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**Draft country programme document for Djibouti
(2013-2017)**

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Results and resources framework for Djibouti (2013-2017)



I. Situation analysis

1. Djibouti lies in a geostrategically privileged location. It is also a member of regional bodies such as the Arab League, the Intergovernmental Authority on Development (IGAD) and the Common Market for Eastern and Southern Africa (COMESA). These factors have enabled it to attract investment. The economy is based primarily on the services sector and is highly dependent on large-scale direct foreign investment. The terrain is extremely varied; the climate is of the arid desert type; rainfall is low (averaging between 150 and 300 mm per year), and prolonged droughts have an impact on the population. The cause of these repeated droughts is to be found in this variability and in climate change, both of which affect a substantial proportion of the Horn of Africa. As a result, food insecurity has increased and the resilience of the country's rural population has diminished.

2. The Millennium Development Goals (MDGs) Report 2010, prepared with UNDP support, indicated that some progress had been made in the country. The targets for universal primary education and reduction of the under-five mortality rate will probably be reached. The country is making good progress towards reaching the targets for gender equality, reproductive health and HIV/AIDS. However, none of the other MDGs will be fully attained by 2015. With 3 years to run before the 2015 deadline is reached, the Government is proposing a strategy comprising a mechanism to accelerate attainment of the MDGs operating in close cooperation with UNDP, the UN-family organizations and the other development partners.

3. Considerable efforts have been made regarding access to the machinery of justice with the establishment of mobile courts, which currently handle matrimonial cases. However, there

are restrictions on the actual exercise of individual rights, with the implication that incorporation of human rights principles in all policies and programmes is necessary.

4. Legislation has been adopted to secure greater representation of women in political circles; at present the proportion is 10-12 per cent. A Family Code protecting the rights of women and the family has also been adopted. In October 2011, with the support of the United Nations system, the Government validated a national gender policy based on the principles of equity and gender equality.

5. Djibouti is a member of the group of least developed countries. According to the Human Development Report 2011, it ranks 165th out of 187 countries and has a human development index (HDI) of 0.430. Economic activity in the country is highly concentrated in the services sector, and particularly in port activity, which accounts for 77 per cent of the country's gross domestic product (GDP). However, the country does not have access to capital in sufficient amounts to invest in sectors other than transport, and it is lacking in human resources with the skills to develop and operate an economy based on services and finance. Nearly all trade with Ethiopia passes through the port of Djibouti. Per capita income is estimated at 1,150 dollars.¹ Since 2008, the Djibouti economy has had to cope with constraints deriving from two factors: (a) the rises in oil and commodity prices and increasingly serious food shortages; and (b) the global financial crisis. Although the country has borne these constraints fairly well,² it is nevertheless indebted to the tune of some 60 per cent of GDP.³ Support should be given for the improvement of debt management and monitoring capacities and rational management of the budget and public finances. It also has

¹ Nominal GDP compared to population as determined by census (IMF figures).

² Source: IMF website: IMF report, June 2011.

³ IMF macroeconomic framework, Oct. 2011.

to be borne in mind that development financing is heavily dependent on official development assistance⁴, which amounts to 135 dollars per person, and remittances averaging 34 dollars per inhabitant. The competitiveness of the economy is still hampered by high production costs and low skill levels in the national labour force.

6. The economic growth rate has had little impact on poverty levels. By the end of 2008 the proportion of the population living in extreme poverty had risen from 43 to 51 per cent.⁵ Poverty is present in every region of the country and has given rise to large-scale migration from rural areas to the city of Djibouti, where 65.2 per cent and 57.4 per cent respectively of the population living in relative or extreme poverty now live.⁶ Relative poverty in rural areas has reached catastrophic proportions, with a rate approaching 95 per cent (over 3 persons out of 4 in rural areas are living in extreme poverty).⁷ Persistent food insecurity⁸ has been aggravated by rises in foodstuff prices (1.7 per cent in 2009, 4 per cent in 2010). Djibouti also suffers the consequences of its geographical location in that it has to cope with influxes of refugees, displaced persons and migrants. Finally, there is a widespread HIV/AIDS epidemic affecting 2.7 per cent of the population (the highest prevalence rate in the Arab region).

7. The State is still the principal employer. The vocational, economic, political and social development of Djibouti's young people is a strategic issue for the country. The generalized unemployment prevailing in the 16-60 age group of the population has reached disquieting

⁴ Source: mid-term review of the programme of cooperation between the United Nations system and the Republic of Djibouti (2008-2012).

