



RÉPUBLIQUE DE
DJIBOUTI

National Development Plan 2020-2024

Djibouti ICI

Inclusion - Connectivity - Institutions



- 1 POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS



RÉPUBLIQUE DE
DJIBOUTI

National Development Plan 2020-2024

Djibouti ICI

Inclusion - Connectivity - Institutions

EXECUTIVE SUMMARY

After the country's independence in 1977, the Djiboutian economy initially had weak economic performance before experiencing a significant recovery, since 2000, with a growth of 5-7% per year, starting 2010. The economic performance of recent years is notably the result of the implementation of the Accelerated Growth and Employment Promotion Strategy 2015-2019 (SCAPE), the first five-year plan carried out under the Djibouti Vision 2035. SCAPE has led to significant progress including accelerating economic growth, reducing poverty, improving social indicators, and building state-of-the-art infrastructure such as the Djibouti-Addis Ababa railway, ports and a Free Zone. The negative consequences of COVID-19 on this socio-economic progress have been mitigated by the implementation of the National Solidarity Pact (NSP) adopted by the Government on April 13, 2020 and aligned with the Global Agendas.

However, the growth achieved during the SCAPE period will continue to eradicate poverty and unemployment within the NDP framework. The Djibouti ICI NDP will focus on shared growth.

To better address the challenges and exploit all the country's potential, the Government has drawn up the National Development Plan (NDP) 2020-2024, Djibouti ICI, which will focus on consolidating the achievements of the SCAPE and the NSP. Developed in a participatory manner and within the framework of the Djibouti Vision 2035, the second NDP encompasses the international commitments to which Djibouti has subscribed, in particular the African Union 2063 Agenda and the UN 2030 Agenda. The overall objective is to make Djibouti "a stable, peaceful, clean, secure country providing a serene environment for private initiatives".

The actions of the NDP are articulated around three strategic axis that are interdependent and reinforced by intersecting themes:

STRATEGIC AXIS

1 INCLUSION

The first axis aims to: a) rethink and operationalize the model of inclusive sustainable development, with an increased role given to private initiatives as an essential lever for the diversification of production and trade; and (b) ensuring a better distribution of the fruits of growth among Djiboutians. This objective will be achieved through the implementation of the following programmes: (i) support for inclusive economic development; (ii) improvement of living conditions and social inclusion.



2 CONNECTIVITY

Strategic axis 2 aims to: a) position Djibouti as a hub of the regional and continental economy; (b) ensure better national integration, with a view to accelerated urban and rural development, as well as better coverage of socio-economic services.

It will be a matter of implementing the actions of the following four programmes: i) Interconnection between the rural regions and Djibouti-City through a harmonious Land Development Plan; ii) Logistics and digital platform for a commercial and logistics hub of Africa; (iii) Modern infrastructure for connecting to the world; iv) Consolidation of Regional Integration and Conquest of Markets.



3 INSTITUTIONS

Through the implementation of axis 3, the NDP will strengthen the country's human and institutional capacities to consolidate the achievement of: a) rights and freedoms; (b) democracy, stability, and transparency of institutions; (c) social cohesion.

The actions of this strategic axis are articulated around the following four programmes: i) Economic and financial governance; (ii) Programme to improve administrative governance; (iii) Strengthening institutional capacities in local governance; iv) Improving judicial and political governance.



INTERSECTING THEMES OF THE NDP

The actions of this transversal axis aim to strengthen the appropriate institutional and human capacities to meet the development challenges formulated in axis 1, 2 and 3 through the implementation of the following programmes: i) Development of human capital; (ii) Environment, climate change and renewable energy; (iii) Socio-economic strategy for response to COVID-19 and other pandemics; iv) Digital as a catalyst for economic and social development - digitalization and digital transformation will foster the emergence of a dynamic and inclusive economy.

The last chapter refers to the implementation mechanism, monitoring and evaluation of the NDP. Each ministry, regional council and other governmental entity is responsible for the activities within its mandate. The Directorate of Economy and Planning, within the Ministry of Economy and Finance, is responsible for coordinating its implementation, monitoring, evaluation, and reporting. A strengthened partnership with the private sector and civil society, as well as a commitment of the population to development, will ensure the participation of all stakeholders in the implementation process. Coordination among development partners will be strengthened.

Macroeconomic fundamentals are expected to remain positive during the NDP. The overall fiscal balance is expected to stabilize around 0.5-0.6% of THE GDP by 2024/2025. The rapid growth of trade and logistics activities

has made the country more dependent on developments in global and regional trade.

The implementation of the 2020-2024 NDP will allow an acceleration of growth from 7% (in 2021) to 8.5% (in 2025). The inflation rate will remain at 2.5% over the last three years of the NDP. Private investment will increase from around 12% of THE GDP (in 2020) to almost 21% (in 2024). Gross national saving is also expected to stabilize during the period 2020-2024 (around 23-30% of THE GDP); the same will be true for tax revenues (around 11-12%) and non-tax revenues (around 6%). The current account balance is expected to improve to pre-pandemic levels.

State-guaranteed public debt is expected to decline to around 50% of THE GDP in 2025 while debt service costs as a percentage of revenues are expected to stabilize at around 7-13% of THE GDP.

The budget for the implementation of the 2020-2024 NDP is estimated at FDJ 2,482 billion according to an integrated financing plan mobilizing public and private resources. Funding for the NDP will be achieved through the implementation of an ambitious strategy to mobilize internal and external resources. Improved economic governance, the business climate and further infrastructure modernization will contribute to the mobilization of direct investment and ODA; measures aimed at greater mobilization of the diaspora will contribute to increasing remittances from the diaspora

FOREWORD

The beginning of the third Decade of the 21st century has been marked by the most important pandemic that humanity has known since our country's independence: COVID-19. With the support of the international community, our country has adopted and implemented the National Solidarity Pact (NSP) which has enabled us to mitigate the negative socio-economic consequences of the pandemic on our populations, and not to compromise the achievements of the Strategy for Accelerated Growth and Promotion of Employment (SCAPE).

We have thus been able to safeguard the achievements of the development efforts of the last two decades, namely: (i) the improvement of many social indicators; and (ii) the construction and improvement of state-of-the-art infrastructure, including the Djibouti-Addis Ababa railway, the four modern ports and the Free Zone, which will eventually become Africa's largest.

It is therefore with renewed confidence in the future that I am pleased to present the second National Development Plan 2020-2024, Djibouti ICI. It will be implemented within the framework of our Djibouti 2035 Vision, the United Nations 2030 Agenda, and the African Union 2063 Agenda.

While we can be proud of having overcome the significant challenges related to COVID-19, we must recognize that our country continues to face serious challenges including social and spatial inequalities as well as the persistence of poverty. In addition, climate change and the COVID-19 pandemic have revealed new challenges facing our country. These include the urgency of building our resilience. It will allow us to be better prepared to deal with exogenous shocks that, like COVID-19, are by nature most often unpredictable and can call into question several years of development efforts.

“DJIBOUTI INCLUSION-CONNECTIVITY- INSTITUTIONS (ICI)”

We must exploit all the opportunities and potentialities of the country to respond to these challenges. The unique geostrategic position of our country, the political stability and peace that reign here, our youth, biodiversity, and exceptional marine ecosystems, etc. are all assets that, if well exploited, will allow us to make our country the lighthouse of the Red Sea as well as a commercial and logistical hub of Africa.



With determination, we must undertake the reforms and implement the necessary measures for the structural transformation of our economy for strong and inclusive economic growth.

The Djibouti ICI NDP reflects our political choices and defines the development priorities and investments to be made during the period 2020-2024. The measures to be implemented must enable us to achieve a THE GDP growth rate of around 8.5% by 2025, to reduce poverty by 28%, to reduce the Gini index from 0.42 to 0.35 in 2025, and to promote the population's access to social services, including access to schooling, universal access to basic health services, access to energy, water, and sanitation, etc.

Djibouti ICI was adopted in a participatory way: its success requires the commitment of each and all of us. It is for this reason that I call on members of the Government, political leaders, heads of republican institutions and senior administrative officials, the private sector and civil society to be constantly and unfailingly involved in the implementation of this joint project. Together, we will be proud to bequeath to future generations a united, solidary, more just, and better society. Finally, we invite all our national and international development partners to align themselves with the objectives and priorities of this National Development Plan and to contribute to its implementation, so that together we succeed in this challenge of sustainable and inclusive development.

**The President of the Republic
H.E.M. Ismail Omar Guelleh**

WORD OF THE PRIME MINISTER

To consolidate what has been achieved, through the Accelerated Growth and Employment Promotion Strategy (SCAPE) and the National Solidarity Pact (NSP) and to respond to the important challenges facing Djiboutian society, the Government has developed and intends to implement the National Development Plan 2020-2024 Djibouti ICI.

The NDP 2020-2024 was developed with the participation of the public and private sectors, civil society, and technical and financial partners.

With the support of its partners, SCAPE has made it possible to strengthen economic growth which had accelerated since 2010, to improve socio-economic indicators, reduce the incidence of poverty, and provide the country with state-of-the-art infrastructure. The National Solidarity Pact has contributed to mitigating the negative impacts of the COVID-19 pandemic, including the health and social crisis, and to reviving economic growth, which will experience a rate of 7% in 2021.

Despite these achievements, the NDP has been able to identify challenges, the most important of which remain the persistence of poverty, spatial and social inequalities, weaknesses in human and institutional capacities, and climate change. These are constraints to the sustainable development of the country.

To respond to these challenges and take advantage of the many assets that Djibouti benefits from for sustainable and inclusive development, the National Development Plan Djibouti ICI describes the Government's strategic intentions for the period 2020-2024 and defines the consolidated priorities (in 11 flagship programmes) that are grouped around three strategic axis, namely: i) Inclusion; (ii) Connectivity; and (iii) Institutions.



“DJIBOUTI INCLUSION-CONNECTIVITY- INSTITUTIONS (ICI)”

Like its elaboration, the implementation of the NDP will be marked by the permanent search for consensus through the participation of all stakeholders: the different levels of Government, the administration, the private sector, civil society, and technical and financial partners.

I hope that the Government will be fully engaged in this process and take all the necessary initiatives for the implementation and success of this development vision.

The Prime Minister
S.E.M. Abdoukader Kamil Mohamed

MESSAGE FROM THE MINISTER OF ECONOMY AND FINANCE

I have the great pleasure to present the second generation of Djibouti's National Development Plan Djibouti ICI. This plan represents our strong national commitment to inclusive and sustainable development. The plan sets out the roadmap for achieving our country's 2035 vision, the vision of the President of the Republic His Excellency Ismail Omar Guelleh and the African Union's Agenda 2063.

The first National Development Plan (SCAPE 2015-2019) of Vision 2035 focused on the foundations of economic growth. Over the past five years, under the SCAPE, the national economy has shown a growth trend and strong resilience to shocks. The implementation of SCAPE has enabled Djibouti to make significant progress and improve key development indicators: the income poverty rate has decreased to 17%, the school enrolment rate has reached 96%, health with an infant mortality rate dropped from 44.27 per 1000 birth in 2015, to 31.29 per 1000 birth in 2019, and access to energy rose to 60%. For the first time, Djibouti has made gains in the human development ranking according to the Human Development Report 2021. Beyond the human gains, Djibouti has also managed to develop modern infrastructure, particularly in ports, the Djibouti-Addis Ababa railway, and to establish the largest free zone in East Africa. In 2021, the port of Djibouti was ranked number one in Africa.

The COVID-19 pandemic affected the Republic of Djibouti in March 2020. As in all countries, it triggered a health crisis and quickly turned into a socio-economic crisis. Under the leadership of His Excellency the President of the Republic, we launched the National Solidarity Pact (NSP) which helped us mitigate the negative impact of COVID-19 on the country's economic balances and promote a rapid recovery in economic THE GDP growth that will reach 6.5% in 2021.

This Pact also serves as a transition programme between SCAPE and the new National Development Plan (NDP) Djibouti ICI. The NSP allowed us to quantify the socio-economic impact of COVID-19 on households, the formal and informal sectors, and to plan response and recovery measures.



The plan you have in your hands has been developed through a participatory and consultative approach. The Ministry of Finance's team, worked intensively, through an extensive process over more than eight months, with focal persons designated by the Government in the line ministries. The latter actively participated in the formulation process in consultation with civil society, the private sector and development partners. Through a structured working group and citizen consultation, Djiboutians' aspiration for sustainable development has been translated into three action-oriented pillars. The Djibouti ICI NDP is also based on the strategies, plans and priority projects of the sectoral ministries.

The first component of inclusion focuses on accelerated and transformative action for equitable growth and development. The inclusion pillar is at the heart of eradicating poverty and social inclusion. So, at the same time, while the NDP was being developed, we embarked on the design of some key policies that can contribute to the eradication of poverty – I.e the financial inclusion strategy. Together with The Central Bank, we have set a very ambitious target of doubling the current base rate of 26% of people having access to financial services by 2024. In this perspective, a community consultation was conducted to understand the needs of Djiboutians who expressed their interests in the development of the Islamic financial sector and microfinance.

The pillar of connectivity is to take advantage of Djibouti's geostrategic situation to foster economic growth and development. In addition, it takes into consideration the transformation of regional infrastructure as a catalyst tool to connect rural areas and ensure their development. It also focuses on digital connectivity.

The institutional pillar recognizes the need for a more efficient and effective public institution that can promote the acceleration of development, and serve as a basis for achieving the first two pillars. This pillar concerns not only institutional reforms, but also political reforms such as increasing the available tax room through the digitalization of public administration, and improving public accountability to citizens.

Through its three pillars, the Djibouti ICI approach represents a unique way of addressing national and global development challenges. The plan comes at a unique time when the world is facing unprecedented economic challenges, driven by COVID-19. In the first two years, it focuses on socio-economic recovery and further development. This plan was based on the new economic standards imposed by the pandemic and its socio-economic impact on Djibouti; it aims to explore the country's economic growth opportunities and aims for an annual THE GDP growth of 8-10%. It also addresses issues related to the dual economy and the achievement of the Sustainable Development Goals. The plan clearly aims to reduce poverty by 50%, and reduce unemployment rate by 50% by 2024. It also seeks to significantly improve the governance, transparency, competitiveness of the business ecosystem and achieve the nationally determined contribution to climate change.

The Djibouti ICI NDP is complemented by an implementation framework, and a monitoring and evaluation mechanism. The plan included the eleven flagship programmes, the overall cost of which is estimated at FDJ2,482 billion.

I would like to take this opportunity to thank the United Nations Development Programme (UNDP), the African Economic Commission (ECA), the World Bank Group and the African Development Bank (AfDB) for their support during the critical period of economic planning during the COVID-19 pandemic and during the formulation of the "Djibouti ICI-2020-2024" NDP.

Finally, I would like to thank my fellow ministers for their dedication and commitment to supporting the COVID-19 socio-economic response process and the development of the National Development Plan. Thanks to our collaboration in the difficult context of COVID-19, we have been able to overcome a critical moment in human history and I am confident that we will work together to achieve Djibouti's inclusive and sustainable development.

The Minister of the Economy and Finance in charge of Industry

H.E. M. Ilyas Moussa Dawaleh

ACKNOWLEDGEMENTS

The National Development Plan 2020-2024 Djibouti ICI is a team effort. Within the Ministry of Economy and Finance in charge of Industry, under the leadership of His Excellency Ilyas Moussa Dawaleh, Minister, and Mrs. Mariam Hamadou Ali, Director of Economy and Planning, the team worked tirelessly. The team members are: Aden Saleh Omar, Mohamed Safi Seyadou, Hassan Mohamed Hassan, Arafat Hassan Ahmed, Fatouma Houmed-Gaba Osman, Dini Ali Daoud, Nima Rirach Miguil, Amina Ibrahim Robleh, Kadra Ahmed Said, Djibril Ahmed Walieh, Araksan Abdillahi Guelleh, Ahmed Daher Awaleh, Ayanleh Djama and Ahmed Adoyta Daoud.

The Ministry of Economy and Finance was supported by technical advisors appointed by the United Nations system, especially the United Nations Development Program: Albert Soer, Anne-Claire Grossias, Kadiatou Diallo, Omar Simaneh Bouh, Sarah Husein and Amba Tadaa and Peter Middlebrook of the Geo-policy design office; by the United Nations Economic Commission for Africa (UNECA): Bernard Spinoit, Dominique Njinkeu, Edlam Abera Yemeru, Gulelat Kebede, Jessica Atsin, Liz Paterson Gauntner, Malado Kaba, Mama Keita and Tidjani Chetima; and by the Overseas Development Institute (ODI): Emily Silcock. WBG supported the finalization (synthesis of the work of the sectoral thematic groups, the coherence of the different programmes, editing and printing) of the NDP with the support of Mr. Rick Emery

Tsouck Ibounde and Dominique Njinkeu as well as the comments of the various sectoral departments of the institution. For the project bank section of the NDP, ECA has made available to the Directorate of the Economy, Mr. Gaston Gohou, international expert of the DSI Institute. We also thank Ms. Fatima El Sheick of UNDP, Mr. Boubakar Sid Barry of the World Bank, Ms. Vera Songwe of ECA, and Mr. Amadou Nchare of AfDB.

Representatives of sectoral ministries, the private sector and civil society also contributed to this work in the working groups and through individual discussions and comments on the different versions of the NDP.

We have a special thought for Professor Thomas Kigabo, from UNECA, who passed away from COVID-19 on Friday, January 15, 2021. Kigabo contributed very significantly to this document and the strategic thinking. His enthusiasm has marked us all and we express our deep support to his family and friends. May his soul rest in peace!

We must also thank the managers of the Public Administration, representatives of the private sector and civil society, local elected officials, and technical and financial partners for their quality participation in the development of the NDP. We invite them to be actively and effectively involved in its implementation to serve the well-being of the Djiboutian populations.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
FOREWORD	6
MESSAGE FROM THE PRIME MINISTER	7
MESSAGE FROM THE MINISTER OF ECONOMY AND FINANCE	8
ACKNOWLEDGEMENTS	10
TABLE OF CONTENTS	11
INTRODUCTION	16
PART 1: DIAGNOSIS AND STATE OF PLAY	18
1. The Development Context.....	19
Historical Background.....	19
Economic and Social Performance.....	20
Vision Djibouti 2035.....	23
Accelerated Growth and Employment Promotion Strategy (SCAPE).....	24
The National Solidarity Pact	24
2. Progress Towards Vision 2035	25
Progress Towards an Inclusive Society	25
Progress in the Construction of Economic and Social Infrastructure	26
The Port and Maritime Transport Sector	26
Rail Transport.....	28
Air Transport.....	28
Road Transport.....	28
Progress in the Economic Development of Urban and Rural Areas.....	28
Progress on the Development of Urban and Rural Connectivity Infrastructure	30
Progress on ICT	31
Legislative and Institutional Framework	31
Achievements and Performance.....	32
Progress on Housing and Basic Social Service Infrastructure	33
Progress in land use planning and urbanization.....	37
Progress in institution-building	38
3. Djibouti's current challenges.....	40
A Dual Economy	41
Poverty	41
Inequalities and Vulnerabilities.....	42
The Weaknesses of Human Capital	42
Education	42
Health.....	42
Employment and Social Protection	43
Gender.....	43
Environment and Climate Change.....	43
The Business Environment	44
PART 2: STRATEGIC AXIS AND PROGRAMMES.....	45
4. Overall Objective.....	46
Vision and Guiding Principles	47
Challenges, Assets and Opportunities	47
5. Strategic Axis I: Inclusion	50
Inclusive Economic Development Support Programme	51
Diversification and Competitiveness Support Sub-Programme	52
Sub-Programme to Support the Development of Agro-Industrial Value Chains	53

Sub-Programme for the Promotion of Trade in Services and Development of the Ecosystem of Transport and Logistics Services	54
Development Poles and Promotion of Value Chains	57
Value Chains of Agricultural Perimeters	57
Value Chains of Port Services and the Blue Economy	57
Tourism and Fisheries Value Chains.....	57
Agricultural and Urbanization Value Chains.....	58
Industrial Value Chains.....	58
Tourism Value Chain Promotion Sub-Programme	58
Blue Economy Development Sub-Programme.....	61
Sub-Programme Support for Diaspora Mobilization and Refugee Integration	62
Diaspora.....	62
Refugees.....	64
Employability Improvement Sub-Programme	65
Financial Inclusion Support Programme	68
Banking Inclusion Sub-Programme	71
Sub-Programme for Inclusion in the Microfinance Sector and Non-Conventional Financing	72
Sub-Programme Support for Islamic Finance	73
Insurance Inclusion Sub-Programme	74
Programme for the Improvement of Living Conditions and Social Inclusion	75
Equity Promotion Sub-Programme.....	76
Reduction of Disparities by Age Group	76
Reduction of Disparities According to Human Capital	77
Reduction of Gender Disparities	77
Reduction of Disparities by Level of Education	77
Reduction of Disparities According to Special Needs.....	78
Reduction of Disparities by Place of Residence.....	79
Sub-Programme for the Improvement of Living Conditions	80
Capacity Building Sub-Programme for Social Inclusion.....	81
6. Strategic Axis II: Connectivity.....	83
Programme Interconnection Between the Regions and Djibouti-City, and Spatial Planning.....	84
Sub-Programme on Infrastructure for Urban and Rural Connectivity.....	84
Sub-Programme on Improving the Business Climate and Support for Rural-Urban Linkage	85
Sub-Programme on Regional and Rural Economic Development	86
Sub-Programme for Land Use Planning and Urban Planning	90
Actions to improve urban transport.....	92
Planning and control of the development of Djibouti City.....	92
Logistics and digital platform programme for a commercial and logistic hub of Africa.....	93
Infrastructure Construction Sub-Programme for Logistics and Commercial Hub.....	93
Construction and Rehabilitation Sub-Programme and Modernization of Connection Infrastructures with the Rest of the World.....	95
Sub-Programme Reform to Attract Investment, and Establishment of Infrastructure for Connectivity with the Rest of the World.....	96
Modern Infrastructure for Connectivity to the Rest of the World Programme.....	97
Construction, Modernization, and Improvement Sub-Programme Infrastructure	97
Human Capital Development Sub-Programme and Institutional to Improve the Business Climate	99
Enhancing Private Sector Participation	99
Capacity building of Supply Chain Actors	100
Programme for the Consolidation of Regional Integration and Market Conquest	101

Human Capacity-Building Sub-Programme and Institutional for the Trade Agenda	102
Sub-Programme to Support the Formulation and Implementation of the Trade Agenda and Market Conquest.....	103
7. Strategic axis III: Institutions	106
Economic and Financial Governance Programme	107
Administrative Governance Improvement Programme	109
Improvement Support Sub-Programme in Administrative Governance	110
Institutional Capacity-Building Programme in Local Governance	112
Sub-Programme for Strengthening Local Governance	112
Judicial and Political Governance Improvement Programme.....	114
Sub-Programme on Strengthening Political and Judicial Governance	114
Political Governance	114
Judicial Governance	115
8. Intersecting themes	117
Human Capital Development Programme.....	118
Environment, Climate Change and Renewable Energy Programme	119
Sub-Programme to Support Environmental Protection and Climate Change	119
Sub-Programme to Support the Development of Renewable Energies and Energy Efficiency	120
Socio-Economic Response Strategy Programme to COVID-19 and other pandemics	122
Health Recovery Sub-Programme	122
Economic Recovery Sub-Programme	124
Social Recovery Sub-Programme	127
Funding for the COVID-19 Socio-Economic Response Strategy	128
Digital Economy and Technological Innovation Programme	129
PART 3: IMPLEMENTATION	132
9. General Principles	133
Implementation Framework.....	134
Internal Coordination of the Government.....	134
Enhanced Collaboration with International Partners.	135
A Strengthened Partnership with the Private Sector and Civil Society.....	136
The Commitment of the Whole Population to Development.....	136
Monitoring and Evaluation	137
Risk Management.....	138
Macroeconomic Framework and Results Framework	139
Macroeconomic Framework.....	139
Results Framework	148
Alignment with the Sustainable Development Goals	149
Financing of the Plan.....	150
ANNEXES.....	156

Tables Table of Content

Table1: Economic Impacts of COVID-19	21
Table 2: Multidimensional Poverty in Rural and Urban Areas.....	41
Table 3: Specific Diversification and Competitiveness Measures	53
Table 4: Priority Actions by Sector	70
Table 5: Key Labor Market Indicators by Gender.....	78
Table 6: Areas of Intervention to Improve Living Conditions.....	80
Table 7: Areas and Measures of Intervention for Human Capital Development	118
Table 8: Health Recovery Financing Measures (2021-2022).....	123
Table 9: Economic Recovery Financing Measures (2021-2022).....	126
Table 10: Social Recovery Financing Measures (2021-2022).....	128
Table 11: Strategy Funding Measures Socio-Economic Response to COVID-19	128
Table 12: Key Economic and Fiscal Indicators, 2013-2025.....	140
Table 13: Trade Balance (FDJ million).....	145
Table 14: Current ODA 2015-2019 and Projections 2020-2024 (in billion FDJ).....	147
Table 15: Age Groups by Sex (2019).....	155
Table 16: Population by Age Groups and Genders.....	156
Table 17: Income poverty	156
Table 18: Multidimensional Poverty.....	158
Table 19: THE GDP - Production Perspective (in FDJ million)	160
Table 20: Percentage of Income for the Poorest and Richest.....	162
Table 21: “Doing Business” Indices – Djibouti	162
Table 22: Human Development.....	163
Table 23: Prioritization of Djibouti 2030 Agenda Targets.....	163
Table 24: Reference Values of Indicators Identified for Monitoring and Assessment of the SDGs in Djibouti	165

Figures Table of Content

Figure 1: Port and oil issues in East Africa	27
Figure 2: Housing Problem by Region.....	34
Figure 3: Percentage of Population with Access to Services	35
Figure 4: Population without Basic Services, Percentage by Middle Region and Borough	37
Figure 5: Evolution of Global Governance Indicators for Djibouti.....	38
Figure 7: Structural Transformation of the Desired Ecosystem	48
Figure 8: Djibouti's Tourism Experiences and Products.....	60
Figure 9: The Social Inclusion Approach	81
Figure 10: Housing Problems by Region	88
Figure 11: Household Dwelling Occupancy Status by Region.....	90
Figure 12: Multimodal Transport in Djibouti	96
Figure 13: Djibouti's Roads.....	98
Figure 14: Importance of Needs by Population	111
Figure 15: Remittances as a Percentage of THE GDP	146
Figure 16: The SDGs in NDP.....	149

Boxes Table of Contents

Box 1: Strategic Priorities for Economic Inclusion	51
Box 2: Strategic Priorities for Diversification and Competitiveness	52
Box 3: Areas of Intervention for the Promotion of Service Value Chains	56
Box 4: Main Constraints on Tourism Growth	60
Box 5: Migration and Work Permits	65
Box 6: Strategic Priorities Aligned on the National Strategy for Financial Inclusion	71
Box 7: Strategic Priorities for the Insurance Sector.....	74
Box 8: Priorities of the National Disability Strategy	79
Box 9: Strategic Priorities for the Multimodal Transport System.....	85
Box 10: Priorities for Urban-Rural Development	86
Box 11: Priorities for the Logistics and Hub-Commercial Platform.....	95
Box 12: Priorities for Regional Integration, conquest of the COMESA and AfCFTA markets.....	104
Box 13: Macroeconomic Priorities	107
Box 14: Priorities for Economic and Financial Governance	108
Box 15: Priorities for Administrative Governance and Institutional Capacity-Building	112
Box 16: Priorities for Local Governance	114
Box 17: Priorities for Political Governance	115
Box 18: Priorities for Judicial Governance	116
Box 19: Specific Actions for the Consolidation of Human Capital	118
Box 20: Challenges During the Implementation of the SCAPE 2015-2019.....	135
Box 21: Priorities for Macroeconomic Balances	148

INTRODUCTION

Djibouti ICI is the second National Development Plan (NDP) 2020-2024 as part of the Djibouti Vision 2035. As was the 2015-2019 NDP “Strategy for Accelerated Growth and Employment Promotion (SCAPE)”, the new NDP was developed according to a participatory approach, integrating both government representatives (sector focal points), civil society, technical and financial partners as well as the private sector. This process has resulted in a comprehensive, innovative, and appropriate plan for Djiboutians.

To better respond to challenges and to exploit all the opportunities of the country, this NDP is based on three strategic axis: (i) Inclusion, (ii) Connectivity; (iii) Institutions. These will strengthen social cohesion, allowing the entire population to benefit from progress. The NDP focuses on an economic development that will profit everyone, in urban and rural areas. It aims to strengthen the integration of the country to the regional and global economy, but also to improve the connectivity between the different areas within the country. Building strong and efficient institutions allows for an inclusive society and a better connectivity. Whereas performance depends on certain fundamentals, such as an adequate macroeconomic framework, and a debt that is sustainable for the infrastructure programmes. The purpose of the NDP is human development, through poverty reduction and improvement of living conditions. Some intersection themes (digital and innovation, strengthening the human capital, environment and climate change, COVID-19 and major pandemics) are addressed in each strategic axis. Djibouti ICI considers the difficult socioeconomic context due to COVID-19, with an articulated response plan in the Solidary National Pact (April 2020).

INCLUSION

- Economic inclusion
- Financial inclusion
- Social inclusion

CONNECTIVITY

- Urban / Rural Development
- Regional/National Infrastructure
- Regional Integration
- Logistics platform

INSTITUTIONS

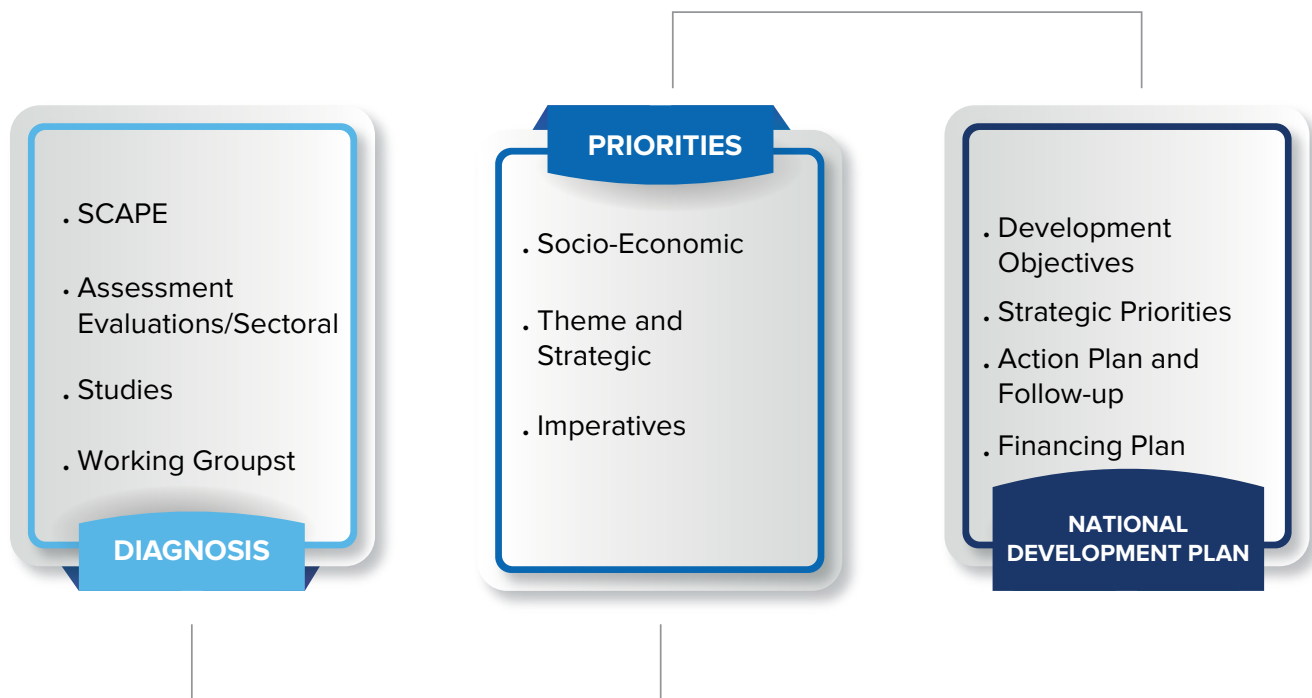
- Administrative governance
- Economic and financial governance
- Local governance
- Judicial governance
- Political governance

INTERSECTING THEMES

- Digital Environment / climate change,
- Competitiveness,
- Stability and resilience

IMPLEMENTATION

- Funding Results
- Framework



The National Development Plan 2020-2024 Djibouti ICI was developed according to a participatory approach. During the summer of 2020, thematic working groups with the participation of all stakeholders – ministries, private sector, and civil society – developed the basis of the current document by pillar and sector. The results of this comprehensive work have created an overview of the progress made, the actions underway, as well as the priorities and strategic axis of the NDP.

In conformity of this work, the Directorate of Economy and Planning of the Ministry of Economy and Finance, supported by consultants, made sure to integrate this information in the current structure of the NDP. On several occasions, the opinion of external parties was sought to study the relevance and feasibility of the plan. A consultation with the parties involved in the process was held during the months of December 2020 and January 2021 to verify and validate the document.

The first part presents the results of the implementation of SCAPE 2015-2019 and makes it possible to highlight the preliminary results of the Djibouti Vision 2035. It allows an appraisal of the situation following the COVID-19 pandemic.

The second part capitalizes and consolidates the achievements of the SCAPE and the National Solidarity Plan (NSP). It also makes it possible to respond to the challenges that persist. Hence, the priorities of the second five-year plan are articulated around three strategic axis. They focus on promoting economic, social, and inclusive development; connectivity between the capital and the interior regions as well as Djibouti's connectivity with the rest of the world, but also the strengthening and modernization of institutions. Intersecting themes make it possible to create the necessary synergies between the three strategic axis to ensure a sustainable development and social cohesion.

Finally, the last part deals with the mechanisms for implementation, monitoring and evaluation, funding, and the results' framework.

FIRST PART DIAGNOSIS AND STATE OF PLAY





1. THE DEVELOPMENT CONTEXT

HISTORICAL BACKGROUND

The Republic of Djibouti is located in the Horn of Africa, on the Gulf of Aden and the Bab-El-Mandeb Strait, at the southern entrance to the Red Sea. Djibouti has a total surface of 23,200 km². Its borders extend over 506 km, of which 113 are shared with Eritrea, 337 with Ethiopia, 58 with Somalia; 314 km are made up of coasts. Djibouti has eight mountain ranges, including the Moussa Ali range which rises to 2,028m on the border with Ethiopia and Eritrea, northwest of the country. To the south is the Great Bara Desert, located in the regions of Arta, Ali Sabieh and Dikhil. The population is estimated at 900,000 to 1 million inhabitants, of which approximately 75% reside in the metropolis of Djibouti.

Djibouti has been inhabited since the Neolithic, which gives the region an exceptional historical richness, from the Egyptian Pharaonic period through the reign of the *Queen of Sheba* and the various African and Arabian geopolitical periods. The history of Djibouti begins with the city of Tadjourah which was one of the few permanent settlements in the area before the arrival of the colonial powers.

Since the beginning of the 19th century, Djibouti has been the object of European covetousness that has given rise to various treaties. After many years of struggle for self-determination, the referendum of May 8, 1977 established independence, which was formally declared on June 27 of the same year.

The period 1977-1989 can be described as “*Nation-Building and Establishment of the Institutional Organs of an Independent State*”. It will be fundamental for the years to come in terms of the representativeness of the various tendencies of political and Community opinion and the exercise of power.

The political system follows the principle of separation of powers: legislative, executive, and judicial. The period 1990-1999 is characterized by a *continuity of the system of political governance at the top of the State*.

“DJIBOUTI INCLUSION-CONNECTIVITY-INSTITUTIONS (ICI)”.

Marked by the armed conflict of 1991 and the wind of democracy in Africa, a new Constitution was adopted by referendum and promulgated on September 4, 1992.

It represents the end of one-party rule and the beginning of a multi-party system. The decade 2000-2010 - a period of Democratic Governance and Political Openness - is a

transitional period that saw the establishment of an integral multi-party system.

Elections were held and new laws, regulations and democratic state institutions were established. This period also saw the implementation of the first ten-year plan, "Economic and Social Orientation Law of the Republic of Djibouti for the period 2001-2010".

ECONOMIC AND SOCIAL PERFORMANCE

Economic progress, since the Independence, has remained modest for many years, mainly due to political crises (security, regional and internal) that have led to the devastation of the affected areas, the destabilization of the state, the disruption of economic circuits in rural areas, and the influx of refugees to under-equipped cities that were unprepared to welcome them.

These trends have been amplified by a mild climate, with droughts and a general lack of water, to which have been added economic shocks that have led to a continuous deterioration in the country's competitiveness, financial situation, and economic and social infrastructure. The country has experienced low growth for many years (about 2% per year) but with a significant recovery since 2000 (growth of about 4.8% per year during the period 2000-2010) and especially since 2010 with a growth of 5-7% per year. This growth is the basis for improvements in key indicators in society, such as poverty reduction, education, and health...

In 2020, Djibouti's macroeconomic landscape was seriously affected by the COVID-19 pandemic and the Ethiopian crisis. Djibouti's economy is based on international maritime trade, which accounts for nearly 90% of Ethiopia's foreign trade, and represents nearly 80% of Djibouti's port activity. Ports and free zones account for about 35% of Djibouti's THE GDP. As a result of COVID-19, the decline in production due to supply and demand shocks, and the resulting decline in tax revenues led to fiscal pressures, and pushed for a reevaluation of the national spending budget and of the public development fund.

Although the health impact of the COVID-19 pandemic has been relatively limited, its economic and social consequences have been significant due to the socioeconomic structure of the country, the profile and incidence of poverty, and the high integration into the global economy.

After surpassing an annual average of 6% over the past two decades, the THE GDP growth rate fell to 1.2% in 2020.

The pandemic has resulted in a negative impact on the country's public finances. While fiscal revenues fell by 0.8% of the GDP, current expenditure increased by 0.3% of the GDP, generating a deterioration in public finances in 2020. The increase in public spending is mainly the result of tax measures related to actions for greater social protection combined with the additional costs related to the COVID-19 pandemic.

COVID-19 related spending amounted to 2.7% of the GDP, concentrated on: i) increased health spending (FDJ 5 billion or +0.8% of the GDP); ii) emergency spending by businesses (FDJ 3.5 billion) and households (FDJ 4 billion), iii) an allocation for strategic food security reserves (FDJ 2 billion), and an envelope to update the poverty map (FDJ 0.2 billion). The budget balance thus deteriorated from -0.6% to -2.2%. The fixed capital investment declined from 20% of the GDP in 2019 to 11.9% of the

GDP in 2020, while foreign direct investment as a share of the GDP decreased from 5.5% in 2019 to 4.9% in 2020. The debt-to-the GDP

ratio worsened slightly from 68% in 2019 to 76% in 2020.

Table 1: Economic Impacts of COVID-19
.....

Indicators	2019	2020
Real THE GDP Growth in %	6,6	1,2%
Inflation (CPI, end of period)	0,2%	0,1%
THE GDP per Capita (USD)	3 191	3 273
Debt/THE GDP	68	76
Tax Revenue (% of THE GDP)	13,2	11,3
Budgetary balance (% of THE GDP)	-0,6%	-2,2%
FDI (% of THE GDP)	5,5%	4,9%

Source : Government of Djibouti

As far as public debt is concerned, the debt-to-the GDP ratio has worsened slightly as a result of the COVID-19 crisis. More than two-thirds of the external debt is returned to state-owned enterprises, including ports, railways and ONEAD. Current debt levels are considered sustainable. A strategy for mobilizing the diaspora to contribute to the country's development is being developed.

Regional integration and international cooperation remain priorities. Djibouti is a

member of COMESA and participates in other regional trade agreements.

To achieve the 2035 vision and harness the benefits associated with investing in connectivity, Djibouti adopts the tariff instruments of the common commercial policy and then gradually prepares for the implementation of the provisions of the African Continental Free Trade Area (AfCFTA) and the conquest of external markets.

IMPACT OF COVID-19 ON PRODUCTION STRUCTURES

Given Djibouti's dependence on world trade, the collapse of the latter, the recent and growing conflict in Ethiopia and the pressure on Micro, Small and Medium Enterprises (MSMEs), have had a significant effect on the Djiboutian economy. However, the impact of COVID-19 on economic activity has not been consistent across sectors. Growth in the primary sector fell by 15%; the GDP in the manufacturing sub-sector fell by 3% between 2019 and 2020. The tertiary sector has been the most impacted: the activities hardest hit

by the closure of borders and containment measures are mainly those of transporters - air and road, airport, travel agencies, hotels, catering, service providers and retail. The tourism sub-sector has experienced a drop of more than 50% in the number of travelers coming in: from 167,474 in 2019 to 83,737 in 2020. The pre-existing structure of the socio-economic situation can be characterized as an economy shared between a high rate of return on investments in ports and free zones and lower rates of return in the city and rural areas

- which determine the livelihoods of a large part of the population. As a result of these

factors, the recovery is likely to be slow in the absence of stimulus.

HEALTH AND SOCIAL IMPACT

Since the first case appeared on March 18, 2020, the direct health impact of COVID-19 has been limited with a cumulative of 11,602 cases, including 11,447 recoveries and 155 deaths as of June 30, 2021. After an increase in positive cases during the months of February, March and April 2021, the country experienced a slight lull with 31 cases recorded during the period from June 6 to 19. The country has shown a better health performance than the average of African countries: as of May 24, 2021, the number of confirmed cases is 11,502, the number of deaths is 153, a case fatality rate of 1.33%, half of the African average (2.66%). All health services have been affected to varying degrees, including essential services for communicable and non-communicable diseases, mental health, reproductive, maternal, newborn, child and adolescent health, and nutrition services.

The impacts on the well-being and protection of society are multifaceted. These include: (i) school closures; (ii) inflation and rising costs

of living, especially food products, due to disruptions in the supply chain and the build-up of large inventories by households; the cessation of remittances from internal or external migrants; iv) the breaking of chains of social relations or social solidarity; (v) the increase in poverty and precarious living conditions of populations, especially among the most vulnerable.

The containment measures implemented from the beginning of the pandemic have had a negative impact on all income categories and especially on vulnerable groups.

Nearly 7 out of 10 households covered by the World Bank/INSD survey do not have the means to support themselves for another month; households run by women have a harder time surviving than those run by men. Women in the informal sector - as individual entrepreneurs in retail or as employees in small informal structures - have been the first victims of the lockdown measures but also of the drop in demand received by the MSMEs.

MEASURES TO MITIGATE THE NEGATIVE EFFECTS OF COVID-19

To mitigate the potential negative effects of the pandemic, the Government adopted, as of April 13, 2020, the National Solidarity Pact (NSP) supported by the private sector and technical and financial partners. The objectives of the NSP are divided into four levels: (i) Social Safety Net to provide social assistance in the form of food vouchers or food distributions to a total of 90,000 households that are the most vulnerable; (ii) Essential sectors to ensure continuity and prepare for an extension of the epidemic; (iii) Economic fabric to preserve in particular Very Small Enterprises/Small and Medium Enterprises (VSEs/SMEs), and sectors at risk; iv) Mobilization of the resources necessary to fight against the COVID-19 crisis.

The first set of NSP measures focuses on the overall upgrading of health service delivery,

with an ongoing focus on service delivery. Specific actions include: (i) infection prevention and control; (ii) the integration of health concerns into urban planning policies; (iii) the development of a common vision of social cohesion and health equity; (iv) monitoring, follow-up, and impact assessment. The second series introduces a principle of digital by default in the delivery of health care. Specific actions supported:

(i) strengthening cyber security; (ii) privacy; (iii) reduction of the costs of services. Various technological innovations have been explored and key statistics, such as the cause of death, will be carefully monitored. The third set of measures focused on investment in renewable energy to ensure universal access to energy in rural communities.

VISION DJIBOUTI 2035

THE OVERALL OBJECTIVE OF VISION DJIBOUTI 2035 IS:

- **Djibouti, the Red Sea Lighthouse**
- **Djibouti Africa's Commercial and Logistics Hub**

“Djibouti 2035 aims to make our country a regional and international economic, commercial, and financial hub that ensures the well-being of Djiboutians in a peaceful, secure and clean environment”¹.

Vision Djibouti 2035 contemplates that (a) Djibouti will experience sustainable economic and social development, (b) the economy will be diversified, growth will have to accelerate to a higher level in the long term, (c) poverty will be reduced and social indicators improved. Vision Djibouti 2035 has formulated two specific objectives:

1. To triple the income per capita by 2035, which would mean a 10% yearly increase of gross domestic product (the GDP) per capita;
2. Improve social and human development indicators, such as food and nutrition insecurity, inequality, improved access to schooling and health, and a strengthened social security system.

These objectives respond directly to the following main challenges:

1. An underdeveloped and under-urbanized hinterland, development having mainly focused on Djibouti-Ville;
2. The structural persistence of food and nutrition insecurities with severe consequences on demography, human capital and development;
3. The illiteracy rate of more than 65% in the adult population;
4. Weak economic growth in the first decades after the Independence, the real cause of deep and structural poverty;
5. A primary sector that has been profoundly destructured over the past two decades

under the effect of repetitive droughts, with an almost zero contribution of agricultural production to food availability;

6. An economic fabric highly dependent on the tertiary sector;
7. Economic inequalities, particularly those related to gender;
8. Informal work;
9. The lack of essential data in the country which requires modernization of the national statistical system;
10. The low savings and purchasing power of the population;
11. The importance of the role of the State in the face of an emerging private sector in a distorted business environment, etc.

Vision Djibouti 2035 aims at developing specific strategies in each priority area with systematic action on a few recurring themes such as: (i) the promotion of the status of women, (ii) the promotion of the status of young people; (iii) the management of internal (demographic management) and external (immigration, refugee) migration flows; (iv) the use of natural resources and the preservation of the environment.

The analysis of the development context elaborated in Vision 2035 clearly demonstrates that the different strategic axis are interrelated and interdependent. Poverty can only be solved within a framework of peace and security where economic forces can flourish and create employment. Economic development depends on a good human resources base and integration into the global and regional economy given Djibouti's geostrategic position. The well-being of the population also depends on a good access to

¹ Republic of Djibouti, Vision Djibouti 2035, p.40.

adequate and quality social services, and an effective Government, trusted by people.

Accelerated economic growth is the basis of the 2035 vision, creating jobs but also financing the necessary investments and the Government and – through taxes and wealth creation – creating the financial base for social services.

Vision Djibouti 2035 comprises a diversified financing strategy where the state's financial resources are complemented by international funds and resources from the internal and external private sector.

The implementation of the Djibouti Vision 2035 will happen through five-year plans. The results of the first one, SCAPE, are described in the next section.

ACCELERATED GROWTH AND EMPLOYMENT PROMOTION STRATEGY (SCAPE)

The first five-year implementation plan of the Djibouti Vision 2035, the Strategy for Accelerated Growth and Employment Promotion 2015 – 2019 (SCAPE), aimed to ensure a “development based on sustained, sustainable and inclusive economic growth in the medium term, and utilizing employment promotion policies”². SCAPE's actions are structured around four strategic axis, namely: (i) economic growth, competitiveness, and the leading role of the private sector; (ii) the development of human capital; (iii) public governance and institutional capacity building; (iv) regional development poles and sustainable development.

The priorities of the SCAPE are justified mainly by the need to: (i) reduce the costs of key factors such as electricity, serve Djibouti's development strategy as “regional hub”, strengthen the foundations for private sector development in other activity sectors; (ii) diversify the economy by exploiting proven comparative advantages which are likely to generate a significant volume of new jobs - this dynamic in itself already brings greater inclusion in growth; (iii) gradually build public institutions and human capital to drive the process of economic diversification to improve the well-being of the population; (iv) “opening up” regions, a reinforced inclusion of national economic growth.

THE NATIONAL SOLIDARITY PACT

Anticipating a worsening of the COVID-19 pandemic, the Government launched the National Solidarity Pact (NSP) on April 13, 2020. The NSP includes contributions provided by the Government as well as responses from private companies in the formal and informal sector and international organizations. The NSP identifies scenario-based risks and leads to the deployment of urgent socio-economic recovery measures financed from the national budget and supported by international cooperation partners. The objectives of the NSP are divided into four levels:

1. Social safety net: Provide assistance to the most vulnerable (formal and informal sector), and avoid a social crisis;

2. Key Sectors: Ensuring continuity and preparing for an extension of the pandemic;

3. Economic fabric: Preserve at all costs, in particular, Very Small Enterprises/Small and Medium Enterprises (VSEs / SMEs), and sectors in danger (such as in the hotel industry);

4. Mobilization: Massively mobilize resources (public and private), to fight against the COVID-19 crisis.

2. Republic of Djibouti, Strategy for Accelerated Growth and Employment Promotion (SCAPE 2015-2019), p. 46.



2. PROGRESS IN ACHIEVING VISION 2035

PROGRESS TOWARDS AN INCLUSIVE SOCIETY

Djibouti's human development scores are below the averages of countries at the same level of development, particularly in three key dimensions of inclusion: having a long and healthy life, being well informed and having a decent standard of living. Aggregate performance changed from 0.360 in 2000 to 0.499 in 2015 and 0.524 in 2018 (Table 22). Djibouti's HDI growth was mainly due to an increase in Gross National Income (GNI) per capita. Djibouti's performance on the Education component of the HDI is particularly weak. Djibouti is ranked 166th out of 189 countries in education in 2020. In addition, Djibouti's gross score on the education component has remained virtually unchanged since 2015 (see Table 22 in the annex).

