

VISION *Djibouti*

2035



REPUBLIC OF DJIBOUTI



THE PRESIDENT'S ADDRESS

Thirty six years after the recovery of its sovereignty, our country is witnessing increased economic growth in spite of all sorts of numerous adversities: natural adversity and an attempt of destabilization during this period.

The urgent obligation to meet the basic needs of the populations lacking everything, and the absolute necessity to establish a solid State were ahead of the drafting of a long-term structured development strategy.



After facing major social challenges, development foundations of every modern Nation are created and should be strengthened even more: Education, Health, urban and transportation Infrastructure as well as sovereignty institutions (Armed Forces and Police Forces, the National Assembly, our diplomacy at the service of Peace, etc.).

Our Nation plays a regional and global leading role in the consolidation of stability and our country is the nerve center of economic and trade exchanges between different continents, thanks to its modern port infrastructure and its legendary culture of exchanges and encounters.

While entering the third millennium with positive perspectives, should we and can we settle for this trend that doesn't exempt this country from frequent world economy cyclical crises?

We should take it to the next phase and raise the level of challenges by creating the future's society, the Future Djibouti: imagine our country's economic, political, and institutional aspects by 2035 and let not only our youth, the future's spearhead, get involved in this vision established on objective basis, but also political Parties, the civil Society, Businessmen, our development partners, and the International Community in order to guarantee an uncertain yet essential success. This is the challenge called "Djibouti 2035 Vision".

Djibouti 2035 inaugurates the first long term strategy following the government's initiative. This new trend takes into consideration the necessity to manage time, surpass shortsightedness to adopt a development planning procedure guided by a long term vision, in order to build the country's future. It was based on a participatory approach and reflects a national consensus. Hence it provides goals to be achieved and constitutes thenceforth a target, will, and an ideal capable of assembling Djiboutian men and women.

In addition, Djibouti 2035 is the result of an international technical cooperation supported by the United Nations Economic Commission for Africa, the United Nations Development Program and the World Bank. Their participation helped in developing and reinforcing strategic thinking and actions through the national entities.



Our society of tomorrow should be built on traditional cultural values combined with modern universal values without changing our history's mores and customs.

While consolidating our democratic process based on the free expression of citizens and the establishment of modern communication means available for the civil society, our society of tomorrow has to face major challenges in the fields of Water, Health, and Education to deal with the development process's difficulties: massive unemployment of young graduates, social inequality, the emergence of extremism, and weak national cohesion.

In addition to this desired and imagined process, we should implement daring economic and institutional reforms to achieve these ambitious goals that should transform our country into the Flagship of the Red Sea.

Therefore, **the reference scenario**, that is meant to be optimistic but realistic, shows that structural economic transformations are possible in order to achieve a strong and sustainable growth, leading to the tripling of the income per capita and a strong job creation of more than 200 000 jobs; the unemployment rate currently at 50% will decrease to around 10%.

As for human development, absolute poverty will decrease by more than the third (1/3), disparities will be reduced and Djiboutian men and women will have full access to energy, drinking water, and universal access to basic health services.

It is important now to show what path to take and if possible, figure out the different ways to reach it and the necessary time to get to the destination. We should comply with Emile Zola's quote that summarizes our procedure:

{ Knowing where to go is great; we must also show that we're on our way }

This dream, if it is one, is allowed because similar and comparable developments were achieved in a certain number of big and small countries.

I strongly wish for a positive adherence of the elected officials, the representatives of the civil society, and the private sector to this project of building a more modern and fairer society.

I ask the members of the Government, political leaders, heads of republican institutions, and high level administrative officials to show daily and full involvement in order to work together to achieve a better society to bequeath to future generations.

ISMAIL OMAR GUELLEH

President of the Republic of Djibouti



THE PRIME MINISTER'S ADDRESS

The Government undertook a National Prospective Study that led to the elaboration of a long term vision to better meet Djiboutians' aspirations and transform Djibouti into an emerging country by 2035.

The civil society, the private sector and the development partners participated in this exercise.



There is no doubt that the gains made by our country since its independence, through several reforms introduced to the political, economic, and social fields are more than visible.

Our country achieved, thanks to the support of development partners, notable progress in carrying out international commitments, especially in the implementation of the Millennium Development Goals strategy, the rules of the common market for Eastern and Southern Africa, the ratification of international conventions related to Human rights, Woman's rights, Children's rights, the right to environment, etc.

The first two decades of our development generated weak economic growth that wasn't enough to contain urban and rural poverty that has spread to new social classes.

The last decade that witnessed an average of 4.8% economic growth wasn't capable of controlling extreme poverty enrooted in our country.

In addition, our development policy was tributary to the multiplicity of approaches and reference frameworks that led our economic action and lacked a common, comprehensive, and coherent vision.

Therefore, our country should have a long-term planning framework that strengthens previous efforts, in addition to the instructions and analysis of our past development strategies and our future perspectives.

Our country needs a development planning that is controlled better and is less subject to internal and external crisis. A more accelerated and sustainable growth is necessary to resolve social problems and induce a structural economic transformation to have more diversified and competitive economy, with an enhanced role of the private sector. All of this should be combined with a reinforced and productive public administration.



Djibouti 2035 Vision, which is the first long-term strategic reflection of its kind in our country, is meant to face these numerous challenges. It should contribute to the reinforcement of national capacities of anticipation, steering, and concerted management of national development and the perpetuation of a country's tradition regarding a prospective reflection on the Executive level.

The promotion of social dialogue between Djiboutian men and women will be at the heart of the implementation process in order to identify the country's major problems and potential bottlenecks to always have consensus for the creation of Djibouti of tomorrow.

I hope that the Government commits completely to this process and takes all the necessary initiatives for the implementation and success of this long term development vision.

ABOULKADER KAMIL MOHAMED

Prime Minister



MINISTER'S ADDRESS

Djibouti 2035 Vision mentioned in this document is an ambition of modern development, with a new approach and goals to achieve. This vision introduced by the President of the Republic after the implementation of the National Initiative for Social Development (NISD) and other planning modes, is a realistic and feasible process.

The establishment of our better country of tomorrow depends on the will of all institutional actors and nongovernmental

organizations (members of the government, representatives of the private sector and civil society, elected officials, technical and financial partners). Actors should work on a daily basis to achieve the desired future while creating the adequate conditions for the advent of the hypothesis of the references scenario.

In order to have that, Djibouti 2035 Vision and the strategic orientations included in this society project should be refined through strategic documents and operational action plans, conceptual frameworks of national, sectoral, and regional development policies, especially the Strategy of Accelerated Growth and Job Promotion.

This strategy of building a modern society will allow the articulation between the short term through budgetary programming and taking into consideration urgent needs; the medium term through national, sectoral, and regional development program and the long term, the Vision.

This Vision will be the starting point of a renewal of our planning through the establishment of an integrated framework of strategic and budgetary planning allowing coordination between our development partners and a more important medium and long-term commitment.

In order to guarantee a better implementation of Djibouti 2035, a judicious arrangement of growth pillars and reservoir sectors are presented in addition to particular strategies serving as fast and efficient catalysts to trigger a fast, strong and sustainable growth dynamic.

I deeply hope for the enhancement of the coordination with ministerial departments through the establishment of sectoral strategic plans and frameworks of intervention and dialogue, essential for the execution of national, sectoral, and local development actions.

Finally, it is very important to ensure prospective observation to follow the possibilities of implementing development postulates in light of taken actions, in order to warn decision makers and actors of the potential risks and the favorable forces for the achievement of the Vision.

ILYAS MOUSSA DAWALEH

Minister of Economy and Finance, in charge of the industry





LIST OF ACRONYMS	
ACP	Africa, Caribbean, and Pacific
ACP	Association Cultures and Progress
ADB	African Development Bank
AEU	African Economic Union
ANS	Adapted National Service
ASEAN	Association of Southeast Asian Nations
AU	African Union
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organizations
CSRD	Center for Studies and Research of Djibouti
DF	Djibouti Franc
DSH	Djibouti Survey on Households
EAC	East African Community
EOD	Electricity of Djibouti
EOL	Economic Orientation Law
EU	European Union
FDI	Foreign Direct Investments
FGEF	French Global Environment Fund
FTA/CU	Free Trade Area/Commercial Union
GDP	Gross Domestic Product
GPHC	General Population and Housing Census
HDI	Human Development Index
ICT	Information and Communication Technologies
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
MDG	Millennium Development Goals



MERCOSUR	Southern Common Market
MTEF-MTBF	Medium Term Expenditures Framework/Medium Term Budgetary Framework
MTP	Multimodal Transport Project
NAFTA	North American Free Trade Agreement
NEPAD	New Partnership for Africa's Development
NGO	Nongovernmental Organization
NGP	National Gender Policy
NISD	National Initiative for Social Development
PIP	Public Investment Program
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
PSWM-SLD	Program of Surface Water Mobilization and Sustainable Land Management
RLPS	Regional Land Planning Scheme
SF	Strategic Framework
SFPR	Strategic Framework for Growth and Poverty Reduction
SME	Small and Medium Enterprises
SMI	Small and Medium Industries
TFP	Technical and Financial Partners
UNESCO	United Nations Educational Scientific and Cultural Organization
USD	United States Dollar
WFP	World Food Program
WTO	World Trade Organization



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INTRODUCTION

The 1992 constitution stipulates in its preamble that “Islam is the country’s religion”. The country respects all beliefs and is a Republic attached to Universal Declaration of Human Rights. The State ensures equality among citizens in front of the law, with any distinction. The official languages are French and Arabic. Sovereignty belongs to the people that apply it by universal suffrage without any gender-based distinction through political parties. Power is divided between the executive, the legislative, and the judiciary.

The executive power that leads the national development policy has elaborated this vision. [After several decades of implementing development policies and strategies based on a \(short and medium term\)](#) classic planning approach and the search for financial and macroeconomic equilibrium, our country registered a significant economic growth during the past five years. This dynamic enables new economic growth and development perspectives.

**An image of a more successful, more attractive,
and more desirable future**

In order to put the foundations of a harnessed and managed development, the government had committed to the elaboration of a long-term vision for 2035, called “Djibouti 2035”. The elaboration of the vision follows the Economic Orientation Law 2001-2010 that contributed in guiding the Strategic Framework for Growth and Poverty Reduction (SFPR) 2004-2006 and the National Initiative for Social Development (NISD) 2008-2012. It aims at providing the country with a development planning tool for the future generation, in which strategic planning and sustainable development strategies and policies are included.

[This vision was elaborated based on a participatory approach and reflects national consensus.](#) In fact, it combines the populations’ aspirations, the past trends, major challenges, and the desired scenario for a long-term development. Therefore it presents goals to be achieved and constitutes from now on a destination image, a will and an ideal capable of assembling Djiboutian men and women as well as different actors of development and of the country’s future. In this context, the vision should be understood as the following:

1. A coherent image of the destination to which all efforts should lead
2. A realistic and credible image of Djibouti’s future
3. An image of a future more successful, more attractive, and more desirable than the current situation.

[DJIBOUTI 2035](#) combines the “target vision”, i.e. the image, and the “direction image”, which is the direction and means to achieve it. The vision should be absolutely ambitious so that it remains incentivizing to mobilize skills, energies, and resources for its concretization.

The report of DJIBOUTI 2035 vision revolves essentially around the desired image of our country in 2035, global strategies of this vision, a primary action program, and institutional implementation mechanism.



Chapter I: Diagnosis of the society's past and present

1.1- Retrospective study

Our population is very young; in fact, 35% of the population is below 15 years. A special attention should be given to prepare this part of the population for the future. Since this population is unequally distributed on the total land, there's an imbalance between the city and the other regions, which might be exacerbated.

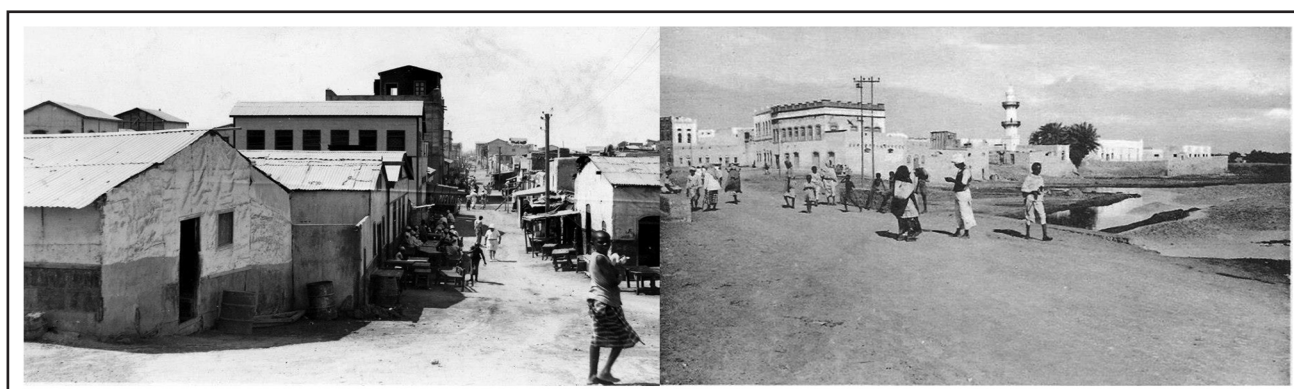
35% of the population is below 15 years. A special attention should be given to prepare this part of the population for the future

The government has been committed to implementing important political, economic, and social reforms. Sectoral studies were prepared and action plans were adopted. Some of these plans are now under way to reduce poverty. Our country, with the support of our development partners, is achieving progress in the concretization of international commitments, especially in the implementation of the strategy for the Millennium Development Goals and the rules of the Common Market for Eastern and Southern Africa. This was reflected by a certain dynamic, enabling thus the achievement of positive results, remaining however below expectations.

Therefore, our country needs a highest and more sustainable growth that requires efforts and reforms to solve problems and generate a structural transformation of the economy to make it more diversified and competitive, with an important role of the private sector.

These transformations and the relative goals can only be established on the long term, during a period of nearly 25 years, and in the framework of a coherent and comprehensive strategy: Djibouti 2035 Vision. This strategy isn't limited to economic and financial aspects, but covers also social, cultural, political, and governance aspects.

The suggested vision came as a response to identified challenges, aspirations and needs of the population. It takes into consideration the driving forces of Djibouti system, opportunities, and change germs.



¹ RGPH, 2009

² Cf. Rapport sur les Aspirations nationales

³ Le rapport de l'Analyse structurelle a déterminé des variables qui caractérisent le « Système Djibouti »



It seems that shortcomings can be overcome and it is possible to reach the desired future from our current situation. However this shift won't be spontaneous because this vision isn't included in a trend logic context. In fact, our country should evolve from an economy in recovery or stabilization, to an emerging country, after joining middle-income countries.

It is possible to reach the desired future from our current situation

Levers of action must be mobilized to break with the past and achieve significant gains. Therefore, the vision assumes that all creativity and innovation energies must be freed through a transformation in the social composition, the distribution of powers and wealth, the system of dominating values, and in the level of science and technology.

This transformation will lead to a change in the development policies based up until now on social sectors, in institutions functioning, and in the model of external relations.

1.1.1. Political retrospective

After gaining its national sovereignty in June 27, 1977, the country witnessed three politically separate periods. It is noteworthy that this sovereignty was acquired after struggling for long years for self determination. The population was consulted three times, and the third time, on May 8, 1977 (after 1958 and 1966), it chose independence. This political retrospective can be characterized by three periods.

The first period 1977-1989 that can be qualified by “Construction of the Nation and Instauration of Institutional Bodies of an Independent State” will be fundamental for the upcoming years in matters of representativeness of different tendencies of political and communitarian opinions and the use of power.

Construction of the Nation and Instauration of Institutional Bodies of an Independent State

The day following this independence, the political system that entered into force was the one party system, with Hassan Gouled Aptidon as first president.

The exercise of choosing the President by the people wasn't put in place up until 1981 with the organization of the first legislative and presidential elections.

The political system established is based on the principle of power separation: legislative, executive, and judiciary.

During this period, political stability was relatively ensured while the same political party and the elected president ruled in the aftermath of independence.



The second period 1990-1999 is characterized by **continuity of the political governance system** on top of the State. However, history remembers two political openings due to two major facts: (i) the armed conflict of 1991 and (ii) the wind of democracy that blew by la Baule speech regarding the establishment of Democracy in Africa (1992).

[Continuity of the political governance system on top of the State]

Evidently, these events will reconfigure the political scene in order to prepare a stable political future and an adequate economic development.

In fact, the two constitutional laws established by the constituent assembly in force in the country since the Independence were replaced by a new constitution adopted by referendum and enacted on September 4, 1992. It represents an important step towards pluralist democracy, putting an end to the one party regime in a continental context dominated by la Baule call and democratic openness.

This new constitution stipulated a multiparty system limited to four parties for a transitional period of ten years. The organic electoral law 01/AN/92 of October 29, 1992 concretized multiparty elections and the multiparty system limited to four parties during ten years.

The third period 2000-2010, described as the period of “democratic governance and political opening”, is marked on the political level by the first alternation at the head of the State twenty two years after the country’s First President’s reign. After this transitional period of ten years, limited to four political parties, the integral multiparty system was established in 2002 in accordance with constitutional provisions.

[Democratic governance and political opening]

Successively, several elections took place: legislatives of January 2003 that happened under the regime of the integral multiparty system, presidential elections in 2005, and local elections in 2006 that truly launched the decentralization process.

This new political scene will be reinforced by:

- The creation of a new management body of the electoral process, which is the Independent National Electoral Commission (INEC)
- The enhancement of the Mediator’s role
- The consolidation of the Rule of law with the abolition of the death penalty
- The Promotion of individual and collective freedoms as a main pillar for a modern and advanced democracy, etc.

In light of Heavy Trends represented by the weight of social considerations (mode of clan representation, political representation), change germs should result from the realization of the need for the continuity of political reforms undertook during the third decade, in order to promote political democracy and in particular the regions’ political role on the national level. In addition, national media pluralism will be an asset for the political and democratic debate.



1.1.2. Economic retrospective

The analysis of the economic evolution indicates three essential characteristics:

During the period of 1977-1989, the economy witnessed a dramatic evolution marked by successive political and economic crisis leading to a continuous degradation of the country's competitiveness, financial situation, and economic and social infrastructures. Repetitive wars in the sub-region since mid 70s and the internal conflict at the end of the 80s lead to the devastation of areas affected by war, the destabilization of the State, the disorganization of economic circuits in rural areas and the refugees' flux to under-equipped and little prepared hosting cities. Arid climate appears in irregular rainfall record, limited water and forage resources.

Recurrent droughts reduced rural resources and hampered nomadic lifestyle, leading to a massive rural migration. These exogenous shocks and weak economic growth explain the fast development of urban pauperization of which certain populations (displaced, street children) are direct victims.

Between 1990 and 1999, the beginning of an economic growth was hampered by two contingencies; the internal conflict and the structural adjustment program that followed.

Our country deployed efforts to regain macroeconomic equilibrium. In fact, the internal armed conflict in 1991 affected negatively the administration and national economy's work, and lead to the mobilization of important resources for the reconstruction and demobilization of those involved in the conflict. It was also necessary to halt the negative effects of the conflicts in the region, especially in Somalia and Ethiopia.

All these factors have had a harmful impact on all the country's socioeconomic sectors, resulting in the increased pauperization of the population, the loss of social and cultural foundations, the destruction of several socioeconomic infrastructures as well as the weakening of the administration and the country's governance system. Development partners provided important financial and technical resources that met only huge humanitarian needs at the expense of investments.

Economic growth remained relatively low (a 2.2% yearly average) and wasn't capable of bridging social gaps during this decade.

Given the negative financial equilibrium, our country implemented, with the support of the IMF and the World Bank, a program of economic and institutional reforms aiming at reducing budget deficit and even ensuring budget equilibrium and alleviating debt burden. This will require tremendous efforts on the level of the budget's sectoral allocation

Competitiveness is weak and the investment environment witnesses several shortcomings including the availability of infrastructure, the cost and the quality of production factors.



As for the 2000-2010 period, it was characterized by the recovery of the economic activity with an accelerated growth (an annual average of 4.8%), due to an important effort of public investments, a massive input of foreign direct investment (FDI), and the development of the national private sector.

Chart 1: Growth evolution was marked by a rupture as from 1999 after a period of strong volatilities

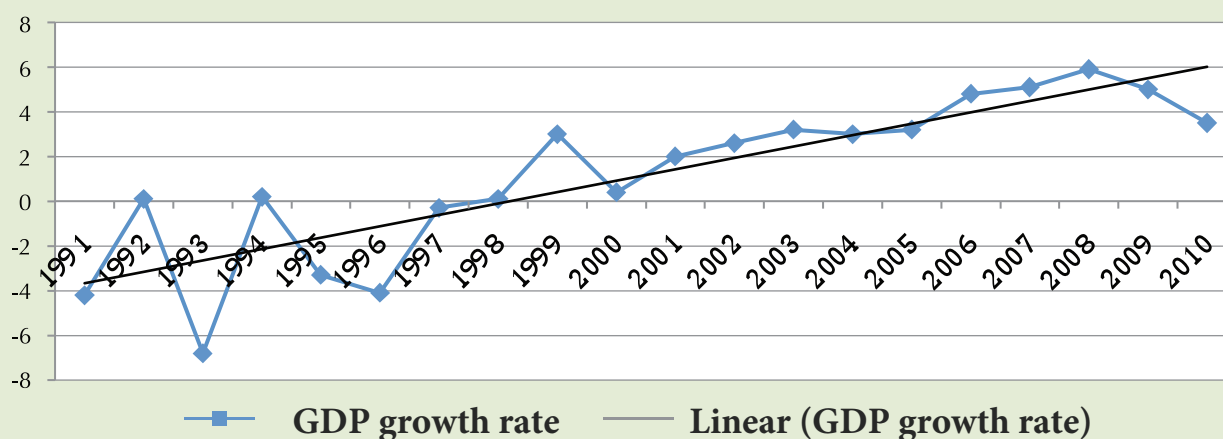
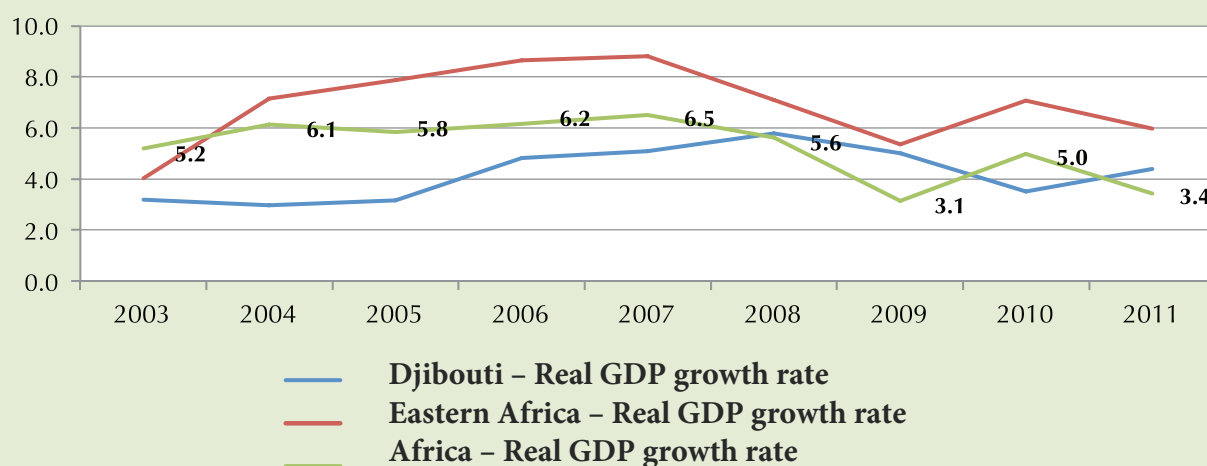


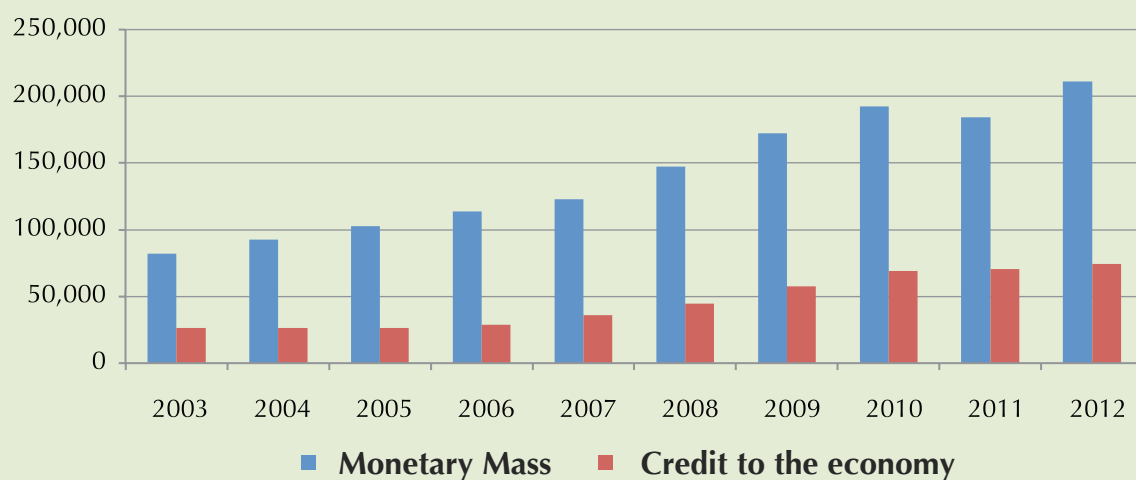
Chart 2: Compared evolution of Djibouti's growth rate with that of Eastern Africa and the African continent as a whole. A positive correlation is noted between the evolutions of Eastern Africa's growth rate driven by that of Ethiopia during this period.