⁵ Common country assessment report, United Nations Development Assistance Framework (UNDAF).

⁶ According to poverty surveys carried out by the National Statistics and Demographic Studies Agency (DISED) in 2008.

⁷ DISED surveys, 2002 and 2010.

⁸ According to the International Food Policy Research Institute, 2010, nearly 31 per cent of the population is undernourished.

levels (approaching 60.7 per cent); among the 16-34 age group (males and females taken together) it is as high as 70 per cent.⁹ Young people aged between ages 15 and 35 make up some 40 per cent of the population.¹⁰ The labour market crisis is affecting not only young people without education but also those with formal qualifications. There have been only a few tentative examples¹¹ of public/private cooperation and partnership for the promotion of access to employment. Job creation, particularly for young persons, will require in-depth exploration of the development potential of sectors offering opportunities but hitherto unexploited, such as fishing, small industries and tourism, as well as diversification of the country's economic base.

II. Past cooperation and lessons to be learned

8. The previous programme focused on poverty reduction, with the following results: (a) capacity building in regional institutions to strengthen decentralization and local development; (b) capacity building in the National Employment, Integration and Vocational Training Agency (ANEFIP) through the establishment of an organizational work structure with the ability to handle and monitor employment issues at national level; (c) support for professionalization in microcredit agencies. It also focused on governance, with results as follows: (a) strengthening implementation of the National Initiative for Social Development and advocacy of the MDGs; (b) preparation of a master plan for statistics and the National Statistics Development Strategy (SNDS), validated by the Government; (c) strengthening of Parliamentary capacities, with consolidation of the legal knowledge of members of

⁹ Source: DISED (EDAM/IS-2007).

¹⁰ Indicative percentage: Djibouti household survey 2002.

¹¹ The most significant example is the agreement by the national service programme (adapted and managed by the national armed forces) for the education and integration of uneducated Djiboutian youths, conducted in cooperation with the Djibouti Chamber of Commerce and some companies in the Customs-free zone (such as the Brazilian multinational Odebrecht). The aim is to obtain employment for youths after training by means of responses to vacancy notices published by the firms in question.

Parliament, improvement of the working of specialized committees, the provision of audio-visual equipment enabling the general public to follow Parliamentary debates, and the establishment of standing Parliamentary units in the regions; (d) the provision of the human and technical resources needed for coordination and implementation of the Paris Declaration on Aid Effectiveness; and (e) strengthening of the machinery of justice by training of judges and establishment of mobile courts in two regions.

9. The 2010 mid-term review of the country programme document and the 2011 assessment of development results confirmed the relevance of UNDP's orientations and strategic positioning. The lessons drawn from the different reviews call for the maintenance of a judicious mixture of upstream and downstream elements in the choice of future interventions; a reduction in the range of programme themes in order to achieve maximum focus on governance; gender equality; support for planning processes through INDS; and the creation of synergetic linkages between development aid coordination and monitoring/assessment.

III. Proposed programme

10. The proposed programme is based on the 100 priorities enunciated in the INDS, the orientations of the UNDP strategic plan, the lessons drawn from the previous cooperation framework and the results of the programme assessment (ADR). It also derives from the Istanbul Action Plan, particularly with regard to the strengthening of renewed partnerships in order better to promote national economic development and combat extreme poverty¹², particularly in direct relationship to the objectives planned for UNDAF 2013-2017. It focuses

¹² Istanbul Action Plan, chapter 3: "Renewed and strengthened partnership for development".

its interventions on the problems of inclusive growth and equity and transparent, inclusive and participative governance. One of the key elements in UNDP interventions will be the development of synergies, a search for complementarity with the programmes of United Nations agencies in the areas of gender equality, food security, capacity building, monitoring and assessment of poverty issues and MDGs and climate change. The activities in these areas included in the previous programme have enabled UNDP to establish itself strategically as a key partner of the Government. In this context UNDP, through its leadership, experience and comparative advantage in the provision of support and advice, has built up a capital of trust. These assets have enabled it to offer an integrated and coherent response to the national priorities defined in the common country assessment/UNDAF.

Inclusive and equitable growth

11. The first element in this area is concerned with the national actors and institutions for purposes of implementation of the choices and alternatives in the field of inclusive and equitable economic and social development. The priorities include: (a) capacity building in government institutions in the fields of poverty reduction and vulnerability policy management and analysis; (b) institutional, strategic and technical support in the fields of national and sectoral planning, macroeconomic management and monitoring/assessment, incorporating human rights and gender equality; (c) institutional and administrative capacity building targeting debt management, the budget and public finance; (d) high-level advocacy and advisory services for the mobilization of strategic partnerships to promote public development assistance, secure an easing of the foreign debt burden and attain MDGs in disadvantaged regions; and (e) support for national data-producing statistics systems, particularly for the conduct of socio-economic surveys.

