	
Type of conflict, highest magnitude in previous 10 years	I	
Magnitude of societal-systemic impact, highest magnitude in previous 10 years	I	
Disarmament, demobilization and reintegration	II	
Human Rights Index score	II	
Refugees and IDPs per capita	II	
Postconflict Economic Growth		
Per capita GDP, \$PPP	I	CAS std, I
Real GDP growth	I	CAS std, I
Gross fixed investment, % GDP	II	CAS std, II
Poverty and Inequality		
Income share, poorest 20%	I	CAS std, I
Population living on less than \$1 PPP per day	I	MDG; CAS std, I
Population living below national poverty line	I	MDG; CAS std, I
Human Poverty Index	I	
Population below minimum dietary energy consumption	II	MDG; CAS std, II
Economic Structure		
Output structure	I	CAS std, I
Labor force structure	I	CAS std, I
Adjusted savings: energy depletion, % GNI	II	
Adjusted savings: mineral depletion, % GNI	II	
Demography and Environment		
Adult literacy rate	I	CAS std, I
Youth dependency rate	I	CAS std, I
Youth bulge	I	
Environmental performance index	I	CAS std, I
Population growth rate	I	CAS std, I
Rural population density	I	
Percentage of population living in urban areas	I	CAS std, I
Frequency and scope of natural disasters	II	
Net migration rate	II	
Gender and Children		
Gender empowerment measure	I	
Girls' primary completion rate	I	MCA; CAS std, I

Indicator	Level ^a	MDG, MCA, EcGov, CAS std ^b
Gross enrollment rate, all levels of education, male and female	I	MDG; CAS std, I
Life expectancy, male and female	I	CAS std, I;
Labor force participation rate, male and female	I	CAS std, I;
Internally displaced females, per capita	II	
Use of child soldiers, government and political groups	II	
Economic Stabilization and Government Capacity		
Government Effectiveness Index	I	
Government expenditure, % GDP	I	EcGov; CAS std, I
Government revenue, % GDP	I	EcGov; CAS std, I
Money supply growth	I	EcGov; CAS std, I
Inflation rate	I	MCA; CAS std, I
Overall government budget balance, including grants, % GDP	II	MCA, EcGov; CAS std, I
Interest payments and total government expenditure	II	CAS std, II
Subsidies and other current transfers and total government expenditure	II	CAS std, II
Institutional capacity	II	
Business Environment		
Control of corruption index	I	CAS std, I
Rule of law index	I	MCA, EcGov; CAS std, I
Voice and accountability	I	
Ease of doing business index	I	EcGov; CAS std, I
Time to start a business	II	MCA; EcGov; CAS std, II
No. of procedures to start a business	II	EcGov; CAS std, II
Cost of starting a business	II	MCA; EcGov; CAS std, II
Time to enforce a contract	II	EcGov; CAS std, II
No. of procedures to enforce a contract	II	EcGov; CAS std, II
Cost to enforce a contract, % claim	II	
Time to register property	II	EcGov; CAS std, II
Financial Sector		
Domestic credit to private sector, % GDP	I	CAS std, I
Interest rate spread	I	CAS std, I
Money supply, % GDP	I	CAS std, I
Real interest rate	II	CAS std, II
Banking sector default rates	II	
External Sector		
Aid, % GNI	I	CAS std, I
Current account balance, % GDP	I	CAS std, I
Debt service ratio, % exports	I	MDG; CAS std, I

Indicator	Level ^a	MDG, MCA, EcGov, CAS std ^b
Export growth of goods and services	I	CAS std, I
Foreign direct investment, % GDP	I	CAS std, I
Gross international reserves, months of imports	I	EcGov; CAS std, I
Present value of debt, % GNI	I	CAS std, I
Remittance receipts, % exports	I	CAS std, I
Concentration of exports	I	CAS std, II
Logistics Performance Index, customs	II	
Trade in goods and services, % GDP	II	CAS std, I
Real effective exchange rate (REER)	II	EcGov; CAS std, II
Country credit ranking	II	
Economic Infrastructure		
Logistics Performance Index, infrastructure	I	
Number of electrical outages (days)	I	
Telephone density, fixed line and mobile per 100	I	CAS std, I
Internet users per 100 people	II	MDG; CAS std, I
Roads paved, % total roads	II	CAS std, II
Percentage of households with access to electricity	II	
Overall infrastructure quality	II	EcGov; CAS std, I
Quality of infrastructure— air, ports, railroads, electricity, and roads	II	CAS std, II
Health		
Child mortality rate (per 1,000 live births)	I	
Maternal mortality rate	I	MDG; CAS std, I
Life expectancy at birth	I	CAS std, I
HIV prevalence	II	CAS std, I
Access to improved sanitation	II	MDG; CAS std, II
Access to improved water source	II	MDG; CAS std, II
Prevalence of child malnutrition (weight for age)	II	CAS std, II
Public health expenditure, % GDP	II	MCA, EcGov; CAS std, II
Education		
Net primary enrollment rate	I	MDG; CAS std, I
Net secondary enrollment rate	I	CAS std, I
Gross tertiary enrollment rate	I	CAS std, I
Persistence in school to grade 5	I	MDG; CAS std, I
Youth literacy rate	I	CAS std, I
Education expenditure, primary, % GDP	II	MCA, EcGov; CAS std, II
Pupil-teacher ratio, primary school	II	CAS std, II
Employment and Workforce		
Labor force participation rate	I	CAS std, I

Indicator	Level ^a	MDG, MCA, EcGov, CAS std ^b
Rigidity of employment index	I	EcGov; CAS std, I
Economically active children, % children ages 7-14	I	CAS std, I
Unemployment rate, 15-24 year olds	I	
Informal sector employment, % labor force	II	
Agriculture		
Agriculture value added per worker	I	CAS std, I
Crop production index	II	EcGov; CAS, std, II
Agricultural export growth	II	CAS, std, II

^a Level I = primary performance indicators, Level II = supporting diagnostic indicators

^b MDG—Millennium Development Goal indicator;

MCA—Millennium Challenge Account indicator;

EcGov—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations;

CAS std –Standard CAS template indicator for template version, December 2006.

Appendix B. Data Supplement

		Profile of Conflict and Recovery						
	Statistical Capacity Indicator	Failed State Index Score	Episode of Significant Violence, Highest Magnitude in Previous 10 Years	Type of conflict, highest magnitude in previous 10 years	Magnitude of Societal-Systemic Impact, Highest Magnitude in Previous 10 Years	Disarmament, Demobilization and Reintegration	Human Rights Index	Refugee and IDPs per Capita
Indicator Number	01P1	11P1	11P2	11P3	11P4	11S1	11S2	11S3
Guinea Data								
<i>Latest Year (T)</i>	2007	2008	2001	2001	2001	2006	.	.
Value Year T	56	101.8	1	CV	1	1	.	.
Value Year T-1	56	101.3	.	.	.	.	.	.
Value Year T-2	56	99.0	.	.	.	.	.	.
Value Year T-3	54	94.7	.	.	.	.	.	.
Value Year T-4	.	.	.	.	.	.	.	.
Average Value, 5 year	.	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.	.
Benchmark Data								
Regression Benchmark	59.7	.	.	.	.	.	.	.
Lower Bound	53.3	.	.	.	.	.	.	.
Upper Bound	66.2	.	.	.	.	.	.	.
<i>Latest Year Ghana</i>	2007	2008	.	.	.	.	.	.
Ghana Value Latest Year	53	64.6	.	.	.	.	.	.
<i>Latest Year Senegal</i>	2007	2008	.	.	.	.	.	.
Senegal Value Latest Year	74	70.9	.	.	.	.	.	.
LI - SSA	57.0	90.0	.	.	.	1.0	.	.
Low Income	59.3	91.1	.	.	.	1.0	.	.
High Five Avg.	90.7	110.5	.	.	.	.	.	.
Low Five Avg.	24.7	18.7	.	.	.	.	.	.

	Postconflict Economic Growth			Poverty & Inequality				
	Per Capita GDP, PPP	Real GDP Growth (% Change)	Gross Fixed Investment (% GDP)	Incomes-Share, Poorest 20%	Population Living on Less than \$1 PPP per Day	Population Living below National Poverty Line	Human Poverty Index	Population below Minimum Dietary Energy Consumption
Indicator Number	12P1	12P2	12S1	13P1	13P2	13P3	13P4	13S1
<i>Guinea Data</i>								
<i>Latest Year (T)</i>	2007	2007	2007	2007	.	2005	2005	2002
Value Year T	974	1.8	24.5	6.4	.	53.6	52.3	24.0
Value Year T-1	962	2.4	20.2	.	.	.	52.0	.
Value Year T-2	940	3.0	23.3	7.0	.	.	.	.
Value Year T-3	936	2.3	.	.	.	.	.	.
Value Year T-4	961	1.2	.	.	.	.	.	.
Average Value, 5 year	954.5	2.1	.	.	.	.	.	.
Growth Trend	0.5	8.5	.	.	.	.	.	.
<i>Benchmark Data</i>								
Regression Benchmark	.	4.9	21.1	5.9	.	46.1	43.6	28.9
Lower Bound	.	3.1	17.3	5.2	.	40.2	37.9	22.9
Upper Bound	.	6.7	24.9	6.6	.	52.0	49.3	34.9
<i>Latest Year Ghana</i>	.	2007	2006	.	.	2006	2005	2002
Ghana Value Latest Year	.	6.4	32.4	.	.	28.5	32.3	12.0
<i>Latest Year Senegal</i>	2007	2007	2006	2001	2001	.	2005	2002
Senegal Value Latest Year	.	5.0	29.2	6.6	17.0	.	42.9	23.0
LI - SSA	839.8	4.0	17.5	.	.	.	40.5	33.0
Low Income	1,235.9	6.0	20.5	.	.	.	39.3	29.0
High Five Avg.	49,317.2	16.7	51.3	9.1	45.1	55.1	56.7	67.0
Low Five Avg.	365.0	0.7	9.5	2.3	2.1	15.2	3.9	2.5

