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PROGRAMME PLANNING

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

SECOND PROGRAMME FOR DJIBOUTI*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1991	IPF for 1987-1991	2 887 000
	Third cycle IPF balance	487 000
	Other resources programmed	5 926 000
	Total	9 300 000

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* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of funds and operational programmes under the authority of the Administrator; and (e) distribution of the new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. The efforts made by the Republic of Djibouti since its accession to independence in 1977 have focused primarily on resolving the problems facing a young country without exploitable natural resources and without sufficient human resources. The economy it inherited upon independence was based primarily on the service sector, principally transport. The port of Djibouti, the terminus of the Ethiopia-Djibouti railway line, was, together with the airport, the State's main source of revenue.
2. Within the context of the framework law, development activities have concentrated on promoting integration of the hinterland and of Djibouti's essentially nomadic population, notwithstanding an environment made even harsher because of the drought. Accordingly, operations to strengthen the revenue-generating service sector, of concern mainly to the capital, have been carried out concurrently with numerous operations to create activities inland and also to combat thirst.
3. During the period covered by the first country programme, Djibouti's economy demonstrated its extreme sensitivity to developments on the international scene. The economic and financial stagnation affected Djibouti's activities directly, and reduced the revenue of the service sector; in 1984, that sector accounted for 50 per cent of gross domestic product (GDP).
4. These external difficulties have been compounded by internal problems caused by:
 - (a) The catastrophic drought which Africa has been experiencing for several years; livestock losses and the increasing scarcity of water have led to a massive migration away from rural areas aggravating unemployment and compounding social difficulties; and
 - (b) The resulting influx of refugees and disaster victims from neighbouring countries has placed a very heavy burden on the country's economy.
5. In recent years the country's economic activities have been able to continue owing, primarily, to a considerable flow of external capital and public assistance generated by the conference of donors that was held in November 1983. This capital, which between 1982 and 1985 amounted to nearly \$210 million, also helped greatly to ease the country's foreign currency reserves situation; these reserves had been under pressure since 1981 and had fallen by half in the space of five years. Another factor that helped curb the decline in reserves was the adoption of a series of fiscal and budgetary austerity measures.
6. Implementation of the projects generated by the conference of donors is beginning to produce appreciable results:

(a) One of the priority objectives in the field of agriculture and water resources was to combat thirst. Numerous water points have been established with a view to improving the living conditions of rural inhabitants. Total food production, which was estimated at 110 tonnes per annum prior to independence, has increased tenfold and the fishing catch has increased sixfold. This sector's share of GDP has increased at an annual rate of 4.5 per cent;

(b) Projects in the transport and telecommunications sector have accounted for nearly 50 per cent of all investments. This has resulted in the establishment of a sound infrastructure and has helped to maintain revenues from the port and telecommunications at an acceptable level, notwithstanding the shipping crisis and the decline in the transport of goods to Ethiopia;

(c) Owing to the extension of the thermal power production capacity the energy sector has registered an increase of 12 per cent.

7. However, there has been no improvement in other vital sectors of the economy. For example, the revenue customarily collected via expatriates declined very noticeably. Notwithstanding sizeable investments made in the dairy and mineral waters industries, the industrial and manufacturing sector remained stagnant for reasons attributable, inter alia, to the high cost of factors of production, the limited capacities of entrepreneurs and the limited skills of labour.

8. Despite all the efforts made, the level of employment remains very low and the problems posed by unemployment, aggravated by the presence of large numbers of refugees, are a very serious constraint.

9. Overall, GDP has risen very slowly. The annual rate of increase hovered between 1 and 1.5 per cent between 1982 and 1985, partly because progress in certain areas was offset by decline or stagnation in others but, above all, because the population has been growing rapidly, at an annual rate of 3 per cent.

B. National development strategies

10. Under the 1983 framework law, the Government's economic and social action during the period 1983-1989 will be designed to achieve the following priority goals:

- (a) Development of Djibouti into a major international shipping centre;
- (b) Action against poverty in the urban and pastoral sectors;
- (c) Lessening of the rate of Djibouti's dependence on imported food;
- (d) Industrialization;
- (e) Lessening of the rate of Djibouti's dependence on imported energy.