12. The second element will focus on national and local initiatives designed to stimulate economic growth by encouraging inclusive and equitable policies accelerating attainment of MDGs. These initiatives will pursue the following aims: (a) the creation, through an overhaul of the national institutional, legal, fiscal and regulatory frameworks, of an enabling environment permitting the emergence and development of small and medium-sized enterprises; (b) expansion of financial services and support for the development of a local economy based on regional potentialities. In addition, to complement the interventions of the Enhanced Integrated Framework and in cooperation with the other international partners already active in that field, UNDP support will be targeted on promoting the country's regional and international competitiveness by making available the tools needed for decision-making and promotion of a framework favouring the emergence of a dynamic and viable national private sector, comprising the framing of a national employment policy and a vocational training strategy matching the labour market together with institutional and technical capacity building in the agencies responsible for employment, vocational training and youth, including civil society.

13. The third element will consist of interventions designed to improve the resilience of the communities most vulnerable to the effects of climate change and to preserve the environment. Interventions by UNDP will be primarily directed towards: (a) strengthening national governance of food security within the framework of the responses jointly offered by the United Nations system to the chronic food crisis; (b) establishing machinery for the management of risks and the effects of disasters and capacity building in national institutions and civil society in this area; (c) strengthening mechanisms for adjustment to drought in rural communities; (d) investigating and introducing new methods and technologies to enhance the adaptation of communities to the effects of climate change; (e) strengthening interventions for

the preservation of protected ecosystems on land and in the sea. The expected results are a lessening of the vulnerability of peoples and ecosystems to shocks and disasters and an enhanced capacity of institutions and communities to preserve a healthy and lasting environment.

Transparent, inclusive and participative governance

14. The task here is one of providing support for national (Executive, Parliament, Mediator, Constitutional Council) and decentralized institutions to promote more transparent, inclusive and participative governance. The interventions will be directed towards: (a) improving access by the people to efficient judicial services and institutional and technical capacity building in the judiciary with the aim of giving the population, and particularly the vulnerable groups (women, young persons and population groups with special needs) and rural communities, broader access to justice by bringing the services of the judiciary closer to those having business with it; (b) strengthening the institutional capacity of the National Assembly to exercise its prerogatives and discharge its parliamentary obligations, and promotion and establishment of mechanisms for dialogue between Parliament and the citizenry; (c) assessing and supporting reform of the national electoral system in order to guarantee free, regular, transparent and inclusive elections; (d) technical and administrative strengthening of the bodies responsible for control of administration for purposes of the discharge of their duties, particularly with regard to audits, verification and mediation; (e) consolidating the decentralization process, making it more rational and inclusive, with decentralized regional actors having the technical and institutional capacities desirable for planning and development; (f) strengthening advocacy and promoting greater participation by civil society and the population, including the marginalized groups, and particularly young

persons and women, in national and local decision-making processes; and (g) facilitating and establishing a concertation framework for coordination of development assistance.

15. The second element concerning governance will consist of support for the reduction of anomalies and disparities. Specific interventions are planned, namely: (a) institutional technical support and mobilization of resources for implementation of the National Gender Policy drawn up in 2011; (b) support for national bodies for the preparation and presentation of reports on implementation of regional and international conventions concerning women and children; (c) capacity building in institutions, civil society and local communities in order to reduce vulnerabilities and protect women against discrimination, violence, abuses and exploitation; and (d) support for a reduction of vulnerabilities related to HIV/AIDS and continuous support for networks and associations in civil society combating the disease.

Cross-cutting themes

16. The support for gender equality and human rights provided by UNDP should permit improved participation and representativeness, the assignment of greater responsibilities to women and more equitable access to development resources. The capacity-building approach will be prioritized and integrated into all the interventions in the programme.

IV. Programme management, monitoring and assessment

17. **Programme management.** For purposes of implementation of the programme, emphasis will be placed on execution at national level. Direct execution and accelerated procedures will be resorted to on a case-by-case basis. The strengthening of national

capacities will be given priority in order to guarantee efficient project and programme management. More substantial recourse to the expertise available in regional UNDP bodies will be encouraged.