The sectors that boost growth are transportation, telecommunications, and public Buildings and works. The financial sector wasn't outdone because it grew enormously in one decade. In fact, the number of banks and financial establishments in our country increased from two in the beginning of year 2000 to twelve at the end of 2010. In this vein, the credit to the economy and the monetary mass are in constant increase. In fact, from being relatively weak at the beginning of 1990, the credit to the economy reached a level of 34.5% of GDP in 2010.

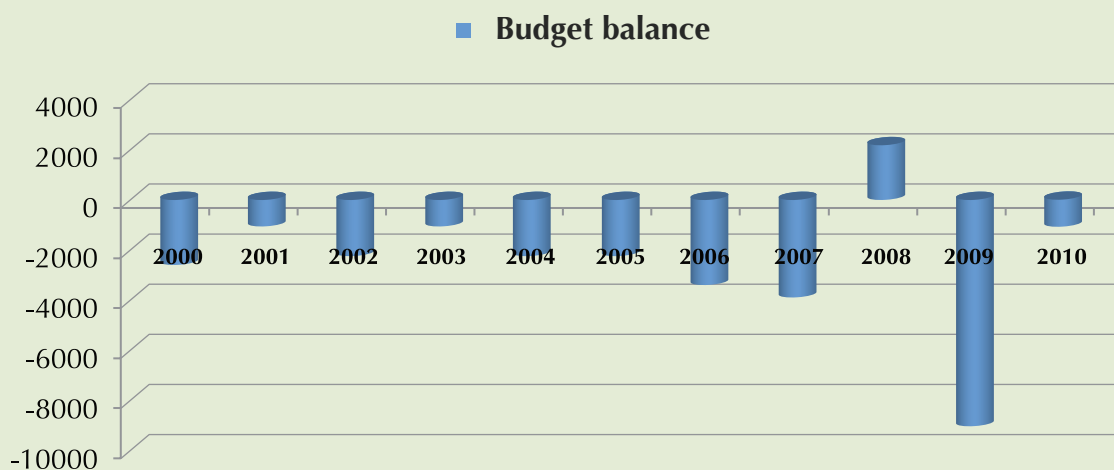


Chart 3: Evolution of the monetary mass, translating the expression of openness will and development of the financial sector in Djibouti (Million DF)



As for public Finances, efforts to carry out reforms helped in fixing the structural financial imbalance of the 1990s through an increased mobilization of budget revenues and the support of stakeholders. Therefore, from less than 30 billion DF at the end of 1990, budget revenues and spending went respectively from 28.751 billion DF to 71.07 billion DF and from 29.829 billion DF to 72.141 billion DF. Globally, revenues increased of 147.2% and spending increased of 141.8%.

Chart 4: Evolution of the budget deficit well controlled back then, in spite of the 2009 slippage (Million DF).

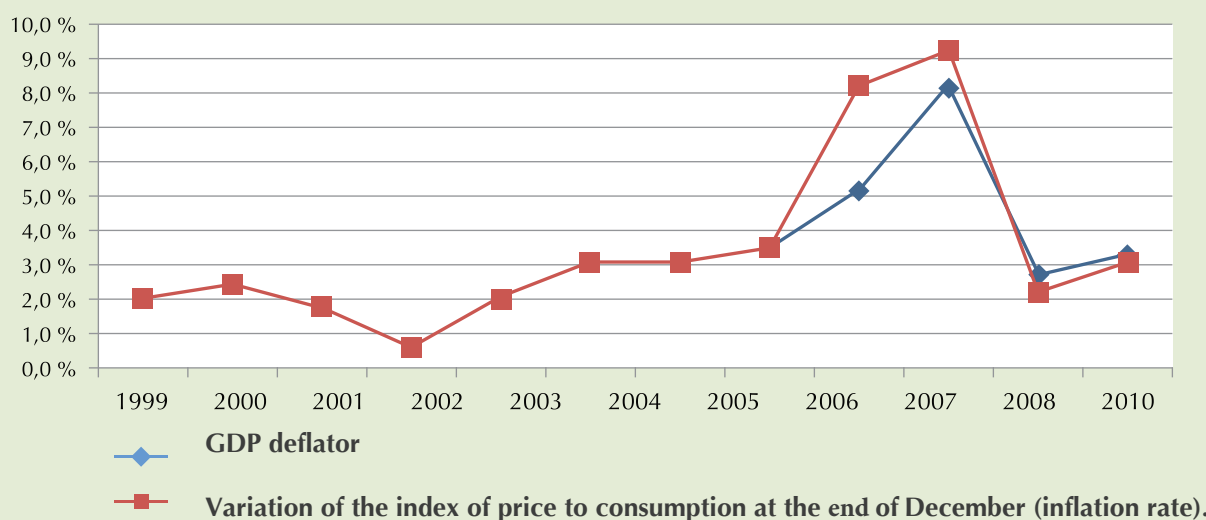


As for inflation, the general level of prices is controlled; however, national economy remains permanently confronted with external shocks related to currency effects, fluctuations of the prices of raw materials and convenience goods (Foodstuff) completely imported.



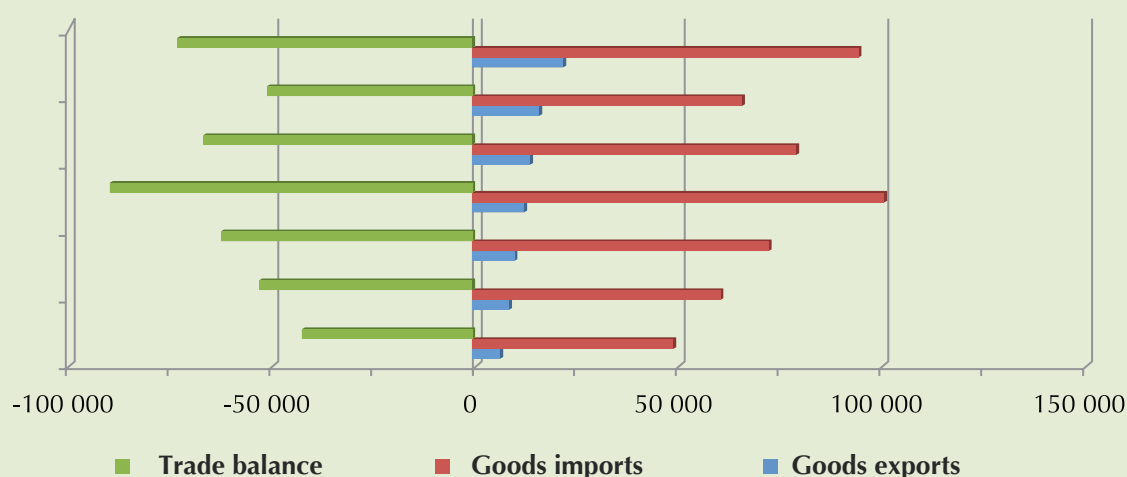
Chart 5: Compared evolution of inflation rate and GDP deflator.

In general, the economic policy was less inflationary. Major inflationary shocks resulted from the spike of the prices of raw materials and foodstuffs (food crisis 2007, energetic crisis 2008 and economic crisis 2009).



As a result, external accounts are structurally in deficit since Independence. In the context of external accounts' sustainability, public and private interventions share the responsibility of the external imbalance (deficit of the current account balance), which is the main cause of the excess of global demand causing the deficit of the current account that isn't always closed by sustainable consequent capital movements such as FDI and the increase of Djibouti's exports.

Chart 6: Situation of foreign exchanges with relatively high dependency level compared with imports (DF)



In spite of the growth acceleration registered these past years, it hasn't created enough jobs because it is the result of services activities, maritime transport services in particular that generates capital intensive investments. Unfortunately, Poverty rates didn't decrease and are still high.



The major observation on the economic level is that, in terms of the structure and articulation of the economic activity, the last three decades have a common denominator: the Tertiary Sector contributes to more than 80% of the GDP. Is this considered a failure, a lack of a policy in favor of the recovery of other sectors or is it related to an active political economic will to promote the tertiary sector?

Certainly, the economic diversification wasn't established and poverty rates remained high (extreme poverty rate reached 41.9% and relative poverty reached 79.4% according to DSH data). In light of heavy trends (the weakness of the economic fabric since three decades, the weak contribution of national agricultural productions to food availability, a national economy weakly diversified and strongly dependent on the tertiary sector, the weak savings and purchase power, etc.), the challenges that the three past decade couldn't overcome remain the following:

- The development of the primary and secondary sectors, especially the promotion of industrial activities, in particular the industry of essential goods production based on comparative advantages;
- The encouragement of small-scale farming (peri-urban) and programs of regional agricultural areas that allow the alleviation of food insecurity effects.
- The promotion of the role of private initiatives, trade, the sub-regional integration, and openness.

1.1.3. Social Retrospective

On the social level, the retrospective study shows a society highly influenced by its social and cultural values, oriented towards bipolarization: on one hand there's a better urban world and on the other hand there's a poor rural world struggling to live and is victim of all social deficits (education, health, housing, revenue, etc.)

On the socio-demographic level, our country presents three essential characteristics during the three periods of analysis:

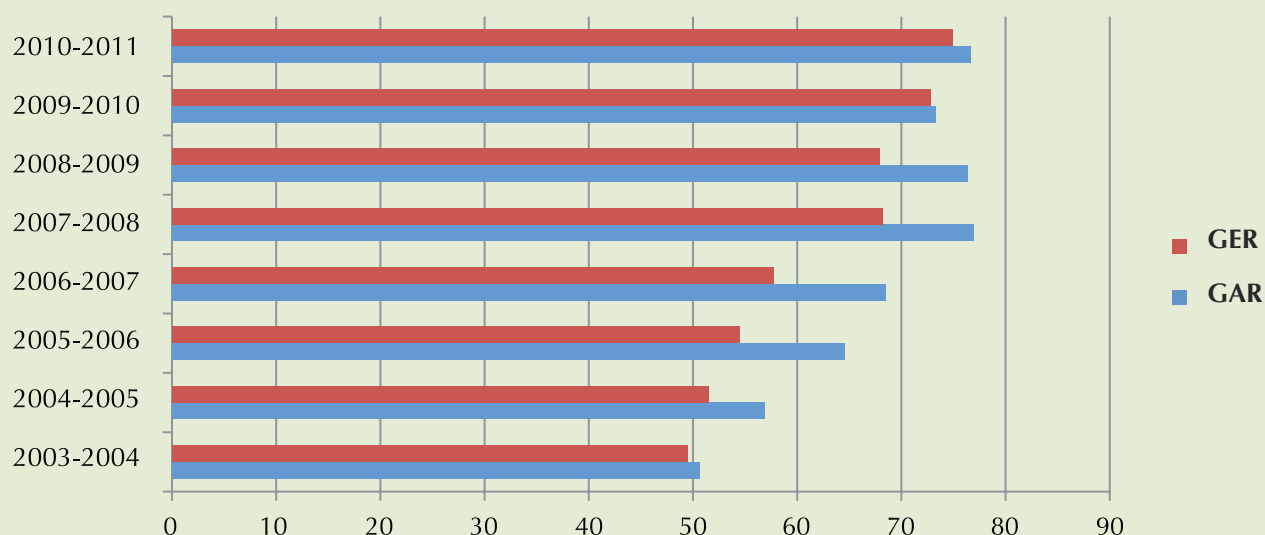
- An important dynamism of the demography (the population jumped from 250 000 in 1976 to 818 159 in 2009);
- An important concentration of the population in the capital;
- A cultural diversity marked by the coexistence of different communities (Afar, Somali, Arab);
- The last census (2009) show a highly urbanized population (70.6%) and very young (more than 50%) of the total population.

Religion remains the cornerstone that brings communities together, but it is noteworthy that mentalities evolved towards a more national conscience and identity rather than communist.

In the field of **Education**, since more than twenty years, the educational scene has totally and radically changed quantitatively (school enrolment rates increased from 20% in 1977 to 40% in 1999-2000 and then to 75 % in 2010 in the primary section and 55.4% in the secondary section).



Chart 7: Evolution of school enrollment gross rate and admission gross rate, which reflect the policy of widespread educational offer. In fact, development cannot be achieved without a well-trained human resource.



The national education policy was very distinct during the three periods:

- (i) The period of 1977-1989 called “Transition of the Educational System” during which the colonial influence was still present through the methodology, the staff, and the academic references;
- (ii) The period of 1990-1999 that can be characterized by a “structural change of teaching” during which all macroeconomic constraints have deeply affected the educational system already selective (high dropout rates); and
- (iii) The period of 2000-2010 with the “Comprehensive Reform of the Educational System” during which the universalization of the education became a fundamental goal in accordance with the Millennium Development Goals (MDG).

However, in spite of thwarted economic and political conditions, the educational level of human capital improved during the last three decades. Compared to the low percentage of people aged above 40 that went to primary school (less than 10%), according to a survey of Djibouti’s national directorate of statistics (1978), the gross school enrolment rate in primary school increased from 36% between 1978-79 to 78% between 2011-2012. Moreover, the total number of students enrolled in the secondary section increased from 2 954 in 1979 to 14 570 at the beginning of the academic year 1999-2000 and 35 567 at the beginning of the academic year 2010-2011.

As for the secondary vocational education, the Professional Education School welcomed 323 students in 1987 versus 1025 at the Commercial and Industrial School and 224 at the Center of professional Training for Adults in 1990/2000. As regards higher education, the University of Djibouti welcomed 3 705 students for the academic year 2010-2011 versus 150 scholarship holders registered in foreign universities in 1980/81.

Following the Estates General on Education in 1999, the Master Plan for Education was established for the period of 2000-2010 in order to improve human capital education.



In spite of the important part of the budget allocated to Education (22% in 2011 versus 14% in 1997), regional disparities appear on the level of the secondary education and several challenges are yet to be overcome including:

- Improving education quality on the level of all cycles (primary, junior, secondary, higher);
- Building and rehabilitating infrastructures to reduce the double flow system;
- Increasing the involvement of the private sector in children's school enrolment efforts;
- Within the framework of equity, reducing disparities in the access to education, especially according to sex and regions;
- Enhancing literacy programs for adults and teenagers;
- Increasing and improving the pedagogic efficiency of the educational system by reforming academic programs (contextualization of programs according to the socioeconomic and cultural environment of the country), ensuring a better access to manuals, improving the training of teachers and professors, and changing evaluation methods by decreasing the high importance of exams for example.

On the level of Health and social protection, a positive evolution was registered in time and space. Since its Independence, our country made its choice regarding health policy by joining in 1980 the 1978 Alma Ata declaration aiming at developing primary health care and health for all.

Our country had weak infrastructure and human resources in 1977 (one general hospital in Djibouti-city, thirteen clinics and health posts, nine of which are in the internal regions). However in the period of 1990-1999, our country worked on the reorganization of health systems and the reinforcement of health infrastructure.

During the past decade (2000-2010), the system made great strides. Reforms of the health sector were undertaken with a framework orientation law of the health policy, a strategic framework 2001-2011 and a national health development plan 2002-2006.



At the end of 2010, the number of staff and health infrastructure was the following:

Table 1: Data on health sector

Staff Category	2010
Obstetrician Gynecologist	8
Pediatrician	6
Anesthesiologist/resuscitator	4
Surgeon	3
General practitioner	77
Certified registered midwives	121
Auxiliary midwife	9
Certified registered nurse	203
Auxiliary nurse	68
Senior technician in anesthesia	38
Senior technician in surgery	4
Total	541
Functional health structures	2010
Health posts	27
Community health centers	11
Medical hospital centers	5
National reference centers	4
National hospital centers	2

Source: statistical yearbook, Health Ministry

In spite of the registered progress, Djibouti's health profile is still comparable to developing countries profiles, according to the human development index that was in 2010 equal to 0.403 ranking 147th . The national health system is also facing difficulties on the level of both strategic orientation and funding.

Here are numerous challenges hampering the achievement of the MDGs by 2015. Therefore, it is necessary to:

- Reinforce public health programs on the regional level;
- Reinforce programs that take care of people infected or affected by HIV/AIDS;
- Improve drugs policy
- Elaborate an active and unpunctual prevention policy for the vulnerable population, especially the youth regarding the risks of catching certain diseases;
- Improve the financial accessibility to health services;
- Establish an inclusive social protection policy, etc.



Regarding social protection, the coverage of public and private sector employees was relatively well ensured. However, it was important to rationalize the existing system. Before the 2007 reforms, there were three “regimes” under the National Pensions Fund: one for civil officials, one for deputies and ministers, and one for policemen, etc.

The fact a country with the size of Djibouti has three funds (Social Protection Body, National Pensions Fund, and Military Pensions Fund) cumulating the cost of three entities is unjustified. Therefore, there was a need to establish reconciliation between funds, in order to generate economies of scale and massively reduce management fees, which place Djibouti at the last rank of the continent’s countries. Reforms lead to the merger of the Social Protection Body and the National Pension Fund into the National Social Security Fund (NSSF) in 2008.

Social security covers formal sectors’ workers but the main challenge is to ensure a true social protection that takes into consideration the highest number of Djibouti men and women.

As for Water, in spite of efforts deployed to increase water points for the populations’ supply, it remains insufficient. In fact, drilling rigs that provide drinking water for all the country account for 52 and the capital alone receives its water from 38 drilling rigs.

The need for drinking water was estimated at at least 25 million cubic meters, while the National Office for Water and Sanitation in Djibouti provides only 14.8 million cubic meters with high waste rates. In other terms, there’s a annual deficit of 10 million cubic meters of water.

Water shortage affects negatively not only the economic activity but also the health situation of the population and animals.

In light of this emergency, a study related to the Master Plan of Water was conducted in 2007. In addition, projects of rehabilitation, extension, and detection of leakage from the network were undertaken to improve drinking water supply. In 2008, the government launched the project “mobilization of water for domestic and agricultural use in rural areas”.

It is thus important to prepare hydrogeological maps of different regions of the country to get to know better available or potential groundwater resources in the country. Furthermore, establishing superficial dams can allow Djibouti’s groundwater to recharge (the groundwater was overexploited due to the urbanization, the demographic growth, migratory movement, etc.) since all rainwater that passes through Wadi Ambouli is gone in the sea.

Within the framework of Gender issues, it is important to note that women carry out a significant role since Independence. The National Union of Djiboutian Women (NUDW) established in 1978 is clear evidence. In fact, promoting Women has always been at the heart of the Government’s preoccupations (joining the Promotion of Beijing Women status (1995), adopting a law from July 2009 that punishes all forms of violence against women, especially FGM, ratifying the Convention on the rights of persons with disabilities, and adopting the United Nations convention on the elimination of all forms of discrimination against women, etc.)



The importance given to the promotion of gender equality appears in the creation of the Ministry of the Promotion of Women, Family Wellbeing, and social affairs in 1999, the enactment of the Family Law, and the elaboration and implementation of the National Strategy for Women's Integration in Development (NSWID, 2001-2010) that lead then to establishment of the National Gender Policy (NGP, 2011-2021).

However, there are still enormous gender disparities: (i) unemployment rate accounts for 54.6% for men and 68.8% for women; (ii) activity rate is at 68% for men and 33% only for women and varies according to poverty and place of residence, (iii) 38.2% of girls are enrolled in schools against 64.5% of boys, knowing that this disparity is more important in the regions. There are also the effects of poverty that touch women more and more, and the growing impact of AIDS epidemic on women and children, in addition to violence against them.

Certainly, the economic and political status of women has evolved during the past three decades; however, the social status remained rigid regarding mentalities (discriminatory tendencies when it comes to divorce and certain diseases such as AIDS). The NGP should be implemented and financed in order to reach better results in the field of Gender promotion, because change germs do exist, i.e. the affirmation of women's role on the political and economic scenes to improve its social status.

As for the youth, the last population census (2009) shows that Djibouti population is urban (70.6%) and young (more than 50%). This is also accompanied by needs in terms of education, training, and socioprofessional integration. In fact, the percentage of young graduates is increasing annually.

With a view to foster youth professional integration, several actions were taken:

- The political commitment to create the State Secretariat for Youth;
- The elaboration of a Framework Document for Youth Policy;
- The reinforcement of the capacities of the National Agency for Employment, Training, and Professional Integration (NAETPI) to support complementary education, professional training, and youth daily life skills training;
- The establishment of training programs for the army (ANS);
- Voluntary integration in public and private enterprises for a long term training;
- The support provided for the integration of young graduates by the Economic Development Fund;
- The creation of Community Development Centers (CDC) for a better training and a healthy development of youth;
- The establishment of Djibouti Youth National Council as a framework for responsible expression, etc.

However, these challenges are yet to be overcome because the labor market crisis doesn't only affect unqualified youth that come from disadvantaged groups in general, but also young graduates who can't find job opportunities. The majority of youth finds only fixed-term jobs. It is necessary to redeploy actions of the State Secretariat for Youth and Sport towards programs including a real Economic Policy for Youth.



In terms of Housing and Sanitation, estimates showed that around 17% of houses in the city of Djibouti are connected through a collective sanitation network. The remaining 83% have either septic tanks or latrines. In Balbala, in the south suburbs of Djibouti city, where around the quarter of the population lives (220 000 persons), only three-quarters have a collective sanitation system.

The situation isn't a lot better in internal regions. Not only is there the problem of liquid wastes management, but also that of solid wastes.

As for Accommodation policy, the past decade paved the way for the development of real estate and social accommodations through the construction of several Cities and the attribution of suburban emergency parcels, residential parcels and the development of subdivisions in Djibouti and internal regions.

Even though housing supply highly increased, it is unavailable for Djiboutian men and women due to its cost.

In the field of housing and accommodation, a new definition of the policy related to land planning should allow the reconfiguration of current urbanization strategies between the city of Djibouti and internal regions.

As for the sanitation issue, it will be solved by keeping pace with the fast urbanization of cities in the country.

1.2. National Aspirations

Consultations on national aspirations, the first of its kind in Djibouti, helped in knowing on one hand the perceptions of the populations on the past and current situation of the country, and on the other hand, their vision and suggested strategies for their achievement on the social, economic, political, cultural, demographic (population and migration policy) and regional integration.

These consultations were organized with populations in five major inland regions (Arta, Ali Sabieh, Tadjourah, Dikhil, and Obock) and in three towns in Djibouti-city (Balbala, Boulaos, and Rasdika).

1.2.1. The goals of the national aspirations

The facts of knowing and taking into consideration the populations' aspirations while building a long term common development vision are a must. It is an essential phase because it gives the opportunity to collect their perceptions, aspirations, and wishes, and it is a better way to take into consideration the future projects of different actors.

In association with the region's Prefects and the Presidents of regional Councils, a representative sample population was constituted in every region, encompassing rural and urban people: nomads, farmers, executives and workers from the public and private sectors, chief executive officers, trade union leaders, workers of informal sectors, merchant, workers, housewives, young drop-outs, students, politicians and clerics, etc.



These consultations were conducted in the national languages to provide a full expression for populations. It is an act to enhance social dialogue among Djiboutian men and women to identify the major problems of our country and have a minimum consensus to build a common long term development vision

In each region, Djibouti 2035 team **exchanged ideas with dignitaries** and organized and animated a dialogue among members of a **representative sample population**.

The consultations and the dialogue tackled mainly the six following themes: (i) Population and demography, (ii) Cultural identities and values, (iii) Good governance and political stability, (iv) Human capital, (v) Economic development, Technology, Environment and Women's empowerment, (vi) Regional integration.

1.2.2. Populations perceptions of the development process

In the context of **Populations and demography** issues, opinions regarding the influence of the size of the population (818 159) are various: some believe that the size of the population is small which can easily help in satisfying the population's needs according to the country's resources; however others believe that a small population can't meet the need to diversify the economy and that the country might be burdened by the demographic weight of neighboring countries.

Populations consider that internal migration is good and that doesn't serve the interest of the regions' development. They are always motivated to look for better economic and social conditions (work, education). External migrations however are considered bad but are necessary. Populations wish for a controlled immigration.

When it comes to **cultural identities and values**, populations think that they're essential elements to live in a society. Consultations showed that the tribal is very important because it promotes the familial and cultural link. However unfortunately they focused all their attention on the political policy.

They believe that the term tribal should regain its social value, knowing that the essential reference is the Djiboutian nationality.

It is crucial to gather the whole society on new solid basis and instill patriotism and the feeling of belonging to a Nation.

Good governance and political stability: In terms of political governance, populations believe that the democratic process is afoot. However, they think that they don't recognize themselves in the choice of actors who represent them at the Parliament. The democratic opening ensured certain stability to the country.

Populations believe that in the context of administrative governance, that a decline was registered in spite of the modern management means (computer tools and more human resources). There is a lack of professional conscious and a lot of neglect. Globally, the administrative productivity would have declined according to the comments made.



In the **Health** sector, populations find that health infrastructures are hardly operational, handicapped by the lack of equipments, ambulances, by the weak water and electricity supply, the difficult access of rural populations to urban centers due to the lack of rural roads. Drugs supply is insufficient, community pharmacy stock is not regularly renewed, and private pharmacies aren't available in regions.