In order to facilitate this strategy, the Government is endeavouring to:

(a) Increase investment so as to develop human and natural resources and to develop economic and social infrastructures;

(b) Create a favourable context for private investment, both national and foreign; and

(c) Pursue a policy of budgetary austerity in order to maintain the level of its foreign exchange reserves and hence the stability of its currency.

11. Given the absence of a well-structured planning body and in order to start a development programme, in November 1983, the Government organized a conference of donors with UNDP assistance. This conference, which was preceded by preparatory round-table meetings, resulted in the adoption of a programme of investment in the public sector comprising 97 projects at a total cost of \$456 million. In order to ensure follow-up, preparation, negotiation and implementation of these projects, in 1984, the Government set up a monitoring committee, which for two years received technical secretariat support provided by a team of experts as part of a UNDP/World Bank assistance project. Of the initial 97 projects, 57, totalling \$323 million, have obtained complete or partial funding. Since Djibouti's resources are very limited because of the low rate of savings, 88 per cent of the funding for this programme comes primarily from abroad; 22 per cent is in the form of grants while 66 per cent is in the form of loans.

12. The following goals were drawn up at the 1983 conference of donors: (a) to increase GDP by approximately 8 per cent annually; (b) to reduce gradually and, in 1989, to eliminate the trade deficit; (c) to balance the budget; and (d) to maintain servicing of the public debt at a rate of not more than 30 per cent. These goals will be re-examined in the context of the revitalization of the planning bodies, which began at the end of 1986, and the organization of sectoral round-table meetings; the first of these concerns the energy sector and is already under way. The success of the national development programme will depend in large measure on the results of efforts to mobilize external financial resources, which are currently insufficient, and to strengthen the capacity of the government structures in charge of implementing the programme.

13. To implement this programme the Government will not rely solely on public investment, but will also endeavour to encourage a lot of private investment, particularly in agriculture, industry and the service sectors; the necessary markets could be found in the broader context of the preferential trade area and in that of the Intergovernmental Authority for Drought and Development. To do this, Djibouti is counting heavily on what it has to offer, namely, accessibility, efficient bank services, a stable currency and first-rate communications.

C. Technical co-operation priorities

14. In the absence of any systematic evaluation of Djibouti's technical assistance needs - such an evaluation will probably be undertaken in connection with the revitalization of planning bodies - the Government has determined its technical co-operation needs during the second programming cycle on the basis of the priority

programme and the needs of the sectors of concentration. Bearing in mind the contributions available from other donors, the Government would like UNDP resources to be used in two main areas: development of water resources and development of human resources.

15. These priorities were the subject of a continuing dialogue between the Government and UNDP, particularly during the evaluation of the first UNDP programme of assistance, and are the basis for the note by the resident representative, which restates the priority sectors as defined by the Government. Consultations then took place with the various technical departments concerned and sectoral missions were organized for the water, industry and trade sectors. Several other missions covering agriculture, fisheries, employment and labour, housing, planning and post and telecommunication were organized by various agencies of the United Nations system. Their analysis of assistance needs and their recommendations have been used in the preparation of this programme. It is estimated that the work will be completed by a systematic analysis of technical assistance priorities in the framework of a UNDP regional project, the results of which will be taken into consideration during the annual review of the programme.

16. Projects for which assistance from the United Nations system has already been identified will require approximately \$18.4 million in the form of 32 technical assistance projects; 27 of these have been included in this programme, at a cost of approximately \$9.3 million. The five other projects, amounting to some \$9.6 million, concern the financing of pending projects, including the second phases of some projects already begun by UNDP, will be proposed for supplementary financing by certain United Nations agencies or by other donors.