PROGRESS IN THE CONSTRUCTION OF ECONOMIC AND SOCIAL INFRASTRUCTURE

The Accelerated Growth and Employment Promotion Strategy (SCAPE) 2015-2019 has enabled Djibouti to make significant progress. The most transformative ones have been achieved in the field of state-of-the-art infrastructure such as the Djibouti-Addis Ababa railway, ports, and the creation of a 240 ha Free Zone (inaugurated in 2018) on track to become the largest of its kind on the African continent when it reaches the capacity of 4,800 ha. Djibouti benefits

greatly from regional integration with an open economy focused on port trade, logistics and related services to neighbouring countries.

As a member of the COMESA and IGAD, the country made efforts to harmonize, in particular with introduction from the VAT in 2009, the application of the regional automobile insurance, the agreement AfCFTA, and the Customs Guarantee of the COMESA.

ADVANCES DURING THE SCAPE PERIOD 2015-2019.

With investments in infrastructure, during the SCAPE period, significant progress was made in terms of economic reforms, with a clear improvement in the business climate, followed by structuring programmes including in social development. These reforms have led to remarkable results in the socio-economic aspect, including a Gross Domestic Product (the GDP) growth rate of at least 6%, a decrease in the Multidimensional Poverty Index from 0.223, in 2012, to 0.161, in 2017. The country has also made significant progress in: (i) the establishment of social infrastructure including hospitals, schools and universities; (ii) the areas of access to education, health care, nutrition, water, electricity and housing. In the area of ICT, the country has made significant progress in establishing itself in regional connectivity and data markets; however, the potential of its ICT sector remains largely untapped.

The extensive infrastructure investment programme includes the transport sector (maritime, rail, air and road), electricity and water.

THE PORT SECTOR AND MARITIME TRANSPORT

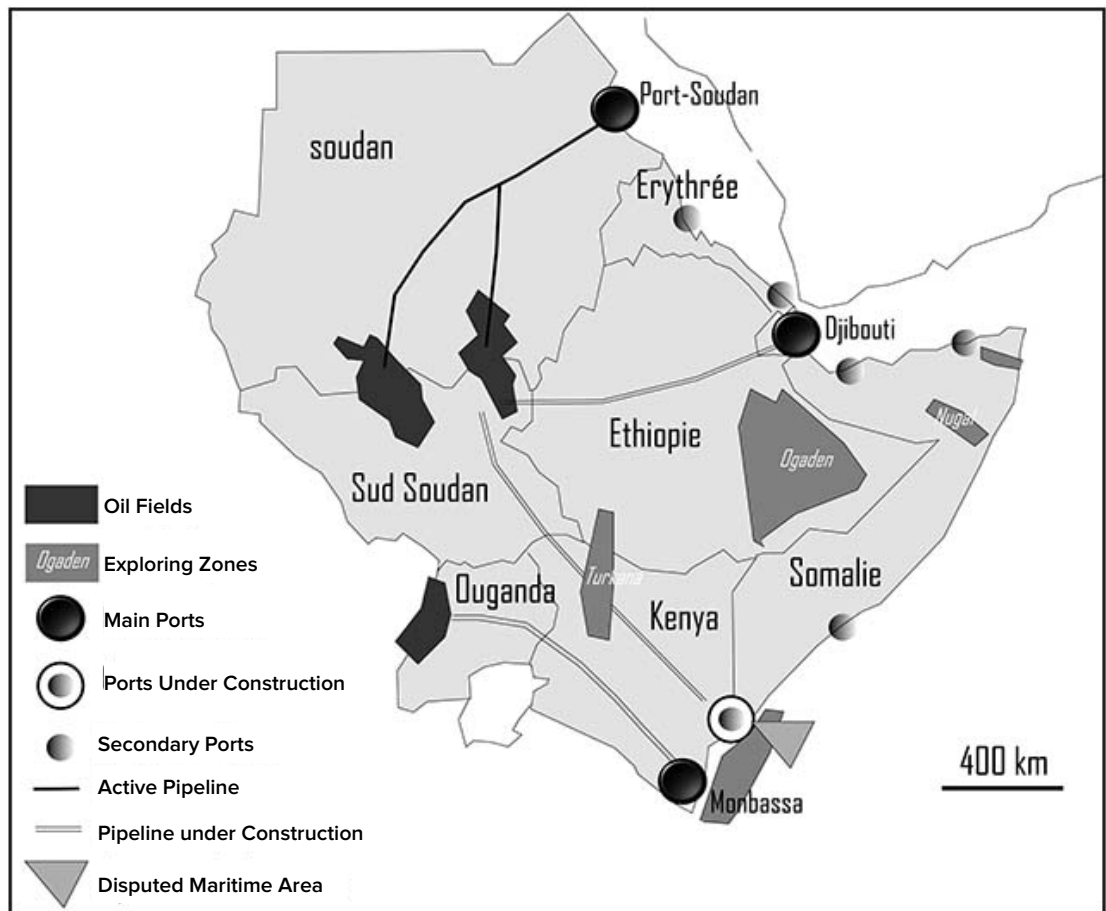
According to the World Bank, the Global Port Performance Index ranks Djibouti in first place in Africa and 61st internationally. The port sector has been reinforced with the four harbours of Doraleh, Tadjourah, Goubet and Damerjog (FDJ 85.5 billion):

1. Doraleh Port Complex (DMP – Doraleh Multipurpose Port) and the Société Djiboutienne de Gestion de Terminal Vraquier (SDTV) will accommodate 7.8 million tons of bulk cargo per year and exceeding 200,000 containers per year.
2. The Port of Tadjourah (two linear quays of 435 meters with facilities for docking ships of more than 20000 DWT General Cargo) as a port of export of products and import of all types of goods and raw materials necessary for industries;

The HDTL (Horizon Djibouti Terminal Limited) is carried out for the management of oil depots and the SGTG (Société de Gestion du Terminal à Containers de Doraleh) for the management of the container terminal;

3. The Port of Goubet, a new mineral terminal, will allow the berthing of boats from 40,000 DWT to 100,000 DWT, and the export of 5 million tons per year of salt at production rates of 2000 t/h;
4. The Port of Damerjog is used for the processing and storage of petroleum products on the one hand and the transport of livestock to the Gulf countries on the other.

Figure 1 : Port and oil issues in East Africa



Source : Moustapha Nour Ayeh, Djibouti City between integration into global issues and urban fragmentation, 2015 : <https://journals.openedition.org/tem/3183>

RAIL TRANSPORT

The railway sector with the Djibouti-Ethiopia railway and its electrification (FDJ 91.8 billion) will be used mainly for the export of new mineral resources found in northern Ethiopia, but also for the export of South Sudanese crude through this northern corridor. The rail

sector is the lever for regional integration and the gateway for goods destined for the vast markets of COMESA member countries. These are important opportunities to exploit Djibouti's strategic position.

AIR TRANSPORT

The development of air transport has been carried out in coordination with other modes of transport (maritime, rail and road). The airline has been relaunched and reforms related to the aviation sector have been initiated, in

particular for the implementation in Djibouti of the African Union and COMESA air transport agenda. Djibouti International Airport is undergoing renovation and expansion to better manage the flow of passengers.

ROAD TRANSPORT

The road sector has benefited from a major transformation with the completion of three projects, the largest of which is the Tadjourah-Balho road (FDJ 26.8 billion). The construction of the Tadjourah-Balho Northern Corridor Road and the new railway line will allow trade to develop between Djibouti and Ethiopia on the one hand, and Djibouti and the other countries of the subregion on the other.

The Djibouti-Loyada route will strengthen economic and social relations with Somalia both for the transport of livestock and agricultural products and for the transport of people during major summer migrations.

Thanks to connectivity with Ethiopia and, by extension, with the rest of the COMESA and IGAD space, Djibouti will be able to become the opening up port for East Africa, the Horn of Africa and Central Africa.

PROGRESS IN THE ECONOMIC DEVELOPMENT OF URBAN AND RURAL AREAS

Djibouti is the most urbanized country in Africa with 85% of the population living in cities. The national population is concentrated in Djibouti City which is home to 76% of the population³. 63% of the population outside Djibouti City is located in rural areas; none of the country's five regional capitals exceeds 30,000 inhabitants.

Although the population in rural areas represents only about 15% of the total population, rural areas are made up of 45% of people living in extreme poverty⁴ and have particularly limited access to utilities such as electricity, water and sanitation. Overall, 80% of the rural population faces multidimensional

poverty compared to less than 20% in urban areas⁵. Rural employment is particularly low, with only 16.8% of the population of working age, compared to 24.4% in Djibouti and 27.8% in other cities⁶. Unemployment affects more women (63.4%) than men (38.7%) throughout the country and is extremely high among young people (15-24 years) at 87.5% in Djibouti City⁷.

In Djibouti City, there are spatial patterns of poverty and inequality. The Balbala neighbourhood is home to 60% of the city's population and 76% of those are living in a state of extreme poverty. Labor force participation is lower and unemployment is

3. According to 2019 data from the Statistical Yearbook 2020 Edition.

4. Djiboutian Household Survey for Social Indicators (EDAM-IS), 2017.

5. World Bank, Challenges to Inclusive Growth. A poverty and equity assessment of Djibouti (2019); World Bank, The multi-dimensional nature of poverty in Djibouti (2020).

6. However, the rural unemployment rate is slightly lower than that of Djibouti City: 24.3% against 29%, respectively. from 2017, according to EDAM-IS

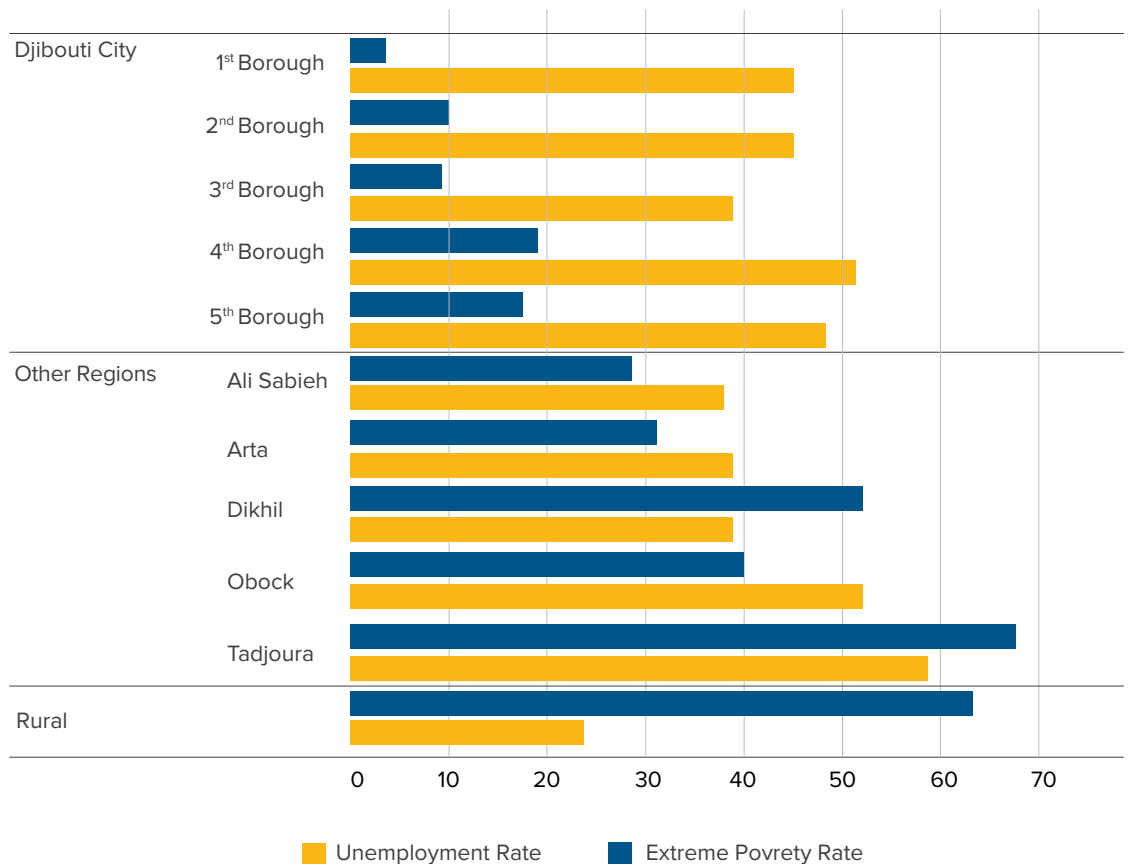
higher (Figure 8.2). Services are unevenly distributed. Investments in the urban transport system and basic services are needed to prevent pockets of poverty from being entrenched with populations deprived of opportunities.

The commercial and logistics platform (20.2% of total value added) is skill- and capital-intensive. It is outward-facing. The rest of the economy (73.6% of total value added) is dominated by the informal private sector. Despite strong GDP growth, a dual economy appeared⁸ with a two-speed development. Djibouti’s urban and rural areas depend on one another and their links to regional and international trade.

A fundamental constraint to the productivity of Djibouti’s cities is their area that makes connectivity even more important. Cities derive their productive benefits from the dense pooling of economic activities and associated agglomeration economies, allowing scale and specialization, sharing of markets, matching of skills, inputs and consumer preferences, reduction of consumer costs transport and transaction as well as the benefits of knowledge and innovation. Productivity increases with the size and density of the city. Urban markets can also be expanded through better connections with nearby small towns, including those with large migrant populations.

The migrant economy could generate demand and increase livelihoods in Ali Sabieh, if the regions were better connected. Unconditional

Figure 8.2: Extreme Poverty and unemployment rate (Data of EDAM-1S, 2017)



7. EDAM-IS, 2017.

8. IMF, Djibouti. Poverty Reduction Strategy Paper (Annual Progress report), June 2012,

cash transfers to WFP registered refugees for the period 2020-2024 are expected to be USD 1.86 per person per day. If multiplied between the combined refugee populations of Ali Addé and Hol Hol, this represents more than USD25,800 (FDJ 4.6 million) per day or USD 9.4 million (nearly FDJ 1.7 billion) per year. Studies on the economic impact of refugee camps show a positive impact on neighbouring local economies, increasing the income and expenditure of the host country, especially if refugees receive cash transfers.

For example, in a recent cash transfer programme involving refugees in Uganda, home renovation was the largest category of beneficiaries' expenditures. Such spendings could be a financial windfall for the nascent building materials industry in Ali Sabieh. In addition, migrants with experience in sectors such as construction can contribute to improving the situation through skills transfers if they are better integrated into the national economy.

PROGRESS ON THE DEVELOPMENT OF URBAN AND RURAL CONNECTIVITY INFRASTRUCTURE

During the implementation of the SCAPE 2015-2019, only 40% of national roads were considered compliant with the requirements. Although the national territory is small, the prioritization and phasing of sustainable transport projects is essential and must be carried out in coordination with sectoral interventions. It is important to recognize that improved roads are not enough to trigger agricultural, mining or tourism potential. Rather, a range of factors need to be addressed, including the need to adapt and mitigate the impacts of climate change, financing, skills, upgrading of transport etc.

Under-exploited tourism, can become one of the strategic axis of the economy. The sector can leverage existing business and military travel (45% and 15% of tourists respectively)¹⁰ for the creation of formal jobs, including in secondary cities and rural areas. There is a strong tourism potential in different areas of Djibouti, in the reception and travel services that benefit from an abundant workforce.

Informal work is important, accounting for about 43% of jobs, 80% of which are concentrated in low-skilled activities in the tertiary sector. It is estimated that the sector contributes 15% of the national GDP. It is also mainly concentrated in Djibouti City which is home to 75.1% of all informal production units, compared to 14.4% in other urban areas and 10.5% in rural areas¹¹. The majority of production units in the informal sector are subsistence enterprises.

Small towns and rural areas have fewer employment opportunities than Djibouti City but livelihoods can be supported and strengthened for endogenous growth. The conditions needed to improve rural food production for urban markets also depend on the links between cities and the countryside. The focus will be on financial services, infrastructure connections (water, electricity and ICT), knowledge as well as good practices and equipment. Programmes to improve rural livelihoods can also create urban jobs in these areas. Fisheries in particular are an endogenous growth sector with high potential (50,000 tons/year and 3,000 direct jobs) for Djibouti's secondary cities. The potential remains, however, under-exploited.

The regions have designed development plans in 2017 (PDR) with the support of the Ministry of Economy and Finance, according to their geographical location and their potential which is largely due to agriculture, livestock, fishing, industry and tourism. Advancing these plans requires increasing local implementation capacity, perhaps starting with anchor projects and seed development funds, accompanied by national support to facilitate project development in the context of local economic development planning and implementation. Such a process should begin with the validation of existing plans and the validation or redefinition of project priorities, taking particular account of the pandemic and its economic consequences, without neglecting the sectoral priorities set out in the Djibouti ICI NDP.

9. Source : Coleman, I., Large, unconditional cash transfer to refugees: phase 1 complete (New York: GiveDirectly, 2018) <https://www.givedirectly.org/large-unconditional-cash-to-refugees-phase-1-complete/>.

10. Djibouti Sustainable Tourism Development Master Plan, 2019-2024.

11. Republic of Djibouti, The Labor Market in Djibouti, (2019), p.12.

PROGRESS ON ICT

Legislative and institutional framework:

“Djibouti 2035” gives priority to the development of the information society and the dissemination of information and communication technologies. ICTs will help drive the gradual transformation of Djibouti’s national economy towards decentralized, better informed and more participatory management. To this end, the Integrated Strategic Plan has been developed as a government roadmap for this sector, on the eve of the effective commitment of the “Djibouti 2035” programme.

The development policy of the ICT sector focuses on bridging the digital divide. At national level, this requires the development of an approach to support the national economy, on the one hand, and the activation of a citizen perception of ICTs, on the other. At the international and regional level, it consists in making possible the emergence of a hub of ICT activities with an international influence, in general and in the Horn of Africa and the Arabian Peninsula, in particular.

The integrated strategic plan began with upgrading and structural adjustment to address the backlog in the implementation of legislation. A subsequent stage consists of a phase of commitment and implementation of major development projects of “SD, Digital Djibouti”, based on favorable institutional arrangements as well as on a set of programmes and projects whose combination will make it possible to achieve important objectives in terms of economic (growth) and social development (job creation and service provision) but also in terms of social and cultural modelling.

The integrated strategic plan covers the period 2014-2024 and has three main components that come together according to the following diagram:

Priority projects include

1. The development of the Integrated Strategic Plan for the ICT sector;
2. The development of the components of the political discourse on the main lines of the national ICT strategy and ICT challenges in the Republic of Djibouti;

3. A set of interventions led by senior officials of the ICT sector (TV & Radios in Somalia, Afar, Arabic and French);
4. The publication, at the end of the year, of a leaflet on the national ICT strategy;
5. Cultural awareness;
6. Active participation in the main Arab, African and international meetings related to ICTs;
7. Prospecting and recognition of practices in the deregulation of the ICT sector;
8. The national study seminar on the prospects for deregulation/liberalization of the ICT sector;
9. The implementation of pilot projects.

Upgrading and Structural Development (MNAS) covers 4 programmes:

1. Reorganization of regulatory texts;
2. Sectoral organization to address the organizational weaknesses observed in the ICT sector in Djibouti, particularly through the modernization of the organization of the Ministry in charge of ICT in Djibouti and the effective creation of the Djiboutian Agency for ICT Regulation;
3. ICT competitiveness;
4. Modernization of operator(s) – user relations;
5. Talent training.

The “Djibouti Digital – SD” agenda covers the following four major programmes (see Djibouti digital project document):

1. Access to ICTs;
2. Research and development;
3. Reception areas for ICT activities;

4. Culture = Major applications and uses of ICTs (M-Gouv; M-Health; M-Commerce; M-Learning; M-Environment).

Achievements and performance

The Information and Communications Technology (ICT) sector has great potential. It relies on a dense submarine cable infrastructure with 11 Internet relay cables, 8 of which are dedicated to optical fiber for Djibouti. They enable the creation of a significant number of highly skilled jobs, if the country increases mobile and internet penetration, develops the required skills and facilitates market access. In addition to promoting economy-wide efficiency, ICTs can provide employment opportunities in labor- and infrastructure-intensive industries, including business process outsourcing and call centers. Companies open for hire are attracted to areas with good telecommunications, a large workforce, universities and business groups involved in training and consulting services. While these opportunities may be concentrated in Djibouti City, there are also jobs in mobile services and retail that will develop alongside strategies to deepen mobile use outside Djibouti City (see also the Inclusion chapter).

There are also a multitude of ICT applications that can be deployed to expand or improve social services and reduce spatial disparity between cities and between urban and rural areas. Access to education and health services – two key areas that underpin inter-regional and rural urban disparity – can be improved through e-learning and eHealth platforms¹².

Building on lessons learned from the pandemic, digital learning and e-healthcare are necessities; access to such care can further widen or reduce social and spatial disparities, depending on the willingness and ability of national and local authorities to accelerate investment in internet access. With some ingenuity, electronic services can be extended to agriculture and livestock. The experiences of several countries (including Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Senegal and Uganda) show the benefits of ICTs in enabling farmers to access market information, weather and rural radio, television and newspaper services¹³. The unified social

and citizen register and the integrated national identification system (e-ID) that Djibouti plans to deploy will provide a platform to access public services, social transfer programmes, banking and financial services. In an urban environment, digital ID can facilitate access to a range of basic services such as water and waste disposal, as well as critical areas of local governance such as cadaster and tax payment. Such applications, however, require increased human and institutional capacity at the local level.

Telecommunications are another fundamental condition for the economic connectivity of urban and rural areas. They are part of the expansion of access to public services and social security (developed in Chapters 4 and 7). While internet usage is moderately high compared to other African countries (55.7% of the population, the 10th highest in Africa), mobile penetration is very low with 41.2 mobile subscriptions per 100 inhabitants, placing Djibouti 48th out of 54 African countries¹⁴.

Mobile penetration is particularly important for small towns and rural areas as it links them to information on good practices and extension services for the agriculture, livestock and fisheries sectors. It enables buyer-supplier communications, access to current market information, the use of mobile money and the use of insurance and related financial services. E-education and eHealth are also promising and have accelerated globally with the COVID-19 pandemic. Good quality telecommunications services are also a condition for tourist attractiveness. Liberalization of the telecommunications market, encouragement for market penetration of new mobile service providers, expansion of mobile communications and fixed infrastructure, strengthening of the financial and legal infrastructure of mobile money and commercialization of mobile services, including financial services in regions and rural areas will be key to achieving inclusive growth in Djibouti's regional, urban and rural economies.

12. As a percentage of THE GDP, Djibouti's expenditure on education and health is comparable to or higher than that of small States as a group. However, human development outcomes do not correspond to the level of public spending, suggesting room for improvement in efficiency (BM, Economic Transformation in Djibouti. Systematic country diagnosis. October 2018. p.27).

13. Asenso-Okyere K & Mekonnen DA, (2012).

Access to mobile phones is low in secondary cities and even lower in rural areas. The slow development of the ICT sector has created digital divides, depending on income level and gender.

There is a gender disparity of 8.3% in terms of internet use influenced by women's

socio-economic position and lower levels of education (according to a DISED survey, conducted in 2018). These disparities undermine the transformative potential of digital services, while currently excluding the most vulnerable from the benefits associated with them.

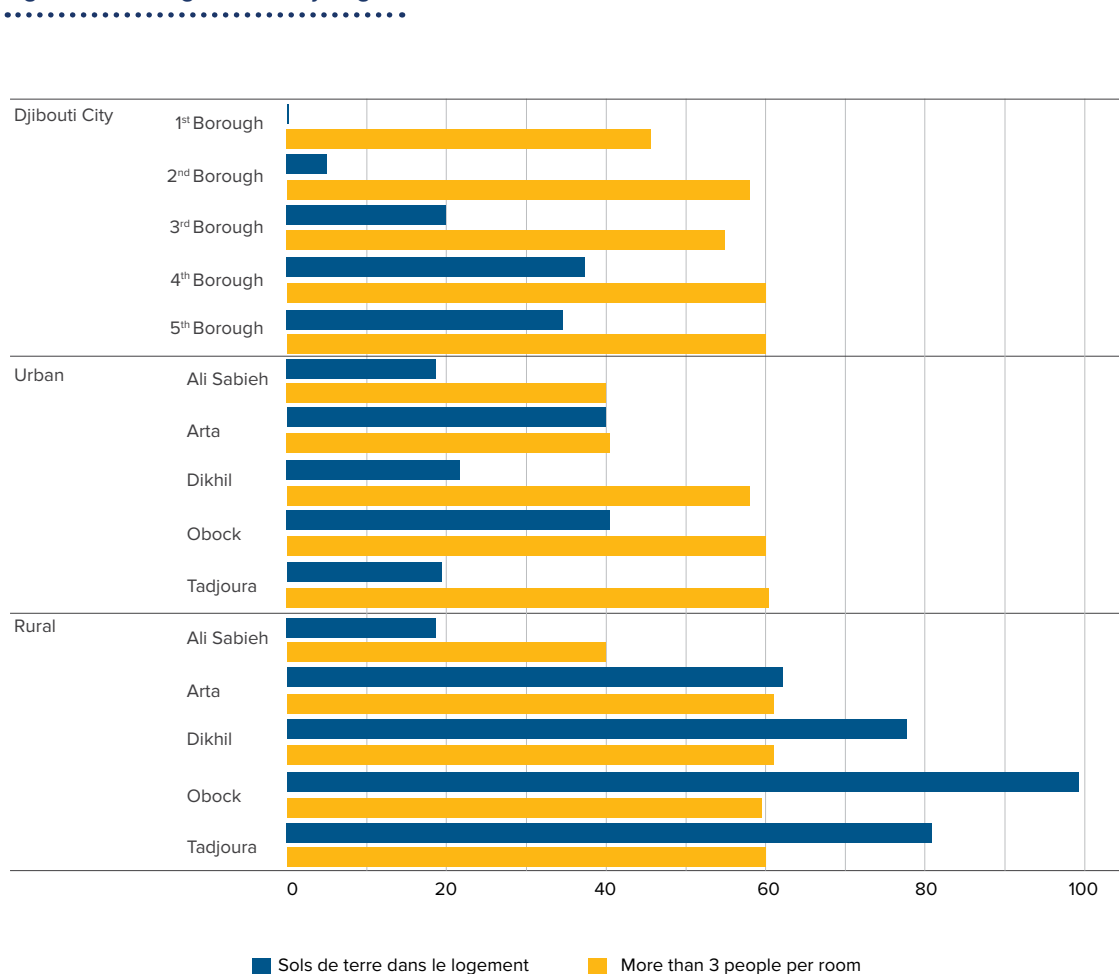
PROGRESS ON HOUSING AND BASIC SOCIAL SERVICE INFRASTRUCTURE

Between 2018 and 2019, the monetary value of construction doubled from FDJ 21.6 billion to FDJ 49.7 billion – unfortunately, without an increase in jobs. This trend may reflect the capitalist intensity of infrastructure investments and their fluctuation. However, the increasing number of building permits for housing, sheds and other premises as well as the increase in the number of construction companies and the growth of built-up urban areas suggest a strong employment opportunity in the construction sector if it is exploited through interventions in the labor market, supply chain and urban development.

The housing deficit is the result of various factors, including poverty, rural exodus, migration, the high cost of imported building materials, access to housing finance and serviced land. Interventions on several fronts are needed to tackle the housing sector,

including scaling up existing social housing programmes and providing developed plots, as well as support to the local construction industry to produce and distribute building materials at a lower cost. In this perspective, the NDP will strengthen existing housing programmes such as integrated slum renovation, social housing or Djibouti Zero Slum programmes.

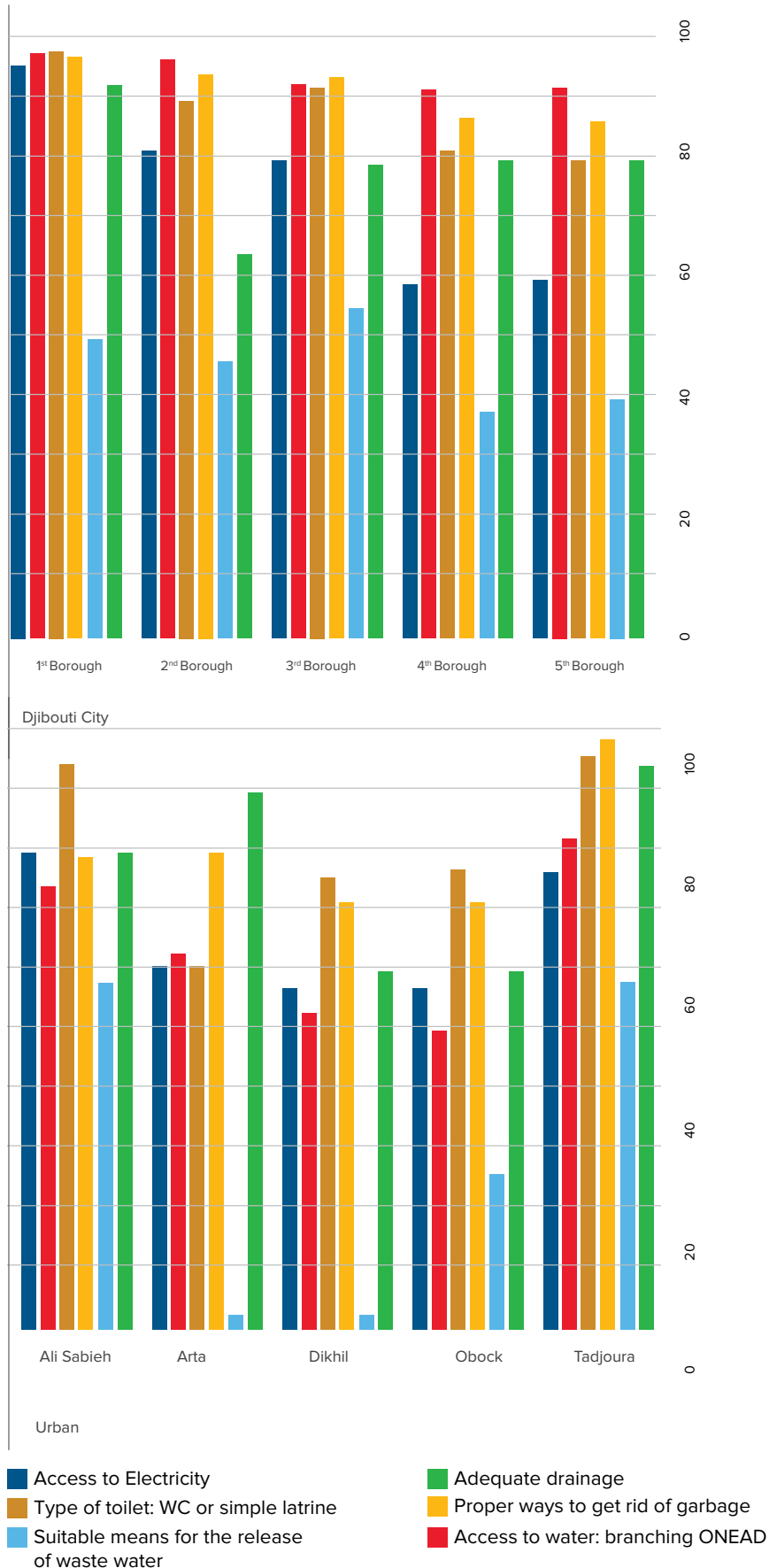
Figure 2: Housing Problem by Region



Access to basic infrastructure is also very low and there are major spatial inequalities in health and education. The northern regions of the country (Tadjourah and Obock) have the lowest levels of access to electricity, water distribution, toilets and waste disposal, followed by the Dikhil region. Urban Dikhil has the lowest access to overall basic services, with the exception of drainaget.

Urban Arta is the second most disadvantaged region; both regions have by far the lowest levels of appropriate wastewater disposal (2% and 3%, respectively). Obock urban has the lowest level of adequate drainage, with 38% of the population reporting flooding during the rainy season. Drainage is essential for mitigating risks in the face of climate change. In November 2019, districts 1 and 2 of Djibouti-Ville suffered severe flooding after unprecedented levels of rainfall.

Figure 3 : Percentage of the population with access to services



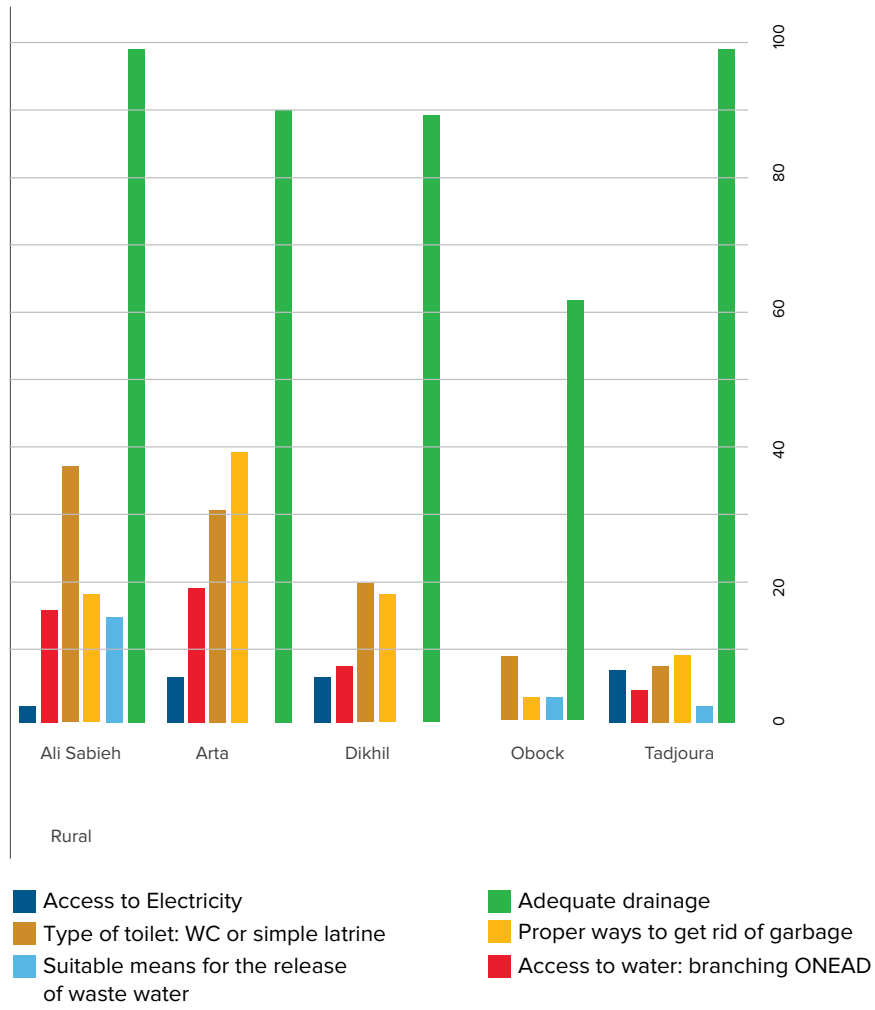
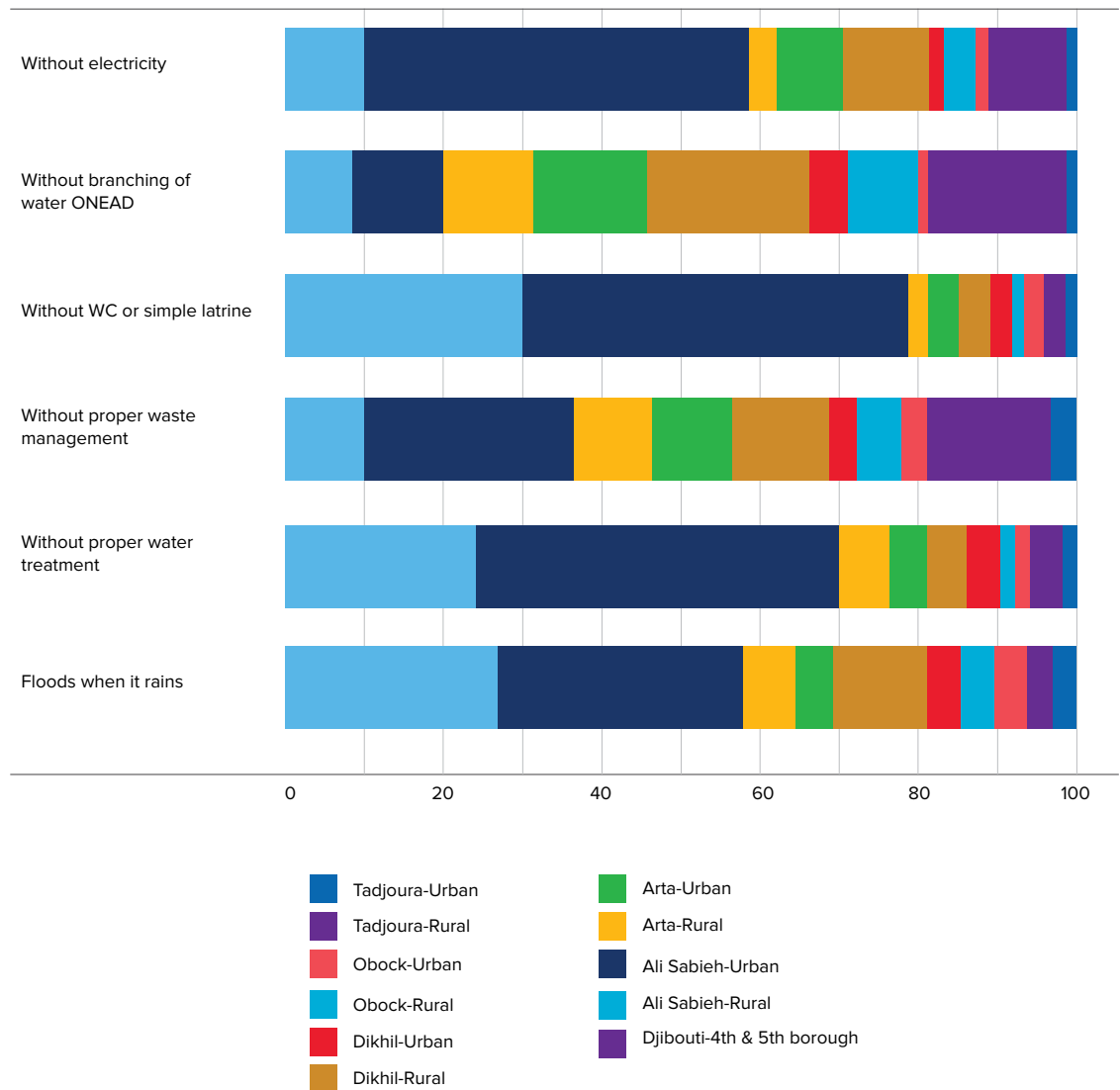


Figure 4 : Population without basic services, percentage by region, environment and borough



PROGRESS IN LAND USE PLANNING AND URBANIZATION

The urban development process in Djibouti does not work effectively, with the majority of development taking place without planning and basic infrastructure. Although Djibouti City and all regional capitals have SDAU, the plans lack implementation power and the development of each city takes place on an ad hoc basis, according to the needs of private households rather than what is planned. Fortunately, most of the development is linked to the existing urban fabric. However, the deployment of basic services and infrastructure usually occurs after development has already taken place and

remains behind needs. The lack of services and the disparate structure of urban space have high social, economic and environmental costs.

The dysfunction of the planning system is due, in part, to a lack of public information and institutional capacity, including the fundamental capacity of local Governments to assign street names, house numbers and to conduct a housing census. Better urban land administration is essential to facilitate sustainable urban development. The land administration of Djibouti City is

quite advanced compared to the regions. To promote compliance with plans, titles and permits should be issued promptly to non-speculative landowners; the vacant property tax (at a rate of 25% of the rental value) should

be strictly applied to properties owned but not used. The expansion of the city has increased travel distances and urban transport fares. The redesign of the public transport system is necessary for connectivity between cities.

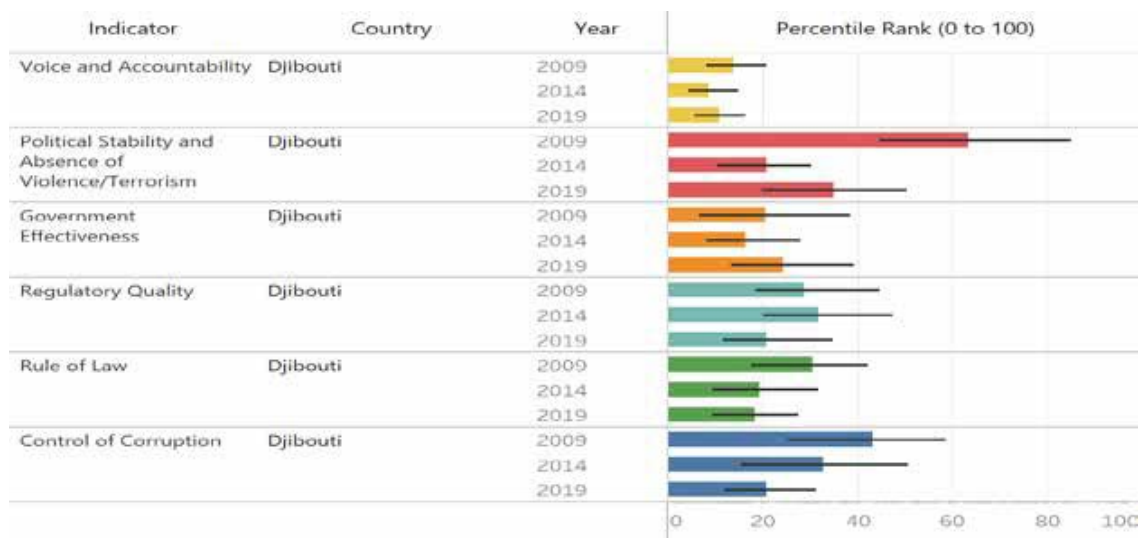
PROGRESS IN INSTITUTION-BUILDING

Governance in a context of socio-economic development includes several dimensions: (i) state capacity; (ii) the regulation of economic institutions; (iii) political institutions. Finally, the development of effective public services requires greater citizen participation, a voice and increased accountability of the state through collective decision-making.

particular in connection with fiscal policy, debt policy for a better risk and cost management as well as financial governance of state-owned enterprises. A comprehensive institutional framework has been created to ensure regular, effective and efficient coordination of the monitoring of the implementation of public policies.

The results of the SCAPE are marked by the implementation of several actions aimed at modernizing the framework and tools of economic and financial governance, in

Figure 5 : Evolution of global governance indicators for Djibouti



Source : World Bank

In general, Djibouti's room for improvement in enhancing its key governance indicators is significant as shown by other metrics such as the *Worldwide Governance Indicator*. Economic governance during the SCAPE period is essentially investment-oriented.

Indeed, if the SCAPE was considered as the plan for investments in infrastructure, making it possible to promote strong growth over the period of 2015-2019, it will not have made it possible to significantly reduce poverty, to create the jobs necessary to reduce unemployment, to increase the competitiveness of the private sector and therefore to be inclusive. In particular, the findings are as follows: (a) growth has been robust but is mainly driven by capital-intensive sectors; (b) the predominance of the public sector in the economy and the importance of the informal economy (where women, migrants and refugees are the main actors); (c) the persistence of social and spatial inequalities.

This finding is confirmed by the latest international and continental measurement indicators currently available and allowing an understanding of the governance sector and the institutional context.

According to the 2020 Mo Ibrahim Africa Governance Index (IIAG) report, Djibouti is among the countries that have seen an overall increased improvement over the past decade, though it is ranked 42nd out of 54 countries in 2020 (38th out of 54 in 2016). However, taken as a standalone case, Djibouti is among the countries whose governance is assessed as one of the weakest in the world. Over the past decade, civic participation, rights

and inclusion are the categories that have declined. However, human development and foundations for economic opportunities are the dimensions of the IIAG index where Djibouti has made the most progress. The Human Development Index ranks Djibouti 166th out of 189 countries in 2020, attesting to the low level of socio-economic development.

These mixed results question the quality of this growth as well as governance, a decisive factor in the development of an economy "*to build forward better*" and to increase the capacity to absorb future external shocks. This observation is one of the foundations of the PND 2020-2024 Djibouti ICI as well as the impact of the COVID-19 pandemic. It has resulted in significant negative consequences but also offers opportunities - "*to do, otherwise, better and together*".

In addition, to curb the spread of the pandemic, the vaccination campaign was initiated by the Head of State on 15 March 2021. Djibouti has adopted the Astra Zeneca, Sputnik V, Sinovac, and Johnson & Johnson vaccines. While the measures taken and implemented by the Government through the PNS have made it possible to mitigate the negative impact of the pandemic, the fact remains that COVID-19, in addition to having disrupted the development process, risks reversing the progress made over the past decade or at least slowing down progress in the coming years. It is for this reason that the NDP foresees, among other things, the implementation of a strategic socio-economic programme to respond to COVID-19 and other pandemics.



3. DJIBOUTI'S CURRENT CHALLENGES

Djibouti's geostrategic position is both its strong point but also, to a lesser degree, its weak point. Certainly, the logistics platform has given an important boost to economic growth. However, increased integration into the global and regional economy raises vulnerability to external shocks (economic and other). The advent of COVID-19 has highlighted the fragility of the economic and social fabric. Other uncertainties remain around global (or

regional) economic shocks that may influence development prospects in Djibouti.

Investment in infrastructure has created a favorable structure, but investment beyond transport and international trade is needed to be strengthened. Few investments have been directed towards productive sectors with high employment potential which could generate economic diversification.

A DUAL ECONOMY

The economy around the logistics and trade platform is functioning relatively well and generating significant growth. Investments have mainly benefited “formal” companies gravitating around the platform; the domestic economy remains mostly informal. These trends create a two-speed development according to several dimensions: between rural and urban environments, between the “poor” and the “rich”, or between the economy of the logistics and trade platform and the “domestic” economy.

The main structural constraints relate to the weak development of the digital economy and innovation that does not allow the country to

take advantage of opportunities for change in the methods of production and trade. This is reinforced by the low level of entrepreneurship and human capital. Another reason is to be found in the many economic and social inequalities.

The digital economy is still weak. Despite regional connectivity with a multitude of submarine fiber optic cables passing through Djibouti to serve the region, Djibouti's digital economy remains poorly developed with limited access to mobile telephony and mobile money. The development of digital services and the digital entrepreneurial sector are still fragile.

POVERTY

Poverty manifests itself in Djibouti mainly through income poverty and multidimensional poverty. With significant growth in Gross Domestic Product (the GDP) for two decades and a decrease in income poverty (see Table 2), in 2017, the latter amounted to 17% (according to the international poverty line \$1.90 per person per day). It was measured in Djibouti in 2012 and 2017. It is based on five different dimensions. The Multidimensional Poverty Index (MPI) is the product of the incidence and intensity of Multidimensional Poverty. The incidence being 33.66% and the intensity being 47.73%, it comes out that the MPI is 0.161.

As Table 2 shows, the national incidence of multidimensional poverty has decreased from 46.61% to 33.66%, which means that fewer citizens are in a situation of multidimensional poverty: this leads to a decrease in the MPI from 0.223 to 0.161. However, the intensity

of multidimensional poverty has slightly decreased. This means that the poor are stagnant in the same situation and continue to face deprivation from 6 indicators out of the 14 retained.

Both multidimensional poverty and income poverty are mainly a rural phenomenon. Poverty is significantly higher in rural areas than in urban areas. The incidence of multidimensional poverty in rural areas is four times higher than in urban areas (51.3% compared to 11.8%) in 2017. In urban areas, multidimensional poverty decreased by 13% in 2017 compared to 2012 while the proportion of the poor in rural areas has not changed. This highlights a constant growing disparity of opportunities between rural and urban areas. Combining income poverty and multidimensional poverty (see Table 2), 12.29% of Djibouti's population suffers from double poverty (monetary and multidimensional).

Table 2 : Multidimensional Poverty in Rural and Urban Areas

Middle	Incidence		Intensity		IPM	
	2012	2017	2012	2017	2012	2017
Rural	89,19%	88,67%	58,14%	57,88%	0,519	0,513
Urban	39,94%	26,97%	44,26%	43,66%	0,177	0,118
National	46,61%	33,66%	47,86%	47,73%	0,223	0,161

INEQUALITIES AND VULNERABILITIES

The analysis of multidimensional poverty points to social and spatial inequalities. Macroeconomic disruptions have implications on households, largely through reduced incomes, access to public services and rising prices. This was accompanied by slight increases in the prices of essential goods in circumstances where few households reported savings. As a result, up to 69% of households covered by the World Bank/INSD survey reported not having the resources to support themselves for an additional month - households run by women have more difficulty than those managed by men (see Table 20 in the Annex).

To put an end to this situation, which leads families into both monetary and multidimensional poverty, the Government of Djibouti has undertaken several actions to support households.

They build on the existing social protection infrastructure that has gradually expanded

since the National Social Protection Strategy 2018-2022, and brought together for the first time several social protection schemes under one framework. – it is in this sense that we must understand the decision of the Ministry of Social Affairs and Solidarity (MASS) which has set up a unified platform for the management and coordination of social assistance. MASS led the relief effort through targeted social assistance in the form of food stamps or food distributions to more than 90,000 households. Social assistance in the form of food vouchers to 1 000 refugee households and asylum seekers living in urban areas was also provided. The above situation shows that the Government's investments in social services have borne fruit. In the majority of indicators, significant progress has been made, but many challenges require more attention. These are summarized respectively for education, health, social protection, employment and sustainable development.

THE WEAKNESSES OF HUMAN CAPITAL

These weaknesses are manifested in the areas of education, health, employment and

social protection, gender and sustainable development.