Solid wastes and the lack of sanitation in major towns deteriorate the populations' health.

The Education system witnessed important quantitative progress. The supply increased, but the quality dropped, especially in the primary section because instructors don't often have the required qualifications.

On the Economic level, the weak, better yet the lack of valorization of the regions' potentialities and assets didn't allow for a regional economic development and jobs creations. Some job opportunities that existed here and there thanks to private initiatives disappeared because of the crisis, but also because of weak support provided by the public sector. The economic performances are considered insufficient, the distribution of national wealth didn't improve life conditions, and the number of jobs created is not enough, especially for young workers.

Populations believe that the establishment of local economies is possible because we have the assets and potentialities to rebuild our regions' development, as a pillar for strong growth in the coming years. The first asset is undeniably the asphalted road network that connects the capital with the five main towns of the region, but also with Ethiopia that has an expanding economy. The second asset is the country's opening to the sea that offers an important coastline for the regions of Arta, Tadjourah and Obock.

Regional integration: our country has a privileged economic and commercial relation with Ethiopia that uses its harbor and the volume of activity represents more than 80% per year. Great advancements are yet to be achieved in regard to the whole sub-region (COMESA). Instability in Somalia and the crisis in Eritrea are not helping in going forward with the integration through the neighborhood.

The following diagram shows by order of importance the needs to meet according to populations

Sectors of Fields		The degree of importance of the problem
⇒	water, thirst & drought	
⇒	Health and solid wastes	
⇒	Governance and confidence	
⇒	Economy	
⇒	Rural exodus	
⇒	Training	
⇒	Electricity	
⇒	Rural roads and accessibility	
⇒	Inflation and price increase	



1.3- The Main Challenges

There are some invariant factors that affect our country's development including:

- **The strategic position of the country in the region.** Djibouti's surface area is limited (23 000 km²) and has resources that are affected by the desert climate and volcanic soil. However, its access to the Red Sea with 370 km of coasts that could hold opportunities of gas and oils reserves, gives it an important role in regional economy;
- **The limited surface and (23 000 km²)** and weak population that could constitute in the context of openness and regional integration, both a handicap and a vulnerability factor. The international community and the TFP will focus their attention more on larger populations of neighboring countries.
- **The climate situation** affects enormously the environment. Extreme climate aridity impedes the development of agricultural opportunities. The regions' aridity will strongly and negatively affect the agricultural production. In addition, water scarcity is a severe constraint for pastoral and agricultural activity and for populations.

Heavy trends include:

1. Underdeveloped and under-urbanized hinterland; development is concentrated mainly in Djibouti-city;
2. The structural persistence of food and nutritional insecurities that have demographic and severe consequences on human capital and development.
3. More than 65% of adults suffer from illiteracy;
4. A weak economic growth over two decades after the Independence that is still the true cause of deep and structural poverty;
5. A primary sector that has been troubled for the past two decades due to the effect of recurrent drought; the contribution of the agricultural sector to food availability is almost null;
6. An atonic economic fabric that strongly depends of the tertiary sector, (vii) the weakness of the populations' savings and purchase power;
7. The State still has a leading role in front of the private sector emerging in a business environment filled with numerous distortions, etc.

In order to face these factors, major challenges were identified. They call for strong policies, strategies, and actions in order to achieve this vision by:

Reinforcing governance, administration and democracy's capacities

Governance reforms are well implemented; however, the challenges remain numerous in order to deepen the Rule of law. It is necessary to establish a republican development administration, deploy more efforts to fight corruption and achieve political and economic decentralization.



National Unity and National Security should be strengthened. In fact, the structural analysis shows that the system is also determined by internal as well as external variables such as Djibouti platform in the region, the geostrategic position under the influence of the foreign military presence. It should also be based on many values encompassing social, traditional and religious values that give the system its singularity and deep richness.

[Diversifying and promoting a competitive and sound economic competitiveness and establish infrastructures supporting production]

The main challenge is to build a productive, competitive and diversified economy that speeds up growth, improves living standards, enhances and preserves the framework and place of living through virtuous and efficient governance. This approach that calls for the acceleration of the economic growth is based on the fact that the current average growth rate is not enough to significantly reduce poverty.

In fact, with an average GDP rate of 5.2% and a demographic increase of 2.8%, nearly 35 years are needed to triple the revenue per capita. The acceleration of growth and the intensification of job creation are thus necessary for a better absorption of social deficits.

Growth dynamic should be based on the development of infrastructures, especially port and airport logistic platform. The establishment of specialized ports allows the professionalization of transport activities.

It is also important to solve the crucial problem of unemployment and increase households' incomes.

[Ensuring a judicious development of territory]

The major challenges to overcome during the upcoming years are achieving economic decentralization through the creation of true regional development poles capable of upholding a regional development policy based on the specialization of regions. In fact, exploiting the regions' economic potential will contribute to the consolidation of economic growth, the reduction of poverty and food insecurity in rural areas, stopping massive rural exodus to Djibouti-city and eliminating consequently, the huge imbalance between the regions and the capital.

Land planning is a form of political will but more efforts should be deployed to create planning instruments and tools. It is also crucial to guaranty the effective transfer of skills and resources for the benefit of local authorities, to reinforce authorities' capacities to manage local affairs and ensure the coherence of local actions with the State's policies.

[Developing human capital, Train national skills]

The little progress of the HDI results from the weak performances in the Education sector, inter alia. In fact, the key indicators of the access to preschool education and to secondary education remain very low. Even if the indicators of primary education are higher, improving its quality is a priority.



As for higher education, it is still the weakest of the educational system in spite of the great strides made in university's infrastructures. Building a nation and a knowledge economy constitute thus a challenge to face through the training of national skills. Technical and professional education should be promoted to fight unemployment, especially youth unemployment.

Within the framework of health, the main indicators have improved, however inequalities in health results persist and the consolidation of national health systems should be considered as one of the major challenges to create an enabling environment for reforms, especially those pertaining to hospitals and drug policy.

Establishing equilibrium between sexes, on the level of school enrolment and literacy, improving women's status and integrating gender in all development sectors are important challenges to overcome in order to speed up growth.

Speeding up growth and increasing jobs creation are necessary to better absorb additional demands, improve populations' incomes and living conditions, and thus reducing unemployment and poverty.

As for the improvement of the populations' living conditions, the promotion of accommodation will be developed within the framework of the housing sector's recovery while preserving its social component (social accommodation and equal distribution of lands).

Furthermore, in the accommodation production, a special attention should be given to prices control, according to appropriate mechanisms. Specific measures will be taken to improve access to urban services, bring spontaneous neighborhoods up to the standards, and rehabilitate old neighborhoods.

Playing an active role in regional integration and international cooperation

A leading role will be given even more to the private initiative, trade, and regional integration and reinforcement of openness. A better valorization of the geostrategic position of Djibouti can happen only when efforts are focused on promoting the private sector and foreign investment and developing trade and services that are essential sources of economic growth and poverty reduction.

Moreover, openness, participation in global trade, and the integration of countries in regional groupings are new opportunities to enhance and speed up the economic diversification.

An active diplomatic policy should allow the country to benefit from the increasing commitment of development partners in social, economic, military, political, and diplomatic fields to ensure certain stability in medium and long terms.



Main Challenges

Raise literacy level

Reinforce
governance,
Administration
and democracy
capacities

Reinforce national
unity and national
security

Ensure food
security And
improve
populations'
health situation

Major challenges
were identified.
They call for
policies, strategies,
and actions to
achieve the vision.

Solve the crucial
unemployment
problem and
increase
households'
income

ensure a
judicious
development of
the territory

Diversify and
promote
sound economic
growth

Establish
infrastructures
supporting
production

Train
national
skills

Solve the
competitiveness
problem



Chapter II: Djibouti 2035 Vision

II.1. Construction of scenarios

The construction of Djibouti 2035 vision went through the elaboration of scenarios. This phase is considered a game of hypotheses on key issues pertaining to major uncertainties, or variables with which we can certainly predict the future's evolution. Building scenarios is indicating the possible future.

Box: What is a scenario?

Scenarios are neither previsions nor predictions. They're plausible descriptions of the ways the future might evolve, based on a number of coherent and logic assumptions regarding key interactions and driving forces of change. They're useful tools to estimate future socio-economic conditions, representing the multiple external driving forces to which a system is or will be exposed. There are three modes to think about the future: predictive, exploratory, and normative.

The predictive type of scenarios indicates what will happen based on the most probable evolution of trends in the future (similar to a prevision, "if the trends remained the same, how will the future look like?").

Normative scenarios take into consideration normative goals (future desired situation) and the exploration of means and ways leading to these goals ("how do we want the future to be?").

Exploratory or pessimist scenarios are characterized by the openness to several potential events and to different evolutions. They include conventional hypotheses and tackle high levels of uncertainty and ambiguity ("What could the future be?"). They're useful when used to tackle high uncertainty on the trajectories of the future in complex systems, and they're instruments of reflexivity and learning. The goal is to achieve a proactive and informed strategic planning.

Therefore, three scenarios were drafted for our country: (i) trends scenario, (ii) pessimist scenario, and (iii) optimist scenario.

2.1.1. Trends scenario

In this development plan, things don't fundamentally change and in 25 years, economic, financial, and social indicators would only double

As for peace on the sub-regional level, we note a decline in armed conflicts and uneven progress in negotiations shown in pacification actions happening gradually, especially in North Sudan and South Sudan; the new atmosphere takes war away without however guarantying peace, and doesn't exclude internal security risks due to the emergence of social and religious conflicts and dysfunction in defense and security elements.



The democratic game seems to be accepted by all political and social actors as well as the international community. Even though they're legitimate and stable, different governments are unable to undertake a technocratic and efficient management of the state, eliminate corruption, and sufficiently mobilize resources to fund public and social services as well as economic development.

Different attempts to establish the Rule of law were faced by weak material, human, and financial means. The reforms designed to enhance the judicial authority's independence didn't witness any progress. The functioning means of the judicial sector remain insufficient in the framework of establishing a true Rule of law.

Decentralization, an instrument to promote local development and democracy, faces the predominance of the central power, the scantiness of financial resources allocations, and the weakness of human and material capacities; external partners that show interest in supporting local initiatives find rarely credible entities or interlocutors.

Economically, the perspective of diversifying and increasing production is faced with the weakness of water and energy resources and weak performances of telecommunication and transport sectors. The embryonic private sector faces legal and regulatory environments that are not very ideal for its expansion; heavy fiscal pressure and difficulties of access to financing don't enhance the creation of small and medium enterprises.

The combination of these adverse factors is embodied by weak economic dynamism, weak competitiveness and insufficient jobs creation, while an increased cohort of graduate students are entering the labor market. These bad economic and employment perspectives are maintaining poverty levels, hampering the satisfaction of the youth aspirations, and mortgaging the future.

Shy international cooperation and less aggressive regional integration

Due to the weak financial capacities of the country, the development partners' support seems very crucial to complete the government's efforts to undergo social and economic transformations. If the country's potentialities and its geostrategic position attract numerous development partners, delays in the improvement of good governance, especially in the business world, the coordination of assistance, and efficient partnership generate more reluctance and reduce the level of assistance.

In terms of regional integration, Djibouti isn't yet a full member of COMESA and Eastern Africa Community and the expected results of the platform's development are far from the achieved investment efforts.

The private sector is still timorous and doesn't assume all his designated tasks due to his weak preparation and the few incentives in the legal and business environments.

Djibouti's geostrategic position is crumbling with the relative peace that is being achieved in the countries of the Horn of Africa, and Djibouti can't seem to impose a real influence in the regional dynamic.



2.1.2. The pessimist scenario

Escalation of Insecurity and peace threats

The lack of progress in the implementation of peace agreements on the sub-regional level leads to the emergence of armed conflicts and enables the spread of insecurity. Armed banditry is very preoccupying in internal regions and especially in the capital.

The elements of defense and security show all kinds of dysfunctions. These behaviors and dysfunctions impede gradually these two elements. In general, this insecurity climate plunges the country into a situation of social decadence.

Political instability and interethnic tensions

The democratic game in election is unacceptable and election results are still challenged. The political scene isn't witnessing any rotation and the losing political party carries out an atmosphere of fear within the population. In such a context, the country is crippled by an almost permanent instability.

The lack of political dialogue framework and divergent speeches of politicians promote the emergence of interethnic tensions and Islam won't be able to play its role as link among populations.

Good governance is undermined by an administration hampered by corruption and economic malfeasance, absenteeism, and weak performances.

Justice is considered a tool to serve the interest of the States officials. It has numerous dysfunctions and several security forces members are responsible for abusing citizens.

Economic regression, generalization of poverty and social unrests

Public resources are disappearing from the State and economic expansion is in constant regression. Production decline is exacerbated by recurrent droughts, insufficient investments in the development of water resources and weak economic diversification.

Corruption cripples the state's revenues. This corruption, alongside high taxes, multiple administrative barriers, and inappropriate regulations, is considered an obstacle in front of the development of the private sector and national SMEs and SMIs.

Labor market is narrowing, many banks are bankrupt, several enterprises are closing or are on the verge of going bankrupt and are laying off their staff. Unemployment of active population, especially among graduates, is exacerbating, etc. In such a situation of unemployment and vulnerability, social unrest and strikes are noticed everywhere and in many sectors.

Rural populations are suffering from severe famine hardly compensated by international food assistance. More than 70 per cent of the population lives under poverty line and access to social services is still insufficient.



Political isolation and obstacles in front of international cooperation

The country faces economic and political isolation perpetrated by its neighbors and the international community. Its neighbors use its infrastructure in a gradually limited way while imports from its neighbors are reduced. Hostilities of neighboring countries hamper progress and the success of regional integration.

The distrust of donors is increasing and is shown in the fact that international cooperation and technical and financial assistance are frozen. Political uncertainties lead to potential investors reluctance which leads thus to an increase in foreign direct investments capable of enhancing the economic development.

2.1.3. Optimist scenario or reference scenario

It is an optimist yet realistic scenario that shows that structural economic transformations are possible to achieve a strong and sustainable growth, while tripling the income per capita and creating job opportunities of more than 200 thousand jobs; unemployment rate of around 50% will decrease to 10%. In terms of human development, absolute poverty will be reduced by more than the third, disparities will decrease, and Djiboutian men and women will have total access to energy, drinking water, and a universal access to basic health services.

In this scenario, Djibouti will become the Lighthouse of the Red sea and a bridge between the continent of Africa, Middle East, Asia, and Europe.

This dream, if it is one, is allowed because similar and comparable developments were achieved in certain number of small and big countries. The region's stability is an important factor that determines this development plan, because a setback on this level can question the whole scenario.

Reinforced peace, generalized security, and notable progress in national unity: this supposes that all peace agreements signed on the sub-regional level were gradually implemented, fully respected, and lead to the ending of rebellions, armed conflicts, and border conflicts. Peace and stability prevail in the sub-region and on the borders of different countries.

Democratization, good governance, and successful participation of citizens: elections are democratic, transparent, fair, and the ensuing republican institutions are stable.

On the judicial level, vigorous reforms were implemented and progress was achieved in the fields of the respect of human rights, corruption and economic malfeasance, and the fight against impunity.

As for good governance, successive governments continue to promote and reinforce operational capacities of the public administration. In addition, resources were leveraged to ensure the viability of regional collectivities.

The dynamism of the civil society appears through basic representative republican institutions and the real participation of citizens in national life. Public freedoms, especially freedom of expression are confirmed while national representation plays completely its role of legislator and controller of governmental action.



Generalized economic prosperity and improvement of wellbeing: implemented development strategies favor the increase of productive capacities of sectors that generate growth, the diversification of economic opportunities, as well as the fast development of the private sector and community development, and provide a new economic development dynamic for the country, especially for the regions.

Successful regional integration and enhanced international cooperation: thanks to its strategic geographic location, our country is gradually becoming a regional maritime outlet, and a regional hub for regional and international trade. The development, at the mouth of the Red sea, of a maritime fleet, industries, and shipyards reinforce progressively its role as an international junction and a hub for world trade.

Furthermore, with the regional security and humanitarian platform (presence of important foreign military bases and a regional logistic base for the World Food Program), Djibouti plays a significant role in the leadership and the implementation of mechanisms to coordinate regional humanitarian assistance.

Thus, this scenario is the main foundation of Djibouti 2035 vision. It draws lessons from the experiences of development during the past thirty six years, and is based on the challenges that should be overcome. In fact, away from constraints resulting from external shocks, Djibouti faces numerous internal challenges hampering the achievement of the Millennium Development Goal (MDG), in particular those relative to the acceleration of growth and sustainable development. In addition, the data of the General Population and Housing Census (GPHC, 2009) indicates a big proportion of youth and poses the problem of their education, their training, and their socio-professional integration, amid the high unemployment rate of more than 50% of the active population.

II.2- The desired image in 2035

2.2.1. “Djibouti 2035” Vision

The suggested vision is formulated as a response to the identified challenges, aspirations and the needs of the population. It takes into consideration the driving forces of Djibouti system, opportunities, and change germs.

It seems that shortcomings can be overcome and it is possible to reach the desired future from our current situation. However this shift won't be spontaneous because this vision isn't included in a trend logic context. In fact, our country should evolve from an economy in recovery or stabilization, to an emerging country, after joining middle-income countries.

Djibouti 2035 vision is a reasoned bet to build, better yet conquer a future. Such a study deepens and widens the basis of the economic, social, and space construction and suggests to actors the appropriate means to guide the country in order to provide it with a more desired direction rather than a lost one.

⁴ Cf. Report on National Aspirations

⁵ The report of the Structural analysis indicated the variables that define the “Djibouti System”



The desired image would represent the future situation, if the people, its institutions (Executive) and its representatives (Parliament) worked relentlessly during the period of one generation to build a society better than the one they currently live in.

[A more desired direction rather than a lost one.]

Levers of action must be mobilized to break with the past and achieve significant gains. Therefore, the vision assumes that all creativity and innovation energies must be freed through a transformation in the social composition, the distribution of powers and wealth, the system of dominating values, and in the level of science and technology.

This transformation will lead to a change in the development policies based up until now on social sectors, in institutions functioning, and in the model of external relations.

Djibouti 2035 Vision is based on five pillars that will induce transformations and will put the country on a new progress and development track.

The five pillars of “Djibouti 2035”

1. National peace and unity
2. Good governance
3. Diversified and competitive economy, with the private sector as a main driver
4. Consolidation of human capital
5. Regional integration



MAIN PILLARS





2.2.2. Goals of Djibouti 2035

2.2.2.1. The General Goal

Djibouti, Lighthouse of the Red Sea

Djibouti, Africa's commercial and logistic hub

Djibouti is witnessing a sustainable economic and social development. The economy is diversified, growth is accelerated and its level is high on the long term. Poverty is reduced and social indicators are improved. The integration to global economy is effective.

Djibouti 2035 aims at transforming our country into an international and regional economic, commercial, and financial Pole that guaranties Djiboutians' wellbeing in a peaceful, secured, and clean atmosphere.



VISION *Djibouti*

2035

Main Goal

- Djibouti, Lighthouse of the Red Sea
- Djibouti, Africa's Commercial and Logistic Hub

Djibouti is witnessing a sustainable economic and social development.

The economy is diversified, growth is accelerated and its level is high on the long term.

Poverty is reduced and social indicators are improved



2.2.2.2. Specific goals

Specific Goal 1

Triple the income per capita by 2035.

According to the macroeconomic projections, in order to achieve this goal, GDP growth will be accelerated to reach a high and sustainable level. The goal is to raise growth rate to an annual average of 7.5 to 10% in real terms during the period of 2013-2035 against an average rate of 3.5% during the period of 2001-2005 and 4.8% during the five past years.

The growth plan will allow the creation of more than 200 thousand jobs during the period of 2013-2035. Unemployment rate will plummet from 48.4% in 2012 to nearly 10% in 2035.

Growth perspectives depend on two factors: first of all, **on the diversification of the economy. A new growth model will be created**, with the view to benefit from the numerous opportunities existing in sectors, in particular fishing, tourism, logistics, New Information and Communication Technology (NICT), the financial sector and in all manufacturing sectors in which development will be promoted through the necessary investments for the mobilization of water and renewable energies.

On this basis, the growth plan will lead to the following structural transformation of the GDP			
	% PIB		
Sectors	2012	2022	2035
Agriculture	3,7	4,1	5
Manufacturing Industry	2,7	5,8	7
Buildings and Public Works	14,4	15	16
Trade and Tourism	16,8	18,3	20
Banks and insurance	13,7	13,8	14
Transportation telecommunications	27,6	26	24
Other services	2	2	2
Public administration	19,1	15	12
Total	100	100	100

Exports development constitutes a determining factor of Djibouti's future growth.

With the diversification of the economy, new sectors will contribute to growth supported by exports including fishing products, tourism (number of tourists will be multiplied by more than 10), offshoring. Exports average annual growth rate will reach 14% and openness rate will reach around 132% of GDP by 2035.



The contribution of productivity to growth will be important. Capital and work productivity will improve in accordance with the progress made in structural reforms and in the reinforcement of the infrastructure especially in telecommunications field.

The suggested growth plan pays particular attention to the preservation of financial internal and external balance.

In this framework, the situation of national savings will be developed and the current deficit of the payment balance will decrease to reach 3.1% in 2035 after reaching an average of 13.5% in the period of 2013-2022. The evolution of external debt will be controlled and debt rate will fall to 31% of GDP against 51% in 2012.

The budget policy will be marked by the continuous reinforcement of State resources mobilization and the control of current spending on one hand and the increased investment effort required for the economic infrastructures to reach global levels on the other hand. Budget deficit will slightly increase during the first decade and then it will decrease and reach 3.2% in 2035.

The deficit will be financed more and more in the internal market related to the dynamic which our country's financial system will witness. The need for external resources will increase to finance the required investments. Therefore, a dynamic policy of mobilization of financing external resources will be pursued, either in the context of international cooperation to mobilize financing under concessional terms, or by the mobilization of resources in the form of FDI or on the international financial market, when all conditions are met.

The second factor that contributes to growth is investment. Two phases exist on this level, the first phase:

Putting the economy on a global level. This phase that will last for ten years, will be marked by the deepening of reforms in all fields to improve the efficiency of the economy, modernization and the reinforcement of infrastructure (*water, energy, sanitation, telecommunications*) and the valorization of human resources (*education, higher education, and training*).

An important volume of investments will be reached by the public-State sector and public enterprises with the support of development partners. During this phase, the challenge is to reconcile between obstacles related to stabilization and the necessity to increase the volume of investments; growth rate during this period will increase to 35.1%.

While taking into consideration financing constraints for the public sector, Public Private Partnerships might develop during this phase, if all conditions are met.

The Second Phase:

It will be marked by the expansion of national and foreign private investment, enhanced by an incentivizing investment climate and an infrastructure of good quality and competitive costs.



Specific Goal 2

Improvement of social and human (or wellbeing) development indicators

Statistic data shows that apparently our country won't be able to meet the Millennium Development Goals by 2015. The government will elaborate an acceleration strategy to improve these indicators because with an increase of 1% in average per year of the HDI, the index will increase from 430 in 2011 to 540 in 2035, which means it will transform the country from one with low human development level, classified as the 165th, to a country with medium development level.

In order to do that, the State will consolidate human capital development through important investments in health and education sectors in order to directly improve populations' wellbeing and to reinforce indirectly other different forms of human capital that aim at increasing incomes. In fact, human capital is on one hand an essential tool of economic growth and a means to fight poverty, and a significant goal by itself on the other hand.

By 2035, the population will be educated and well-trained, with a good health, living in a cleaner environment and working.

VISION *Djibouti*

2035





II.3- Pillars of Djibouti 2035 Vision

2.3.1. National Peace and Unity

On the internal level, peace, unity and solidarity will be reinforced, lived, and shared in 2035. From this moment on, the State will implement all actions in order to maintain and reinforce institutional and traditional frameworks of conciliation, reinforcement of social cohesion, and promotion of national solidarity. The State and the populations commit to use all conflicts prevention and management measure through the promotion of dialogue, the establishment of consensus, and the enhancement of a culture of peace. Equal before the law, Djiboutian men and women will feel that they live in solidarity and security more and that they're more prepared to build their country in peace.

2.3.2. Good governance

Common initiatives, especially from countries member of IGAD and the African Union will promote peace in the sub-region. In addition, the presence of several foreign military forces, the French, English, and Japanese military bases in particular, and the future foreign military bases will ensure a full surveillance to counter terrorism and piracy, and will reinforce security not only on the mouth of the Red Sea, but also in the sub-region. The border conflict in Ras Doumeira will be settled definitely.

After one generation, Djibouti society based on democratic values will be a reality, and it will be strengthened by efficient institutions that respect and apply the law and legitimate leadership capable of facing challenges. The exercise of power will be characterized by trust between the governors and the governed because the government is held accountable periodically for the management of the State's affairs, especially the transparent use of public resources, and remains open to citizen's critics.

A civil society based on moral, civic, and citizenship values and conscious of its obligations will fully participate in the definition of policies and in decision-making. Media will contribute to the improvement of good governance and good management of public affairs. Djibouti men and women will commit to establishing the Rule of Law. This will require the mobilization of the whole population and of considerable resources.

2.3.3. Diversified and competitive economy, with the private sector as the main driver

The retrospective studied and the heavy trends identified indicate that the weakness of growth and its unequal distribution constitute one of the major causes of the exacerbation of poverty during the last two decades.

