

## 16. Country profile: Equatorial Guinea



### 1. Development profile

Equatorial Guinea is situated in West Africa with Gabon and Cameroon as its neighbouring countries. It is one of the smallest countries in Africa consisting of a small mainland area and five small inhabited islands. The country achieved independence in 1968 from Spain, being the only former Spanish colony in Sub Saharan Africa and therefore has Spanish as the official language. Ten years after Equatorial Guinea gained independence, Teodoro Obiang Nguema Mbasogo seized power in a coup and has been the president ever since, mainly by exerting absolute control over politics and oppressing any opposition. The country is nominally democratic but elections are considered rigged and flawed. Due to the discovery of oil reserves in the early 1990's, Equatorial Guinea has experienced rapid economic growth. Despite the subsequent massive increase in Government revenues and the country having the highest per capita income in Africa, the living standards of the population have not improved.<sup>1</sup> A failed coup attempt in February 2009 temporarily destabilised the country, but Government troops quickly restored order.

Human Development indicators remain poor: life expectancy is low at 50 years (less than the regional average of 54 years); infant mortality is high; about 39 percent of children are malnourished; only 44 percent of the population has access to potable water; and income disparities are constantly increasing. Poverty remains widespread and according to a 2006 poverty profile survey, 77 percent of the population lives in poverty. Education indicators are also worse than continental averages, where only 31.9 percent enrol in secondary school compared to the continental level of 44.5 percent. The enrolment rate for girls in secondary school is even lower at 23 percent, where the continental rate is 41.8 percent. The average rates in Africa for the percentage of GDP used on education and health is 2.4 percent and 4.7 percent, compared to Equatorial Guinea's levels of only 1.2 and 0.6 percent.<sup>2</sup>

In the last decade, the country has become the third largest oil exporter in Africa and oil counted for 87.1 percent of GDP in 2006 while the revenue from oil counted for 42.7 percent in 2007. Equatorial Guinea is blessed not only with oil reserves but also with natural gas deposits, especially methanol.<sup>3</sup>

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<sup>1</sup> *The World Factbook: Equatorial Guinea*. (2010, February). Retrieved from United States Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/ek.html>

<sup>2</sup> *Republic of Equatorial Guinea Country Strategy Paper: 2008-2012*. (2008, August) Retrieved from African Development Bank Group: <http://www.afdb.org/en/documents/project-operations/country-strategy-papers/#c>

<sup>3</sup> *Equatorial Guinea*. (2008). Retrieved from Organisation for Economic Co-operation and Development: <http://www.oecd.org/dataoecd/12/56/40577917.pdf>

Subsistence farming remains the foundation of the economy but the sector has been neglected in recent years and has lost its growth potential.<sup>4</sup>

According to Transparency International, Equatorial Guinea ranks 168 out of 180 most corrupt countries in the world<sup>5</sup> and most of the businesses in the country are owned by government officials and their family members. According to Human Rights Watch, the "dictatorship under President Obiang has used an oil boom to entrench and enrich itself further at the expense of the country's people"<sup>6</sup>. This system of nepotism breeds corruption and fraud. It has been reported that, in order to work for an oil company, a person has to produce a membership card of the ruling political party. In 2009, the Reporters Without Borders Press Freedom Index ranked Equatorial Guinea 158/175 countries and called President Obiang a "predator of press freedom."<sup>7</sup>

While the Government has written a development strategy to govern growth and development through the year 2020, major structural constraints including: increasing poverty; inadequate human capacity; and serious institutional weaknesses can be a limitation to the success of these plans.<sup>8</sup>

Socioeconomic indicators <sup>9</sup>	
Population (millions)	0.68
GNI per capita, PPP (current USD)	19,350
GDP (current USD) (billions)	10.41
GDP composition by sector 2005 (%) <sup>10</sup>	Agriculture -2.3 Industry- 93.7 Services- 3.9
GDP growth rate (%)	-5.44
Percent below poverty line (%)	n/a
Inflation (%)	6.55
GINI index	n/a
Adult literacy rate (%)	93
Life expectancy (years)	50.2
Child dependency ratio <sup>11</sup>	72

<sup>4</sup> *Equatorial Guinea*. United States Central Intelligence Agency.

<sup>5</sup> *Corruption Perceptions Index 2009*. (2009). Retrieved from Transparency International: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009/cpi\\_2009\\_table](http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table)

<sup>6</sup> *Equatorial Guinea Country Profile*. (2009, December). Retrieved from BBC news: [http://news.bbc.co.uk/2/hi/africa/country\\_profiles/1023151.stm](http://news.bbc.co.uk/2/hi/africa/country_profiles/1023151.stm)

<sup>7</sup> *Equatorial Guinea: Poverty Rife in Africa's Kuwait*. Medilinks.