EDUCATION

The education action plan provides for: (i) developing the provision of pre-school education and (ii) achieving an enrolment rate of 100% in primary school and 79% in lower secondary education. Higher and vocational education and training structures have strategies to continue progress; other approaches, such as distance education, are also being explored. This plan has reduced inequality of access to education during the period 2015-2019. The challenge is less about accessibility and more about quality.

At the primary education level, the percentage of girls/boys is almost equal, but it decreases in general and secondary education: 45% of girls with a slight improvement in secondary education from 44% in 2014/2015 to 47% for the 2018/2019 school year. Girls living in rural areas and poor girls have very limited access to education. It is also important for a coordination with the private sector to be established to ensure that supply and demand alignment is done appropriately.

HEALTH

The current national health system is defined by an inadequate health infrastructure for primary care and hospital services. COVID-19 has led to the weakening of the health system in Djibouti, as elsewhere in the world.

Nevertheless, Djibouti benefits from WHO's support through a cooperation strategy that covers, among other things, the 2020-2021 response and economic recovery plan in the fight against COVID-19 at an implementation

cost of more than FDJ 4 billion. This strategy seeks to address communicable diseases including the three priority diseases (malaria, tuberculosis and HIV), non-communicable,

to support maternal/child health, and to strengthen the health system according to the National Health Development Plan.

EMPLOYMENT AND SOCIAL PROTECTION

Social disparities, along with unemployment and poverty, persist in society. The progress of recent years in terms of economic growth and the improvement of social services has unfortunately not spread equally in society and has not been sufficiently inclusive. Access to social services has increased, but access to housing, water and sanitation remains inadequate, particularly in terms of quality. Increased access to social services must be accompanied by improved quality.

With a dual labor market, divided between the public sector and informality, a significant part of the population—especially those who are vulnerable—continues to face high risks, as they lack the skills and opportunities to lift

themselves out of poverty. Unemployment is a major concern with a national rate of 47% of the population (more than 70% for young people under 30). In the area of human capital, there is a lack of coordination between education and training, and employment policy. In terms of social protection, social insurance and social assistance do exist, but they are considered ineffective by 36% of the population. The Ministry of Social Affairs and Solidarity, in collaboration with the Ministry of Economy and Finance, has set up a group of social protection partners to ensure the implementation of social protection measures taken by the Government within the framework of the National Social Protection Strategy.

GENDER

In the field of education, gender parity is improving in general in middle and secondary education where the percentage of girls' enrolment is around 45%, with a slight improvement in secondary education from 44% in 2014/2015 to 47% for the year school 2018/2019. Only 59 % of girls living in rural areas and 57 % of poor girls enter primary

school, and these proportions decline further at the middle and secondary levels. In terms of employment, women make up only 36% of the working population. They have only unstable and vulnerable jobs; they are particularly present in the informal sector. Poverty levels are estimated at 79.4% among women; the level of unemployment is 48%.

ENVIRONMENT AND CLIMATE CHANGE

The country is vulnerable to climate change with an arid climate that makes natural conditions difficult. Djibouti is particularly vulnerable to drought, deforestation and desertification, floods and floods of wadis, and earthquakes.

Similarly, the country is experiencing more and more frequent floods. It suffers from soil and water salinization, water erosion and intense flooding with real threats to coastal areas and strategic infrastructure. The Government has implemented a series of actions to counter the impacts of climate change and the risks associated with environmental degradation. Alignment with international conventions has been put in place and several

sectoral strategies and programmes have been developed. Laws and regulations on environmental protection have been improved.

The country has enormous potential in terms of rich and fragile biodiversity, made up of many terrestrial and marine species of great importance. Unfortunately, they are not immune to natural and anthropogenic threats such as the degradation of terrestrial and marine habitats and ecosystems, pollution of the coastline and seabed, the unsustainable management of natural resources or the spread of invasive species (e.g. prosopis).

Accelerated urbanization and the development of the industrial fabric, including

small production and process processing units, are putting significant pressure on environmental resources. The fight against desertification is also in force with Djibouti's participation in the Great Green Wall programmes. Djibouti was one of the co-founders of this important African programme to improve people's lives by fighting the

advance of the desert and creating green and productive ecosystems. Numerous field activities, including reforestation, training and awareness-raising campaigns, have been carried out in this regard since 2011.

SYNTHESIS OF DJIBOUTI'S SOCIAL CHALLENGES

1. Economic growth has not been followed by an improvement in living conditions;
2. The poor population living in the internal regions experience unfavorable living conditions compared to the poor living population living in Djibouti City. Poverty in education and health is more pronounced in inland regions;
3. In Djibouti-Ville, the poor residing in the commune of Balbala (districts 4 and 5) are more affected by deprivations of access to health care and those related to housing conditions and asset ownership. The inhabitants of districts 1, 2 and 3 are better off;
4. The incidence of remediation hardly varies regardless of location residence of households;
5. COVID-19 risks reversing the progress made over the past decade or, at least, slowing down progress in the coming years.

THE BUSINESS ENVIRONMENT

Entrepreneurship and human capital suffer from a lack of development. Economic opportunities exist but often suffer from a lack of investment or are seized by foreigners. There are three main reasons behind this: (a) entrepreneurs are in a business environment that is insufficiently supportive in terms of access to financing and entrepreneurship services; (b) investment promotion and support for start-ups are not yet sufficiently developed to encourage private sector development; (c) the mismatch between demand and supply in the labor market - investing in human capital to reduce market challenges thus becomes paramount.

Djibouti is well below its ranking according to the total score in the areas of taxation, cross-border trade, contract enforcement,

access to credit, business creation, obtaining electricity and property registration. However, improvements have been made on trade disputes and building permits (see Table 21 in the Annex).

BTI's report resembles in its dimensions the World Economic Forum's concept of competitiveness, with the three categories of political transformation, economic transformation and the governance index. Djibouti's scores are, in general, in line with the average of the South-East region of Africa. Djibouti's strengths in this analysis are improving, as a result of reforms, in the business environment and international cooperation. The weakest points are in the area of governance and sustainability (see the various global governance indices).

SECOND PART

STRATEGIC AXIS AND PROGRAMMES





4. OVERALL OBJECTIVE

STRATEGIC OUTCOME:

Make Djibouti a regional and international economic, commercial and financial hub that ensures the well-being of Djiboutians in a peaceful, secure and clean environment.

In line with the aspirations of the Djibouti Vision 2035, the National Development Plan, Djibouti ICI, will give priority to sustainable development. Particular emphasis will be placed on the equitable distribution of the fruits of growth through the promotion of inclusive and transformative growth, jobs and productive investments, social and economic policies that encompass the specificities of women, young and the most vulnerable (children, the elderly and the disabled). As such, Djibouti ICI includes measures to ensure equal rights, opportunities and responsibilities in the involvement of the different parties. In this sense, the objective is that no person living in the territory is excluded.

This NDP is part of the dynamic structural transformation of Djiboutian society. It focuses on a set of public policies that give an increased role to the national and international private sector to attract structuring investments in promising and innovative sectors.

“DJIBOUTI INCLUSION-CONNECTIVITY-
INSTITUTIONS (ICI)”.

This NDP draws lessons from the short-term management of COVID-19 by building resilience to major pandemics, with a focus on programmes to protect against climate change and environmental degradation. As such, the Government will adopt a proactive stance to cushion the effects of internal shocks and external one to secure the harmonious structural transformation of the Djiboutian economy.

VISION AND GUIDING PRINCIPLES

The vision of the NDP is that of Djibouti 2035 according to which Djibouti will be a flagship country of the Red Sea and a commercial and logistical hub of Africa that ensures the well-being of Djiboutians in a peaceful, secure and clean environment. Vision Djibouti 2035 is based on five major foundations: (i) peace and national unity; (ii) good governance; (iii) the diversified and competitive economy driven by the private sector; (iv) the consolidation of Human Capital; (v) regional integration.

As such, the country must undergo economic, political and social transformation. With the implementation of the actions envisaged

in this NDP: (a) Djibouti will experience sustainable economic and social development, (b) the economy will be diversified, growth will be at a high level in the long term, (c) poverty will be reduced and social indicators will be improved. Thus, the country will continue its process of materializing the Djibouti Vision 2035 including the following two specific objectives: (i) the tripling of income per capita by 2035, i.e., an increase in Gross Domestic Product (GDP) of 10% per year; (ii) improving social and human development indicators, such as food and nutrition insecurity with better access to schooling and health, as well as a strengthened social security system.

CHALLENGES, ASSETS AND OPPORTUNITIES

The NDP is formulated following a period of strong growth but concentrated in capital-intensive sectors and with a predominance of the public sector. The informal economy is also predominant, particularly with women and migrants as the main actors; the national private sector participates only marginally in major structuring projects. Social and spatial inequalities are significant. These mixed results question the quality of this growth as well as that of governance, a decisive factor in the development of an economy to build back better as we move forward and to increase the capacity to absorb future external shocks.

This observation is one of the foundations of the PND 2020-2024 Djibouti ICI as well as the impact of the COVID-19 pandemic which has resulted in significant negative consequences but has also offered opportunities with the thought “do, otherwise, better and together”. In such a context, it seems essential that the constraints related to governance be lifted and that strong institutions be put in place to contribute to the sustainable and equitable development aspired to by Djibouti. With this plan, Djibouti aspires to shape institutions driven by bold, connected and inclusive governance, maximizing synergies between various components of the economy. Djibouti ICI favors leveraged equities. It also plans to test innovative tools and partnerships.

The NDP exploits New Information and Communication Technologies (NTICs) to accelerate the digital transformation of all sectors of the economy, in particular through high connectivity aimed at improving the quality and quantity of services to citizens throughout the entire extent of the territory. Particular attention is paid to listening to and involving people in the search for solutions in all political, economic and social sectors to better meet their needs. A quality of public service is highlighted: it promotes the inclusion of all strata of society, especially women and young people. Results-based management and transparency are intersecting concerns.

This NDP wants to invent the Djibouti of tomorrow through a governance of the future, in line with the Djibouti Vision 2035. This vision, based on a participatory process, is rooted in the aspirations of an entire nation and is also part of the United Nations' 2030 Agenda as well as the African Union's Agenda 2063. Vision Djibouti 2035 aims to promote strong, inclusive and sustainable economic growth driven by structural transformation and diversification of the economy, access to basic social services (drinking water, energy, health care) and the reduction of inequalities (gender, spatial, etc.).

This vision also proposes to build a Djiboutian society that combines, without complex,

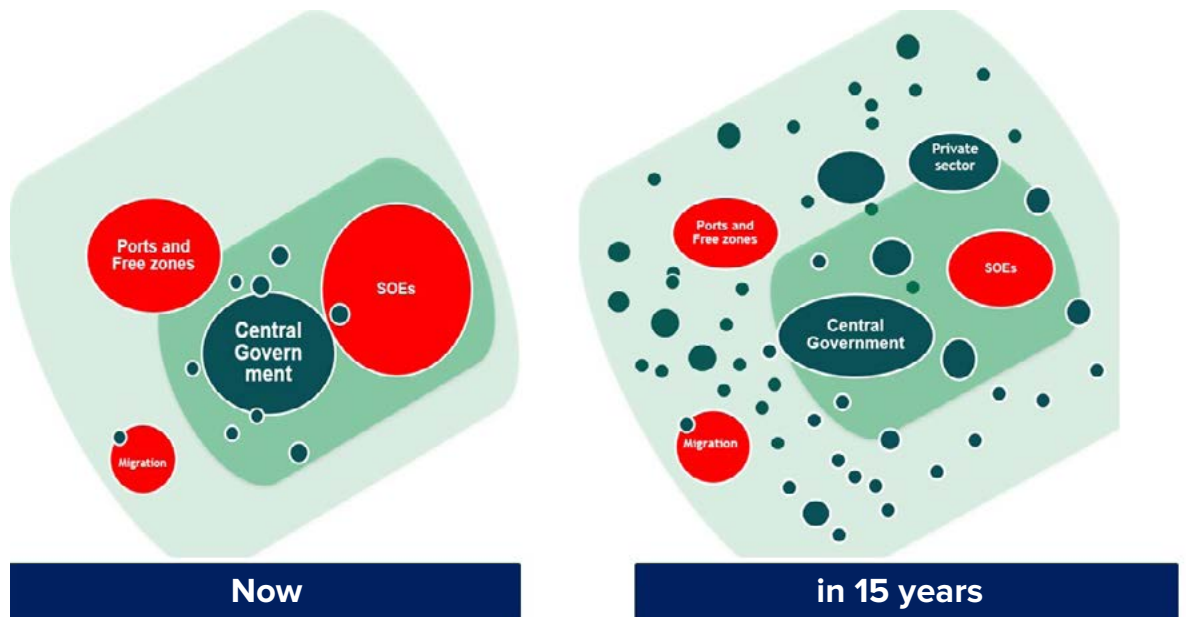
traditions and cultures, while boldly projecting oneself into modernity.

The NDP wants to build institutions of the future as a strategic axis for transformation and this requires greater inclusion of youth. Based on the 2009 General Population and Housing Census (RGPH), it is estimated that young people under the age of 25 represent about 50% of the Djiboutian population and that two-thirds of Djiboutians are under the age of 35. The 15-35 age group represents about 35% of the population. This youth represents not only an important opportunity but also a major challenge because they must be able to access education, jobs, while flourishing and contributing fully to the development of the country. It is seen as an essential asset in the age of new technologies and at a time when innovation is now a necessity for any organization wishing to stand out and progress. Promoting age diversity within institutions can therefore contribute

to their modernization, effectiveness and adaptability in a context of increasingly rapid social, economic and technological change.

In terms of approach and definition of priorities, the formulation of the NDP has focused on the taboo-free identification of the obstacles inherent in development; the search for synergies between the three strategic axis to maximize the effects of levers; and the implementation of “positively disruptive” approaches. As such, the process was based on the obstacles inherent in Djibouti’s development, which the actors estimated at five major trends as shown in Graph 8 below. These factors are barriers that can also be compounded if they reinforce each other. Innovative and “positively disruptive” approaches are therefore needed because they could make it possible, once again, to find approaches that promote cross-resolutions to the challenges facing Djibouti.

Figure 7 : Desired structural transformation of the ecosystem



Source: Ministry of Economy and Finance (MEFI)

The transformation sought by this NDP will contribute to making Djibouti a flagship country in the Red Sea and a commercial and logistics hub for Africa. This transformation must also help reduce the predominance of the public sector and the development of the private sector. Improved governance will increase productivity, create jobs, ensure the efficiency and quality of public services used by the private sector and households.

The three strategic axis - Inclusion, Connectivity and Institutions - of Djibouti ICI 2020-2024 are closely linked and present synergies between the specific and strategic objectives. The aiming for advances in access to social services can only be achieved with an efficient institutional system and targeted strategies. Private investment in the economy will only be made if the institutions are able to maintain a climate of trust and to set up a support structure adapted to the level of various themes under the strategic axis concerning the Institutions.

Investments in digital connectivity will facilitate increased connectivity between the administration, citizens and the private sector by taking advantage of the potential offered by new technologies making the participation of all the living forces of the Djiboutian Nation possible. This connectivity could be an additional factor strengthening and improving the inclusion of populations, including women, youth, civil society and the private sector, including informal, so that no one is left behind.

One of the negative effects of the COVID-19 pandemic is to temporarily constrain the sources of funding to implement the 2020-2024 NDP "Djibouti ICI". While requiring increased prioritization, this situation can also be a strategic opportunity through the search for cross-pollination for greater leverage effects on reforms that may be common to several strategic axis.

For example, improving financial governance and the quality of public service provided by the telecommunications company can help

to improve the competitiveness of the private sector while allowing diversification.

These specific objectives will be achieved through the implementation of actions included in the priority axis proposed below. It should be noted that a specific objective may be linked to several priority axis in view of their interdependent nature, which are also mutually reinforcing.

Strong actions should focus on the following aspects:

- a. Promotion of digital transformation within the public sector, targeting, in particular, the informal sector, social sectors, institutions whose work is focused on the business climate;
- b. Promotion of citizen involvement;
- c. Intensification of African cooperation;
- d. Promotion of the involvement of the Djiboutian diaspora;
- e. Promotion of public-private partnerships with non-traditional actors;
- f. Implementation of strategies for mobilizing financing called "blended finance", which make it possible to reduce the debt burden on public finances, taking into account the recent establishment of the Djibouti Sovereign Wealth Fund (FSD);
- g. Promotion of "smart" immigration, targeting specific expertise in important sectors, including the obligation of technology transfer;
- h. Promotion of a lighter administrative structure;
- i. Use of instruments such as ISO international standards to promote improved management of public and parastatal enterprises.

5. STRATEGIC AXIS I: INCLUSION

OBJECTIVE OF THE STRATEGIC AXIS ON INCLUSION:

Improve the quality of life and well-being of Djiboutians, eradicate social and spatial inequalities and improve intergenerational gender equity.



Box 1: Strategic priorities for economic inclusion
.....

1. Strengthen institutional and human capacities.
2. Strengthen analytical capacity to identify economic opportunities.
3. Strengthen investment promotion capacities.
4. Make investments in priority sectors.
5. Strengthening financial inclusion.
6. Strengthen the capacity of businesses to innovate and create.
7. Promote labor-intensive activities (HIMO).
8. Strengthen private-public dialogue.
9. Strengthen human rights and enable equitable access to justice through legal reform.

INCLUSIVE ECONOMIC DEVELOPMENT SUPPORT PROGRAMME

Operational objective of the inclusive economic development programme: Djibouti has diversified and competitive economy driven by the private sector; economic growth benefits everyone regardless their gender and their location

The NDP aims to ensure that all citizens have the opportunity to engage constructively and productively in the economy. This commitment will be made in a transparent, fair and non-discriminatory context. It will be based on a legal, administrative and commercial framework favorable for private initiatives. The materialization of economic inclusion also depends on financial and social inclusion; this will require an increased role for the private sector, whose human and institutional capital needs to be strengthened. Improving competitiveness also depends on efforts in national and international connectivity and institutional performance. Investments in the logistics and trade platform have created a high-performance and internationally competitive trading economy, but part of the national economy does not benefit from it.

To promote economic inclusion, the 2020-2024 NDP Djibouti ICI focuses on on the following points:

- Improve job creation performance, with a strong contribution from the private sector.
- Avoid two-speed development: the economy around the commercial and logistics platform is modern, efficient and competitive at the regional and global level; this is not

the case for the rest of the “domestic” economy.

- Minimize the significant dependence of trade with the rest of the world.
- Exploit opportunities for growth and diversification (in tourism, power generation, mining, construction, agriculture, livestock and fisheries, renewable energy and housing construction), develop the digital economy through exploiting the opportunities offered by submarine cables that pass-through Djibouti.
- Reduce the costs of factors of production such as electricity, water and labor.
- Improve the tax and regulatory framework, in particular to align the performance of the “Doing Business” index with the performance of competing countries.
- Strengthen the partnership between the public, private and associative sectors and citizens.

The main objectives of economic inclusion are: (i) the development of the sector private and economic diversification that contribute to economic growth; (ii) job creation; (iii) poverty reduction; (iv) improving the resilience to (external) shocks.

These objectives will be achieved through the implementation of the sub-programmes on:

(a) economic diversification and competitiveness; (b) support for the development of agro-industrial value chains; (c) the promotion of trade in services and the development of the Transport and Logistics Services Ecosystem as an essential

element of competitiveness and improvement of the performance of institutions; (d) support for the development of the blue economy. At the end of the NDP, actions for economic inclusion (see Box 1: Strategic priorities for economic inclusion) will provide the essential foundations for sustainable and equitable economic growth.

Box 2: Strategic priorities for diversification and competitiveness

1. Strengthen digital technology and open up the telecom market.
2. Strengthen the construction sector, with an emphasis on housing.
3. Strengthening the energy sector.
4. Strengthen the agricultural sector.
5. Strengthen the livestock sector.
6. Strengthen the mining sector.
7. Strengthen tourism.
8. Strengthen heritage protection.
9. Strengthen transport and trade.
10. Strengthening the financial sector.

DIVERSIFICATION AND COMPETITIVENESS SUPPORT SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Rethink and operationalize the growth model to create an environment conducive to private initiatives, as an essential lever for the diversification of production and trade

The implementation of this sub-programme will provide Djibouti with a growth model that is inclusive and compatible with the country's specific needs. The strategic priorities are set out in Box 2. The growth model will promote diversified growth with an increasing role for the private sector. This will depend on the establishment of an ecosystem conducive to innovation through the creation of a Technopark dedicated to digital technology and aimed at promoting the emergence of innovative companies, while stimulating job creation. The model also makes it possible to invest in seafood processing and to strengthen investment, particularly in free zones and industries. The model also makes it possible to ensure the overall and integrated development of the national territory. The actions of the sub-programme to be implemented are summarized

in Table 3. The key elements for diversification and competitiveness are:

- a.** A transparent macroeconomic policy with the implementation of a strategy adequate financing and preservation of financial balances.
- b.** Strengthening economic analysis capacities to inform investment decisions, attract potential investors, stimulate innovation and product development, alternative production chains and alliances and cooperation between companies.
- c.** Investments in promising sectors. Several options have been identified in recent years. The aim is to transfer these options into concrete activities (e.g. in the digital sectors, housing, transport, electricity, agribusiness and telecoms) by developing investment pitches,

financing arrangements and non-financial elements.

d. Investment promotion, including the establishment of a strong structure and well equipped to attract investors.

e. Actions on the reduction of the costs of the factors of production, in particular the price of electricity, water and labor.

Table 3 : Specific diversification and competitiveness actions
.....

1. Rethink our growth model and diversify our economy.

2. Clean energy accessible everywhere and for everyone.

3. Accentuate social inclusion and territorial coherence.

SUB-PROGRAMME TO SUPPORT THE DEVELOPMENT OF AGRO-INDUSTRIAL VALUE CHAINS

OBJECTIVE OF THE SUB-PROGRAMME

Create the necessary foundations for the diversification of exportable supply and improve competitiveness to facilitates participation in regional and global agro-industrial value chains.

Actions to support the development of agro-industries will be carried out within the framework of an integrated approach promoting the development of value chains and the structuring of sectors. These actions will focus on the development of Djibouti's agro-ecological resources and potential, with a focus on exploiting the potential of commercial agriculture, in synergy with the support actions for family farming stakeholders. They will also ensure the revival of production chains and animal industries. Therefore, complementary actions will focus on the promotion of SMEs/ SMIs, and the support of the industrial sector and other market services. The integrated approach will make it possible to structure the productive chains organized by growth clusters.

This will make it possible to take advantage of the potential offered by these sectors in terms of contributing to economic growth and diversifying the sources of growth. In this context, the Government encourages subcontracting efforts between companies in

the free zone and the national economy through a better structuring of the agri-food chain.

Emphasis will be placed on creating prerequisites for the success of actions that facilitate private sector investments, namely: (i) water management; (ii) modernization of tools; (iii) improving access to quality inputs (certified seeds), land, markets, appropriate financing, (v) development of value chains; (vi) technical support and agricultural advice; (vii) the structuring of sectors and the strengthening of inter-professions. Specific actions for the accelerated development of sectors will focus on:

- Improving the productivity and competitiveness of the sectors.
- The strengthening of infrastructures for the processing, conservation and marketing of production with better integration into the industrial sector, as well as a better structuring of the industrial and family segments.

- In the case of the livestock sector, support will focus on the establishment of pastoral infrastructure and equipment, the sale of products, the improvement of animal health and safety conditions. Appropriate funding is a prerequisite for achieving the objectives set for the livestock and livestock production sector.
- Better adoption of the digital economy to establish an economy circular and accelerate economic efficiency.
- Promoting the attractiveness of the country and strategic partnerships through the continuous improvement of the business climate; maintaining a stable macroeconomic environment; creating a stable political and security environment as well as an adequate infrastructure.
- Strengthening the link between the platform economy and the “domestic” economy. Emphasis will be placed on supporting subcontracting by Djiboutian companies to international companies to facilitate the transfer of skills.
- Capacity building for the preparation and implementation of the diversification and competitiveness project as well as the capacity for innovation and business creation.

SUB-PROGRAMME ON PROMOTION OF TRADE IN SERVICES AND DEVELOPMENT OF THE TRANSPORT AND LOGISTICS SERVICES ECOSYSTEM

OBJECTIVE OF THE SUB-PROGRAMME

Create the necessary foundations for national economic operators to participate in trade, services and supply chains and contribute to economic expansion and sustainable development.

To date, trade in services has been largely underutilized.

International trade is now characterized by global value chains in which services play a key role.

The NDP will focus on promoting services exports through incentives to service providers that will stimulate Djibouti’s participation in services value chains. The focus will be on a set of interventions (see box 3) in particular those allowing the outsourcing of business processes (BPO) and relocation of ICT to the logistics hub.

Policies that promote investment in telecommunications network operators and Internet Service Providers (ISPs) to support the export of BPO and ICT services are essential. These policies can enable ICT and BPO

service providers to access a robust electronic infrastructure at relatively competitive prices to facilitate international sustainability.

Successful export growth could be hampered by a lack of human capital and relevant skills such as engineers and skilled ICT workers. These are skills that develop over time. This problem can only be solved in the medium and long term through proactive government policies improving the performance of the education system, creating more universities and training centers for engineers and computer scientists. The non-proficiency in the English language could be another constraint to future growth; hence the need to focus on training workers in English as part of a comprehensive approach to support the BPO offshoring industry. Attention will also be paid to the establishment of data parks and software technology centers.

Because of the cross-sectoral link, the spillovers of expansion in one category of trade in services can promote growth in other services sectors faster than in the case of trade in goods.

For example, the successful export of higher education services (by attracting foreign students) will stimulate foreign universities to open secondary campuses in Djibouti. In the same way, the successful export of air transport will stimulate the creation of local training schools for pilots and air transport personnel.

The success of banking exports will attract foreign branches and subsidiaries to the country. In turn, this will encourage the movement of qualified banking staff.

Experience shows that where government policies have actively supported the development of the services sector, services exports have grown impressively. Various types of proactive policies have been shown to play a positive role in this regard. Exports of BPO/ICT services will be facilitated by performance in telecommunications. Similarly, the liberalization of air transport will lead to the expansion of tourism. The expansion of logistics services is driving the expansion of the banking sector. Targeted policy interventions and public-private partnerships for cultural activities could enable cultural services to develop.

The future expansion of prosperous services export sectors may be threatened by the weaknesses of complementary services sectors in the domestic market.

In the case of BPO/ICT services for example, a poor education sector would limit a sufficient supply of qualified human resources (engineers and computer scientists). Inefficiencies in the financial services sector limit the ability of firms to raise capital and take out loans to develop the services sector. The absence of low-cost Internet in the telecommunications sector would seriously hamper the expansion of educational services. Exports of cultural

services are negatively affected by the small size and weakness of infrastructure in the tourism sector; it is difficult to attract a wider audience to various fairs and cultural performances. Thus, the overall services environment, the viability and efficiency of related services sectors play a decisive role in the success of exports and the sustainability of each specific services sector examined.

The NDP will focus on the growth of indirect revenues generated by the activities of suppliers to the airline industry, including fuel suppliers, airport infrastructure companies, aircraft parts distributors, manufacturers of goods sold at airports and business processing services for the airline industry. Based on industry expertise developed by the Air Transport Action Group (ATAG), indirect revenues from air transport services in Africa are estimated at around 110% of direct revenues.

The revenues generated for air transport services in Africa are estimated at about 160% of direct revenues. Particular attention will also be paid to the income generated by the expenditure of persons employed directly or indirectly in the air transport services sector, in retail stores, banks, restaurants, etc.

The NDP will also optimize catalytic or derivative revenues generated by business and personal visitors as well as by cargo transported within a country by air. Catalytic revenues include all visitor expenses - hotel services, restaurants, ground transportation, retail purchases and medical tourism, as well as transactions related to the production, shipping and trade of air cargo. Catalytic revenues from air transport services in Africa are estimated at about 750% of direct revenues.

Box 3: Areas of intervention for the promotion of service value chains

Areas of intervention	Specific measures
Human capital development	Introduce Internet networking and ICT equipment in public high schools and colleges; provide basic education and vocational training for a workforce for low-end activities; train a high-tech workforce; ensure certification and recognition of quality; put in place laws and labor standards on human resource management focused on well-being and professional development
Physical infrastructure	Improve the quality and diversification of ICT services; set up and operationalize an ecosystem to support private actors and entrepreneurs; provide incentives for investments in telecommunications infrastructure and Internet-based services, in particular those dismantling monopolies in the provision of such infrastructure; competition in telecommunications services through deregulation, in particular in the provision of Internet services and long-distance telephony.
Regulatory framework	Improve the legal, regulatory, institutional and organizational frameworks for services; ensure legislation governing IT services, data protection and piracy, with adequate remedies in case of infringement; guarantee national digital sovereignty including cybercrime and protection of services; put in place laws concerning consumer protection; regulate e-commerce, regulation on cross-border payments and Internet transactions; regulate infrastructure granted to monopolies or oligopolies and used by third parties to provide services.
Incentives Tax	Establish tax incentives at the creation and taxation stages only once the company has matured and grown; use tax resources to target industry- and training-specific investments; develop export; offer import duty concessions and rebates for the import of essential software and hardware; provide general infrastructure subsidies that do not distort trade.

In summary, the development of the service value chain will focus on the following measures:

- a. Preparation and implementation of a value chain development strategy with a clear vision and mandate to improve coordination among government actors and to ensure private sector participation.
- b. Open markets and attractive investment can help revive entry into Global Value Chains (GVCs).
- c. The country will make the most of maximizing the absorption potential of the national economy and strengthening its ties with GVCs.
- d. Implement a series of reforms in the policy areas that determine the success of GVCs. They include, inter alia, trade policy, logistics and trade facilitation, regulation of business services, investment, corporate taxation, innovation, industrial development, compliance with international standards and the broader business environment fostering entrepreneurship.
- e. Finally, Djibouti will identify measures and projects that will complement or operationalize CVM's strategies. These include a wide range of dimensions, from investment in education and vocational training to the environment and urbanization, ICT and infrastructure construction, labor market flexibility.

Development poles and promotion of value chains

The development of agro-industrial value chains and services will make it possible to create wealth throughout the territory, thanks to development poles. Emphasis will be placed on the development of basic education and vocational training; a value chain development

strategy will be prepared and will provide a vision and a clear mandate to improve coordination among government actors and to ensure the participation of the private sector. Incentives will aim to attract investment and actors, including regional and international.

Agricultural Perimeter Value Chains

The NDP will focus on promoting development poles by putting in place a set of incentives to stimulate all activities essential to agribusiness. The focus will be on the pole of the Dikhil region for the exploitation of agricultural potential, through the modernization of agricultural perimeters, supervision and support to agricultural cooperatives. Tourism potential will also be exploited simultaneously with the development of geothermal energy on Lac Abbé. Actions include: (a) control of water resources; (b) the development of livestock-related agribusiness; (c) the promotion of tourism and crafts; (d) the development and strengthening of market facilities; (e) the promotion of local financial services and micro-credit.

of Lake Assal. Associated actions include: (a) urban planning for the construction and modernization of the regional capital; (b) quality urban development taking into account natural constraints (slopes, areas prone to slippage, flood zones); (c) strengthening the level of basic social services and public services; (e) the rational exploitation of agricultural potential (Le Day and other agricultural areas of the North...), livestock and fishing; (f) tourism and handicrafts "spearhead of Tadjourah". The development of this industrial cluster will also stimulate the consolidation of microfinance and the strengthening of development coordination (coherence of public and private initiatives and increase in local development capacities).

Value chains of port services and the blue economy

The pole of the Tadjourah region will be encouraged to develop port activities and the blue economy for the emergence of a value chain of salt of Lake Assal - mineral pole

Tourism and fisheries value chain

The value chain related to tourism and fishing will be promoted in the Obock region with the creation of a fishing village. Specific actions include: (a) rational exploitation of agricultural and livestock potential; (b) intensifying the exploitation of existing fishery resources; (c)

tourism; (d) the development of microfinance activities; (e) the digital opening up of the city of Obock and the strengthening of the capacities of local development actors.

Agriculture and urbanization value chain

The development of the Pole of the Arta region will make it possible to exploit the opportunities resulting from: (a) the proximity of the capital Djibouti, favorable climate, coastline of 80 Kilometers, neighbourhood of Lake Assal; (b) potential, in particular for fishing, tourism and leisure (including scuba diving and hiking); (c) the crossing of the optical fiber; (d) the existence of technical and vocational training structures available (Lycée Hôtelier and Centre Technique des Métiers), language school (French, English, Arabic), Centre Hospitalier régional moderne. Overall, the region is rapidly rebuilding, destined to become a real tourist, technological, hospital and university hub. Value chain development

priorities will focus on: (a) the development of economic activities, including improving agricultural yields, strengthening livestock activities, supporting “Arta’s spearhead” tourism; (b) diversification of entertainment venues; (c) the development of microfinance.

Industrial value chain

The hub of the Ali Sabieh region will focus on the development of industrial potential. Industrial promotion around local products (in particular, building materials that the country badly needs) is an asset to be developed. Specific actions include: a) to pursue and develop a more competitive construction industry; (b) promote investment opportunities through the training of a skilled workforce; (c) to increase the exploitation of the advantages of the geographical position of the region with Ethiopia and Somalia; d) to enhance the heritage tourism through measures facilitating the development of the sites.

TOURISM VALUE CHAIN PROMOTION SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

The objective is to position Djibouti as a reference tourist destination through the improvement of supply and the stimulation of demand for tourism products, the development of integrated tourist areas focusing on promising niches in the seaside, eco-tourism, culture, religious and business sectors.

Tourism is a very important factor in economic growth, especially when the right conditions stimulate direct incomes and induce knock-on effects on other economic activities such as transport, agri-food, handicrafts and professional services.

The promotion of the tourism sector in the NDP focuses on four priority areas of intervention, in accordance with Djibouti’s tourism development master plans 2019-2024. The first priority axis of intervention is the development of elements that will serve as catalysts for opportunities in the tourism value chain. Specifically, this will include improving airport performance by increasing capacity to meet demand driven by, among other things, the logistics and commercial hub.

One of the key enablers is the development of related infrastructure, particularly in terms of roads, access to water and electricity (or other infrastructure problems) and waste management. As such, attention will be paid to diligence in the land allocation process. An additional dimension will be the establishment of centers of excellence for tourism and hospitality offering diploma training, vocational training for qualified and semi-qualified learners. The final catalyst is organized visits for the promotion of tourist attractions through social networks as well as the possibility of offering circuits for diving with the whale shark present near the marine coasts combined with other tourist activities.

The second priority axis is the promotion of business and leisure tourism. This will focus on the construction of luxury hotels to meet the demand induced by air, sea and surface traffic.

These will be complemented by the promotion of business tourism by increasing the capacity to host conferences of international level as well as the promotion of tourist visits for business events. They require the establishment of a business district and the development of historic sites.

The third priority axis will be to exploit the opportunities offered by the coastal, the marine and the nature reserves. Emphasis will be placed on the development of nautical resorts to promote accommodation in seaside areas; the development of marine protected areas comprising species (terrestrial or marine) with an important biological specificity that should be promoted and protected to ensure sustainable tourism. Nature reserves will help develop ecotourism.

The fourth priority is the judicious exploitation of nature and culture. The promotion of the specificity of Djibouti focuses on the development and marketing of emblematic tourist sites. An important element will be the development of cultural tourism through the development of a traditional village that brings together the three main cultures of Djibouti (Somali, Afar and Arabic). An additional element is the promotion of natural accommodation which will focus on the promotion of ecological housing, ecological villages and camping sites.

NDP interventions on targeted priority actions for development sustainable tourism aims to remove the main constraints (see Box 4).

The NDP will focus on supporting the development of sustainable tourism, starting with the preparation of strategies to optimize the implementation of Djibouti's Sustainable Tourism Development Master Plan. The focus will be on the appropriation of proposals and

interventions by public and private actors of this central scheme which will be supervised by a steering committee. This committee will set up operational and institutional frameworks with networks for advocacy, lobbying and information exchange.

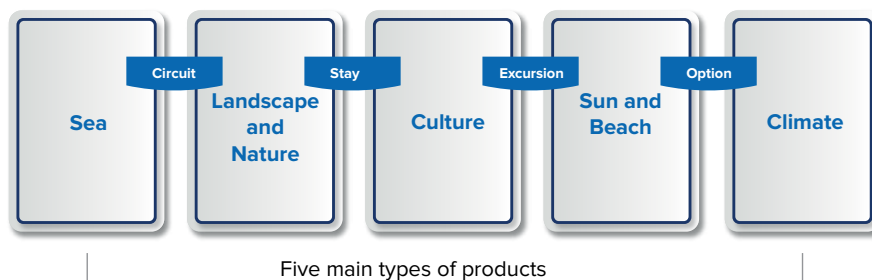
An information platform will collect, analyze and disseminate tourism statistics as well as good practices or actions to be taken to initiate the implementation of a sustainable development approach to the destination. Priority areas for tourism development will be set up to allow the creation of links and contacts between the various actors in the tourism industry while establishing partnerships with and between private actors, stimulating the local economy and promoting the integration of women and the participation of local communities to better understand their needs and expectations. To this end, a strategic framework for the marketing of the destination and the inclusive approach will be adopted. A problem escalation mechanism will be introduced to enable problems to be identified and escalated to the appropriate decision-making bodies.

The NDP will reinforce existing tourism development areas and/or identify new ones with the particular objective of sustainable income for the conservation of protected areas and their development. An important aspect of the strategy will be to attract leaders/champions to the hospitality industry. Specific actions will aim to structure the offer of tourism products considering the assets and potentialities. The focus will be on the five major types of tourism experience (sea, landscape and nature, culture, sun and beach, climate) proposed as part of the development of the Master Plan and the structuring of Djibouti's tourism offer (see Figure 8).

Box 4: Main constraints to tourism growth

1. Limited access by land and air between major tourist sites and international entry points.
2. Insufficient In the Quality and range of accommodation capacities in the Regions.
3. Lack of targeted and sustained marketing.
4. Lack of statistics and reliable data on tourism.
5. Insufficient number of qualified personnel and training facilities.
6. Insufficient quality and diversity of products to retain and attract new products high-end markets.
7. Un coordinated management and inadequate regulation of the sector.

Figure 8 : Djibouti's Tourism Experiences and Products



Source: Product Study, ITC (2018)

The promotion of tourism will also involve the strengthening of human and institutional skills in the public and private sectors. A comprehensive approach will combine the learning and capacity building process to optimize the implementation of the new Sustainable Tourism Master Plan and the process of evolving operational and institutional frameworks.

In January 2018, the inauguration of the Centre Sectoriel de Formation aux Métiers de l'Hôtellerie et du Tourisme d'Arta (CSFMHT) by the President of the Republic, H.E. Ismaïl Omar Guelleh, was an essential first step in meeting the needs of the private sector. The Centre includes a programme of partnerships and twinning with institutions and training schools for the hotel and tourism professions. This mentoring of learners will also aim to develop entrepreneurial skills. To allow an effective transfer of skills, the visibility of the project on social networks (e.g., creation of a Facebook page) will be strengthened. The support will be beyond the direct professionals of tourism and hospitality; it will also cover the services offered to tourists upon arrival (airport, train station, port, etc.). A section on improving the reception by transport professionals, in particular with taxis, will thus cover the entire tourism value chain. The focus will be on the drivers who will be equipped to play the role of "Taxi Ambassador" for all those who are involved and work for a

better image of Djibouti. In terms of approach to achieving results, actions will be directed in such a way as to better exploit opportunities to make tourism one of the main pillars of the economy. Tourism can take advantage of existing business and military travel (45% and 15% of tourists respectively) to develop the creation of formal jobs, including in secondary towns and rural areas. There is a strong tourism potential in different areas of Djibouti, in labor-intensive hospitality and travel services. Coordinated investments in quality tourism offerings can build on regional connections to create multi-day travel packages.

Visitors to Lake Assal and the National Day Forest Park will probably want to extend their journey north to see the old town of Obock or the Islands of the Seven Brothers. Visitors to Lake Abbe would like to visit Arta Beach on the way back to Djibouti City. It is important to note that programmes to attract tourists to regional sites should be accompanied by investments in international conference and exhibition halls. In Djibouti City too, the impact of tourism can be extended to a wider population. The craft, hotel and entertainment markets can benefit from increased pedestrian traffic resulting from the growth of leisure tourism as well as a likely increase in the average duration of business tourism. The old city center is still full of a large number of beautiful buildings that,

once renovated, could offer a pleasant and attractive space. The implementation of the above actions will achieve three main results: (a) the increase in tourist arrivals to 267,000 in

2024; (b) the creation of 5,000 jobs by 2024; (c) the attraction of private investment worth FDJ 121.8 billion.

BLUE ECONOMY DEVELOPMENT SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Exploit the opportunities offered by a maritime and aquatic environment with exceptional biodiversity and marine ecosystems as well as capitalize on the geostrategic position as an essential point of maritime transport of goods to develop fishing, tourism, water and energy production.

Djibouti's advances in maritime trade and the gradual establishment of a logistics and trade hub place the blue economy as a source of growth in the medium term. The basic foundations for the economy will contribute to diversification and structural transformation through the rational and judicious use of natural resources, including marine natural resources and Aquatic. Djibouti's EB potential is immense, accounting for nearly 19% of national THE GDP and about 27% of total employment. EB's ecosystem services are estimated at \$11 billion; but this represents only a tiny part of the potential. Advances in connectivity in general and especially in maritime transport will stimulate, in the medium and long term, the expansion of sectors such as marine biotechnology and ocean renewable energies.

This requires the proper consideration of environmental, equity, sustainability and resilience concerns when planning investments in the blue economy.

The NDP will lay the traditional foundations for a well-functioning blue economy based on: (a) a strategic and cross-sectoral approach; (b) sound planning of direct and indirect investments; (c) sustainable and efficient exploitation of existing resources to address the specific challenges of the coastal and marine space; (d) the promotion of sustainable consumption and production patterns; (e) maritime safety.

Once these prerequisites are met, the blue economy can emerge and enable the country

to diversify its economic base through investment and policy changes aimed at improving economic sectors such as fisheries, industry, tourism, trade, transport and mining.

The promotion of the blue economy will also be achieved through effective governance of spaces and the environment. The NDP focuses on the development of quality human resources on which the emergence of a true-blue economy depends. The blue economy will have effects on other sectors, including seaside tourism, cultural tourism and ecotourism. The development of blue tourism positions Djibouti as a "blue" tourist destination of reference on the Silk Road.

A strategy for the development of the blue economy will be defined and implemented by the Ministry of Housing, Urban Planning and environment (MHUE). The strategy proposes a new growth model that is more inclusive and contributes to improving the living conditions of the population.

The objective will be to align with the target of Sustainable Development Goal (SDG) 14 "Life under water", which enshrines the crucial role of the oceans and advocates their conservation and sustainable use. The approach is also in line with the blue economy development requirements of the African Union's (AU) Agenda 2063; in particular its operationalization within the framework of the African Integrated Maritime Sector Strategy (AIM) for the period (2015-2025). In addition to a regional dynamic on EB, initiated among others by IGAD which, in 2019, adopted a

regional strategy with a five-year action plan (2021-2026).

The NDP also focuses on fisheries and aquaculture, particularly in the implementation of the exploitation agreement signed with Somalia. It allows significant production to satisfy a strong and diversified demand, linked to a growing domestic consumption. The latter is due to changes in Djiboutians' eating habits, tourism development and export opportunities, especially to Ethiopia, Europe and the Gulf countries. The priority actions will be covered by the Fisheries and Aquaculture Sectoral Policy Letter, validated in December 2014. These include: (a) ensuring effective management of fisheries resources for sustainable fisheries; (b) to increase the availability and quality of fish on the domestic market and for export, in order to support food security and the balance of payments and also to ensure continued access to fishery products for national populations; (c) build institutional capacity to improve the services provided by the Directorate of Fisheries and other

institutions/promote the professionalization and increased qualification of actors in the sector; (d) to develop aquaculture and enable sustainable growth in aquaculture production; (e) preserve marine ecosystems and the environment.

The promotion of the Djibouti tourist destination will include the following actions:

- i. The preparation of the strategy for the development of the blue economy.
- ii. The diversification, growth and enhancement of the touristic offer (cultural, artisanal, ecological, economic and social) and hotel through systematic labeling and rating;
- iii. Improving the legal and organizational framework of the sector
- iv. A capacity-building programme including training, awareness-raising and networking.

SUB-PROGRAMME SUPPORT FOR DIASPORA MOBILIZATION AND INTEGRATION REFUGEES

OBJECTIVE OF THE SUB-PROGRAMME

Promote the participation of the diaspora and refugees in development of the country

Djibouti's highly strategic position between the Red Sea and the Gulf of Aden and its regional role as a regional transport hub and logistics increase migration flows.

Djibouti is a major transit and destination country for refugees and migrants, particularly those from the Intergovernmental Authority on Development (IGAD) region bound for the Gulf States. Our approach to migration and refugees is part of the global and international refugee framework, including

the Comprehensive Refugee Response Framework (CRRF), the Global Compact on Refugees as well as the regional commitments agreed between IGAD States through the three declarations of Nairobi, Djibouti and Kampala. Djibouti has included refugees in the National Development Plan as part of Vision 2035. The actions include a new law strengthening the protection of refugees and giving them access to social services, including the health and education systems.

Diaspora

Emigrants, and especially their remittances to family members, stimulate domestic demand through increased household incomes. These funds facilitate access to education and health services with a reduction in the mortality rate

and an increase in the birth weight of children, thus improving the well-being and standard of living of a family.

In this way, they contribute to economic growth and the fight against poverty. Remittances from Djibouti's diaspora accounted for 2.6% of the GDP in 2019, which is low compared to the cases of countries such as the Comoros (19.1%), Gambia (15.3%) and Cape Verde (12.3%). In addition, in the case of Djibouti, remittances have mainly financed consumption: this has a relatively small impact on the country's economic growth.

The aim will be to implement measures to promote an increase in the funds sent by Djiboutian emigrants and a better participation of these funds in investments and the development of the country's human capital. Three strategic priorities will support diaspora engagement.

First, priority is given to measures to increase the amount of remittances and to ensure that remittances are directed towards investment and human capital development. To this end, emphasis will be placed on operationalizing the issuance of bonds for the mobilization of significant resources of the diaspora to finance public expenditures. In this context, the Government will accelerate the preparation and implementation of the Strategy under the coordination of the Ministry of Foreign Affairs and International Cooperation. To optimize the trust of members of the diaspora, priority will be given to the establishment of a regulatory framework that facilitates and secures remittances from the diaspora.

Secondly, in addition to funding actions in the field of education and health, the incentives will aim to facilitate the participation of the diaspora in skills training within the country.

Thirdly, the promotion of diaspora mobilization for the development of Djibouti will be complemented by: (i) the integration of the diaspora into local policy-making; (ii) encouraging the creation of village/hometown associations; (iii) facilitating/encouraging the design/implementation of joint local projects.

The priority actions of the NDP for the engagement of the diaspora are based on priority areas.

- Creation and strengthening of Djiboutian diaspora networks through the operationalization of the platform ([https://](https://www.djibouti-diaspora.org/)

www.djibouti-diaspora.org/) launched in 2019 by the Ministry of Foreign Affairs in collaboration with the Global Djibouti Diaspora (GDD). It is intended to promote dialogue and the involvement of the diaspora in the economic and social development of the country.

- Establishment of dialogue and cooperation mechanisms with the diaspora to establish a climate of trust between local actors and Djiboutians abroad.
- Update of the mapping of the diaspora to collect quantitative and qualitative information about it. This will be followed by the promotion of skills, knowledge exchange programmes and virtual transfer with a view to encouraging the involvement of the diaspora in different fields, to promote the flow of skills (notably in the health, education, higher education and technology sectors) and facilitate the return and involvement of high-level experts..
- Facilitation of remittances by removing persistent obstacles such as weak financial and institutional support, as well as lack of sufficient data on remittances, especially those that take place through informal channels; reduced remittance costs and attracted more transfers.

Several outcomes are expected from the above actions: (a) trust between the Government and the diaspora is established; (b) networks and platforms for exchange and interaction are created; (c) policies and incentives are deployed to promote the diaspora's investment and participation in development; (d) Establish operational skills and knowledge exchange programmes, to facilitate the return of diaspora experts. Possible targets are: (i) increasing diaspora remittances to 5% of the GDP; (ii) reducing the share of consumption in remittances to 60%; (iii) the increase in the number of companies created and joint projects carried out with the diaspora; (iv) an increase in the number of returns from diaspora experts by 20%.

Refugees

The problems and dynamics of Djibouti are part of the Global Compact on Refugees, which was approved by the General Assembly on 17 December 2018. The Comprehensive Refugee Response Framework (CRRF), as adopted by Member States in the New York Declaration, aims to strengthen the international response to large-scale refugee movements and protracted refugee situations. At the World Refugee Forum held in December 2019 in Geneva, the State of Djibouti made additional commitments, particularly regarding the integration of refugees into the National Development Plan as part of vision 2035.

With regard to refugees, the objective is the implementation of the strategic and operational framework of the National Office for Assistance for Refugees and Disaster Victims (ONARS). It provides for the orientation and strengthening of interventions on aid, assistance and protection for migrants in vulnerable situations, asylum seekers, refugees and disaster victims. It thus contributes to Djibouti being a safe, welcoming and resilient country..

Important commitments have been made, such as:

- Integrating refugees into NDPs and Vision 2035;
- Adopt a new law strengthening the protection of refugees and giving them access to basic social services; enable all refugees to have access to the national health system and benefit from universal health insurance on an equal basis with nationals; invest more in health in technical facilities to strengthen health structures in refugee-hosting areas for better service provision at all levels;
- Include refugee children in the national education system to provide them with quality education; provide refugees with technical and vocational training with a view to better socio-economic inclusion; strengthen the development of teachers through a system of certification training as well as support from the national budget.