Djibouti 2035 aims at raising the level of living standards proportionately with the increase of the GDP per capita, of 10% yearly. Searching for a strong, stable, and sustainable growth is the essential foundation of the period. This requires the construction of an economic model based on the deepening of liberalism, on a more important valorization of the capacities of the sectors creating national wealth, a bigger role of the private sector, and the diversification of income and employment resources. In this context, all available production factors will be valorized so that economic growth will reach 8 to 10% in average per year in real terms.



This growth pace will be possible thanks to the increase of services related to port activities supported by the country's strategic position on important trade flows between Eastern Africa and Asia, and the supply of an important African hinterland. It will also be possible thanks to the development of transportation, trade, and industrial activities, to the expansion of New Information and Communication Technology, to the exploitation of mining resources that are a little or not at all exploited, and to the new impetus that will be given to the development of the regions' economic potential, of Agriculture, Fishing, Livestock, and Tourism, with solid training effects on the whole Economy and Employment.

This economic growth and development will be distributed equally on the regional level and on different social categories while taking gender into consideration. Within this framework, efficient instruments will be available to reinforce women's role in the management of resources, and production's role.

The development of science and technology has always fostered economic and social transformations as well as societies' progress. Nowadays, developing countries, including those that lack natural and enormous financial resources, favor this path through a process of scientific and technological innovations.

Our country will bask in a national scientific and technological Pole in order to stimulate creativity and the capacities of innovation and invention of national researchers because "the only wealth is man himself" capable of consolidating the base of development and accelerating progress. The creation of mechanical industries, automation and shipyard industries, of special economic zones and import substitution units will be a reality.

Finally, the realization of these performances depends on a clear vision and direction, an asserted leadership, and an efficient, effective, and competitive public administration, endowed with excellent anticipation, steering, and management capacities.

By 2035, the land will be developed and planned in a balanced and sustainable way, through a righteous distribution of the population and economic activities. The economic conquest and the development of the regions will constitute an essential transformation and a major asset. Rural development will be regain its dynamism and will be reinforced, and will allow thus the increase of populations' income and their stabilization in their environment.

If no society was developed in a rural environment, then urban growth would be controlled, and the capital's demographic growth would be monitored through urban planning of its development. The population of Djibouti and main towns of the regions will represent less than 75% compared with the current situation.

2.3.4. Consolidation of Human Capital

Ensuring Djiboutian men and women's wellbeing is the goal of long-term development while considering the individual as both an actor and a recipient. Wellbeing is based on populations' deep aspirations and aims at meeting their needs appropriately in terms of health, education-training and employment, housing and accommodation, hobbies and living conditions, etc.



The development of human capital through appropriate initial training, specific development programs, and the import of skilled international expertise, are necessary, not only to achieve the vision but also to create a hub of knowledge and skills, especially in the scientific and technological fields, and of national expertise.

Social progress and the improvement of living conditions are at the heart of the long-term development strategy of our country. The prosperity achieved through the vision should result in a real creation of wealth that will serve all Djiboutians' interest.

Progress is related to the reduction of poverty, the improvement of health and social security indicators, the quality of education, the promotion of women and youth condition, of the artistic and cultural creation, and the improvement of accommodation conditions.

Between 1977 and 2010, a fast urbanization was noted. Consequently, there was the fast development of precarious neighborhoods boosted by rural exodus. The government will elaborate a development policy for cities without slums.

Therefore, it is crucial to undertake actions aiming at contributing to the improvement of Djiboutian men and women's living conditions by:

- Promoting an economical accommodation and access to decent housing;
- Providing good sanitation for the built framework and its environment to have clean cities.

2.3.5. Regional Integration and International Cooperation

Djibouti 2035 will reinforce the country's openness. The country's geostrategic position enables global trade, in particular between Europe, Asia, and the Middle East on one hand, and the African continent on the other hand, especially the Horn of Africa as the main commercial portal of the Red Sea. Then, liberal economy enhances its openness to benefit better from global trade and Foreign Direct Investments.

Today, global trade is flourishing, and the establishment of regional commercial blocs is speeding up; a huge part of global trade is fostered by the regional integration. Djibouti 2035 aims at fully participating in the steering of transformations and establishment of regional groupings, of regional integration and globalization.

Whether with the IGAD, the COMESA, the African Economic Union, and WTO, our country will be an active partner that will participate and benefit from liberalization of trade, capital operations, and a better allocation of work factor in order to reinforce its growth, productivity of factors, and competitiveness.

The development and the reinforcement of Djibouti-Ethiopia Axis will be the basis of regional integration in the perspective of the creation of a unique Djibouti-Ethiopia-South Sudan-Somalia and Eritrea market.



Chapter III: Djibouti 2035 strategies

The implementation of Djibouti 2035 vision will happen through the strategies underpinning each of the identified pillars.

These strategies were elaborated through a convergence between the above mentioned vision and the uncertainties or strategic issues and strategic orientations related to possible evolutions of the country's long-term development.

National Peace and Unity

- Promote social justice, equity, and the State's capacities in addition to the culture of peace
- Promote national cultural and a national conscious
- Promote a comprehensive defense policy that guaranties the security of persons and goods

Good Governance

- Reinforce Democracy, with good governance as a social norm
- Invest in the modernization of the judicial system
- Reinforce the capacities of the administration and E-government
- Enhance citizens' participation and reinforce the civil society
- Promote media, instruments of good governance
- Consolidate the business environment and reinforce private initiative
- Elaborate mechanisms to prevent and fight corruption

Diversified and competitive economy, with the private sector as the main driver

- Promote a diversified growth and the essential role of the private sector: new model of economic growth
- Promote a virtuous macroeconomic policy
- Establish an adequate strategy to finance and preserve financial equilibrium
- Promote the development of a financial market
- Ensure the country's supply
- Promote the attractiveness of the country and of strategic partnerships
- Establish a wisely planned land: plan of comprehensive and integrated national land planning
- Establish a global employment policy

Consolidation of human capital

- Ensure Djiboutian men and women's wellbeing, which is the goal of long-term development
- Reduce poverty (social actions, solidarity...)
- Elaborate a comprehensive health policy revolving around prevision, prevention, and education-awareness



- Create a new educational system
- Promote a food and nutritional security strategy
- Develop an accommodation policy adapted to national socio cultural environment
- Promote the artistic and cultural creation
- Define and implement a national population policy

Regional integration

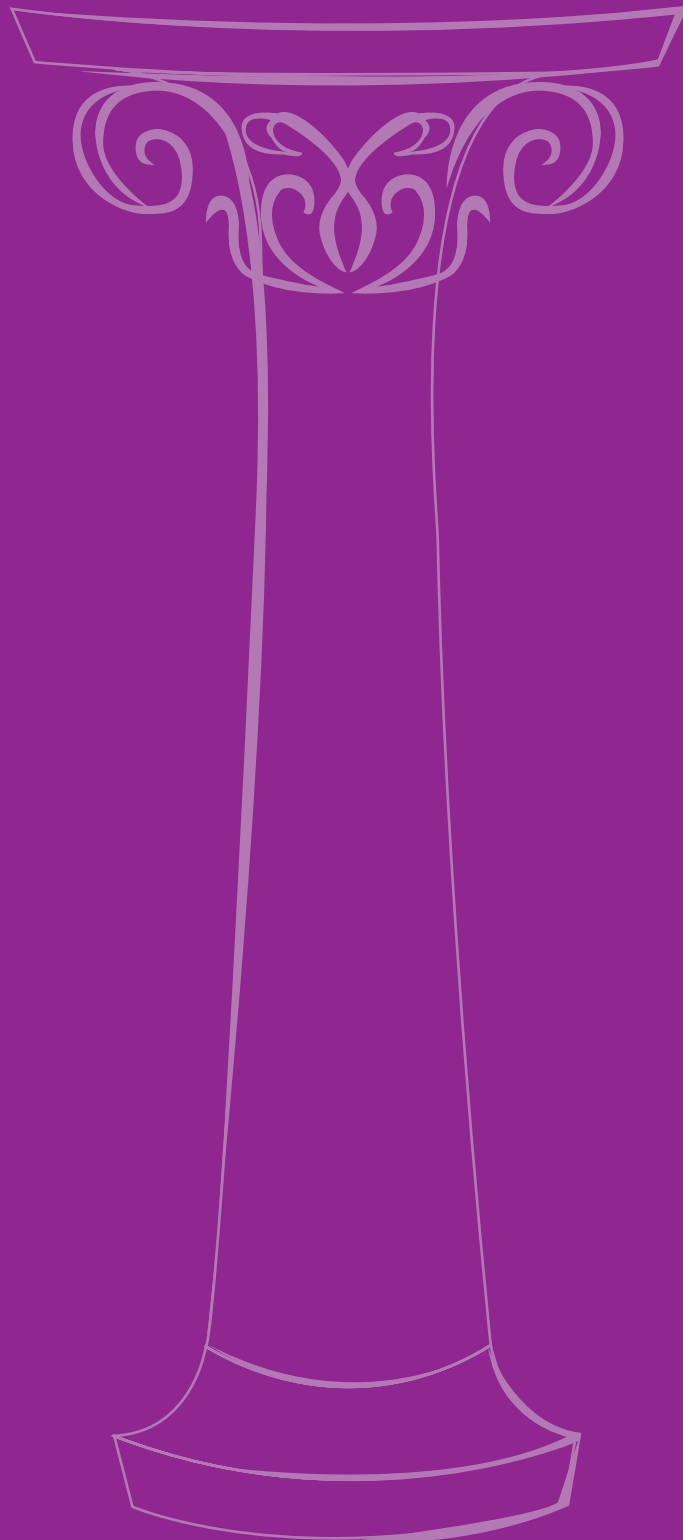
- Develop commercial integration and services platform in the sub-region
- Ensure Djibouti's commercial integration under IGAD and COMESA
- Transform Djibouti into a regional maritime outlet and services platform
- Reinforce the national strategy of international and economic cooperation

Transversal themes

- Promote women's condition and reduce gender inequalities
- Reinforce youth policy
- Optimize the use of natural resources and preserve the environment

It is noteworthy that within the framework of identification of long- term possible evolutions, an analysis highlighted the uncertainties or key issues and the strategic orientations related to the country's evolution.

Strategies of Pillar I:
National Peace and Unity





III.1. Strategies of the Pillar “National Peace and Unity”

Ethnicity should be replaced by the common national ideal, and mistrust should be replaced by mutual confidence. In fact, it is important to preserve national peace and unity that are the essential foundations of a strong Nation and a harmonious and sustainable development of the country.

3.3.1. Promote social justice, equity, and culture of peace

Djibouti 2035 vision, a long-term development strategy, depends fundamentally of peacekeeping and security of the country. A sustainable peace is based on social justice, equity, and Rule of Law. In fact, the lack of social justice and equity, or even the incapacity of the country to ensure equal chances in development to all citizens, favors marginalization and frustrations and questions the State's Authority.

The regular and reassuring presence of the State's authority, guarantor of security and order, the preservation of wellbeing in the State, tranquility, are the main guarantor of social peace. In this context, good administrative governance will be reinforced to allow the equal access of all citizens to public services.

From this moment on, the state will work on ensuring an equal distribution of national resources to all social components, and a balanced development of all country's regions. Judiciary and administrative institutions will guarantee equality before the law for all citizens.

In order to achieve this goal, our country will establish during this period an administration endowed with rational organization and transparent functioning, from top to bottom, which ensures an efficient management of the State. The government will establish a territorial and aware administration in the context of peace issues. It will also facilitate initiatives and actions pertaining to training and raising awareness of the civil society in terms of culture of peace and populations' cohabitation.





Institutions and traditional practices showed their relevance and efficiency in keeping social peace. They should be integrated in the institutional facility of the country.

3.1.2. Promote cultural identity and national conscious

Cultural identity means the capacity to diffuse cultural dimensions in development in all its essential and distinctive traits, especially on the spiritual, material, and intellectual levels. Cultural identity, common denominator of Djiboutian nation, will contribute to human and civic education of citizens and will influence individual and social attitudes and behaviors.



It is necessary to promote cultural identity while shedding light on the character and behavior of the citizen in his own specific environment and compared with the world: national languages, culinary arts, clothing art, musical art, and everything that revives the populations' sensibilities in all its ethno-cultural components.

It will externalize Djiboutians' souls and gather all elements that give a feeling of belonging to the Djiboutian nation. In addition, the culture instills in citizens values considered positive by the society such as dynamism, patriotism, dignity and integrity, as well as the refusal of fatalism and egoist interests.

During the past decades, some positive values were seriously undermined. From now on, the Government will work on rehabilitating them, adapting them with the national and world environment, and promoting them from an early age.



With this aim in mind, deep knowledge of the country will be encouraged to allow the rootedness and convergence towards norms of responsible behaviors, in addition to the promotion of institutions reconciling the traditional and modern civilization.

Moreover, the government will reinforce local artistic and cultural production that meets the population's needs (centers of cultural animation, reading centers in municipalities, museums, theatres). It will also promote a linguistic policy in order to enhance national languages, and preserve them so that they won't be in the shadow of the national languages of other countries in the sub-region having more speakers.

Within the framework of the promotion of national conscious, it is crucial to foster education, civic, moral, physical, sports values in order to influence the behavior of Djiboutian men and women and their civic attitudes related to patriotism, national unity, and peace, as well as their economic and social attitudes through the reinforcement of the private and entrepreneurial initiative.

3.1.3. Promote a comprehensive defense policy that guaranties the security of people and goods

A country's defense can never be acquired once and for all. World transformations affecting defense are not limited to military and strategic aspects.

These evolutions call today and tomorrow for a comprehensive approach of defense by giving to the military aspect civil and economic dimensions. This approach can be the solution to face numerous threats based on coordinated military and civil means.

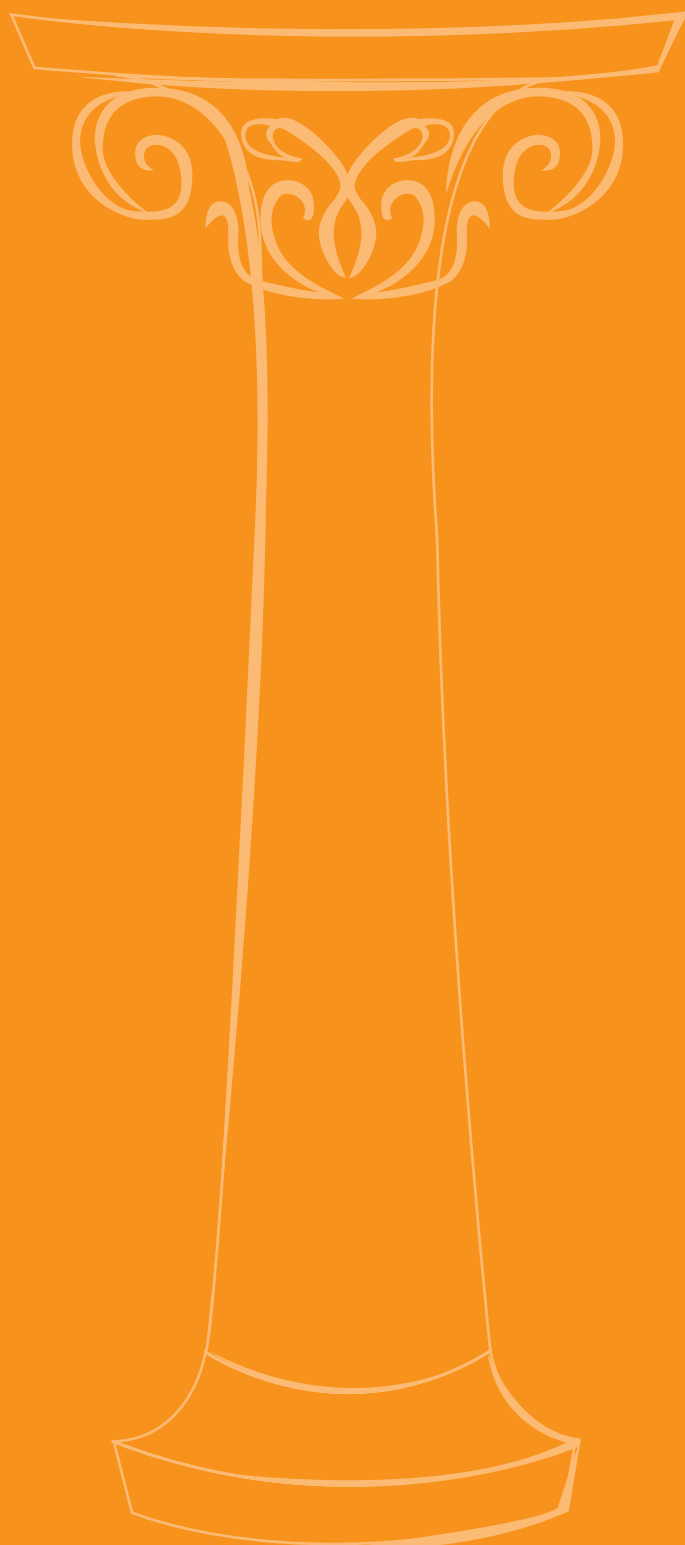
In this context, citizens will be involved in the management of their individual and collective security by adapting to security reflexes in civic behaviors as well as behaviors of responsibility and national conscious.

As for economic defense, it aims at ensuring, in normal times, the reduction of the country's vulnerabilities and, during crisis, the good distribution of resources. The essential goal is to ensure the security of resources and the permanence of their production.

Economic goals today encompass tertiary activities especially financial and information services; the interruption of the functioning of one sector can paralyze economic cycles and disrupt the social balance.

Finally, the government will work on the professionalization, organization, and efficient functioning of defense and security elements to reinsure all citizens and all socio-cultural components of the country. These professional and effective defense and security elements will be complementary instruments in hands of public powers to keep this social peace.

STRATEGIES OF PILLAR II:
Good Governance





III.2. Strategies of the pillar “Good Governance”

After one generation, Djibouti society based on democratic values will be a reality, and it will be strengthened by efficient institutions that respect and apply the law and legitimate leadership capable of facing challenges. The exercise of power will be characterized by trust between the governors and the governed because the government is held accountable periodically for the management of the State’s affairs, especially the transparent use of public resources, and remains open to citizen’s critics.

A civil society based on moral, civic, and citizenship values and conscious of its obligations will fully participate in the definition of policies and in decision-making. Media will contribute in improving good governance and good management of public affairs. Djiboutian men and women will commit to establish the Rule of Law. This will require the mobilization of the whole population and of considerable resources.

3.2.1. Strong institutions

The realization of Djibouti 2035 vision will need in different political fields, strong institutions, of Djiboutian men and women chosen by the regular organization of democratic elections that will allow for an elected legitimate leadership the access to the country’s affairs.

Even if elections assigned popular figures and elaborated well designed policies, their efficient implementation and a judicious orientation are not possible without a skilled public administration. From this moment on, it is necessary to have within every leadership position, profiles capable of overcoming challenges and guided by the supreme interest of the Nation.

The reinforcement of the skills of the high public administration and training to a better leadership are of a high importance. In the upcoming years, the National Institute of the Public Administration will be at the heart of actions of the public administration’s reconstruction.

3.2.2. Reinforced democracy, based on good governance as a social norm

Development experiences show that the establishment of modern democratic nations is a long-term process. The nations that succeeded the most in the democratization process are those who have achieved good governance fast based on social norms, building thus trust between the governors and the governed in the management of public affairs.

Good governance is the rational exercise of power in the use of resources characterized by transparency, openness of the government to the citizens’ critics, and the need for decision makers to take them into consideration.



In this field, strategic options will be: strong institutions that will respect the law and will make it respect them; the respect of public affairs, the prevention and repression of corruption, the participation of the population in the political life, free and responsible press contributing to the establishment of good governance.

Decentralization and promotion of democracy:

The government introduced with “Djibouti 2035” participatory consultations of the population to the process of the definition of the Nation’s future and development strategies. Consultations and the population’s participation will constitute a permanent approach and will be associated with the political and economic decentralization process.

“What you do to me without me, is against me”

Decentralization will lose its importance if the center was marginalized; on the contrary, in light of the lack of freedom of actions and effective accountability, the region or the community as a closer framework for development management for the citizens won’t have any meaning.



Efforts aiming at more freedom of actions and an increasing accountability of existing or future decentralized entities go through information, consultation, and the participation of the population in the management of decentralized structures and affairs of their community. It is a democratic culture based on the citizen that should be promoted and disseminated.

What you do to me without me, is against me

Decentralization policy depends on the clear setting of priorities that the State transfers to each region, followed by the transfer of appropriate public resources. Elected regional officials who have to give full account of their management to citizens have to design and implement policies and programs. The institution of mediators and the acceptance of their role and teaching human rights in schools from an early age promote also the democratic culture.

Transparent management of public affairs: developed democracies are characterized by the provision of information on the vision for citizens and the big orientations stopped by authorities for a better future of the Nation. Similarly to the State of the Union address in the United States, the government will elaborate a strategy of communication, vulgarization, and a periodic report of the implementation of “Djibouti 2035”.

The state will work on giving a transparent aspect to the management of national economy by publishing economic and financial programs and Laws of regulations. It will also ask of the Chamber of accounts to publish its reports to guaranty a good knowledge of the Nation’s accounts. In addition, it will require from public and partly public enterprises and joint economic companies to publish their balance sheet regularly and within legal and regulatory deadlines.

Finally, the obligation of economic performances imposes contracts of performance to public and partly public enterprises. Clear goals and performance criteria are assigned to them and a part of the staff’s salary will be linked to the level of performance.

On the Parliamentary level, records of debates should be available and accessible to citizens. Oral questions asked to the Government will constitute a piece of information for the citizens on the activities of the national representation.

3.2.3. Investment in the modernization of the judicial system

It is essential to continue the implementation of the recommendations formulated during the General Assembly of the judiciary in 2000 with a strong political will and more means. Therefore, reforms of the judiciary sector will aim at reinforcing infrastructures and reception capacities of the judiciary system, modernizing texts pertaining to the judiciary procedure, training human resources, and consecrating the independence and neutrality of justice.

The state will take and implement all initiatives aiming at ensuring the impartiality of justice, without omitting means of redress, the obligation of transparency, and mechanisms of control and accountability. The separation of powers will be concretized while independence and the efficiency of the judiciary sector will be effective.



In order to improve the business atmosphere, a trade tribunal and arbitration center will be established. By 2035, the national territory will be covered entirely by judiciary infrastructures to overcome the demographic challenge (1 judge for 7000 persons) and the challenge of accompanying development regional poles.

3.2.4 Reinforcement of the administration and E-government capacities

A modern economy needs collective intelligence, networking, and coordination, which requires a skilled, smooth, and efficient public administration and a clear and stable legal framework.

This economy requires the deep transformation of the administration. It is called to comply with international norms and standards. The administration should become a lever of international competitiveness and attraction through the improvement of the public service's performance.

Therefore, the elaboration of a strategy to adapt the administration to new realities is crucial. It should be based on:

- Deepening the reform of the public sector and the management of human resources through a promotion system based on merit and skills. Within this framework, the system of training and retaining employees will developed to ensure the adequate continuous training for them;
- Improving budget management through performance budgeting and the reinforcement of transparency and efficiency of public accounts, which supposes the reinforcement of public spending control and the review of the regulation of public markets to improve the efficiency and transparency of the public markets' procurement procedures;
- Limiting discretionary and arbitrary practices in the implementation of regulations to favor the development of the private sector by reviewing and simplifying administrative regulations and procedures for enterprises and citizens;
- Developing the E-government to enhance the quality of services provided to users. The use of ITC will be generalized in the administration while guarantying interconnectivity between central administrations themselves and their decentralized services on one hand, and on the other hand, administration services will be available online and accessible to populations;

Therefore, interconnected information systems will reduce the cost of communication and transmission, and will provide access to information in real times. They will ensure as well a regular and permanent follow-up of activities and will contribute to the improvement of performances and quality of the public sector.

Moreover, decentralization and deconcentration will be enhanced through the transfer of certain attributions and responsibilities to regional authorities in terms of local development.



In addition, the government will encourage positive values on all levels such as the search for social ethic while fighting certain attitudes such as facility and the interventions of third party in the social promotion to:

- Favor and enhance personal merit and skills in the public administration;
- Promote efforts, honesty, spirit of discipline, and sense of honor;
- Strengthen the love of work, a job well done, every fulfilling activity for men and women, the value of work, especially certain values such as the effective presence at work, accuracy at work, as well as the quality and speed of work.

The principle of responsibility in the management of public affairs: this principle should be developed and present in the souls at all levels. In fact, public officials should measure the impact of their actions on the national community and realize the importance of their responsibility.

State structures and civil society associations will carry out actions of training and awareness in public administrations, schools and training branches in order to promote this principle of responsibility in the minds and actions of officials and elected leaders. Public representatives are credible when they refer to the law that applies equally on them.

Justice plays a major role in the promotion of the Rule of law. It will undertake important transformations in order for it to become a development instrument and a guarantor of social peace. Justice ensures the protection of the citizen and guaranties the investor's efforts

3.2.5. Participation of citizens and reinforcement of the civil society

In this field, actions aim at building a strong civil society and acknowledging minorities.

The civil society will carry out an important role in the reinforcement of the Rule of law. It will achieve, through several associations, awareness actions that will allow for the citizen to know his obligations and responsibilities in the advent of the society that respects human and citizen's rights.