	Economic Structure							
	Output Structure (Agriculture, Value Added, % GDP)	Output Structure (Industry, Value Added, % GDP)	Output Structure (Service, Value Added, % GDP)	Labor Force Structure (Employment in Agriculture)	Labor Force Structure (Employment in Industry)	Labor Force Structure (Employment in Services)	Adjusted Savings: Energy Depletion (%GNI)	Adjusted Savings: Mineral Depletion (%GNI)
Indicator Number	14P1a	14P1b	14P1c	14P2a	14P2b	14P2c	14S1a	14S1b
<i>Guinea Data</i>								
Latest Year (T)	.	.	.	2004	.	.	.	2006
Value Year T	.	.	.	82.0	.	.	.	9.5
Value Year T-1	.	.	.	83.0	.	.	.	8.4
Value Year T-2	.	.	.	83.0	.	.	.	5.8
Value Year T-3	.	.	.	.	.	.	.	4.9
Value Year T-4	.	.	.	.	.	.	.	5.9
Average Value, 5 year	.	.	.	.	.	.	.	6.9
Growth Trend	.	.	.	.	.	.	.	14.9
<i>Benchmark Data</i>								
Regression Benchmark	28.8	20.6	44.8	67.1	7.7	26.8	.	0.4
Lower Bound	24.4	16.0	39.1	60.9	5.4	21.2	.	-1.8
Upper Bound	33.2	25.2	50.6	73.3	10.0	32.4	.	2.6
Latest Year Ghana	2006	2006	2006	2000	2000	2000	.	2006
Ghana Value Latest Year	37.4	25.4	37.2	55.0	14.0	31.1	.	7.7
Latest Year Senegal	2006	2006	2006	.	.	.	.	2006
Senegal Value Latest Year	15.9	23.0	61.1	.	.	.	.	0.1
LI - SSA	35.6	19.3	43.7	.	.	.	.	0.0
Low Income	30.6	24.9	45.1	.	.	.	.	0.0
High Five Avg.	56.9	70.2	85.3	.	.	80.4	89.8	24.1
Low Five Avg.	0.3	10.1	18.6	.	.	24.2	0.0	0.0

	Demography & Environment									
	Adult Literacy Rate	Youth Dependency Rate	Youth Bulge	Environmental Performance Index	Population Growth Rate	Rural Population Density	Population Living in Urban Areas	Frequency of Natural Disasters (No. per year)	Scope of Natural Disasters (No. people affected)	Net Migration Rate
Indicator Number	15P1	15P2	15P3	15P4	15P5	15P6	15P7	15S1a	15S1b	15S2
<i>Guinea Data</i>										
<i>Latest Year (T)</i>	2006	2006	.	2007	2007	2005	2006	2007	2006	.
Value Year T	35.0	43.3	.	51.3	3.2	503	33.5	1.0	16.9	.
Value Year T-1	.	43.4	.	49.2	3.3	496	33.0	3.0	20.8	.
Value Year T-2	.	43.5	.	.	3.2	534	32.6	1.0	21.4	.
Value Year T-3	.	43.6	.	.	3.2	553	32.2	2.0	0.7	.
Value Year T-4	.	43.8	.	.	3.6	591	31.8	1.0	1.7	.
Average Value, 5 year	.	43.5	.	.	3.3	535.5	32.6	1.6	12.3	.
Growth Trend	.	-0.3	.	.	-1.8	-4.3	1.3	4.1	79.7	.
<i>Benchmark Data</i>										
Regression Benchmark	52.9	43.2	.	.	2.5	399.5	29.4	.	.	0.5
Lower Bound	41.7	41.1	.	.	2.1	72.8	21.6	.	.	-7.8
Upper Bound	64.1	45.4	.	.	2.8	726.3	37.1	.	.	8.9
<i>Latest Year Ghana</i>	.	2006	.	2007	2006	2005	2006	2007	2005	2007
Ghana Value Latest Year	.	38.6	.	70.8	2.1	281	48.5	0.0	10.3	-0.6
<i>Latest Year Senegal</i>	2002	2006	.	2007	2006	2005	2006	2007	2006	2007
Senegal Value Latest Year	39.3	41.9	.	62.8	2.5	270	41.9	1.0	0.0	0.0
LI - SSA	.	44.0	.	51.3	2.7	330.1	34.8	1.7	103.1	0.0
Low Income	.	42.7	.	54.8	2.4	394.1	31.3	1.7	103.1	0.0
High Five Avg.	.	97.7	.	89.1	4.2	5,640.6	100.0	16.3	22,027.8	20.3
Low Five Avg.	.	19.9	.	37.4	-0.8	3.7	11.9	0.0	0.0	-15.4

	Gender & Children										
	Gender Empowerment	Girls' Primary Completion Rate	Gross Enrollment Rate, Male	Gross Enrollment Rate, Female	Life Expectancy at Birth, Male	Life Expectancy at Birth, Female	Labor Force Participation Rate, Male	Labor Force Participation Rate, Female	Internally Displaced Females per Capita	Use of Child Soldiers - Government	Use of Child Soldiers - Political
Indicator Number	16P1	16P2	16P3a	16P3b	16P4a	16P4b	16P5a	16P5b	16S1	16S2a	16S2b
<i>Guinea Data</i>											
<i>Latest Year (T)</i>	.	2006	2006	2006	2006	2006	2006	2006	.	2004	2004
Value Year T	.	53.4	86.4	70.0	54.0	57.2	88.3	82.7	.	2.0	1.0
Value Year T-1	.	47.1	.	.	53.5	56.7	88.6	82.7	.	.	.
Value Year T-2	.	40.3	.	.	.	.	88.8	82.7	.	.	.
Value Year T-3	.	30.6	.	.	.	.	89.5	82.7	.	.	.
Value Year T-4	.	27.6	.	.	52.0	55.4	89.5	82.8	.	.	.
Average Value, 5 year	.	39.8	.	.	.	.	88.9	82.7	.	.	.
Growth Trend	.	17.5	.	.	.	.	-0.4	0.0	.	.	.
<i>Benchmark Data</i>											
Regression Benchmark	.	57.5	52.8	43.8	52.4	55.6	85.8	60.4	.	.	.
Lower Bound	.	47.0	47.5	37.3	49.3	52.6	83.0	52.9	.	.	.
Upper Bound	.	68.1	58.0	50.3	55.5	58.6	88.6	67.9	.	.	.
<i>Latest Year Ghana</i>	.	2005	2004	2004	2005	2005	2006	2006	.	2004	2004
Ghana Value Latest Year	.	67.8	50.0	44.0	58.7	59.5	76.0	71.8	.	0.0	2.0
<i>Latest Year Senegal</i>	.	2006	2004	2004	2005	2005	2006	2006	.	2004	.
Senegal Value Latest Year	.	46.6	41.0	36.0	60.4	64.4	83.4	58.3	.	0.0	.
LI - SSA	.	43.4	49.5	43.0	48.5	49.8	88.1	65.6	.	1.0	1.0
Low Income	.	47.6	53.0	46.0	53.6	56.4	85.4	60.3	.	1.0	1.0
High Five Avg.	0.9	127.3	101.2	106.8	78.7	84.2	94.5	87.1	.	2.0	2.0
Low Five Avg.	0.2	19.5	28.0	21.8	38.5	38.9	64.9	19.8	.	0.0	0.0

	Economic Stabilization & Government Capacity								
	Govt. Effectiveness Index (-2.5 for Poor Performance to 2.5 Excellent Performance)	Government Expenditure (% GDP)	Government Revenue (% GDP)	Money Supply Growth	Inflation Rate	Overall Budget Balance, Including Grants (% GDP)	Interest Payments/ Total Government Expenditure	Subsidies and Other Current Transfers/Total Government Expenditure	Institutional Capacity
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1	21S2	21S3	21S4
<i>Guinea Data</i>									
Latest Year (T)	2007	2007	2007	2007	2007	2007	2007	2007	.
Value Year T	-1.47	14.8	14.3	8.5	22.9	0.3	16.2	14.9	.
Value Year T-1	-1.39	19.6	14.8	66.3	34.7	-3.2	18.9	13.8	.
Value Year T-2	-1.08	16.9	14.5	33.4	31.4	-1.6	18.3	13.6	.
Value Year T-3	-0.89	.	.	36.5	.	.	.	.	.
Value Year T-4	-0.88	.	.	33.2	.	.	.	.	.
Average Value, 5 year	-1.1	.	.	35.6	.	.	.	.	.
Growth Trend	-14.5	.	.	-21.3	.	.	.	.	.
<i>Benchmark Data</i>									
Regression Benchmark	-0.77	.	15.9	20.2	350.0	-1.5	.	.	.
Lower Bound	-1.01	.	12.1	13.3	-273.7	-3.6	.	.	.
Upper Bound	-0.53	.	19.7	27.1	973.6	0.6	.	.	.
Latest Year Ghana	2007	2007	2007	2006	2007	2007	.	.	.
Ghana Value Latest Year	-0.04	37.0	22.5	42.8	9.6	-9.1	.	.	.
Latest Year Senegal	2007	2007	2007	2006	2007	2007	2006	.	.
Senegal Value Latest Year	-0.34	27.2	20.9	12.5	5.9	-3.5	3.2	.	.
LI - SSA	-0.81	.	.	19.8	5.8	.	.	.	.
Low Income	-0.85	.	12.8	19.0	8.1	-2.9	.	.	.
High Five Avg.	2.17	.	.	191.3	798.5	7.9	.	.	.
Low Five Avg.	-1.85	.	.	-2.6	0.8	-8.3	.	.	.