Our non-binding migration strategy is deliberate. It includes the provision of housing, education and access to social services. Migration is not seen as a scourge but rather as an almost inevitable consequence of unequal opportunities in the countries of the region and insecurity in some neighbouring countries. It is therefore not a question of treating migrants as criminals who have violated migration laws but of treating them with the respect due to human beings who seek to improve their lives.

Moreover, since the conditions in which they travel are often harsh, it is not a question of aggravating their situation. Appropriate measures will harness skills and strengthen the labor market (see Box 5). Self-help groups and associations within the refugee economy and their diaspora network will be involved in further improving workers' rights and migrants' living conditions.

A CRRF Steering Committee at the national level has been set up under the joint supervision of UNHCR and the Ministry of the Interior with the participation of the various ministries, UN agencies, donors, NGOs, refugees and civil society. The National Office for Assistance to Refugees and Disaster Victims (ONARS) provides the secretariat of this Steering Committee. Within the framework of this committee, a National Action Plan was validated in December 2017 including priority sectors: protection, repatriation, education, health, livelihoods and living environment, entrepreneurship and empowerment, energy and water, durable solutions and social protection.

Actions to integrate refugees into the country's development process should, as a first step, promote the alleviation of pressures on the country by strengthening the provision of essential services to these refugees in three sets of priority actions.

First, given that children often make up more than half of refugees, priority should be given to financing increased provision of education and child health so that they

do not constitute a lost generation. More specifically, refugee children will need to be included in the national education system to provide them with quality education. It will also be necessary to strengthen the valorization of teachers through a system of certification training as well as support from the national budget.

Secondly, the search for the empowerment of refugees will also be sought

through concerted actions between the Government, local authorities, the private sector, civil society and technical and financial partners. Technical and vocational training provided to refugees for better socio-economic inclusion can help to cope with the platform's skills shortage constraints.

Third, a new law strengthening the protection of refugees and giving them access to basic social services (following a migration survey to be conducted in collaboration with the World Bank) will cover refugees. This law will allow the establishment of a framework for consultation between local authorities and refugee representatives to avoid the aggravation of potential conflicts.

The expected results of these actions relate to: (a) the schooling of refugee children, which is comparable to that of nationals; (b) refugee empowerment;

(c) measures of social protection and access to basic services which are comparable to those applicable to nationals.

Box 5: Migration and Work Permits

.....

More skilled migrant workers are promoted by labor migration governance mechanisms, as described in the 2006 Labor Code. The usual procedure for applying for a work permit from ANEFIP requires demonstrating that there are no Djiboutians available to perform the desired work. However, work permits for a period of less than six months in the construction sector are usually granted automatically, especially with regard to applications for workers present in Djibouti only for the duration of a construction site. This also applies to those on mission who are governed by the regulations of their country of origin.

EMPLOYABILITY IMPROVEMENT SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Promote a policy of transformation of the informal sector and improve the employability and employment outcomes of graduates of Technical Education and Vocational Training (TVET) with a focus on increasing the proportion of young people and women who have access to these programmes and successfully complete it.

Informal work is important, accounting for about 43% of jobs, 80% of which are concentrated in low-skilled activities in the tertiary sector. It is estimated that the sector contributes 15% of the national THE GDP. The sector is also mainly concentrated in Djibouti City which is home to 75.1% of all informal

production units, compared to 14.4% in other urban areas and 10.5% in rural areas 16. The majority of enterprises in the informal sector are subsistence enterprises, so general formalization is not the solution. Targeted support for companies with good prospects or in growing sectors such as construction,

trade and transport can boost productivity. In secondary cities and regions too, there is potential for increased productivity in artisanal fisheries, agriculture, livestock and dairy production, provided they are supported by targeted investments in extension services and support the agro-industrial sector. Many companies in Djibouti's informal economy are connected to the formal sector supply chain: this is a force to maximize¹⁷

The formal and informal sectors engage in extensive trade: the informal sector provides 16.4% of raw materials (inputs) to the formal sector; 61% of informal sector inputs come from the formal sector. In addition, 15% of sales of finished goods and services in the informal sector go to the formal public and private sectors or the export market¹⁸.

The private sector in Djibouti is also characterized by strong informality. The informal sector generates almost 60% of jobs in the private sector – representing 42.9% of total employment. The formal private sector, mainly around the platform, generates 40.1% of private sector jobs – representing 28.6% of total employment. The public sector generates 28.5% of total employment. The large majority of employment is in the private tertiary sector and the public sector with about 86% of total employment. Apart from services, only the construction sector employs a significant number of people (around 20,000). Trade obviously plays an important role in the economy around the platform but also in the “domestic” economy dominated by the informal sector in small trade.

PROFILE OF THE INFORMAL SECTOR

The private sector in Djibouti therefore remains largely informal. The assessment of the economic impact of COVID-19 on enterprises¹⁹ made it possible to draw up the characteristics of the informal sector:

- 75.9% of informal activities are carried out either in a fixed, non-closed place (61.3%) or on an outpatient basis (14.6%). Thus, only 24.1% of informal activities are carried out in a closed place;
- The informal sector is dominated by women: nearly two in three owners of informal economic units (65.1%) are women, most of them between the age of 25 and 60;
- The informal sector consists of 77.6% of trade activities, 12.5% processing activities and 9.95% service activities;
- Informal economic units are generally small. 98.1% of informal economic units are managed by a single person who owns them while the average size is 1.2 people.
- 89.7% of informal economic units did not register in the Tax Identification Number (NIF), either because:
 - This registration is non-mandatory: 47.3% (owners men: 41.1%; female owners: 50.4%),
 - Complicated procedures: 22.1% (male owners: 24.9% ; female owners: 20.7%),
 - The process is too expensive: 18.3% (male owners: 17.3%; female owners: 18.7%);
 - 83.4% of informal economic units reported not holding a written accounting;
 - The capital for starting the informal activity comes mainly from own savings for 61.2% of owners and loans from relatives and friends for 22.6% of owners;
 - Almost 3 in 4 informal economic activities (72%) started with a capital not exceeding FDJ 50,000;
 - The median monthly profit from informal economic activities is FDJ 20,000, i.e. 50% of activities generate less than FDJ 20,000 per month. For reference, the minimum wage in Djibouti is FDJ 35,000;

16. Republic of Djibouti, The Labor Market in Djibouti, (2019), p.12. Directorate of Economy and Planning (MEFI).

17. Strategies to achieve this will be based, in part, on the forthcoming study of the informal sector carried out in collaboration with the Ministry of Commerce.

18. Republic of Djibouti, The Labor Market in Djibouti, (2019), p.13. Directorate of Economy and Planning (MEFI)

19. The National Institute of Statistics of Djibouti (INSD) – Report Business Survey 2020, focus on informal activities and the impacts of COVID-19, November 2019

- 98.3% of informal economic units do not have bank accounts, either because a bank account does not meet the needs (82.8%), or because the procedures are complicated (18.4%), or because the interest/agios are high (15.4%)²⁰;
- Units in the informal sector source from both formal and non-formal structures (36.9%) or import directly (2.1%) for the products they resell as they are. Moreover, while households and individuals are the main clientele of the informal sector (85.9%), its products are of interest (in 14.1% of cases) various other actors (public sector, large companies, exports, etc.).

In all these “indicators”, there appears to be a gender component that is to the disadvantage of women. A 2015 survey²¹ further reveals that the informal sector was dominated by people who had no level of education (80%) or had a low level of education. Indeed, only 7.0% of heads of informal units had reached or exceeded (in 2015) the level of education of the 2nd cycle of secondary school, i.e., middle school or high school. In the field of education, the situation was even more critical for women as 86.8% of women had no educational level and only 2.6% of them had reached or exceeded the level of the 2nd cycle of secondary school compared to 60.9% and 19.5% of men respectively.

The focus will be on the promotion of labor-intensive activities (HIMO). In a context where unemployment and underemployment are high, it is important to put in place a strategy to promote labor-intensive work to ensure the employability of individuals without advanced skills (non-skilled labor) and to undertake investments in basic social infrastructure such as rehabilitation of roads, roads, tracks, schools, health facilities, etc. This approach will be accompanied by the development of legislation and procedures to prevent abuse and safeguard basic labor standards. The Ministry of Social Affairs, through the Djibouti Agency for Social Development (ADDs), has experimented with the HIMO method through the Social Safety Net project funded by the World Bank: the results of this experiment will be considered to develop a larger-scale approach. These activities are divided into five components.

The first component will build on improving the sectoral and institutional governance of TVET, the quality of the programme, with a view to promoting equitable access to programmes based on skills development and increasing the employability of those trained. The focus will be on two areas. The first concerns the modernization of governance, and more particularly: (a) the strengthening of horizontal and vertical coordination mechanisms in the TVET sector, (b) the institutional governance of public training providers in terms of strengthening administrative, academic or financial autonomy;

(c) the creation of sectoral skills councils and partnerships between training providers. The second area of improving governance is based on strengthening the quality and relevance in training centers through training adapted to operational needs, in particular those concerning the standards of aptitude and competence for certain professions, the examination and the revision of curricula to meet newly established competency standards and the establishment of quality assurance procedures.

The second component will focus on improving the performance of service delivery in training centers. Emphasis will be placed on: (a) technical assistance for institutional governance and management reforms; (b) infrastructure development; (c) human resource development; (d) training equipment and fundamental principles; (e) the development of transversal skills.

The third component will focus on improving access, employability and employment outcomes. The focus will be on five areas: (a) the development of regional partnerships and specialized programmes; (b) strengthening the links between training, employers and entrepreneurship; (c) capacity building of job search services and activities; (d) labor mobility programmes; (e) the professional integration programme.

20. The differences between women and men are negligible.

21. ISND – EDESIC 2015.

The fourth component will aim to strengthen service delivery mechanisms and project monitoring and evaluation management capacities. Emphasis will be placed on communication strategies, data collection and monitoring, follow-up surveys and audits. Technical assistance activities to address the identified gaps and build the governance capacity of training and coordination institutions are planned.

The fifth component will consist of investment in youth, the strength of the future. A High Commission for the issue of employability and the development of new professions in promising sectors will be created. It will:

- a. Triple the places available in apprenticeship to facilitate integration youth professional, allocate more allowances to these learners

and exempt each company participating in the two-year STI and institutional social security contributions programme;

- b. Implement professional mentoring in several ways: leadership training, business plan development services and credit to encourage young people to become job creators;
- c. Grant quotas of 20% of the markets for companies created by young people;
- d. Strengthen the Autonomy Assistance Plan for people with disabilities and improve their socio-professional integration by applying a penalty against any public or private entity that does not apply the obligation to employ disabled workers.

FINANCIAL INCLUSION SUPPORT PROGRAMME

OBJECTIVE OF THE PROGRAMME

Operational objective of financial inclusion: Promote access to banking, microfinance and unconventional finance, insurance and Islamic finance at affordable costs through innovations in the digital economy for all, including disadvantaged groups living in cities and hinterlands.

Efficient financial services are essential to enable citizens to build up their savings, access loans and manage financial risks. Easier access to appropriate financial tools and services promotes greater participation of businesses, households and women in the financial system and the economy, leading to poverty reduction. Financial education and protection frameworks facilitate greater confidence in the financial system, encouraging an increase in transactions, the private sector and foreign investment.

Djibouti ICI places particular emphasis on improving the sector's performance

financial. The proposed reforms capitalize on previous initiatives such as:

- (i) the establishment of a partial guarantee fund for loans to Small and Medium Enterprises/Industries (SMEs/SMIs);
- (ii) the modernization of the national financial infrastructure with the establishment of an automated transfer system and an electronic clearing house; (iii) the application, in July 2016, of the creation of a new national payment system law; (iv) the Act on the establishment of a credit information system.

The priorities of the NDP will focus on access to financial services, use of financial services and improving the quality of financial services. Access to financial services will be improved by increasing access points (bank branches, ATMs – ATMs – and electronic funds transfer at the point of sale – ETFPOS) beyond Djibouti City. Priorities to ensure this improvement in access focus on: (a) access points highly concentrated in urban areas, mainly in the capital, will be decentralized; (b) the cost of “branch” branches, regardless of the size of the branch, for customer demand (concentrated in a few days per month) will be reduced; (c) telecommunications costs will be reduced to facilitate citizens’ access to services throughout the country; (d) the local interoperability of vending machines and the network of points of sale of the different suppliers will be implemented; (e) the small size of the insurance market, which has only two players, will be studied.

To meet these challenges, the NDP exploits the many opportunities, particularly with a better integration of technological innovations and financial products.

The banking sector will be reformed to promote consolidation. This will reduce costs, develop new products and position itself in international markets. Investments in digital channels are to be expected: they are a way to attract more customers and reduce operating costs. A new national payment system will facilitate digital financial services operations and the interoperability of ATMs and ETFPOS networks. Innovations will focus on Islamic, conventional and insurance banking products. A financial education programme will be designed and implemented to help clients assess and better select the financial products and services that meet their needs. Improving the quality of financial services will be based on the Alliance for Financial Inclusion (AFI) indicators, namely: quality of financial services,

accessibility, transparency, convenience, fair treatment, consumer protection, financial education, debt and choice.

Djibouti ICI capitalizes on many opportunities to improve the quality of financial services, including the use of the channel established at the Central Bank to support bank customers; the consolidation of increased competition between financial service providers for cost reduction and the introduction of new products; the creation of a development bank dedicated to SMEs. The main element is the National Strategy for Financial Inclusion (NSFI) which will promote the economic and social inclusion of marginalized segments of the population while encouraging the private sector to accelerate its development and diversification. NSFI will “develop an inclusive financial sector that offers quality services and products designed to meet the needs of a wide range of customers, from marginalized to more sophisticated segments, contributing to more equitable economic development.”

A National Committee for Financial Inclusion under the ministry of Economy and Finance will be created and will include banks, micro-credit institutions, insurance companies, telecommunications actors and other stakeholders, with specifications to define objectives, implementation plans and supervision of execution.

A second institutional innovation will be the establishment within the BCD of a complaints management unit accompanied by the installation of the Banking Ombudsman (Ombudsperson) to receive public complaints about banks. A Financial Inclusion Fund will be created to support the implementation of the Financial Inclusion Strategy.

Table 4 summarizes the priority measures by segment of the financial market.

Table 4 : Priority Actions by Sector

Conventional finance	Microfinance	Other non-conventional financing	Islamic Finance	Insurance
Bank account digital	Put in work of the Policies Economic promoting the microfinance	Develop mobile money	Improve the governance of Sharia	Access universal to products insurance and management of risks at prices Reasonable
Access to services of Payments accounts of deposits at a fee Reasonable	Revise the legal framework and regulatory	Exploration insurance harvest and climate	Improve the sensitization of the public finance Islamic	Strengthen the proposal de Takaful
Access to credit formal at prices Affordable	Digitizing of the microfinance		Develop resources Human	The application laws concerning insurance car
Universal access to products deposits and investment at prices Reasonable			Capitalize on location strategic to improve the service of logistics commercial	Reduction taxes on insurance life

At the end of the NDP, inclusion will focus on priority actions (see Box 6) that will achieve the following results:

- i. The institutions will provide services according to international standards.
- ii. The modernization of the national payments system will enable users to receive safer, more reliable, more convenient and more efficient financial services. The financial products will be adapted to the Djiboutian context. They will be simple to understand and use,

available at affordable prices, focused on the low-income segment of the population, including mobile money, and crop and climate insurance. A Financial Inclusion Fund and a development bank for SMEs will be created.

A comprehensive financial education programme will empower people to make the best financial decision based on their context and securities. Government deposit insurance to signal and encourage confidence in bank deposits will be put in place.

Box 6: Strategic priorities are aligned with the National Strategy for Financial Inclusion

.....

1. Strengthen institutional capacities in the following areas: establishment of structures for coordination, mediation, complaint management and control, distribution of roles and responsibilities among institutions; development of strategies, laws, regulations and their implementation; availability of information and analysis; planning, monitoring, evaluation and implementation of plans; and skills development Human.
2. Complete the process of modernizing the national payments system.
3. Provide financial products that are easy to understand and use, available at affordable prices, focused on the low-income segment of the population, including mobile money, as well as the implementation of crop and climate insurance.
4. Improve overall financial literacy.
5. Supporting access for micro, small and medium-sized enterprises (MSMEs) and individuals financing.
6. Introduce government deposit insurance to signal and encourage confidence in bank deposits.

BANKING INCLUSION SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Facilitate access to banking services through the modernization of the banking system, digitalization and the reduction of costs and other constraints faced by businesses and populations regardless of where they live

Banking inclusion will aim to create the conditions for the modernization of the banking system. It will capitalize on digitalization to provide affordable banking services in cities and rural areas.

It will be supervised by the Central Bank of Djibouti (BCD) and the Ministry of Economy and Finance, in particular through reforms aimed at reducing potential vulnerabilities in the banking sector and broadening the financial inclusion of the population. The NDP will support the implementation of the banking regulations adopted in 2019. The focus will be on regulatory texts as part of the convergence with the 29 recommendations of the Basel Committee for Effective Control. The main texts that will govern inclusion in the banking sector are: (a) the revision of the Capital Adequacy Instruction; (b) the recasting of the instruction on outstanding claims; (c) the adoption of a new instruction on related persons; (d) the adoption of a new instruction on corporate governance of credit institutions; (e) the adoption of a new instruction on risk management (credit and concentration, interbank and foreign exchange).

Banking inclusion will materialize through: (a) improved performance of the banking sector; (b) the implementation of innovative

financial products, compatible with the levels of expertise and needs of the private sector; (c) capacity building to accelerate banking. Specific actions in support of banking inclusion include: (1) strengthening institutional capacity; (2) complete the process of modernizing the national payments system; (3) provide financial products that are easy to understand and use, available at affordable prices, focused on the low-income segment of the population; (4) improve overall financial literacy; (5) support access to finance for SMEs and individuals; (6) introduce government deposit insurance.

The expected results of the NDP will be characterized by an improvement in the

Djibouti's banking landscape, for example:

- a. The digital bank account will be generalized for companies, including SMEs.
- b. Economic operators will have access to credit, payment services and deposit accounts at affordable fees.
- c. Universal access to deposit and investment products at reasonable prices will be realized.

MICROFINANCE INCLUSION AND FINANCE SUB-PROGRAMME UNCONVENTIONAL

OBJECTIVE OF THE SUB-PROGRAMME

Improve access to microfinance services and unconventional financing for MSMEs and populations in cities and rural areas through digitalization to make banking services available in cities and rural areas at affordable costs.

In addition to the financing service, the fund will train promoters and deploy a process to monitor project implementation. Several credit programmes will be supported by the Fund, including investment credit, the Young Graduates Credit, Women's Entrepreneurship and other programmes that are registered in priority sectors. Inspired by the Desjardin Group, the Caisse Populaire d'Épargne et de Crédit (CPEC) will provide microfinance services, including microcredit, credit, insurance, savings and money transfer.

The National Microfinance Strategy (SNMF)²² for the years 2019-2023 aims to benefit from a professional, viable and sustainable, diversified and innovative vision to meet the demand of poor populations in urban, semi-urban and rural areas.

The strategy will be the framework to support the promotion of self-employment, the development of survival activities, micro and small enterprises and finally poverty reduction.

The SNMF will strengthen human capacity, create a culture of frequent monitoring and evaluation; it will set up a "risk center" to define clear guidelines for credit approvals.

Under the NDP, support will facilitate access to microfinance services, capitalizing on digitalization to make banking services available in cities and rural areas at affordable costs. These actions will improve the performance of the microfinance sector, in particular with the introduction of innovative financial products compatible with the levels of expertise and needs of SMEs and informal operators. These actions will also build capacity to accelerate banking.

By the end of the NDP, Djibouti's microfinance and non-conventional financing sector will have evolved significantly, for example:

- a. Economic policies favoring microfinance will indeed be Applied.
- b. Digitalization and professionalization of microfinance institutions, including the development of payments by mobile telephony will be generalized.
- c. Economic operators will have access to credits, payment services and deposit accounts at affordable fees.

22. Ministry of Social Affairs and Solidarity (MASS), 2019. National Microfinance Strategy (SNMF) 2019- 2023.

SUB-PROGRAMME TO SUPPORT ISLAMIC FINANCE

OBJECTIVE OF THE SUB-PROGRAMME

Promoting Islamic finance through the establishment of the regulatory framework and legal as well as human and institutional capacity building.

Islamic finance represents new opportunities for the business world. Since 2000, the Central Bank of Djibouti has authorized Islamic products. Three Islamic banks operate in Djibouti: East Africa Bank (EAB), Saba African Bank and Salaam African Bank. They constitute 15-20% of the banking sector.

All banks offer banking services and commercial products according to Islamic Sharia. Zakat is the third pillar of Islam. Although a religious obligation, Zakat has an obvious economic dimension.

The transfer of wealth from the wealthiest to the poor not only represents a form of redistribution but also has an impact on consumption and investment aggregates. It can therefore play an important role in the fight against poverty. In principle, Zakat is part of charity and is not intended to generate profits through the absence of resource costs and expected reimbursement requirements.

The potential of Zakat, however, goes beyond charity. In many countries, it is associated with crowdfunding to co-finance social infrastructure or economic activities with market-based instruments and business orientation (including micro-Murabaha, micro-Mucharaka, Micro-Mudaraba, Micro-Ijara, Micro-Salam and Micro-Istisna).

Islamic microfinance provides financial and non-financial services to poor people who do not have access to the banking system. The Djibouti Agency for Social Development (ADDS), in partnership with the Islamic Development Bank (IDB), led a pilot project offering Islamic financial products in the field of microfinance in Balbala. This project has highlighted promising results. It will be extended to the entire Caisse Populaire d'Épargne et de Crédit (CPEC), supported by adds.

Under the NDP, support will focus on consolidating these initiatives to create the conditions for the expansion of Islamic finance. Specific actions in support of banking inclusion are as follows:

- a. Establish the legal and regulatory framework for Islamic finance;
- b. Build capacity to accelerate banking;
- c. Improve Sharia governance;
- d. Develop human resources and improve public awareness of the Islamic finance.

By the end of the NDP, the Islamic financing sector will have evolved significantly. Economic operators and households will have access to the financial services offered by Islamic finance.

Box 7 : Strategic priorities for the insurance industry

.....

1. Enabling universal access to insurance products and risk management at reasonable prices.
2. Strengthen Takaful's proposal.
3. Enforce laws regarding automobile insurance.
4. Reduce taxes on life insurance.

INSURANCE INCLUSION SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Facilitate access to insurance services for MSMEs and populations through digitalization by making insurance policies available at affordable costs in all sectors of economic activity (for people living in cities and rural areas).

At the end of 2020, the insurance market remained relatively modest and had only two players (GXA and Amerga). Both providers offer a wide range of non-life insurance products, personal, professional, wealth protection, and tailor-made insurance contracts.

The activity of the sector is based mainly on the automotive branch with about 60% of premiums in 2019. However, new economic activities are beginning to expand the market offer. The sector continues to align with economic development. The priorities (see Box 7) will aim to generalize the systematic use of risk cover with personal and property insurance.

The insurance sector has experienced steady growth in recent years, as auto and freight insurance has been made mandatory given the importance of transportation and logistics in the country's economy. However, other types of insurance have low usage, mainly due to the non-compliance of insurance products with Sharia law, the difficulty in promoting them and the small size of the market.

Despite the legal obligation in car insurance and import insurance, the non-insurance rate in automobile is about 30% while for imports it reaches 90%.

Insurance regulations require that local assets and operations be insured locally. This leads to a significant use of fronting for large risks given the limited capacities of the local insurance market.

To limit the exit of premiums and in the absence of a national reinsurer, a legal assignment is applied in favor of the COMESA reinsurer.

In 2003, Djibouti joined the COMESA Yellow Card Scheme, a regional automobile insurance scheme, which guarantees protection of the legal liability of policyholders in 13 COMESA countries, as required by local regulators²³.

The system eliminates the need for individual insurance coverage in each of the COMESA Member States. Thirty-three years after its creation, the COMESA Insurance Card (or Yellow Card) is today one of the most successful mechanisms of Community integration and operating on all the corridors of the 13 COMESA member countries.

Its economic and social usefulness for economic operators as well as for victims is manifested when a cross-border traffic accident occurs without this leading to the blocking of the transit operation since the coverage of damage is guaranteed by the yellow card offices.

The actions of the NDP will include measures that generalize the use of insurance. As a result, they will allow universal access to insurance and risk management products at reasonable prices. These measures include, among others, Takaful's proposal. Another important aspect will be the reduction of taxes on life insurance.

23. COMESA Yellow Card Programme website <https://ycmis.comesa.int/index.php?page=scheme>

PROGRAMME FOR THE IMPROVEMENT OF LIVING CONDITIONS AND SOCIAL INCLUSION

OBJECTIVE OF THE PROGRAMME

Ensure inclusive social development of Djiboutians; significantly improve living conditions, through programmes in the fields of education, health, housing, urban development, with appropriate solutions to the specific problems of disadvantaged groups in cities and the hinterland.

In the 2020-2024 NDP Djibouti ICI, the improvement of living conditions and social inclusion are achieved as part of an approach that aims to reduce inequalities throughout society. Emphasis is placed on disparities in access to services or economic opportunities for different population groups either spatially or by gender, age group or other criteria. Therefore, special attention is paid to improving general access to services and opportunities.

The NDP capitalizes on progress in access to social services that determine living conditions (health, education, sanitation, water, housing/habitat and social protection) to serve the inhabitants of rural areas or disadvantaged neighbourhoods of Djibouti City. Priority will be given to improving access to education, health and social protection, which will thus be less costly. Regarding access to employment and entrepreneurship, a strong informality of the economy, and very high unemployment show that a segment of the population risks remaining excluded from progress.

A significant proportion of workers in the informal economy are women who often live in very precarious conditions.

It is clear that access to employment and entrepreneurship are closely linked to economic development.

Efforts in terms of economic inclusion will improve the demand for work, including the accelerated emergence of jobs and opportunities. Supply-side efforts will enable the development of “human capital” that can meet demand in the economy and ensure that the unemployed are able to take advantage of the opportunities that arise. Therefore, the NDP will make it possible to accentuate social inclusion and territorial coherence through actions on access to basic services. It will strengthen the resilience of social safety nets. It will ensure effective decentralization to bring governments closer to the populations. It will take measures to improve incomes, especially those of the poorest.

EQUITY PROMOTION SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME ON THE PROMOTION OF EQUITY

Reduce economic, spatial and social inequalities; promote sustainable and equitable development.

A systemic approach to differentiated access to engagement opportunities will focus on: (a) specific characteristics with differentiated access of different social groups; (b) process control and exclusion factors; (c) mastering the roles of the different actors whose actions determine how the processes and factors of the system unfold (in the case of exclusion to the detriment of certain groups in society). The focus will then be on reshaping processes and factors in the system as well as influencing the behavior of actors who are important in managing these factors and processes. This then leads to actions that focus not only on mitigating the symptomatic impact, but also on the root causes that lead to differentiated access. Therefore, any social protection programme should include a very robust analytical mechanism to benefit from the necessary understanding. The promotion of equity will be strengthened by promoting equitable access to opportunities, strengthening the fight against corruption, informality and strengthening the private sector.

The implementation of the programme to improve living conditions and social inclusion involves all stakeholders in society. The Government will develop and implement facilities and methods to ensure that the population has the opportunity to engage in good conditions. The approach is based on the following elements: improving the visibility of disparity in society (either by gender, age group, or place of residence), strengthening the “voice” of groups by providing a safe space for engagement, supporting the perspective of action (among others) and improving access to opportunities. Finally, the plan will provide a “systems approach”, encouraging common responses and priorities. The focus will be on six forms of disparity: (a) by age group; (b) according to the level of human capital; (c) by gender; (d) as required by special needs; (e) by place of residence; (f) by migration status. By the end of the NDP, Djibouti will have strengthened education, health and institutional systems to give every Djiboutian a chance.

Reducing disparities by age group

It is estimated that people under 20 represent about 40% of the population, while two out of three Djiboutians are under 35. The NDP is capitalizing on several initiatives already underway. It aims to help young people meet and develop social activities in the following settings: (a) a youth palace; (b) a national institute for youth and sports, (c) centers for young volunteers, the promotion of sport, (d) a branch for the integration of young people and a programme to support integration. These elements help to provide elements of answers that young people need to make decisions about their daily lives or their future. The National Commission for the Fight against Drugs, for its part, implements various actions to counter addictions and juvenile delinquency.

The NDP will make it possible to invest in youth, a force for the future of the country with, among other things, the following actions: (a) create a High Commission for the issue of employability and the development of new professions in the promising sectors of our economy; (b) practice professional mentoring in several ways (leadership training, business plan development services and credit) to encourage young people to become job creators; (c) develop apprenticeship opportunities to facilitate the professional integration of young people, allocate more allowances to these learners and exempt from two years and social security contributions for the establishments of each company participating in the programme.

Reducing disparities in human capital

The 3rd pillar of vision 2035 aims at the consolidation of human capital and its development in all these dimensions; it is an important factor in the various strategic axis and it is essential to achieve the key development objectives of the 2020-2024 NDP Djibouti ICI. The Government's efforts include the establishment of a small working group for the coordination of human capital investments, the designation of a national focal point and the preparation of a national action plan for human capital. A human capital forum was held (virtually) in Djibouti on 2-3 December 2020.

Emphasis will be placed on improving the level of training of the labor force to meet the

demand of the economy. Specific measures will focus on the demand for work, which will have to be more diversified, with a view to creating an environment where fellow citizens have more choices of commitment and enjoy fulfillment in the world of work. In addition, emphasis will be placed on creating an enabling environment for social, political or economic engagement. Institutional and legal arrangements in relation to economic commitments capitalize on the progress of recent years, especially with regard to access to finance. To facilitate constructive engagement, a project to improve the key statistical system in this area will be developed and implemented.

Reducing gender disparities

Women in Djibouti face many challenges, from education to the job market, health care and the legal system.

Women are less likely to be literate, less likely to be employed and more likely to be victims of domestic violence. In addition, more than two thirds of women are victims of female

genital mutilation. Although improvements in recent years (in almost all socio-economic development indexes have had a positive impact), deep inequalities persist in the area of social, economic or political inclusion. The above youth actions will also reduce gender inequalities (Table 17).

Reducing disparities by level of education

Lack of education is at the root of other sources of inequality, such as access to health care, employment and the legal system. Although gender is not in itself discriminating for access to education in Djibouti, it is noted that girls in rural areas and poor girls have very limited access to education. Measures will be taken to improve access to education, particularly for people from disadvantaged strata. They will be based on: (a) labor market participation; (b) the impact of early marriage on reproductive health and rights; (c) the fight against gender-based violence in collaboration

with the National Union of Djiboutian Women (UNFD); (f) the rejection of female genital mutilation (FGM); (g) political participation by capitalizing on the results of recent years (in 2019, 3 women in the Government, a Vice-President and Committee Chair and 16 deputies in the National Assembly).

In the local municipal council, 41 local elected women are women and the mayoralty of Djibouti-Ville is administered by a mayor. In the regional council, 13 women are regional elected representatives.

Table 5 : Key Labor Market Indicators by Gender

Indicator	Men	Women
Percentage of labor force relative to working-age population	58,5	31,6
Percentage of working-age population in employment	36,4	11,6
Unemployment Rate – International Organization Definition ILO/ILO Labor (15-59 years)	23,1	38,2
Youth unemployment rate (15-24 years)	84,1	88,8
Youth unemployment rate (15-34 years)	57,4	75,5
Percentage of employees working in the public sector	56,4	37,0

Source : EDAM-IS 2017, INSD

Reduction of disparities according to special needs

Populations with special needs have structurally more difficulties in integrating into all areas. The social and economic inclusion of people with special needs will be supported through the implementation of the available legal and regulatory framework. These include the Convention on the Rights of Persons with Disabilities (CRPD) and its protocols, through Laws No. 67/AN/09/6th L and No. 69/AN/09/6th L of 3 January 2010.

In 2018, Djibouti also promulgated the Law on the Promotion and Protection of the Rights of Persons with Disabilities and committed to advancing the cause of persons with disabilities.

The same year saw the creation of the National Agency for Persons with Disabilities (ANPH) which is attached to the Presidency of the Republic. The development of the national strategy to promote and protect the rights of persons with disabilities, alignment with the Sustainable Development Goals (SDGs) and the objectives of the National Human Rights Commission (CNDH) aim to remove the obstacles that exclude citizens with special needs from the economic and social sphere by making them actors of their future.

The priorities are in line with the National Disability Strategy 2020-2024. The first is

to improve the provision of services and the quality of life of people with disabilities.

To this end, the following specific actions will be carried out. First, adapt infrastructure for better access for people with disabilities by developing flexible service models, revising the regulatory framework and coordinating implementation.

Secondly, to offer quality care through services for the prevention and detection of children's developmental needs, ensuring the follow-up and autonomy of people with disabilities requiring care; and strengthening the care capacity of caregivers.

Third, improve access to development opportunities through quality education by ensuring equitable access and developing appropriate educational pathways. Fourth, offer personalized social protection for people with disabilities by creating and operationalizing the biometric card or Mobility Inclusion Card (CMI) and ensuring a social safety net for vulnerable people. Fifth, improve rights and access to justice by integrating the objectives of the CRPD into national policies and guaranteeing the rights of persons with disabilities as well as facilitating access to justice.

The second priority is to promote access to livelihoods. The specific actions relate

Box 8: Priorities of the National Disability Strategy

.....

- Improve the provision of services and the quality of life of people with disabilities (adapt infrastructure; access to healthcare, education; social protection, justice).
- Promote access to livelihoods (lifelong learning, access to employment and livelihoods).
- Promote social inclusion (decentralize the national strategy; promote women with disabilities, generalize the use of innovation and new technologies, a participatory approach to disability).

to the following points. Firstly, to improve lifelong learning, by adapting vocational pathways to the needs of people with disabilities, by strengthening specific learning for people with disabilities. Second, improve access to employment by developing a range of employment models for people with disabilities, promoting the hiring and management of employees with disabilities, supporting job seekers and entrepreneurs.

The third priority will be to build an inclusive society. To this end, the following specific actions will be carried out. First, adopt a holistic and decentralized approach by deploying ANPH branches in the

regions and developing synergies and partnerships. Secondly, adopt a gender-based approach through measures to strengthen the capacities and skills of women with disabilities, improve the collection and analysis of disaggregated data. Thirdly, to support employment and business creation by women with disabilities. Fourth, adopt an innovative approach through new technologies with the development of digital applications and the digitalization of services.

Fifth, adopt a participatory approach around disability to raise awareness of disability, develop positive attitudes towards people with disabilities and improve knowledge on how to interact with them.

Reduction of disparities by place of residence

Economic opportunities in rural areas and disadvantaged urban neighbourhoods are very low, which pushes people into a survival and informal economy. In most cases, rural areas and disadvantaged urban neighbourhoods do not have an adapted transportation system to access markets, work or services. Information on, for example, employment does not circulate easily. Often, people in rural areas and disadvantaged urban neighbourhoods are not aware of the opportunities. Urban planning fails to keep up with demand and new neighbourhoods emerge spontaneously. Services are usually also not taken into account, resulting in significant expenses after the fact.

The supply of decent housing is lower than the demand; most people in rural areas and disadvantaged urban neighbourhoods live in precarious conditions.

A major action will be the redefinition of a city policy that will allow, among other things, to: (a) strengthen our road safety policy to make driving safer in the city; (b) build roads with interchanges to connect the various parts of the cities and interconnect Djibouti-City to other regions; (c) facilitate access to property, in particular for first-time buyers; (d) consider the needs of people with limited mobility in urban and communication infrastructures.

SUB-PROGRAMME FOR THE IMPROVEMENT OF LIFE

OBJECTIVE OF THE SUB-PROGRAMME FOR THE IMPROVEMENT OF LIVING CONDITIONS

Implement a coherent set of activities to create the necessary conditions for sustained improvement of energy access and inclusive and sustainable economic development in traditional pockets of poverty.

The analysis of poverty and the social inclusion section has demonstrated the importance of access to social services in the quality of life of our citizens. Different marginalized groups in society all – to varying degrees – face challenges in accessing services. These difficulties contribute to perpetuating the situation of poverty and wider exclusion in society. During the SCAPE period, significant investments in service infrastructure have improved the situation, but these improvements are not yet at the level of our aspirations.

The priorities identified in Djibouti ICI will focus on the following four areas: (i) complementing

infrastructure investments with the special objective of improving access for marginalized groups, (ii) improving the quality of services, especially in the sense that they are more in line with the expectations of marginalized groups; iii) deepen the integration of the necessary services and infrastructure in urban planning; iv) stimulate the development of the private sector (for-profit and non-profit) in the social services sector, mainly by stimulating the emergence of social enterprises.

Specifically, the strategic axis are summarized in Table 6 below.

Table 6 : Areas of intervention to improve living conditions

.....

- Clean energy accessible everywhere and for everyone.
- Accentuate Social Inclusion and Territorial Coherence.
- Strengthen our health system, make it more agile.
- Redefine city policy.
- Investing in youth, the strength of the future.
- Promote an Islam of knowledge and openness.

CAPACITY BUILDING FOR SOCIAL INCLUSION SUB-PROGRAMME

OBJECTIVE OF THE CAPACITY BUILDING FOR SOCIAL INCLUSION SUB-PROGRAMME

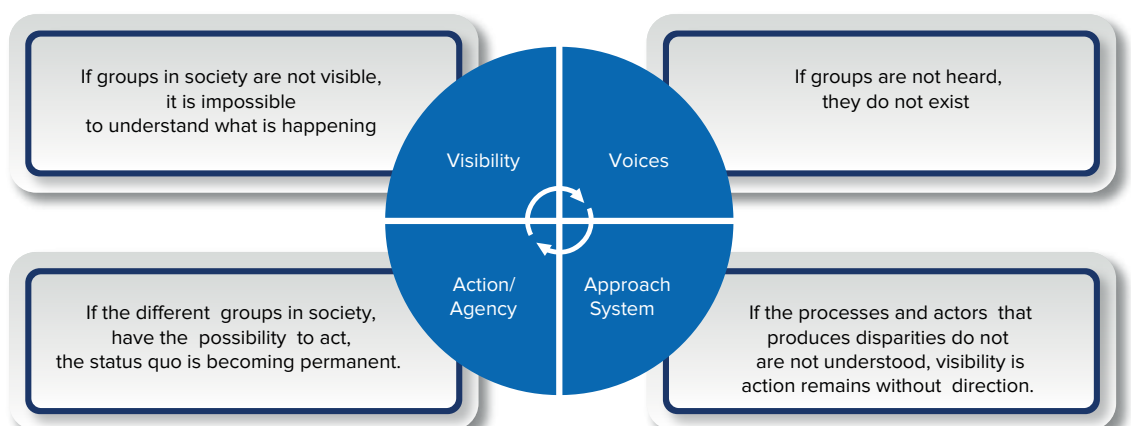
Implement a coherent set of activities to develop human and institutional capacities to systemically correct the sources of exclusion in society.

The challenges and opportunities of social inclusion are both “generic” (combating exclusion and capitalizing on the benefits of inclusion in terms of economic growth, stability; developing a sense of belonging to society or resilience; reducing vulnerabilities in society) and “specific” (each group has specific characteristics that often require a particular approach). In terms of governance, responsibilities are divided among different institutions, which requires coordination and strategic alignment efforts. An important element of governance will be the ratification and implementation of international conventions in the various fields. Our actions with regard to social inclusion are based on our approach highlighting elements of visibility, voice, perspective of actions and systemic approach.

This approach will achieve the following results:

1. The institutional capacities of the coordination and monitoring structures will be reinforced.
2. Economic and financial integration will be strengthened for marginalized groups, in particular to make economic and financial services more accessible.
3. Improved living conditions in disadvantaged regions and urban neighbourhoods.
4. Reducing marginalization through improved access to essential services and the fight against stigma.

Figure 9 : The Social Inclusion Approach



Strategy Approach

Visibility	<ul style="list-style-type: none"> • The Government ensures statistics relevant to each group are collected and that other statistics are broken down by group (e.g., employment, education, health, entrepreneurship, etc.). • The Government will produce an annual audit of the progress of inclusion for each group. • The Government includes in each development strategy, sectoral or national, an impact assessment on the inclusion of each group. • The Government is committed to working towards the most equal representation possible in government structures.
Voice	<ul style="list-style-type: none"> • The Government is committed to facilitating the voice of groups in the elaboration of analyses of the development problem, the elaboration of strategic, legal or regulatory texts. • The Government will take specific measures when the representation of one sex in the Government workforce falls below 40 per cent in an occupational category. • The Government is committed to facilitating networks of groups and other actors to organize themselves to better understand the specific issue and to better develop actions to improve inclusion. • The Government is committed to facilitating groups' access to social and traditional media and other means of communication.
Systems approach	<ul style="list-style-type: none"> • The Government is committed to facilitating analysis of challenges and opportunities to better understand the system (processes and actors) and improve inclusion.
Perspective for action	<ul style="list-style-type: none"> • The Government is committed to facilitating the implementation of activities to improve inclusion.

Summary of Inclusion Goals

Our growth model will be redesigned, resulting in a diversified economy creating wealth for all actors.

Social inclusion and territorial coherence will be strengthened with a “smart” city policy.

The basic and continuing education system will be strengthened so as to give all citizens a chance.

The health system will be strengthened and more agile, so as to better correct disruptions due to COVID-19 and prepare a response to any future pandemic.

Inclusive social development of Djiboutians and a significant improvement of living conditions is achieved.

Djibouti achieves inclusive economic and social development in cities and towns.

6. STRATEGIC AXIS II: CONNECTIVITY

OBJECTIVE OF THE STRATEGIC AXIS ON CONNECTIVITY:

The objective pursued under the strategic axis of connectivity is to position Djibouti as a hub of the regional and continental economy, offering a multi-service platform for finance, (e-)commerce and new information and communication technologies; ensure better national integration, with a view to accelerated urban and rural development, as well as better coverage of socio-economic services



PROGRAMME INTERCONNECTION BETWEEN REGIONS AND DJIBOUTI-CITY AND SPATIAL PLANNING

OBJECTIVE OF THE PROGRAMME

Ensure the rapid economic and social development of rural and urban regions through the construction of connecting roads, social infrastructure (electricity, water, schools, hospitals, etc.) as well as the economic development of the different regions according to their competitive advantages. Prioritize the specific problems of disadvantaged groups in cities and the hinterland.

Making cities inclusive, safe, resilient and sustainable will be at the heart of the sustainable development generated by the "ICI" NDP. The actions will aim to remove the structural constraints identified in

Chapter 4, in particular the high urbanization, the deterioration of the quality of life in slums and rural areas as well as the weak connectivity between Djibouti-city and the regions.

SUB-PROGRAMME ON INFRASTRUCTURE FOR URBAN AND RURAL CONNECTIVITY

OBJECTIVE OF THE SUB-PROGRAMME

Build and operationalize basic infrastructure to create the conditions for sustainable development throughout the territory.

Djibouti excels in its international connectivity. While mega-transport projects creating international connections have been an investment priority, connectivity deficits outside Djibouti City have contributed to the phenomenon of two-speed development, as well as dependence on trade. In this NDP, the focus will be on prioritizing and phasing sustainable transport projects.

This will be achieved through improved roads and the prevention of environmental and climate risks. The NDP focuses on 4 strategic priorities (see Box 9) with a focus on digitalization, including the development of telecommunications, to

facilitate economic connectivity in urban and rural areas.

This sub-programme will achieve the following specific results:

1. End the two-tier economy by improving connectivity between Djibouti City and inland regions;
2. Incorporating environmental concerns into infrastructure projects road;
3. Ensure universal access to telecommunications, and particularly the Internet, to boost agro-sylvo and pastoral production.

Box 9: Strategic priorities for the multimodal transportation system

1. Consolidate the modernization and improvement of port infrastructure.
2. Develop road transport corridor infrastructure.
3. Develop air transport, in coordination with other modes of transport (maritime, rail and road).
 - a. Modernization of airports, ports and roads and interconnection of infrastructure and interoperability of systems.
 - b. Improvement of legal, regulatory, institutional and organizational frameworks for transport services and infrastructure;
 - c. Preparation of the transport and logistics strategy with the strengthening and updating of the legal and technical framework of the sub-sector with the adoption and implementation of the Civil Aviation Code.
 - d. Support for the harmonization of electronic tools for cross-border trade (imports/exports); strengthening the trade facilitation coordination mechanism; simplification of all control procedures on the corridor.
 - e. Business intelligence to strengthen the effectiveness and efficiency of coordination of actors and change management.
4. Develop rail transport infrastructure.
 - a. Transformation of the status of the Société Djiboutienne des Chemins de Fer and rescheduling of the railway's debt;
 - b. Transfer of skills to railway workers;
 - c. Improved synergy between ports and railways.

SUB-PROGRAMME ON IMPROVING THE BUSINESS CLIMATE AND SUPPORTING RURAL-URBAN CONNECTIONS

OBJECTIVE OF THE SUB-PROGRAMME

Create the conditions for economic development for rural areas and disadvantaged strata in urban areas; create synergies between urban and rural dual economies.

Proactive actions also make it possible to link the country's two-way economies. The NDP will reduce skills gaps in the local workforce in high-demand trades such as construction. To this end, a platform will be set up for the exchange of information on jobs and the elimination of discrimination against women and young people.

One sector with great potential for job creation is construction. Strong actions will facilitate an increase in construction as well as in the material supply chain. Regions also have widespread investment needs in sectors that can use labor-intensive techniques and employ workers with multiple skills. Deliberate actions target training and recruitment in infrastructure construction, therefore opening up opportunities for workers in national small and medium-sized enterprises.

The NDP will also focus on sectoral policies and interventions in the areas of development and skills transfer. This will take place within the framework of the Linking Technical Education and Vocational Training (TVET) project. Decent work (lifelong learning) programmes are essential to ensure the success of skills policies.

Building materials are an essential part of the construction sector and currently come largely from other countries. Specific actions encourage cement production, in particular by exploiting the high potential for the extraction of building materials in the regions of Ali Sabieh and Dikhil. These actions will include, but are not limited to: training and monitoring to extract sand and other materials without groundwater pollution; support for the development of links between suppliers and processing and construction companies; coordination with financial institutions.

Tourism will be of major interest in increasing economic activities and jobs in the regions. The NDP exploits the strong tourism potential, particularly in labor-intensive hospitality and travel services.

Box 10: Priorities for urban-rural development

1. Integrate the migrant economy with the domestic urban economy.
2. Improve connections between major cities, secondary cities and villages by improving transport and digital connectivity.
3. Promote formal employment through the expansion of domestic employment and multipliers.
4. Strengthen rural livelihoods and endogenous sectors in regions outside the capital.
5. Improve access to basic services in urban and rural areas.
6. Improve access to adequate housing in urban and rural areas.
7. Strengthen the implementation of existing urban plans, develop urban and spatial plans and reorient urban development towards an orderly model, leaving room for streets and public services.
8. Establish a gender-sensitive framework for rural land rights.
9. Improve urban transport in terms of travel time, cost and sustainability.

Coordinated investments in quality tourism offers will be supported on regional connections to create multi-day travel packages.

The actions focus on increasing mobile and Internet penetration. With the development of the required skills, many employment opportunities will be created in labor- and infrastructure-intensive industries such as business process outsourcing and call centers.

While these opportunities may be aimed at a skilled work force, they will boost jobs in mobile services and retail. They will develop alongside strategies to deepen mobile penetration outside Djibouti City.

SUB-PROGRAMME ON REGIONAL AND RURAL ECONOMIC DEVELOPMENT

OBJECTIVE OF THE SUB-PROGRAMME

Support economic development actions for rural areas and disadvantaged strata in urban areas.

Specific actions will focus on synergies between urban, small town and rural areas. Growth opportunities outside the Capital Region are based on links to growth-growing sectors such as construction, tourism, agriculture, livestock and fisheries. Living conditions in rural areas will be improved through the modernization of agricultural operations as well as the improvement of the storage and transport of food products (including agricultural products, fish, meat and milk) - these efforts can be linked to urban markets. Interventions will also aim to improve farmers' access to markets.

Fisheries, in particular, is an endogenous growth sector with high potential for Djibouti's secondary cities. Support will focus on the elimination of constraints such as: technical capacity to fish

Actions will focus on targeted support for companies with good prospects or in growing sectors such as construction, trade and transport. In secondary cities and regions too, emphasis will be placed on increasing productivity in artisanal fisheries, agriculture, livestock and dairy production.

The priorities (Box 10) are aligned with the different sectoral strategies and urban master plans, as well as the guidance provided by the working groups to develop the 2020-2024 NDP Djibouti ICI. As urban-rural development necessarily includes different sectors, there is a strong link between the priorities below and some included in the other sections of the 2020-2024 NDP Djibouti ICI.

sustainably; lack of organization among fishermen; treatment, conservation and supply on the necessary scale; compliance with quality standards and international health and environmental standards; refrigeration and storage facilities; capacity to repair and maintain boats; market development through access to information and opportunities. A process of local economic development will be put in place: it will bring together fishermen and other local actors around those responsible for the sector to prioritize and implement actions.

The regions designed development plans in 2017, with the support of the Ministry of Economy and Finance, based on their geography and potential (which is, for the most part, agriculture and livestock). The NDP will focus on developing

local implementation capacity and support for anchoring projects and seed development funds.