The state will work on creating an adequate legal and political environment for the emergence of associations, of a civil society, the true partners of the State. In fact, it is through a reinforced civil society that the State will know the aspirations of the population and maintain dialogue with the people.

A responsible civil society is an important actor of development

In light of the importance of dialogue in a reinforced democracy, the State will establish dialogue frameworks between State structures and civil society associations on important national issues. The government will work on implementing recommendations made during these dialogues.



Ensuring a better visibility and legitimacy of Civil Society Organizations towards populations and the government will reinforce their role of surveillance in terms of transparency and accountability on the internal level and on the level of the State's management of public affairs. In fact, a responsible civil society is an important actor of development.

3.2.6. The media, instruments of good governance

The media participate in the reinforcement of transparency and equal access to information. In fact, the media contribute in informing the public in different sectors of national life, of good governance in justice, elections, and the management of public resources. On another level, the media allow the citizens to follow the implementation of public actions and contribute to the citizens' capacities to control efficiently the establishment of the Nation's future.

The media help in the establishment of a democratic State; they try to inform populations, the civil society in particular, on the requirements of democracy, especially in the context of elections. In addition, they try to explain notions related to development, the public Aid for development in particular. The media should make sure that the social fabric doesn't fray under their actions. Authorities should help the media to become true press enterprises because democracy cannot be achieved without them. Under any kind of regimes, the media should play its traditional role.

Actions will be undertaken to form a critical mass of men and women from the media and the press. The latter carries out a social role that depends on developing its role to become an agent of development and promotion of civism. Without a truly free press, true democracy and development cannot be achieved. The state will enhance the assistance framework for the development of media that are the main vector of "the promotion of the free circulation of ideas through words, images, and sounds."





3.2.7. Consolidation of the business environment and reinforcement of private initiative

The Government will work on improving the quality of the business environment through two fundamental actions:

- Ensure the legal security of investors; justice will ensure the protection of investors against expropriation risks and will guaranty the respect of contracts.
- Encourage credible investors to develop long-term projects; this process of positive selection of investors constitutes a major priority for the country's development. In fact, it is essential to attract investors capable of generating knock-on effects, transferring know-how, training labor force, and developing new activities.

In addition, actions will be implemented to submit governors to law and to provide a large amount of information for the citizen for him to develop his legal culture, in terms of private initiative.

Diligent measures that will be taken quickly are:

- Establishing a single counter to facilitate the formalities of creating an enterprise;
- Identifying law's take on monopoly to create a fair competition of economic operators;
- Ensuring the State's noninterference in the creation of private companies;
- Eliminating barriers hampering the creation of foreign companies.

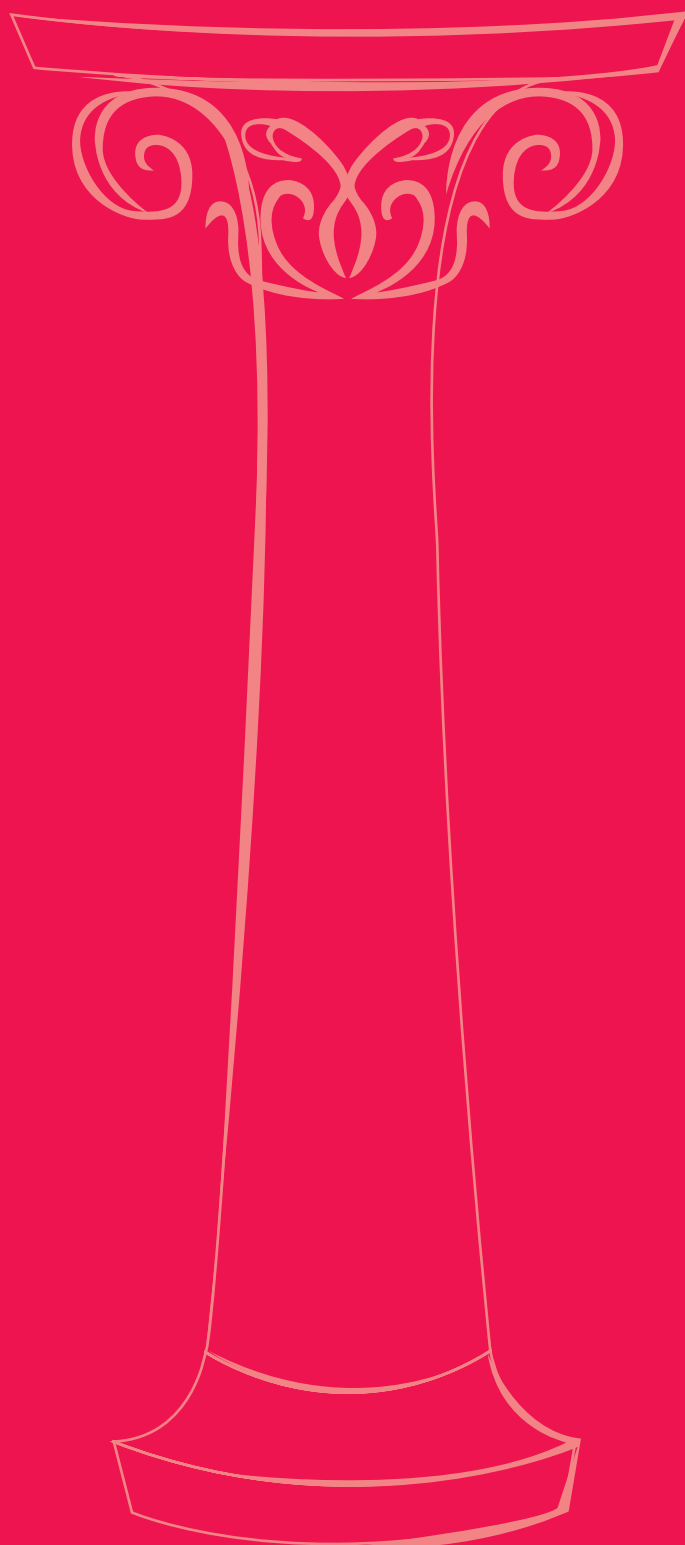
3.2.8. Mechanisms of prevention and repression of corruption

Corruption is undoubtedly a scourge that impedes development efforts of countries under construction. The State will ensure the moralization of public resources management by establishing national mechanisms of prevention and repression of corruption. It will also support actions of the civil society associations working in this field.

It will use efficiently the international instruments of fighting financial delinquency and money laundering.

Transparency alone doesn't guaranty equity, knowing that mechanisms of equal distribution of public resources should be elaborated and implemented.

**STRATEGIES OF PILLAR III:
DIVERSIFIED AND COMPETITIVE ECONOMY,
WITH THE PRIVATE SECTOR AS A DRIVER**





III.3. Strategies of the pillar “Diversified and Competitive Economy, with the Private Sector as a Driver”

The diversification and competitiveness of the economy constitute a major axis of the Vision. The concretization of the goals of speeding up growth, creating job opportunities, and developing regions depend enormously upon it.

Our country benefits from its geostrategic position between Eastern Africa, Europe, and Asia. Therefore, it aims at becoming a sustainable development space. This requires the establishment of a regional economic, commercial, and financial pole of reference.

With this aim in mind, the following strategic orientations will be implemented:

- Diversify economic growth while giving an important role to the private sector;
- Refocus the State’s action on sovereign missions;
- Open the economy on the outside to conquer markets and new technologies;
- Create stable, sound, and foreseeable macro-economic environment and framework;
- Expand budget space through the mobilization of internal and external financial resources and create a renowned financial place;
- Promote ICT as levers of competitiveness;
- Place growth at the service of Djiboutian men and women’s wellbeing

These strategic orientations will allow the mobilization and valorization of all available production factors to reach an economic growth of (7.5% to 10%) in average per year in real terms. They will also improve substantially the populations’ wellbeing.

3.3.1. Diversified economy and a major role of the private sector: a new economic growth model

Important investments will be necessary to realize deep social and economic transformations that will ensure the wellbeing aspired by Djiboutians. These achievements won’t be possible unless the private sector plays the crucial role of the economy’s driver. The biggest part of these investments will be done by private enterprises.

This essential role of the private sector will be concretized in a liberal environment favoring the development of internal competition. This internal competition should be well managed in order to allow the emergence of a national enterprises fabric sufficiently competitive to enter sub-regional and global markets.

A strong economic growth and high competitiveness constitute major challenges of the future. They are related to issues of economic growth sources, the creation and management of employment, the identification of means to produce more and in a competitive quality. The development of the private sector will be thus oriented towards fields in which our country disposes real comparative advantages, and capable of creating employment.



The construction of a new economic model is necessary, based on the deepening of liberalism, an increased role of private initiatives, a bigger valorization of the economic potential, the capacities of the sectors that create national wealth, and the diversification of income sources and employment.

In light of the actual sluggishness of the economy regarding services, the Government will prioritize economic diversification by developing other potential sectors, such as the logistic of transports, fishing, tourism, telecommunications, and the light industry of transformation and packing.

- **Tourism**

Our country has two real advantages, on one hand a high tourist demand towards the Red Sea, such as the boom of the dive tourism industry in Sharm-El-Sheick and Hurghada, and on the other hand, exceptional natural assets for the tourist development, with a beautiful maritime fauna in particular, unique geological landscape in the world and a rich cultural and archeological heritage.

The majority of these sites will be eligible for a placement on UNESCO lists. For this moment on, our country aims at building a high level regional tourist destination according to a model based on three poles:

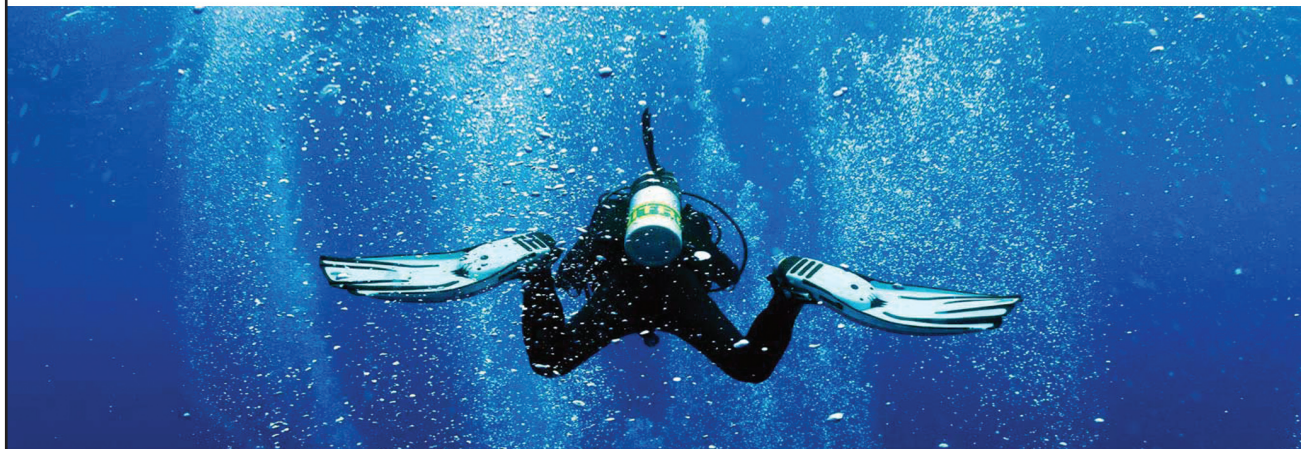
A capital pole (business and pleasure tourism), seaside pole (seaside and diving pole implanted on primary development sites), and an eco-responsible pole (discovery tourism in archeological and prehistoric sites).

With this aim in mind, the Government will elaborate and implement a vigorous tourist policy while improving aerial connectivity and the image and notoriety of the country in order to valorize this potential that might reach 500 000 tourists per year by 2030.

This approach will revolve around three tourist blocks with specific regulations:

- Obock reception point of cruise lines;
- Tadjourah – Day – Assal: Thalasso tourism;
- Dikhil – Abbe Lake: Ecotourism.







- **Fishing**

Our country basks in important fishery resources largely under-exploited, of an exploitable potential estimated at more than 47 000 tons; the demand is strong and diversified, the consumption of fish in the internal market is growing, especially because of tourist development and the change of food habits. In addition, there are significant export opportunities, in particular to Ethiopia, Europe and Gulf countries.

The suggested development model for the sector is that of exclusively scale fishing based on three axes. The first axis consists of intensifying the exploitation of big demersal species, while encouraging the acquisition of new boats of a bigger range. The second axis aims at exploiting small pelagic resources. Finally, the third axis consists of the experimentation of new fisheries, especially mollusks and crustaceans through the promotion of aquaculture.

The implementation of this vision will consist of the volume of catches to more than 10 000 tons by 2020, and will allow the creation of more than 3000 direct jobs. The achievement of this goal will require the drafting and elaboration of a fishing policy, the reinforcement of institutional capacities, without omitting an important effort to train skilled fishermen to go along with the development of the sector..

- **Djibouti, a zone of “New Information and Communication Technologies”**

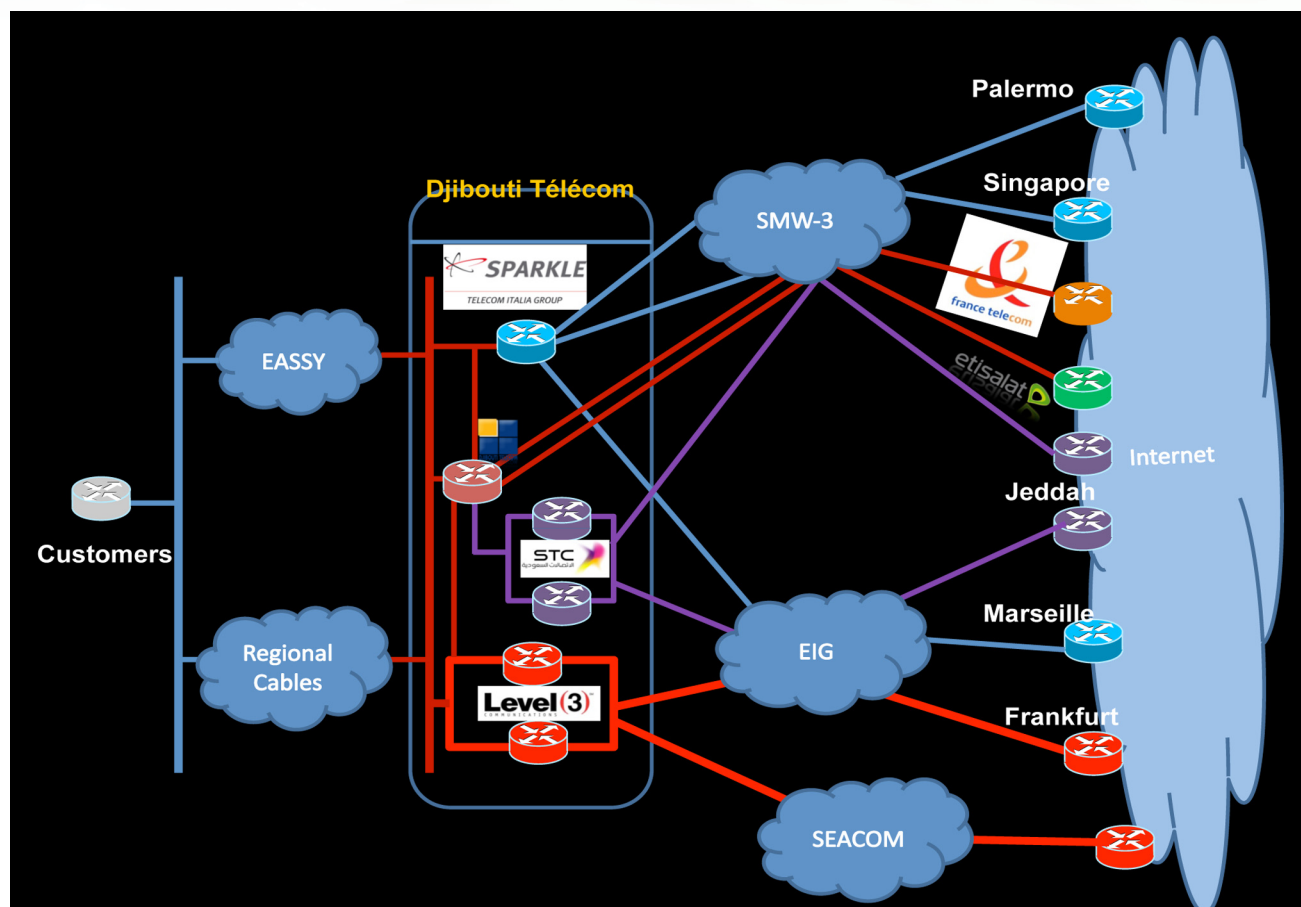
Our country has a strong under-exploited underwater cables infrastructure. Djibouti Telecom manages several underwater cables. Their capacities are resold to foreign countries, especially in the sub-region.

In addition to substantial and growing incomes generated for the national operator, this capacity will be used as true lever of national development and creation of employment. However, high quality telecommunication services will also consolidate the country’s position as a regional hub, attract foreign investments, and will lead to the emergence of new activity sectors.

This zone of NICT will be supported by regulations and specific advantages in Public-Private Partnerships (Global Operators).

In this perspective, this sector’s vision will revolve around two axes. The first one consists of the modernization of telecommunications sector with openness to the market which will allow the reduction of costs and the improvement of the quality of the service. This openness will be accompanied by the repositioning of Djibouti Telecom in its expertise field and the openness of other segments of the market to private investors.

The second development axis will lead to the reinforcement of the existing telecommunications infrastructure to promote the development of offshoring activities, especially Call Centers that will offer job opportunities for young graduates mastering languages.



In order to achieve this goal, our country will elaborate and implement a development strategy of telecommunications sector and will establish a new adapted regulatory framework.

In addition, the necessity to retrieve competitiveness and the attraction of investors in the offshoring sector will require the fast establishment of an incentivizing framework. These incentives can be financed first which will affect a part of the revenues taken from underwater cables.

[ICT is a strong instrument to increase production, competitiveness and improve wellbeing]

Djibouti 2035 aims at using ICTs in all economic sectors, in order to leverage competitiveness and economic growth, in particular through the improvement of the management of enterprises and the creation of jobs. By 2035, the introduction and use of ICTs in national life will be total and constitute an instrument of progress and equity.

In the coming decade, our country will be at the heart of an information society thanks to the valorization of a strategic, institutional, and economic framework of the development of ICTs, of a national infrastructure of developed and accessible information and communication networks, and of important human capacities and national expertise.



Therefore, the country will take advantage of the services based on ICTs, sources of employment, and incomes for economic operators. Whether it is about urban agglomerations such as rural zones, the extension of communication networks will amplify the demand of such services that foster the creation of a true industrial e-services fabric. The global market of data processing will expand and the Government will aim at promoting e-jobs and increasing its part in this field of the gross domestic product.

The development of ICTs will allow the increase of returns in economic activities and all activity sectors, which will improve the competitiveness and the populations' wellbeing.

ICTs will help in overcoming challenges existing in educational, academic, and university systems, in addition to accelerating adults' literacy which is at a high rate. Distance learning will strengthen permanent and professional training, learning, and the acquisition of renowned diplomas, while preserving professional positions.

On the level of health sector, the use of media will facilitate prevention and awareness campaigns on endemic diseases. Telehealth centers will allow the training of young doctors and the acquisition of experience, while the introduction of internet networks in health structures will allow communication between patients, medical staff, parents, and friends.

• **Transport and logistics sector**

The country has a remarkable port complex in deep waters, located on one of the most busiest maritime routes in the world. Djibouti port constitutes also for Ethiopia, a landlocked country of a population of about 90 million, the main passage of access to the sea. Around 85% of Djibouti port traffic is linked to Ethiopian transit. The recent improvement of the port and the route made the axis Djibouti-Addis Abeba the most attractive one to Ethiopian merchants, compared with Berbera and Sudan port axes.

As for future perspectives, trade with Ethiopia should continue to develop vigorously, in light of the country's strong economic growth that reaches 10% per year and should reach even more in the next decade.

From this moment on, the development vision of this sector will consist essentially of anchoring Djibouti's position as a main and privileged port of Ethiopia. Our country will consolidate its positioning as a regional center of multimodal transport, with the diversification of its commercial partners, especially South Sudan. It will also reinforce the establishment of new transport infrastructure while carefully evaluating financial risks.

Major actions will focus on:

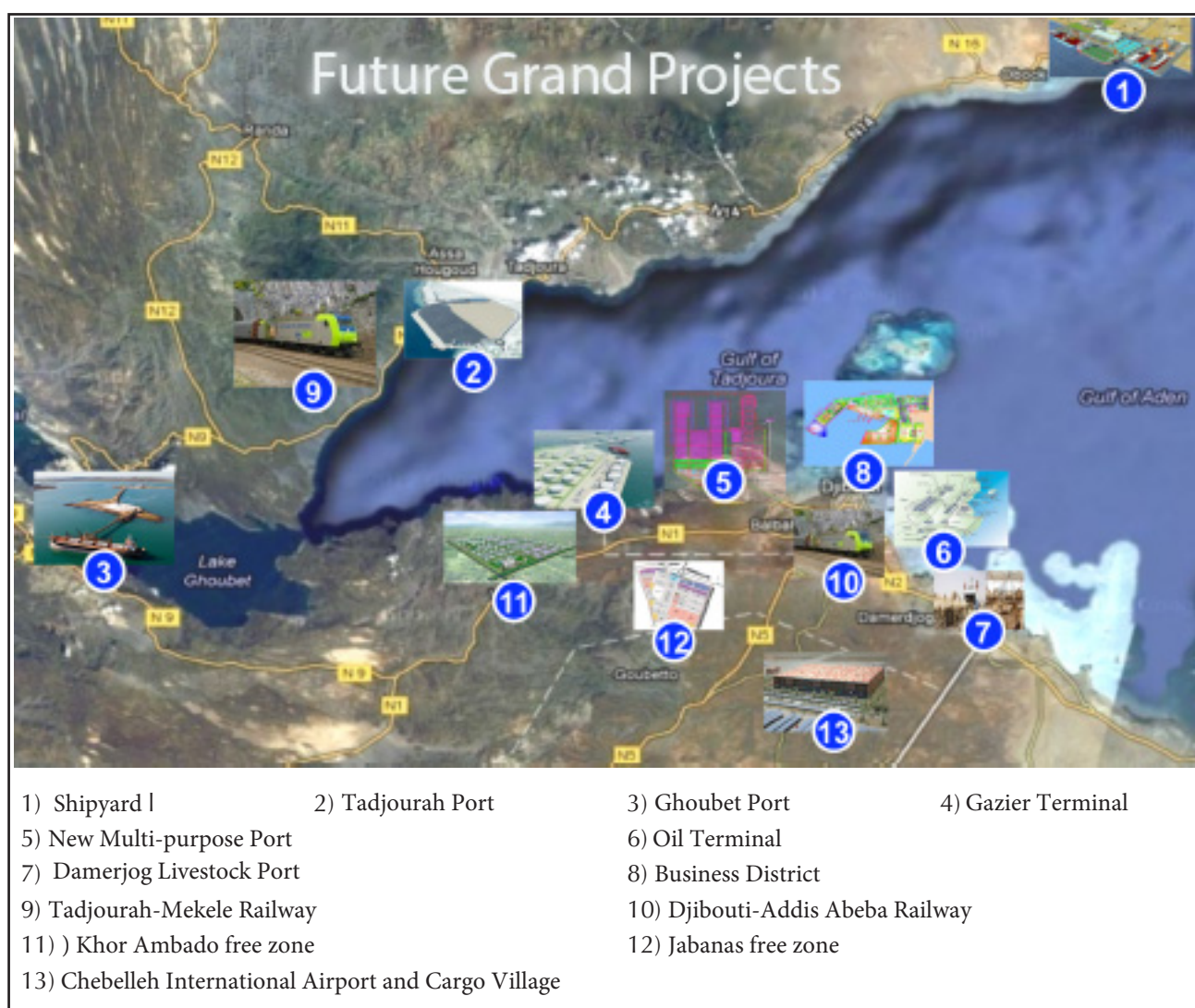
- The development of a "logistic" zone;
- The development of a Djiboutian road transportation center;
- The construction of a New Modern Airport and a Cargo Village;
- The construction of two railways



On the level of employment, these developments could generate new opportunities, with the emergence of new logistic activities, especially for the qualified profiles (technicians, supervisors, managers etc.). However, unlike other sectors, the logistic and transport sector cannot contribute significantly in the reduction of unemployment in Djibouti.

In order to concretize this vision, it is necessary to renovate urgently certain sections of the road corridor, and to simplify also procedures of transit and trade. The lack of specialized know-how and mastering of English is a handicap that should be overcome to increase jobs in this sector.

For the upcoming years, it is crucial to facilitate the emergence of transport enterprises capable of working in partnership with international logistic enterprises and offering to our country a link to international standards with global markets. This can be possible through the development of a hub combining road, rail, and aerial transportation. Consequently, it is necessary to continue the development of a road network and the construction of a new airport, the rehabilitation and construction of two new ferry roads to ensure the connectivity between Red Sea - Atlantic – NEPAD.





- **Energy: from thermal to 100% renewable**

Our country has a very important unexploited potential of renewable wind, geothermal, and solar energy. This favorable situation helped in taking a series of initiatives in order to achieve the goal of 100% renewable by 2020.