<sup>8</sup> *Republic of Equatorial Guinea Country Strategy Paper: 2008-2012*. African Development Bank Group.

<sup>9</sup> *Country Data*. (2010, August). Retrieved from World Bank: <http://www.worldbank.org/data/countrydata/countrydata.html>

<sup>10</sup> *The World Factbook: Equatorial Guinea*. United States Central Intelligence Agency.

<sup>11</sup> *Undata: Statistics*. (2010, November). Retrieved from United Nations: <http://data.un.org/Data.aspx?d=PopDiv&f=variableID%3A44>

Elderly dependency ratio <sup>12</sup>	5
HIV prevalence (%)	3.4
Overseas development aid per capita (current USD)	n/a
Net official development assistance (USD millions)	37.6
Remittances as % of GDP	n/a
2009 Human Development Index (HDI) ranking	117

## 2. Vulnerability analysis

### 2.1 External shocks

According to the Economic Outlook, the main challenge Equatorial Guinea faces is its vulnerability to external shocks stemming from the country's dependency on export of oil and gas, and thereby its vulnerability to changes in the prices of oil and gas.<sup>13</sup> This comes clear from looking at the GDP growth rate which fell from 11.29 percent in 2008 to -5.44 percent in 2009 due to, among others, falling oil prices brought by the global economic crises.<sup>14</sup>

### 2.2 HIV/AIDS

Even though the HIV/AIDS prevalence rate has fallen from 3.7 percent in 2001 to 3.4 percent in 2007, it still remains high.<sup>15</sup> In 2007, an estimated 3,100 people were in need of antiretroviral therapy and only 14 percent of HIV-infected pregnant women received antiretroviral treatment, which is significantly below the Sub-Saharan average of 34 percent.<sup>16</sup>

### 2.3 Foreign aid and remittances

Several aid programmes run by the IMF and World Bank have been terminated due to corruption and mismanagement. Because of vast oil revenues, the country is no longer qualified to concessional financing, but the government has been trying to agree with the World Bank and IMF on a "shadow" fiscal management program.<sup>17</sup>

<sup>12</sup> *Undata: Statistics*. (2010, November). Retrieved from United Nations:  
<http://data.un.org/Data.aspx?d=PopDiv&f=variableID%3A44>

<sup>13</sup> *Equatorial Guinea*. (2010, August). Retrieved from African Economic Outlook:  
<http://www.africaneconomicoutlook.org/en/countries/central-africa/equat-guinea/>

<sup>14</sup> *Country Data*. World Bank.

<sup>15</sup> *Epidemiological Fact Sheet on HIV and AIDS: Equatorial Guinea*. (2008, September). Retrieved from World Health Organization:  
[http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008\\_GQ.pdf](http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008_GQ.pdf)

<sup>16</sup> *Equatorial Guinea: Comprehensive Indicator Report*. (2010, November). Retrieved from HIV insite by University of California:  
<http://hivinsite.ucsf.edu/global?page=cr09-ek-00&post=19&cid=EK>

<sup>17</sup> *Equatorial Guinea*. United States' Central Intelligence Agency.

### 3. Monitoring and evaluation

There is no available information about the country's monitoring and evaluation strategy and policies. A few National Development documents (*Horizon 2020*, *National Economic and Social Development Plan*) supposedly addresses the issue but it hasn't been possible to locate these plans.

### 4. Social assistance programmes overview

\*All currency conversions are based on 17 February 2010 rates:

- 1 XAF = 0.000204 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.<sup>18</sup>

Programme# 1: welfare and social services	Programme name	Social Needs Fund <sup>19</sup>
	Program overview	<ul style="list-style-type: none"> <li>▪ Social Development to support policies aimed at improving the well being of its citizens, and achieving the Millennium Development Goals.</li> </ul>
	Programme components	<ul style="list-style-type: none"> <li>▪ The program focuses on creating social sector infrastructure to provide services and improve the administration capacity in ministries.</li> <li>▪ More specifically: soliciting, reviewing, adopting, funding, implementing and monitoring projects in the areas of health, education, women's issues and sanitation.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▪ The government of Equatorial Guinea</li> </ul>
	Programme duration	<ul style="list-style-type: none"> <li>▪ Started in 2007.</li> </ul>
	Administrative framework	<ul style="list-style-type: none"> <li>▪ Administrated by United States Agency for International development</li> <li>▪ The ministries of Equatorial Guinea involved are: the Ministry of Education, Science and Sports, the Ministry of Health and Social Wellbeing, the Ministry of Social Affairs and Promotion of Women, the Ministry of Fisheries and Environment and the Ministry of Interior and Local Cooperation.</li> </ul>