	Business Environment										
	Control of Corruption Index (-2.5 for Poor to 2.5 for Excellent Performance)	Rule of Law Index (-2.5 for Poor to 2.5 for Excellent Performance)	Voice and Accountability (-2.5 for Poor to 2.5 for Excellent Performance)	Ease of Doing Business Ranking (1 best to 181 worst)	Time to Start a Business (days)	Procedures to Start a Business	Cost of Starting a Business (% GNI per capita)	Time to Enforce a Contract (days)	Procedures to Enforce a Contract	Cost to Enforce a Contract (% claim)	Time to Register Property (days)
Indicator Number	22P1	22P2	22P3	22P4	22S1	22S2	22S3	22S4	22S5	22S6	22S7
<i>Guinea Data</i>											
Latest Year (T)	2007	2007	2007	2009	2009	2009	2009	2009	2009	2009	2009
Value Year T	-1.33	-1.47	-1.23	171	41	13	135.7	276	50	45	104
Value Year T-1	-1.00	-1.42	-1.15	172	41	13	138.3	276	50	45	104
Value Year T-2	-0.86	-1.27	-1.16	.	41	13	181.5	276	50	45	104
Value Year T-3	-0.91	-1.11	-1.22	.	41	13	178.8	276	50	45	104
Value Year T-4	-0.80	-1.01	-1.39	.	41	13	208.2	276	50	45	104
Average Value, 5 year	-1.0	-1.3	-1.23	.	41	13	168.5	276	50	45	104
Growth Trend	-11.0	-10.0	3.13	.	0	0	-11.1	0	0	0	0
<i>Benchmark Data</i>											
Regression Benchmark	-0.63	-0.67	-0.38	136.6	36.1	10.1	128.2	567.6	38.6	41.2	93.6
Lower Bound	-0.84	-0.92	-0.73	116.1	12.9	8.5	93.6	412.0	35.5	30.1	50.7
Upper Bound	-0.43	-0.43	-0.03	157.1	59.2	11.7	162.8	723.2	41.8	52.2	136.5
Latest Year Ghana	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008
Ghana Value Latest Year	-0.17	-0.08	0.50	82	42	11	41.4	487	36	23	34
Latest Year Senegal	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008
Senegal Value Latest Year	-0.51	-0.39	-0.02	168	58	10	107.0	780	44	27	145
LI - SSA	-0.75	-0.70	-0.70	158.0	41	11.0	170.6	546.5	39.7	42.1	91.0
Low Income	-0.86	-0.91	-0.91	151.5	43.2	10.3	120.8	532.7	39.7	38.7	81.2
High Five Avg.	2.39	1.96	1.60	179.0	287.7	18.5	574.0	1,611.6	53.7	149.9	485.8
Low Five Avg.	-1.57	-1.93	-2.08	3.0	4.3	2.4	0.5	182.6	22.9	8.9	2.1

	Financial Sector				
	Domestic Credit to Private Sector (% GDP)	Interest Rate Spread	Money Supply (% GDP)	Real Interest Rate	Banking Sector Default Rates
Indicator Number	23P1	23P2	23P3	23S1	23S2
<i>Guinea Data</i>					
<i>Latest Year (T)</i>	2007	.	2007	.	.
Value Year T	5.5	.	14.4	.	.
Value Year T-1	6.6	.	14.4	.	.
Value Year T-2	6.5	.	13.4	.	.
Value Year T-3	.	.	.	.	.
Value Year T-4	.	.	.	.	.
Average Value, 5 year	.	.	.	.	.
Growth Trend	.	.	.	.	.
<i>Benchmark Data</i>					
Regression Benchmark	14.7	10.7	25.8	9.2	.
Lower Bound	3.8	8.6	12.7	6.0	.
Upper Bound	25.7	12.8	39.0	12.4	.
<i>Latest Year Ghana</i>	2006	.	2006	.	.
Ghana Value Latest Year	17.5	.	28.8	.	.
<i>Latest Year Senegal</i>	2006	.	2006	.	.
Senegal Value Latest Year	23.1	.	34.3	.	.
LI - SSA	10.4	13.3	22.4	11.7	.
Low Income	13.9	11.4	27.0	7.5	.
High Five Avg.	203.1	.	202.6	35.2	.
Low Five Avg.	2.5	.	8.2	-20.7	.

	External Sector												
	External Aid (% GNI)	Current Account Balance (% GDP)	Debt Service Ratio (% exports)	Export Growth of Goods and Services	Foreign Direct Investment (% GDP)	Gross International Reserves (months of imports)	Present Value of Debt (% GNI)	Remittance Receipts (% exports)	Concentratio n of Exports	Trade Logistics Performance Index - Customs	Trade in Goods and Services (% GDP)	Real Effective Exchange Rate (REER)	Country Credit Ranking
Indicator Number	24P1	24P2	24P3	24P4	24P5	24P6	24P7	24P8	24P9	24S1	24S2	24S3	24S4
<i>Guinea Data</i>													
<i>Latest Year (T)</i>	2006	2007	2007	2006	.	2007	.	.	2004	2007	2007	2007	2004
Value Year T	5.0	-2.0	18.8	-1.2	.	0.4	.	.	91	2.5	52.3	43.7	-4.1
Value Year T-1	6.2	0.5	20.4	5.6	.	0.8	.	.	92	.	71.4	-10.1	-5.1
Value Year T-2	7.0	-0.6	20.2	1.4	.	0.5	.	.	.	.	55.2	-21.3	-6.2
Value Year T-3	6.7	-1.9	.	-3.8	.	.	.	.	.	.	.	.	-2.0
Value Year T-4	7.8	-0.2	.	-1.4	.	.	.	.	.	.	.	.	-4.5
Average Value, 5 year	6.6	-0.8	.	0.1	.	.	.	.	.	.	.	.	-4.4
Growth Trend	-9.7	.	.	.	.	.	.	.	.	.	.	.	-7.7
<i>Benchmark Data</i>													
Regression Benchmark	11.5	.	6.9	6.1	3.0	3.8	37.9	16.2	65.5	2.2	67.9	.	-8.1
Lower Bound	6.5	.	1.3	-0.1	0.3	2.4	13.7	6.0	55.5	2.0	51.5	.	-12.9
Upper Bound	16.5	.	12.5	12.4	5.7	5.2	62.1	26.3	75.5	2.3	84.3	.	-3.2
<i>Latest Year Ghana</i>	2006	2006	2006	2006	2006	2007	2006	2005	2004	2007	2006	.	2006
Ghana Value Latest Year	9.2	-10.9	4.9	10.3	3.4	2.6	21.2	2.6	71	2.0	103.0	.	-8.1
<i>Latest Year Senegal</i>	2006	2007	2004	2006	2006	2006	2006	2004	2005	2007	2006	2006	2004
Senegal Value Latest Year	9.1	-10.4	11.8	-8.6	0.6	3.7	14.1	29.0	35	2.4	69.8	-0.6	-6.5
LI - SSA	11.3	-5.5	.	5.7	1.9	.	21.2	6.9	77.4	2.2	55.6	.	.
Low Income	11.5	-4.7	7.2	10.3	2.1	3.6	25.7	13.1	65.6	2.1	66.1	.	-3.6
High Five Avg.	53.8	23.8	.	.	76.0	16.1	.	87.1	.	3.9	296.2	.	8.5
Low Five Avg.	0.0	-29.3	.	.	-1.7	0.4	.	0.1	.	1.6	28.4	.	95.7

	Economic Infrastructure											
	Logistics Performance Index - Infrastructure (score)	Number of Electrical Outages (per month)	Telephone Density, Fixed Line and Mobile (per 100 people)	Internet Users (per 100 people)	Roads Paved (% total)	Households with Access to Electricity	Overall Infrastructure Quality	Quality of Infrastructure —Air Transport Infrastructure Index	Quality of Infrastructure — Port Infrastructure Quality Index	Quality of Infrastructure —Rail Development Index	Quality of Infrastructure —Electricity Supply Index	Quality of Infrastructure —Roads
Indicator Number	25P1	25P2	25P3	25S1	25S2	25S3	25S4	25S5a	25S5b	25S5c	25S5d	25S5e
<i>Guinea Data</i>												
<i>Latest Year (T)</i>	2007	.	2007	2007	2003	2005	.	.	.	.	.	.
Value Year T	2.3	.	2.7	0.5	9.8	20.0	.	.	.	.	.	.
Value Year T-1	.	.	2.7	0.5	.	.	.	.	.	.	.	.
Value Year T-2	.	.	2.7	0.6	.	.	.	.	.	.	.	.
Value Year T-3	.	.	2.3	0.6	.	.	.	.	.	.	.	.
Value Year T-4	.	.	1.8	0.5	16.5	.	.	.	.	.	.	.
Average Value, 5 year	.	.	2.4	0.6	.	.	.	.	.	.	.	.
Growth Trend	.	.	9.7	-1.3	.	.	.	.	.	.	.	.
<i>Benchmark Data</i>												
Regression Benchmark	2.1	.	7.9	1.6	16.2	.	.	.	.	.	.	.
Lower Bound	1.9	.	-1.3	-2.1	1.2	.	.	.	.	.	.	.
Upper Bound	2.3	.	17.1	5.2	31.3	.	.	.	.	.	.	.
<i>Latest Year Ghana</i>	2007	.	2007	2007	2003	.	.	.	.	.	.	.
Ghana Value Latest Year	2.3	.	34.0	2.8	17.9	.	.	.	.	.	.	.
<i>Latest Year Senegal</i>	2007	2003	2007	2007	2003	.	2007	2007	2007	2007	2007	2007
Senegal Value Latest Year	2.1	32.0	35.5	6.6	29.3	.	2.8	4.9	3.6	1.5	1.7	2.6
LI - SSA	2.1	.	1.8	0.5	.	.	2.4	3.4	2.5	1.6	2.5	2.5
Low Income	2.1	.	5.7	1.6	14.8	.	2.4	3.4	2.5	1.8	2.7	2.5
High Five Avg.	4.2	92.2	171.6	65.4	100.0	.	6.6	6.6	6.6	6.5	6.8	6.6
Low Five Avg.	1.5	0.4	1.3	0.1	4.8	.	1.8	2.4	1.4	1.1	1.5	1.6

	Health							
	Child Mortality Rate (per 1,000 Live Births)	Maternal Mortality Rate (per 100,000 Live Births)	Life Expectancy at Birth	HIV Prevalence	Access to Improved Sanitation	Access to Improved Water Source	Prevalence of Child Malnutrition, Weight for Age	Public Health Expenditure (% GDP)
Indicator Number	31P1	31P2	31P3	31S1	31S2	31S3	31S4	31S5
<i>Guinea Data</i>								
<i>Latest Year (T)</i>	2006	2005	2006	2005	2004	2004	2005	2007
Value Year T	161.2	910	55.5	1.5	18.0	50.0	22.5	0.9
Value Year T-1	164.8	.	55.1	.	.	.	.	.
Value Year T-2	.	.	.	1.6	.	.	.	0.7
Value Year T-3	.	.	.	.	.	.	.	.
Value Year T-4	.	.	53.7	.	.	.	.	.
Average Value, 5 year	.	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.	.
<i>Benchmark Data</i>								
Regression Benchmark	124.6	770.7	55.3	2.5	34.2	64.1	24.3	2.3
Lower Bound	110.4	643.7	52.4	1.0	26.0	57.6	20.3	1.6
Upper Bound	138.9	897.7	58.1	4.0	42.5	70.6	28.3	3.0
<i>Latest Year Ghana</i>	2006	2005	2006	2005	2004	2004	2003	2005
Ghana Value Latest Year	119.9	560	59.7	2.3	.	75	18.8	2.1
<i>Latest Year Senegal</i>	2006	2005	2006	2005	2004	2004	2005	2005
Senegal Value Latest Year	116.2	980	62.8	0.7	57.0	76	14.5	1.7
LI - SSA	138.4	880	51.7	2.8	34.0	60.5	.	1.9
Low Income	117.4	695	57.0	1.7	35.0	61.0	26.3	2.0
High Five Avg.	247.5	1,720.0	81.7	24.2	100.0	100.0	.	11.4
Low Five Avg.	3.0	2.6	41.9	0.1	11.4	34.0	.	0.6

