

TURNING THE PAGE:
EQUATORIAL GUINEA'S COMMITMENT
TO COMPREHENSIVE REFORM AND TRANSPARENCY

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Turning the Page: Equatorial Guinea's Commitment to Comprehensive Reform and Transparency

I. Introduction

Good morning, dear friends

I would like to begin the presentation of my country, the Republic of Equatorial Guinea, by expressing our deep satisfaction and the honor we feel to be surrounded by eminent and distinguished world leaders of politics, economics, trade, culture and defenders of human freedoms.

I would like to thank Fortune, Time-Warner, CNN, and all the sponsors of this conference including Trilogy Enterprises, Guinea Roth, Steve Roth, and the entire Roth Organization for working with us and providing us this opportunity. Indeed, this conference is an opportunity that is presented to the business world to get to know each other, exchange experiences and contribute to understanding humanity's progress.

I would also like to thank Lanny Davis for working with me in the cause of the reforms we have undertaken with enthusiasm for the people of Equatorial Guinea, following its uncertain path during the two centuries of colonial oppression and the repression of an eleven-year dictatorship.

Lastly, I would like to thank all attendees for their participation and invite them personally to visit the Republic of Equatorial Guinea, a country that many only know by an uninformed press. Hardly any of you has been able to compare the information you hear about my country with information you would collect on the ground that would give you a correct perspective of the real evolution of my country.

Most important of all, I extend a formal invitation to business leaders around the world to invest in and engage with my government and other partners operating in the country in the grand plan for its development. By 2020 we aspire to become an "emerging" country.

Today, all of Equatorial Guinea is a worksite in which capital and technology from around the world participate without discrimination regardless of origin. Our objective is to create an atmosphere of peace, political stability, legal and administrative institutions, and transparency in government.

We are confident that this objective is attainable with the reforms we are introducing, because we have wealth consisting of our people's positive cultural values, our natural resources, and our determination to complete the program of reforms that began with the recommendations of the II National Economic Conference held in Equatorial Guinea in 2007.

These reforms include basically promoting an environment of political and economic freedom, building trust between the Government and the various political forces of the nation, respecting the rule of law, and promoting consensus and the solidarity of all political actors to protect the interests of the people. We also want to create trust with investors and provide fair treatment and opportunity to enjoy a reasonable rate of return.

II. Historical Background

As you all know, it has been years since my government ended the dictatorship of a regime that had wiped out what little intellectual and political class we had when we obtained independence, ruined our economic infrastructure, employed taxation and degrading methods against the population, thus bringing about foreign exile for one third of our people. Today, the majority of them have returned to our country and find themselves among us.

In 1995, Equatorial Guinea declared itself for the first time a producer of oil, after a fruitless effort lasting 12 years at the end of which Spain declared that Equatorial Guinea had no oil.

During that time, the country suffered an unprecedented economic crisis that lasted 16 years because it was punished by the withdrawal of cooperation programs with Spain, which were the only way we had to address the most essential social services such as education and health at that time. The Spanish press used headlines to describe this punishment like “Carrot and stick” and “Block and tackle.”

The discovery of oil in 1992, thanks to a North American technical team, was severely criticized by pressure groups living in Spain who wanted to continue the punishment against Equatorial Guinea, even when the Government had initiated a program to transition to a multiparty system in 1989.

In difficult circumstances since 1989, and without economic resources, the Government launched a multi-party political system, with 14 registered political parties. The Government itself provided public financing of all political parties under the law and promoted a permanent dialogue through the Binding Political Accord signed with all political parties of the opposition.

Since then, we have celebrated successive municipal, legislative, and presidential elections to form political institutions with the participation of opposition political parties. We have much more to do, but we are heartened that the U.S. State Department’s Country Note on Equatorial Guinea, while noting some election irregularities, states as follows about our May 8, 2008, legislative elections: “International elections observers reported that the elections were generally conducted in a free and fair manner.”

The First National Economic Conference held in 1997, shortly after declaring the country an oil producer, was aimed at the rational use of oil resources. Positive experience with

the resulting Program caused us to hold the Second National Economic Conference in 2007, which gave rise to reforms on which we are committing at this conference to redouble our efforts.

We know that the task is not easy and we have a long way to go, because this is about developing a country that started from nowhere. It is about changing mindsets rooted in underdevelopment, and banishing habits that are opposed to modern development, such as corruption, illiteracy, tribalism, political opportunism, and on and on.

Our program seeks to capitalize on a society that is economically dispossessed. It is about enriching a society with a technical and scientific culture, with patriotic feeling; about cultivating new habits from new technologies for development facilitated by regulation.

In short, it is about creating a new society in which freedom, democracy, and justice are interpreted as ensuring the common good of consensus and the solidarity of the People in the task of Nation Building.