D. Aid co-ordination arrangements

17. Use of the round-table meeting and conference of donors process has made it possible, even without an efficient planning structure, to set up a mechanism for co-ordinating foreign aid under the auspices of the Ministry of Foreign Affairs and Co-operation. The programme presented at the conference of donors constituted the basis for determining technical assistance and capital needs, and the government monitoring committee is seeing to its implementation with the participation of all departments and all sources of aid concerned.

18. UNDP was called on at a very early stage to play an active role in this process; as far back as 1981, it financed and organized the first round-table meetings, which led to the conference of donors. Technical backstopping for the monitoring committee established in 1984 was provided under another project financed by UNDP and the World Bank. This process continued in the period 1986-1987, with the organization of a round-table meeting and a conference of donors on the energy sector, at which UNDP played the role of co-ordinator with support from the United States Agency for International Development (USAID) and France.

19. In other fields, for example water resources, the Government has also asked UNDP to co-ordinate execution of an exhaustive study on water potential and the

elaboration of a master plan for the use of water resources. In connection with the hillside reservoirs project (DJI/86/004), the Government has asked UNDP to contact a bilateral source to provide funding for building the reservoirs. However, the best example of aid co-ordination is undoubtedly the development of geothermal resources project (DJI/84/004) where, starting with a small UNDP project, it was possible to mobilize the sum of \$19 million, provided by the Organization of Petroleum Exporting Countries (OPEC), the World Bank, the African Development Bank and Italy.

20. Similar operations are being negotiated with development banks in respect of joint programmes in the field of industrial development, development of small agricultural areas and low-cost housing. In co-operation with other United Nations agencies, specifically the World Food Programme (WFP), UNICEF, FAO and the World Health Organization (WHO), the UNDP representative will be called on, because of his increased responsibility for co-ordination, to prepare assistance projects in which inter-agency co-ordination will be closer and more efficient. Efforts to mobilize supplementary resources will also be continued in the context of the funds administered by the Administrator of UNDP, particularly the United Nations Sudano-Sahelian Office (UNSO), which will concentrate on combating desertification, and the United Nations Capital Development Fund (UNCDF), which will assist in the areas of water resources, water and soil conservation, low-cost housing and health.

II. THE COUNTRY PROGRAMME

A. Assessment of the previous country programme

21. The first country programme covered the period 1982-1986, and was approved by the Governing Council in May 1982. It was drawn up prior to the formulation of the development strategy on the basis of which the round-table meeting of donors was convened in November 1983, and proposed that priority should be given to training national personnel and strengthening development institutions. A small portion of the programme was to be used for developing the productive sectors and consolidating Djibouti's regional role in the services sector.

22. Assessment of the first programme, which was conducted with the Government's participation, revealed that UNDP assistance financed from the Indicative Planning Figure (IPF) of \$4.2 million had, indeed, contributed to strengthening national development administration capacity and training national technicians. These operations accounted for 46 per cent and 38 per cent of available resources respectively. While the level of funding allocated to pre-operational projects and round tables was more modest, it none the less had a significant impact. For example, assistance to the conference of donors compounded by technical assistance in planning and statistical activities, proved particularly useful in mobilizing sizeable external financial resources. Furthermore, use of IPF funds was combined, on various occasions, with mobilization of other sources of financing. Thus the IPFs were complemented by approximately \$4.1 million from funds administered by the Administrator or specific and/or parallel financing arrangements. These complementary resources raised the total amount of expenditure during the first programme to over \$9 million, including Government cost-sharing (\$350,000),

contributions from UNDP regional projects (\$450,000) and specific projects such as those of the United Nations Fund for Population Activities (UNFPA).