18. **Monitoring and assessment.** A monitoring and assessment plan, linked to those of UNDAP, has been drawn up. Committees will be set up to monitor the programme and its effects. The investigations by UNDAP and the country programme document revealed shortcomings in the fields of monitoring and assessment, due, inter alia, to the weakness of national data collection and processing agencies.

19. **Cooperation strategy.** The efforts made by this office to mobilize resources have encountered a number of objective constraints, with the joint efforts of the limited number of funding agencies present in the country and the orientation of their priorities, which are taking on a more political and strategic dimension focused primarily on the combat against terrorism and piracy in the Indian Ocean. To complement regular resources, measures will be undertaken to mobilize additional resources and find new partners for the implementation of the present country programme.

Annex

Results and resources framework for Djibouti (2013-2017)

National priorities: (1) Poverty and vulnerability reduction; (2) Growth, competitiveness and employment					
<p>UNDAF outcome: National and sectoral planning, monitoring/assessment and macroeconomic management processes will be supported, strengthened and focused on extreme poverty and vulnerability reduction and achievement of the MDGs. Expanded outlook for economic development and job creation at national and local levels. Greater resilience in face of climate change in rural communities and ecosystems.</p> <p>Outcome indicators: By 2017, strengthened capacity in environmental management process; availability of socio-economic surveys; improvement in unemployment situation; jobs created, greater resilience of rural communities in face of climate change</p> <p>Strategic planning focus: Combating poverty and achievement of MDGs.</p>					
Contributions by government partner	Contributions by other partners	Contributions by UNDP	Indicators, baseline and targets for UNDP contributions	Indicative outputs of country programme	Indicative resources by goal (in dollars)
<p>By 2017, the Government will have established machinery for the speedier attainment of the MDGs and developed integrated public policies for the reduction of poverty and vulnerabilities and the creation of an environment favouring growth, competitiveness and employment. By 2017, the Government will have introduced programmes to strengthen the resilience of communities to shocks and crises and measures for the protection of</p>	<p>The World Bank will continue its support for monitoring and assessment. The African Development Bank will finance poverty and consumption budget surveys. UNIDO will carry out a study on industrial development. FAO and WFP will focus on food security questions; UNCTAD will contribute to the</p>	<p>Three areas:</p> <p>1. Technical support for the creation of a framework for the acceleration of progress towards MDGs promoting inclusive and equitable social and economic development strategies with particular attention to the situation of young persons and women.2. Forward-looking studies focusing on economic development and employment creation prospects at national and</p>	<p>Area 1</p> <p>Indicator: National monitoring/assessment and development planning framework targeting functional MDGs; Baseline: In 2012, no national monitoring and assessment mechanism for MDGs in existence. Target: National MDG monitoring and assessment mechanism approved by Government, operational by 2014.</p> <p>Indicator: Debt management strategy framed and validated. Baseline: In 2012, no debt management strategy exists. Target: Debt management strategy submitted to Government in 2014.</p> <p>Indicator: % of INDS interventions actually implemented. Baseline: 20 per cent. Target: 70 per cent.</p> <p>Indicator: Data on poverty published. Baseline: None available. Target: Household surveys in Djibouti, social indicators, consumption budget and household time use surveys.</p> <p>Area 2</p> <p>Indicator: Number of young persons and women with access to microcredit. Baseline: In 2012, very few young people have access to microcredit; in 2012, less than 3,000 women. Target: 1,500 young persons and 5,000 women enjoying access to microcredit in 2015.</p>	<p>1. (a) Strengthening of planning, macroeconomic management and monitoring/assessment capacities of national institutions at national, sectoral and local levels; (b) strengthening of national debt, budget and public finance management capacities; (c) enhanced awareness of poverty and vulnerability issues among political authorities.</p> <p>2.(a) Formulation of a strategy for the promotion of the private sector and microentrepreneurship; (b) Strengthened capacities in national institutions responsible for employment, vocational training and</p>	<p>MCARB 1/2:</p> <p>1, 023, 000</p> <p>MCARB 3:</p> <p>1, 000, 000</p> <p>Funds allocated for specific themes:</p> <p>500, 000</p> <p>Other resources :</p> <p>11, 000, 000</p>