However, we must remember that Equatorial Guinea is a relatively young nation, inexperienced and, just like a ship, our comprehensive program of reforms will take some time to turn us around, in time for what is called Horizon 2020.

III. Commitment to Reform

Our reforms have been underway and reinforced since 2008. We have made a commitment to the People of Equatorial Guinea and we solemnly announce this commitment to the world today.

These reforms affect mainly the following five areas:

a) Rational use of resources

We will continue to use the resources that we are provided by oil, natural gas and other extractive industries in compliance with the rules of the Extractive Industries Transparency Initiative (EITI) headed by Dr. Peter Eigen.

We have voluntarily decided to do so, not for international merit, but by our conviction that it is a discipline that will ensure full compliance with the recommendations of the II National Economic Conference. Dr. Eigen has informed us, through our technical advisors, that he is willing to commit his personal credibility to this effort with Equatorial Guinea, including visiting our country if circumstances require.

We will continue trying to qualify as a candidate for compliance with the rules of the EITI, while unilaterally establishing policies to exceed EITI auditing standards and do more than is necessary to ensure that transparency and accountability are as mandatory

for the Government as they are for civil society. We believe this is a shared responsibility for everyone.

The computerization and digitization of public and private administration is absolutely indispensable to ensure effective government regulation of economic activity.

b) Social Sector Development

- We have established a Social Development Fund and we are prepared beyond that to use the resources of oil and other natural resources for the benefit of our people.

Through this Fund, we are investing in our children, our schools, our teachers, health care, tourism, housing, potable water supply, road infrastructure, telecommunications, development of natural sciences, job creation and development of democratic institutions. In short, we are increasing investment in our most valuable resource: our people.

There are a lot of old statistics still being used internationally about Equatorial Guinea, in part because we ourselves have not made sufficiently effective efforts to communicate what we have been doing. We are doing our part to correct this here and now. In substance, to develop the social sector, the Government has made expenditures in excess of one billion dollars during 2009, including the following highlights which I repeat are for 2009:

Health US\$105,396,000
Education ... US\$111,190,000
Housing ... US\$173,600,000
Energy US\$147,168,000
Potable Water ... US\$75,558,000
Roads ... US\$218,216,000
Social Security US\$84,644,000
Telecommunications ... US\$18,346,000
Tourism ... US\$5,107,000 to US\$10,214,000.

We have made great progress in some of these initiatives that change the country's makeup. For example:

- We have created a National University, the first university with campuses in Malabo and Bata and has the Faculties of Arts and Social Sciences, Medical Science and the Environment, in addition to the University Schools of Management, Teacher Training, Agricultural Studies, Technical Engineering, Health and Environment. In 2008 the Faculty of Medicine graduated 110 new physicians in Bata, Equatorial Guinea.

- We have established scholarship programs with Universities in the United States, Cuba, China, Morocco, Russia, Ukraine, Egypt, Senegal, and others. Graduates are hired by the Public Administration.

- We have opened two modern hospitals with advanced technology in Bata and Malabo to prevent the need to evacuate patients to Europe, and others are in the planning stages. The renovation of old hospitals is going on throughout the country to ensure the health of the population.

- The Government has also partnered with business and others, such as the Hess Corporation and the Academy for Educational Development (AED) to establish an education program of 40 million dollars to train teachers in modern techniques of child development. This is going on across the country.

- In recent years a number of cultural and literacy organizations have come to our country, and we have reached a literacy level of 80 percent.

c) The Reform of Legal Institutions

- We will invite a delegation from the African Union to help us review and continue the reforms we have already initiated of our legal institutions, and to prepare and adopt a new legal code that drives the country into the future and ensure judicial credibility.

- Press freedom is guaranteed by law. Accordingly, we have the Free Press Association of Equatorial Guinea (ASOPGE). The Government will take measures to support the financing of their activities to allow it to act with independence and freedom.

d) Relations with Human Rights Organizations

- The Government will invite the International Red Cross to install its headquarters in Equatorial Guinea and assist in reviewing and assessing all allegations of human rights violations in the country. We will also ask for your help in monitoring our Criminal Justice System and prisons to ensure the humane treatment and appropriate for those convicted of crimes.

In this regard, we report that the Government has upgraded the jails and has adopted regulations and standards as an ongoing effort to meet international requirements.

e) Environmental Conservation

Equatorial Guinea is a member of the Commission for the Conservation of Forest Ecosystems in Central Africa (COMIFAC) and as such has been declared as a reserve in its forests and biodiversity protection zones such as Monte Alen (ECOFAC) and Ureca. We have reduced wood export to below that of oil exploitation. Indeed, the government asked the African Union to monitor and intervene in the activities of NGOs interested in the environment to ensure we have a program for preservation.

- We will continue to take other protective measures already in place, such as the prohibition of hunting of monkeys and other endangered species. We will ask for assistance from interested organizations to support the population that is affected by these

measures.