Particular emphasis will be placed on strengthening rural livelihoods and endogenous sectors in regions outside the capital. Sectors of endogenous economic opportunity outside Djibouti City include tourism, agriculture, livestock and fisheries. Although each sector has its own strategic priorities, the local aspect of development requires special attention. Each region outside Djibouti City has a regional development

plan but regional officials need more national support to implement them.

In addition, to catalyze regional development, the establishment of a Local Development Fund is envisaged for each region to implement projects aimed at anchoring the economic development process while strengthening regional capacities for effective governance.

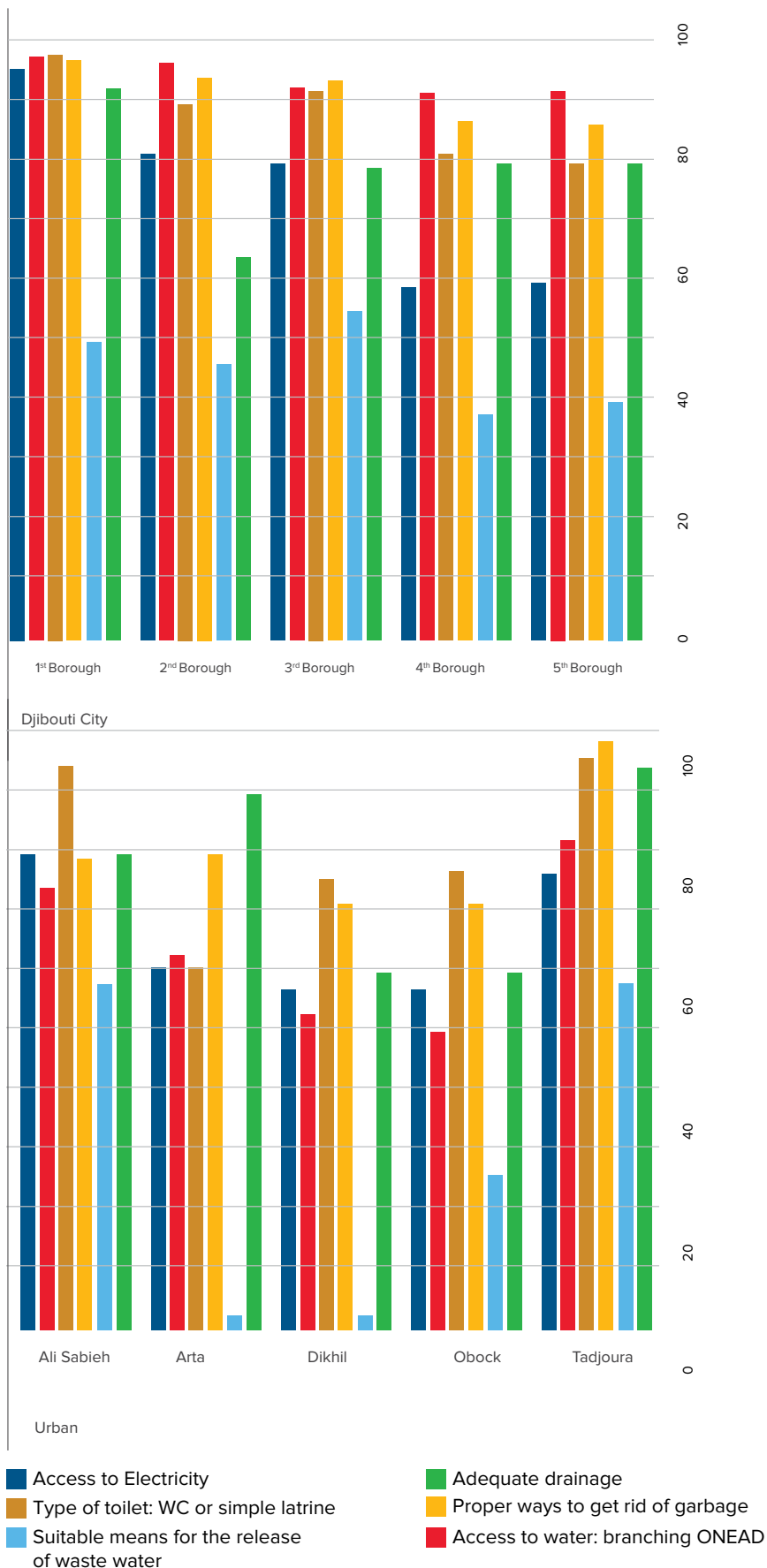
Improving access to basic services in urban and rural areas will be concentrated in the respective sectors, including housing, infrastructure, spatial planning, and migration.

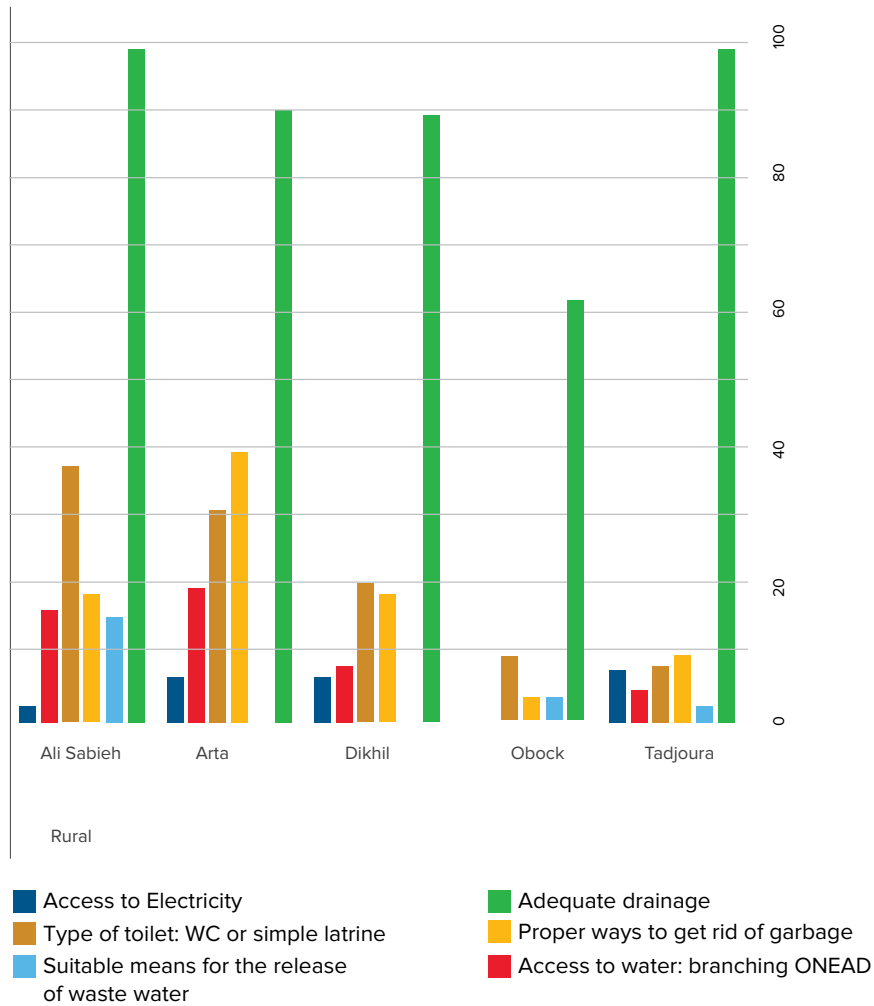
Housing improvement actions

The housing deficit is glaring throughout the country. Interventions will be made on several fronts, including scaling up existing social housing programmes and providing developed plots. Support to the local construction industry to produce and distribute building

materials at a lower cost is to be considered. With this in mind, the NDP will strengthen existing housing programmes. Access to basic infrastructure will be developed with an emphasis on reducing spatial inequalities in health and education.

Figure 10 : Housing Issues by Region





To improve access to adequate housing in urban and rural areas, emphasis will be placed on the continuation and intensification of housing programmes, including the Zero Slums programme. Strengthening the implementation of existing urban plans and redirecting urban development towards an orderly model

(leaving room for streets and public services) will be consolidated.

The focus will be on reducing the costs of modernizing disorganized neighbourhoods; eliminating land speculation; and strengthening planning institutions to monitor urban development.

LAND USE AND URBAN PLANNING SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

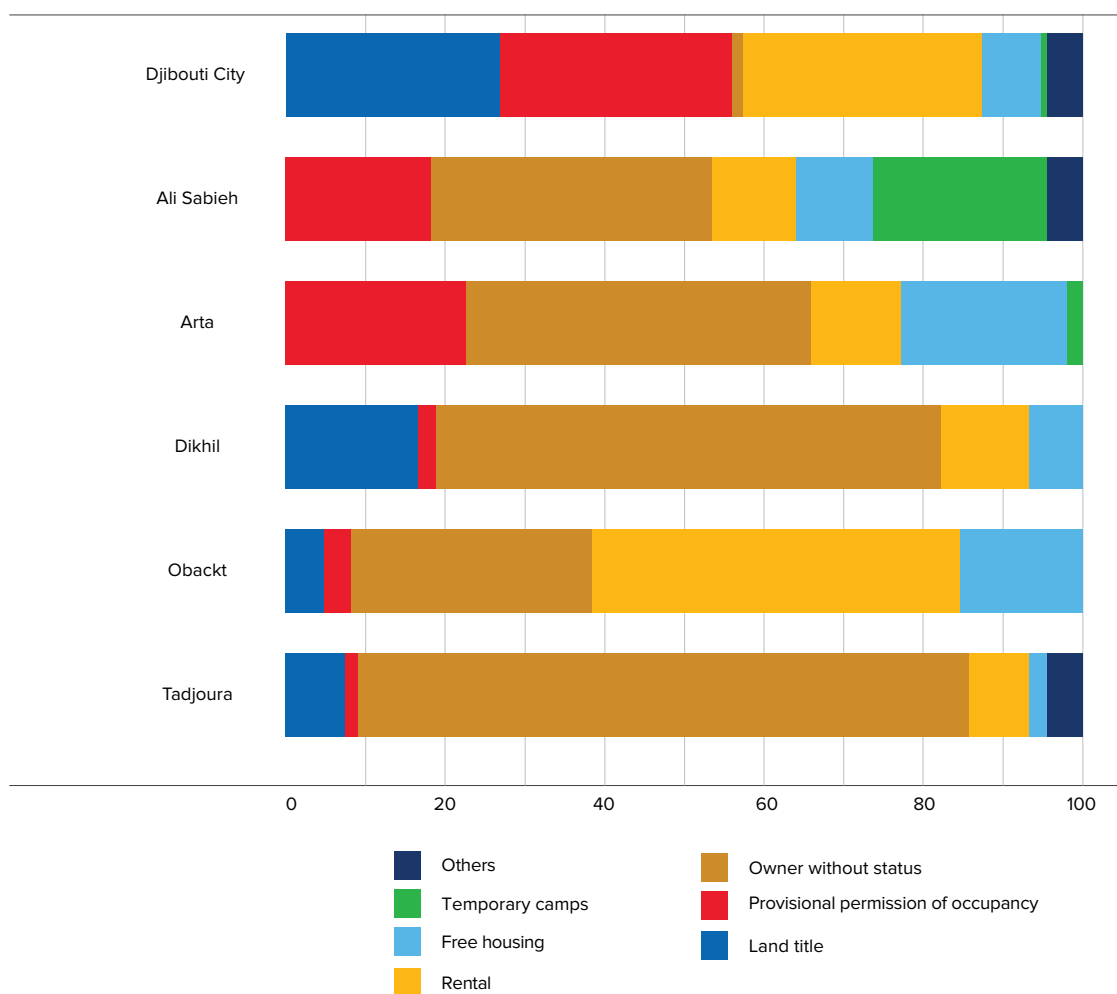
Promote the development of regions and cities; reduce economic, social and spatial inequalities by taking into account the endowments and particularities of the territories.

The urban development process in Djibouti is not working well due to the fact that the majority of development takes place without planning and without basic infrastructure.

The dysfunction of the planning system is due, in part, to a lack of public information

and institutional capacity, including the fundamental capacity of local Governments to assign street names, house numbers and to conduct a housing census. The focus will be on better urban land administration to facilitate sustainable urban development. Particular attention will also be paid to awareness-raising.

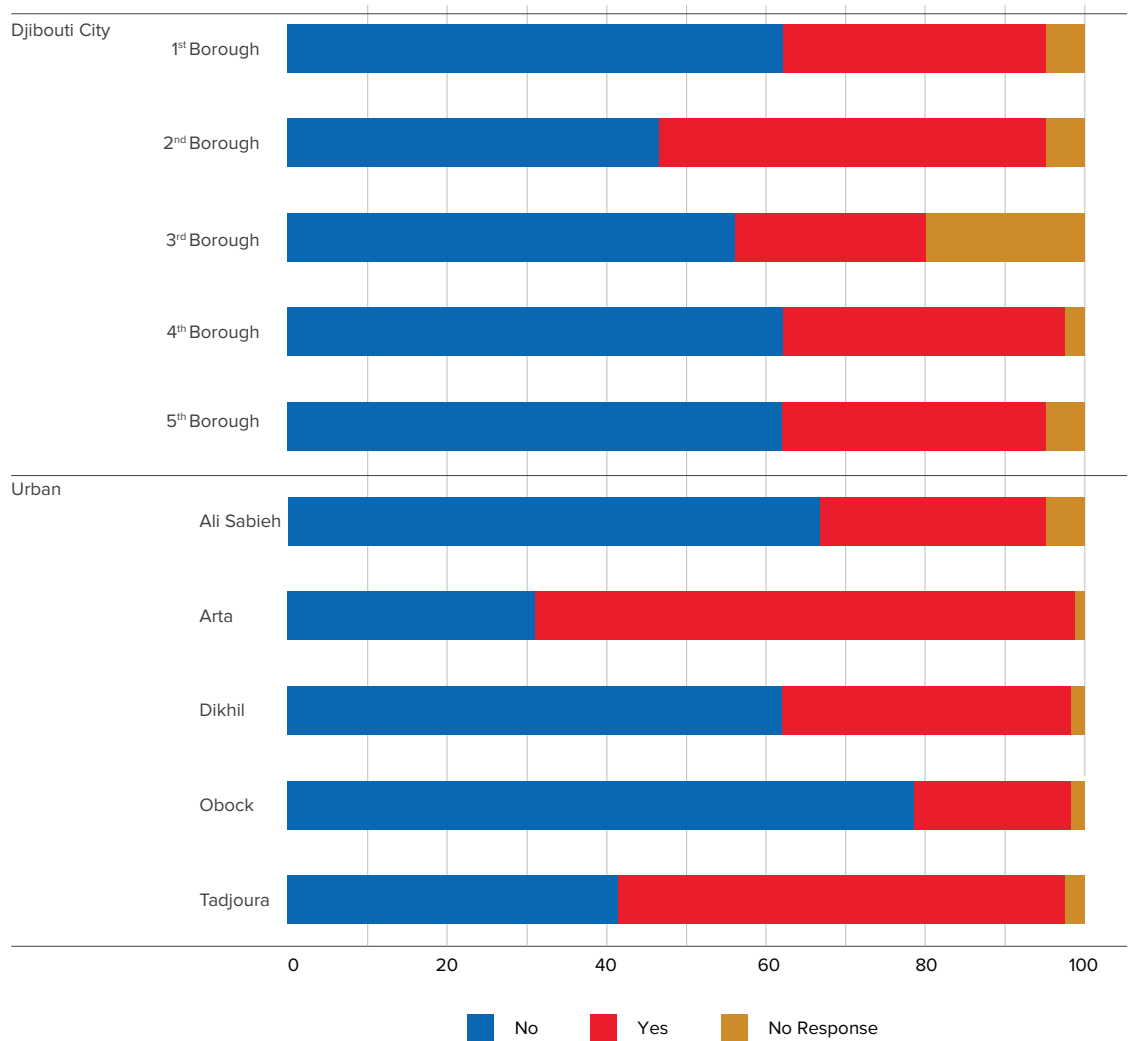
Figure 11 : Household Dwelling Occupancy Status by Region



Land rights administration, especially in rural areas, will reduce the degradation of pastures due to climate change, the risk of conflict between the needs of nomadic farmers and pastoralists, and the potential for gender inequalities under customary land laws. Inclusive engagement with rural populations regarding their needs will be prioritized to establish a fair and equitable legal framework for rural land management.

To improve connections between major cities, secondary cities and villages, investments and reforms will focus on transport and digital connectivity. A national transport plan will be developed to give priority to transport connections with economic justification.

Mobile phone connectivity is another area with great potential to improve livelihoods, especially in rural areas.



The mobile digital infrastructure programme extends financial services and mobile money

to a larger part of the population, especially in rural areas.

Actions to improve urban transport

Urban transport in Djibouti City is a major problem. The expansion of the city increased distances; future expansion will require an overhaul of the public transport system that risks fragmenting the labor market due to poor connectivity. The establishment of an efficient public transport network will be one of the priorities of the NDP. An overhaul of public transport will make it possible to coordinate and better support operators, owners and passengers, taking particular account of women's concerns. Investments will be increased in Djibouti City's transport system, particularly with regard to pedestrian infrastructure.

The transport strategy will improve urban transport in terms of travel time, cost and sustainability. Investments in infrastructure will improve the efficiency and safety of the public transport system, and improve mobility.

The NDP includes strong actions to integrate the migrant economy into the domestic urban

economy. Women's concerns will be prioritized for access to land elements; rural land rights will be strengthened, inter alia, through the development of a practical and adapted legal framework to govern rural land.

The actions of the NDP will focus on:

- The development of growth poles of the Value Chains of agricultural perimeters; port and blue economy services; tourism and fisheries; Agriculture and Urbanization Value Chains.
- The preparation and implementation of a development plan (covering infrastructure, housing, disadvantaged strata and migrants) for each region and at the national level.
- The establishment of a Fund for Local Development.

Planning and control of the development of Djibouti-Ville

Djibouti-Ville is an important nucleus to make Djibouti the flagship country of the Red Sea. It will have to offer economic and social infrastructure to become an integrated industrial hub for benchmark economic, commercial and financial transactions in the Horn of Africa and on the Silk Road. Planning and controlling the long-term development of Djibouti City will be a priority. The actions will be carried out within the framework of the development plan and the future development prospects of the city. Emphasis will be placed on strengthening human and institutional capacities in the design of public works, development, sanitation and equipment, and the construction of economic, administrative and social infrastructure.

The NDP accelerated the implementation of the project to supply drinking water from Ethiopia. The management of solid waste and wastewater, and more generally the problem of sanitation, will be an element of a new city

policy. It will be developed by covering, inter alia, the following elements:

1. Strengthen the road safety policy to make driving safer in the city;
2. Provide school transport for middle and high school students;
3. Increase the rental stock by encouraging real estate development through tax incentives and zero-interest financing;
4. Facilitating access to home ownership for first-time buyers through the expansion of the fundState guarantee to cover real estate loans;
5. Include a clause allowing the construction of ramps and other access mechanisms for people with disabilities in any new construction intended to accommodate the public;

6. Facilitate access to land by making available 2000 serviced plots per year Djibouti-Ville and other regions;
7. Fight against real estate speculation by creating a rental license to regulate rents and prices per m² between individuals (ceilings, floors and by sector).

LOGISTICS AND DIGITAL PLATFORM PROGRAMME FOR A COMMERCIAL AND LOGISTICS HUB OF AFRICA

OBJECTIVE OF THE PROGRAMME TO SET UP THE LOGISTICS PLATFORM AND THE COMMERCIAL HUB

Make Djibouti a logistics hub of excellence in the sub-region and the connector to the world of the landlocked countries of East Africa and the East of the Democratic Republic of Congo through: i) the exploitation of the opportunities associated with its strategic positioning on the Silk Road crossing 38 countries of the world; (ii) the capitalization of its strategic position as a crossroads of trade between the three continents of Africa, Asia and Europe.

LOGISTICS AND TRADE HUB INFRASTRUCTURE CONSTRUCTION SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Complete the construction and modernization of basic infrastructure for a logistics and commercial hub.

The success of the logistics platform will be facilitated by focusing on strategic priorities (see Box 11) and by carrying out actions to address major challenges. The first challenge will be to ensure the resilience of supply chains which will require the availability of real-time information for decision-making.

This will require that connectivity infrastructures are accompanied by a comprehensive transport and logistics system that is fully integrated into logistics service delivery processes.

The second challenge, intimately linked to the previous one, will be a robust e-logistics technology platform to promote the interoperability of the system for all operators in Djibouti's logistics ecosystem. This will support the interface of end-to-end and real-time users' electronic logistics to respond to the complexity due to the fragmentation of production and distribution processes. This will prevent disruptions in supply chains.

The third challenge is related to the multiplicity of actors in the entire supply chain as well as the increasing sophistication of transport and logistics operations.

An integrated digital platform as well as a platform for stakeholder consultation will enable the horizontal and vertical integration of transport and logistics organizations. They will facilitate the improvement of freight delivery efficiency from the shipper to the consignee.

The fourth challenge is the quality of road transport logistics services. This will be improved through legal, regulatory and institutional reforms to reduce travel times and costs along the corridors that serve Djibouti. The focus will be on the professionalization of the actors to align the performance to imports/exports with the other competing places. A training and capacity building programme on cross-border trade procedures and trade facilitation will be implemented. The efficiency

of the road system linked to the platform will be an integral part of this agenda. With Djibouti ICI, the focus will be on reforms to reduce transaction costs and strengthen economic competitiveness through the continuous improvement of Djibouti in the “Doing Business” ranking.

The objective will be to link Djibouti to the conditions prevailing in the user or potential user countries of Djibouti as an opening to the world as well as to others, competing logistics hubs. A programme will be implemented that holistically address the intersecting issue of capacity building in the area of connectivity-related infrastructure and services.

Djibouti ICI will focus on the technology sector with high growth potential. Interventions will focus on five areas: (1) the implementation of a strategy for a regional hub by the Djibouti Ports and Free Zones Authority (APZF); (2) the facilitation of customs clearance procedures at the administrative level by the Djibouti Chamber of Commerce (CCD); (3) the institution of better public-private consultation through the High National Council for Public/Private Dialogue by the CCD; (4) strengthening the framework governing the profession of carriers at the level of the CCD/ Ministry of Commerce/Djibouti Ports Corridor Road (DPCR)/Ministry of Equipment and Transport (MET); (5) the reinforcement of the tracking system for trucks in transit by the DPCR.

The development of digital technology will be at the center of all initiatives to facilitate economic and financial transactions. The Government will develop a modern ecosystem of the digital economy with a focus on the adoption of digital technologies and infrastructure in line with comparable logistics platforms.

Interventions will be geared towards the establishment of the appropriate regulatory framework and the development of human capital focused on closing the digital skills gap. This will be achieved through continuous training to empower actors to

enable them to exploit the opportunities of the digital world. These actions will allow the development of an Internet Value Chain that generates well-paid jobs for young people and the middle classes; this promotes the competitiveness of the sector and the creation of businesses (incubator). The continuous improvement of e-commerce will aim to align Djibouti with the COMESA guidelines on the digital exchange area.

A legislative and regulatory audit will be carried out in advance to better adapt national laws and regulations to electronic commerce, in particular with regard to the definition of electronic commerce or its treatment, the use of rules governing trade in goods or those governing trade in services.

The focus will be on seven priorities (see Box 11) with actions addressing the following:

1. Reform of legislative and regulatory frameworks for improving the quality of logistics services, the resilience of supply chains and universal access.
2. The establishment of a modern ecosystem of the digital economy with a priority given to the adoption of digital technologies and infrastructures.
3. The capacity-building programme for the effective participation of small and medium-sized enterprises.
4. The implementation of a strategy for a regional hub by the Djibouti Ports and Free Zones Authority (PFZ).
5. The dematerialization of customs clearance procedures.
6. The professionalization of carriers and the strengthening of the tracking system for trucks in transit.
7. The establishment of a robust E-logistics technology platform as well as a framework for stakeholder consultation through the High National Council for Public/Private Dialogue.

Box 11: Priorities for the logistics platform and the commercial hub

1. Align priorities with national transport, digital and economic development strategies.
2. Modernize and improve the competitiveness of the country's port infrastructure;
3. Develop air, road and rail transport logistics services;
4. Improve the business climate;
5. Achieve the competitiveness of multimodal transport logistics services;
6. Prioritize human and institutional capacity building;
7. Develop digital technology, and thus facilitate economic and financial transactions (with Djibouti's linkage to COMESA directives on the digital exchange zone).

SUB-PROGRAMME ON CONSTRUCTION, REHABILITATION AND MODERNIZATION OF INFRASTRUCTURE FOR CONNECTION TO THE REST OF THE WORLD

OBJECTIVE OF THE SUB-PROGRAMME

Complete the implementation of connectivity infrastructure to the rest of the world and accelerate the modernization and quality of services to increase connectivity to the rest of the world

During the implementation of the NDP, Djibouti will capitalize on the progress made during the period of the Accelerated Growth and Employment Promotion Strategy (SCAPE) 2015-2019 in the provision of ultra-modern infrastructure. Such investments will enable the country to become an open economy focused on port trade, logistics and related services to neighbouring countries. As such, Djibouti will become a propellant of regional integration and the realization of the African Continental Free Zone. The NDP will complement the missing links to provide the country with a multimodal transport system and will focus more on reforms and capacity building for their profitability (such as the Doraleh port complex, the Ports of Tadjourah, Goubet and Damerjog).

Improving transport services in the rail, road, maritime and air sectors will improve competitiveness at levels at least comparable to those of Djibouti's competitors. Such an improvement in competitiveness will also enable Djibouti to attract traffic to and/or from the rest of

Africa, particularly the Great Lakes countries.

To this end, particular emphasis will be placed on the activities framed by the tripartite agreement between Djibouti, South Sudan and Ethiopia on cooperation for the transport of oil through the construction of an oil pipeline linking South Sudan and Djibouti, but also in the transport and telecommunications sectors. Priorities are aligned with national strategies for port development, multimodal transport system development and economic development.

In summary, the actions of the NDP will focus on the following points :

1. Completing the missing links to provide the country with a multimodal transport system.
2. Reform and build capacity for cost-effective infrastructure.
3. Implement the tripartite agreement between Djibouti, South Sudan and Ethiopia.

SUB-PROGRAMME REFORM TO ATTRACT INVESTMENT AND IMPLEMENTATION INFRASTRUCTURE FOR CONNECTING WITH THE REST OF THE WORLD

OBJECTIVE OF THE SUB-PROGRAMME ON IMPROVING THE INVESTMENT CLIMATE

Improve the business climate needed to attract foreign capital and direct investment as well as global supply chain leaders to support the investments and reforms required on the connectivity agenda.

Figure 12 : Djibouti’s multimodal transport



The fluidification of road transport will be improved thanks to the competitiveness of rail transport. SCAPE has made it possible to make significant investments, including the 756 km railway linking Djibouti-Ville to Addis Ababa, which has already reduced the freight transport time from 50 hours to 12 hours. During the 2020-2024 NDP Djibouti ICI, efforts will focus on the optimization of these infrastructures. It will be necessary to: ensure their maintenance, initiate reforms, reduce travel times and costs along the corridors. In the short term, the work of the national committee responsible for the further transformation of the status of the Société

Djiboutienne des Chemins de Fer (SDCF SA) and the rescheduling of the railway’s debt will be relaunched.

A transfer of skills will be set up through the training of the railway workers of the Ethio-Djibouti Railway in Chinese technology.

Efforts will also focus on improving synergy between modes of transport. The development of multimodal transport will focus more than in the past on the development of air transport for greater synergy with other modes of transport, mainly maritime, rail and road.

Efforts will focus on reviving the airline, modernizing airports, ports and roads. As such, in the short term, a directive, followed by a programme on infrastructure interconnection and system interoperability, will be planned. The preparation and implementation of the transport and logistics strategy will strengthen the legal and technical framework of the sub-sector with the adoption and implementation of the Civil Aviation Code. The improvement of services and competitiveness will be facilitated through the preparation and implementation of a continuing education programme in the various areas of the supply chain, including electronic tools for cross-border trade, infrastructure and related logistics services for the export of mining products from northern Ethiopia and crude oil from southern Sudan.

In summary, the actions of the NDP will focus on the following points:

1. Ensure the maintenance of infrastructure and initiate reforms; reduce travel times and costs along corridors.
2. Transform the status of the Djiboutian Railway Company and reschedule the railway debt, with transfer of skills through the training of railway workers.
3. Develop the air transport hub, in particular through the revival of the national airline, the modernization of airports, ports and roads.
4. Preparing and implementing a directive on infrastructure interconnection and interoperability of systems.
5. Prepare and implement a continuing education programme in the different areas of the supply chain.

MODERN INFRASTRUCTURE FOR CONNECTION TO THE REST OF THE WORLD PROGRAMME

OBJECTIVE OF THE PROGRAMME FOR INFRASTRUCTURE FOR CONNECTION TO THE REST OF THE WORLD

Capitalize on Djibouti's strategic position to become the crossroads of trade between Africa, Asia and Europe.

INFRASTRUCTURE CONSTRUCTION, MODERNIZATION AND IMPROVEMENT SUB-PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Accelerate the development of multimodal connection infrastructures to the rest of the world.

Djibouti will accelerate the development of multimodal connection infrastructure to the rest of the world. With its opening to the sea, Djibouti benefits from the best niche to propel economic and social transformation through maritime trade and port activities. The focus will be on building the missing links of modern basic physical infrastructure, followed by a technological upgrade comparable to other ports in the Horn of Africa and the Middle East. Thus, actions to secure transport infrastructures such as the maintenance of connectivity infrastructures and the protection of the environment will multiply. All these

actions will make it possible to reduce costs, improve the quantity and quality of port services and secure or even exceed the competitiveness of competing port places in East Africa and the Middle East.

Investments in road transport corridor infrastructure are better connecting Djibouti with its neighbors and serving as a hub for global trade. During the 2020-2024 "Djibouti ICI" NDP, efforts will focus on infrastructure finalization, maintenance and reforms to reduce travel times and costs along corridors. Ultimately, this will improve overall

competitiveness. The focus will be on reducing delays and costs, eliminating tariff and non-tariff barriers that impede movement, and improving connectivity infrastructure coverage for international and intra-regional trade.

Priorities include national road segments, corridors to be built, rehabilitated and maintained, and national road infrastructure to be upgraded to Community standards. The reform of the legal, regulatory and institutional frameworks is to be considered, including the implementation of the law on public passenger transport registers, the single road window in Galafi and the strengthening of the tracking system for trucks in transit.

In addition, passenger and freight transport fleets need to be modernized and the players in the road transport sector need to be professionalized (in particular, the establishment of an organization for public passenger transport).

At the end of “Djibouti ICI”, the country will be a reference air platform to serve the logistics hub and associated services (tourism, transit, education-training). The achievement of this objective will capitalize on the country’s geographical assets by positioning it as a reference stopping point on the Silk Road and the gateway to East Africa.

Figure 13 : Djibouti’s roads



Source : Study on data collection for the Djibouti corridor.

The logistics hub will also make it possible to create an industrial hub and, as a result, to initiate the industrialization process essential to the sustainable rebalancing of the trade balance.

Air transport, in synergy with sea and land transport, is a sure way to better connect Djibouti to the rest of the world thanks to its speed, security and guarantees in terms of supply and export of strategic products. The airline's recovery efforts and reforms related to the airline sector will continue, in line with the continental and COMESA agenda. The development of air transport will complement road and rail actions with the objective of transforming Djibouti into a transit corridor for the landlocked countries of Africa in the Great Lakes, through the development of sea-to-air transshipment.

The specific actions will be used to:

1. Continue the construction and modernization of airports, ports and roads.
2. Prepare a directive on infrastructure interconnection and interoperability of

systems, with a focus on reducing transit times.

3. Strengthen the updating of the legal and regulatory framework for the improvement of logistics services on the logistics platform and along the lines serving Ethiopia and other landlocked Great Lakes countries.
4. Prepare and implement a continuing education programme.
5. Prepare and implement a support programme for the harmonization of electronic tools for cross-border trade (imports/exports); strengthen the trade facilitation coordination mechanism and simplify all control procedures on the corridor.
6. Prepare and implement a business intelligence programme to strengthen the effectiveness and efficiency of actor coordination structures and change management.

SUB-PROGRAMME ON HUMAN AND INSTITUTIONAL CAPITAL DEVELOPMENT FOR IMPROVE THE BUSINESS CLIMATE

OBJECTIVE OF THE SUB-PROGRAMME

Develop technical and professional human resources in adequate quantity and quality to meet the needs of companies; improve the business climate needed to attract investors and global supply chain leaders; implement a human and institutional capital development programme for the performance of infrastructure connecting to the rest of the world

Strengthening private sector participation

For the efficient design and operation of structuring infrastructures, the Government will support the development of a strong and professional private sector. The professionalism of the actors will ensure the resilience of the entire supply chain at the national and international levels.

The Government will encourage the establishment of multi-stakeholder and

multi-sectoral platforms to build consensus between the Government and supply chain professionals. The platform will include small and medium-sized enterprises (SMEs) as well as larger and international players.

A business environment reform project that ensures healthy competition will improve the quality and cost of logistics services. Commercial transactions are dominated by

small-scale, informal and poorly educated operators. Transactions are insured in cash and in person. The reform will put in place a sustainable solution and better access to financial intermediation for small operators. The programme will reduce the cost of cross-border transactions such as the payment of customs duties, fees for logistics services of international trade. This means eliminating cash transactions at sea and land borders as well as throughout regional corridors. This will be achieved through cross-border payment via digitalization. This will be part of the single window programme for transportation facilitation programmes. Problems will be solved by effectively exploiting the opportunities offered by digitalization in the design of payment instruments. One of these instruments is mobile payment technology.

The private sector can contribute to significant infrastructure investments through public-private partnerships (PPPs). Private sector engagement will go beyond investments in physical infrastructure. It will also be embodied in the identification of priorities to improve transparency and information flows. It will serve to promote viable and sustainable, holistic and coherent trade facilitation solutions. The promotion of PPPs depends on the availability of a thorough understanding of the constraints, opportunities and regulatory aspects specific to each project. As a result, the NDP will include a clear policy and legal/regulatory framework that enables investors to make informed decisions. Skills development and capacity building can increase understanding of the private sector with inclusive benefits and how to integrate them into practice.

Cost-effective logistics services to connect to markets will be indispensable. Liberalization can reduce the cost of services and ensure

greater accessibility, but the associated regulatory regime must be well developed and comprehensive to meet specific needs. The NDP plans to establish reporting mechanisms that assess service delivery and client satisfaction. The main interest of private operators in large infrastructure projects is the expected financial return. The measures provided for in the NDP take this concern into account. Specific actions remove barriers to market entry and possible discrimination faced by small and medium-sized enterprises owned by women or other minority groups. Actions to ensure inclusion will remove barriers to market entry and ensure transparency in reporting on discrimination cases.

Specific interventions will enable women and entrepreneurs from minority groups to overcome barriers to entry into the logistics supply chain.

Specific actions include:

1. Prepare and implement a programme of professionalization of professional actors and associations - this will be done within the framework of a multi-actor and multisectoral platform for consensus-building.
2. Establish a legal and regulatory framework on PPPs that allows investors to make informed decisions.
3. Prepare and implement a training programme on the management of cross-border procedures and compliance with market requirements.
4. Improving the efficiency of cross-border payments through the digitalization of payment systems.

Capacity building of Supply Chain actors

The PND 2020-2024 Djibouti ICI will continue with investments for the finalization of the construction of infrastructure and its maintenance. Despite progress in investments in connectivity infrastructure, costs are not competitive enough and, in 2020, Djibouti regressed in the “Doing Business” ranking, after great progress in 2018 and 2019.

One of the manifestations of this lack of competitiveness is the Internet and mobile penetration rate, which is among the lowest in the region. Emphasis will be placed on the promotion and use of computer technologies, including the electronic campus of the University of Djibouti, the improvement of the exchange point and the quality of the

Djibouti Data Center (SDC) Internet local area networks.

Priority will be given to strengthening human and institutional capacities. To this end, it is envisaged to set up a platform for the mobilization and coordination of actors to promote the linkage of Djibouti to the conditions prevailing in competing logistics hubs. A programme will be carried out that holistically address the intersecting issue of capacity building in the field of connectivity-related infrastructure and services. This programme will create a network of professionals in the logistics sector (public/private partnership) and will have a training plan for the various logistics professions (operators, technicians, executives and managers). This also includes awareness-raising and professional training modules in infrastructure policies and connectivity services. These modules can be done in partnership with other logistics hubs.

The level of preparedness and the ability of public and private actors to accept the required changes is an important variable. The NDP will focus on developing skills in all aspects of the supply chain and logistics hub. A project will focus on supporting and accompanying the various actors in their efforts to rationalize and automate their procedures. A module will focus on basic and continuing education.

Effective change management will therefore be an integral part of the infrastructure investment and institutional reform agenda. The project will include activities to support the mobilization of all the people and administrations involved. Training will also be provided for individual capacity building and business intelligence targeting all parties involved. Focal points for strategic watches will be designated within these ministerial departments and private sector actors.

The actions of the NDP in this sub-programme are:

1. Promote the use of information technologies through support for the electronic campus of the University of Djibouti; improvement of the exchange point and the quality of the Djibouti Data Center (SDC) Internet local networks.
2. Prepare and implement a programme that holistically addresses the intersecting issue of capacity building in the field of connectivity-related infrastructure and services.
3. Implement a business intelligence programme to ensure a good understanding of the functionalities of the elements of the logistics platform and the global supply chain and change management.

PROGRAMME FOR THE CONSOLIDATION **OF REGIONAL INTEGRATION AND THE CONQUEST OF MARKETS**

OBJECTIVES OF THE PROGRAMME FOR CONSOLIDATING REGIONAL INTEGRATION AND CONQUERING MARKETS

Strengthen the geostrategic position; capitalize on investments in connectivity infrastructure; accelerate technological development to conquer and consolidate positions in regional and international markets.

SUB-PROGRAMME ON HUMAN AND INSTITUTIONAL CAPACITY BUILDING FOR THE TRADE AGENDA

OBJECTIVE OF THE SUB-PROGRAMME ON STRENGTHENING HUMAN AND INSTITUTIONAL CAPACITIES FOR TRADE POLICY AND EXPORT MARKET DEVELOPMENT

Develop technical and professional human resources in adequate quantity and quality for the implementation of the trade agenda and the conquest of export markets.

Efficient trade support institutions are essential for effective positioning on regional and international markets. The NDP focuses on the basic and continuing training of actors. It also focuses on capacity-building of policy formulation and implementation institutions. Specific actions will include a continuing education and capacity building programme as well as human resources training for the implementation and monitoring of the implementation of the Continental Free Trade Area. Other agreements will also be implemented. A multi-stakeholder platform (for advocacy, business intelligence, trade policy information, regional integration, particularly with regard to free circulation) is also envisaged.

Activities will also focus on: effective participation in World Customs Organization (WCO) programmes, in compliance with the provisions of the COMESA Trade Facilitation Programme and the promotion of intra-African trade (Boost Intra- African Trade – BIAT) as part of the implementation of the AfCFTA.

A corollary programme will focus on strengthening the institutional capacity of ministerial departments. This will better coordinate and promote the regional trade and integration agenda. This will also facilitate strategic reflection on the needs of local producers by provoking exchanges of experience. To this end, an information portal will be created to manage commercial information (Collection, processing and dissemination of commercial information), accompanied by continuous training of stakeholders in its use. The main elements of this support will be the adoption of a trade policy conducive to coherence between bilateral, regional, continental and multilateral commitments.

Specific actions will include the consolidation of the trade and development agenda, at the government level, incentives for companies to align with standards and regional and international standards. This will attract foreign investors and achieve synergy between the free zones and the rest of the national economy. The second element is the adoption of a trade promotion and development strategy capitalizing on the Diagnostic Study for Trade Integration (DFED) and the implementation of various agreements such as the Trade Facilitation Agreement (TFA). A component of the strategy will consist of a roadmap for effective participation in the work programme of trade and regional integration organizations (COMESA, IGAD, African Union - AU).

The NDP will strengthen the management of trade commitments at the bilateral, subregional and multilateral levels. This will make Djibouti a regional maritime outlet and a service platform through the implementation of transport and trade facilitation commitments. A first action will be the respect of the reform and the effective implementation of the commitments to ensure the trade integration of Djibouti within IGAD, COMESA and AfCFTA. A second action will be the short-term focus on strengthening political and diplomatic representation in the structures of COMESA, IGAD and AfCFTA.

A third action will focus on strengthening international and economic cooperation services to facilitate the conquest of regional and continental markets - including the WTO Agreement on Trade Facilitation and the COMESA/AU programme. Particular attention will be paid to the elimination of difficulties along corridors and land and sea borders.

The actions of the NDP in this sub-programme are:

1. Prepare and implement a basic and continuing education programme for actors.
2. Strengthen the institutional capacities of the ministerial departments responsible for the formulation and implementation of policies, in particular for the implementation and monitoring of the implementation of the Continental Free Trade Area and other agreements; establish a roadmap for effective participation in the work programme of regional and international organizations.
3. Prepare a programme providing incentives for companies to align with regional and international norms to attract foreign investors and achieve synergy between free zones and the rest of the national economy.
4. Adopt a strategy for trade capitalizing on the Diagnostic Study for Trade Integration (DTRC) and the implementation of the various agreements.

SUB-PROGRAMME TO SUPPORT THE FORMULATION AND IMPLEMENTATION OF THE AGENDA COMMERCIAL AS WELL AS THE CONQUEST OF MARKETS

OBJECTIVE OF THE SUB-PROGRAMME ON THE FORMULATION AND IMPLEMENTATION OF THE AGENDA

Boost Djibouti's trade with the rest of Africa and the world, including e-commerce, through logistics services to enable effective participation in agricultural, agro-pastoral, industrial and service value chains; consolidate the position of operators in growth markets at national and international level

To achieve the 2035 vision and harness the benefits associated with investing in connectivity, Djibouti will need to expand trade. An increase in exports, especially exports of connectivity-related services, will provide foreign exchange to finance investments. Such an expansion of exports will create well-paying jobs, especially for young people. Increasing import capacity will facilitate access to high-tech products and promote competition that will boost productivity.

Expanding trade will attract multinational companies that will bring management, technical and design skills. Their networks will facilitate access to new export markets.

Expanding trade will create new, more productive jobs that will facilitate growth through structural transformation. The transfer of labor from low-productivity jobs, mainly in agriculture, to higher-productivity jobs in a range of predominantly urban

activities will help to achieve the imperatives of diversification and economic and social inclusion.

The NDP will focus on three priority areas (see Box 12) that will aim to stimulate trade expansion and deeper regional integration. A priority will be to strengthen exchanges with neighbouring countries, in particular COMESA, IGAD and the Democratic Republic of the Congo. Equal attention will be given to the implementation of the African Continental Free Trade Area (AfCFTA). The Continental Trade and Development Agenda will provide the ingredients for harmonious integration into global markets, with priority, in the Second Development Plan, for the implementation of the WTO Trade Facilitation Agreement (TFA) in line with Agenda 2063 and the United Nations (UN) Sustainable Development Goals, by 2030. Achieving export targets requires a comprehensive trade policy that encompasses services, industry and agriculture.

Box 12: Priorities for regional integration, conquest of COMESA and AfCFTA markets

1. Strengthen national institutions.
 - a. The adoption of a trade policy conducive to coherence between commitments at the bilateral, regional, continental and multilateral levels.
 - b. The adoption of an Aid for Trade strategy capitalizing on the Diagnostic Study for Trade Integration (DTRC) and the implementation of various agreements such as the Trade Facilitation Agreement (TFA).
 - c. The adoption of a roadmap for effective participation in the work programme of trade and regional integration organizations (COMESA, IGAD, African Union - AU).
2. Strengthen reforms to support regional integration and market conquest.
 - a. The adoption and implementation of a policy on the regulation of the market for goods and services with priority given to transparency, competition, consumer protection and the repression of fraud.
 - b. A platform for public-private consultation on regional integration.
 - c. The adoption of a strategy for participation in value chains of goods and services.
 - d. Development of an information portal, combined with a platform for networking and exchange of experiences.
 - e. Reform of the regulatory framework for public-private dialogue with the involvement of foreign actors.
3. Strengthen the management of trade commitments at the bilateral, sub-regional and multilateral levels.
 - a. Compliance and effective implementation of commitments to ensure Djibouti's trade integration into IGAD, COMESA and AfCFTA.
 - b. Strengthening political and diplomatic representation in the structures of COMESA, IGAD and AfCFTA.
 - c. Strengthening international and economic cooperation services.

No single sector will be able to stimulate the necessary growth in exports and employment on its own. There is a need to rely more on the services sector, to accelerate industrial growth sharply and to develop in other agricultural export products.

It would be necessary to properly overcome the main challenges and exploit the opportunities. In the very short term, the focus will be on removing non-tariff barriers that restrict trade in COMESA and IGAD markets by focusing on aligning regional incentives, harmonizing competing tax incentives that erode the tax base. It will also be necessary to propose a minimum economic advantage harmonizing standards, exploiting economies of scale.

Priority will also be given to developing human and institutional capacities for pooling efforts in coalitions at the national and regional levels. Increasing the productivity of the logistics services sector will be encouraged - both as an essential input for other priority sectors and as a source of export. Opportunities associated with professional services will be promoted to address short-term skills as part of a programme to develop the upgrading and learning of skills of Djiboutian nationals.

A third priority area is to exploit the opportunities associated with industrialization through diversification, added value and quality improvement. The policy programme will focus on value added through a supplier development programme to increase local value added by linking large exporters to domestic SMEs.

Effectively addressing the challenges associated with these priority areas for Djibouti will increase exports and use trade to create productive jobs. It will also foster the structural transformation needed to boost growth. Priorities are aligned with national strategies for institutional development as well as regional and diplomatic integration.

The NDP will strengthen reforms in support of regional integration and market conquest. At this level, priority will be given to conquest reforms and the consolidation of positions in export markets. Commercial activities in export markets and at the national level are constrained by institutional and human weaknesses that affect transaction costs, resulting in questionable efficiency of services. This limits the competitiveness of export products and services.

The actions of the NDP in this sub-programme are:

1. A platform for public-private consultation on regional integration. Given the ambition to be a regional hub, the regional and international partnership will be strengthened with proactive economic diplomacy, especially in the COMESA area. Therefore, priority will be given to a public-private dialogue platform involving actors from countries that use Djibouti as an opening to the world as well as investors and multinationals that participate in the modernization of the legal business environment;
2. The adoption and implementation of a policy

on the regulation of the market for goods and services with priority given to transparency, competition, consumer protection and the repression of fraud. Particular attention should be paid to the development of an effective information management system within the sector (Commercial Information Portal);

3. The adoption of a strategy for participation in value chains of goods and services. It is a strategy of upgrading and positioning in regional and international value chains;
4. Consider the development of an information portal, combined with a platform for networking and exchange of experience; Reform the regulatory framework for public-private dialogue with the involvement of foreign actors.



7. STRATEGIC AXIS III: INSTITUTIONS

OBJECTIVE OF THE STRATEGIC AXIS ON INSTITUTIONS:

Promote effective public administration, strengthen the rule of law, transparency and accountability, so that all Djiboutians can contribute, without exclusion and in an environment of peace and security, to making Djibouti a flagship country of the Red Sea and a commercial and logistical hub of Africa.

Box 13: Macroeconomic priorities

- Adopt a medium-term financial, budgetary and expenditure framework (CBMT);
- Improve public finances;
- Working with partners for greater resource mobilization exterior;
- Focus new investments on inclusive growth (including financial inclusion) while strengthening safety net systems;
- Focus on economic diversification and crowding in private capital;
- Improve debt sustainability and adopt its anchoring in the CBMT;
- Improve the efficiency of state-owned enterprises;
- Improving the business environment, fostering private sector activity, and including foreign investment, and promoting inclusive growth.
- Improve the levy on port economies and the free zone to develop the direct, indirect, induced and catalytic effects of investments on employment;
- Improve the adoption of blended finance modalities, including the use of guarantees and catalytic capital.

The actions will be aligned with the **e-Government Strategy 2020-2022** which is based on five levers: (1) political and management leadership; (2) the Public-Private Partnership; (3) capacity building; (4) the citizen-centered approach; (5) digital trust. This will be operationalized through six axes. The first will focus on strengthening infrastructure, including DATACENTERS, the Integrated State Network and unified communication.

The second axis proposes the creation of a secure cyber environment with a focus on the five areas: strengthening the legal and regulatory framework for Cybersecurity (Cybercrime, Data Protection); creating a structure in charge of cybersecurity issues; improving the level of preparedness of institutions for cybersecurity-related incidents (standards, necessary legal frameworks and structures); training/awareness-raising and communication of public officials on cybersecurity; the signing of international conventions.

The third axis consists of the implementation of interoperability which will include a study of the public

administration's information system, the deployment of the interoperability solution; awareness-raising, communication and popularization of the interoperability platform.

The fourth axis promotes the strengthening of the legal framework which will include the preparation of texts on cybersecurity and cybercrime, on electronic signatures, on public key infrastructure, on the protection of personal data, on the right of access to information, the organization and functioning of ANSIE, on the regulatory aspects of EDM/GEC/SAE and on aspects interoperability regulations.

The fifth axis encourages the development of digital services, in particular the updating of the e-Gov portal, its evolution from the informational to the interactive or even transactional stage and the development of e-services.

The sixth axis concerns capacity-building of human and institutional resources. It will include the training of public officials, particularly in communication.

ECONOMIC AND FINANCIAL GOVERNANCE PROGRAMME

OBJECTIVE OF THE ECONOMIC AND FINANCIAL GOVERNANCE PROGRAMME

Putting in place the macroeconomic foundations structural transformation and the enhancement of sustainable development.