Djibouti will be 100% thermal in 2010 and 100% renewable in 2020

A sustainable energy policy implemented in production and consumption will contribute to the achievement of the goals of green growth and redistribution of wealth.

In fact, providing a big quantity of energy for the expansion of economic activities and diversification of the economy are major challenges, similarly to the accessibility of highest number of populations to energy to improve life conditions and modernize rural zones.

Energetic medium and long term perspectives are favorable and should allow the structural mitigation of this constraint, thanks to the exploitation of geothermal potential, as well as the potential of solar and wind energy, in addition to interconnectivity with Ethiopia that has enormous hydroelectric deposits.

Our country enjoys also a high potential of wind energy, according to studies of wind measuring carried out on the whole land during the period of 2002-2005 by Djibouti Research and Studies Center (DRSC). Ghoubet zone, near Assal Lake, is the windiest area of the country with a speed of 9 m/s during a big part of the year, providing in average 4000 hours of exploitable wind per year. Wind energy as well as solar energy are some of the renewable energies that can be easily exploited.

Our country has potential solar energy with an annual average sunshine rate of 5 kWh/m² and an insolation rate of 4000 hours. In addition, the homogeneous availability on the whole territory permitted a large democratization of solar technology.

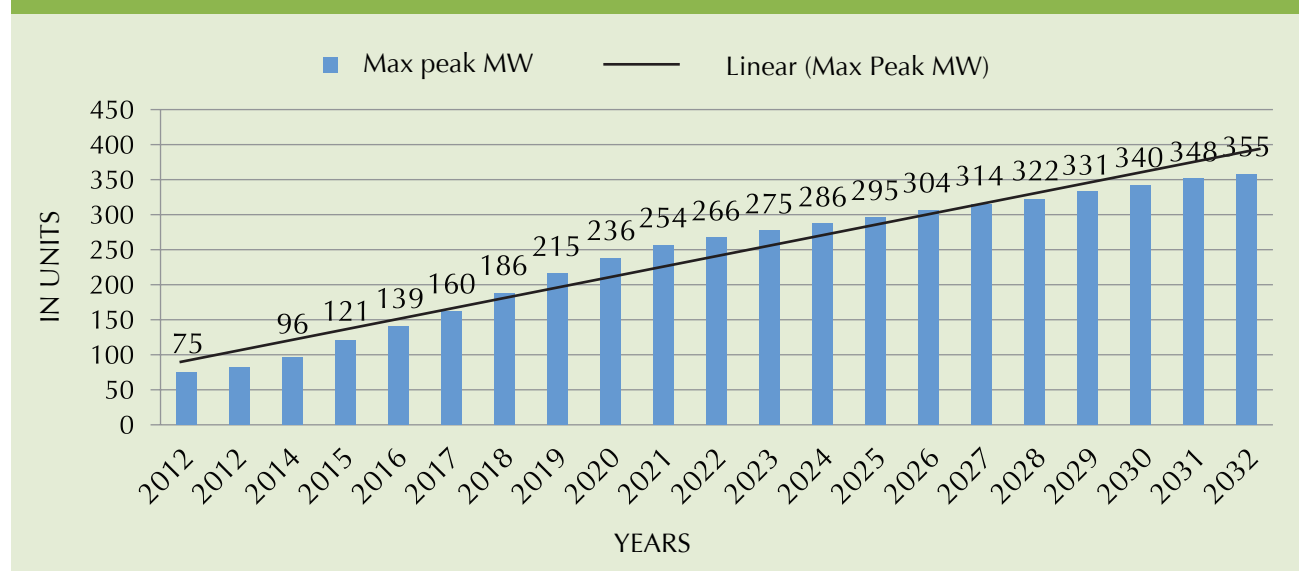
There are several solar electrification systems for schools and dispensaries in internal regions, in addition to solar installations to pump water in different drillings or wells in internal regions and rural zones. It is estimated that the price of electricity produced is lower than the electricity provided by interconnectivity.

The territory provides extremely favorable conditions for the industrial development of geothermal energy. In fact, Djibouti is located on the meeting point of three oceanic rifts of the red sea: Red Sea-Aden Gulf – East African Rift Valley.

Our country has 10 geothermal zones three of which had sufficient geological characteristics of geothermal fluids capable of producing electricity.



Chart 8: Projection of the long term energy demand in MW



Source : EDD 2013

• Mines and Hydrocarbons

Indicators reveal important resources such as perlite, bauxite, natural gas, geothermal energy, copper, zinc, salt, iron, and aluminum. The presence of diversified natural resources is confirmed more and more on Djibouti territory, similarly to the discovery of gold in Hess Daba in the region of Dikhil in May 2007, while perspectives and potentialities of hydrocarbons on coastline indicate big and real possibilities for the country.

The presence of different mining resources constitutes an opportunity to develop the industrial sector and to create incomes and jobs. The Government will implement fast provisions for the exploitation of minerals already identified, while operations of research for underground resources will be undertaken on sites where indexes were identified.

• The Development of Industry and Crafts

The development of the industrial sector is based on perspectives of the growth of agro-food industry related to the development of agriculture, fishing, and livestock. In this context, the establishment of units for the transformation of agro-food products will be encouraged. In addition to the valorization of agricultural products, the development of agro-food products will contribute to the reinforcement of food security and regional development. This sector might also generate a flow of food products exports to Gulf countries in particular.

The development of transformation, subcontracting and maintenance industries is an important niche for the expansion of manufacturing industries in Djibouti. This development will be enhanced through the evolution of living standards of Djiboutians and the exploitation of COMESA markets, as well as the perspectives of increasing tourists' numbers which will have a significant impact on the demand of industrial products offering a market for the flow of national manufactured products.



The development of crafts: This sector appears as one of the most appropriate sectors for the establishment of an independent and cohesive economy because it uses simple and easy production techniques and provides goods and services adapted to the needs of Djiboutians and the tourism sector.

Due to the adaptation capacity and the relatively low costs of handicrafts, the government's policy will be based on the organization, the training of the crafts sector and the promotion of handicrafts in national and foreign markets.

Such a policy depends surely on a strategy that aims at reinforcing the competitiveness of handicrafts production and transforming this sector into a stepping stone for the emergence of SMEs and SMLs. It also aims at the establishment of an adequate institutional, legal, and regulatory framework.

The development of crafts sector targets::

- The fight against youth and women's unemployment;
- The fight against poverty of vulnerable populations,
- The need to create small handicraft industries of service and basic production through:
 - ⇒ The promotion of small and medium enterprises of transformation of national potentialities and their valorization;
 - ⇒ The development of small entities of exploitation and production of elements from fields of agro pastoral or sea wealth;
 - ⇒ The fixation of nomad populations of internal regions in their respective zones in order to face emigration to the capital of Djibouti;
 - ⇒ The creation of economic and cohesive poles in the regions alongside the establishment of decentralizations.

The development of crafts sector will be accelerated compared to the implementation of a voluntary policy for the tourism sector, thus contributing to the acceleration of exports' growth and development.

• **Agriculture and Livestock**

Agriculture: agricultural products are of a strategic importance since they meet the populations' basic needs. In this perspective, countries aim at ensuring their self-sufficiency in terms of primary food products, and orient their agricultural policies towards achieving this goal.

In spite of agro-climate constraints hampering the development of agriculture on a large scale, it is important for our country to locally produce food products according to local conditions in order to reduce dependency on foreign foodstuffs.

A significant development of the primary sector will contribute to the improvement of food security and the socio-economic development of the country..



The main goals of the development of the primary sector revolve around the following axes:

- Improving access to water;
- Increasing agricultural production and productivity to improve food security and increase the incomes of the primary sector's operators;
- Rationally exploiting fishing resources;
- Reinforcing capacities of producers' organizations and of supporting institutional structures.



In terms of foodstuffs, the national production of fruits and vegetables covers around 10% of the needs. In spite of hard agro-climate conditions, the country has a potential for the agricultural development, especially in terms of market gardening, fruit picking, and forage crops. On an area of 100 000 irrigable hectares, only 2% are still cultivated.

The multiplication of water points (forages) in different zones of agricultural potentiality, the gradual introduction of the solar system for water drainage, as well as an increase in the agricultural sector's investments will undoubtedly boost the remaining areas.

The strategy for the sector's development is based on the following axes:

- Boosting new areas while taking into consideration the availability of water resources, including the mobilization of surface water;
- Simplifying the irrigation system that rationalizes the use of water;
- Using seeds of good quality and other appropriate inputs;
- Simplifying new cultural techniques apply to agriculture;
- Undertaking a behavior test and introducing varieties and breeds of plants that tolerate salinity and resist droughts;
- Developing greenhouse agricultural;
- Improving the exploitation of existing water resources and improving research to detect new sources of water;
- Recycling waste water for vegetable production purposes.



Livestock: even though livestock is considered a main activity for rural populations, the country's animal production covers the whole needs of the rural populations but covers only a part of urban consumers' needs. The main obstacles hindering the development of the sub-sector are: (i) livestock's weak productivity due to insufficient feed availability; (ii) insufficient water supply; (iii) the lack of control of cross-border animal diseases due to weak laboratory diagnosis capacity; (iv) insufficient skilled staff (veterinarians and technicians); (v) the weak organization of producers; (vi) insufficient marketing of livestock and their products; (viii) the weak transformation of animal products; (ix) the lack of research-development related to livestock.

Livestock contribute in rural households incomes (1/3 of the population). There are also many trade opportunities of livestock and their products.

Our country has a livestock adapted to local conditions. There is an increasing need for animal products (meat and milk). Experiences (crossbreeding with exotic breeds) undertaken in peri-urban areas on dairy cows, showed significant growth margins in milk production.

Djibouti has a regional livestock export center that contributes to the improvement of farmers' incomes through the valorization of animals' prices, to the creation of employment, and generates important State revenues.

The sector's development policy is based on:

- Promoting and establishing sponsors in livestock sector through a bonus and financing system;
- Increasing animal production;
- Reinforcing capacities of veterinary control;
- Valorizing animal production;
- Increasing the productivity of national livestock through the adoption of an appropriate livestock system;
- The promotion of research-development in regards with livestock.



3.3.2. Virtuous Macroeconomic Policy

In order to meet the requirements of the long-term vision, especially the goal of fast, strong, economic growth, to guaranty progress, the country will monitor the fundamentals of its economy, while mastering its financial operations.

Our country aims at preserving and maintaining predictability, macroeconomic stability, and weak inflation. In fact, a country's macroeconomic viability is a gage of credibility and trust for investors. In addition to foreign debt payment and domestic arrears, controlling the level and allocation of public resources will undoubtedly constitute a major priority.



In this context, the Government will elaborate coherent and coordinated budget and monetary policies that will favor growth acceleration. Therefore, fiscal policies will be judicious and gainful for all actors. Their implementation will highlight the improvement of returns, the efficiency of taxes management structures, exemptions and frauds. Furthermore, the simplification of fiscal legislation and fiscal reforms that enhance production, productive investment, and support the creation of employment will be strengthened. Programming actions and implementing regulatory reforms will comply with the establishment of regional economic markets and spaces.

3.3.3. The elaboration of an adequate strategy for the financing and preservation of financial equilibrium

In order to provide adequate development conditions, the State will work on mobilizing important short, medium, and long term financial resources at competitive conditions.

As for medium and long-term resources that often lack, the State will encourage the development of public and private internal savings through direct incentives, especially public or private compulsory loans at encouraging conditions. Mutual macro-finance funding institutions will be endowed with an improved and largely developed regulatory framework on the whole territory.

The development of banking sector will continue alongside the encouragement of the edification of international establishments. In addition, credit structures will also be enhanced through a larger openness to competition. Finally, payment systems will be developed, in particular the use of electronic banking.





3.3.4. The development of a financial market

The State will promote the development of a financial market. By 2015, the State will take regulatory and financial provisions to establish, in Djibouti, a regional stock market of raw materials and values related to sub-region countries. A revitalization and radiance policy will be developed to transform Djibouti into a financial hub by 2035.

3.3.5. Ensure the country's supply

Our country's economy will open to foreign transformations but will also search for new markets and technologies that enhance development. While benefitting from its location in a francophone and Arab atmosphere, the country will commit to diversification actions towards establishing Anglophone partnerships. In order to do that, the introduction of english in educational systems will be an essential asset.

The State will develop in cooperation with the private sector an aggressive strategy to search for sub-regional and global markets. Consequently, the country will also develop the capacity to collect technical, financial and commercial information on his potentialities and competitors, and will provide them to the private sector.

3.3.6. Promote the country's attractiveness and strategic partnerships

The State will consolidate the country's openness to investors through the creation of incentives to develop strategic sectors for the national economy. Without them, investments' payback deadline will be long.

The environment should be favorable to attract foreign enterprises to search for a delocalization site, offering the country high added value activities or activities allowing the transfer of technology, which is considered of a strategic importance for the medium and long term development.

Strategic partnerships targeting private investments will be established with new economic powers, especially, China, Brazil, India, Turkey, South Korea, and Gulf countries.

In order to facilitate the acquisition and dissemination of technologies, the State will foster the creation and development of private research centers, the training on technology in academic and university structures, and the financing provided by the private sector for research projects. To implement this strategy, the State will be endowed with a relevant efficient structure:



Djibouti development office.

This efficient structure of Djibouti development office will have the required resources that will allow the development of an offensive strategy to search for investors, technologies, financial resources, or markets, while enhancing embassies' economic services in different countries, with the partnership of the national private sector. In addition, the organization of economic and investment forums will be promoted.



On the level of the monetary policy, the Central Bank will carry out its traditional mission, i.e. a virtuous monetary policy with low inflation. Therefore, its mission will witness a progressive evolution, and will be endowed with efficient regulations that will contribute to the achievement of its goals.

Anticipation and state's management capacities are truly key factors for a good economic policy. In order to achieve this goal, the State will have organizational and human means to design and implement its policy.

These means will include:

- The reinforcement of Administration Plan, strong financial and Economic Affairs charged with the elaboration of policies and strategies and the follow-up of their implementation;
- The presence of human resources endowed with high experience responsible for the animation and orientation of permanent strategic reflections and analysis;
- The creation of tools, models, and macroeconomic and sectoral information systems, the reinforcement of national statistics system as well as the regular production, dissemination, and communication in the transparency of credible economic analysis regarding the country.

3.3.7. Judicious land planning: a comprehensive and integrated Plan for national land planning

Land planning policy could solve problems related to the organization of rural space:

- The issue of arable lands and real estate resources;
- The reinforcement of the role of small and medium cities;
- The valorization of natural resources;
- The protection of the environment;
- The urbanization and the creation of internal economic poles.

Land planning is certainly a major national challenge in front of the establishment of Djibouti 2035. Consequently, the Government will form a national consultative commission on national land planning, and will elaborate a comprehensive and integrated plan for national land planning, as well as blueprints for land planning for each of the six existing regions.

This process will be completed and consolidated through the search for a regional common will to elaborate a communal policy for the sub-regional and regional planning. Common mechanisms of reflection and action in this regard will be elaborated within regional groupings, and will lead to the elaboration of sub-regional and regional planning sketches on cross-border integration projects (roads, railways, telecommunication, etc.).

The comprehensive land planning strategy aims at mastering long-term development of the city of Djibouti, the reconquest of internal regions through the establishment of internal economic poles, and the preservation of a secure and high-standard environment.



The planning and mastering of Djibouti-city long term development: The concentration of the economic activity in the only city of Djibouti and the polarization (its attractiveness on) of the population favored a spectacular development with an uncontrolled occupation in peri-urban areas, and a fast degradation of the environment.

Within the framework of the national land planning Commission, the Government will engage in a vast consultation and deep reflection of the long term development of the city of Djibouti, and will elaborate a long term development and planning sketch for the city while taking into consideration its recent developments.

Important participatory urban planning capacities will be established to guide the implementation of this important priority.

By 2035, Djibouti-city will arbitrate an important part of the urban population, equivalent to around one million people. However, it aims at becoming an economic, commercial, and financial hub of reference for the sub-region.

Important works of planning, sanitation and equipment, and construction of economic, administrative and social infrastructures will be achieved to offer a framework and living conditions of good quality for the population, and modern and competitive facilities for the development of affairs.

With this aim in mind, Djibouti-city will confirm its position as regional economic pole, an international junction enhanced by:

- The new growth level of the Port and its activities;
- The development of its international airport;
- And especially by the valorization of its seaboard on the Red Sea through the exploitation of a maritime fleet and shipyards industries;
- The planning of the city according to the following different concepts: Djibouti Water Front, (ii) Djibouti Business Bay, (iii) Djibouti Convention and Exhibition Center, (iv) Djibouti Cornice.

The city's planning will integrate a new framework for the relocation of Military Bases.

The reconquest of internal regions and the edification of economic poles: Our country has assets and potentialities to rebuild its regions' development, as a pillar for the strong growth of Djibouti 2035. The first asset is undeniably the asphalted road network that connects the capital with the five main towns of the region, but also with Ethiopia that has an expanding economy. The second asset is the country's opening to the sea that offers an important coastline for the regions of Arta, Tadjourah and Obock.

The reconquest of internal regions goes through the modernization of regional capitals, the construction of regional economies, the rehabilitation and the establishment of economic poles based on the valorization of local potentialities. In addition, rehabilitation and development of small agricultural areas and family livestock in all regions related to agronomic research, the identification and exploitation of water resources are also very essential. It is by the creation of local economies that poverty, food insecurity, and unemployment will be quickly eliminated.



Construction of economic development poles

The construction of an economic pole promotes a judicious development for the whole national territory through the creation of economic radiance centers, the diffusion of basic social services, public services, and urban lifestyles.

Ali Sabieh: Industrial Development Pole

As for the pole of Ali Sabieh region, the rehabilitation and development of the railway Djibouti-Ethiopia will revitalize the new economy, reinforced by the development of tourist potentialities and the recovery of industrial units (cut stone, marble, Cement Plant, Production of mineral water – IL Jano,...).

The industrial promotion of local products including construction materials that the country strongly needs is an asset to be yet developed. This valorization of useful resources will allow the region to establish a significant industrial fabric that meets the needs of the national market in BTP.

This industrial fabric can also benefit from raw materials existing in neighboring regions such as basaltic rocks used for the urbanization of main localities, reddish rocks in Said-Gaban that contribute to the embellishment of urban buildings, and terracotta.

Being a pastoralist zone, and in addition to exchanges with neighboring countries, the region can transform its livestock products such as leather and wool, and focus on small-scale family agriculture in administrative posts of Holl-Holl (Dasbyo, Goubetto, Kabah-Kabah, BiyeAddey, and Ali-Adde).

Dikhil: Agro-pastoral and energetic-tourist development pole

The development of Dikhil depends on its tremendous agricultural potentialities. The modernization of agricultural spaces, the training and support provided to agricultural cooperatives will consolidate the region's agricultural vocation. The revival of vegetables production, especially tomato through the creation of a transformation unit is a source for the creation of employment and incomes, because this sector generated yearly 200 million DJF.

Livestock and stockyard will also be developed to meet national and sub-regional needs. In addition, the valorization of tourist potentialities and the development of the geothermal resources in Abbe Lake as well as the exploitation of auriferous resources will consolidate the regional development.

The Grand and Small Bara are natural assets that could enhance the development of vision and stroll tourism.

Abbe Lake constitutes a natural tourist site with its columns of needle-shaped limestone chimneys, of travertine and of permanent sources of hot water. It is also a potential site for the development of geothermal energy.



The location of Dikhil city on Djibouti-Ethiopia corridor also offers possibilities of the development of assistance services for road truckers, especially the planning of a parking at the west exit of the city, of mobile mechanical breakdown assistance on the road, and the development of textile production. The city can also accommodate the planning of a dry port in Galafi.

Tadjourah: An economic development pole with Assal as an industrial point.

As for the region of Tadjourah, it will be the second logistic pole. In addition to the presence of an industrial unit of mineral water, the economic development depends essentially on ports activities and trade with Ethiopia resulting from the construction of a port terminal, of the road, and of a new railway to connect Djibouti to Ethiopia.

It is also noteworthy that the region enjoys diversified tourist sites weakly promoted (cultural tourism, geological tourism, seaside tourism, solidarity tourism, fishing, sports). The current exploitation, almost a craft industry, doesn't promote a solid and sustainable development. The Day and the enormous agricultural potentialities will not be neglected and will add an essential component to rural zones.

In this region, "Assal Special Industrial Zone" will be established around Assal's mineral economic pole that will be supported by the construction of Ghoubet port. The latter will reinforce the exports of Assal lake salt, and will favor as well the planning and valorization of potentialities, tourist ones in particular, of Assal Lake region. In addition, the exploitation of mineral resources such as perlite, gypsum, and diatomite can enhance the region's economic development.

Obock: Naval and tourist maintenance pole

The region of Obock will exploit tourism's advantages in synergy with Tadjourah region due to their proximity. Current private initiatives will be revitalized to constitute the foundations. In addition, the development of fishing sector will constitute a main pillar for the region's development; in this perspective, a village of fishermen created at forty kilometers from the main town is considered an important initiative. In addition, the construction of a fishing port and an infrastructure-link with Yemen will consolidate the establishment of this economic zone and its tourist and commercial vocation.



The construction of a shipyard, the possibilities of exploiting geothermal energy, and an airport in Syan will enrich economic activities in this region.

Arta: a seaside and tourist city

The region of Arta has enormous assets and potentialities. Its proximity to the capital Djibouti, its favorable climate and a coast of 80 kilometers provide it with tremendous potentialities especially on the levels of tourism, fishing, diving, and hiking.

It benefits from the harmonious coexistence between the old city and the new city thanks to a judicious urban planning and the creation of basic infrastructures, such as asphalted roads and fiber optic telecommunications.

This region's planning and development will be fostered and accelerated by constructing a harbor quay in Damerjog, a sub-regional platform for livestock exports to Maghreb and Gulf countries.

In addition, it has three structures for technical and professional training and the Technical Trades Center which are important factors that reinforce human and know-how capacities. It also has a languages school (French, English, Arabic), vectors of communication and commercial and cultural exchanges, as well as a modern regional Hospital Center.

In general, it is a region going through fast reconstruction, hoping to become a true commercial and tourist, technological, hospital, and university pole.

Construction of basic socioeconomic equipments, infrastructures and services

In order to foster the development of the regions' economic potentials, the availability of basic infrastructures (water, energy, telecommunications), the reinforcement of their capacities, and the construction of small and medium cities are essential.

Water is a severe obstacle for populations and agro-pastoral activities. A national response should be found therefore, a global identification of the country's water resources, a national plan, and a water Code are crucial.

The main towns and the regions are not connected through the interconnectivity network; independent thermal unities provide insufficient energy to each region. A transformer station is under construction in Dikhil's regional hospital while the computer lab of the industrial technical school cannot function properly due to the lack of adequate energy supply.

EDD unit of Tadjourah doesn't have the sufficient capacities to support the expected economic activities. Investment of the construction of transformer stations should be programmed. The national telecommunication company invests ever since in regional capitals to meet the current fast increasing demand. Numerous zones of the territory are not covered yet.



On the level of the reinforcement of the regions' technical capacities, populations demand training to acquire the know-how and to take in charge in a better way their own development; they also call for the reinforcement of the "leadership" of their leaders of regional Councils. Therefore, the Government will foster:

- i. The creation or better yet the reinforcement of Trades centers, technical and professional training Centers to respond to local opportunities (employment, creation of SME). In Dikhil, it is necessary to adapt and diversify training sections in the Technical School according to the needs of the construction of the local economy. In Arta, Hotel School and the Industrial and Learning Technical Center could be reinforced and can open new sections that meet the region's needs.
- ii. The reinforcement of technical and financial resources' capacities of regional Councils. The increase in resources provided to communities but also their decision- making abilities in the fields that are transferred to them, in addition to experienced human resources are pre-requisites for the efficiency and credibility of decentralization.

The establishment of main towns and small and medium cities is also necessary. It begins with the establishment of the region's main town. All the regional capitals are almost under reconstruction in the old city. Here, a real estate should provide answers to all relevant questions. In certain regions, lands are the property of traditional authorities that should hand them over to the State for the national public interest. Traditional authorities offer thus these lands that are exploited in light of the lack of a development plan.

The construction of regional capitals should happen under an urban planning, including the creation and regulations of the urban real-estate field, the clarification of its management, and planning blueprints, especially in regard to sanitation. The State can achieve this goal through a five-year program pertaining to the June 27 celebration, which consists of organizing a ceremony in the capital and consequently, planning and identifying the budget of the construction of essential infrastructures.

3.3.8. A Comprehensive employment policy

It is by working that the individual guarantees his social integration, and by participating in the creation of national wealth. Therefore, the exclusion of employment is considered the most severe form of exclusion because it generates effects that marginalize and locks the individual up in the vicious circle of poverty.

From now on, in the coming decade, the Government will work on:

- Creating a favorable environment for creativity, encouraging entrepreneurship talents and promoting productive capacities;
- Reinforcing mechanisms of the promotion of the private sector and the systems that help in establishing enterprises, while encouraging "self employment";
- Establishing a high-standard infrastructure and offering incentives for the benefit of delocalization of ongoing production in the globalized production system;
- Creating an incentivizing framework based on the reinforcement of economic infrastructures to attract foreign manufacturing industries and cross-border direct investment.