23. The impact of such assistance on the Government's programme has been marked by results which, on the whole, have been deemed positive. The various missions, assessments and tripartite reviews have highlighted the advantages of United Nations technical assistance, both in terms of quality of services and in terms of cost-benefit. In so far as results are concerned, the most significant have been in the field of training, with the creation of a vocational telecommunications training centre, and provision of the equivalent of 450 months' training in a variety of areas. Projects of the direct support type have not all produced tangible results. The tasks entrusted to experts have often exceeded the normal bounds of the experts' terms of reference and the work has not been adequately followed up after their departure. This has been true of the labour administration and of the assistance to agriculture projects. The port assistance project failed in so far as its technical assistance component was concerned when the expert left. However, the training component has had good results. Assistance in planning, which accounted for 40 per cent of the IPF, did not result in the establishment of the anticipated planning structures. Assessment of that project led to a reorientation of activities towards follow-up of the programme of investment in the public sector and establishment of a debt-monitoring system which together provide the Government with a mechanism for implementing the projects selected at the conference of donors. However, notable results have been achieved with respect to strengthening of the National Statistical Office. By the end of the project this Office had attained a certain level of operational autonomy thanks to effective technical support and an extensive training programme for new cadres. Assistance in the area of geothermal resources has led to verification of the production capacity and characteristics of the fluids which were known to exist immediately following independence. The project has led to a redirecting of the new research programme to other areas and has paved the way for a major geothermal resources development project in the Hanlé and Gaggade region. Currently this project involves an investment of approximately \$20 million and, if the four deep boreholes prove successful, it could transform the country's energy situation completely. In addition, six new projects, which had not initially been planned and which now constitute part of the backbone of the new project, were launched during the second quarter of 1986. These projects have been implemented with the savings effected through the cancellation of major projects which had initially been included in the programme, releasing the resources which had been borrowed from the 1982-1986 IPFs and part of the resources from the preceding cycle.

B. New programme proposal

24. The second country programme will cover the years 1987 to 1991. During this period, the current economic and social framework law 1983-1989 will come to an end and a new development plan will be drawn up. IPF resources available for the period 1987-1991 will amount to \$2,887,000, which will be combined with savings from the previous cycle, bringing the total amount available to approximately \$3,374,000. Resources available from UNDP-administered funds or under cost-sharing arrangements will amount to approximately \$5,708,000. Thanks to the non-IPF

resources, the volume of programmable resources will amount to approximately \$9.3 million.

25. Given the technical assistance needs of the sectors of concentration and the intervention started and/or interest expressed by other donors, the Government has decided to use the available UNDP resources to achieve the following goals:

(a) control of water resources and development of agricultural irrigation; (b) mobilization of local human resources; (c) strengthening of development administration capacity; (d) improvement of living conditions of the most underprivileged groups. By concentrating on these goals available IPF resources can be used with maximum effectiveness.

26. In order to enhance rational utilization of these resources, inexpensive forms of assistance will be used to execute the projects. In that context, preference will be given to projects involving technical co-operation among developing countries (TCDC), utilization of United Nations volunteers (UNV), assistance from non-governmental organizations (NGO) and Government execution of projects. All the same, even though the sums allocated from IPF resources will be supplemented by the additional resources mentioned above, they will not be sufficient to cover technical assistance needs. The Government therefore intends to call on any other support available at the regional level whether at the level of the Bureau for Arab States or that for Africa.

27. Despite its policy of budgetary austerity, the Government will endeavour to make the necessary counterpart resources available for the projects. Decisions concerning financial allotments will, as far as possible, be guaranteed by the Ministry of Finance prior to approval of the project documents.

28. The catalytic role played by IPF resources in mobilizing additional resources during the first country programme will thus be strengthened during the present programme in all sectors of intervention.

Control of water resources and development of agricultural irrigation

29. For a country such as Djibouti, water is a vital element. Not only does the survival of people and livestock depend upon it, but any programme designed to promote a degree of food self-sufficiency also depends on it. The drought has had an adverse impact on social balances, triggering migration from the countryside, and the Government's priority goal during the previous five years was to combat thirst. This programme is undoubtedly the one which elicited the greatest donor response and concern. However, while the goal of combating thirst has nearly been reached, it nevertheless remains true that operations have been unco-ordinated and have lacked an effective management structure. Full execution of these operations is proving problematical because of the shortage of cadres and skilled personnel and the lack of any system of resources planning and management. Concurrently with the development of boreholes and wells, the Government, with the assistance of UNSO, FAO and other donors, has tackled the problem of desertification control and has completed a number of basic studies which should assist officials in taking decisions. Within the framework of the second country programme, several projects are planned which will increase control of water resources.