Dear friends:

I am sure many of you who have criticized us in the past for whatever reasons will retain your skepticism. Here I have not tried to say that all is well in Equatorial Guinea, but simply present what is available and what we aspire to achieve. We therefore ask the skeptics and critics to change their attitude, because it is not constructive. We ask for trust and faith in my government and Equatorial Guinea society, with a presumption of good faith, because this particular program is not mine, but rather, it came from consensus with the People and all political institutions.

Evaluate us by our actions, not only by these words. Instead, verify our actions on the ground and by legitimate means and not according to the flow of news from negative sources, which are sometimes resentful, strident and full of sensationalism.

We repeat that we have a long way to go to achieve this ambitious program of reform and transparency. In many ways we have to fundamentally change the course of our history and parts of our culture. It will not be easy. We ask for your patience, especially that of the community of NGOs from around the world.

IV. INTERNATIONAL DEVELOPMENT AND INVESTMENT

As we continue to develop our democratic society and the rule of law, we also hope to encourage investment. It is well-known that economic development can not be promoted unless it is adequately supported by a political basis for harmonizing society. This is why our government from a principle of action adopted a policy of ongoing reform, taking into consideration the dynamic nature of society and the tendency of the economy to fluctuate.

This is the basis of the theory of "democratic experiment" that guides the political behavior of the society of Equatorial Guinea in the circumstances of the moment. Today, the economic situation requires us to make reforms.

Besides oil, Equatorial Guinea has many natural resources including a tropical climate, fertile soils, abundant marine resources, deep seaports and airports. We hope to develop industries based on these resources, and we invite investors from around the world to consider the possibilities of working with us.

Equatorial Guinea is a member of the Organization for the Harmonization of Business Law in Africa (OHADA). The stated purpose of this initiative is to facilitate and encourage both domestic and foreign investment in member countries. OHADA laws are exclusively related to companies operating in Africa.

The OHADA Treaty has created a supranational court to ensure uniformity and consistency of legal interpretation of its rules by Member Countries. We believe this is

an important step to encourage more international investment in Equatorial Guinea and our laws are consistent with those of the OHADA.

V. CONCLUSION

Dear friends,

I am aware of recent criticism against my government and even against my family. Many of these criticisms, based on hearsay and innuendo, and published without a full assessment of the facts, are not true. They do not refer to our promoting democracy, dialogue, good governance and economic development, peace, political stability, the good life of citizens and the influx of investments from different countries that are all going on in Equatorial Guinea.

Critics should agree with me that in a regime of dictatorship and oppression public trials do not occur, death sentences are not commuted, and foreign terrorists and mercenaries convicted of international crimes are not pardoned, as occurs in Equatorial Guinea.

A government that diverts state funds and practices corruption does not subject itself to parliamentary control, nor voluntarily agrees to audit and publish its accounts according to the rules of EITI.

The allegation of a lack of economic freedoms is belied by the current competition for foreign investment in Equatorial Guinea.

In short, esteemed Friends, these critics should agree with me that a government that does not care about human rights would not provide resources to mitigate the effects of natural disasters in the world, as in the case of Hurricane Katrina, the Tsunami, the famine in Niger, the Nigerian pipeline explosion, the volcano's eruption in Cameroon's Victoria Peak, or the explosion of the Chernobyl nuclear power plant, among many others. My government has provided such humanitarian support for the welfare of the world.

However, I want to extend a friendly invitation to all these critics who visit the Republic of Equatorial Guinea, to observe reality, not by comments of circles and people influenced by unacknowledged fears and interests, but rather to live very closely people's reality. They all deserve my indulgence and that of the People of Equatorial Guinea.

We want and expect to be treated fairly by the world community based on real events, with updated information, which is why we hope to establish a new census and evaluation, and not rely on old statistics. The critical report from Equatorial Guinea in 1995 remains in force today in the international media. We hope and trust that our actions speak louder than our words, while we embark on 10 years of reforms.

We will not ask the global advocacy groups that have criticized us to look the other way and stop their criticisms, but we ask the international community to help us to help

ourselves and help us implement this reform program so that we become partners with the world's democracies.

We are members of the International Covenant of Political Rights, Economic, Social and Cultural Rights, and through our will and determination we will reach the fullness of these rights with existing financial resources and full participation of our citizens, so as to honor the democracy and human values.

Dear friends:

We know, again, this will not be easy. We must take into account that we are a country only 42 years old. But we are determined to move forward and progress, and we ask the world community and all of you to help us move forward, so that individual acts of progress can produce dynamic effects to create a better and more prosperous Guinea over the next 10 years , surpassing previous years.

I will conclude, dear friends, noting that the society of Equatorial Guinea has a strong faith and hope in this initiative we have taken, and they are determined to participate in their entirety. We hope the future will give us the reason.

Thank you very much

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