In terms of economic and financial governance, progress has been made but improvements are needed. The NDP focuses on macroeconomic stability (see Box 13). The scores obtained over nearly 10 years rank Djibouti on a positive trend for the dimensions of macroeconomic management, fiscal and financial management as well as trade issues. Considerable progress

has been made, particularly with regard to foundations on economic opportunities, digital access infrastructures and mobile communications, and the establishment of the High Council for Public/Private Dialogue (despite its embryonic stage).

However, as in other areas of governance, these advances have

Box 14: Priorities for economic and financial governance

The priorities identified for strengthened economic and financial governance are underpinned by pillars 2, 3 and 5 of vision Djibouti 2035. They consider the state of implementation of the SCAPE and the post-COVID-19 recovery plan.

1. Strengthen institutional capacity, including to:
 - a. Harmonize, rationalize and systematize public policies.
 - b. Strengthen and maintain a sound and sound macroeconomic framework through fiscal policy.
 - c. Reform the Investment Code.
 - d. Establish and strengthen communication on economic and financial governance.
2. Improve the governance of state-owned enterprises;
3. Promote a policy of transformation of the informal sector;
4. Strengthen public-private dialogue.

not yet translated into a reduction in poverty or inequalities (spatial and social). This growth is not diversified and does not create enough jobs. Djibouti's score, according to the BTI index, is only 2 for socio-economic barriers that remain high. Regarding the business climate, measured by the "Doing Business" ranking, Djibouti improved its position by 55 places, from 154 to 99 in 2019. Unfortunately, in 2020, a regression of 13 places is to be noted despite the fact that the value of the index has modestly increased (2.1%).

The priorities identified for strengthened economic and financial governance (see Box 14) are underpinned by pillars 2, 3 and 5 of vision Djibouti 2035. These priorities consider the state of implementation of the SCAPE and the post-COVID-19 recovery plan.

The first priority is institutional capacity-building, including the harmonization, rationalization and systematization of public policies; the strengthening and maintenance of a solid and sound macroeconomic framework through fiscal policy; the overhaul of the investment code; the establishment and strengthening of communication on economic and financial governance.

The NDP will improve the governance of state-owned enterprises, giving priority to that of the telecommunications, energy and water sectors in line with the Connectivity and Inclusion strategic axis. The third priority will be to promote a policy of transformation of the informal sector, in particular by improving its knowledge to design transformation policies that will lead to its formalization. The fourth priority will be to strengthen public-private dialogue, in particular through the involvement of the private sector in the development of strategies and in the development of specific investment projects. These actions will be strengthened and will contribute to improving the business climate. The fifth priority will be to launch a feasibility study for the establishment of a Djibouti-RE national reinsurance company.

ADMINISTRATIVE GOVERNANCE IMPROVEMENT PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Strengthen the institutional capacity of the public sector in administrative governance to build a strategic and agile State, able to strengthen market mechanisms, reduce information problems, support the coordination of private actors and improve institutions.

The strategic axis deals with the themes of political, administrative, local, economic, financial and judicial governance. The NDP will consolidate institutions of political governance and democratic achievements to strengthen and maintain peace and national unity as well as social cohesion. The country will build a modern, digitalized, efficient, transparent and accountable administration, which regains the trust of its citizens, fights against corruption and whose management is based on results to provide quality public services to citizens and the Djiboutian private sector. Capacities for strategic steering of public policies will be developed. Programmes and projects will be strengthened, in particular with improved and operational coordination and consultation frameworks and a National Statistical System (NSS) for better coordination and consultation. definition and implementation of public policies based on New Information and Communication Technologies (NTICs). The decentralization and de-concentration process will focus on regional hubs to reduce the gaps between Djibouti City and the regions. It will aim at a harmonious and equitable development of the whole country. The reform and modernization of the justice

system will lead to justice that is accessible to all Djiboutians and that contributes to a business climate conducive to private investment. Finally, the NDP will enable the participation and contribution of citizens through the democratic gains advocated by the implementation of the “Djibouti Vision 2035” as well as in all aspects of governance. These themes are dealt with under three programmes: (a) improving economic and administrative governance; (b) institutional capacity building in local governance; (c) improving judicial and political governance.

The main framework of the actions will be the e-Government programme that will promote digital transformation within the public sector. E-Government will strengthen market mechanisms, reduce information problems, support coordination between actors and improve access to and quality of services provided by the administration to citizens and businesses. The actions will focus in particular on procurement in the context of e-Procurement, the dematerialization of payment procedures with e-Invoicing and the collection of tax revenues with the e-Payment of Tax.

SUB-PROGRAMME TO SUPPORT THE IMPROVEMENT OF ADMINISTRATIVE GOVERNANCE

OBJECTIVE OF THE SUB-PROGRAMME

Improve public service HR management through the app; (i) tools for more transparent and effective workforce management; (ii) the application of the principles of competitive recruitment and merit-pay and promotion.

Support on administrative governance and institutional capacity concerns all ministries and public structures. The Executive Secretariat for Administrative Reform (SECRA) will be strengthened to revive reforms that had been implemented in the first place without making the expected changes. By acquiring Vision 2035, Djibouti has set in motion a positive dynamic in terms of public governance with the identification of clear strategic objectives and relevant priority axis. In addition, there are more recent reforms in the framework of the SCAPE on aspects related to the institutional framework, stronger coordination mechanisms, management of efficient human resources and an improvement in the quality of public services.

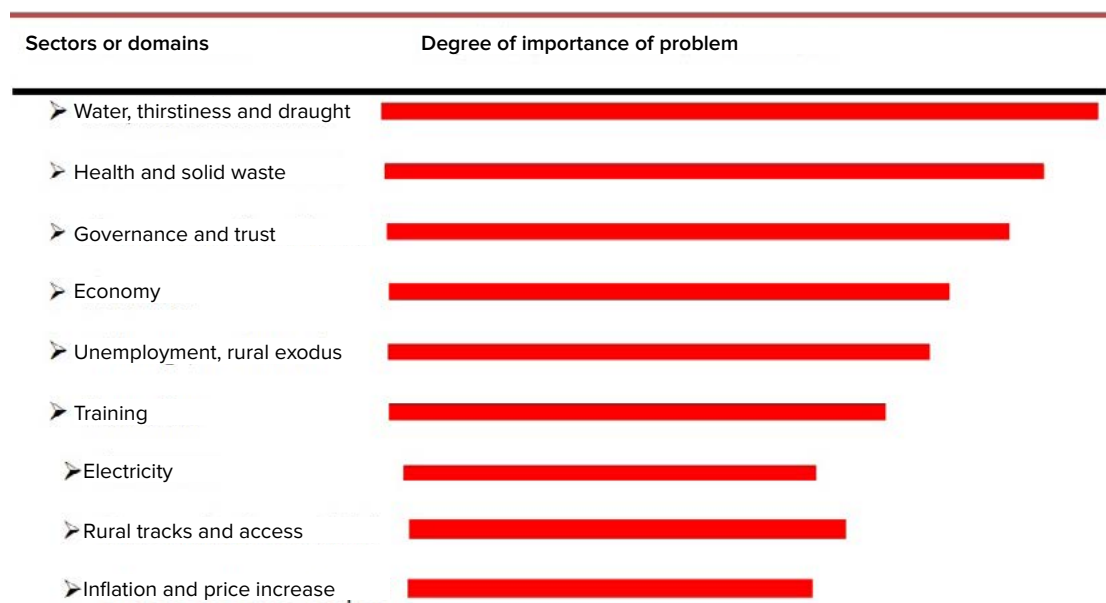
Despite these encouraging actions, public governance remains weak and coordination between the various ministries insufficient. Weak human resource capacity also reduces the State's ability to provide quality services to citizens and the private sector. Overlapping responsibilities undermine the effectiveness of the public sector and the effective coordination of public policy. This situation is exacerbated by the lack of transparency, accountability and efficiency. Other dysfunctions are to be deplored such as the lack of culture of results, the weakness of the means of operation, the absence of a policy of dynamic management of human resources (in particular a policy of continuous training of state agents). In addition, there continues to be significant absenteeism,

the compartmentalization of administrative activities, insufficient controls and not followed by sanctions in the event of infringements and the failure of tripartite consultation mechanisms between the social partners (State/Trade Unions/Employers).

Governance and trust are returning to public debates as priorities for the Djiboutian people. Public administrations are considered inefficient with productivity that would have decreased, attesting to the decline in administrative governance, according to the opinions of the populations consulted. It is therefore necessary to infuse a new know-how and know-how to remedy the lag and lack of professional conscience, always according to these consultations of the populations.

While the "Djibouti Vision 2035" and the SCAPE prove the relevance of the strategic choices made, they have not translated into diversified growth despite their robustness. It has not been job-creating or inclusive enough. This therefore calls for a change of approach to administrative governance and institutional capacities to improve the quality of implementation, the coordination of development actions and synergy between ministries.

For the public authorities, it is a question of investing in more complex areas that condition the very functioning of companies, while reducing the predominance of the public sector in the economy.

Figure 14 : Importance of Needs by Population

Source : Vision Djibouti 2035

The NDP 2020-2024 “Djibouti ICI” proposes to transform our administrative governance and strengthen our institutional capacities to give birth to a strategic and agile state, to even strengthen market mechanisms, reduce information problems, support the coordination of private actors and improve institutions. The proposed priorities for improving administrative governance and institutional capacity (see Box 15) are covered by Pillar 2 of Vision Djibouti 2035. They consider the programmes implemented under SCAPE and the post-COVID-19 recovery strategy. They are also based on the Ministry of Labor’s Matrix of Priority Actions for Administrative Reform (MTRA) for the period 2020-2024.

The first action will aim to strengthen institutional capacity, including: (a) Modernizing the statutory texts of the civil service; (b) Build capacity in the areas of planning, programming, budgeting, budget implementation and monitoring and evaluation; (c) Establish a results-based management (RBM) mechanism and develop and implement a code of conduct for staff members.

The second priority will be to accelerate the computerization of all ministries and

decentralized structures and to adopt an integrated electronic document management system.

To this end, an exhaustive inventory of all regulatory texts by sector of activity will be carried out and a systematic archiving system will be set up to allow all economic operators to have real-time access to legal and regulatory mechanisms. Similarly, this will make it possible to determine the texts to be put in place or those that need to be amended: the control agencies will thus be better equipped to support the actors.

The third priority is to finalize the establishment of a national statistical system that can increase the collection, analysis and availability of better data. The computerization of public services will be accelerated, including outside Djibouti City, and statistical culture will be strengthened.

The fourth priority will be to implement, monitor and institutionalize the declaration of services to citizens. To improve the quality of public services to citizens, it is envisaged to institutionalize declarations to citizens. It also contributes to improving the performance of the public administration.

Box 15: Priorities for administrative governance and institutional capacity building

1. Strengthen institutional capacity, including:
 - a. Modernize the statutory texts of the civil service.
 - b. Build capacity in the areas of planning, programming, budgeting, budget implementation and monitoring and evaluation.
 - c. Establish a results-based management (RBM) mechanism; develop and implement a code of good conduct for staff members.
 - d. Define career profiles of civil servants.
 - e. Introduce the performance contract for senior managers in the public administration.
2. Accelerate the computerization of all ministries as well as that of decentralized structures; adopt an integrated electronic document management system.
3. Finalize the establishment of a well-established national statistical system.
4. Implement, monitor and institutionalize the declaration of services to citizens.

The actions of the NDP in this sub-programme are:

1. Strengthen institutional capacities by modernizing statutory texts, developing capacities in key areas; ensure results-based management; develop and implement a code of good conduct for staff members.
2. Strengthen transparency through the computerization of ministries and decentralized structures; adopt an integrated electronic document management system; establish a national statistical system.
3. Implement, monitor and institutionalize the declaration of services to citizens.

INSTITUTIONAL CAPACITY-BUILDING PROGRAMME ON LOCAL GOVERNANCE

OBJECTIVE OF THE SUB-PROGRAMME

Strengthen local human and institutional capacities; develop democracy and service delivery to ensure an “enabling environment” for local authorities to assume their responsibilities.

SUB-PROGRAMME FOR STRENGTHENING LOCAL GOVERNANCE

OBJECTIVE OF THE SUB-PROGRAMME

Promote the culture of consultation, transparency and the participation of actors in the development of Djibouti.

In terms of local governance driven by the policies of decentralization and deconcentrating, from the first hours of its independence, Djibouti has affirmed a strong desire to break with a highly centralized system, inherited from colonization, to engage in a policy of decentralization and deconcentrating. Thus, as early as 1992, the Constitution provided for the creation of local authorities that administer themselves freely through elected bodies. The peace and national reconciliation agreement had also strongly expressed the need for decentralization. It was a question of making it a mode of governance and an instrument for the fair distribution of national wealth among citizens.

This principle is reaffirmed in the “Djibouti Vision 2035”, implemented through the SCAPE, to promote the emergence of “regional hubs” and rebalance the provision of public services to populations, especially women and young people, in the different regions. The first regulatory framework was created in 2002 with the creation of local and regional public authorities with legal personality. The laws of 2002 and 2005 relating respectively to decentralization and the status of Djibouti City redefined the territorial administrative organization. In addition, a body of law laid the real foundations for decentralization with the establishment of provisional Regional Councils whose members

were first appointed by presidential decree and then elected regularly, from 2006.

During the last decade since 2006, in terms of decentralization, other notable advances have been, among others: (i) an effective transfer of civil status achieved at the level of all local authorities to the satisfaction of users; (ii) a start of tax transfer whose process is already underway with the 2017 Finance Act (patent, built and unbuilt land); (iii) the creation, in 2016, of a ministry delegated to the Ministry of the Interior in charge of decentralization (it has put in place a roadmap and an action plan in the process of being implemented). A general code of local authorities has been drawn up but has not yet been adopted.

In terms of deconcentrating, Djibouti is also in the early stages. Most ministries are represented at the regional level with very limited staff, except for those of National Education and Health.

Prefects and sub-prefects represent the administrative authority that is supposed to federate the action of the State at the territorial level. Again, despite the progress made, the processes of decentralization and deconcentrating are limited by a lack of effective implementation. The challenges in these two areas remain significant in terms of the technical and operational capacities of development actors at both the central and regional levels.

At the level of decentralization, the legislative texts concerning the transfer of competences between the State and the local authorities and on the regulatory framework are long overdue. In addition, the regions are struggling to gain their autonomy because of very limited financial and administrative resources; they remain dependent on State grants. This considerably restricts their ability to carry out economic and social development actions. Finally, the national observatory of decentralization has still not been set up; the various commissions involved in the conduct of the decentralization policy do not seem to have really carried out their mission.

At the level of deconcentrating, the ministries are represented certainly but rather symbolically. This jeopardizes more equitable access to quality basic services. Thus, outside the Ministries of National Education and Health, representation is very often limited to a single person who lacks office equipment

and means of transport. These structures are highly dependent on their central administrations for their day-to-day operations and budgetary allocations. Technical skills at the level of prefectures and sub-prefectures are also lacking (economists, specialists in spatial planning, lawyers, etc.).

In terms of local governance, the major challenges will therefore be to accelerate the effective implementation of decentralization and deconcentrating policies by completing the legal and institutional framework for decentralization. It is necessary to strengthen the capacities of decentralized local authorities (Regional Councils) with adequate supervision and support. Finally, it will also be a question of allowing the effective deconcentrating of resources (human, technical and financial) from the central to the regional level.

The priorities identified for local governance (see Box 16) are part of the Djibouti Vision 2035 and consider the SCAPE as well as the post-COVID-19 recovery plan. The priorities also consider the roadmap for the implementation of the decentralization policy and the five-year action plan 2020-2024.

Emphasis will be placed on institutional capacity-building, including improving and strengthening the legal framework for decentralization; restructuring prefecture services; strengthening the structure of the budgetary resources of local and regional authorities and, where possible, increasing funding; strengthening the capacities of decentralization actors. The second priority will be to transfer project management to local authorities and support them in exercising their role as project owner to build infrastructure contributing to the development of regional hubs.

The NDP will also make it possible to make visible the Government's action in the area of decentralization and deconcentrating. To improve trust between the State and citizens, a communication strategy and campaigns will be developed and launched to highlight the actions carried out in the field of decentralization. They will also increase citizen participation while providing moments of exchange with the population, which will improve regular feedback from them. A monitoring system regarding citizens' feedback and its degree of adoption will be established. The fourth priority will be to strengthen internal security, particularly with

Box 16: Priorities for local governance

.....

The priorities identified for local governance are part of the “Djibouti Vision 2035” and consider the SCAPE as well as the post-COVID-19 recovery plan. The priorities also consider the roadmap for the implementation of the decentralization policy and the five-year action plan 2020-2024.

1. Strengthen institutional and human capacities, including:
 - a. Improve and strengthen the legal framework for decentralization. ;
 - b. Restructure the services of the prefectures.
 - c. Strengthen the structure of the budgetary resources of local and regional authorities.
 - d. Strengthen the capacities of decentralization actors.
2. Transfer resources and competences to local authorities;
3. Transfer project management to local authorities and support them to exercise their role as contracting authority;
4. To make visible the Government’s action in the field of decentralization and deconcentrating;
5. Strengthen internal security.

regard to civil status, the presence and exercise of law enforcement, and immigration issues. The actions targeted will aim to improve the functioning of the various structures involved through the improvement of human, technical, financial and technological resources.

The actions of the NDP in this local governance sub-programme are:

1. Strengthen institutional and human capacities for decentralization.

2. Transfer project management to local authorities and support them.
3. Ensure education, awareness-raising and strategic monitoring on decentralization and deconcentrating.
4. Strengthen internal security (civil status, presence and exercise of law enforcement, and immigration management).

JUDICIAL AND POLITICAL GOVERNANCE IMPROVEMENT PROGRAMME

OBJECTIVE OF THE SUB-PROGRAMME

Provide the country with a fair, equitable judicial system independent of the executive; strengthen the institutional capacities of the public sector in administrative, political, democratic, economic, financial, judicial and local governance.

SUB-PROGRAMME ON STRENGTHENING POLITICAL AND JUDICIAL GOVERNANCE

OBJECTIVE OF THE SUB-PROGRAMME

Consolidate institutions of political governance; accelerate the reform and modernization of the judiciary; promoting the rule of law.

Political governance

The priorities identified in the area of political governance (see Box 16) are enshrined in the Djiboutian Constitution. They are also complemented by the “Djibouti Vision 2035”, including the “Peace and National Unity” pillar which strengthens them. The NDP has five priorities for the implementation of political governance. The first is the pursuit of democratic governance, political openness and the inclusion of women. Better democratic governance and greater political inclusion must necessarily consider the imperatives of stability and

security. This balance to be sought will guide the continuation of efforts to ensure the strengthening of political plurality, greater openness and transparency, better parliamentary control over the executive and more transparent and impartial practices.

The second priority will be to strengthen the rule of law and the separation of the three types of powers (executive, legislative and judicial). The Djiboutian Constitution enshrines the separation of powers but practices limit it; the National

Box 17: Priorities for political governance

.....

Priorities for political governance are enshrined in the Djiboutian Constitution. They are also complemented by the “Djibouti Vision 2035”, including the “Peace and National Unity” pillar that strengthens them.

1. Pursue democratic governance, political openness and women’s inclusion;
2. Strengthening the rule of law and the separation of the three types of powers (executive, legislative and judicial);
3. Ensure the cohesion of the Nation and the citizen consensus around the long-term vision of the country and the main strategic priorities by improving the participation and listening of citizens;
4. Maintain national sovereignty and territorial integrity;
5. Strengthen and improve diplomatic action, coordination among development partners and aid effectiveness.

Assembly and the judiciary enjoy little independence of action vis-à-vis the executive. Ensuring balances of power is one of the foundations of strong institutions. It is also a factor in strengthening the rule of law: it contributes to the improvement of governance where laws are applied. The supervisory institutions carry out their tasks without pressure from the executive. Cases of corruption are duly investigated and lead to appropriate convictions.

The third priority will be to ensure the cohesion of the Nation and the citizen consensus around the country’s long-term vision and major strategic priorities by improving the participation and listening of citizens. Ensuring the cohesion and support of citizens around the vision and major strategic choices is a key element of their implementation.

These can be organized around key messages based on the positive cultural collective of Djiboutians to gather energies around the aspirations targeted by “Vision Djibouti 2035”.

The fourth priority will be to maintain national sovereignty and territorial integrity. Peace and security in the subregion and on

the borders of the various border countries are essential as a basis for development. They constitute the basic conditions for the implementation of the 2020-2024 NDP Djibouti ICI. This presupposes the gradual implementation of peace agreements and their observance leading to the end of armed and border conflicts.

The fifth priority is to strengthen and improve diplomatic action, coordination among development partners and aid effectiveness. The objectives of political governance involve reinvigorated and proactive diplomacy in the service of the implementation of the 2020-2024 NDP Djibouti ICI. As such, strengthening international cooperation and diplomatic action will enable us to expand our partnerships and improve the mobilization of resources essential to the implementation of the programme. The coherence and alignment of Development Assistance with the priorities of the 2020-2024 NDP as well as with the various development projects will also be ensured. In international cooperation, an important place will be given to South-South and triangular cooperation in the political, social, cultural and technical fields.

Judicial governance

In terms of judicial governance and the rule of law, the Republic of Djibouti is founded on the principle of the separation of powers. The Ministry of Justice and Penitentiary Affairs, in charge of human rights, implements general judicial and penitentiary policy as well as the orientations of justice policy and deals with human rights issues.

The NDP capitalizes on the achievements of the past that have made it possible to: (i) bring justice up to international norms and standards; (ii) to strengthen the

basis for democratic expression; (iii) improve the business environment and secure private investment.

Future actions must be built on previous progress to establish legal certainty and a judicial system facilitating access to justice for as many citizens as possible. Actions undertaken, such as the organization of mobile courts in the regions, need to be explored. These actions will be continued. This will make it possible, inter alia, to reduce geographical

Box 18: Priorities for judicial governance

.....

- 1.** Build capacity within judicial institutions, specifically:
 - a.** Strengthen human resources management;
 - b.** Improve access to legal services for citizens;
 - c.** Strengthen prison policy;
 - d.** Modernizing legal tools through legislative frameworks, computerization and archiving;
 - e.** Promote human rights; international conventions and treaties.
- 2.** Decentralize judicial services and improve access to justice.

disparities in access to judicial and legal institutions, to strengthen the capacities of judicial and legal personnel (inter alia, through basic training). to the profession of magistrate, while modernizing the management of the sector).

The priorities identified to improve judicial governance (see Box 18) are derived from the reference framework of the “Djibouti Vision 2035”, in particular in its pillar II on good governance. They are also based on the implementation of the SCAPE, taking into account the actions partially carried out or to be carried out. Emphasis will be placed on capacity-building within judicial institutions.

8. INTERSECTING THEMES

OBJECTIVE OF THE STRATEGIC AXIS ON INTERSECTING THEMES

The objective pursued is the implementation of actions that constitute the fundamentals of economic and social transformation with a view to making Djibouti a flagship country of the Red Sea and a commercial and logistical hub of Africa.



Box 19: Specific actions for the consolidation of human capital

- Ensuring the well-being of Djiboutians, a goal of long-term development;
- Reduce poverty (social actions, solidarity, etc.) ;
- Adopt a comprehensive health policy, focused on forecasting, prevention, education and awareness-raising;
- Establish a new education system;
- Promote a food and nutrition security strategy;
- Develop a housing policy adapted to the socio-cultural environment national ;
- Promote artistic and cultural creation;
- Define and implement a national population policy.

Some themes have been identified and taken into account in sectoral policies in a intersecting manner. Emphasis will be placed on the integration of these issues into the programme formulation process and implementation. This will be complemented by actions facilitating their effective inclusion in programmes and projects. These include (1) human capital development with a particular focus on the employability of young people, women and other disadvantaged people in cities and in rural areas;

(2) environmental protection, the fight against climate change and the use of renewable energy (3) the response to COVID-19 and other pandemics; (4) the digital economy and technological innovation through the digitalization of production and exchange procedures and processes. The formulation of each programme also takes into account the achievement of the Sustainable Development Goals and those of the African Union’s Agenda 2063. The programmes in these areas are presented below.

HUMAN CAPITAL DEVELOPMENT PROGRAMME

Strengthening human capital is essential not only to improve the employability of people looking for work but also to strengthen the competitiveness of the economy. The strengthening of the vocational and technical training system is necessary. To do this, it will be necessary to diversify the offer in the different areas where there is demand by offering long-term training, medium duration training and short-term training to meet diversity.

entrants to the labor market. It will have to consider those who already have a job but need to deepen their skills or retrain in other areas. As in other programmes, the inclusion of disadvantaged groups in society is essential to achieve the objectives.

It is also important that coordination with the private sector be established to ensure that supply and demand alignment is done in an appropriate manner. The specific measures are summarized in Box 19 below.

It is important that training provision does not only focus on new

Table 7 : Areas and intervention measures for human capital development

<ul style="list-style-type: none"> • Rethink our growth model and diversify our economy;
<ul style="list-style-type: none"> • Accentuate social inclusion and territorial coherence;
<ul style="list-style-type: none"> • Strengthen our education system, give everyone a chance;
<ul style="list-style-type: none"> • Investing in youth, the strength of the future.

ENVIRONMENT, CLIMATE CHANGE AND RENEWABLE ENERGY PROGRAMME

SUB-PROGRAMME TO SUPPORT ENVIRONMENTAL PROTECTION AND CHANGE CLIMATE

OBJECTIVE OF THE PROGRAMME

Implement a set of measures to address the environmental vulnerability and climate change.

Djibouti is vulnerable to climate change with a rather particular climate. Strategies for mitigating impacts and protecting the environment have been adopted. These will consider environmental considerations and climate change in the various sectors. To this end, emphasis will be placed on strengthening the capacities of the institutions responsible for the coordination and harmonization of measures and the implementation of legal instruments. The protection of the environment and biodiversity is perceived as a field of investment opportunities.

Strict measures for cash sampling are to be taken. The protection of areas of special interest and our territory more generally (on land and at sea) against harmful intrusions must be taken into account. As such, the green economy and the circular economy are included, among other themes, in the Inclusion strategic axis. Water, waste management, energy, transport and industry all have green economy opportunities.

Sustainable resource management is particularly important for the livelihood and development of the population in rural areas of the country. Identification and implementation require strategic interventions by type of resource, by regions or locations known for their respective resources or for the environmental risks associated with climate change. This is also essential to achieve SDG 15 ("Preserve and restore terrestrial ecosystems"). The actions aim to honor

the commitments made under the Planned Nationally Determined Contribution (INDPC) 2015 to reduce ghg emissions by 40% by 2030. Djibouti aims to achieve this objective in particular by making an energy transition towards a total production of electricity via renewable energies such as geothermal energy or tidal energy. Currently, more than 2/3 of Djibouti's electricity consumption comes from hydropower through interconnection with Ethiopia.

The 2020-2024 action plan of the Environment and Sustainable Development Department therefore identifies five priority axis aimed at meeting environmental challenges to promote sustainable and harmonious development:

- Fight against climate change;
- Protection of the natural heritage and its biodiversity;
- Sound management of chemicals and hazardous wastes;
- Capacity building to develop options in the green economy and the circular economy;
- Strengthening institutional, planning and monitoring and evaluation capacities;
- Development and implementation of an environmental communication policy.

Regarding risk and disaster management (GRC) in Djibouti, the priorities are:

- The implementation of institutional mechanisms for the RCMP;
- Long-term capacity building at the national and regional levels;
- Strengthening comprehensive information systems;

- The development of long-term financial mechanisms;

- Overall reduction of vulnerability and risk;
- Regional and international cooperation.

These priorities have been integrated, among others, into the sections of governance, telecommunications (“Digital Economy”), energy (“Renewable Energy”) and mining (“Environmental Regulations”).

SUB-PROGRAMME TO SUPPORT THE DEVELOPMENT OF RENEWABLE ENERGIES AND ENERGY EFFICIENCY

OBJECTIVE OF THE PROGRAMME

Increase the use of renewable energy and the implementation of energy efficiency measures to consolidate security of energy supply, reduce the costs of energy services paid by energy consumers and implement action plans against the impacts of climate change.

The strategies of the “Djibouti Vision 2035” include the development of a diversified and competitive economy with a leading role for the private sector and strategic partnerships. Vision 2035 aims to ensure an adequate supply of goods and services to the country, the promotion of good governance, and the strengthening of institutions.

The strategies of the Djibouti Vision 2035 and Djibouti’s energy policy aim to reduce the costs of energy services borne by consumers, secure the country’s energy supply, and participate in international actions against climate change by reducing greenhouse gas (GHG) emissions. According to the Intended Nationally Determined Contribution (INDC), energy consumption, distribution and production is expected to contribute significantly to GHG emissions from Djibouti. The national green strategy therefore plans to promote low-carbon, climate-resilient technologies. Electricity interconnections, geothermal, solar and wind power generation projects, thermal rehabilitation of buildings, reduction of electricity consumption in public buildings, promotion of low-energy lamps are among the proposed initiatives.

These actions are part of a rapid anticipated growth in electricity consumption, including the development of access through decentralized approaches. Peak demand of 130MW in 2019 could be between 300 and 460MW in 2030, with significantly higher prospects depending on the pace of execution of major infrastructure projects and the connection to the grid of several autonomously supplied loads.

One of the objectives of the “Djibouti Vision 2035” is a green transition, with a target of 100% Renewable Energy (RE) by 2035. This transition will include the shutdown of heavy fuel oil thermal power plants (including those located in Boulaos and Marabout in Djibouti that can supply 110MW), with natural gas acting as transition energy (50MW under construction)..

Currently, nearly two-thirds of Djibouti’s electricity consumption comes from hydropower provided by the first electricity interconnection with Ethiopia. Preparations for a second interconnection are well advanced and should make it possible to maintain the contribution of hydroelectric imports.

In addition to hydroelectric electricity, a first 60 MW wind power plant will be commissioned in 2021 (Ghoubet site, Independent Private Production – PPI), the financing of a 25MW solar PV plant with a storage battery (Grand Barra site, PPI) has been mobilized and several geothermal projects are in preparation (Lake Assal sites in particular).

The potential for Energy Harnessing/Energy Efficiency is also very important. Despite the efforts of the Djiboutian Agency for Energy Management (DAEM), a significant source of energy savings exists, particularly in the use of electricity in public and private buildings (lighting, air conditioning, efficient energy equipment, behaviors, etc.) and building design.

This high potential for RE resources (solar, wind, geothermal in particular) and energy management as well as energy efficiency have the following characteristics:

- Significant potential relative to population and size of the economy;
- A potential that can both contribute to increasing access to clean and modern energy (one of the Sustainable Development Goals - SDG7) and improving energy security;
- EAs are one of the best sources for supplying power grids;
- Decentralized ERs can provide electricity to rural areas that are currently unserved and replace diesel-based electricity systems;
- Thanks to the EAs, Djibouti has an opportunity to participate in
- Africa and the Arabian Peninsula's power pools;
- Mobilization costs that have decreased significantly and that should, in the future, presumably, continue to decline;
- Significant and under-exploited potential for energy efficiency, including reducing the share of energy in the budgets of households and private and public operators and improving the competitiveness of the economy;
- RE and energy efficiency/energy efficiency should lead to the creation of new jobs and the reduction of unemployment.

The Renewable Energy and Energy Efficiency Programme will therefore put a particular focus on:

- Strengthening national and regional planning capacities including updating the ER mobilization action plan, updating the national electrification plan, innovative financial arrangements (blended finance) and mobilizing private financing;
- Strengthening the legal, regulatory and incentive framework (e.g., tax measures) for the mobilization of financial resources and the reduction of risks in the field of RE and energy efficiency, particularly for the private sector;
- Support required for the development of private or public energy service companies active in RE (including decentralized applications) and energy efficiency;
- The implementation of specific actions increasing the role of renewable energies and energy efficiency;
- National and regional capacities for monitoring and evaluation.

COVID-19 SOCIO-ECONOMIC RESPONSE STRATEGY PROGRAMME AND OTHER PANDEMICS

OBJECTIVES OF THE PROGRAMME

Restore prospects for socio-economic development; strengthen the country's health and socio-economic resilience to pandemics and climate change.

HEALTH RECOVERY SUB-PROGRAMME

OBJECTIVES OF THE HEALTH RECOVERY AND PANDEMIC CONTROL SUB-PROGRAMME

Control the adverse consequences of COVID and other pandemics.

Restoring health as quickly as possible will require consideration of the complex interdependence of healthcare delivery, the environment, governance and digitalization. This, however, calls for a more phased approach to delivery that would establish future out-of-the-box health care governance. The focus here is on digitized services and the use of solar energy in rural areas to improve access to universal health care. Three priority actions will be carried out.

The first priority action is the overall upgrading of health service delivery. The current system is characterized by an inadequate quality infrastructure of primary care and hospital services. It has a poor image and confidence among the population. There is also a low availability of essential medicines and diagnostic facilities in health facilities, limited human capital in the system, and a lack of numerical data and statistics that are vital to support evidence-based policy ²⁴.

The COVID-19 Health Care Recovery Programme led by the Government and key partners such as WHO will: (i) implement or strengthen infection prevention and control in healthcare facilities; (ii) integrate health into urban planning policies to create compact, mixed-use and highly connected, economically

and socially viable neighbourhoods; (iii) develop a common vision of social cohesion and health equity; (iv) monitor risks to the health and well-being of different population groups using available data and targeted indicators (disaggregated by income, gender, age, migration status, geographical location and other relevant characteristics in national contexts); (v) conduct assessments of the health, economic and environmental impact of policies and interventions.

The second priority action will be the introduction of digital by default in the delivery of healthcare. It is about supporting the modernization of the health system to include a more efficient and digitized service delivery model. Not only should Djibouti one day be able to monitor patients remotely, but the entire system should be able to support real-time data that helps both the Government and the private providers to have access to predictive analytics. In addition, Djibouti will invest more in: (i) strengthening cybersecurity to protect patient privacy and to protect itself from unauthorized access to data centers and other IT systems; (ii) ensure patient privacy to gain citizens' trust for technological solutions; (iii) reduce the cost of services.

24. https://applications.emro.who.int/docs/Country_profile_2013_EN_15385.pdf

The third priority action will be to invest in renewable energy for health to ensure universal access in rural communities. While it has an installed capacity of 100MW of which 57MW are reliably available, Djibouti has the potential to produce more than 300MW of electrical energy from renewable energy sources (solar, wind and geothermal). Lack and energy poverty, especially in rural areas, compromise the effectiveness of care, prevent access to adequate health care and put lives at risk. Projects such as the Solar Photovoltaic (PV) Energy project in Grand Bara are important for production capacity, although grid expansion in rural areas will require considerable investment.

The fourth priority will promote renewable energy to solve limitations on energy production and distribution, especially in rural areas. The implementation of the law on independent electricity providers (Independent Power Provider (IPP) and the transition to competitive bidding will be supported, with a particular focus on off-grid solutions with healthcare facilities. This approach will complement the deployment of medical-surgical caravans.

To achieve the goal of universal coverage, the Government is committed to improving access to health care in inland areas, providing care

to vulnerable populations and strengthening coordination with global partnerships. These actions are in support of its development strategy.

The comprehensive health recovery programme described here will be coordinated by the national multidisciplinary committee set up to implement the NDP and supported by the crisis unit under the authority of the President.

The Ministry of Health's National Health Development Plan 2020-24 will provide the overall strategic framework for investment and coordination. The three new interventions described above will enhance the plan and will be largely financed by official development assistance (ODA) and private capital. The Government and international partners will support the development of investment opportunities and pitches, including G2B and B2B networking²⁵. Financing will be provided by international partners and private capital to include guarantees and catalytic financing of direct losses as required. Other technical solutions can be acquired on the international market through the Government's health budget. The cost of the three stimulus measures amounts to FDJ 4 billion (see Table 8).

Table 8 : Health recovery financing measures (2021-2022)

		FDJ Costs
1	Ensure a comprehensive upgrade of health service delivery.	1 780 000 000
2	Introduce digital by default in healthcare delivery.	890 000 000
3	Invest in renewable energy for health to ensure universal access in rural communities.	1 335 000 000
Total		4 005 000 000

25. G2B = Government to Business (public sector to private sector) and B2B = Business to Business (private sector to private sector).

ECONOMIC RECOVERY SUB-PROGRAMME

OBJECTIVES OF THE ECONOMIC RECOVERY SUB-PROGRAMME

Reviving economic activities and making the economic fabric more resilient to pandemics

The economic recovery plan will support the poorest to avoid a social crisis, ensure continuity in key sectors, protect the economic fabric of MSMEs and strengthen coordination by mobilizing public and private resources. The economic recovery sub-programme will help prepare the economy to better cope with external shocks. It will be about building back better –including by strengthening circular and green economies– and ensuring quality formal growth.

This will be done by overcoming structural inequalities, including access to services between poor and non-poor groups, involving a policy of inclusion.

This will include accelerating the implementation of the following measures: (i) digitalization of the economy and society, (ii) promotion of financial inclusion, (iii) investments to reduce informality for business and employment, (iv) remediation of geospatial, disability, and gender inequalities, (v) improvement of the target and delivery of social services, social protection and protection, (vi) improving the management and catalytic use of remittances, (vii) investing in circular and green economies. To this end, the following economic recovery priorities are foreseen.

The first action is to provide emergency budgetary support (mitigating the exogenous shock). Additional public spending will be needed to protect households, to support MSMEs and businesses affected by the crisis, and to cover the higher budget deficit. To that end, the Government would need urgent fiscal support from the international community.

The second action will be to develop and implement a financial inclusion strategy. The strategy would target people in precarious situations, in particular MSMEs, women-owned businesses and young people. A number of sectors would be targeted, including agriculture, renewable energy, fisheries and livestock, as well as small craft

enterprises. The facility will operate large loan windows and micro and small loans; it will lend funds to eligible Participating Financial Institutions (PFIs). It will also involve changing microfinance institutions through new prudential regulations. Attention will be paid to the international community's support for a credit guarantee fund.

The third priority action is to ensure universal access to the digital identification system. Djibouti is developing a fundamental, inclusive and robust digital ID system to improve service delivery. It builds on the Digital Transformation Programme funded by the World Bank. COVID-19 has highlighted the importance of a “unified citizen” social registry and an integrated national identity system (e-ID) from which all services can be accessed and monitored. With a focus on basic services (health, education, social protection, finance, etc.), the goal will be for 100% of the population to sign up for the e-ID system, linked to mobile service and mobile payments. With a focus on the LNOB, this support will provide greater transparency, inclusion and efficiency in service delivery, while providing statistics. It will also support e-commerce as part of the process of economic efficiency and diversification.

The fourth priority action will be the establishment of a job creation programme. By using ports and infrastructure (sources of wealth creation) to reinvest in emerging sectors to diversify growth and employment impacts, Djibouti's job creation programme will provide immediate daily jobs to people without revenue.

The programme would support disaster management and preparedness, develop a range of labor-intensive projects and assist government delivery units in diversifying the tourism and energy sectors. It would also make it possible to manage natural and water resources in an integrated manner. Links with the green and circular economies will be integrated.

The programme will be established in the form of funds, also linking external assistance to displaced persons and refugees, to improve the humanitarian-development nexus.

The fifth action will expand social protection programmes such as those related to conditional cash transfers for better resilience and risk management. Cash transfer programmes are effective tools to reduce poverty, food insecurity and revitalize the local economy while helping to build resilience to shocks. Injecting money or exchangeable food vouchers stimulates local economies and markets for the benefit of the community as a whole.

Sixth action will set up a transitional shelter for people displaced by force. The internally displaced population is the largest community vulnerable to the impacts of the economic downturn, particularly with regard to unacceptable shelters and accommodation in vacant spaces or shock-related health. A transitional housing support programme will be formulated to provide a permanent solution. New accommodation standards will be applied, linked to other basic and essential services.

The seventh action will be to ensure financing for sustainable development and an integrated national financing framework. The Government is aware of the fundamental change underway as a result of the Addis Ababa Action Agreement (AAAA). An evaluation of financing for development will be undertaken. It will be combined with a roadmap for the Government and international partners to improve the catalytic impact of ODA in mobilizing resources for development. New investment modalities will be tested and a National Integrated Financing Framework (NIFF) will

be developed to improve the coordination of public and private contributions. Conservation funding (vertical funds) and other modalities will be strengthened, including for green and blue bond markets. Options for integrating blockchain technology into so-called transparent value chains will be explored, as will investments in the exploitation of e-commerce and financial technology solutions. Options to better use and deploy remittances to support national well-being and diversification could also be integrated.

The eighth action will be the adoption of a medium-term fiscal, budgetary and expenditure framework. The crisis has shown the importance of strengthening budget management and planning. It is for this reason that it is necessary to continue improving the public financial management system, including the development of the Medium-Term Financing Framework (MTFC), based on the Medium-Term Budgetary Framework (MTBC) and the Medium-Term Expenditure Framework (MTSF).

In addition, other tools such as a single Treasury account and other improvements will be made in terms of resource allocation to policy priorities, payment and revenue collection systems as well as in terms of public expenditure control.

Economic stimulus measures (see Table 9) will provide considerable support for the elimination of fragilities and the strengthening of sources of resilience in formal and informal economies. Emergency budget support for exogenous shocks has been integrated to meet the needs of the budget deficit or balance of payments.

Table 9 : Economic Recovery Financing Measures (2021-2022)

	Costs (FDJ)
1 Provide emergency budgetary support (mitigating the exogenous shock).	5 340 000 000
2 Develop and implement a financial inclusion strategy.	133 500 000
3 Develop and implement a financing mechanism for MPME.	4 450 000 000
4 Set up a job creation programmes.	89 000 000
5 Expand social protection programmes such as conditional cash transfer programmes for better resilience and risk management.	534 000 000
6 Establish a transitional shelter for people displaced by force.	1 424 000 000
7 Ensure financing for sustainable development and integrate a national financing framework.	89 000 000
8 Adopt a medium-term fiscal, fiscal and expenditure framework.	44 500 000

SOCIAL RECOVERY SUB-PROGRAMME

OBJECTIVES OF THE SOCIAL RECOVERY SUB-PROGRAMME

Mitigating the negative socio-economic effects of the pandemic on populations

The social impacts of COVID-19 are diverse with unquantifiable spillovers and multiplier effects: (i) disruption of many basic and essential services; (ii) the increase in inequalities between regions following the lockdown; (iii) dropping out of school following the closure of schools; (iv) income stress following the prolonged lockdown and modest inflation affecting commodity prices; (v) a positive expansion of social protection measures and a revision of their systems. The recovery will focus on four priority actions.

The first will be the involvement of women in post-COVID-19 decision-making. Ending violence against women and girls is a key social goal and COVID-19 has caused increased stress on women in particular.

Women's voice in decision-making at the national level, community participation and organization, advocacy and public representation must be reinforced. Such a measure would be widely supported by donors and could focus on financial and digital literacy, including an effort for disaggregated data to support better policy-making. It would be integrated into the United Nations Spotlight Initiative.

The second action will make it possible to adapt health, education, water and sanitation services to the challenges of socio-economic change. Persistent concerns related to climate change and social distancing, in particular, call on the Government to reassess health and learning systems. This crisis has laid bare inequalities in education, the gaps in distance learning, the cost of the digital divide for the poorest, the fragility of the ecosystem, and the important role that schools play in the health and well-being of students. This will involve a

national review of health, education, water and sanitation policies, and investments to ensure that future lending service delivery models provide the necessary tools to address the problems of the present and the future, fight the climate crisis and transform society. The measure will support an approach to health, sustainable development, education and sustainable development in which resilience and social-emotional and behavioral learning are introduced.

The third priority will be the implementation of a Djibouti action plan for a circular and green economy. Social well-being is directly linked to the well-being of Djibouti's ecosystem.

With the links between the environment and human development laid bare by the pandemic, the Government believes that the establishment of a strategy focused on promoting a circular and green economy - involving the use of renewable energy sources and the introduction of the best practices in the management of natural resources - is a vital response.

The fourth priority will be to ensure a sustainable future for the diaspora and remittances. Cash transfers from the diaspora have played an important role in Djibouti's economy. But they are largely spent on essential consumption. This will involve implementing measures to promote the participation of these funds in increasing investment and strengthening the country's capacities.

A large part of the funding resources will have to be provided by the cooperation partners and the private sector (see table 10). Part of this disruptive process requires the creation of new partnerships.

Table 10 : Social recovery financing measures (2021-2022)

		Coûts (FDJ)
12	Involve Djiboutian women in post-COVID-19 decision-making.	356 000 000
13	Adapting health, education, water and water services of sanitation to the challenges of socio-economic changes.	890 000 000
14	Set up a Djibouti action plan for a circular and green economy.	89 000 000
15	Ensure a sustainable future for the diaspora and remittances.	89 000 000
Total		1 424 000 000

FUNDING FOR THE COVID-19 SOCIO-ECONOMIC RESPONSE STRATEGY

The measures of the COVID-19 Socio-Economic Response Strategy described here have a cost of FDJ 17,433,000,000

(approximately USD 98 million), excluding the potential contribution of private capital, over the period 2021-2022.

Table 11 : Funding Measures for the Socio-Economic Strategy for Responding to COVID 19

		Costs (FDJ)
1	Sanitary measures	4 005 000 000
2	Economic measures	12 004 000 000
3	Social measures	1 424 000 000
Total		17 433 000 000

All of these investments will have positive multipliers and will raise future capital as they are deployed. As a result, the objective of the recovery financing approach – in line with the Government’s Public Financial Management (PFM) and Public Expenditure Management (THE GDP) systems – is also to encourage a shift towards sustainable development finance (which includes blended finance). This

makes the entire recovery plan compliant and aligned with the AAAA (Addis Ababa Action Agreements) and SDGs.

The impact on the long-term recurring costs of all investments is limited, in particular because all measures focus on economic efficiency or sustainable solutions. SDG budgeting will be integrated into these measures.

DIGITAL ECONOMY AND TECHNOLOGICAL INNOVATION PROGRAMME

OBJECTIVES OF THE PROGRAMME ON THE DIGITAL ECONOMY AND TECHNOLOGICAL INNOVATION

Set up the ecosystem to generalize digitalization, and harness the power of digital transformation to foster the emergence of a dynamic and Including economy.

Digital technology will be an essential lever for a more modern economy and an inclusive society. The interventions will aim to create optimal conditions for the establishment of a basic economic digitalization that brings values, creates jobs, and wealth, and stimulates development. The NDP capitalizes on a few achievements: (a) the creation, in May 2021, of a Ministry delegated to the Digital Economy and Technological Innovation, (b) the National ICT Development Strategy and the Integrated Strategic Plan 2014-2024; (c) two cable docking stations and nine submarine cables (d) the Djibouti Data Centre; (e) the Djibouti Internet Exchange (DjIX); (f) Djibouti Telecom (DT).

Interventions will be concentrated in nine areas. The first area of intervention concerns the deployment and modernization of infrastructure for digital spatial planning. This will involve (1) the preparation and implementation of a Digital Development Master Plan (SDAN) for the territory; (2) reforms for regulatory, institutional and organizational support; (3) infrastructure allowing access to broadband throughout the country; (4) equipment for the interconnection of administrations; (5) the development of the master plan for digital transformation.

The second area ensures the establishment of the legal and regulatory framework and the implementation of the necessary institutional capacities. They will develop the performance and attractiveness of the telecommunications/ ICT sector and strengthen competition in all market segments. This appropriate regulatory framework ensures the creation of innovation conditions for companies, in particular by operationalizing (1) the 2019 law creating a multisectoral regulator (ARMD); (2) Djibouti Telecom's strategic transformation plan and particularly its two major programmes, "Djibouti: Connector and Connected" and "Digital Djibouti".

The focus will be on preparatory actions for the opening of the market and the choice of a strategic partner for Djibouti Telecom, the licensing of new Internet service providers, and the opening of ancillary markets for private investment.

The third area is the establishment of the legal and regulatory framework as well as the necessary institutional capacities to accelerate the digital transformation, improving the business climate, promoting private sector participation and creating conditions leading to innovation. The legal and regulatory framework will make it possible to strengthen competition in all market segments to make access simple and inexpensive and, on the other hand, abundant and diversified services. Specific measures will encourage innovation, the attractiveness of investments and technical and managerial expertise. This process will allow all citizens, regardless of where they live, to access digital tools, services and content. The process will also implement relevant initiatives so that, in all areas of socio-professional activity, ICTs become a factor of growth and increased efficiency.

The fourth area is the development of human capital related to digital skills. It will focus on promoting digital skills and services (including through continuing education). Specific measures will focus on increasing the skills of digital specialists to enable research, development and maintenance. Increased e-commerce and technology skills will gradually identify new methods to harness new developments and support the business community. Emphasis will also be placed on developing basic digital skills for the population, so that all Djiboutians can benefit from digital tools (e.g. for financial inclusion). This will be complemented by the development of the framework to expand the availability of digital skills in Djibouti, the definition and assessment of digital skills,

as well as skill levels. Collaboration with the education sector will be used to integrate basic digital skills into school curricula.

The fifth area focuses on specific interventions to increase the uptake of ICTs by the general population and businesses, with particular attention to disadvantaged groups. This will help bridge digital divides.

The sixth area concerns the establishment and operationalization of an ecosystem for the support of private actors and entrepreneurs as well as the development of innovation (support mechanisms for entrepreneurs and business creation, jobs in the ICT sector - e.g. strengthening of incubators and establishment of a financing platform). A reform agenda to lower barriers to entry will encourage competition and investment, in particular to reduce risk. This will also cover the modernization of regulatory frameworks to facilitate infrastructure sharing or encourage competition policy, regulation, privacy and data security.

The seventh area focuses on the development of digital platforms, applications and content to improve the quality of services offered to citizens. The focus will be on making services efficient and accessible.