	Education										
	Net Primary Enrollment Rate, Total	Net Primary Enrollment Rate, Female	Net Primary Enrollment Rate, Male	Net Secondary Enrollment Rate	Gross Tertiary Enrollment Rate	Persistence in School to Grade 5 - Total	Persistence in School to Grade 5 - Female	Persistence in School to Grade 5 - Male	Youth Literacy Rate	Education Expenditure, Primary (% GDP)	Pupil-Teacher Ratio, Primary School
Indicator Number	32P1a	32P1b	32P1c	32P2	32P3	32P4a	32P4b	32P4c	32P5	32S1	32S2
<i>Guinea Data</i>											
<i>Latest Year (T)</i>	2006	2006	2006	2006	2005	2005	.	.	2005	.	2006
Value Year T	71.6	66.2	76.8	27.6	3.0	76.0	.	.	47.0	.	44.5
Value Year T-1	69.4	63.3	75.3	24.7	2.2	.	.	.	.	.	44.9
Value Year T-2	67.2	60.5	73.6	21.4	2.3	.	.	.	46.6	.	45.2
Value Year T-3	63.6	56.6	70.4	20.6	.	.	.	.	.	.	45.0
Value Year T-4	59.6	52.2	66.8	19.0	.	.	.	.	.	.	47.2
Average Value, 5 year	66.3	59.8	72.6	22.7	.	.	.	.	.	.	45.4
Growth Trend	4.5	5.9	3.5	9.3	.	.	.	.	.	.	-1.2
<i>Benchmark Data</i>											
Regression Benchmark	70.4	67.5	73.0	25.4	2.6	.	.	.	66.4	0.0	41.8
Lower Bound	63.9	60.7	66.9	17.3	-4.2	.	.	.	57.1	0.0	37.5
Upper Bound	76.8	74.2	79.0	33.4	9.4	.	.	.	75.7	0.0	46.2
<i>Latest Year Ghana</i>	2007	2007	2007	2006	2006	.	.	.	.	2006	2007
Ghana Value Latest Year	71.6	70.5	72.5	37.7	4.7	.	.	.	.	0.0	32.0
<i>Latest Year Senegal</i>	2006	2006	2006	2005	2005	.	.	.	2002	2006	2006
Senegal Value Latest Year	70.7	70.1	71.4	17.5	5.5	.	.	.	49.1	0.0	39.0
LI - SSA	.	.	.	16.3	2.2	.	.	.	.	0.0	44.8
Low Income	75.2	71.5	78.1	19.1	2.6	.	.	.	.	0.0	41.3
High Five Avg.	99.4	99.6	99.6	97.1	79.3	.	.	.	.	0.1	63.3
Low Five Avg.	41.4	36.0	46.7	7.9	0.6	.	.	.	.	0.0	9.9

	Employment & Workforce						Agriculture		
	Labor Force Participation Rate	Rigidity of Employment Index	Economically Active Children, (Ages 7-14)	Unemployment Rate, (Ages 15-24), Total	Unemployment Rate, (Ages 15-24), Male	Informal Sector Employment	Agriculture Value Added per Worker	Crop Production Index	Agricultural Export Growth
Indicator Number	33P1	33P2	33P3	33P4a	33P4b	33S1	34P1	34S1	34S2
<i>Guinea Data</i>									
<i>Latest Year (T)</i>	2006	2007	.	.	.	.	.	2004	2002
Value Year T	88.4	41.0	.	.	.	.	.	110.4	270.6
Value Year T-1	88.5	41.0	.	.	.	.	.	108.0	-92.0
Value Year T-2	88.7	41.0	.	.	.	.	.	104.2	1,340.3
Value Year T-3	89.0	41.0	.	.	.	.	.	103.3	-74.6
Value Year T-4	89.0	41.0	.	.	.	.	.	98.4	60.3
Average Value, 5 year	88.7	41.0	.	.	.	.	.	104.9	300.9
Growth Trend	-0.2	0.0	.	.	.	.	.	2.7	.
<i>Benchmark Data</i>									
Regression Benchmark	76.8	42.2	35.8	.	18.3	.	275.5	107.6	42.3
Lower Bound	72.3	33.5	27.8	.	12.8	.	-701.0	100.5	-9.3
Upper Bound	81.4	51.0	43.9	.	23.8	.	1,252.0	114.7	93.8
<i>Latest Year Ghana</i>	2006	2007	2003	.	2000	.	2005	2004	2006
Ghana Value Latest Year	77.4	37.0	6	.	12.7	.	331.9	121.2	71.1
<i>Latest Year Senegal</i>	2006	2007	2005	.	.	.	2005	2004	2006
Senegal Value Latest Year	73.5	61.0	19	.	.	.	226.8	76.8	151.7
LI - SSA	80.0	42.0	.	.	.	.	221.2	104.9	24.5
Low Income	76.3	38.0	35.4	.	.	.	294.7	106.0	22.3
High Five Avg.	92.4	72.4	41.1	.	46.5	.	49,898.7	131.0	.
Low Five Avg.	50.1	0.0	8.6	.	5.2	.	90.7	65.3	.

Technical Notes

The following technical notes identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality when pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

STATISTICAL CAPACITY

Statistical Capacity Indicator

Source World Bank, updated annually:

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20541648~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Definition This indicator provides an evaluation of a country's statistical practice, data collection activities, and key indicator availability against criteria consistent with international recommendations. The score ranges from 0 to 100, with a score of 100 indicating that the country meets all criteria.

Coverage Data are available for the majority of USAID countries.

CAS Code 01P1

PROFILE OF CONFLICT AND RECOVERY

Failed States Index Score

Source Fund for Peace, Failed States Index,

http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140

Definition The Failed States Index assesses violent internal conflicts and measures the impact of mitigating strategies. Published annually by Fund for Peace, the index rates 12 social, economic, and political or military indicators, including mounting demographic pressures, massive movement of refugees or internally displaced persons, legacy of vengeance-seeking group grievance or group paranoia, chronic and sustained human flight, uneven economic development along group lines, sharp and/or severe economic decline, criminalization and/or delegitimization of the state, progressive deterioration of public services, suspension or arbitrary application of the rule of law and widespread violation of human rights; security apparatus operates as a "state within a state;" rise of factionalized elites; and intervention of other states or external political actors. Each indicator is ranked on a scale of 1 (low) to 10 (high). A high ranking reflects high intensity or pressure on the state (more likely to foster conflict), whereas a low ranking reflects lower intensity or pressure on the state (less likely to foster conflict). The rankings for the 12 indicators are combined to determine the country's overall score.

Coverage Data are available for all USAID countries.

CAS Code 11P1

Episode of Significant Violence, Highest Magnitude in Previous 10 years

Source Center for Systemic Peace, Major Episodes of Political Violence, from Marshall, Monty G. 1998-2006. "Current Status of the World's Major Episodes of Political Violence," bimonthly reports to the U.S. government's Political Instability Task Force, <http://www.systemicpeace.org/warlist.htm>

Definition The variable tells the date and duration of the conflict episode with the highest magnitude in the past 10 years and whether the conflict is ongoing. At times delineating the exact beginning or end of a conflict is difficult, so the years presented are considered most likely to capture the transformative periods of the episodes.

Coverage Data available for all USAID countries.

CAS Code 11P2

Type of Conflict, Highest Magnitude in Previous 10 years

Source Center for Systemic Peace, Major Episodes of Political Violence, from Marshall, Monty G. 1998-2006. "Current Status of the World's Major Episodes of Political Violence," bimonthly reports to the U.S. government's Political Instability Task Force: <http://www.systemicpeace.org/warlist.htm>

Definition This variable tries to capture the characteristics of the conflict episode with the highest magnitude in the last 10 years. The first letter (C, E, I) denotes what caused the violence: a civil-intrastate (C) episode involving rival political groups; ethnic-intrastate conflict (E) involving the state agent and a distinct ethnic group; or international event-interstate (I), usually involving two or more states, but possibly denoting a distinct polity resisting foreign domination (colonialism). The second letter (V, W, N) denotes episodes of violence (V) (i.e., the use of instrumental violence without necessarily exclusive goals); war-violence (W) between distinct, exclusive groups with the intent to impose a unilateral result to the contention; or independence (I)—an attempt to forcibly remove foreign domination.

Coverage Data available for all USAID countries.

CAS Code 11P3

Magnitude of Societal-Systemic Impact, Highest Magnitude in Previous 10 years

Source Center for Systemic Peace, Major Episodes of Political Violence, from Marshall, Monty G. 1998-2006, "Current Status of the World's Major Episodes of Political Violence," bimonthly reports to the U.S. government's Political Instability Task Force:

<http://www.systemicpeace.org/warlist.htm>

Definition This variable captures the highest magnitude of conflict episode in the last 10 years. Each episode is ranked on a scale impact of 1 (smallest) to 10 (greatest). From episodes in which the number of deaths is under 2,000, to extensive, systematic, and indiscriminate destruction of human resources and/or physical infrastructure with persistent and adverse effects.

Coverage Data available for all USAID countries.

CAS Code 11P4

Disarmament, Demobilization, and Reintegration

Source Graduate Institute of International Studies in Geneva, Switzerland, Small Arms Survey, Cumulative Index 2001–2006, Search for “Where are DDR programmes currently being implemented?”

<http://www.unddr.org/whatisddr.php#11>

Data are also available from the UN DDR Resource Centre <http://www.unddr.org/>.