Assistance in evaluation and exploitation of alluvium water (ongoing project)
(DJI/86/001)

30. This project, which was approved in 1986, will make it possible to survey the underflow potential in some 60 sites; to that end, approximately 200 exploratory drillings will be carried out, concurrently with the strengthening of the agricultural engineering service and the training of local personnel. This project is the first stage in the implementation of the programme to study Djibouti's water and hydrogeological resources.

Master plan for the utilization of water resources (new project) (DJI/86/002)

31. This project, which is in the process of being drawn up, calls for sizeable contributions from other donors, and the Government has asked UNDP to see to the project's co-ordination at the technical level by providing one senior technical adviser. Financing for the operations (geophysical, drilling, equipment, and so forth) will be sought from other bilateral sources. Preparation of the master plan will be based on estimates of the deep and alluvium water potential, of the characteristics of aquifers, the cost of exploiting them, programming of their utilization and so forth. Concurrently with such activities, the project will help organize and strengthen Government structures responsible for water and hydrogeological issues.

Study of the feasibility of hillside reservoirs (ongoing project) (DJI/86/004)

32. Djibouti's geomorphological context is only partially favourable to groundwater recharge. There is a substantial amount of run-off and a large percentage of the flood waters disappears into the sea or into inland lakes. In order to remedy the situation and based on the recommendations made following an identification mission financed by UNDP in 1986, the project is designed to study the technical feasibility, at a number of sites where hillside reservoirs would make this possible, on the one hand establishing temporary water points for the population and livestock and, on the other, recharging shallow ground water or deep. An amount of \$3 million from UNCDF is planned for the execution of work in the event that the above-mentioned study proves positive. In addition, UNSO, the Fonds de Survie of the Kingdom of Belgium and the International Fund for Agricultural Development (IFAD) have expressed interest in financing the operations. UNDP is also considering the possibility of financing one or two of these operations out of emergency funds.

Linkages

33. The Government is receiving other support from the United Nations system for the achievement of this goal. Firstly, UNCDF has approved the water supply for rural areas project (DJI/85/C01), which will provide for 30 rendered wells. UNDP has approved a drilling project for pastoral water supply (DJI/85/U01) to be financed from emergency funds; this project was scheduled for 1986, but was delayed for technical reasons and will now be carried out in 1987. The available funds, \$205,000, have been included in the 1987-1991 programme.

34. Water and soil conservation measures are closely related to the desertification control project (UNSO/DJI/82/001), the first phase of which is being financed by UNSO/United Nations Environment Programme (UNEP) and the Arab Gulf Programme for the United Nations Organizations (AGFUND) and has been extended until June 1987. The Government earnestly hopes that a second phase, for the implementation of the measures recommended, will be financed by UNSO.

35. Under its Technical Co-operation Programme and its Agricultural Rehabilitation Programme for Africa, FAO is helping the Government in a series of projects that are in line with the goal of the programme. The protection of the Day Forest project (DJI/87/001) is included within the framework of this programme for follow-up action of activities financed from the Technical Co-operation Programme, pending the mobilization of resources for actual parcelling of the forest. It is of primary importance that this forest be protected, since it is the only part of Djibouti that is still wooded.

36. All the projects financed under the IPF are closely linked to those of UNCDF and FAO and all contribute to the national goal of combating poverty in rural areas. These projects will rely largely on regional projects, particularly the following: consultative services and training (RAB/84/011); assistance from the United Nations Volunteers programme to the least developed countries (RAB/84/027), under which the services of three volunteers are being provided for the programme to combat desertification; introduction of jojoba farming (RAB/84/035), in which 10 Arab countries are participating because they are interested in the jojoba plant's ability to adapt to semi-arid regions and in establishing their own jojoba-growing capacities; and fish marketing information (RAB/86/013), under which technical consultancy services are being provided to Arab countries regarding information, promotion and study of the fish market. In addition, all these projects contain sizeable components for training and strengthening the capacities of national institutions, in accordance with the programme's goals.