<sup>18</sup> *Currency Converter*. (n.d.). Retrieved from OANDA: <http://www.oanda.com/currency/converter/>

<sup>19</sup> Table drawn from Holmes, Rebecca. Social Protection to Tackle Child Poverty in Equatorial Guinea. (2009, September). Retrieved from Overseas Development Institute: <http://www.odi.org.uk/resources/details.asp?id=3794&title=desarrollo-inclusivo-guinea-ecuatorial>

Programme# 2: social insurance	Programme name	Old Age, Disability and Survivors <sup>20</sup>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Old-age pension:</b> The pension is equal to 40% of the insured's average monthly earnings in the last 2 years plus 2% of average monthly earnings for each year of contributions exceeding 10 years. <ul style="list-style-type: none"> <li>○ The maximum pension is equal to 80% of the insured's average monthly earnings.</li> <li>○ Benefit adjustment: Benefits are adjusted every 5 years</li> </ul> </li> <li>▪ <b>Disability pension:</b> If the insured is assessed with a total disability and incapacity for any work, the pension is equal to 40% of the insured's average monthly earnings in the last 2 years; the pension is limited to 6 months if the insured is capable of alternative work. <ul style="list-style-type: none"> <li>○ Constant-attendance allowance: 40% of the insured's average monthly earnings in the last 2 years is paid.</li> <li>○ Partial disability: If unable to perform usual work, 40% of the insured's average monthly earnings in the last 2 years is paid for a maximum of 3 months.</li> <li>○ Benefits can be suspended if the insured fails to attend requested medical examinations.</li> <li>○ Benefit adjustment: Benefits are adjusted every 5 years.</li> </ul> </li> <li>▪ <b>Survivor pension:</b> The pension is equal to 40% of the deceased's average earnings; if the deceased was a pensioner, the survivor pension is equal to 80% of the deceased's pension. <ul style="list-style-type: none"> <li>○ A childless widow younger than age 30 receives a pension for up to 24 months only.</li> <li>○ The pension ceases on remarriage.</li> </ul> </li> <li>▪ <b>Orphan's pension:</b> All orphans' pensions combined are equal to 20% of the deceased's earnings; 40% for full orphans and for half orphans if the widow's pension ceases.</li> <li>▪ <b>Dependent parent and grandparent's pension:</b> The pension is equal to 40% of the deceased's earnings; if the deceased was a pensioner, the benefit is equal to 80% of the deceased's pension. <ul style="list-style-type: none"> <li>○ Benefit adjustment: Benefits are adjusted every 5 years.</li> </ul> </li> <li>▪ <b>Funeral grant:</b> 2 months of the deceased's earnings is paid.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Employed persons, including civil servants and military personnel.</li> <li>▪ Exclusions: Self-employed persons.</li> </ul>
	Beneficiary determination process	<ul style="list-style-type: none"> <li>▪ <b>Old-age pension:</b> Age 60 with at least 120 months of contributions, including at least 60 months in the 10 years before retirement. <ul style="list-style-type: none"> <li>○ The required contribution period is reduced for public officials and military personnel who were between ages 50 and 60 when the law was implemented.</li> </ul> </li> <li>▪ <b>Disability pension:</b> The insured must be assessed with a substantial inability to perform all types of work or a total inability to perform usual work with at least 60 consecutive months of contributions immediately before the</li> </ul>

<sup>20</sup> Table text from *Social Security Programs throughout the World: Africa 2009*. (August, 2010). Retrieved from United States Government, Social Security Administration: <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/africa/index.html>