the environment.	setting up of a debt management system; Japan will finance the programme for strengthening of community resilience. The contribution of the African Development Bank will relate to statistical questions.	local levels. 3. Advisory services on improvement of resilience in local communities in the Ali Sabieh region (one of the regions most vulnerable to climate change). Establishment of a national disaster prevention and management structure.	<p>Indicator: Number of young persons with access to vocational training. Baseline: Very few young persons have access to vocational training. Target: 1,500 young persons receive vocational training in 2017.</p> <p>Indicator: Existence of a regulatory framework conducive to development of the private sector and employment. Baseline: In 2012, no such regulatory framework exists. Target: A regulatory framework and strategies for the development of the private sector and job creation approved by the Government in 2015.</p> <p>Area 3</p> <p>Indicator: Number of persons vulnerable to drought and its effects. Baseline: In 2012, 206,000 persons vulnerable to drought and its effects. Target: 60 per cent reduction in the number of persons vulnerable to drought and its effects by 2017.</p>	youth for combating poverty.	3. (a) Strengthened role of communities in the management of natural disasters; better equipment of vulnerable communities to cope with the effects of climate change; (c) Enhanced effectiveness of interventions to preserve the environment and natural ecosystems..
National priority: public governance					
<p>UNDAF programme outcome: Enhanced application by national and local institutions of good practices and the principles of inclusive, transparent and responsible government</p> <p>Indicator of outcome: Legislation brought into line with ratified international conventions by 2017. Adoption of new Criminal Code in 2017. The National Independent Anti-Corruption Commission will be operational. Governance of institutions will be inclusive, transparent and firmer</p> <p>Strategic planning focus: Democratic governance.</p>					
By 2017, the Government will have established a framework and provided the resources to consolidate the rule of law and a durably democratic environment of governance. Public governance is the national priority and comprises modernization of public	The European Union will provide support for reforms relating to decentralization. The contribution of the Office of the United Nations High Commissioner for Human	1. Strengthening the judiciary, the control and audit bodies and Parliament in its control prerogatives. Support for the introduction of assistance coordination policies and provision of advisory services in the areas of decentralization	<p>Area 1</p> <p>Indicator: Number of cases heard by courts in mobile session. Baseline: In 2012 7 cases heard in 2 regions. -Target: 24 cases heard at mobile court sessions in 5 regions.</p> <p>Indicator: Number of annual audit reports published by audit bodies. Baseline: None. Target: publication of 5 audit reports annually</p> <p>Indicator : Number of Parliamentary missions to the regions. Baseline: In 2012: 1. Target: By 2017, 6 Parliamentary missions to the regions annually. Indicator: Regular publication of reports on public development assistance. Baseline: Reports rarely published. Target: Publication of one report every year.</p>	1.(a) The people enjoy better access to efficient judiciary services; (b) strengthened capacity of the National Assembly to discharge its parliamentary functions; (c) availability of a critical assessment of the national electoral system; (d) greater transparency within the administration; (e) the decentralization process is consolidated, rationalized and inclusive; (f) the capacities of civil society have been strengthened, and it participates more in	<p>MCARB</p> <p>1/2:</p> <p>1, 000, 000</p> <p>Funds allocated for special themes:</p> <p>600 ,000</p> <p>Other funds to be mobilized:</p> <p>2, 500,000</p>

<p>management, justice and consolidation of the rule of law, local governance through the development of decentralization, strengthening of statistical capacities for better forecasting of development measures and assessment of public policies..</p>	<p>Rights will be directed to the promotion of human rights and support for preparation of reports due under international conventions. UNDAP and UNICEF will contribute to the promotion of gender equality.</p>	<p>n, statistics and electoral reform</p> <p>2. UNDP will support promotion of gender equality, participation of associations in the decision-making process, human rights and the reduction of vulnerability to HIV/AIDS.</p>	<p>Indicator: Consolidation of decentralization. Baseline: Absence of any clear policy on decentralization. Target: Adoption of decentralization policy in 201X.</p> <p>Indicator: Validation of assessment report on electoral system. Baseline: Absence of any critical assessment of the electoral system. Target: Assessment of electoral system conducted and validated by civil society by 201X.</p> <p>Area 2</p> <p>Indicator: Number of associations and women's NGO networks actually participating in the formulation of development policies and programmes. Baseline: Low level of participation in the decision-making process by vulnerable groups and civil society generally. Targets: In 2015, genuine contributions by at least 15 associations and 3 NGO networks of women and sufferers from HIV/AIDS to the formulation of development policies and programmes.</p>	<p>decision-making at national and local levels; (g) establishment of a concertation framework for coordination of development.</p> <p>2. (a) Resources for implementation of National Gender Policy mobilized; (b) capacities of national authorities to discharge their reporting obligations under regional and international conventions concerning children and women strengthened; (c) capacities of national institutions and civil society regarding vulnerabilities and protection of women strengthened; (d) enhanced awareness among young persons and women of matters relating to HIV/AIDS.</p>	
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