37. WFP will also be called on to play an important role; indeed, the Government plans to launch a food-for-work programme, particularly in connection with the measures concerning agricultural irrigation, building up of shrub reserves that can be used as fodder, water and soil conservation, establishment of hillside reservoirs and development of dirt roads and piped water supplies. These components will be an integral part of the identified projects.

Mobilization of human resources

38. Human resources are, for Djibouti, the primary capital, although they are, as yet, generally undeveloped. At the time of independence, attendance at primary schools was 19 per cent; at the secondary level there were only 3,500 students and no more than a handful of people who had obtained the baccalaureate. The illiteracy rate was very high and there was almost no skilled labour. The country was administered mainly by technical and administrative personnel from abroad. Unskilled labour, on the other hand, is plentiful and the number of young people looking for work is increasing. Despite considerable efforts, which have improved conditions in the educational and professional sector very noticeably, the situation remains disquieting, and the Government is determined to pursue its programme to develop the training sector with UNDP assistance.

39. Currently, UNDP is helping the Government implement the education planning project (DJI/85/R01), which is being financed by the International Development Association/World Bank. This project, the current phase of which is scheduled to end in September 1987, may be continued beyond that date, in close collaboration with the programme goals, particularly with respect to planning and vocational training.

40. On another level, UNDP is supporting five training projects in the service area and a TCDC framework project which is geared primarily to training.

Telecommunications training centre (DJI/80/003)

41. With this project, a fully operational telecommunications training centre for installers and line operators has been established. The project is scheduled to end in June 1987; however, the Government is asking that the excellent results that have been obtained at the level of these two professional qualifications should be extended to higher levels. This would be a new project.

Civil aviation (DJI/81/002)

42. This project, which started in 1982, has resulted in the training of a sizeable proportion of civil aviation cadres and technicians. It is to be continued during the second programme in an effort to meet all the needs of that sector. The project also provides for technical consultations.

Postal training (DJI/86/007)

43. This new project, which was executed under the TCDC formula, has been operational since September 1986. Its purpose is to implement a training and retraining programme for postal employees in order to enhance their efficiency.

Training in the area of fishing (new project) (DJI/86/013)

44. From the resources of the trust fund for special economic assistance programmes, the Government has asked UNDP for assistance on a cost-sharing basis in supplying teaching and demonstration materials to train fishermen. The idea is to expand the project later, also on a cost-sharing basis, by providing technical assistance for training fishermen, particularly in fish catching and preservation techniques and motor and fishing tackle repairs. This project is closely linked to the fishery development activities financed by IFAD and USAID.

Telecommunications training (new project) (DJI/87/002)

45. This project should, on the one hand, provide for training national cadres to replace expatriate technicians and, on the other, deal with the sizeable investments which have been made in this field and which use very advanced technologies.

TCDC framework project (ongoing project) (DJI/86/006)

46. In order to strengthen the medium- and long-term training activities in institutions of countries with TCDC capacity in various fields, the Government has established this framework project, the first step of which will be to encourage the integration of women in development, in so far as there are plans to make women aware of the nutritional properties of fish.

47. Support will be provided by the regional training projects in civil aviation, the civil aviation employment/training project (RAB/86/033) and consultative services and training (RAB/84/011) in various fields, and by activities carried out by UNESCO in the field of school equipment. The same is true of the International Labour Office which provides support for vocational training out of regional resources.

48. During the period covered by this programme, closer co-ordination will be sought with projects financed by the World Bank and the African Development Bank in the field of education and vocational training.

49. All the projects mentioned above will also contribute to the attainment of the programme's three other goals by developing the human resources necessary for nationals to take over responsibility for development.

Strengthening of development administration capacities

50. In order successfully to pursue implementation of the programme of investment in the public sector, the Government is going to take energetic action to improve the planning machinery and the operation of the administrative structures involved in the development process. UNDP assistance will be requested for that purpose in five main areas: global and sectoral planning; development of energy resources; development of the port; management of imports; and, industrial development.