Definition This indicator is a yes/no indicator that shows whether the military powers that perpetuated conflict are reforming through a formal UN-led Disarmament, Demobilization and Reintegration program.

Coverage Data available for only UN-sponsored DDR programs, covering about 13 countries.

CAS Code 11S1

Human Rights Index

Source Gibney, M., Cornett L., and Wood, R. (2007), “Political Terror Scale 1976–2007,”

<http://www.politicalterroryscale.org/ptsdata.html>

Definition This variable shows the degree to which countries experience government-induced violence against their own population (1 is best and 5 is worst). The scores range from countries under secure rule of law with no imprisonment for their views, to violence in the form of assassinations and torture extended to the whole population. State-sponsored political terror (defined here as coercion directed at personal security) targets predominantly groups opposed to the state. It could lead eventually to the escalation of violence by pushing moderates to espouse radical ideas (after becoming less convinced that peaceful resolution is possible), or by increasing the cost of collective action, thus making resorting to violent means more attractive or economically viable. The “data” for the PTS is provided by the annual reports on human rights practices that are published by Amnesty International (A) and the U.S. State Department (S). Scores based on the U.S. State Department annual report are used in the Economic Recovery Report.

Coverage Data are available for 188 countries.

CAS Code 11S2

Refugees and IDPs per Capita

Source United Nations High Commissioner for Refugees, <http://www.unhcr.org/statistics.html> and World Development Indicators.

Definition Number of refugees and IDPs divided by total population. Refugees include persons recognized under the 1951 Convention relating to the Status of Refugees, its 1967 Protocol, the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, those recognized in accordance with the UNHCR Statute, persons granted a complementary form of protection, and persons granted temporary protection. Internally displaced persons (IDPs) are defined as “persons or groups of persons who have been forced or obligated to flee or leave their homes or places of

habitual residence, in particular as a result of avoiding or in order to avoid the effect of armed conflict, situations of generalized violence, violations of human rights, or natural or manmade disasters, and who have not crossed an internationally recognized state border.” (Guiding Principles on Internal Displacement, Introduction, para. 2). Unlike refugees, who have been deprived of the protection of their state of origin, IDPs remain legally under the protection of national authorities of their country of habitual residence. Internally displaced persons are those forced to flee their homes because their lives were at danger, but unlike refugees, they did not cross international borders. Estimates come from various sources, including the Internal Displacement Monitoring Center, United Nations High Commission for Human Rights, and United Nations Office for the Coordination of Humanitarian Affairs. Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship—except for refugees not permanently settled in the country of asylum, which are generally considered part of the population of their country of origin.

Coverage 75 USAID countries

CAS Code 11S3

POSTCONFLICT ECONOMIC GROWTH

Per capita GDP, \$PPP

Source International Monetary Fund (IMF) World Economic Outlook database, updated every 6 months:

<http://www.imf.org/external/ns/cs.aspx?id=28>

Definition This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage Data are available for about 65 USAID countries.

CAS Code 12P1

Real GDP Growth

Source IMF World Economic Outlook database, updated every six months; latest country data from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm

Definition Annual percentage growth rate of GDP at constant local currency prices.

Coverage Data are available for about 85 USAID countries.

CAS Code 12P2

Gross Fixed Investment, Percentage of GDP

Source IMF Article IV consultation reports for latest country data www.imf.org/external/np/sec/aiv/index.htm; international benchmark from the World Development Indicators, most recent publication series NE.GDI.FTOT.ZS.

Definition Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage Data are available for about 84 USAID countries.

CAS Code 12S1

POVERTY AND INEQUALITY

Income Share, Poorest 20%

Source World Development Indicators, most recent publication series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. An alternative source is the country's Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

Definition Share of total income or consumption accruing to the poorest quintile of the population.

Coverage Data are available for about 59 USAID countries going back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code 13P1

Population Living on Less than \$1 PPP per Day

Source World Development Indicators, most recent publication series SI.POV.DDAY, original data from national surveys. An alternative source is the country's Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

Definition The indicator captures the percentage of the population living on less than \$1.08 a day at 1993 international prices.

Coverage Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data quality Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of differences in quality.

CAS Code 13P2

Population Living Below National Poverty Line

Source World Development Indicators, most recent publication series SI.POV.NAHC. An alternative source is the country's Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

Definition The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage Data are available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most countries, data can be obtained from the PRSP.

Data quality Measuring the percentage of people living below the "national poverty line" has the disadvantage of limiting international comparisons because of differences in the definition of the poverty line. Most lower-income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code 13P3

Human Poverty Index

Source UNDP, Human Development Report. <http://hdrstats.undp.org/indicators/18.html> for most recent edition; updates are at <http://hdr.undp.org/en/statistics/data/>

Definition The index measures deprivation in terms of not meeting target levels for specific economic and quality-of-life indicators. Values are based on (1) the percentage of

people not expected to survive to age 40, (2) the percentage of adults who are illiterate, and (3) the percentage of people who fail to attain a "decent living standard," which is subdivided into three (equally weighted) items: (1) the percentage of people without access to safe water, (2) the percentage of people without access to health services, and (3) the percentage of underweight children. The HPI ranges in value from 0 (zero incidence of deprivation) to 100 (high incidence of deprivation).

Coverage Data are available for about 60 USAID countries.

CAS Code 13P4

Population below Minimum Dietary Energy Consumption

Source UN Millennium Indicators Database at <http://millenniumindicators.un.org/unsd/mdg/Data.aspx>, based on FAO estimates.

Definition Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out light physical activity.

Coverage Data are available for about 82 USAID countries.

CAS Code 13S1

ECONOMIC STRUCTURE

Output Structure

Source World Development Indicators, most recent publication series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition The output structure is composed of value added by major sector of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. Value added is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage Data are available for about 86 USAID countries.

Data quality A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services is measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code 14P1a-c

Employment or Labor Force Structure

Source World Development Indicators, most recent publication series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. An alternative source is the CIA World Fact Book:

<https://www.cia.gov/library/publications/the-world-factbook/index.html>

Definition Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage Data are available for about 37 USAID countries. For most countries, data can be obtained from the PRSP.

Data quality Employment figures originate with the International Labour Organization. Some countries report labor force structure instead of employment; thus the data must be checked carefully before comparisons are made.

CAS Code 14P2a-c

Adjusted Savings: Energy Depletion, percentage of GNI

Source World Development Indicators, most recent publication series NY.ADJ.DNGY.GN.ZS.

Definition Energy depletion is equal to the product of unit resource rents and the physical quantities of energy extracted. It covers crude oil, natural gas, and coal.

Coverage Data are available for about 88 USAID countries.

CAS Code 14S1a

Adjusted Savings: Mineral Depletion, percentage of GNI

Source World Development Indicators, most recent publication series NY.ADJ.DMIN.GN.ZS.

Definition Mineral depletion is equal to the product of unit resource rents and the physical quantities of minerals extracted. It refers to bauxite, copper, iron, lead, nickel, phosphate, tin, zinc, gold, and silver.

Coverage Data are available for about 88 USAID countries.

CAS Code 14S1b

DEMOGRAPHY AND ENVIRONMENT

Adult Literacy Rate

Source World Development Indicators, most recent publication series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition Percentage of people aged 15 and over who can read and write a short, simple statement about their daily life.

Coverage Data are available for about 66 USAID countries.

Data quality In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data or by taking people with no schooling as illiterate.

CAS Code 15P1

Youth Dependency Rate

Source World Development Indicators, most recent publication series.

Definition Youth dependency rate is calculated as the percentage of the population below age 15 (WDI SP.POP.0014.TO.ZS) divided by the working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage Data are available for about 89 USAID countries.

CAS Code 15P2

Youth Bulge

Source Obtained from individual country sources.

Definition Youth bulge is calculated as the percentage of the population ages 15–24 divided by the total population (WDI SP.POP.TOTL)

Coverage Data are available for about 35 USAID countries.

CAS Code 15P3

Environmental Performance Index

Source Center for International Earth Science Information Network (CIESIN) at Columbia University, and the Center for Environmental Law and Policy at Yale University. <http://epi.yale.edu/CountryScores>.

Definition The Environmental Performance Index (EPI) is a composite index of national environmental protection, which tracks (1) environmental health, (2) air quality, (3) water resources, (4) biodiversity and habitat, (5) productive natural resources, and (6) sustainable energy. The index is a weighted average of these six policy categories giving more weight to environmental health (EPI = 0.5 × Environmental Health + 0.1 × (Air Quality + Water Resources + Productive Natural Resources + Biodiversity and Habitat + Sustainable Energy)). The index values range from 0 (for very poor performance) to 100 (for very good performance).

Coverage Data are available for about 80 USAID countries.

Data quality The 2006 pilot EPI and 2008 EPI differ in several structural and substantive areas. As a result comparison between both years are not appropriate.

CAS Code 15P4

Population Growth Rate

Source World Development Indicators, most recent publication series SP.POP.GROW.

Definition Annual population growth rate is based on the de facto definition of population. Total population counts all residents regardless of legal status or citizenship, except refugees not permanently settled in the country of asylum.

Coverage Data are available for about 88 USAID countries.

CAS Code 15P5

Rural Population Density

Source World Development Indicators, most recent publication series EN.RUR.DNST

Definition Rural population density (rural population per sq. km of arable land) is the rural population divided by the arable land area. Rural population is calculated as the difference between the total population and the urban population. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting

cultivation is excluded. Estimates are from the Food and Agriculture Organization and World Bank population estimates.

Coverage Nearly all relevant countries.

CAS Code 15P6

Percentage of Population Living in Urban Areas

Source World Development Indicators, most recent publication series SP.URB.TOTL.IN.ZS.

Definition Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage Data are available for about 86 USAID countries.

Data quality The estimates are based on national definitions of what constitutes an urban area; because these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code 15P7

Frequency and Scope of Natural Disasters

Source Centre for Research on the Epidemiology of Disasters, Emergency Events Database,

http://www.emdat.be/Database/CountryProfile/countryprofile_s.php

Definition This indicator measures the human-impact effects of natural disasters and the frequency of these occurrences. Natural disasters are defined as natural hazard events that have at least one of the following human-impact effects: 10 or more people reported killed, 100 people reported affected, declaration of a state of emergency, or call for international assistance. The scope is measured by the total number of people affected. This includes the number of people suffering from physical injuries, trauma, or an illness requiring medical treatment as a direct result of a disaster, the number of people needing immediate assistance for shelter, and the people requiring immediate assistance during a period of emergency; it can also include displaced or evacuated people.