		<p>disability began.</p> <ul style="list-style-type: none"> <li>○ Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.</li> </ul> <ul style="list-style-type: none"> <li>▪ <b>Survivor pension:</b> The deceased had at least 60 months of contributions or was a pensioner at the time of death. <ul style="list-style-type: none"> <li>○ Eligible survivors are a widow aged 30 or older, disabled, or rearing children; a dependent, disabled widower; and children up to age 14 (no limit if a student or disabled). In the absence of other survivors, dependent parents including the spouse's parents aged 60 or older or disabled.</li> </ul> </li> <li>▪ <b>Funeral allowance:</b> Paid for the death of the insured.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▪ <b>Insured person:</b> 4.5% of gross earnings. <ul style="list-style-type: none"> <li>○ The insured person's contributions also finance sickness and maternity benefits, work injury benefits, and family allowances.</li> </ul> </li> <li>▪ <b>Self-employed person:</b> Not applicable.</li> <li>▪ <b>Employer:</b> 21.5% of gross payroll. <ul style="list-style-type: none"> <li>○ The employer's contributions also finance sickness and maternity benefits, work injury benefits, and family allowances.</li> </ul> </li> <li>▪ <b>Government:</b> At least 25% of annual social security receipts. <ul style="list-style-type: none"> <li>○ Government contributions also finance sickness and maternity</li> </ul> </li> </ul>
	Legal framework	<ul style="list-style-type: none"> <li>▪ 1984, implemented in 1990.</li> </ul>
	Administrative framework	<ul style="list-style-type: none"> <li>▪ Ministry of Labor, Social Security, and Women's Welfare provides supervision.</li> <li>▪ Social Security Institute administers the program.</li> </ul>

Programme# 3: social insurance	Programme name	Sickness and Maternity <sup>21</sup>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Sickness benefit:</b> The benefit is equal to 50% of the insured's daily wage. The benefit is paid after a 3-day waiting period for up to 26 weeks; may be extended under certain conditions.</li> <li>▪ <b>Maternity benefit:</b> The benefit is equal to 75% of the insured's daily wage and is paid for 6 weeks before and 6 weeks after the expected date of childbirth. <ul style="list-style-type: none"> <li>○ A lump sum equal to 2 months of wages is paid if the insured does not satisfy the contributions qualifying condition for the maternity benefit.</li> </ul> </li> <li>▪ <b>Worker medical benefits:</b> Benefits include medical care for up to 26 weeks, according to the schedule in law. <ul style="list-style-type: none"> <li>○ Cost sharing: The insured pays 25% of the cost of medical care and 50% of the cost of medicine; medicines during hospitalisation, pregnancy, and the postnatal period are free.</li> </ul> </li> <li>▪ <b>Dependent's Medical Benefits:</b> Benefits include medical care for up to 26 weeks, according to the schedule in law.</li> </ul>

<sup>21</sup> Ibid.

		<ul style="list-style-type: none"> <li>Cost sharing: Dependents pay 25% of the cost of medical care and 50% of the cost of medicine; medicines during hospitalisation, pregnancy, and the postnatal period are free.</li> </ul>
	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>Employed persons, including civil servants and military personnel; the insured's family members; pensioners; and persons with disabilities.</li> <li>Exclusions: Self-employed persons.</li> </ul>
	<b>Beneficiary determination process</b>	<ul style="list-style-type: none"> <li><b>Cash sickness benefits:</b> The insured must have contributed during the last 12 months.</li> <li><b>Cash maternity benefits:</b> There is no minimum qualifying period.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li><b>Insured person:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li><b>Self-employed person:</b> Not applicable.</li> <li><b>Employer:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li><b>Government:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>1984, implemented in 1990.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>Ministry of Labor, Social Security, and Women's Welfare provides supervision.</li> <li>Social Security Institute administers the system.</li> </ul>

<b>Programme# 4: social insurance</b>	<b>Programme name</b>	<b>Work Injury<sup>22</sup></b>
	<b>Programme components</b>	<ul style="list-style-type: none"> <li><b>Temporary disability benefits:</b> The benefit is equal to 50% of the insured's daily wage and is paid after a 3-day waiting period for up to 26 weeks; may be extended under certain conditions.</li> <li><b>Permanent disability pension:</b> If the insured is assessed with a total disability and incapacity for any work, the pension is equal to 50% of the insured's earnings; the pension is limited to 48 months if the insured is capable of alternative work.</li> <li><b>Partial disability:</b> If unable to perform usual work, 50% of the insured's earnings is paid; the pension is limited to 24 months if the insured is capable of alternative work. <ul style="list-style-type: none"> <li>Constant-attendance allowance: If the insured requires the constant attendance of others to perform daily functions, 50% of earnings is paid.</li> <li>Benefits can be suspended if the insured fails to attend requested medical examinations.</li> <li>The work injury permanent disability pension cannot be paid with the old-age pension.</li> </ul> </li> </ul>

<sup>22</sup> Ibid.