This will remove intermediation burdens, make transactions less costly, bring more efficiency and transform mutual interactions between people, governments, businesses and civil society. It is therefore necessary to generalize digital technology to stimulate the development of an Internet value chain that generates well-paying jobs for young people and the middle classes.

The eighth area of intervention strengthens the environment of trust and guarantees national digital sovereignty (cybersecurity, data protection, citizen protection, etc.). Actions will focus on specific measures (legal, regulatory, organisational and operational), cybersecurity, citizen protection, cybercrime, cryptology and management of personal data, etc.

The ninth focus area strengthens e-commerce. This will improve the quality of services offered to citizens. This will make more efficient the use of digital tools. The administration and other public and private entities will adapt to this new form of exchange. In turn, this

will improve access to affordable digital products and services for all. The focus will be on the deployment and generalization of high-speed Internet access as well as on the development of the digital content offer throughout the territory. Every person, every company and every institution will be able to access digital services that meet their needs. Digital technology will therefore become an essential lever for inclusion through a universal service policy characterised by the effective integration of ICTs in education and their use in transactions with public and private services. An essential element will be the creation of innovation centres as a support for industries. Start-ups will thus benefit from an environment conducive to innovation, research and development.

In terms of approach, to ensure the continuous improvement of e-commerce, Djibouti will align itself with the COMESA guidelines on the digital exchange area. In this context, measures will be taken to ensure that the digital economy creates jobs in disadvantaged strata. Improved connectivity will directly and indirectly target job creation. Policies will be designed and implemented to improve employment opportunities and enhance the participation of small and medium-sized enterprises businesses, especially those belonging to minority groups such as women and youth. The implementation of such policies will be supported by priority action plans for each of the above areas.

The private sector will be encouraged to innovate to meet the specific needs of disadvantaged groups, including by incorporating functionalities into connectivity infrastructure and associated policies that reflect the needs of targeted stakeholder groups. To also encourage the inclusion of disadvantaged strata, emphasis will be placed on transparency. The latter will be implemented through programmes to collect, analyse and disseminate information on the level of participation of these disadvantaged actors. This information will help identify cases of discrimination or unequal access; they will inform actions to remove barriers to access for disadvantaged groups.

Actions to encourage the participation of minority groups, capacity building and the development of specialized skills will also be pursued through support to organizations

that encourage and promote the participation of disadvantaged and vulnerable groups in business. A legislative and regulatory framework will be used to support digital development. This will have to cover the public and private sectors to thwart cybercrime and protect data. SMEs as well as disadvantaged strata, especially women and young people, will be supported to create more opportunities and jobs. This implies addressing various multidimensional barriers: the unavailability of Internet services in rural areas, the high price of equipment for certain populations, the lack of interest in the Internet which reflects a lack of local content and low awareness of the benefits of digital services, as well as a lack of confidence in digital technologies. Complementary actions will aim to improve digital spatial planning to reduce digital divides.

Thanks to these actions, digital technology will be an integral part of economic and financial transactions. Djibouti will become a service hub and an international centre for innovation and digital competence. The development of digital technology will make it possible to: (i) reduce the digital divide; (ii) the diffusion and integration of ICTs in all sectors of the national economy; (iii) the establishment and operationalization of an ecosystem for the support of private actors and entrepreneurs, in particular through the strengthening of incubators and the establishment of a financing platform; (iv) the guarantee of national digital sovereignty, including through the fight against cybercrime and the protection of services; (v) improving the quality and diversification of ICT services.

THIRD PART IMPLEMENTATION



9. GENERAL PRINCIPLES



The National Development Plan (NDP) 2020-2024 “Djibouti ICI” provides for a set of actions in the different sectors and regions that will allow us to achieve the objectives of the plan. Its implementation is based on the following guiding principles:

Each ministry, regional council and other government entity is responsible for activities within its mandate.

For effective implementation, it is necessary to ensure good internal coordination between the different departments and agencies of the Government. It will be strengthened thanks to our international partners, the strengthened partnership with the private sector and civil society and, above all, the commitment of the population to development. It should also be noted that the Directorate of Economy and Planning within the Ministry of Economy and Finance is responsible for monitoring and evaluating implementation (through the monitoring and evaluation working group) and reporting.

Implementation is based on a theory of change. Four preconditions are at the heart of this process: (a) Development strategies are inclusive; (b) Institutions

achieve more inclusive transformation and improved efficiency and effectiveness by meeting the needs of the entire population. (c) Investments in the economy and the provision of social services solve the challenges of access to employment and services for the entire population; (d) These investments and strategies stimulate development where all citizens see their living conditions improve. Once these preconditions are met, the achievement of the objectives of this national plan will be likely. This theory of change is subject to certain conditions and assumptions, among others: (1) Internal and external risks (see below) do not occur or are mitigated so that they do not profoundly disrupt the development process as foreseen in this plan; (2) Successive Governments continue to follow the logic of the “Djibouti Vision 2035” and the priorities of this 2020-2024 “Djibouti ICI” NDP; (3) The necessary funding for the implementation of the actions is available; (4) There is a good alignment between the external financing of development actions and the actions provided for in the 2020-2024 NDP “Djibouti ICI”; (5) Future strategic choices in a complex development context are appropriate, fair and productive.

Consolidation of priorities in a limited number of programmes. The different sections of the PND 2020-2024 “Djibouti ICI” develop an analysis of the development issues in the different sectors. They made it possible to identify strategic priorities.

Although these priorities are sector-specific, the theme of priorities also has some convergence. This makes it possible to consolidate these priorities into programmes that often cover several sectors and several strategic axis.

IMPLEMENTATION FRAMEWORK

The implementation framework shall be organized in such a way that it allows for greater efficiency, transparency and compatibility at all levels. The institutional implementation mechanism and the modus operandi to be put in place for the implementation of the 2020-2024 NDP “Djibouti ICI” are partly based on the challenges identified during the implementation of the Accelerated Growth and Employment Promotion Strategy (SCAPE) 2015-2019 (see Box 20).

1. Institutional arrangements that include internal coordination of the Government.
2. Enhanced collaboration with international partners.
3. The strengthened partnership with the private sector and civil society will be effective.
4. The commitment of the entire population to development will be supported by specific actions.

INTERNAL COORDINATION OF THE GOVERNMENT.

Each ministry, each regional council and each other government unit is responsible for the implementation of programmes in the various strategic priorities that concern it. The collection of the necessary data to guide implementation (such as monitoring and evaluation) and engagement in coordination structures are also part of their prerogatives.

Under the responsibility of the Interministerial Working Group for Monitoring and Evaluation, the Directorate of Economy and Planning (within the Ministry of Economy and Finance) is responsible for coordinating implementation, monitoring, evaluation and reporting. It ensures the internal coordination of the Government and produces cumulative semi-annual progress reports on the basis of the monitoring and evaluation system. The Directorate of Economy and Planning also coordinates sectoral and global evaluations at mid-term (2023) and end-of-term (2025). The mid-term evaluation will form the basis for the development of the 2025-2029 NDP.

The Internal Coordination of the Government will take place at two levels: horizontally and vertically.

The vertical level concerns coordination between the different ministries, between the Government and the administrations of the regions. Horizontal coordination will also take place at two levels. The first concerns the Council of Ministers. Twice a year, the Ministry of Economy and Finance presents a progress report on the implementation of the 2020-2024 NDP “Djibouti ICI”. This presentation focuses on the main axis, challenges and opportunities that have emerged during the reporting period; once a year, the necessary amendments will be submitted to the Council for approval.

The second level of **horizontal** coordination will consist of quarterly meetings between the Secretaries General of the ministries to validate the reporting before its submission to the Council of Ministers. These meetings will also serve to stimulate coordination and cooperation between ministries in areas of common interest, to address new challenges and to seize new opportunities.

Box 20: Challenges during the implementation of the SCAPE 2015-2019

In terms of the governance of coordination, monitoring, evaluation and support provided by development partners, the implementation of SCAPE has been marked by:

1. Weak steering capacity within sectoral ministries;
2. The overall institutional mechanism for coordinating and monitoring public policies has not met periodically, thus weakening the State's coordination and monitoring capacities, reducing synergies, partnerships and joint programming;
3. The low capacity of human resources in ministerial departments has not allowed an appropriation of the tools or to ensure a real steering of public policies;
4. Technical and financial partners have often focused on internal mechanisms and procedures rather than strengthening national mechanisms and tools, in line with the principles of the Paris Declaration.

Vertical coordination will take place mainly at the level of each ministry with representatives in the regions. Quarterly collective meetings will be held between representatives of ministries and regional administrations to assess progress and highlight emerging challenges and opportunities. To support the effort to improve the efficiency of the functioning of the Government, it is essential to

ensure that the various ministries and regional authorities are aligned with the same objectives and priorities and that they deliberately seek synergies in actions.

To this end, the institutional mechanism for coordinating and monitoring public policies set up by Decree No. 2015-290/PR/MEFCI will remain in force during the NDP.

ENHANCED COLLABORATION WITH INTERNATIONAL PARTNERS.

Djibouti is in a fortunate position to benefit from significant development support from various international partners, with significant financial resources and advisory capacities. To better frame and make the efforts more fruitful, the structure of the coordination of development assistance will be strengthened. The aim is to establish a better system for sharing information – especially with regard to ongoing and planned projects – and a better coordination structure for the various initiatives. The dialogue framework system and the IT tool are already deployed at the level of the External Financing

Directorate for the monitoring of all projects financed by development aid.

The objective of coordination and collaboration with partners is to ensure the best possible deployment of official development assistance to achieve the ambitions of the 2020-2024 NDP “Djibouti ICI”. Coordination is built with a partnership approach, stimulates the use of national systems and is based on the principles of the Paris, Accra and Addis Ababa agreements²⁶. This coordination will take place through an integrated national NDP financing framework.

26. The principles of the Paris, Accra and Addis Ababa agreements are:

- Ownership: Developing countries define their own poverty reduction strategies, improve their institutions and tackle corruption
- Alignment: Donor countries align with these goals and use local systems;
- Harmonization: Donor countries coordinate, simplify procedures and share information to avoid duplication;
- Results: Developing countries and donors focus on development results and results are measured;
- Mutual accountability: Donors and partners are accountable for development results. The 2015 Addis Ababa Action Agenda, among others, highlights the need to develop innovative financing structures. Where possible, it is recommended to align blended finance tools with financing needs.

Coordination of development partners will be strengthened in line with the National Action Plan on Aid Effectiveness (PANEA). Two measures, in particular, will be put in place as a matter of priority. The first is to establish a database open to all and highlighting development projects. Secondly, the structure of coordination and exchange will need to be strengthened on a regular basis.

This coordination structure will ensure that Official Development Assistance (ODA) investments are in line with the priorities of the 2020-2024 “Djibouti ICI” NDP (and sectoral strategies) and that the different development projects are well aligned with each other to explicitly promote synergies.

The coordination structure also serves to ensure that all partners have access to the same information and that the analysis of development challenges and opportunities is carried out jointly. Lately, the added value

of investments must be maximum. Of course, apart from efficiency issues, this value is embodied in alignment with national priorities as well as other development initiatives. South-South and triangular cooperation in the political, social, cultural and technical fields will be strengthened.

The coordination structure will be supported by the Minister of Economy and Finance, in charge of Industry (MEFI) and the Ministry of Foreign Affairs and International Cooperation (DFAIT). The Directorate of Economy and Planning of the MEFI, technical secretariat of the PND 2020-2024 “Djibouti ICI”, will also manage the project database. The secretariat will carry out its functions in close collaboration with other State institutions (such as the National Institute of Statistics of Djibouti) and will have the capacity to commission specific research to better understand the impact of investments from development assistance.

A STRENGTHENED PARTNERSHIP WITH THE PRIVATE SECTOR AND CIVIL SOCIETY

The objectives of the 2020-2024 NDP Djibouti ICI will not be achieved if the private sector and civil society do not engage. Coordination and engagement structures will be strengthened as a priority. A permanent structure will be established for dialogue with the national private sector, with working groups for the different sectors of the economy to develop a common agenda and create an action agreement commune. It will be the same for international private actors and especially for parties (potentially)

interested in investing in our country. Coordination and dialogue with civil society, through the platform already established by Decree No. 2015-290/PR/MEFCI, is important not only to stimulate active engagement in social actions, but also because civil society is a key player in transparency and social accounting. It is an important relay concerning the perceptions of the population vis-à-vis the direction of socio-economic development taken by our country.

THE COMMITMENT OF THE WHOLE POPULATION IN DEVELOPMENT

The main objectives of the 2020-2024 NDP “Djibouti ICI” aim to fundamentally improve the living conditions of our population. It is necessary that the population itself be included in the analyses of the development problem in the different fields as well as in the elaboration and implementation of solutions for the development challenges and opportunities that arise.

This commitment goes far beyond a classic “participation” where citizens are asked to give their opinions; it is a question of creating structures of engagement (physical or virtual meetings) where the population is involved in the analysis processes the problem, the development of solutions and the implementation of the most appropriate development options. International partners are invited to support us through their skills and experience; they can also create

initiatives for the co-creation of strategic, legal and procedural instruments, participatory budgeting processes, alternative financing

structures; they can also propose innovative development solutions.

MONITORING AND EVALUATION

The indicators of success of the implementation of the 2020-2024 NDP “Djibouti ICI” are included in the chapters of the above pillars. The monitoring and evaluation plan consists of verifying that the relevant data are actually collected and analysed.

For this, the following measures will be put in place.

During the elaboration of this National Development Plan 2020 – 2024 “Djibouti ICI”, an inter-ministerial working group for Monitoring and Evaluation has been established. Supported by the Directorate of Economy and Planning of the Ministry of economy and Finance, this multisectoral group will be strengthened and will have four main objectives:

- Produce cumulative semi-annual progress reports;
- Establish a monitoring system for relevant indicators to be able to produce semi-annual updates;
- Establish a research system that allows for further analysis of the evolution of relevant indicators;
- Regularly review the risks and opportunities associated with the implementation of the PND 2020-2024 “Djibouti ICI”.

The monitoring and evaluation approach was informed by the recognition of a high complexity of the development context and a high uncertainty regarding projections for the immediate future. In a complex and uncertain situation, it is essential that relevant information be collected in near real time to inform the Government and other decision-makers on development developments and decisions to be taken.

A first assessment of the impact of COVID-19 was drawn up and also noted the uncertainty of the projections. It is almost certain that

over the years, the evolution of the indicators will deviate from the projections presented in this plan. The challenge is that we cannot predict how these indicators will deviate. It is therefore a question of ensuring that the information is updated regularly. A scoreboard has been developed with the most relevant indicators; the monitoring and evaluation group will produce a semi-annual report with an update. The working group will also be provided with the means to verify that the required data are collected in a timely manner and to implement further research to clarify and better understand the evolution of relevant indicators.

During 2020, several actions tried to understand the impact of COVID-19. To create more coordination and collaboration and to avoid duplication, international partners are invited to join the working group to develop a common agenda and pool resources.

A second measure to ensure the availability of information is to explore innovative data collection and analysis processes. These include digital “big data” (e.g. banking data, social media, satellite imagery, etc.) This data – usually for low collection costs – can quickly produce overviews. It is relatively easy to update them.

These types of data also have the advantage of identifying and tracking small changes that may be critical later on. The Government can therefore ensure early decision-making and respond to change in an agile manner. Artificial intelligence and machine learning can help with analysis.

A third measure in the context of monitoring and evaluation is to establish a strategic innovation unit. It will focus on the strategic challenges facing Djibouti. These include those who require an adaptation or sometimes a revision of our strategies and approaches.

Often, these types of challenges consist of wicked problems. This innovation unit will be responsible for examining them and

generating possible solutions in an innovative way. It will involve national and international partners in a network approach. It will use methodologies such as design thinking and develop prototype approaches to test viability. Second, this unit will be responsible for imagining the longer-term future and identifying development and investment

opportunities in Djibouti. It will be based on traditional approaches such as forecasting (“fore-casting”) or more innovative ones such as anticipation (“foresight”). This unit will initially be the result of a collaboration between the Ministry of Economy and Finance and the Delivery Unit.

RISK MANAGEMENT

Risk management is about the responses and measures we can put in place to prevent events in the development environment from preventing us from achieving our goals. It also helps to highlight the steps we need to take to increase our ability to amplify events and developments that can help us achieve our goals faster or more efficiently.

Our approach to monitoring and evaluating the plan was developed with this risk management in mind. On the one hand, it is a question of setting up an information system concerning developments and systemic changes in our environment that influence the achievement of our objectives. On the other hand, it is a question of setting up a management structure that allows both to analyse the information in an in-depth way and also to elaborate responses quickly enough to be able to influence the developments (reduce or amplify the impacts of these developments).

COVID-19 has shown that identifying risks is not always easy. Global integration and the associated dynamics make it essential to build capacity to assess and reassess risks on an almost permanent basis. Thus, risk management becomes a core of government function.

Risks that have the potential to negatively influence the achievement of Objectives:

External:

- The deterioration of the global economy and trade due to the pandemic COVID-19;
- Regional instability.

Internal:

- Worsening of the negative socio-economic impact of COVID-19 resulting in a decrease in internal economic activity;

- Fiscal imbalances due to the impact of COVID-19 requiring supportive investments in the economy and social sectors at the expense of “growth” investments and inclusion in the medium and long term;
- A reduction in state revenues that would endanger public contributions to investment projects;
- Limited commitment and well below private sector forecasts (national and international) which would endanger the implementation of investment projects;
- A significant reduction in Official Development Assistance would jeopardize investment projects and social programmes.

Opportunities that would facilitate the achievement of objectives in a more efficient or faster way:

- A continuation of the reduction of the costs of renewable energies (in particular solar and wind as well as geothermal): this will make it possible to provide energy at a lower cost; the poor will have easier access to it;
- The opening and accessibility of the region’s markets with better connectivity;
- The faster development of the digital economy in our country and in the region to capitalize on existing infrastructure
- The development of more affordable technologies for the desalination of seawater using renewable energies. This will allow us to access drinking water in sufficient quantities to drinking water

and to develop agriculture, thus reducing dependence on imports;

- The development of distance learning will allow our young people to access high-quality training – national and international – at a lower cost;
- The introduction and faster adoption of mobile money in the economy, reducing the costs associated with transfers and facilitating access to banking services for the poor in society;
- The citizen-centered approach to the implementation of the NDP.

The risks and opportunities we have described above are just examples. The increasing

complexity of the development context implies that, during the implementation of the 2020-2024 “Djibouti ICI” NDP, other risks and opportunities will emerge.

It is not a question of predicting them all now. We need to build management systems that, almost permanently, can assess and reassess our situation so that we can then develop appropriate responses. The inter-ministerial working group for monitoring and evaluation, supported by the Directorate of Economy and Planning of the Ministry of Economy and Finance, is responsible for regularly reviewing the risks and opportunities associated with the implementation of the 2020-2024 NDP “Djibouti ICI”.

MACROECONOMIC FRAMEWORK AND RESULTS

MACROECONOMIC FRAMEWORK

Djibouti’s macroeconomic outlook has been severely affected by the COVID-19 pandemic. We are facing a significant negative external demand shock due to the global recession. Based on global and regional perspectives – currently exacerbated by the conflict in Ethiopia – the Government is aware of the short-term risks. It has developed a two-year recovery programme to offset these effects for the period 2021-2022 – this programme is integrated into the 2020-2024 NDP “Djibouti ICI” (see Chapter 6).

In 2020, the Government was forced to reset its macroeconomic projections and forecasts, also facing an urgent balance of payments crisis. The loss of output (due to supply and demand shocks), the decline in tax revenues (leading to fiscal pressures) as well as the reorientation of budgetary expenditure and official development assistance have made the forecast for the period 2021-2024 complex. Despite the above and despite the lingering effects of the pandemic (which have affected

micro, small and medium-sized enterprises in particular, in key sectors), the Government expects growth to rebound in 2021.

The tables below present a selection of macroeconomic and financial indicators for the period 2020-2025. The macroeconomic outlook depicts the fragilities caused by the pandemic. The composition of growth reflects the heavy dependence of the port environment and the free zone as the main engine of growth. The rapid growth of trade and logistics activities in recent years (supported by significant investments in ports and transport infrastructure) has made the country more dependent on changes in global and regional trade. The volume and value of trade were therefore affected in 2020. The current account balance (booming in 2018 and 2019) suffered from the slowdown in international transactions. However, macroeconomic fundamentals are expected to resume their upward trajectories.

Table 12 : Key Economic and Fiscal Indicators, 2013-2025

	Realized					Estimates and projections							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
National accounts	(Annual % change)												
Real THE GDP	-	7,10%	7,70%	6,70%	5,40%	8,40%	6,60%	1,20%	7,00%	7,80%	8,20%	8,40%	8,50%
Consumer prices (annual average)	-	1,30%	-0,50%	2,40%	0,60%	0,20%	0,30%	0,30%	2,00%	2,00%	2,50%	2,50%	2,50%
Consumer prices (end of period)	-	3,40%	-1,50%	2,30%	-0,90%	2,00%	0,20%	0,10%	0,20%	0,20%	0,50%	0,50%	0,50%
Savings and investment	(% of THE GDP)												
Fixed capital investment	25,00%	27,20%	29,20%	27,60%	28,80%	18,20%	26,70%	16,40%	19,80%	22,80%	24,10%	24,40%	26,50%
Private	14,70%	17,90%	18,70%	19,50%	22,50%	12,40%	20,50%	11,90%	15,40%	17,80%	19,00%	19,20%	21,30%
Public	10,40%	9,30%	10,40%	8,10%	6,30%	5,90%	6,20%	4,50%	4,40%	5,00%	5,10%	5,20%	5,20%
Gross national saving	-5,70%	50,10%	61,40%	15,80%	19,30%	34,40%	56,80%	28,50%	18,30%	17,60%	17,10%	21,70%	22,80%
Balance (National Saving - Investment)	-30,80%	22,80%	32,20%	-11,70%	-9,50%	16,20%	30,10%	12,10%	-1,50%	-5,20%	-6,90%	-2,70%	-3,70%
	Realized					Estimates and projections							

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Central government	(En % du PIB)												
Revenues and donations	26,50%	22,20%	26,40%	24,40%	23,80%	23,30%	24,30%	22,30%	19,60%	19,80%	19,70%	19,80%	19,80%
Tax revenue	14,10%	13,40%	14,30%	14,00%	13,50%	12,90%	13,20%	11,30%	11,50%	11,70%	11,70%	11,90%	12,10%
Non-tax revenue	9,20%	5,50%	7,20%	7,30%	8,40%	7,00%	6,90%	7,00%	6,30%	6,10%	6,10%	6,00%	5,80%
Dons	3,20%	3,40%	4,90%	3,10%	1,80%	3,40%	4,10%	4,00%	1,80%	2,00%	1,90%	1,90%	1,90%
Total Expenditures	26,80%	24,70%	26,70%	25,90%	24,00%	25,10%	24,60%	24,10%	21,20%	21,00%	20,10%	20,30%	20,40%
Current expenditure	17,10%	16,40%	16,40%	17,90%	17,80%	17,20%	16,10%	15,30%	14,70%	14,20%	13,20%	13,30%	13,40%
Capital expenditures	9,70%	8,30%	10,30%	7,90%	6,20%	7,90%	8,40%	6,10%	5,90%	6,80%	6,90%	7,00%	7,00%
Domestic overfinancing	5,70%	4,90%	7,10%	4,80%	3,70%	3,20%	3,90%	2,40%	2,90%	3,00%	3,00%	3,00%	3,00%
External overfinancing	4,00%	3,40%	3,20%	3,20%	2,50%	4,70%	4,50%	3,60%	3,00%	3,80%	3,90%	4,00%	4,00%
Overall balance (commitment basis)	-0,30%	-2,50%	-0,30%	-1,50%	-0,30%	-1,80%	-0,30%	-1,80%	-1,60%	-1,20%	-0,40%	-0,50%	-0,60%
Change in arrears	-0,70%	-0,40%	-0,40%	-0,40%	-0,10%	0,40%	-0,30%	-0,30%	-0,30%	0,00%	0,00%	0,00%	0,00%
Overall balance (cash basis)	-1,10%	-2,90%	-0,70%	-1,90%	-0,40%	-1,40%	-0,60%	-2,20%	-1,90%	-1,20%	-0,40%	-0,50%	-0,60%
Financing	1,00%	2,90%	0,70%	1,80%	0,30%	1,70%	0,60%	2,20%	1,90%	1,70%	1,80%	1,70%	1,50%
Inside	0,30%	2,70%	0,10%	0,30%	-0,50%	0,10%	-1,40%	-2,70%	-0,40%	-0,30%	-0,30%	-0,30%	-0,30%
Outside	0,70%	0,20%	0,60%	1,40%	0,80%	1,60%	2,00%	4,80%	2,30%	2,00%	2,10%	2,00%	1,80%
Disbursements	1,60%	1,00%	1,20%	2,00%	1,60%	2,30%	2,70%	5,30%	2,90%	2,40%	2,50%	2,60%	2,50%
Depreciation	-0,90%	-0,80%	-0,70%	-0,50%	-0,70%	-0,70%	-0,70%	-0,50%	-0,60%	-0,40%	-0,40%	-0,60%	-0,70%
	Realized						Estimates and projections						

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt stock (% of THE GDP)	34%	36%	49%	63%	71%	68%	68%	76%	71%	66%	61%	54%	47%
Outstanding debt on exports	22%	23%	35%	65%	51%	48%	39%	69%	68%	64%	60%	55%	49%
Debt servicing (% of exports)	1,50%	1,40%	1,40%	2,30%	1,80%	2,30%	1,90%	2,00%	2,90%	3,90%	3,90%	3,80%	4,10%
Total Debt Service/ Revenue (Adm + E/its Public)	-	-	5,40%	6,50%	7,60%	9,60%	9,50%	6,60%	10,00%	13,30%	13,20%	12,80%	14,30%
For the record:													
Nominal THE GDP (FDJ billions)	363,1	393,6	431,9	462,7	489	535,4	567,1	575,4	628,1	690,8	765,8	851	946,6
Nominal THE GDP (US\$ billions)	2,043	2,215	2,43	2,604	2,751	3,013	3,191	3,238	3,534	3,887	4,309	4,788	5,326
Nominal THE GDP per capita (US dollars)	2,305,4	2,454,4	2,647,0	2,789,2	2,901,6	3,130,3	3,269,1	3,273,5	3,528,8	3,836,6	4,207,4	4,628,3	5,148,4
EBITDA of public enterprises (consolidated)	-	-	41,5	45,5	51,9	56,2	59,9	63,3	67,6	72,9	78,7	85,2	74
Population (millions)	0,886	0,902	0,918	0,933	0,948	0,962	0,976	0,989	1,001	1,013	1,024	1,035	1,035

Source : Source : Djibouti Authorities (MEFI-MB-BCD)

Macroeconomic fundamentals are expected to remain positive. Over the course of the implementation of the NDP, investment in fixed capital is expected to increase significantly, with private investment rising from around 12% of the GDP in 2020 to around 21% of the GDP in 2024. During the period 2020-2024, gross national savings are also expected to stabilize (around 25%); the same will be true for tax revenues (around 11-12%) and non-tax revenues (around 6%). In the external sector, the current account balance is expected to improve and return to its pre-pandemic level. Debt service costs as a percentage of revenue are expected to stabilize around 6.6-12.8%.

The Government is fully aware that, despite the good macroeconomic performance of recent years, parts of the economy are in the red. This includes the economy of the city (in the broad sense) which has not benefited from the development of port and transport infrastructure as it could have; but also rural and agricultural economies that continue to face, among other things, climatic hazards. Improving the direct, indirect, induced and catalytic effects of these investments will be a central element of the 2020-2024 “Djibouti ICI” NDP.

Gross Domestic Product (GDP). During the NDP period, the GDP is expected to return to its upward trajectory. Beyond 2021, and coming from a weak base in 2020, growth forecasts are expected to generate significant returns, allowing fiscal space to return to support discretionary funding priorities.

The scenario chosen predicts that the growth rate of 1.2% in 2020 will be offset by a rapid recovery in 2021 of 7%, followed by 7.8% in

2022, 8.2% in 2023 and 8.4% in 2024. The Government will continue to monitor the effects of the pandemic and regional conflict on growth outcomes as well as the effects of growth on unemployment and poverty rates. Djibouti’s economy is based on international maritime trade (processing nearly 90% of Ethiopian exports – which accounts for nearly 80% of Djibouti’s port activity). Ports and free zones account for about 35.5% of Djibouti’s THE GDP. Although container transport contracted considerably during the lockdown period, trade has since returned to a positive trend in the third quarter of 2020.

Inflation. In 2020, inflation reported by the consumer price index was estimated at 0.3%. The inflation rate for the period 2020-2024 is expected to remain relatively stable (around 2.3%) during the NDP period – assuming that the currency peg is maintained. Factors of inflationary pressures include oil and food prices which are expected to push up the consumer price index by 2% in 2021 – it should be noted that dependence on imports is an essential vulnerability and a factor of poverty in the poorest income groups.

Reserves of the Central Bank. After an increase in 2019, the Central Bank’s reserves should stabilize between 4.5 and 5 months of imports (excluding imports of goods and services related to re-exports from the free zone).

Public finance. The Government adopted a revised budget in June 2020 to redefine public spending priorities. It has reduced capital, operations and maintenance expenses.

This freed up USD 83 million for public spending related to COVID-19. Current expenditure fell by 0.8% of THE GDP. COVID-19-related spending amounted to 2.7% of the GDP, mainly focused on health spending, business and household emergency spending.

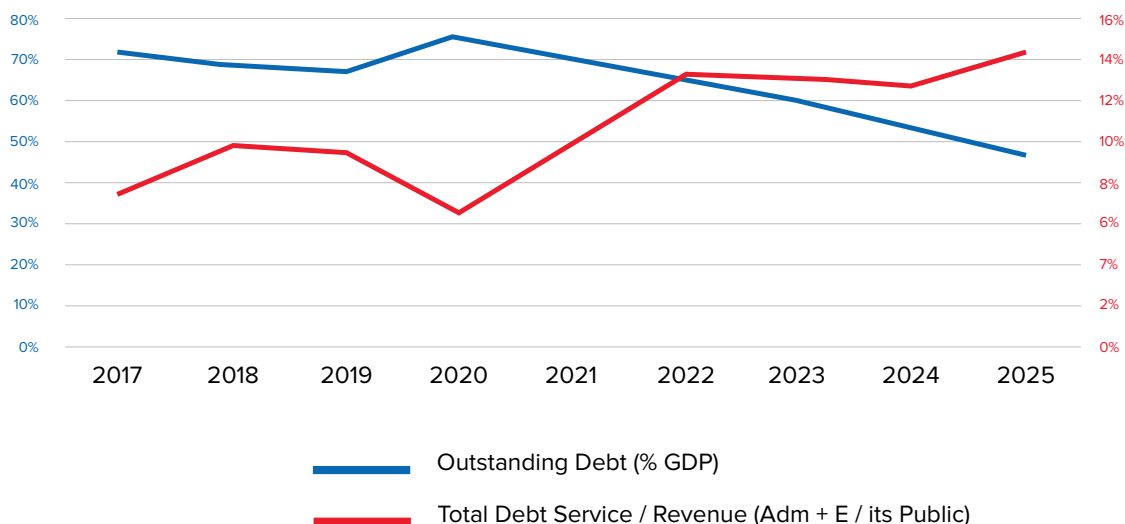
Due to the pandemic, tax revenues are expected to fall from 13.2% of THE GDP in 2019 to 11.3% of the GDP in 2020, a decrease of 1.9 percentage points. This is due in particular to the postponement of the tax levy to 15 July 2020 for companies most affected by the crisis and subsidies to state-owned enterprises (which, in turn, would support businesses and households). Non-tax revenues, supported by rents from military bases, saw a slight increase of 0.1% in THE GDP in 2020.

Faster growth and an effort to rationalize public spending are expected to generate considerable fiscal returns. This will expand fiscal space to support the priorities of the NDP. The Government is also committed to developing a Medium-Term Fiscal Framework

(MTCC) while strengthening the management of public investments, the efficiency of state-owned enterprises and the mobilization of fiscal resources. As a result of these measures, total spending is expected to be around 21.4% of THE GDP between 2020 and 2024.

The overall budgetary balance will remain negative. After a relatively high rate of 2.2% in 2020, it will stabilize around 0.5 – 0.6% by 2024-25. The budget deficit will be financed during the recovery period by development partners and international financial institutions, in line with the Government’s objective of focusing on concessional financing.

Public debt. A major concern of the Government will be the management of the public debt. While its increase and those of related service fees must be carefully managed, much of the public debt has been used to gain a first-rate advantage allowing the country to become a regional shopping mall. More than two-thirds of the external debt is returned to state-owned enterprises including ports, railways and ONEAD.



Source : Djibouti authorities

Current debt levels are considered sustainable. While the debt-to- GDP ratio has worsened slightly following the COVID-19 crisis, the Government plans to reduce debt-to-THE GDP from 76% in 2020 to 47% in 2025. State-guaranteed public debt increased in 2020, but it will decrease to around 50% of the GDP in 2024. Debt service costs as a percentage of revenue are expected to stabilize around 6.6-12.8%.

The Current Account. The current account balance is expected to improve and return to its pre-pandemic level. The rapid growth of commercial and logistics activities has made the country more dependent on changes in global and regional trade.

The booming current account balance in 2018 and 2019 suffered from the slowdown in international transactions. This affected the volume and value of trade in 2020.

After two years of deficit in 2016 and 2017, the trade balance remained positive over the period 2018-2020. As it constitutes the largest share of the current account, it has followed a similar trajectory.

Exports are dominated by livestock to the Gulf States, with imports including food and petroleum products as well as capital goods. Efforts to diversify the economy and boost exports remain at the heart of the 2020-2024 “Djibouti ICI” NDP.

Table 13 : Trade balance (FDJ million)

Year	Exports	Imports	Balance
2015	626 570	529 715	96 855
2016	480 381	506 047	-25 666
2017	736 936	765 271	-28 335
2018	810 953	744 464	66 489
2019	985 801	846 604	139 197
2020	636 338	593 659	42 679
2021	653276	653 803	-526
2022	712 556	738115	-25 559
2023	778 162	820 693	-42 533
2024	844 963	857 683	-12 721
2025	922 248	948 996	-26 748

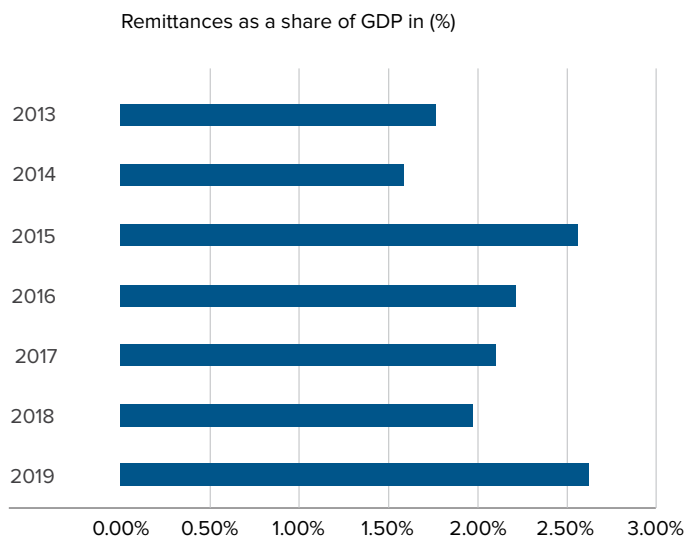
The deterioration of the trade deficit and current account since 2011 is due to the increase in imports of capital goods linked to the extensive public investment programme.

Future developments will depend mainly on external factors (with Ethiopia’s trade prospects) and increased capital imports for infrastructure development projects in Djibouti.

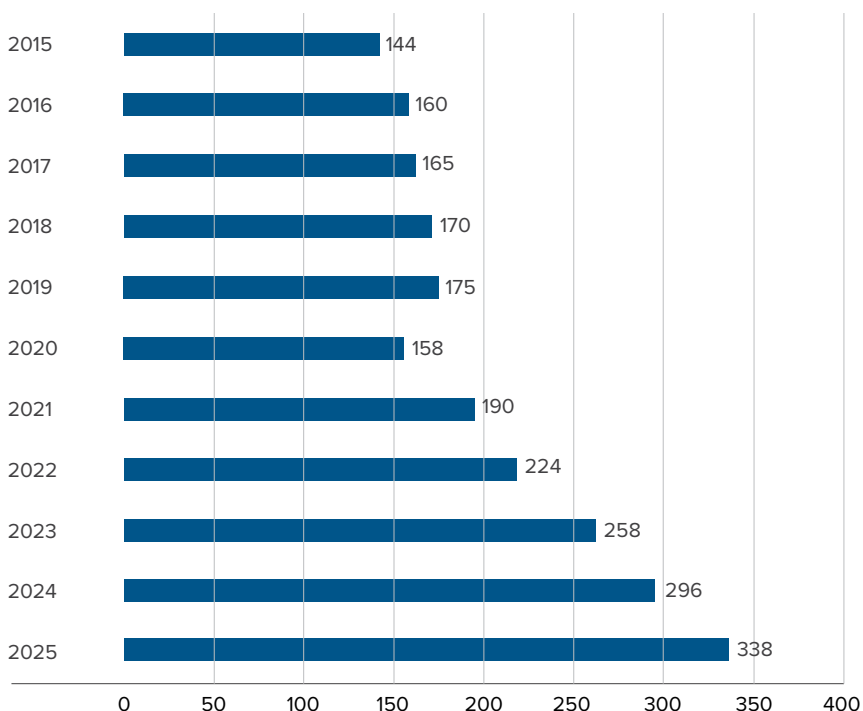
Remittances. Remittances are a vital lifeline for many families, accounting for 2.6% of THE GDP in 2019, according to the Intergovernmental Authority for Development (IGAD). The graph shows the share of remittances in Djibouti’s the GDP since 2013. In addition to providing a liquidity injection to households, they also

provide a foreign currency injection that is essential for overall financial sustainability. However, as noted by theWB, remittances are expected to decline in 2020 and 2021 due to the economic contraction and reduced employment of living immigrants abroad. A strategy for mobilizing the diaspora to contribute to the country’s development is being developed. It is coordinated by the Ministry of Foreign Affairs and International Cooperation.

Figure 15 : Remittances as a percentage of THE GDPt



Source : World Bank, IGAD and project calculation



Source : Djibouti authorities

Foreign Direct Investment (FDI). FDI flows to Djibouti have increased significantly over the past two decades. There is a gradual but steady increase from USD 144 million in 2015 to USD 175 million in 2019, a notable difference from the generally opposite trend observed for the rest of the African continent.

The graph below shows the historical and projected figures for FDI inflows, covering the years 2015-2025. According to the World Investment Report 2020 of the United Nations Conference on Trade and Development (UNCTAD), the stock of FDI entering Djibouti has also increased significantly over the past two decades; from just USD 40 million in

2000, to USD 132 million in 2010 and USD 175.5 million – or 5.5% of the GDP in 2019.

As noted above, FDI is expected to decline by about 9.7% in 2020, but increase sharply in 2021 to reach USD 190 million, and continue on an upward trend until 2025, and stabilize around 5.8 – 6.3% of THE GDP. The decline in 2020 is in line with UNCTAD’s forecasts for the rest of Africa where FDI flows to the continent are expected to contract between 25% and 40% due to the double shock of the Coronavirus pandemic and low commodity prices, especially oil. FDI strategies, particularly the diversification of its structure, are important in our approach to economic diversification.

Official Development Assistance (ODA)

Official Development Assistance (ODA) has provided substantial support to the Government over the past decade to reduce extreme poverty and lay the foundation for shared prosperity through better service delivery and governance.

The table below shows actual and projected ODA flows from 2015 to 2024. The impact of COVID-19 is expected to reduce aid flows substantially in 2020. But it will be followed by a rapid recovery over the next few years.

Table 14 : Current ODA (2015-2019) and projections (2020-2024) (FDJ billions)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
APD	41,198	113,672	71,220	32,479	107,968	41,840	73,436	130,328	127,462	120,393

Source : Ministry of Economy and Finance

Financial sector. During the NDP period, the government will ensure financial stability while striving to improve levels of financial inclusion. Currently, the financial sector is characterized by a low rate of non-performing loans, low credit concentration and low profitability. It therefore remains vulnerable to adverse shocks such as COVID-19. As a result, the Central Bank of Djibouti is committed to strengthening its oversight of banks’ liquidity risks and encouraging banks to increase their liquidity risk management controls and practices. On the basis of the new guidelines and regulations, banks have already complied with the minimum capital increase requirement (from FDJ 300 million to FDJ 1 billion). Lack of financial inclusion undermines growth potential and is likely to contribute to the poverty rate.

The twelve licensed banks, microfinance institutions and non-bank institutions need additional support. Mechanisms must be put in place to facilitate access, reduce costs, improve financial intermediation, and advance the path of innovation (especially for products related to the digital economy). All this must be linked to non-financial services and incentives.

In summary, the macroeconomic framework includes a set of priorities (see Box 21) that anticipates external shocks due to the open trade regime and external imbalances due to a poorly diversified economy and weak exports. The overall macroeconomic trend will be positive, although the decline in remittances, FDI and potentially ODA in the short term requires prudent fiscal, monetary and spending management.

Box 21: Priorities for macroeconomic balances

.....

1. Adopt a medium-term fiscal and expenditure framework;
2. Work with partners to mobilize external support to fill the funding gap during the 24-month recovery period;
3. Focus new investments on inclusive growth (including financial inclusion) while strengthening social safety net systems;
4. Focus on economic diversification and investment;
5. Improve debt sustainability and adopt its anchoring in the Medium-Term Financing Framework;
6. Improve the efficiency of state-owned enterprises;
7. Improving the business environment, fostering private sector activity (including foreign investment) and promote inclusive growth.
8. Improve the levy of port economies and the free zone to improve the direct, indirect, induced and catalytic effects of investments on employment;
9. Improve the adoption of blended finance modalities, including the use of guarantees and catalytic capital.

RESULTS FRAMEWORK

The National Development Plan “Djibouti ICI” provides for a results framework that aligns national indicators with SDG indicators as detailed in Annex 24 of this document.

It includes 208 indicators divided by strategic axis as follows:

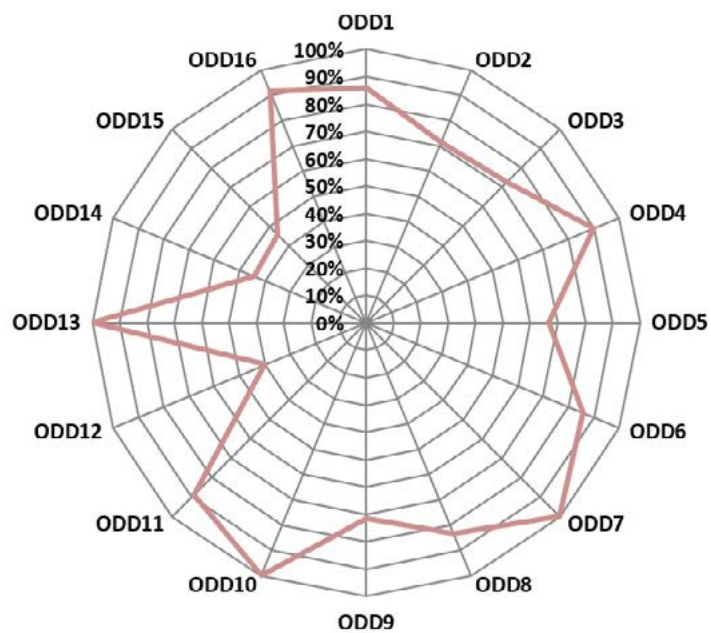
	Targets	Intermediary targets	SDG indicators	NDP indicators	Total
Overall Outcome Framework	5	5	5	10	15
Strategic Axis I Results Framework: Inclusion	15	36	43	25	68
Economic inclusion	7	20	20	14	34
Financial inclusion	5	6	4	11	15
Social inclusion	3	10	19	0	19
Strategic Axis II Results Framework: Connectivity	10	16	12	13	25
Interconnection between the regions and djibouti-city and land area	3	6	8	3	11
Logistics and digital platform for a commercial and logistics hub in africa	3	4	3	3	6
Modern infrastructures for connecting to the rest of the world	2	2	0	3	3
Consolidation of regional interest and market conquerion	2	4	1	4	5
Strategic Axis III Results Framework: Institutions	4	11	14	5	19
Economic and financial governance, administrative, local, political and judicial	4	11	14	5	19
Results Framework of the Themes	8	31	70	11	81
Development of human capital	3	10	34	4	38
Environment, climate change and risk, renewable energy	2	10	20	0	20
Strategy for responding to health shocks	2	8	15	3	18
Digital economy and technological innovation	1	3	1	4	5
Total	42	99	143	65	208

Alignment with the Sustainable Development Goals

The 2020-2024 NDP Djibouti ICI is aligned with the 2030 Agenda. In his speech to the United Nations General Assembly in September 2015, the President of the Republic of Djibouti affirmed the country’s commitment to achieving the Sustainable Development Goals (SDGs). On this occasion, he affirmed the firm will “to eradicate poverty and hunger, to fight against inequalities, to guarantee the empowerment of women and girls, leaving no one behind;

by strengthening sustainable economic development”. The Government will present its first Voluntary National Report (NRV) to the High-Level Political Forum of the United Nations Economic and Social Committee in New York in July 2023. This NRV will review the state of play of the SDGs in Djibouti, identify problems and offer solutions for achieving the goals of the 2030 Agenda. Figure 16 shows the importance of the SDGs in the NDP.

Figure 16 : The SDGs in the NDP



Source :Presentation of the mission to support the prioritization of SDG targets and identification of indicators, February 2021

Alignment with the SDGs continues in strategies at both national and local levels. Ownership of the SDGs is done in a decentralized way in each region. The 2020-2024 NDP Djibouti ICI selected 55 SDG targets, among the 169 considered. These 55 priority targets, and their 140 associated indicators, are then distributed according to the structure of the strategic axis. They form an important basis for the monitoring and evaluation structure.

Table 23 in the appendix shows the priorities and targets.

The 2020-2024 NDP Djibouti ICI aims to strengthen the integration of the SDGs in all areas of development. It provides for broad engagement in society to achieve the goals (including a monitoring mechanism). It builds on ongoing work on prioritizing the SDGs.

PILLARS “DJIBOUTI ICI”



These targets and indicators are distributed according to the structure of the pillars in this NDP 2020-2024 Djibouti ICI. They form an important basis for the monitoring and

evaluation structure. Given the broad scope of the Inclusion pillar, it is not surprising that this pillar covers many of the SDGs.

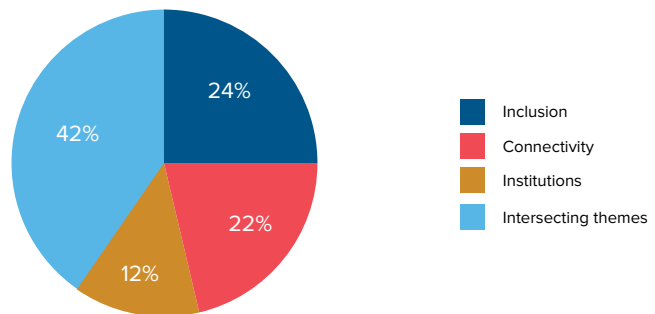
Financing of the plan

The forecasts for the implementation of the NDP over the period 2020-2024 amount to

FDJ 2,482,531.32 million divided into the following main headings:

Axis	Total cost (in Millions FDJ)
Inclusion	607 698
Connectivity	545 967
Institutions	296 528
Intersecting themes	1 032 335
Total	2 482 531

Distribution of funding per strategic axis



Three categories of sources of financing for development could be financed:

- From the Government's own funds, through the Public Investment Programme (PIP);
- By development partners in terms of grants and loans;
- Through national and international public-private partnerships

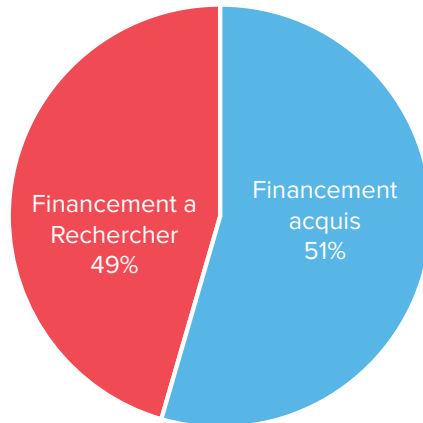
The impact on indebtedness: The country's debt during the SCAPE period increased from about 40% to about 70% of the GDP. Although

forecasts based on currently contracted debts indicate a percentage around 45% of THE GDP in 2024, with new debts, this percentage will increase. During the period of this NDP, the Government does not wish to exceed 80% of the GDP. The funding structure is specific to each activity. It is often engaged in several tools, such as financing by the Government, through official development assistance (in the form of grants or loans) and by the private sector.