Coverage Data are available for nearly all USAID countries.

CAS Code 15S1a-b

Net Migration Rate

Source CIA World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/>

Definition Net migration rate (migrants per 1,000 population) is the difference between the number of persons entering and leaving a country during the year per 1,000 persons (based on midyear population). An excess of persons entering the country is referred to as net immigration (e.g., 3.56 migrants per 1,000 population); an excess of persons leaving the country as net emigration (e.g., -9.26 migrants per 1,000 population).

Coverage Data are available for nearly all USAID countries.

Data quality The source does not specify the estimating methodology.

CAS Code 15S2

GENDER AND CHILDREN

Gender Empowerment Measure

Source UNDP, Human Development Report, <http://hdrstats.undp.org/indicators/279.html>.

Definition Captures gender inequality in three areas: political participation and decision-making power, as measured by women's and men's participation in parliamentary seats; economic participation and decision-making power, as measured by two indicators – women's and men's percentage shares of positions as legislators, senior officials and managers and women's and men's percentage shares of professionals and technical positions; and power over economic resources, as measured by estimated earned income.

Coverage Data are available for half of USAID countries.

CAS Code 16P1

Girls' Primary Completion Rate

Source World Development Indicators, most recent publication series: SE.PRM.CMPT.FE.ZS

Definition Primary completion rate is the percentage of students completing the last year of primary school. It is the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage Data are available for about 128 USAID countries.

Data quality Completion rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year. The indicator does not measure the quality of the education.

CAS Code 16P2

Gross Enrollment Rate, All Levels of Education, Male and Female

Source United Nations Organization for Education, Science, and Culture UNESCO: http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=e ng&BR_Topic=0

Definition The number of students enrolled in primary, secondary, and tertiary levels of education by gender, regardless of age, expressed as a percentage of the population of official school age for the three levels by gender.

Coverage Data are available for about 80 USAID countries.

Data Quality Enrollment ratios are based on data collected during annual school surveys, typically conducted at the beginning of the school year.

CAS Code 16P3a-b

Life Expectancy, Male and Female

Source Estimated from UNDP Human Development Indicators: <http://hdrstats.undp.org/indicators/271.html> and <http://hdrstats.undp.org/indicators/270.html> for most recent edition; updates may be found at <http://hdr.undp.org/en/statistics/data/>

Definition The number of years a newborn male or female infant would live if prevailing patterns of age and sex-specific mortality rates at the time of birth were to stay the same throughout the child's life.

Coverage Data are available for about 85 USAID countries.

CAS Code 16P4a-b

Labor Force Participation Rate, Male and Female.

Source World Development Indicators, most recent publication series: SL.TLF.ACTI.MA.ZS (male)

SL.TLF.ACTI.FE.ZS (female). Based on data from International Labour Organization (ILO)

Definition The percentage of the working-age population (15-64) that is in the labor force. The labor force is made up of people who meet the International Labor Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage Data are available for about 88 USAID countries.

CAS Code 16P5a-b

Internally Displaced Females per Capita

Source UNHCR, 2005 Global Refugee Trends, Annex, Table 14, <http://www.unhcr.org/statistics.html> and World Development Indicators, most recent publication series SP.POP.TOTL.

Definition Internally displaced women protected or assisted by UNHCR, divided by total population estimates.

Coverage Data are available for 14 USAID countries.

Data quality Most of the world's internal-displacement situations are not covered by UNHCR and are thus not reflected in these statistics.

CAS Code 16S1

Use of Child Soldiers, Government and Political

Source Text in country reports of Child Soldiers.org, <http://www.child-soldiers.org/library/global-reports>, and The UN DDR Resource Centre <http://www.unddr.org/>

Definition The 2002 Optional Protocol to the UN Convention on the Rights of the Child set 18 as the minimum age for participation in hostilities, for compulsory recruitment by governments, and all recruitment into armed groups. The use of child soldier is therefore defined as an individual under the age of 18 participating in government forces or in armed political groups.

Coverage Data are available for approximately 70 percent of USAID countries.

Data quality Information for country entries was gathered from a wide range of sources, including governments, UN agencies and peacekeeping missions, other intergovernmental organizations, news media, academic sources, and human rights and humanitarian organizations. Information was also provided by coalition members and partners and by local nongovernmental organizations, journalists, lawyers, activists, and others in many countries. The Child Soldier Global Report data was recorded as follows: E, I, S, or G = 1 (yes); P, B or L = 2 (possibly); N or N/A = 0 (no).

CAS Code 16S2a-b

ECONOMIC STABILIZATION AND GOVERNMENT CAPACITY

In the World Development Indicators for 2005, the World Bank adopted a new system for government budget statistics, switching from data based on cash outlays and receipts to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's Government Financial Statistics (GFS) Manual, 2001. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total expense are not comparable to the former data on total expenditure. In addition, WDI

2005 provides data on a government's cash surplus/deficit; this differs from the previous concept of the overall budget balance by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the GFS system, so country coverage of fiscal data in WDI 2005 is limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 and subsequent WDI series, as appropriate.

Government Effectiveness Index

Source World Bank Institute, Governance Indicators, <http://www.govindicators.org>

Definition Based on perception surveys from 17 sources, this index measures the quality of public and civil services and the degree of the public sector's independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Coverage Data are available for all USAID countries.

CAS Code 21P1

Government Expense, Percent of GDP

Source IMF Article IV Reviews for latest country data:

www.imf.org/external/np/sec/aiv/index.htm

Original data from the IMF, Government Finance Statistics Yearbook, and World Bank estimates.

Definition Total expense of the central government as a percent of GDP.

Coverage Data are available for about 70 percent of USAID countries.

CAS Code 21P2

Government Revenue, Percent of GDP

Source IMF Article IV reviews for latest country data: www.imf.org/external/np/sec/aiv/index.htm;

World Development Indicators for benchmarking data (GC.REV.XGRT.GD.ZS). Original data from the IMF, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition Government revenue includes all revenue to the central government from taxes and nonrepayable receipts (other than grants), measured as a share of GDP. Grants represent monetary aid going to the central government that has no repayment requirement.

Coverage Data are missing for about 24 USAID countries.

CAS Code 21P3

Money Supply Growth

Source Latest country data are from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.

Benchmarking data are from World Development Indicators, most recent publication, series FM.LBL.MQMY.ZG. Original source of WDI data is IMF, International Financial Statistics, and World Bank estimates.

Definition Average annual growth rate in the broad money supply, M2 (money plus quasimoney) measured as the change in end-of-year totals relative to the preceding year. M2 is made up of the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central

government. M2 corresponds to the sum of lines 34 and 35 in the IMF's International Financial Statistics (IFS).

Coverage Data are available for about 81 USAID countries.

CAS Code 21P4

Inflation Rate

Source IMF World Economic Outlook database, updated every 6 months:

<http://www.imf.org/external/ns/cs.aspx?id=28>

Definition Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specific intervals.

Coverage Data are available for about 85 USAID countries.

Data quality For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code 21P5

Overall Government Budget Balance, including Grants, Percent of GDP

Source For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on a government's cash surplus or deficit are obtained from World Development Indicators, most recent publication series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. The latest country data are obtained from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm.

Definition The cash surplus or deficit is revenue (including grants) minus expenses, minus net acquisition of nonfinancial assets. This is close to the previous concept of overall budget balance, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the GFS system, the template will continue to focus on the overall budget balance, using data from alternative sources. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement that must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage Data are available in WDI 2005 for 41 USAID countries.

CAS Code 21S1

Interest Payments/Total Government Expense

Source National data sources or IMF Article IV consultative reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition Interest payments as a percent of total expense.

Coverage Data are available for about half of USAID countries.

Data quality Many countries report revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code 21S2

Subsidies and Other Current Transfers/Total Government Expense

Source National data sources or IMF Article IV consultative reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition Subsidies and other current transfers as a percent of total expense.

Coverage Data are available for about half of USAID countries.

Data quality Many countries report their revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code 21S3

Institutional Capacity

Source Fund for Peace, content analysis

<http://www.fundforpeace.org>

Definition Fund for Peace computes this index by analyzing leadership, police, military, civil service, and judiciary capacity, applying a rating to each element on a 1 (worst) to 5 (best) scale and summing the result.

Coverage Data are available for all USAID countries.

CAS Code 21S4

BUSINESS ENVIRONMENT

Control of Corruption Index

Source World Bank Institute: <http://www.govindicators.org>

Definition The Control of Corruption index is an aggregation of indicators that measure the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as the "capture" of the state by elites and private interests. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

This is also an MCC indicator, under the criterion of ruling justly. The MCC rescales the values as percentile rankings relative to the set of MCA-eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Coverage Data are available for nearly all USAID countries.

Data quality This indicator uses perception and opinions gathered from local businessmen and third-party experts; thus, the indicator is largely subjective. Also, standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code 22P1

Rule of Law Index

Source World Bank Institute: <http://www.govindicators.org>.

This indicator is based on perceptions of the legal system, drawn from 12 data sources.

Definition The Rule of Law Index is an aggregation of indicators that measure the extent to which agents have confidence in and abide by the rules of society. It ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage Data are available for nearly all USAID countries.

Data quality This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. Using the index to track a country's progress over time is difficult because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code 22P2

Voice and Accountability

Source World Bank Institute, Governance Indicators, (Kaufmann, Kraay, and Mastruzzi, September 2006) <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXT/WBIGOVANTCOR/0..contentMDK:21045735~pagePK:64168445~menuPK:1866365~piPK:64168309~theSitePK:1740530,00.html>

Definition Based on seven representative sources, this index measures the government's capacity to transfer power in a legitimate manner and offer civil liberties and political rights. Although this is a subjective index of perception, the index is based on a broad range of sources: 31 data sources produced by 25 organizations, ranging from international organizations to political and business risk-rating agencies (Afrobarometer, Latinobarometro), think tanks, and NGOs.

Coverage Data are available for all USAID countries.

CAS Code 22P3

Ease of Doing Business Index

Source World Bank, Doing Business Indictors <http://www.doingbusiness.org/>

Definition The Ease of Doing Business index ranks economies from 1 to 181. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2006: starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage Data are available for nearly all USAID countries.