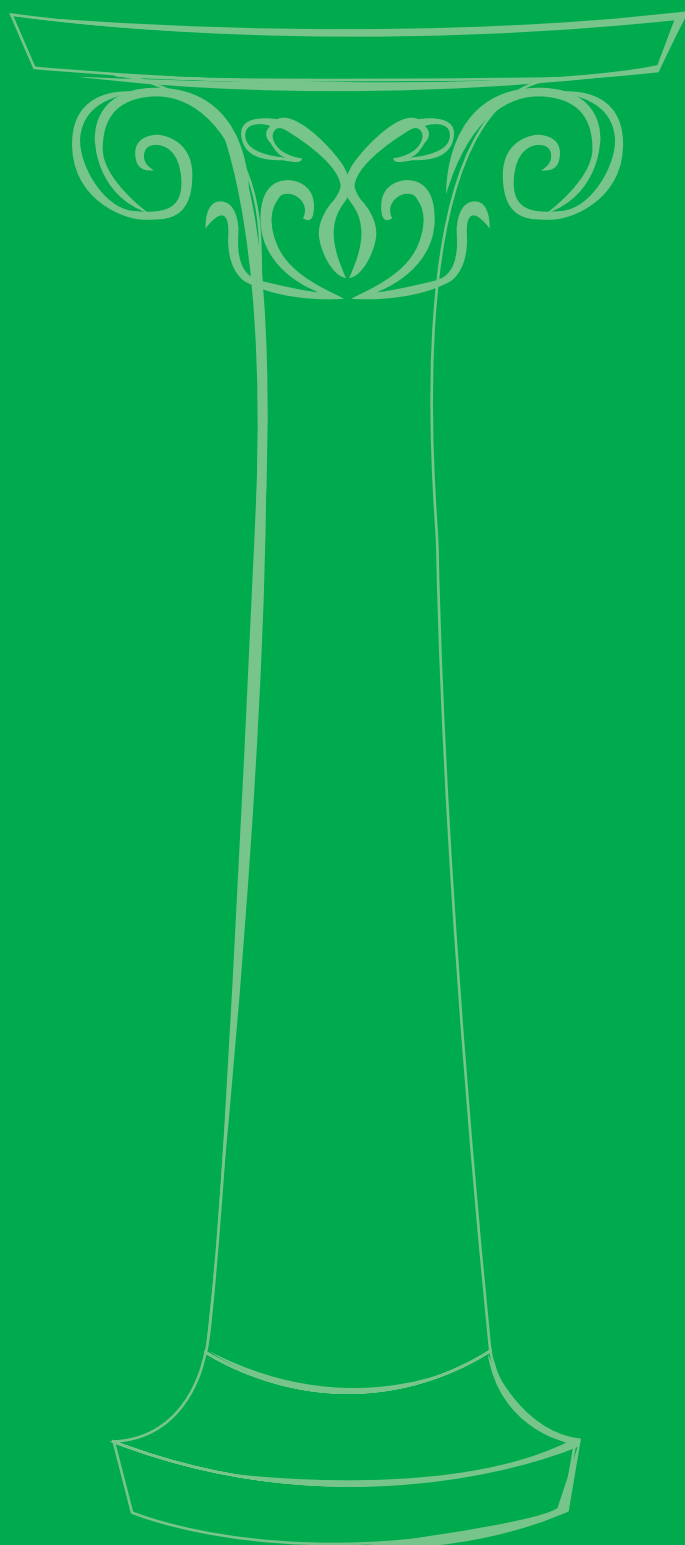
- Basically, the country should form potential skilled human resources based on the increased valorization of potentialities and natural resources while searching for the efficient articulation between training and employment. The country should also bridge the gap that has widened between previous training and productive activities. This is where training on trades of apprentices and technicians essential for the national construction gain great importance;
- Overcoming the challenge of a fast and sustainable economic growth requires from our country to go beyond its current comparative advantages and search for new comparative advantages thanks to a judicious specialization in the most developed technologies, and the continuous search for new products. From this moment on, it is crucial to train national elite during this period of one generation.

In a proactive approach, the State will search for and choose strategic and technological sectors to be developed, and will implement as well legislative, regulatory, logistic, institutional, and financial means that are essential for the emergence of a research-development capable of enhancing external competition.

Overall, the State will be endowed during this period of a long-term strategy with high hopes of increasing creativity, innovation capacities, and the discovery of national excellence centers. In a world dominated more and more by international economic competition, this strategy will allow the creation and safeguard of employment.



STRATEGIES OF PILLAR IV:
CONSOLIDATION OF HUMAN CAPITAL





III.4- Strategies of the pillar «Consolidation of human capital»

The State should encompass patriotic, working, well educated, and healthy citizens.

3.4.1. Ensure Djiboutians' wellbeing, a goal of the long-term development

Ensuring Djiboutians' wellbeing is the goal of Djibouti 2035, considering the individual both an actor and a recipient. Wellbeing is based on populations' deep aspirations and aims at meeting their needs appropriately in terms of health, education-training and employment, housing and accommodation.

A strong, sustainable, and equally distributed economic growth will only contribute significantly to the reverse of past heavy trends, especially the sustainable reduction of poverty, one of the major challenges in front of the future development.

In this context, the following strategic orientations were identified to be implemented: a comprehensive health policy revolving around prevision, prevention, and education-awareness, a policy for food and nutrition security, a population policy, an environment, life framework and hobbies policy, housing and accommodation policy and a global defense and security policy guarantying the security of the territory, persons, and goods.

3.4.2. Reduce poverty (social actions, solidarity...)

The Government, in cooperation with its partners, committed through SFPR 2006 and NISD 2008-2012, to implement public policies to reduce poverty. Unfortunately, the end of past decade witnesses exogenous shocks, severe climate changes leading to drought and an increase in internal prices.

The results of the General Population and Housing Census (GPHC) of 2009 indicate demographic mutations shown by an increase in growth rate that is currently equal to 2.8%.

The data of the EDAM3-IS survey and of the GPHC of 2009 show that the rate of individuals' dependence compared with the head of household is in average 7 persons, with relatively high level of poverty.

In fact, more than 79.4% of the population live in relative poverty with a line of 371 630 DJF, equivalent to around 2099.6 USD. As for the rate of extreme poverty, it stands at 41.9% with a line of 169 137 DJF, equivalent to around 955.6 USD.

In order to efficiently fight poverty, it is necessary to tackle the social aspect, through the creation of "security nets" to meet the most vulnerable social groups' needs (unemployed, elderly, women, children, etc.).



3.4.3. A comprehensive health policy revolving around prevision, prevention, and education-awareness

The health system will aim at improving social health and wellbeing of the population through a qualitative and quantitative adaptation of the offer of health and social services. In this prism, the comprehensive vision of the health system will develop two closely linked components: the production and enhancement of health services.

In the first component, the control and reduction of the health system costs will be promoted through a deep reform of the management modes of health structures and by reforming drugs distribution circuit and mechanisms of fixing prices for the public.

Therefore, the health policy will effectively contribute to the reduction of morbidity and mortality related to endemic pandemics, in particular in the most vulnerable targeted group, the mother and the child.

As for the second component, the State will search for the better ways to establish a system of social protection for all (especially universal patient insurance). Such a mechanism will depend on a collective organization of medical care.

In this context, the health system will fight poverty perceived as a cause and a consequence of a bad health state. The contribution of the health system will be determinant to prevent different forms of social marginalization. Taking care of the most helpless, in rural and urban areas, will be organized to compensate the deficit on the level of health infrastructures.

The education-awareness is essential because of the population's participation in a transparent framework of the actors' role. In this context, the State will boost and coordinate the activity of the Civil Society Organizations oriented towards the populations in order to develop health and nutrition education.

Women's role will be crucial to enrich new behaviors and practices, changes in mentalities, in addition to individual and collective consciousness.

3.4.4. A new educational system is necessary

Within the framework of the accumulation of human capital, the educational system will aim at providing access to basic education for all, which delivers knowledge, know-how, and life skills, and is based on excellence.

The long-term development vision will be based on three principles: (i) an educational system implemented by social actors who are now more aware of their responsibilities, (ii) an educational system physically and economically accessible, and finally (iii) an educational system based on the mobilization of sound, better managed, followed up, and periodically evaluated human and financial resources.





In this context, the selected strategic options are:

- Developing an educational system accessible for all and enhancing the enterprise spirit;
- Evaluating teachers and acknowledging merit;
- Organizing an educational system favoring the dual learning;
- Moralizing teaching;
- Developing a performing public teaching associated to a private high-standard teaching;
- Using new telecommunication technologies and educational multimedia means;
- Breaking down internal barriers and opening up to the world;
- Promoting an educational system fostering the emergence of elites;
- Regionalizing teaching structures;
- Elaborating an accelerated literacy program.

On the level of higher education, the State will establish a training School for Engineers, and Polytechnicians, according to the needs of the national economy's development.

3.4.5. Promote a nutrition and food security strategy

Food security is a major challenge for public policies; reducing poverty and hunger constitute the first MDG. The situation of natural resources, water in particular, seems to be limiting more and more the efforts to overcome this challenge.

Food and nutrition security will result from the promotion of an agricultural strategy based on the following axes: reinforcing productions and increasing the populations' incomes, promoting a sustainable natural resources management, protecting biodiversity, and increasing the populations' participation. Therefore, the model of oasis culture combined with date palm cultivation, arboriculture, gardening, forage crops, and small scale livestock constitute an adequate means to face current challenges of pastoralism, related to recurrent droughts and desertification.

Thus, the creation of small agro-pastoral areas and family livestock promoted by the presence and development of water resources will increase productions and improve rural populations' nutritional situation and their incomes.

On another level, and regarding the demographic evolution and urbanization of djibouti-city, the development of a periurban agriculture constitutes a major priority capable of providing a significant contribution to the supply in foodstuffs and the reduction of food imports.

Therefore, the State's role will be crucial in the following fields: (i) providing inputs and introducing new techniques for agricultural production, (ii) training and establishing professional agricultural organizations, (iii) elaborating an adequate framework for the profitability of agricultural activities, especially reducing the cost of inputs and production factors, (iv) elaborating financing mechanisms adapted to the rural world, (v) promoting the marketing and availability of land reserves.



3.4.6. Develop an accommodation policy adapted to the national socio-cultural environment

Accommodation is at the heart of efforts aiming at improving living conditions and framework, and populations' wellbeing. Access to a decent accommodation adapted to a socio-cultural environment constitutes an essential condition for the family unit's fulfillment. From now on, a housing and accommodation type that meets climate conditions will be developed.

In this field, the State will carry out a decisive role by integrating harmoniously the housing and accommodation policy in the comprehensive policy of land planning, of the construction of regions, regional capitals and cities as well as urban and rural infrastructures and equipments for a better living and hobbies framework.

New technical sections of accommodation development have been established similarly to Arta Trades Center and use local materials, including Djibouti stones. These sections in addition to the elaboration of land regulations will be developed and promoted.

Appropriate financing mechanisms will be elaborated and social housing assistance programs and policies will be enhanced. The essential goal of the accommodation policy should facilitate access to a decent accommodation for every citizen.

This goal can be achieved through:

- The definition a comprehensive strategic framework for the promotion of housing and the mobilization of inherent financial resources;
- The establishment of a financial tool, i.e. a Housing Bank;
- The review of a land policy to establish land reserves specific to real estate programs;
- The development of a Public-Private Partnerships to build accommodations;
- The intensification of public operations of social accommodations while diversifying the supply and adapting it the to demand;
- The Planning of sanitized plots;
- The reduction of construction costs by promoting locally produced materials and establishing adapted construction norms;
- The encouragement of the cooperative movement;
- The reduction of unhealthy habitat;
- The establishment of public subsidy to realize primary infrastructures for social operations and fiscal advantages for sponsors.

3.4.7. Define and Implement a national population policy

In the perspective of a strong and sustainable growth, the increase of the population constitutes an immediate priority, which calls for the implementation of a national population policy and a proactive action in terms of internal demography. In this regard, women carry out a decisive role in the policies that will be implemented.





All actions in favor of Women's integration to development will influence pandemics, mortality rates on one hand, and the increase of young girls' access rates to all educational levels on the other hand, knowing that delay in girls' school enrolment is particularly important.

In addition, the planning of demographic growth call for the control of migratory flows, especially those related to droughts and sub-regional conflicts that lead the the displacement of populations.

3.4.8. Promote the artistic and cultural creation.

In order to promote the development of art and culture, the Government will create an environment suitable for the protection of intellectual property, by providing the artist with a legal and social framework. The Government will guarantee as well freedom of expression and pluralism, without omitting a legal and institutional framework for the promotion of entrepreneurs and enterprises of culture and artisanal art.

Culture is essential for the preservation of the soul and a country's identity. The social and economic development for a country like Djibouti depends on the region's political stability. The country was negatively affected by the political instability of sub-region's countries, but it was capable of overcoming them thanks to the political wisdom of its leaders. This culture of peace is an important component of the essential cultural values of our country.

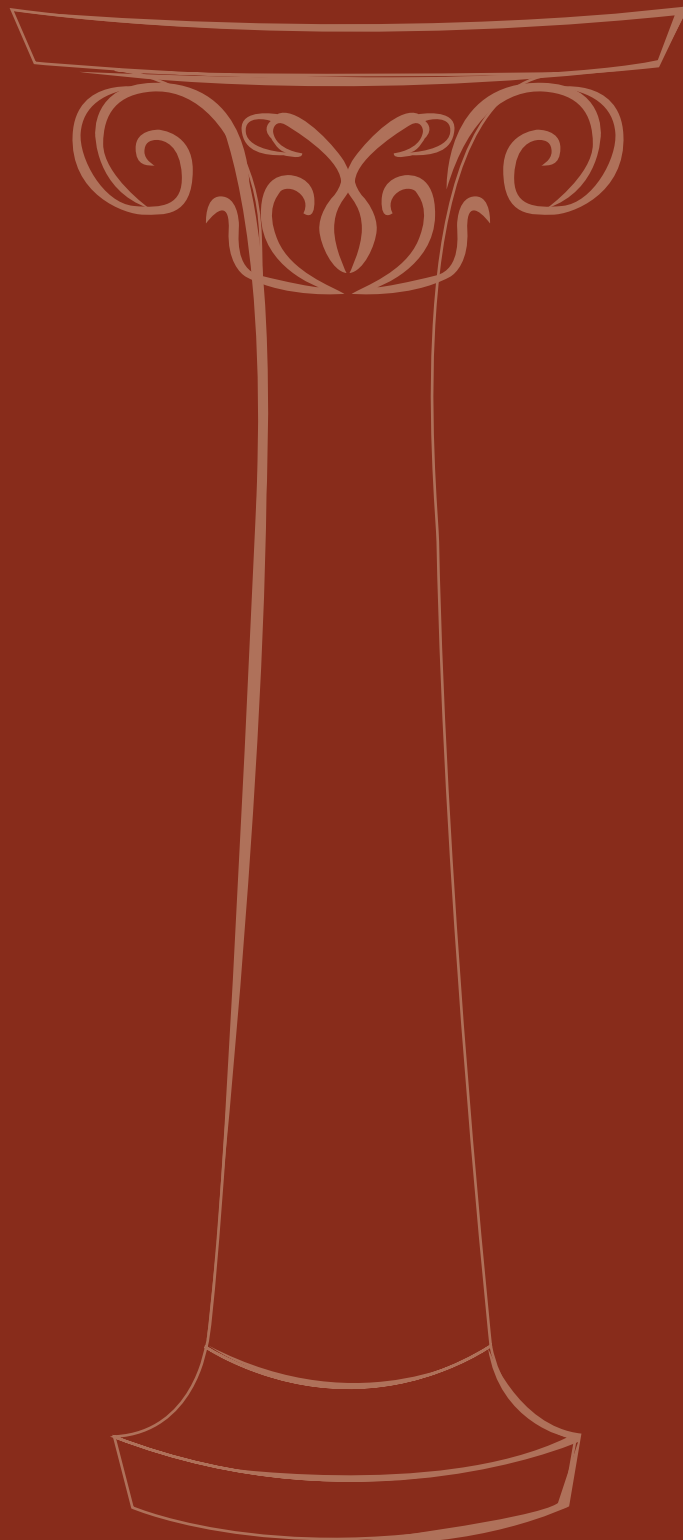
Religious customs and values play an important role in establishing social equilibrium. They were at the center of the reconstruction of the judicial system that lead to the codification and unification of rights in vigor (customary, religious, and modern).

Working towards the construction of a consolidated nation that preserves its identity values and reinforces the belonging of its population around a common denominator, its cultural entity, will constitute a permanent challenge for all successive governments. This kind of challenge can't be overcome without the elaboration within the framework of a thorough and continuous process that should be adaptable to all economic circumstances of the country.

The strategic orientations for culture are:

- Confirming our cultural identity and our national languages, which presumes:
 - (i) Organizing and managing well the cultural action;
 - (ii) Guarantying the right to a culture for all and
 - (iii) Fostering women and youth's participation in the cultural life
- Preserving and valorizing national cultural heritage;
- Increasing material, human, and financial resources that affect the cultural development;
- Promoting interregional cultural exchanges
- Instilling Islamic values into youth and reinforcing their role in community development
- Promoting women in their Islamic dimension and consolidating their participation in the global community development.

STRATEGIES OF PILLAR V:
REGIONAL INTEGRATION





III.5- Strategies of the pillar « Djibouti, an active role in the regional integration »

Our country has a geostrategic position that can allow him to play an important and primordial role on the sub-regional, regional, and international levels. Participatory consultations revealed that Djiboutian men and women adhere to the urgent necessity of a regional integration capable of establishing a true sub-regional and international economic development for the wellbeing of the populations.

However, these sub-regional and international aspirations cannot be concretized if the country doesn't achieve progress and good performances in terms of good economic governance.

From now on, the following strategic options will be implemented:

- Developing an integration of trade and services in the sub-region through a "Free Trade Agreement" with Ethiopia, South Sudan, Somalia/Somaliland and countries of the Big Lake (DRC, Tchad, etc.) and Eritrea;
- Establishing a regional economic, commercial and financial place;
- Creating community control devices;
- Reinforcing the national strategy of international cooperation.

3.5.1. Develop a commercial integration and a services platform in the sub-region

Since the beginning of the 90s, world trade is strongly growing (it has multiplied by 5 in average), FDI are increasing, regional commercial blocks are flourishing, and a third party of world trade is entering the regional integration (European Union – MTC, NAFTA, Mercosur, ASEAN, ACP, etc.).

In order to promote economic cooperation and trade between african countries, the Treaty establishing the African Economic Community (AEC) reaffirmed in 1991 the creation of an african common market. In this perspective, the African Union withheld five regional economic communities (REC) and stipulates that the establishment of AEC can be possible only through coordination, harmonization, and progressive integration of the activities of the so-called regional economic communities:

3.5.2. Djibouti Commercial Integration to IGAD, COMESA, and EAC

This strategic option targets the development of trade and inclusive markets to better take advantage from common markets and benefit from economies of scale. The development of inclusive economic infrastructures will be a major cooperation axis in IGAD's Economic Zone.

COMESA and other regional economic communities agreed on precise timelines for the creation of monetary unions gathering their member states by 2018. Given the importance of budget convergence with regard to the realization and viability of the monetary union, these programs will highlight criteria regarding budget balance, debt, public spending, etc.



As for the treaty, the surveillance framework encompasses convergence criteria relative to budget deficit, inflation, net credit of the central bank to the State, and public debt. A comity composed of central Banks governors is charged with the surveillance of the program.

Commercial integration is at the heart of real economic integration. In order to achieve it, countries chose generally the path of FTA/UC. It is also an essential element to encourage member states to promote budget convergence.

COMESA countries are generally low-income countries, with limited exports, commercial relations oriented towards Non-African partners and modest intra-regional exchanges, in addition to limited technical and financial resources, which keeps them highly dependent to foreign assistance.

Their poorly developed infrastructures exacerbate markets' rigidity, and their narrow and fragile system inhibits their productivity and competitiveness. In almost all cases, the results regarding the increase of intraregional trade, investments, or competitiveness were modest.

It is thus necessary to include commercial goals in those of the monetary union in order to implement them with the same enthusiasm as the suggested budget convergence goals. In addition, countries will not be capable of meeting budget convergence criteria. Furthermore, surveillance system didn't succeed in pushing countries to respect these criteria.

In addition, the advantages of budget convergence with other member states are not immediately available or visible, while the costs of convergence constraints are seldom very high. This situation requires the adoption of surveillance mechanisms that are not only preventive, but also suggest incentivizing measures and will elaborate crisis management mechanisms.

It is also crucial to prioritize harmonization and national reforms, and to continue the progress achieved in the enhancement of harmonization and regional integration in the financial and commercial sectors within the framework of monetary harmonization Program.

3.5.3. Djibouti, regional maritime outlet and services platform

Benefiting from its openness to the Red Sea that puts it on the most frequented international trade, our country aims at establishing a regional maritime pole through the development of its port and airport infrastructures in particular.

In this perspective, our country signed on February 2nd 2012 with Ethiopia and South-Sudan, a protocol of agreement that is meant to create and reinforce a new dynamic of economic cooperation, Djibouti-Ethiopia-South Sudan; the strategic option aims at reinforcing capacities and the competitiveness of ports infrastructures in regard to abundant natural resources of the sub-region and the development of the common market.



Our option will be concretized in the coming decade through the construction of five new ports infrastructures, containers terminals, free zones, pipelines, roads and railways, optic fiber in order to promote and facilitate exports, international and regional trade.

In addition, the use of ports infrastructures and free zones by Ethiopia and South Sudan, gas and oil terminals, the extension of Djibouti-Ethiopia-South Sudan railway will accelerate the economic expansion of countries, and a true integration of the sub-region's economies.

3.5.4. Reinforce the national strategy of international cooperation

The strategic option will allow countries to occupy a more preponderant place in the international cooperation through free choices or relevant positions in the political and economic fields in order to take a better place in global mutations and to benefit from them.

In its bilateral and multilateral relations, in international negotiations, Djibouti will confirm its presence, participation, and position on major global issues; whether it's about relations between industrialized countries and developing countries on one hand, and Africa on the other hand, poverty, international trade and debt, governance, or the settlement of conflicts in Africa and the world.

As already mentioned, the country's position on the international scene will not be credible and Djibouti's voice will not be heard, unless its economic performances and its practice in terms of good governance are irreproachable, and if the government implements a dynamic and performing diplomacy with a larger diplomatic representation. The capacities of Djibouti Embassies will be reinforced and oriented towards the issues of the economic and social promotion.



In this perspective, it is crucial to consolidate the information and communication system in the national diplomacy, in addition to a better knowledge and a reinforced follow-up of the evolution of major international issues.

International economic cooperation:

The new growth poles of the South, such as China, India, Brazil and the African continent, South Korea, and Gulf countries create new opportunities to enhance existing relations between african countries and their foreign partners.

The emergence of new actors and the existing close links between their commercial relations, their diplomatic interactions, and their assistance activities with developing countries help in achieving long-term development. It is noteworthy that Djibouti signed Paris Declaration on the efficiency of the assistance.

The appropriate conditions should be created so that the assistance to development becomes a tool for economic and social progress. New processes and forums among emerging countries and Africa create momentum and a more solid adhesion, while south-south cooperation and emerging triangular North-South-South cooperation are reinforced.

A strategic partnership unites the African Union and China. Allies and positions are capable of determining frameworks that will influence major issues. Furthermore, traditional interveners and new actors are launching an important period of reforms and of the redefinition of their respective development policies towards Africa.

In this environment in fast mutation, the following strategic options will be implemented:

- **• Define and appropriate development's efficiency approach**
The country will appropriate the development's efficiency approach and interferences of traditional partners. New actors will be enlisted among the national priorities of development and not among donor countries.

The government will pursue the coordination of traditional donors through dialogue. It offers as well the chance to carry out dialogue with emerging actors to establish a coordinated common support to development.
- **Develop possible synergies and complementarities between traditional partners and new actors for a comprehensive and coherent agenda of development's efficiency.** It's necessary to implement coherent and coordinated strategies towards different partners; joint programs, mixing important resources of traditional donors and the increased assistance for emerging economies can generate important positive effects.
- **• Identify possibilities of a triangular dialogue on the country's economic strategies**
Regional integration (COMESA, IGAD..) faces the problem of political instability in the region.



While working on the achievement of this integration in order to create a homogenous and structured combination, actions are based on the following axes:

- i. The development of partnership with Ethiopia, the intensification of the relations with Somalia and the development of a trade and business flow with South-Sudan.
- ii. The stepping up of relations with Gulf countries.
- iii. The development of relations with emerging countries such as China, India, and Turkey (a free trade agreement is under negotiation with this country). Djibouti can constitute a gateway for these countries into several countries of Africa.

At the same time, the integration to global economy should be reinforced in order to benefit the most from globalization, take advantage from its strategic position, and gain a place in international competition.

Within this framework, one of the primary axes for the next stage is to devote diplomacy from the benefit of economic and social mobilization with a significant mobilization of financial resources.

It is also important to take into consideration the continuous evolutions and registered mutations that call for an increased vigilance and a capacity to react and adapt to new situations and ensuing obligations.



Chapter IV: Transversal themes

Several issues should be tackled in a transversal way by searching always for the convergence points in development policies. These points are three: Gender, Youth, and Environment.

IV.1. The promotion of women's condition and the reduction of gender inequalities

To Consider Gender as a transversal theme is not always enough to eradicate discriminations and establish equality concretely. It is sometimes necessary to resort to specific and proactive actions in favor of a specific "sex": this is what we call positive actions. These specific/positive actions don't necessarily and exclusively target women. They could also target men exclusively.