Planning and statistics (ongoing project) (DJI/81/003)

51. The technical assistance measures of this project were completed in June 1986. Only training activities will continue in 1987. The report prepared by the mission in charge of formulating plans for the possible resumption of technical assistance in order to revitalize the planning structures and establish the mechanisms needed for improved management of the country's resources is currently being examined by the authorities. The idea of a new project has been accepted but no IPF financing is currently programmed.

Debt monitoring (ongoing project) (DJI/86/005)

52. In order to strengthen national planning capacities and ensure continuation and follow-up of the work done in respect of the public debt, the Government has obtained UNDP funding for this project from the Special Measures Fund; as from 1987, an automatic system will be established for monitoring and managing the public debt and personnel will be trained in this area.

Round table on energy (ongoing project) (DJI/86/012-DJI/86/U71)

53. With respect to sectoral planning, the purpose of which is this project being financed in large part by resources from the Netherlands contribution, round table on energy (DJI/86/U71), is to prepare a development plan for the energy sector and to organize a round table for mobilizing the necessary financing. The activities of this project are being co-ordinated with those of the development of geothermal resources project (DJI/84/E04), which is being financed on a cost-sharing basis out of OPEC funds. This project will provide technical supervision of the entire development of geothermal resources programme, the cost of which (\$19 million) is being financed by the World Bank, the African Development Bank and Italy; it will continue during the period covered by the programme.

Assistance to the port (ongoing project) (DJI/84/005)

54. Concerning port development, UNDP assistance is being received within the context of this project, which is helping the Government organize and administer a container terminal, the investment cost of which has risen to \$15 million. This project gives an important place to training, in co-ordination with the regional training programmes, particularly the UNDP project development of training in the area of shipping (TRAINMAR) (RAB/82/025).

Management of imports (new project) (DJI/86/011)

55. This project was initiated during the previous programme, but only became operational in January 1987. Its goal is to strengthen the capacity of the Ministry of Trade in the management and influencing of Djibouti's imports. In order to do so efforts will be made to improve procedures and collection and dissemination of information, to associate professional associations in the management programme and to see to the training of cadres in the Ministry and in the private sector.

Industrial promotion (new project) (DJI/86/014)

56. The Government has taken important measures to enhance industrial development; for example, it has set aside land so that, when the times comes, it can establish new industrial zones. However, despite these measures and the investment made by the State, this sector has remained stagnant. The Government has asked UNDP to help it achieve its long-term development goals by helping it promote subregional industrial projects by participating, in the initial phase, in the identification of a few projects through the updating of existing studies or the execution of in-depth market studies followed by feasibility studies. In addition, the Government would like UNDP assistance in adapting the existing investment code to this type of project.

Linkages

57. In order to attain the goals relating to planning, UNDP projects will build upon planned activities to be funded by the World Bank, in particular the study of the long-term development of Djibouti's economy, and will work in close collaboration with existing or new bilateral assistance. In the context of the

sectoral plan on energy, the UNDP project is closely associated, under the co-ordination of the Advanced Institute on Scientific and Technical Studies and Research, with the technical assistance activities provided by USAID and France.

58. In order to attain the goal relating to industrial promotion and development of the service sector, the Government wishes to use \$500,000 of UNCDF funds for an operation involving loans for the creation of small-scale industries and services, which was identified during the UNCDF programming mission.

59. All these projects contain a training component which completes the activities of the above-mentioned goal. In addition, projects in the energy sector contribute directly to the achievement of the goal of combating poverty in urban and rural areas and that of improvement of the living conditions of the most underprivileged groups, particularly in the field of low-cost housing.

Improvement of the living conditions of the most underprivileged groups

60. The Government has fully supported the major topics discussed at the international level, for example, Health for All by the Year 2000, International Drinking Water Supply and Sanitation Decade, International Youth Year, International Year for Disabled Persons and the International Year of Shelter for the Homeless.