CAS Code 22P4

Time to Start a Business

Source World Bank, Doing Business; Starting a Business category: <http://www.doingbusiness.org/>

Definition The number of calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S1

Procedures to Start a Business

Source World Bank, Doing Business; Starting a Business category: <http://www.doingbusiness.org/>

Definition The number of procedural steps required to legalize a simple limited liability company. A procedure is an interaction of a company with government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and complete all inscriptions, verifications, and notifications to start operations.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S2

Cost of Starting a Business

Source World Bank, Doing Business; Starting a Business category: <http://www.doingbusiness.org/>

Definition Legally required cost for starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S3

Time to Enforce a Contract

Source World Bank, Doing Business; Enforcing Contracts category: <http://www.doingbusiness.org/>

Definition Minimum number of days required to enforce a contract through the court system.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S4

Procedures to Enforce a Contract

Source World Bank, Doing Business; Enforcing Contracts category: <http://www.doingbusiness.org/>

Definition The number of procedures required to enforce a valid contract through the court system, with procedure defined as any interactive step the company must take with government agencies, lawyers, notaries, and the like, to proceed with enforcement action.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S5

Cost to Enforce a Contract, Percent of Claim

Source World Bank, Doing Business; Enforcing Contracts category: <http://www.doingbusiness.org/>

Definition Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita. Only official costs required by law are recorded, including court and enforcement costs and average attorney fees where the use of attorneys is mandatory or common.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S6

Time to Register Property

Source World Bank, Doing Business; Registering Property category: <http://www.doingbusiness.org/>

Definition The time required to accomplish the full sequence of procedures to transfer a property title from seller to buyer when a business purchases land and a building in a periurban area of the country's most populous city. Every required procedure is included, whether it is the responsibility of the seller, the buyer, or a third party on their behalf.

Coverage Data are available for nearly all USAID countries.

CAS Code 22S7

FINANCIAL SECTOR

Domestic Credit to Private Sector, Percent of GDP

Source IMF Article IV reviews or national data sources for latest country data www.imf.org/external/np/sec/aiv/index.htm; World Development Indicators, most recent publication series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate with IMF International Financial Statistics and data files and World Bank estimates.

Definition Domestic credit to the private sector refers to financial resources provided to the private sector, such as through loans, purchases of nonequity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage Data are available for about 82 USAID countries.

CAS Code 23P1

Interest Rate Spread

Source World Development Indicators, most recent publication series FR.INR.LNDP. Original data are from IMF International Financial Statistics and data files.

Definition The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage Data are available for about 66 USAID countries.

CAS Code 23P2

Money Supply, Percent of GDP

Source Latest country data obtained from national data sources or IMF Article IV reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series FM.LBL.MQMY.GD.ZS. WDI data originate from IMF, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition Money supply (M2), also called broad money, is defined as the nonbank private sector's holdings of notes, coins, and demand deposits, plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage Data are available for about 81 USAID countries.

Data quality In some countries M2 includes certificates of deposits, money market instruments, and treasury bills.

CAS Code 23P3

Real Interest Rate

Source World Development Indicators, most recent publication series FR.INR.RINR.

Definition The real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage Data are available for about 68 USAID countries.

CAS Code 23S1

Banking Sector Default Rates

Source IMF, Financial Soundness Indicators, Coordinated Compilation Exercise for Financial Soundness Indicators: core series of nonperforming loans to total loans, <http://www.imf.org/external/np/sta/fsi/datars1.htm>

Definition This is calculated by taking the value of nonperforming loans as the numerator and the total value of the loan portfolio (including nonperforming loans, and before the deduction of specific loan loss provisions) as the denominator.

Coverage Data are available for 29 USAID countries.

CAS Code 23S2

EXTERNAL SECTOR

Aid, Percent of GNI

Source Latest country data obtained from national data sources or IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm

Benchmarking data from World Development Indicators, most recent publication series DT.ODA.ALLD.GN.ZS.

Definition The indicator measures official development assistance from OECD countries and official aid from non-OECD countries as a percentage of the recipient's gross national income.

Coverage Data are available for about 84 USAID countries.

Data quality Data do not include aid given by recipient countries to other recipient countries and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code 24P1

Current Account Balance, Percent of GDP

Source Latest country data from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are from World Development Indicators, most recent publication series BN.CAB.XOKA.GD.ZS, based on IMF, Balance of Payments Statistics Yearbook and data files, World Bank staff estimates, and World Bank and OECD GDP estimates.

Definition Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's GDP.

Coverage Data are available for about 79 USAID countries.

CAS Code 24P2

Debt Service Ratio, Percent of Exports

Source Latest country data obtained from national data sources or IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

Definition Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

Coverage Data are available for about 77 USAID countries.

Data quality See data quality comments on present value of debt, percent of GNI, about debt data reported.

CAS Code 24P3

Export Growth of Goods and Services

Source Latest country data obtained from national data sources or IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm.

Benchmarking data from World Development Indicators, most recent publication, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services,

such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage Data are available for about 81 USAID countries.

CAS Code 24P4

Foreign Direct Investment, Percent of GDP

Source Latest country data obtained from national data sources or IMF Article IV reviews:

www.imf.org/external/np/sec/aiv/index.htm

Benchmarking data from World Development Indicators, most recent publication, series BX.KLT.DINV.DT.GD.ZS, based on IMF, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage Data are available for about 82 USAID countries.

CAS Code 24P5

Gross International Reserves, Months of Imports

Source Latest country data obtained from national data sources or IMF Article IV reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series FI.RES.TOTL.MO.

Definition Gross international reserves are made up of holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the IMF, and holdings of foreign exchange under the control of monetary authorities expressed in the number of months of imports of goods and services.

Coverage Data are available for about 77 USAID countries.

CAS Code 24P6

Present Value of Debt, Percent of GNI

Source World Development Indicators, most recent publication series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private nonguaranteed, long-term external debt over the life of existing loans. The indicator measures the value of debt relative to the GNI.

Coverage Data are available for about 80 USAID countries.

Data quality The coverage and quality of debt data vary widely among countries because of the wide spectrum of debt instruments, the unwillingness of governments to provide information, and a lack of capacity in reporting. Discrepancies are significant when exchange rate fluctuations, debt cancellations, and rescheduling occur.

CAS Code 24P7

Remittance Receipts, Percent of Exports

Source Latest country data obtained from national data sources or IMF Article IV reviews:

www.imf.org/external/np/sec/aiv/index.htm.

Benchmarking data are obtained from World Development Indicators, most recent publication. The figure is constructed by dividing workers' remittances (receipts), series BX.TRF.PWKR.CD, by exports of goods and services, series BX.GSR.GNFS.CD.

Definition Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage Data are available for about 74 USAID countries.

CAS Code 24P8

Concentration of Exports

Source Constructed with ITC COMTRADE data by aggregating the value for the top three export product groups (SITC Rev.3) and dividing by total exports. Raw data: <http://www.intracen.org/tradstat/sitc3-3d/indexre.htm>

Definition The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit level.

Coverage Data are available for about 74 USAID countries.

Data quality Smuggling is a serious problem in some countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. This approach has a number of shortcomings: ITC does not cover trade with nonreporting countries; transshipments may hide the actual source of supply; and transport cost and insurance are included in measuring exports but excluded in measuring imports.

CAS Code 24P9

Trade Logistics Performance Index—Customs

Source Latest country score obtained from World Bank Logistics Performance Index country scorecard: <http://info.worldbank.org/etools/tradesurveyv/mode1a.asp>

Definition The Logistics Performance Index is a simple average of a country's score on seven dimensions: the efficiency and effectiveness of clearance process by customs and other border control agencies; the quality of transport and IT infrastructure for logistics; the ease and affordability of arranging shipments; competence in the local logistics industry (e.g., transport operators, customs brokers); ability to track and trace shipments; domestic logistics costs (e.g., local transportation, terminal handling, warehousing); and the timeliness of shipments in reaching destination. This indicator captures the first dimension.

Coverage Data available for about 150 countries.

CAS Code 24S1

Trade in Goods and Services, as a Percentage of GDP

Source Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.TRD.GNFS.ZS.

Definition The sum of exports and imports of goods and services, divided by the value of GDP, all expressed in current U.S. dollars.

Coverage Data available for about 84 USAID countries.

CAS Code 24S2

Real Effective Exchange Rate (REER)

Source IMF Article IV reviews:

www.imf.org/external/np/sec/aiv/index.htm.

Definition The REER is an index number with base 1995=100 that measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency and a decrease represents a real depreciation.

Coverage Information on coverage is not easily accessible.

Data quality Changes in REER should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988–90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code 24S3

Country Credit Rating

Source Institutional Investor Magazine

<http://www.iimagazine.com/Rankings/RankingsCountryCredit.aspx>

Definition Institutional Investor Magazine measures individual countries' creditworthiness by asking senior economists and risk managers for their predictions on credit risk, exchange rate risk, valuation correction, and risk impact. The rating is on a scale of 0 to 100 with 100 being the best rating possible.

Coverage Data are available for about 80 USAID countries.

CAS Code 24S4

ECONOMIC INFRASTRUCTURE

Logistics Performance Index, Infrastructure

Source Latest country score obtained from World Bank Logistics Performance Index country scorecard: <http://info.worldbank.org/etools/tradesurvey/mode1a.asp>

Definition The Logistics Performance Index is a simple average of a country's score on seven factors: the efficiency and effectiveness of the clearance process by customs and other border control agencies; the quality of transport and IT infrastructure for logistics; the ease and affordability of arranging shipments; competence in the local logistics industry (e.g., transport operators, customs brokers); the ability to track and trace shipments; domestic logistics costs (e.g., local transportation, terminal handling, warehousing); and the timeliness of shipments in reaching destination. This indicator captures the second dimension.

Coverage Data available for about 150 countries.

CAS Code 25P1

Number of Electrical Outages (per Month)

Source World Bank, Enterprise Surveys, Infrastructure. <http://www.enterprisesurveys.org/>

Definition This indicator shows the average number of power outage in a typical month.

Coverage Data available for a small number of countries.

CAS Code 25P2

Telephone Density, Fixed Line and Mobile

Source World Development Indicators, most recent publication series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database.

Definition The indicator is the sum of subscribers to telephone mainlines and mobile phones per 100 people. Fixed lines represent telephone main lines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular-based technology with access to the public switched telephone network.