Experience shows that in order to improve women's situation, men should be included in the project. It is important to work with men to push them into changing their approaches towards women and their approach with themselves (review their idea of masculinity for example). It is equally important to work with women to change their approaches towards men and their approach towards themselves.

Even though during the past five year, the theme "Gender" has appeared on the forefront of our social scene, numerous studies show that inequalities persist at high rates (in labor market, education, politics, etc).

Thanks to efforts deployed by our country to reinforce women's status, position, and capacities, significant progress in favor of women was registered in different fields.

They're healthier; gender disparities in primary and secondary education are taken care of in a better way; their fundamental rights are respected more; gender violence is punished by the law; they are represented in decision making entities.

However, in spite of this progress, the majority of women are still suffering from gender inequalities. They are suffering from poverty and illiteracy; they still have weak access to economic resources and opportunities; many of them are still dying while giving birth and they are the first victims of AIDS/HIV.

Nevertheless, it is unanimously acknowledged that today, the elimination of poverty and the establishment of sustainable development cannot be achieved without the eradication of gender inequalities that deprive around half of the population from enjoying their social, economic and political rights.

Eliminating the gender gap in the development process appears to be a pre-requisite to achieve sustainable economic growth and the Millennium Development Goals (MDG).

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The elaboration of a National Gender Policy (NGP) constitutes the State's answer to commitments taken on the national and international level, to fight against all forms of gender inequalities in the context of respecting cultural values, the percepts of Islam, and the fundamental human rights in accordance with the Convention.

This is how the National Gender Policy was elaborated in a long-term perspective in order to gradually witness changes in behaviors and structural mutations essential for the efficiency of equity and gender equality.

The goal of this strategy is to achieve equity and gender equality in favor of boys and girls, men and women, in all social and economic fields through:

- The establishment of a socio-cultural, legal, economic, political, and institutional environment that fosters the achievement of equity and gender equality in Djibouti's society;
- The effective gender integration in development efforts in all sectors of activities;
- Elaborating a gender-sensitive budget approach, because Gender Budget can significantly contribute to the achievement of equality.

The establishment of gender equality, on the level of school enrollment and illiteracy, the improvement of women's status, and the gender integration in all development sectors are major challenges to overcome in order to speed up growth.

Quantitative goals pertaining to gender by 2035 are: 35% of women are economically independent, and 40% of women are members of the National Assembly.

IV.2. Youth

The data of the General Housing and Population Census (GHPC) of 2009 show a high proportion of young people (around 45% of the total population). This forms enormous challenges on the levels of education, training, employment, occupation, hobbies, etc.

Youth capacities are hindered by the maladjusted and insufficient knowledge they receive and find themselves unprepared adequately to the requirements of the new globalized context, especially in terms of competitiveness on the internal and external levels.

The vision regarding youth is to benefit from their capacity as partners to development and peace. Youth should be provided with possibilities to participate as respected partners in the decision making process and in action on all levels.

This will prevent idleness, inaction, youth unemployment from leading inevitably to delinquency, addiction (drugs, khat, alcohol, tobacco, shisha) and criminality.



Youth policy will be considered a protection and support policy aiming at promoting and helping the transition of youth to adulthood. This policy will start in diverse situations of youths' life and will tend to influence their life conditions. At the heart of this policy appears the creation of assistance and support conditions that enhance the development of personality based on a concept different from social inequality.

Youth policy should define the framework that allows for young people to control in a productive way organizational possibilities as well as requirements and risks of this vital phase, and to organize their personal fulfillment. It should provide networked support systems that could interfere in critical situations and in case this process fails.

This policy gives youth the space they need to be creative and have the possibilities, in spite of the future's uncertainties and permanently changing life conditions, to enlarge their capacities of acting, engaging; in new paths if necessary, recognizing and safeguarding the opportunities that are offered to them.

The strategy regarding youth, sports, and hobbies will be based on:

- The development of the culture of hobbies, providing the population and youth in particular with the sufficient equipments to achieve an effective development of the practice of hobbies;
- The qualification of youths by developing their interest in training to prepare them for a reflective and independent review of the excessive requirements and demands of the society and to commit to education as a civic right. In this context, the youth policy claims that education goes far beyond school.

An inclusive review of the relation between education and qualification should also include the diverse relations between formal, non formal and informal training, the link between different learning locations and their impact on youth's education and the guarantee of their chances to participate in different sectors of the society;

- The political, economic and social introduction of youth and teenagers to equality and equity concerns in order to allow them to contribute to the country's development.

The development of physical, sports, recreational, and cultural activities and hobbies will enhance the physical and psychological fulfillment of youths and teenagers.

IV.3. Environment

Environment is clearly a global transversal theme because it equally affects human/place relations and natural risks, climate changes, and land planning. Unfortunately, this relation is hampered by human activities, people's unconsciousness, and the bad comprehension of the environment.



In fact, the environment is affected by investment programs, by policies and modes of consumption, by urbanization, by the exploitation of resources, etc., that are essential factors for economic growth and populations' wellbeing.

The educational system and the strategies of Information and Education for Behavior Change (IEBC) should fully play their role to raise awareness among future generations on the environment, the preservation of biodiversity and marine resources, etc.

By 2035, the strategy of sustainable development will be based on the following fields:

- Renewable energies;
- Djibouti, a 100 % green country;
- Sustainable water management;
- The adaptation to climate change and risks management.

Sustainable policies regarding energy, water, and the environment, and including awareness and education will ensure the success of this green strategy allowing the preservation and the better use of the country's rare resources, with a true participation of communities, local actors and associations.

Moreover, new economic sectors are being created in fields such as renewable energy, recycling and sanitation departments, biodiversity and ecotourism, and rural development. The positive effects on employment will improve social cohesion and the quality of life.

Our country took the initiative of launching a number of innovative projects in order to implement this strategy and sustainable policies. These projects aim at facilitating access to water and energy for all, increasing local production of foodstuffs at affordable prices, and empowering women. Starting 2014, these projects will generate better life conditions for the whole population, especially for the poorest.

The effects of climate change

The investment in projects while improving the population's wellbeing will be part of the global collective effort deployed to reduce greenhouse gas emissions. Our country works on preventing risks by elaborating a permanent and futurist monitoring policies.

Sustainable water management

Water management: the good management of water will improve the physical or economic access to adequate and nutritious food.

On the medium and long term, the government's strategy is to reduce water stress in Djibouti.



Major trends in this context are:

- The promotion of the management of the country's current water resources, while taking into consideration the obligation of protecting them and the necessity to meet current and future needs of populations and the economy.

Sustainable management of current resources is vital. Around 70% of the total population is concentrated in Djibouti-city, which is equivalent to around 600 000 persons. A sustainable water policy is the cornerstone to achieve water access for all. Initiatives aiming at increasing water capacities are the opening to an expanded development of food security in Djibouti-city and the regions.

- The increase in water availability and its quality in the whole country and the guarantee of access to water for poor populations through major projects such as the desalination of sea water and ensuring water supply from Ethiopia.

The mobilization of surface water will enhance agro-pastoral production. In this framework, the government launched the Program of surface water mobilization and the sustainable management of lands, a project aiming at halting chronic water scarcities, especially in the regions in the North and South of the country. This program is financially supported by several international bodies and institutions;

- The issue of water which is related to food security is also a fundamental matter of stability. In the context of food security, water is a nutritional and health challenge, given the issue of ensuring the access for all to drinking water, basic sanitation, and hygiene.
- The reinforcement of water management's institutional framework: improving the performances of administrations charged with the sector, the functionality of the national Council for water, etc.

Fighting against desertification

Our country was enlisted on the regional platform of risks management. It is also committed to the world program "Green Great Wall" established to fight against desertification and that will begin its actions in Eastern Africa on the coastal area of Daouda. These initiatives will contribute to the protection of the environment, the preservation of biodiversity, and the fight against climate change. They will also promote sustainable tourism, the creation of jobs, and a better awareness on sustainable development issues.

This program targets the poorest populations in the city of Djibouti. It is the first project tackling green economy on a large scale. It includes also all the dimensions of sustainable development. It is noteworthy that the protection of biodiversity is an important element of the ecological dimension.

Education and raising awareness among the population, communities, local actors and associations, and training are taken into consideration in all aspects of the program, for the benefit of women in particular.

Djibouti 2035: Pillars and Strategies



1.The tripling of revenue per capita;
6687 \$US against 2229 PPP \$US in 2012

2.Unemployment rate will decrease from
48.4% in 2012 to around 10% in 2035

3.Social and human development indicators as well as wellbeing indicators have clearly improved: Djiboutian men and women are well educated, well trained, in good health, well lodged, etc.



Chapter V: the implementation and the follow-up evaluation

V.1- *The implementation of the vision*

The importance of a vision lays in its implementation in order to achieve the defined goals. “Good ideas” should be transformed into real gains and meet effectively the aspirations and expectations of the population. Therefore, mechanisms will be designed to guaranty the right track towards achieving the image we hope for our country by 2035.

These mechanisms are the following:

- 1:- Engage all concerned parties in the achievement of strategic orientations and the goals of the Vision. The orientation law implemented for 10 years can constitute the appropriate framework. As for ministerial departments, ideas coming from their respective sectors should be implemented.
- 2:- Transform the current five-year plan into a comprehensive strategic plan that includes a sectoral dimension, a regional dimension, and a national dimension.
- 3:- Work on evolving habits and mentalities in order to ensure the necessary transitions and transformations.
- 4:- Ensure that the plans promote the Vision’s goals and that every ministry has its own long-term strategy (by 2035) in conformity with the Vision.
- 5:- Identify the themes in key sectors, undertake strategic long-term studies (by 2035) or update previous studies, and develop a prospective approach on the level of different ministerial departments (capacity building).
- 6:- Develop synthetic indicators to measure the achieved progress, especially on the social and regional levels. The development of a statistics system is an absolute priority, in addition to developing social and regional statistics.
- 7:- Consider the creation of a high-level committee to follow up on the vision’s implementation.

The implementation of actions and programs included in the vision will be guided and based on consultation, participation, responsibility, and the expected results.

V.2- *The institutional framework of the follow-up evaluation*

In order to ensure synergy and coherence between different actions, as well as coordination of all the actors of implementation and follow-up evaluation, an institutional framework including the following structures will be created by a decree or by a law.

The High Council insures the leadership of the Vision, political, economic, and social transformations, and decides arbitrations and solves disputes that could occur during their implementation. The council reviews the Vision’s implementation annual report. Presided by the President of the Republic, the High Council is a restricted body.



The National Follow-up and Evaluation Commission examines and formulates its remarks on the programming and budget of action plans, and evaluates the implementation of these action plans and the results. Presided by the Minister of Economy and Finance charged with Industry, it gathers all actors of the national development.

The Direction of the Economy

Benefiting from modern working means and additional human resources, it will organize and achieve the advocacy, the dissemination, and adaptation of the Vision. It will contribute to the sustenance of gains and promotion of the tradition or culture of prospective reflection and national long-term capacities of reflection and anticipation.

The appropriation of this vision and the sustainability of this tradition of prospective reflection constitute two major priorities with the resulting reinforcement of institutional and human capacities. In this context, a program of human capacity building oriented towards foresight will be implemented for the officials in Administrations and local Entities.

It will ensure the technical Secretariat of the National Commission of the follow-up and evaluation of the Vision.

The national appropriation *will be realized through the following actions:*

- ***Communication and Dissemination of results:***
Meetings, workshops, and seminars will be held with republican Institutions, economic Operators, Civil Society Organizations, and with the Actors of regional entities.
- ***A Plan of Communication and Dissemination Djibouti 2035***
 - (i) Radio-TV programs on the presentation of the Vision, the responsibility of national actors, the institutional framework, the implementation, etc.;
 - (ii) Specific and illustrative programs on the strategies and expected results;
 - (iii) Advertisements in credible international press.
- ***Seminars and training workshops***
 - (i) Workshop appropriation and training seminars;
 - (ii) An information governmental seminar on the programs, their goals, responsibilities of each ministry in the success of the vision;
 - (iii) A national information workshop seminar on the vision and the responsibilities of national actors (workers, the private sector, NGOs, the elected figures, and the regions).
- ***A new planning and reform of the institutional and organizational framework***
- The chain VISION (25 years) – PIP/MTSF-MTBF (3 years) – BUDGET (annual) – National statistics system will be incrementally reconstituted, better yet reinforced.



Therefore, it is essential to continue the development of a strategic plan related to budget and the coordination of assistance. In addition, it is very important to increase the efficiency of the chain Planning – Programming – Budget - Follow-up and evaluation – national statistics system, through the reinforcement of institutional and human capacities of the government's services throughout all stages of the chain, including national and international actors.

- ***An appropriate model of macroeconomic projections***

Undertake a study to identify sources and determinants of economic growth on the short, medium, and long terms. The goal is to create a model of strong two digits economic growth. It will allow also the establishment of an appropriate model of macroeconomic projections, and the elaboration of a realistic and viable macroeconomic Framework, and then a medium - term spending framework coherent with growth goals.

- ***Economic programming-evaluation of programs:***

Economic evaluation procedures and methodologies of programs and projects (Effects, reference price, environmental impact) will be adopted and diffused within units of projects reinforced by the Administrations.

Establish an annual national workshop to program the State's actions that gather all national actors (government, private, NGOs, CSO) and international ones. The workshop will be followed by a governmental Seminar for the programming of action in order to transform sectoral strategies into programs and projects, and harmonize them with the programming of development partners.

- ***Budget***

Establish Economic Budgets that will offer the annual budget framework that is coherent with the Medium Term Spending Framework. The model of macroeconomic projections that fosters short-term growth determinants will be elaborated consequently.

- ***Implementation , Follow-up Evaluation:***

Create a follow-up evaluation framework and generalize management based on the results (Results Framework) in public services. Reinforce the follow-up of programs, resources and spending with the participation of the General Inspection of the State and the Court of Auditors. Institutionalize an annual calendar of the State's actions to ensure the coherence and implementation of the chain Planning – Programming – Budget - Follow-up and Evaluation.

- ***Partnership, Coordination, and mobilization of assistance***

Use the sectoral coordination frameworks of the Partners' assistance to promote the actions of the Strategic Framework SF. Reinforce advocacy, develop common strategies of resources mobilization. Align the support of FTPs provided to budget cycles. Favor the financing of the budget spending of the SF in a common approach through a common financing. This approach is based on the predictability of budget supports.



- ***Coordination, animation, and communication of the government***

Create a committee of financial coordination and investments that will meet monthly with key Dashboard Indicators of the performance of the national economy's management.

Organize governmental seminars, at least one every quarter (Programming, Follow-up Evaluation SF, coordination of assistance, economic Budgets), to reinforce the coordination and coherence of actions, and ensure the alignment and harmonization of partners' interventions

- ***Develop knowledge and share experiences***

Hold a national seminar on development, a framework of dialogue of all national and international actors, and create thus a tool to exchange knowledge, capitalize experience, and share good practices.

Evaluate capacities of governmental services and CSO and elaborate a national program of capacities reinforcement of every link of the Planning – Programming – Budget - Follow-up chain.



Conclusion

The process of building solid foundations of a sustainable development is at heart of the challenges of the positioning of Nations wishing to manage their own affairs.

After the elaboration of Djibouti 2035 vision, our country seems to be included in this approach, because ***(there's no road for that who doesn't know where to go)***.

Djibouti 2035 should not be a pious wish. Therefore, the mobilization of human and financial resources, and the commitment to daily politics should witness the true change of the country's development paradigm.

Furthermore, the vision should constitute the lighthouse that illuminates and guides national and sectoral development policies.

Ensuring an adequate financing for its strategies, in addition to annual budget choices and the alignment of financial and technical partners of the country will be the token of its success.



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ANNEXES



Annex 1: Projection of the population

Year	Population Total	Djibouti City	Ali Sabieh	Dikhil	Tadjourah	Obock	Arta
2009	818 159	475 322	86 949	88 948	86 704	37 856	42 380
2010	841 067	488 309	87 962	90 636	89 971	39 056	45 134
2011	864 617	501 598	88 987	92 356	93 362	40 293	48 021
2012	888 827	515 199	90 024	94 109	96 880	41 570	51 046
2013	913 714	529 119	91 073	95 894	100 530	42 887	54 210
2014	939 298	543 369	92 134	97 714	104 318	44 246	57 516
2015	965 598	557 959	93 207	99 569	108 249	45 648	60 966
2016	992 635	572 898	94 293	101 458	112 329	47 095	64 562
2017	1 020 429	588 199	95 392	103 383	116 561	48 587	68 306
2018	1 049 001	603 873	96 503	105 345	120 954	50 126	72 199
2019	1 078 373	619 933	97 628	107 344	125 511	51 715	76 241
2020	1 108 567	636 392	98 765	109 381	130 241	53 354	80 434
2021	1 139 607	653 264	99 916	111 457	135 149	55 044	84 777
2022	1 171 516	670 564	101 080	113 572	140 242	56 788	89 270
2023	1 204 318	688 307	102 258	115 728	145 526	58 588	93 912
2024	1 238 039	706 511	103 449	117 924	151 010	60 444	98 701
2025	1 272 704	725 192	104 654	120 161	156 700	62 360	103 636
2026	1 308 340	749 448	105 874	122 442	162 605	64 336	103 636
2027	1 344 974	774 358	107 107	124 765	168 733	66 374	103 636
2028	1 382 633	799 940	108 355	127 133	175 091	68 478	103 636
2029	1 421 347	826 211	109 617	129 546	181 689	70 647	103 636
2030	1 461 144	853 188	110 895	132 004	188 535	72 886	103 636
2031	1 502 056	880 889	112 187	134 509	195 639	75 196	103 636
2032	1 544 114	909 332	113 494	137 062	203 012	77 578	103 636
2033	1 587 349	938 536	114 816	139 663	210 662	80 037	103 636
2034	1 631 795	968 519	116 154	142 313	218 600	82 573	103 636
2035	1 677 485	999 302	117 507	145 014	226 837	85 189	103 636



Annex 2: Projection of macroeconomic indicators

(in Million DF)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GDP current price	189 622	208 261	228 734	246 175	271 254	301 669	339 513	382 801	436 215	497 534	569 017	737 549	818 326
Growth rate %	5,3	9,8	9,8	7,6	10,2	11,2	12,5	12,8	14,0	14,1	14,4	13,9	11,0
Net Transfers	14 967	12 508	13 867	13 111	9 196	2 786	33 046	29 277	25 000	24 500	24 000	23 000	22 250
RNDB current price	204 590	220 770	242 601	259 286				412 077	461 215	522 034	593 017	760 549	840 576
GDP constant price	97 646	102 040	106 938	112 285				58 181	174 157,37	191 921,4	212 073,2	256 608,5	275 084,3
Growth rate %	3,5	4,5	4,8	5,0				10,0	10,1	10,2	10,5	10,0	7,2
current price consumption 1	147 448	196 468	196 711	211 711				325 381	366 421	417 928	477 974	619 542	679 210
Growth rate %	-3,7	33,2	0,1	7,6	10,2	9,9	12,5	12,8	12,6	14,1	14,4	13,9	9,6
current price consumption 2	147 448	196 468	196 711	211 711	233 279	256 418	288 586	325 381	354 665	387 294	424 087	511 746	564 456
Growth rate %	77,8	94,3	86,0	86,0	86,0	85,0	85,0	85,0	81,3	77,8	74,5	69,4	69,0
Investment	39 356	51 200	62 222	79 779	88 610	100 146	118 704	134 906	235 022	263 671	300 229	358 895	306 950
Investment rate to GDP (%)	20,8	24,6	27,2	32,4	32,7	33,2	35,0	35,2	53,9	53,0	52,8	48,7	37,5
National savings	57 142	24 302	45 890	47 576	47 171	48 036	83 973	86 697	94 794	104 105	115 043	141 008	161 365
Savings rate (%)	30,1	11,7	20,1	19,3	17,4	15,9	24,7	22,6	21,7	20,9	20,2	19,1	19,7
Current account (Investment-Savings)	-17 786	26 898	16 332	32 203	41 439	52 110	34 731	48 209	140 228	159 565	185 187	217 887	145 585
GPD %	-9,4	12,9	7,1	13,1	15,3	17,3	10,2	12,6	32,1	32,1	32,5	29,5	17,8
International reserves stock variation of reserves (million dollars – IMF)	231	228	245	272	305	341	382	428	482	544	620	807	932
	13	-2	17	27	33	37	41	46	54	62	77	100	124
GDP %	1,2	-0,2	1,3	1,9	2,1	2,2	2,1	2,1	2,2	2,2	2,4	2,4	2,7



Annex 2: Projection of macroeconomic indicators (Follow-up)

(en Million FD)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
GDP current price	909643	1013033	1130271	1263417	1413555	1582998	1774391	1990760	2235573	2512807	2827021	3183452	818326
Growth rate %	11,2	11,4	11,6	11,8	11,9	12,0	12,1	12,2	12,3	12,4	12,5	12,6	11,0
Net Transfers	21500	20750	19750	18750	17750	16750	15750	14750	13750	12750	11750	10750	22250
RNDB current price	931143	1033783	1150021	1282167	1431305	1599748	1790141	2005510	2249323	2525557	2838771	3194202	840576
GDP constant price	295440,6	317894,1	342689,8	370105	400083,5	432890,3	468820,2	508201,1	551398,2	598818,5	650915,7	708196,3	275084,3
Growth rate %	7,4	7,6	7,8	8,0	8,1	8,2	8,3	8,4	8,5	8,6	8,7	8,8	7,2
current price consumption 1	755004	840817	926822	1036002	1144980	1282229	1419512	1572700	1743747	1934861	2148536	2387589	679210
Growth rate %	11,2	11,4	10,2	11,8	10,5	12,0	10,7	10,8	10,9	11,0	11,0	11,1	9,6
current price consumption 2	623159	688591	764336	848413	942586	1048156	1165550	1297257	1443847	1607002	1786986	1987128	564456
Growth rate %	68,5	68,0	67,6	67,2	66,7	66,2	65,7	65,2	64,6	64,0	63,2	62,4	69,0
Investment	337873	361865	410334	452696	495456	559161	631595	714018	758922	859424	942642	1069292	306950
Investment rate to GDP (%)	37,1	35,7	36,3	35,8	35,1	35,3	35,6	35,9	33,9	34,2	33,3	33,6	37,5
National savings	176139	192966	223199	246165	286326	317520	370628	432810	505576	590696	690235	806613	161365
Savings rate (%)	19,4	19,0	19,7	19,5	20,3	20,1	20,9	21,7	22,6	23,5	24,4	25,3	19,7
Current account (Investment- Savings)	161734	168899	187135	206531	209130	241642	260967	281209	253346	268728	252407	262679	145585
GPD %	17,8	16,7	16,6	16,3	14,8	15,3	14,7	14,1	11,3	10,7	8,9	8,3	17,8
International reserves stock variation of reserves (million dollars – IMF)	1070	1230	1420	1634	1872	2140	2439	2775	3153	3577	4054	4592	932
	138	160	191	213	239	267	300	336	377	424	477	537	124
GDP %	2,7	2,8	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	2,7



Annex 3: Funding and financing needs

FUNDING												
(in million DF)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average 2013-2017	
Current Account	40056	12636	-8973	30540	16332	32203	41439	52110	34731	48209	41738	
Repayment of Principal	4056	4552	4534	5371	6 093	7 000	8 000	9 000	10 000	11 000	9 000	
Variation of reserves (million dollars-IMF)	43	44	13	-2	17	27	33	37	41	46	37	
Other output					1 000	1 000	1 200	1 300	1 300	2 000	1 360	
Needs of foreign financing	77589	51689	31249	63170	26395	44992	56438	68905	53305	69356	58 599	
loans	5350	12142	3592	5948	14217	14553	23536	31499	12564	27248	21 880	
Foreign Direct Investment (million DF)	41418	17700	16461	12390	18588	30439	32902	37406	40742	42108	36 719	
outstanding debt	105 058	111 440	112 598	115 215	123 339	130 892	146 427	168 927	171 490	187 738	161 095	
GDP %	60,6	61,9	59,4	56,1	53,9	53,2	54	56	50,5	49	52,3	

FUNDING												
(in million DF)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Current Account	60481	75067	68736	57381	43226	436215	41439	52110	34731	48209	41738	40675
Repayment of Principal	12 500	13 750	15 125	16 638	18 301	20 131	22 145	24 359	26 795	29 474	32 422	35 664
Variation of reserves (million dollars-IMF)	2 000	2 500	3 000	3 500	4 500	5 500	7 000	8 000	9 500	11 000	13 000	15 000
Other output	84100	101576	99486	91788	82199	90564	85283	93669	96065	103367	106905	105520
Needs of foreign financing	38508	50283	41621	26388	8079	15524	1636	168	-8741	-14327	-12046	-28059
loans	45591	51292	57865	65401	74120	75041	83647	93501	104806	117694	118951	133579
Foreign Direct Investment (million DF)	411,0	11,0	11,0	11,0	11,0	10,0	10,0	10,0	10,0	10,0	9,0	9,0
outstanding debt	208 747	250 280	276 776	286 526	276 303	271 695	251 187	226 995	191 460	147 658	103 191	39 468
GDP %	51,6	53,7	52,6	48,2	41,0	36,2	30,0	24,3	18,3	12,5	7,8	2,7



DJIBOUTI
2035

Notre Nation

DJIBOUTI
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Une République Solidaire

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