		<ul style="list-style-type: none"> <li>○ Benefit adjustment: Benefits are adjusted every 5 years</li> <li>▪ <b>Workers' medical benefits:</b> Benefits include free medical care, hospitalisation, and medicines.</li> <li>▪ <b>Survivor pension:</b> A widow(er) receives 50% of the deceased's earnings; if the deceased was a pensioner, the pension is equal to 80% of the deceased's pension. <ul style="list-style-type: none"> <li>○ Eligible survivors are a widow aged 30 or older, disabled, or rearing children and a dependent, disabled widower.</li> <li>○ A childless widow younger than age 30 receives a pension for 24 months only.</li> <li>○ The pension ceases on remarriage</li> </ul> </li> <li>▪ <b>Orphan's Pension:</b> All orphans' pensions combined are equal to 20% of the deceased's earnings; 40% for full orphans and for half orphans if the widow's pension ceases. <ul style="list-style-type: none"> <li>○ Eligible orphans are children up to age 14 (no limit if a student or disabled).</li> </ul> </li> <li>▪ <b>Dependent parent's pension</b> (in the absence of other survivors): The pension is equal to 40% of the deceased's earnings; if the deceased was a pensioner, the pension is equal to 80% of the deceased's pension. <ul style="list-style-type: none"> <li>○ Eligible parents include the spouse's parents aged 60 or older or disabled.</li> <li>○ Benefit adjustment: Benefits are adjusted every 5 years.</li> </ul> </li> <li>▪ <b>Funeral grant:</b> Equal to 2 months of the deceased's earnings.</li> </ul>
	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>▪ Employed persons, including civil servants and military personnel.</li> <li>▪ Exclusions: Self-employed persons.</li> </ul>
	<b>Beneficiary determination process</b>	<ul style="list-style-type: none"> <li>▪ <b>Work injury benefits:</b> There is no minimum qualifying period.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ <b>Insured person:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li>▪ <b>Self-employed person:</b> Not applicable.</li> <li>▪ <b>Employer:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li>▪ <b>Government:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>▪ 1984, implemented in 1990.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>▪ Ministry of Labour, Social Security, and Women's Welfare provides supervision.</li> <li>▪ Social Security Institute administers the program.</li> </ul>

Programme# 5: social insurance	Programme name	Family Allowances <sup>23</sup>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Family allowances:</b> Benefits are determined according to a family point system set by law.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Employed persons, including civil servants and military personnel.</li> <li>▪ Exclusions: Self-employed persons.</li> </ul>
	Beneficiary determination process	<ul style="list-style-type: none"> <li>▪ <b>Family allowances:</b> The insured must be married, a widow with children, or single with natural children. Dependent relatives who are younger than age 14, a student, or disabled may also qualify.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▪ <b>Insured person:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li>▪ <b>Self-employed person:</b> Not applicable.</li> <li>▪ <b>Employer:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> <li>▪ <b>Government:</b> See source of funds under Old Age, Disability, and Survivors, above.</li> </ul>
	Legal framework	<ul style="list-style-type: none"> <li>▪ 1984, implemented in 1990.</li> </ul>
	Administrative framework	<ul style="list-style-type: none"> <li>▪ Ministry of Labour, Social Security, and Women's Welfare provides supervision.</li> <li>▪ Social Security Institute administers the program.</li> </ul>

Programme# 6: in-kind transfer	Programme name	Education Project <sup>24</sup>
	Programme objective	<ul style="list-style-type: none"> <li>▪ The Primary Education Project aims at assisting the Ministry of Education (MOE) in its efforts to restructure basic education by implementing the new curricula, increasing the availability and use of teaching materials, improving classroom management practices, creating new teaching positions, training managers and teachers and expanding physical facilities in rural areas.</li> </ul>
	Programme components	<ul style="list-style-type: none"> <li>▪ To accomplish such objectives, the project includes such components as (a) revision, printing and distribution of mathematics, language, social studies and natural science textbooks for all primary school children and training of teachers in the use of these books; (b) improvements in classroom management practices; and (c) appointment of 250 new teachers. Further to this, the project entails (d) assistance to rural communities for the construction and furnishing of about 100 classrooms; and (e) strengthening of the planning and implementation capacity within MOE.</li> </ul>
	Programme duration	<ul style="list-style-type: none"> <li>▪ 1987 to 1997</li> </ul>

<sup>23</sup> Ibid.

<sup>24</sup> Table text from *Education Project (01)*. (2010, November). Retrieved from World Bank: <http://web.worldbank.org/external/default/main?pagePK=64027221&piPK=64027220&theSitePK=352171&menuPK=352206&Projectid=P000639>