Coverage Data are available for about 88 USAID countries.

CAS Code 25P3

Internet Users per 100 People

Source World Development Indicators, most recent publication series IT.NET.USER.P3, derived from the International Telecommunication Union database.

Definition Indicator quantifies the number of Internet users, defined as those with access to the worldwide network, per 100 people.

Coverage Data are available for about 88 USAID countries.

CAS Code 25S1

Roads Paved, Percent of Total Roads

Source World Development Indicators, most recent publication series IS.ROD.PAVE.ZS

Definitions: Paved roads are roads surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones.

Coverage Data are available for nearly all USAID countries.

CAS Code 25S2

Percentage of Households with Access to Electricity

Source Obtained from individual country sources.

Definition Access to electricity is defined as the percentage of households that have electrical power.

Coverage Data are available for about 25 USAID countries.

CAS Code 25S3

Overall Infrastructure Quality

Source Global Competitiveness Report, World Economic Forum

<http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>.

Definition The index measures executives' perceptions of general infrastructure in their respective countries. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is poorly developed (1) or among the best in the world (7).

Coverage Data are available for about 52 USAID countries.

Data quality Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code 25S4

Quality of Infrastructure—Air, Ports, Railroads, Electricity, and Roads

Source Global Competitiveness Report, World Economic Forum:

<http://www.weforum.org/documents/gcr0809/index.html>.

Definition The index measures executives' perceptions of general infrastructure in their own countries. Executives

grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are poorly developed (1) or among the best in the world (7).

Coverage Data are available for about 52 USAID countries.

Data quality Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code 25S5 a-e

HEALTH

Child Mortality Rate (per 1,000 Live Births)

Source World Development Indicators, most recent publication series SH.DYN.MORT.

Definition The indicator is the number of children dying before reaching the age of five, per 1,000 live births in a given year, if subject to current age-specific mortality rates.

Coverage Data are available for about 87 USAID countries.

CAS Code 31P1

Maternal Mortality Rate

Source Millennium Development Goals Indicators, <http://millenniumindicators.un.org/unsd/mdg/Data.aspx> based on WHO, UNICEF, and UNFPA data.

Definition The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage Data are available for about 87 USAID countries.

Data quality Household surveys attempt to measure maternal mortality by asking respondents about their sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code 31P2

Life Expectancy at Birth

Source World Development Indicators, most recent publication, males SP.DYN.LE00.MA.IN, females SP.DYN.LE00.FE.IN.

Definition Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of his or her birth were to stay the same throughout his or her life, by sex.

Coverage Data are available for about 88 USAID countries.

Data quality Life expectancy at birth is estimated on the basis of vital registration or the most recent census or survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code 31P3

HIV Prevalence

Source UNAIDS for most recent country data: http://data.unaids.org/pub/GlobalReport/2008/20080813_gr08_prev1549_1990_2007_en.xls. World Development Indicators, most recent publication for benchmark data, series SH.DYN.AIDS.ZS.

Definition Percentage of people ages 15–49 who are infected with HIV.

Coverage Data are available for about 79 USAID countries.

Data quality UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia, and Zimbabwe, and other surveillance information.

CAS Code 31S1

Access to Improved Sanitation

Source World Development Indicators, most recent publication, series SH.STA.ACSN.

Definition The indicator is the percentage of the population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage Data are available for about 82 USAID countries.

Data quality Coverage rates may include nonfunctioning systems.

CAS Code 31S2

Access to Improved Water Source

Source World Development Indicators, most recent publication series SH.H2O.SAFE.ZS.

Definition The indicator is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage Data are available for about 83 USAID countries.

Data quality Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code 31S3

Prevalence of Child Malnutrition (Weight for Age)

Source World Development Indicators, most recent publication, series SH.STA.MALN.ZS.

Definition The indicator is based on the percentage of children under age five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0–59 months.

Coverage Data are available for about 55 USAID countries.

CAS Code 31S4

Public Health Expenditure, Percent of GDP

Source Latest data for host country are obtained from the MCC: <http://www.mcc.gov/selection/scorecards/2007/>. International benchmarking data from World Development Indicators, most recent publication (SH.XPD.PUBL.ZS), based on WHO, World Health Report, and updates from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowing and grants (including donations from international agencies and NGOs), and social (or compulsory) health insurance funds.

Coverage Data are available for about 88 USAID countries.

CAS Code 31S5

EDUCATION

Net Primary Enrollment Rate, Total, Male and Female

Source UNESCO Institute for Statistics, <http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx>

Definition The indicator measures the proportion of the population of the official age for primary, secondary, or tertiary education enrolled in primary schools according to

national regulations. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage Data are available for about 80 USAID countries.

Data quality Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments because teachers often are paid proportionally to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code 32P1a-c

Net Secondary Enrollment Rate

Source World Development Indicators, most recent publication, series SE.SEC.NENR. Based on data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Definitions: Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level and aims at laying the foundations for lifelong learning and human development by offering more subject- or skill-oriented instruction using more specialized teachers.

Coverage Data are available for half of USAID countries.

Data quality A break in the series between 1997 and 1998 is due to a change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code 32P2

Gross Tertiary Enrollment Rate

Source World Development Indicators, most recent publication, series SE.TER.ENRR. Based on data from the UNESCO Institute for Statistics.

Definitions: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires as a minimum condition of admission the successful completion of education at the secondary level.

Coverage Data are available for nearly all USAID countries.

Data quality A break in the series between 1997 and 1998 is due to a change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code 32P3

Primary Completion Rate –Male, Female, and Total

Source World Development Indicators, most recent publication, series SE.PRM.CMPT.MA.ZS (male), SE.PRM.CMPT.FE.ZS (female), and SE.PRM.CMPT.ZS (total).

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in

that grade, divided by the total number of children of official graduation age.

Coverage Data are available for about 128 USAID countries

CAS Code # 32P4

Youth Literacy Rate

Source World Development Indicators, most recent publication, series SE.ADT.1524.LT.ZS.

Definition The indicator is an estimate of the percent of people ages 15–24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage Data are available for about 67 USAID countries.

Data quality Statistics are out of date by two to three years.

CAS Code 32P5

Education Expenditure, Primary, Percent of GDP

Source Millennium Challenge Corporation: <http://www.mcc.gov/selection/scorecards/2007/index.php>

Definition The indicator is the total expenditure on education by all levels of government as a percent of GDP.

Coverage Data are available for about 58 USAID countries.

Data quality The MCC obtains the data from national sources through U.S. embassies.

CAS Code 32S1

Pupil–Teacher Ratio, Primary School

Source World Development Indicators, most recent publication series SE.PRM.ENRL.TC.ZS.

Definition Primary school pupil–teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage Data are available for about 76 USAID countries.

Data quality The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials, and variations in classroom conditions—all factors that could affect the quality of teaching and learning and pupil performance.

CAS Code 32S2

EMPLOYMENT AND WORKFORCE

Labor Force Participation Rate

Source World Development Indicators, most recent publication series: SL.TLF.ACTI.ZS. Based on data from International Labour Organization (ILO).

Definition The percentage of the working age population (15–64) that is in the labor force. The labor force comprises people who meet the International Labor Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage Data are available for about 88 USAID countries.

CAS Code 33P1

Rigidity of Employment Index

Source World Bank, Doing Business, Employing workers category:

<http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/>

Definition The rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring index, Rigidity of Hours index, and Difficulty of Firing index. The index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage Data are available for nearly all USAID countries.

Data quality Compiled by the World Bank from survey responses to in-country specialists.

CAS Code 33P2

Economically Active Children, percent of Children Ages 7–14

Source World Development Indicators, most recent publication series SL.TLF.0714.ZS. Derived from the Understanding Children's Work project based on data from ILO, UNICEF, and the World Bank.

Definition Economically active children refer to children involved in economic activity for at least one hour in the reference week of the survey.

Coverage Data are available for 35 USAID countries.

CAS Code 33P3

Unemployment Rate (15–24-Year-old Males, and Total 15–24-Year Olds)

Source World Development Indicators, most recent publication series SL.UEM.1524.MA.ZS.

Definitions: Youth unemployment refers to the share of the labor force ages 15–24 without work but available for and seeking employment.

Coverage Data are available for 35 USAID countries.

Data quality Definitions of labor force and unemployment differ by country; thus caution is needed when benchmarking.

CAS Code 33P4a-b

Informal Sector Employment, Percentage of Labor Force

Source Normally obtained from national sources such as a labor market survey.

Definition Informal sector employment is defined as economic activities that fall outside the formal economy regulated by economic and legal institutions. It is economic activity that is not taxed or included in the government's GNP.

Coverage Data are available for about 20 USAID countries.

Data quality The indicator is inherently difficult to calculate and the methodology may differ by country; thus caution is needed when benchmarking.

CAS Code 33S1

AGRICULTURE

Agriculture Value Added per Worker

Source World Development Indicators, most recent publication series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization Production Yearbook and data files.

Definition Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector

(ISIC divisions 1–5)—forestry, hunting, fishing, cultivation of crops, and livestock production—less the value of intermediate inputs. Data are in constant 1995 U.S. dollars.

Coverage Data are available for about 80 USAID countries.

CAS Code 34P1

Crop Production Index

Source World Development Indicators, most recent publication series AG.PRD.CROP.XD, based on FAO statistics.

Definition Crop production index shows agricultural production for each year relative to the period 1999–2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage Data are available for about 85 USAID countries.

Data quality Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999–2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity, so that, for example, one metric ton of wheat has the same price regardless of where it was produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage Data are available for about 85 USAID countries.

CAS Code 34S1

Agricultural Export Growth

Source World Development Indicators, most recent publication series TX.VAL.AGRI.ZS.UNs, Agricultural raw materials exports (percentage of merchandise exports), based on World Bank staff estimates from the COMTRADE database maintained by the United Nations Statistics Division; and series TX.VAL.MRCH.CD.WT, Merchandise exports (current US\$), based on data from the World Trade Organization.

Definition Agricultural raw materials comprise SITC section 2 (crude materials except fuels), excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap). Merchandise exports show the f.o.b. value of goods provided to the rest of the world valued in U.S. dollars. Data are in current U.S. dollars. The indicator is calculated by multiplying agricultural raw materials by merchandise exports. The annual growth rate is then calculated from the resulting series.

Coverage Data are available for about 85 USAID countries.

CAS Code 34S2