61. In order to complement the measures being taken directly by such agencies as UNICEF, WHO and the Office of the United Nations High Commissioner for Refugees (UNHCR) in their respective fields to implement the recommendations and programmes relating to these topics, UNDP will be called on to assist in the following projects.

Assistance to disabled persons (new project) (DJI/86/008)

62. This project should enable the Government to create a centre for the production of artificial limbs concurrently with (a) measures to instruct mothers in the early detection of disabilities and measures to train health personnel in detection techniques; (b) a programme to assist the disabled to attend school and to obtain jobs. The project is being financed jointly with AGFUND and the International Conference on Assistance to Refugees in Africa (ICARA II) and, in order to implement it, the United Nations would associate itself fully with Disabled Peoples' International, a non-governmental organization, and with local organizations.

Low-cost housing (new project) (DJI/86/010)

63. This project should assist in the study and implementation of a programme to develop low-cost housing, including a feasibility study concerning lots with drainage intended for low-income groups. The project will also assist in the formulation of a housing policy. UNCDF has expressed interest in financing a self-help housing programme which might result from the feasibility study.

64. In the context of ICARA II funds, the Government received \$500,000 in financing from UNDP; there are plans to utilize this money during the period covered by the programme to implement the two projects described below.

Tuberculosis control (ongoing project) (DJI/86/B01)

65. The purpose of this project is to strengthen measures to combat tuberculosis by increasing the accommodation and treatment capacity of Dikhil Hospital. One United Nations volunteer will be responsible for leadership. The activities of this project will involve the local population and refugees also.

Construction of a youth centre (new project) (DJI/87/B01)

66. The purpose of this project is to build a youth centre and to train youth leaders.

67. In the field of the integration of women in development, a mission from the United Nations Development Fund for Women (UNIFEM) is to prepare a programme of assistance to complement the efforts made by the National Union of Djiboutian Women. In addition, in the context of assistance from the United Nations Volunteers programme to the least developed Arab countries (RAB/84/027), UNDP is supplying the services of one United Nations volunteer who is assisting the Red Crescent Society in programming and carrying out its actions.

68. Pending the arrival of the UNIFEM mission, it should be noted that most of the projects presented in this document will give special attention to the possibilities of increasing women's participation in the programme activities. For example, the quality of life of women is envisaged in water-related projects, since they take into account the improvement of conditions of water supply, both in terms of distance, quality and quantity and in terms of development of agricultural activities. The training programmes take greatly into account the feminine element of society, particularly in the context of the TCDC project (DJI/86/006). Women will also benefit from the education to be provided under the four projects selected in connection with the goal of improving the living conditions of the most underprivileged groups.

69. The Government expects to receive \$500,000 in financing from UNCDF in order to achieve this goal. This will be allocated for support of ongoing activities in the field of health having a particular link to maternal and child welfare.

70. In addition to the planned training activities, these projects will also contribute to the goal of enhancing national development administration capacity.

C. Unprogrammed reserve

71. An unprogrammed reserve, amounting to 10.4 per cent of available resources, is planned in order to cover unforeseen activities which might arise from possible changes in priorities.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. <u>UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	487 000	
Fourth cycle IPF	2 887 000	
Subtotal IPF		3 374 000
Special Measures Fund for Least Developed Countries	120 000	
Special programme resources	205 000	
Government cost-sharing	231 000	
Third-party cost-sharing	80 000	
Operational funds under the authority of the Administrator	4 565 000	
UNDP special trust funds	507 000	
Subtotal, UNDP non-IPF funds		5 708 000
 B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	106 000	
Parallel financing from non-United Nations sources	112 000	
Subtotal, other sources		<u>218 000</u>
 TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>9 300 000</u></u>

II. USE OF RESOURCES

Ongoing projects	3 251 000	
New project proposals	5 698 000	
Programmed reserve	-	
Subtotal, programmed resources		8 949 000
Unprogrammed reserve		<u>351 000</u>
 TOTAL USE OF RESOURCES		<u><u>9 300 000</u></u>