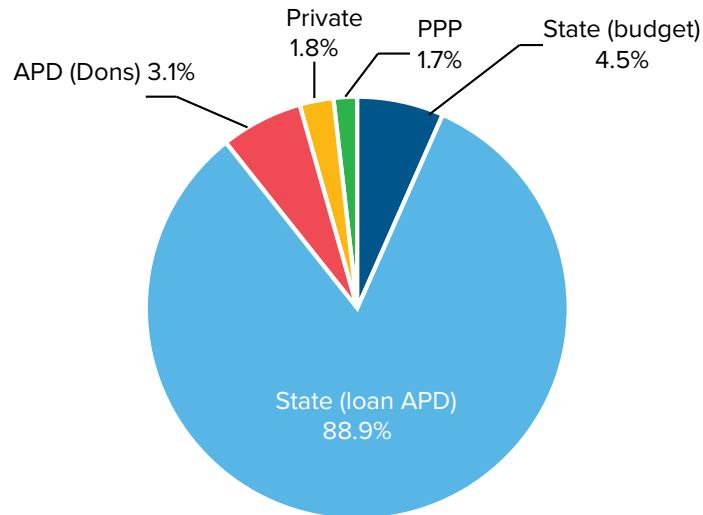
Considering the elements elaborated above, the budget for the NDP 2020-2024 Djibouti ICI, the financing plan is as follows:

STRATEGIC AXIS/SUB-AXIS	Cost in millions FD
Inclusion	607 698,90
Living conditions and social inclusion	391 346,84
Economic inclusion	214 999,25
Financial inclusion	1 352,80
Connectivity	545 967,61
Connectivity between regions and urban/rural development	121 201,33
Transport and communication infrastructure	401 630,59
Regional integration, market conquest	22 975,69
Logistics platform	160
Institutions	296 528,98
Administrative, economic and financial governance	279 656,04
Local governance	12 490,84
Political and judicial governance	4 382,10
Intersecting Themes	1 032 335,84
Human capital	71 156,88
Renewable	848 537,00
Environment and climate change	9 854,47
Digital Transformation	66 929,39
Socio-economic strategy for responding to COVID-19 and other pandemics	35 858,10
Grand total	2 482 531,32

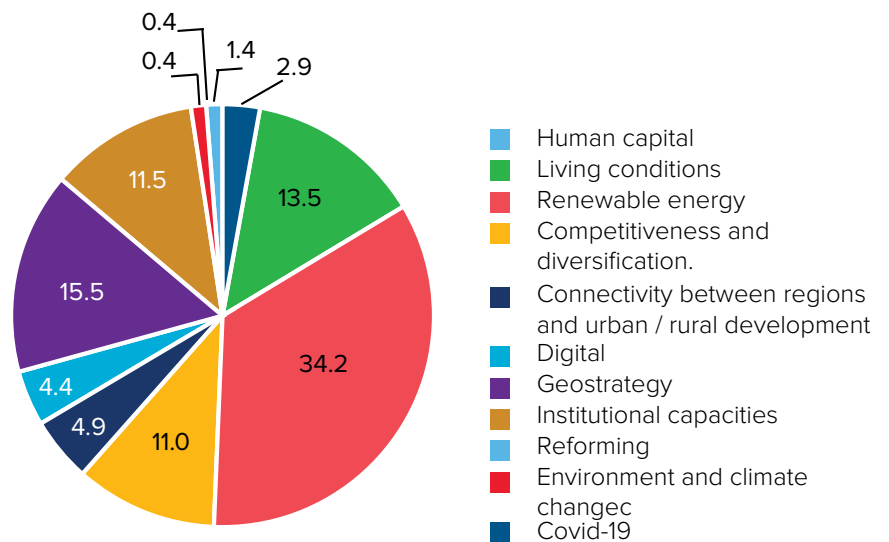
Total of funding acquired and to be looked for



Distribution of acquired fund



Distribution of funding per programme phare



ANNEXES



1. POPULATION

Table 15 : Age groups by sex (2019)

Age	Masculine	Feminine	Together		Percentage
0-4	53,073	51,751	104,823	10.74	10.74
5-9	55,663	54,320	109,982	11.27	22.01
10-14	50,922	40,372	91,295	9.35	31.36
15-19	49,721	40,545	90,267	9.25	40.61
20-24	47,374	39,931	87,305	8.94	49.55
25-29	44,384	38,912	83,295	8.53	58.08
30-34	41,637	38,728	80,366	8.23	66.32
35-39	37,759	35,563	73,323	7.51	73.83
40-44	33,298	31,338	64,636	6.62	80.45
45-49	28,282	26,172	54,454	5.58	86.03
50-54	22,833	19,841	42,674	4.37	90.40
55-59	17,990	15,123	33,113	3.39	93.79
60-64	13,113	10,622	23,735	2.43	96.23
65-69	9,162	7,351	16,513	1.69	97.92
70-74	5,611	4,642	10,253	1.05	98.97
75-79	3,123	2,684	5,807	0.59	99.56
80+	2,101	2,165	4,266	0.44	100.00
Total	516,046	460,060	976,107	100	

Source : INSD-UNFPA, Population Projections 2019

Notes: Please note insignificant developments. For example, the sharp decrease in the number of girls in the 10-14 age group (40,372) compared to the 5-9 age group (54,320); the large gaps between boys and girls in the age group 10-14 (20%), 15-19 (20%) and 20-25 (10%).

Table 16 : Population by Age Group and Gender

Indicator	2010	2015	2016	2017	2018	2019
Population	835,450	918,110	933,446	948,249	962,451	976,107
Growth rate		1.7%	1.7%	1.6%	1.5%	1.4%
By age group						
0 – 4 years	98,632	111,440	110,090	108,521	106,746	104,823
5 – 14 years	182,800	187,533	191,368	194,368	198,275	201,277
15 – 59 years	515,325	569,337	579,686	589,840	599,760	609,433
60 + years	38,693	49,800	52,302	54,918	57,670	60,574
By gender						
Men		488,406	495,768	503,159	509,603	516,046
Women		429,703	437,677	444,488	452,848	460,060

Source : INSD-UNFPA, Population Projections 2019

2. POVERTY

Table 17: Income Poverty

	2017
Extreme poverty rate	
2002	24.1%
2012	23.0%
2017	21.1%
Overall poverty rate	
2002	46.0%
2012	40.0%
2017	35.8%
Extreme child poverty rate and gender	

Children (0-17 years)	23%
Men	19%
Women	19%
Extreme poverty rates by region	
Djibouti City	
Djibouti-City 1 st Borough	4.7%
Djibouti-City 2 nd Borough	9.8%
Djibouti-City 3 rd Borough	8.5%
Djibouti-City 4 th Borough	18.3%
Djibouti-City 5 th Borough	15.8%
Ali Sabieh	27.2%
Art	31.6%
Dikhil	52.9%
Obock	40.4%
Tadjourah	66.4%
Revenue share	
10% poorest	1.9%
Poorest 20%	5.4%
Second 20%	10.4%
Third 20%	15.1%
Fourth 20%	21.5%
20% richest	47.6%
10% richest	32.3%

Source : Poverty Profile in the Republic of Djibouti (2012 & 2017), DISED.

Table 18: Multidimensional Poverty

	2012	2017
Incidence	46.61%	33.66%
Intensity	47.86%	47.73%
Multidimensional Poverty Index	0.223	0.161
Incidence by gender		
Men		26.38%
Women		28.50%
Incidence by family situation		
Bachelor		17.41%
Married		29.91%
Widowed		38.37%
Divorced/separated		25.22%
Incidence by level of education		
Never in school		45.94%
No diploma		14.25%
Certificate of Studies		7.65%
BEF/BEPC		4.39%
Baccalaureate		4.59%
University degree		1.06%
Incidence by region		
Republic of Djibouti	46.61%	33.66%
Urban	39.94%	26.97%
Rural	89.19%	88.67%
Djibouti City	38%	26%
Urban	38%	26%
Rural	-	-

Ali-Sabieh	69%	41%
Urban	60%	22%
Rural	89%	80%
Art	73%	70%
Urban	62%	35%
Rural	81%	83%
Dikhil	74%	80%
Urban	49%	59%
Rural	84%	93%
Tadjourah	90%	63%
Urban	57%	8%
Rural	95%	97%
Obock	86%	75%
Urban	71%	52%
Rural	97%	98%
Impact by indicator		
Education: years of study	27%	27%
Education: school	20%	12%
Health: access to care	18%	18%
Health: satisfaction	20%	11%
Living conditions: access to water	10%	6%
Living conditions: toilets	45%	26%
Living conditions: cooking	23%	18%
Living conditions: electricity	18%	18%
Living conditions: construction	61%	40%
Living conditions: active possession	51%	43%
Environment: waste	30%	19%
Environment: remediation	64%	64%
Employment: occupation	36%	44%
Employment: social security	33%	28%

Source : Multidimensional Poverty Report, based on data from the EDAM-IS surveys (2012 & 2017)

Table 19: THE GDP - Production optics (FDJ million) Source : MED, DEP (MEFI)

	Real										Projection				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
Primary	4 338	4 259	4 315	4 127	5 578	6 430	6 778	7 025	7 374	7 790	8 237	8 725	9 251		
Agriculture	1 157	1 182	1 205	1 294	1 359	1 416	1 515	1 561	1 639	1 753	1 876	2 017	2 168		
Breeding	1 595	1 610	1 820	1 645	2 910	3 660	3 825	3 978	4 157	4 360	4 574	4 803	5 048		
Forestry	276	276	247	254	260	264	282	285	305	327	350	374	400		
Fishing	1 310	1 191	1 044	934	1 049	1 090	1 155	1 202	1 274	1 350	1 438	1 531	1 635		
Secondary	41 561	44 443	48 252	51 202	58 422	84 898	93 369	99 947	115 577	126 075	137 552	150 192	164 074		
Extraction	861	1 277	1 406	1 459	1 741	3 577	4 042	4 285	4 799	5 375	6 019	6 742	7 483		
Agri-food industries	5 195	6 761	6 788	7 316	8 353	9 716	10 493	11 018	11 899	12 851	13 879	14 990	16 189		
Other manufacturing industries	2 054	4 099	4 540	4 874	5 640	5 632	5 970	6 149	6 518	6 909	7 324	7 763	8 268		
Electricity	11 647	12 088	13 358	14 586	15 908	16 192	17 325	18 192	19 647	21 219	22 916	24 818	26 928		
Water, Sanitation	4 378	4 374	4 714	4 859	5 182	5 398	5 830	6 121	6 611	7 008	7 428	7 896	8 425		
Construction (BTP)	17 426	15 844	17 446	18 108	21 598	44 383	49 709	54 183	66 103	72 713	79 985	87 983	96 781		
Tertiary	292	313	335	360	373	384	409	410 256	431 167	464	501 743	543	589		
	283	385	306	113	347	513	507			388		486	465		
Commerce	86 247	94 970	105 545	107 502	116 710	125 474	138 164	135 240	141 748	154 759	170 413	187 683	206 739		
Free Zone	54 886	60 805	70 244	70 881	75 892	78 887	85 987	87 707	89 461	97 244	105 996	115 535	125 933		
Outside the Free Zone	31 362	34 165	35 301	36 621	40 818	46 587	52 177	47 534	52 287	57 516	64 418	72 148	80 805		
Transport	77 976	83 041	86 573	92 257	91 983	89 626	90 366	85 450	91 948	100 803	110 599	119 757	129 674		
Free Zone	9 224	6 716	7 794	8 138	18 986	23 022	25 094	25 596	26 108	28 379	30 933	33 717	36 752		
Outside the Free Zone	68 752	76 325	78 779	84 119	72 997	66 604	65 272	59 854	65 840	72 424	79 666	86 039	92 923		
Post and mail	952	1 562	1 058	2 268	1 651	2 091	2 342	2 436	2 777	3 054	3 360	3 897	4 521		
Accommodation and catering	3 741	3 330	3 683	3 597	3 342	3 223	3 578	3 756	4 245	4 669	4 903	5 491	6 315		

Information and communication	11 720	14 485	15 147	16 046	16 963	17 940	19 375	20 344	21 971	23 729	25 628	28 575	31 861
Banking and insurance	14 957	11 912	13 982	15 384	16 079	17 480	19 403	19 985	21 983	24 182	26 600	29 260	32 478
Real estate activities	18 274	16 897	18 703	19 229	19 657	20 007	21 207	21 632	23 578	24 757	25 995	27 295	28 660
Specialized, scientific and technical activities	10 887	9 915	9 692	9 657	9 734	9 522	9 522	9 522	9 617	10 290	11 011	11 561	12 139
Other market services	4 002	4 633	4 906	5 313	5 630	5 907	6 409	6 665	7 265	7 774	8 318	8 817	9 346
Government	44 761	51 959	54 082	66 310	68 544	69 780	73 801	78 746	77 171	79 486	81 870	86 783	91 990
Other non-market services	18 766	20 681	21 934	22 551	23 053	23 463	25 340	26 480	28 864	30 884	33 046	34 368	35 742
Total value added	338 182	362 087	387 872	415 442	437 347	475 841	509 654	517 229	554 118	598 253	647 532	702 403	762 791
Free Zone	64 109	74 728	84 239	86 888	94 878	101 909	111 081	113 302	115 568	125 623	136 929	149 253	162 685
Outside the Free Zone	274 073	287 359	303 633	328 554	342 468	373 932	398 574	403 926	438 550	472 631	510 603	553 151	600 106
Taxes & Indirect Taxes net of Subv.	24 869	26 602	30 731	31 010	33 203	34 297	33 977	32 726	34 363	36 356	38 828	41 662	44 704
Constant gross domestic product (THE GDP)	363 051	388 689	418 604	446 452	470 549	510 138	543 631	549 955	588 481	634 609	686 360	744 065	807 495
Free Zone	64 109	74 728	84 239	86 888	94 878	101 909	111 081	113 302	115 568	125 623	136 929	149 253	162 685
Outside the Free Zone	298 942	313 961	334 364	359 565	375 671	408 229	432 550	436 653	472 912	508 986	549 431	594 813	644 809
THE GDP growth rate (with FZ)		7,1%	7,7%	6,7%	5,4%	8,4%	6,6%	1,2%	7,0%	7,8%	8,2%	8,4%	8,5%
THE GDP growth rate (excluding FZ)		5,0%	6,5%	7,5%	4,5%	8,7%	6,0%	0,9%	8,3%	7,6%	7,9%	8,3%	8,4%

Table 20: Percentage of income for the poorest and richest

	2002	2012	2013	2017
10% poorest	2.3%	1.3%	1.7%	1.9%
20% poorest	6.0%	4.3%	4.9%	5.4%
Second 20%	10.6%	9.8%	9.7%	10.4%
Third 20%	15.1%	14.4%	14.6%	15.1%
Fourth 20%	21.8%	21.2%	20.9%	21.5%
20% richest	46.5%	50.3%	50.0%	47.6%
10% richest	30.8%	34.4%	34.1%	32.3%

Source: <https://knoema.com/atlas/Djibouti/topics/Poverty/Income-Inequality>

Table 21: Indexes "Doing Business" – Djibouti

Theme	Ranking 2020	Score 2020	Score 2019	Variation
Global	112	60.5	58.4	+ 2.1
Start a business	123	84.3	84.0	+ 0.3
Managing building permits	87	69.4	69.0	+ 0.4
Getting electricity	121	64.6	64.2	+ 0.4
Property Registration	117	58.3	58.2	+ 0.1
Access to credit	132	40.0	25.0	+ 15
Protection of minority investors	103	52.0	52.0	0
Pay taxes	133	62.7	62.7	0
Cross-border trade	147	59.4	59.4	0
Execution of contracts	144	48.4	48.4	0
Execution of contracts	44	65.9	60.9	+ 5

Table 22 : Human Development

Human development indices	2000	2005	2010	2015	2016	2017	2018
Djibouti	0.360	0.454	0.492	0.499	0.510	0.518	0.524
Weak Human Developing Countries	0.381	0.468	0.497	0.500	0.507	0.509	0.513
Developing Countries	0.571	0.642	0.668	0.673	0.683	0.685	0.689
Arab Countries	0.614	0.676	0.687	0.691	0.699	0.702	0.705
Sub-Saharan Africa	0.426	0.501	0.530	0.535	0.542	0.544	0.547
Less Developed Countries	0.403	0.489	0.513	0.520	0.531	0.534	0.538
World	0.644	0.699	0.720	0.724	0.732	0.734	0.737

Source : UNDP

Table 23: Prioritization of Djibouti 2030 Agenda targets

Sustainable Development Goals	# Of targets	Total name of	
		Priority targets	Selected indicators
1. No poverty	7	3	5
2. Zero Hunger	8	3	8
3. Good health and well-being	13	5	13
4. Quality education	10	4	30
5. Gender equality	9	3	7
6. Clean water and sanitation	8	2	4
7. Affordable and clean energy	5	2	5
8. Decent work and economic growth	12	8	15
9. Industry, innovation, and infrastructure	8	3	10
10. Reduced inequalities	10	3	5
11. Sustainable cities and communities	10	3	4

Sustainable Development Goals	# Of targets	Total name of	
		Priority targets	Selected indicators
12. Responsible consumption and production	11	1	3
13. Measures relating to the fight against climate change	5	2	5
14. Aquatic life	10	3	4
15. Earthly Life	12	3	4
16. Peace, justice, and effective institutions	12	7	18
17. Partnerships for the SDGs	19	7	
Total	169	55	140

Table 24: Results Framework

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Overall objective: Djibouti a flagship country of the Red Sea and a commercial and logistics hub of Africa.	Djibouti is the logistics and commercial platform of reference, Development is inclusive and sustainable.	Real growth rate.		
		Gini index.		
		Human Development Index.		
		Unemployment rate.		
Strategic Objective 1: Rethink and operationalize an inclusive sustainable development model with an increased role for private initiatives.	The economic, financial and social inclusion programmes are implemented.	Proportion of the population living below the national poverty line.	INSTAD	1.2.1
		Extreme Poverty Index.		
		Multidimensional Poverty Index.	INSTAD	1.2.2
Strategic objective 2: Effective logistics hub, accelerated urban and rural development, universal coverage of the territory of basic services.	The logistics and multiservice platform are fully operational.	Share of THE GDP related to the logistics platform.		
		Trade balance.	BC	
		FDI share of THE GDP		
Strategic Objective 3: Democratic and stable institutions, transparent, effective, social and equitable justice guaranteeing the security of persons and property.	Policies and strategies for strengthening economic, financial, administrative, judicial and political institutions are implemented at the central and local levels.	Mo Ibrahim Africa Governance Index.		
		The Economist Group's Democracy Index.		
Strategic Outcome 4: Effective health system capacities, resilient economies and effective social safety nets to counter the negative effects of COVID-19, future pandemics and climate change.	The capacity of the health system is strengthened, economic recovery is effective and the incidence of poverty is reduced.	Maternal mortality rate.	INSTAD	3.1.1
		Neonatal mortality rate.	INSTAD	3.2.2
		Coverage index of essential health services (proportion of the target population with coverage of essential health services) - 0 to 100.	WHO	3.8.1

2. STRATEGIC AXIS I RESULTS FRAMEWORK: INCLUSION

2.1 ECONOMIC INCLUSION

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The economy is diversified and competitive.	Ensure that all men and women, especially the poor and vulnerable, have equal rights to economic resources and have access to basic services, land ownership, control of land and other forms of property, inheritance, natural resources, new technologies and financial services tailored to their needs, including microfinance.	Proportion of the total adult population who have security of land rights (a) legally authenticated documents and (b) who consider their rights to be guaranteed, by sex and type.	INSTAD	1.4.2
		Number of land registration certificates issued.	Ministry of Housing	1.4.3
	Achieving a high level of economic productivity through diversification, technological modernization and innovation, including a focus on high value-added and labor-intensive sectors.	Annual growth rate of real THE GDP per person in employment.	INSTAD	8.2.1
	To achieve full and productive employment and to ensure that all women and men, including young people and persons with disabilities, have decent work and equal pay for work of equal value.	Average hourly remuneration of employees, by sex, occupation, age and disability status.	INSTAD	8.5.1
		Unemployment rates by sex, age and disability status.	INSTAD	8.5.2

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Development of agro-industrial value chains.	Reforms for diversification and their integration into industrial value chains are being carried out.	Number of diversification reforms carried out and included in agro-industrial value chains.		
	Jobs are created.	Number of jobs created in the areas of developed value chains.		
	Increase, including through enhanced international cooperation, investment in rural infrastructure, agricultural research and extension services, and the development of technologies and banks of plants and livestock genes, to strengthen the agricultural productive capacities of developing countries.	Total public flows (official development assistance plus other public flows) allocated to the agricultural sector.	OCDE	2.a.2
Trade in services and the ecosystem of transport and logistics services are developed.	Value chains for services, transport and logistics are developed.	Number of development strategies developed for services, transport and logistics.		
	Promote sustainable industrialization that benefits everyone. By 2030, significantly increase the contribution of industry to employment and gross domestic product, depending on the national context; double it in the least developed countries.	Value added in manufacturing industry as a proportion of THE GDP.	INSTAD	9.2.1.a
		Value added in manufacturing per capita.	INSTAD	9.2.1.b
		Employment in manufacturing as a proportion of total employment.	OCDE	9.2.2

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Positioning Djibouti as a reference tourist destination.	Develop and implement policies to develop sustainable tourism that creates jobs and showcases local culture and products.	THE GDP directly received from tourism, as a proportion of total THE GDP.	INSTAD	8.9.1
		Growth rate of directly perceived THE GDP from tourism.	INSTAD	8.9.2
		Number of tourist entries.		
		Number of business tourist entries.		
	Enhancement of the main tourist sites.	Number of tourist sites valued.		
	The human capacities of the tourism sector are strengthened.	Number of young employees in the tourism sector.		
The blue economy is developed.	The value chain of the blue economy is developed and participates in inclusive economic development.	Share of THE GDP directly derived from the blue economy.		
		Share of growth directly linked to the blue economy.		
	Sustainably manage and protect marine and coastal ecosystems, in particular by strengthening their resilience, to avoid the serious consequences of their degradation and to take measures for their restoration to restore the health and productivity of the oceans.	Mangrove area cleaned	DEDD	14.2.1
		Number of mangroves (Avicennia marina and Rhizophora).	DEDD	14.2.2
	Preserve at least 10 % of marine and coastal areas, in accordance with national and international law and taking into account the best available scientific information.	Surface area of marine protected areas.	DEDD/MUET	14.5.1
		Area of marine protected areas, as a proportion of total area.	IUCN et UNEP- WCMC	14.5.2

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Ensure that small-scale fishermen have access to marine resources and markets.	Status of implementation of a legal, regulatory, policy or institutional framework recognizing and protecting the access rights of small-scale fishers (0: No policy/framework; 1: Development process; 2: Policy developed and adopted; 3: Operationalized policy).	MAEPERH	14.b.1
	Improve the conservation and sustainable use of the oceans and their resources in accordance with the provisions of international law (as set out in the United Nations Convention on the Law of the Sea) which provides the legal framework required for the conservation and sustainable use of the oceans and their resources, as recalled in paragraph 158 of “The Future We Want”.	Number of legislative, administrative and policy frameworks put in place by the country on the sustainable use of the oceans and their resources.	DEDD	14.c.2
The diaspora is mobilized and refugees are integrated.	The diaspora and refugees have adequate means of protection and contribute to the national economy.	<p>Number of social infrastructures in refugee-hosting areas.</p> <p>Share of diaspora in FDI.</p> <p>Number of companies with capital contribution from the diaspora.</p> <p>Rate of refugees benefiting from universal health insurance.</p> <p>School enrolment rate of refugee children.</p>		

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Employability is improved.	Promote development-oriented policies that promote productive activities, decent job creation, entrepreneurship, creativity and innovation; stimulate the growth of micro, small and medium-sized enterprises; facilitate their integration into the formal sector, including through access to financial services.	Proportion of informal employment in total employment, by sector and sex.	INSTAD	8.3.1
	Significantly reduce the proportion of young people not in school and without employment or training.	Proportion of young people (aged 15-24) not in school and without employment or training.	INSTAD	8.6.1
	Defend workers' rights, promote safety in the workplace, and ensure the protection of all workers, including migrants, especially women and those in precarious employment.	Level of respect for labor rights (freedom of association and right to collective bargaining) at the national level, with regard to International Labor Organization (ILO) texts and national legislation (Score 0 - Good - to 10 - Bad), by gender and migration status.	ILO	8.8.2

2.2 FINANCIAL INCLUSION

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The financial sector is inclusive.	Enable everyone to have access to appropriate financial services, including digitalized ones.	Financial inclusion rate.		
		Bank inclusion rate.		
		Existence of a regulatory framework governing digitalized financial services.		
	Increase access to financial services, including affordable loans, for enterprises, including small industrial enterprises, and their integration into value chains and markets.	Proportion of small industrial enterprises with a loan or line of credit.	ANPI	9.3.2
The banking sector is inclusive.	Strengthen the capacity of national financial institutions to promote and expand access to banking, financial and insurance services for all.	Number of commercial bank branches for 100,000 adults.	MEFI	8.10.1.a
		Number of ATMs for 100,000 adults.	MEFI	8.10.1.b
		Proportion of adults (15 years of age or older) with an account at a bank or other financial institution or using mobile money services.	MEFI	8.10.2
		Percentage of MSMEs with bank accounts.		
		Number of innovative banking products developed.		
The microfinance and non-conventional financing sector are inclusive.	Capacities to accelerate banking, particularly for SMEs, women and informal actors, are strengthened.	Number of Djiboutians accessing microfinance and non-conventional financing.		
		Volume of credit granted.		

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The Islamic finance sector is inclusive.	Implement a legal and regulatory framework for the generalization of Islamic finance.	Existence of a legal and regulatory framework governing Islamic finance. Volume of credit granted.		
Le secteur des assurances est inclusif	L'accès au système d'assurance est généralisé et facilité pour tous	Number of Djiboutians with access to insurance products. Innovative insurance products developed		

2.3 SOCIAL INCLUSION

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Measures to eradicate inequalities are applied to promote equity.	Establish social protection systems and measures for all, adapted to the national context, including social protection floors; ensure that, by 2030, a significant proportion of the poor and vulnerable benefit from it.	Proportion of the population benefiting from social protection floors or systems, by sex and by population group (children, unemployed, elderly, disabled, pregnant women and new borns, victims of an accident at work, poor and vulnerable people).	MASS	1.3.1
	To autonomize all persons and promote their social, economic and political integration, regardless of their age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Proportion of people living with less than half of the median income, by sex, age and disability status	INSTAD	10.2.1
		Proportion of women aged 15-49 neither in employment nor in training who have created an income-generating activity in the previous 12 months, by age and disability status.	MFF/DESPSE	10.2.2
		Proportion of women aged 15-49 with access to micro-credit in the previous 12 months, by age and disability status.	MFF	10.2.3
	Stimulate official development assistance and financial flows, including foreign direct investment, to States most in need, in particular the least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.	Total resources allocated to development, by recipient and donor country and type of contribution (official development assistance, foreign direct investment and others).	OCDE	10.b.1

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Eliminate from public and private life all forms of violence against women and girls, including trafficking and sexual and other types of exploitation.	Proportion of women and girls aged 15-49 who have lived in a couple, victims of physical, sexual or psychological violence inflicted in the previous 12 months by their current or former partner, by form of violence and age.	INSTAD/MFF	5.2.1
		Proportion of women and girls aged 15 and over who have experienced sexual violence in the previous 12 months by someone other than their intimate partner, by age and place of incident.	INSTAD/MFF	5.2.2
	Eliminate all harmful practices, such as child, early or forced marriage and female genital mutilation.	Proportion of women aged 20 to 24 who were married or in a couple before the age of 15 or 18.	INSTAD/MFF	5.3.1
		Proportion of girls and women aged 15-49 who have undergone genital mutilation or cutting, by age.	INSTAD/MFF	5.3.2
	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control of land and other forms of property, financial services, inheritance and natural resources, in accordance with domestic legislation.	The country has a legal framework (including customary law) guaranteeing women the same rights as men to access or control over land.	MFF	5.a.2

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Access to safe drinking water, hygiene and sanitation for populations, especially the poorest, is improved.	To ensure universal and equitable access to drinking water, at an affordable cost.	Proportion of the population using safely managed drinking water services.	INSTAD	6.1.1
	Ensure equitable access to adequate sanitation and hygiene services for all and end open defecation, paying particular attention to the needs of women and girls and people in vulnerable situations.	Proportion of the population using improved toilets.	INSTAD	6.2.1
		Proportion of the population using appropriate means to dispose of garbage.	INSTAD	6.2.2
		Proportion of households with handwashing device with soap and water.	INSTAD	6.2.3
	Develop international cooperation and support for capacity-building in developing countries in water and sanitation activities and programmes, including water collection, desalination and rational use, wastewater treatment, recycling and reuse techniques.	Amount of official development assistance for water and sanitation in a government-coordinated expenditure plan.	OCDE	6.a.1
Access for all to reliable and modern energy services at an affordable cost is guaranteed.	Improving access for all to reliable and modern energy services at an affordable cost.	Proportion of the population with access to electricity.	INSTAD	7.1.1
		Proportion of the population using mainly clean fuels and technologies.	INSTAD	7.1.2
		Average price per Kwh (Djibouti Franc).	MERN	7.1.3
		Losses on the technical and non-technical network as a proportion of production.	MERN	7.1.4

3. STRATEGIC AXIS II RESULTS FRAMEWORK: CONNECTIVITY

INTERCONNECTION BETWEEN THE REGIONS AND DJIBOUTI-CITY AND SPATIAL PLANNING

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Infrastructure for rural and urban connectivity is developed to end the two-speed economy between Djibouti City and the regions.	Build quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on universal, affordable and equitable access.	Number of passengers carried (air transport).	MET	9.1.2.a
		Volume of cargo transported (air transport).	MET	9.1.2.b
		Volume of cargo transported (air transport).	MET	9.1.2.c
		Volume of traffic (maritime transport).	MET	9.1.2.d
	Significantly increase access to information and communication technologies and ensure that all inhabitants have access to the Internet at an affordable cost.	Proportion of the population with access to a mobile network, by type of technology.	MCPT	9.c.1
	Ensure access for all to adequate and safe housing and basic services at an affordable cost and clean up slums.	Proportion of urban population living in slums, settlements or inadequate housing.	INSTAD	11.1
		Percentage of the population living in neighbourhoods identified as slums in the capital Djibouti.	ML	11.2

INTERCONNECTION BETWEEN THE REGIONS AND DJIBOUTI-CITY AND SPATIAL PLANNING

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Foster positive economic, social and environmental linkages between urban, peri-urban and rural areas by strengthening national and regional development planning.	Existence and adoption of a national urban policy or regional development plan that (a) considers population dynamics, (b) aims at balancing territorial development and (c) widens local fiscal space for manoeuvre.	MUET	11.a.1
The business climate and links between urban and rural areas are improved.	Establishment of a strategic framework for local economic development, increased productivity, and outsourcing of activities of logistics hub companies for the benefit of SMEs.	Indexes "Doing Business".	Doing Business Index	
Spatial planning and urban planning contribute to reducing economic and social inequalities.	A policy of spatial planning and development of cities aligned with the capital is operational and makes it possible to reduce economic and social inequalities.	Existence of a policy for the development of cities. Existence of spatial and city plans for each region.		

LOGISTICS AND DIGITAL PLATFORM FOR A COMMERCIAL AND LOGISTICS HUB IN AFRICA

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The logistics platform and the multi-service logistics hub are operational and efficient.	The quality of logistics services, the resilience of supply chains, and universal access are comparable to the level of competing places.	International ranking of the port of Djibouti.		
		Number of passengers arriving and departing from Djibouti airport.		
The platform and hub infrastructures are rehabilitated and modernized; its competitiveness is improved.	The missing links of the multimodal transport system are completed.	Number of client-boats.		
The business climate is attractive for foreign capital and direct investment to support the required reforms.	Facilitate the development of sustainable and resilient infrastructure by strengthening financial, technological and technical support to Djibouti.	Total international official assistance (official development assistance and other public sector flows) allocated to infrastructure.	OCDE	9.a.1
	Mobilize additional financial resources from a variety of sources.	Foreign direct investment as a proportion of gross national income.	UNSTAD	17.3.1.a
		Volume of remittances from migrant workers (in United States dollars) as a share of total THE GDP.	WDI (World Development Indicators)	17.3.2

MODERN INFRASTRUCTURES FOR CONNECTING TO THE REST OF THE WORLD

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Connection infrastructures are rehabilitated, modernized, and competitiveness is improved.	Digital enables a reduction in cost and an increase in the reliability of interconnectivity.	Internet coverage rate along transport infrastructure.		
Human and institutional capital is developed to improve the business climate.	The private sector has the technical and professional skills to meet the needs of enterprises and improve the business climate needed to attract foreign capital.	Number of technical managers trained. Number of technical managers and technicians in the private sector in Djibouti.		

CONSOLIDATION OF REGIONAL INTEGRATION AND MARKET CONQUEST

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Human and institutional capacities for the trade agenda are strengthened.	A programme of basic and continuous training of state actors is implemented.	Number of state actors trained.		
	A capacity-building programme for non-state actors is implemented.	Number of managers employed in the private sector trained.		
Trade with the rest of Africa and the world is boosted.	Djibouti's export countries are more numerous and diverse.	Intra-African trade volume		
		Share of THE GDP directly related to commercial exports.		
	Assist the country in ensuring long-term debt sustainability through concerted policies to promote debt financing, relief or restructuring, as appropriate, and reduce debt over-indebtedness by addressing the external debt problem.	Debt service as a proportion of exports of goods and services.	WDI (World Development Indicators)	17.4.1

4. STRATEGIC AXIS III RESULTS FRAMEWORK: INSTITUTIONS

ECONOMIC AND FINANCIAL, ADMINISTRATIVE, LOCAL, POLITICAL AND JUDICIAL GOVERNANCE

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Institutional capacities are strengthened for better economic and financial governance.	Building effective, accountable and transparent institutions at all levels.	Primary public expenditure in proportion to the initial approved budget, by sector (or by budget code or another similar criterion).	Budget	16.6.1
Institutional capacities are strengthened for better administrative governance.	The public sector has sufficient human and institutional resources.	Share of civil servants in employment.		
	Generalize digitalization in the administration with the establishment of E-Government (E-Procurement; E-Invoicing and E-Payment of Tax).	Number of ministries using E-Government.		
		Satisfaction rate of users of digital services.	INSTAD	
	To provide increased support for capacity-building in developing countries, in particular the least developed countries and small island developing States, with a view to having more high-quality, up-to-date and accurate data disaggregated by income level, sex, age, race, ethnicity, migration status, disability and geographical location, and other country-specific characteristics.	The country has national legislation on statistics in line with the basic principles of official statistics.	INSTAD	17.18.2
		The country has a national statistical plan that is fully funded and in the process of being implemented, by source of funding.	INSTAD	17.18.3

ECONOMIC AND FINANCIAL, ADMINISTRATIVE, LOCAL, POLITICAL AND JUDICIAL GOVERNANCE

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Institutional capacities are strengthened for better local governance.	The decentralization process is improved and contributes to the development of the regions.	Number of decentralized and deconcentrated services set up and operational.		
		% Increase in local authorities' budget.		
		Number of civil servants in local authorities.		
Institutional capacities are strengthened for better political and judicial governance.	Promote the rule of law in the domestic and international order and guarantee equal access to justice for all.	Proportion de la population carcérale en instance de jugement	MJ	16.3.2
		Distribution of posts in national and local institutions, including: a) legislative bodies, in relation to national distribution, by sex, age, disability status and population group.	MTRA/MJ	16.7.1.a
			Distribution of posts in national and local institutions, including: (b) the civil service, in relation to the national distribution, by sex, age, disability status and population group.	MTRA

ECONOMIC AND FINANCIAL, ADMINISTRATIVE, LOCAL, POLITICAL AND JUDICIAL GOVERNANCE

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
		Distribution of posts in national and local institutions, including: (c) judicial bodies, in relation to national distribution, by sex, age, disability status and population group.	MTRA/MJ	16.7.1.c
	To provide everyone with a legal identity, in particular through birth registration.	Proportion of children under 5 years of age who have been registered by a civil registration authority, by age.	INSTAD	16.9.1
	Ensure that women participate fully and effectively in leadership positions at all levels of decision-making, in political, economic and public life, and have equal access to them.	Proportion of seats held by women in national parliaments.	DESPSE	5.5.1.a
		Proportion of seats held by women in local government.	DESPSE	5.5.1.b
		Proportion of women in management positions.	DESPSE	5.5.2
	Expand and strengthen Djibouti's participation in global governance institutions.	Proportion of international organizations of which Djibouti is a member and where it has the right to vote.	MAECI	16.8.1
	Support, including through international cooperation, national institutions responsible for strengthening the capacity at all levels to prevent violence and combat terrorism and crime, in particular in developing countries.	Existence of independent national human rights institutions in accordance with the Paris Principles.	MAECI	16.a.1

5. RESULTS FRAMEWORK OF INTERSECTING THEMES

HUMAN CAPITAL DEVELOPMENT

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Poverty is sustainably reduced.	Ensure that all men and women, in particular the poor and vulnerable, have equal access to economic resources and to basic services, land ownership, control of land and other forms of property, inheritance, natural resources, new technologies and financial services tailored to their needs, including microfinance.	Proportion of the population living in households with access to basic services.	INSTAD	1.4.1
		Unemployment rate in Djibouti City.		
		Regional unemployment rate.		
		Multidimensional poverty rate in Djibouti City.		
		Multidimensional poverty rates outside the city.		
	Ensure significant mobilization of resources from multiple sources, including through enhanced development cooperation, to provide developing countries, in particular the least developed countries, with adequate and predictable means to implement programmes and policies aimed at ending poverty in all its forms.	Total official development assistance grants focused on poverty reduction, all donors combined, expressed as a proportion of the gross national income of the recipient country.	OCDE	1.a.1
		Proportion of total public expenditure allocated to essential services, education.	Budget	1.a.2.1
		Proportion of total public expenditure allocated to essential services, health.	Budget	1.a.2.2
		Proportion of total public expenditure allocated to essential services, social protection).	Budget	1.a.2.3

HUMAN CAPITAL DEVELOPMENT

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
A food and nutrition security strategy is operational.	Eradicate hunger and ensure everyone, especially the poor and people in vulnerable situations, including infants, has year-round access to safe, nutritious and adequate food.	Prevalence of moderate or severe food insecurity, assessed by the Experienced Food Insecurity Scale (FIES).	INSTAD	2.1.2
	End all forms of malnutrition, including by meeting the internationally agreed targets on stunting and wasting in children under 5 years of age by 2025, and meet the nutritional needs of adolescent girls, pregnant and lactating women and the elderly.	Prevalence of stunting (height/age index less than -2 standard deviations from the median of WHO child growth standards) in children under 5 years of age.	MS	2.2.1
		Prevalence of malnutrition (weight/height index greater than +2 standard deviations or less than -2 standard deviations from the median of WHO child growth standards) in children under 5 years of age, by form (overweight and wasting).	MS	2.2.2

HUMAN CAPITAL DEVELOPMENT

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
		Proportion of pregnant women seen in prenatal clinics suffering from anemia (simple or severe).	MS	2.2.4
	Improving agricultural productivity and incomes of small-scale food producers, in particular women, indigenous people, family farmers, pastoralists, and fishers, by ensuring equal access to land, other productive resources and factors of production, knowledge, financial services, markets and opportunities for value addition and non-agricultural employment.	Volume of production per unit of work, depending on the size of the agricultural, pastoral or forestry holding.	MAEPERH	2.3.1
		Average income of small-scale food producers, by sex and aboriginal status.	MAEPERH	2.3.2
	Increase, through enhanced international cooperation, investment in rural infrastructure, agricultural research and extension services and the development of technologies and banks of plants and livestock genes, to strengthen the agricultural productive capacities of developing countries, in particular the least developed countries.	Total des apports publics (aide publique au développement plus autres apports publics) alloués au secteur agricole	OCDE	2.a.2

HUMAN CAPITAL DEVELOPMENT

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The education system is strengthened	To ensure that all girls and boys receive, on an equal footing, a full course of free and quality primary and secondary education, equipping them with truly useful learning outcomes.	Lower secondary completion rate.	MENFOP	4.1.2.a
		Upper secondary completion rate.	MENFOP	4.1.2.b
		Gross primary school enrolment ratio by sex.	MENFOP	4.1.3.a
		Gross lower secondary school enrolment rate by sex.	MENFOP	4.1.3.b
		Net primary school enrolment ratio by sex.	INSTAD	4.1.4.a
		Net lower secondary school enrolment rate by sex.	INSTAD	4.1.4.b
		Net upper secondary school enrolment rate by sex.	INSTAD	4.1.4.c
		Crude primary school admission rate by sex.	MENFOP	4.1.5.a
		Gross lower secondary admission rate by sex.	MENFOP	4.1.5.b
	Primary completion rate, by sex.	MENFOP	4.1.2	
	Ensure that all girls and boys have access to quality early childhood development and care services and pre-school education that prepare them for primary education.	Participation rate in organized learning activities (one year before the official primary school age), by sex.	MENFOP	4.2.2
		Gross pre-school enrolment ratio by sex.	MENFOP	4.2.3

HUMAN CAPITAL DEVELOPMENT

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Addressing gender inequalities in education and ensuring equal access for vulnerable people, including people with disabilities, indigenous peoples and children in vulnerable situations, to all levels of education and vocational training.	Gender parity indexes in access to primary education.	MENFOP	4.5.1
		Gender parity indexes in access to lower secondary education.	MENFOP	4.5.1.a
		Gender parity indexes in pre-school participation.	MENFOP	4.5.1.b
		Gender parity indices in primary school participation	MENFOP	4.5.1.c
		Gender parity in participation in lower secondary education	MENFOP	4.5.1.d
		Gender parity indices in upper secondary education participation	MENFOP	4.5.1.e
		Gender parity indices in primary school completion	MENFOP	4.5.1.f
		Gender parity indices in lower secondary completion	MENFOP	4.5.1.g
		Gender parity indices in upper secondary completion	MENFOP	4.5.1.h
	To increase markedly the number of qualified teachers, in particular through international cooperation in teacher training	Proportion of teachers with minimum qualifications, by level of education	MENFOP	4.c.1

ENVIRONMENT, CLIMATE CHANGE AND RISK, RENEWABLE ENERGY

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Protection of the environment and against climate change is strengthened.	Building resilience and adaptive capacity to climate hazards and natural disasters.	Number of people who died, went missing or were directly affected by disasters: 100,000 people.	Ministry of the Interior	13.1.1
		Existence, adoption and implementation of national risk reduction strategies, in line with the Sendai Framework for Disaster Risk Reduction (2015-2030).	Ministry of the Interior	13.1.2
		Proportion of local governments that have adopted and implemented local disaster risk reduction strategies, in line with national strategies.	Ministry of the Interior	13.1.3
	Incorporating climate change measures into national policies, strategies and planning.	The country has provided for Nationally Determined Contributions, long-term strategies, national adaptation plans or strategies, as reflected in adaptation communications and national communications (“0: No contribution”, “1: Communication submitted at the national or international level”, “2: Development/ adoption of a national climate change strategy”, “3: Development of a climate action plan/ adaptation to climate change”).	DEED	13.2.1

ENVIRONMENT, CLIMATE CHANGE AND RISK, RENEWABLE ENERGY

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Promote capacity-building mechanisms to ensure that Djibouti develops effective planning and management capacities to address climate change, with particular emphasis on women, youth, the local population and marginalized groups.	Number of supports received in climate change planning and management.	DEDD	13.b.1
		Amount of support received for climate change planning and management.	DEDD	13.b.2
	Improve the conservation and sustainable use of the oceans and their resources in accordance with the provisions of international law, as set out in the United Nations Convention on the Law of the Sea, which provides the legal framework required for the conservation and sustainable use of the oceans and their resources, as recalled in paragraph 158 of “The Future We Want”.	Number of conventions ratified by the country relating to the sustainable use of the oceans and their resources.	DEDD	14.c.1
		Number of legislative, administrative and policy frameworks put in place by the country on the sustainable use of the oceans and their resources	DEDD	14.c.2

ENVIRONMENT, CLIMATE CHANGE AND RISK, RENEWABLE ENERGY

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	To promote the preservation, restoration and sustainable use of terrestrial and freshwater ecosystems and related services, in particular forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.	Area of forest areas, as a proportion of land surface	FAO	15.1.1
		Proportion of sites important for terrestrial and freshwater biodiversity in protected areas (by ecosystem type)	MUET	15.1.2
		Number of Terrestrial Protected Areas	DEDD	15.1.3
		Area of sites important for terrestrial biodiversity	DEDD	15.1.4
	Take urgent and decisive action to reduce the degradation of the natural environment, halt the loss of biodiversity and, by 2020, protect endangered species and prevent their extinction.	Index of the Red List	BirdLife International and IUCN	15.5.1

ENVIRONMENT, CLIMATE CHANGE AND RISK, RENEWABLE ENERGY

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Integrate the protection of ecosystems and biodiversity into national planning, development mechanisms, poverty reduction strategies and accounting.	The country has established national targets in accordance with or similar to Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011-2020 in its national biodiversity strategies and action plans and progress towards these targets	DEDD	15.9.1.a
		The country is incorporating biodiversity into accounting and financial reporting systems, defined as the implementation of the System of Environmental and Economic Accounting	DEDD	15.9.1.b
	Mobilize financial resources from all sources and significantly increase them to preserve biodiversity and ecosystems and use them sustainably.	Official development assistance for the conservation and sustainable use of biodiversity	OCDE	15.a.1.a
		Revenues generated and funds mobilized by biodiversity-related economic instruments	OCDE	15.a.1.b

ENVIRONMENT, CLIMATE CHANGE AND RISK, RENEWABLE ENERGY

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Consumption is sustainable thanks to the development of Renewable Energies and Energy Management.	To achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with internationally agreed guidelines, and to significantly reduce their release into air, water and land to minimize their negative effects on health and the environment.	Number of parties to the International Convention for the Prevention of Pollution from Ships of November 2, 1973, supplemented by the 1978 Protocol (MARPOL 73/78) and its Annexes I and II.	MUET	12.4.1.f
		Number of parties to the International Convention on Oil Pollution Preparedness, Response and Cooperation, 1990 (OPRC 90).	MUET	12.4.1.h
	Helping Djibouti to equip itself with the scientific and technological means to enable it to move towards more sustainable consumption and production patterns.	Installed capacity of the renewable energy fleet (in watts per capita).	MERN	12.a.1

STRATEGY FOR RESPONDING TO HEALTH SHOCKS

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
Develop a comprehensive health policy that is resilient to health shocks.	Ensure universal health coverage for all, including protection against financial risks and access to quality essential health services and safe, effective, quality and affordable essential medicines and vaccines.	Essential Health Services Coverage Index (Proportion of target population with essential health coverage - 0 to 100,0)	OMS	3.8.1
		Proportion of the population spending a large portion of their household expenditure or income on health care services.	INSTAD	3.8.2
	Ensure universal access to sexual and reproductive health care services, including family planning, information and education, and ensure that reproductive health is integrated into national strategies and programmes.	Proportion of women of childbearing age (15-49 years) using modern family planning methods.	INSTAD	3.7.1
		Adolescent birth rate (15-19 years) per 1,000 adolescent girls in the same age group.	INSTAD	3.7.2
	Significantly increase the health budget, recruitment, development, training and retention of health personnel in developing countries, particularly in the least developed countries and small island developing states.	Number of doctors per 10000 inhabitants.	MS	3.c.1
		Number of nurses per 10000 inhabitants.	MS	3.c.2
		Number of midwives per 10000 women of childbearing age (15-49 years).	MS	3.c.3

STRATEGY FOR RESPONDING TO HEALTH SHOCKS

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
	Strengthen Djibouti's capacity for early warning, risk reduction and management of national and global health risks.	Application of the International Health Regulations (IHR) and preparedness for health emergencies.	OMS	3.d.1
	To reduce the global maternal mortality ratio below 70 per 100 000 live births.	Proportion of births attended by skilled health personnel.	INSTAD	3.1.2
	Reduce preventable deaths of newborns and children under 5 years of age, and seek to reduce neonatal mortality to no more than 12 per 1,000 live births and under-5 mortality to no more than 25 per 1,000 live births.	Under-5 mortality rate.	INSTAD	3.2.1
	End the epidemic of AIDS, tuberculosis, malaria and neglected tropical diseases; combat hepatitis, waterborne diseases and other communicable diseases.	Number of new HIV infections per 1,000 HIV-negative people, by sex, age and population group at risk.	UNAIDS	3.3.1
		Incidence of tuberculosis per 100,000 population.	OMS	3.3.2
		Malaria incidence per 1,000 population.	OMS	3.3.3
		Incidence de l'hépatite B pour 100 000 habitants	OMS	3.3.4
		Number of people needed interventions against neglected tropical diseases.	OMS	3.3.5

STRATEGY FOR RESPONDING TO HEALTH SHOCKS

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The economic and social recovery plan is implemented.	Economic and social recovery plan protects against fragilities and builds resilience.	Inflation rate.		
		Number of jobs created.		
		Number of enterprises created.		

DIGITAL ECONOMY AND TECHNOLOGICAL INNOVATION

Targets	Intermediate targets	Indicators	Production structure	SDG indicator
The digital economy and technological innovation are strengthened through modern infrastructure and new legal and regulatory frameworks.	Establishment of a legal and regulatory framework and institutional capacities necessary to develop the performance and attractiveness of the telecommunications/ ICT sector, strengthen competition in all market segments, and accelerate digital transformation.	Number of legal and regulatory frameworks adopted governing the telecommunications sector and digital transformation		
		Number of operators offering digital services		
		Share of digital technology in THE GDP		
	Deploying and modernizing infrastructure for digital spatial planning	Volume of investments dedicated to the modernization of digital infrastructure and spatial planning.		
	Strengthen access to science, technology and innovation and North-South and South-South cooperation and triangular regional and international cooperation in these areas and improve knowledge-sharing in mutually agreed modalities, including through better coordination of existing mechanisms, in particular at the United Nations system level and within the framework of a global technology facilitation mechanism.	Fixed broadband Internet subscriptions per 100 inhabitants, per connection speed.	Djibouti Telecom	17.6.1

