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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR DJIBOUTI

UNDP assistance requested by the Government of Djibouti  
for the period 1982-1986

Illustrative IPF for 1982-1986: \$5,250,000

INTRODUCTION

1. The Republic of Djibouti became independent on 27 June 1977. It was immediately confronted with tremendous economic and social problems deriving from regional political circumstances and the effects of a prolonged drought. In the early days of independence, the Djiboutian Government brought the seriousness of its situation to the attention of the United Nations. The resultant preliminary survey caused the United Nations General Assembly to adopt resolution 32/93 of 13 December 1977, in which it launched an urgent appeal to the international community for effective technical and economic assistance to be extended to Djibouti by the United Nations system in the service of development.

2. Contacts between the Djiboutian authorities and UNDP, already initiated on the eve of independence (UNDP assistance to the liberation movements, le Front de libération de la Côte des Somalis and le Mouvement de libération nationale), were intensified after 1977. A visit by a special representative of the Administrator of UNDP and two preliminary missions took place between 1977 and 1979. The first UNDP Representative took up office in September 1979. A UNDP identification and programming mission visited Djibouti in January 1980. From 23 to 27 February 1981, a round table was organized by the Government, with UNDP assistance under project DJI/79/001, in order to make a sectoral analysis of the Djiboutian economy and define development priorities and technical assistance requirements.

Representatives of potential donor countries, various United Nations agencies and regional and international financial institutions participated in that round table. About 10 sectoral documents and 86 project data sheets, presenting the current situation and the perspectives for each sector were discussed at those meetings.

3. The round table discussions constituted the first step towards the drawing up of a national development plan and served as a basis for the preparation of the present country programme. The round table will be followed by a conference of donors, with a view to the financing of development investments with outside assistance. UNDP will play a catalytic role in this conference and in the search for cost-sharing agreements and third party contributions to compensate for the insufficiency of its own funds.

PROPOSED UNDP TECHNICAL CO-OPERATION TO SUPPORT  
NATIONAL DEVELOPMENT PRIORITIES

4. Pending the formulation of a strategy on the basis of the results of the round table, it seems that development priorities should be directed along three main lines:

(a) Development of directly productive sectors: agriculture, stock-raising, fisheries, mineral and energy resources, industries (particularly small and medium-sized industries);

(b) Development and consolidation of Djibouti's traditional role in the area of services and its adaptation to the new regional and interregional environment; and

(c) As a prior condition for the achievement of the above-mentioned objectives, modernization of infrastructures, the strengthening of institutions and the training of the necessary national personnel.

5. Naturally, UNDP resources are modest in relation to the vast needs of the country. The illustrative indicative planning figure (IPF) for the period 1982-1986 is \$5,250,000, compared with a total of \$2,082,000 allocated for the preceding cycle (almost \$1 million a year). In addition, the sum of \$93,500 is made available to the Government within the framework of the Special Measures Fund for Least Developed Countries, and an allocation of \$30,000 per annum may be utilized for emergency assistance in the case of natural disasters (drought, floods, earthquakes, etc.). For the first country programme for Djibouti, the priority for UNDP assistance will be the promotion of the training of national personnel and the consolidation of development institutions. A high percentage of UNDP assistance (\$630,100) will be allocated to this priority, and a more limited portion will be utilized for the attainment of the other objectives.

A. Training of personnel and consolidation of development institutions

6. The UNDP financed training programme consists of courses organized in work places in Djibouti and of scholarships for study abroad, in particular in African and Arab countries with some degree of experience in the desired field, because their development conditions prove more compatible with the Djiboutian situation. UNDP activity began in Djibouti with two small projects relating to development administration and management and education planning and administration. More recently, UNDP has begun important programmes relating to the strengthening of institutions and the training of personnel directly involved in the country's development.

7. One area which receives priority attention from UNDP is that of planning and statistics. The Directorate of Planning, established in September 1980, was to constitute a pool of skills relating to the country's economic development. The statistical data on which the Directorate's activity is based are imprecise and incomplete, owing to lack of methodology, material means and personnel. By strengthening the Directorate of Planning and the Statistical Office with an input of adequate expertise (economists, statisticians, filing clerks), UNDP will give these institutions the means of preparing appropriate development plans and projects.

8. The area of labour and employment is also the subject of UNDP preferential assistance. As the structures inherited at the time of independence were underdeveloped and ill adapted to a country which had acceded to national sovereignty, it was decided gradually to strengthen the administrative structures of the Ministry of Labour, so as to enable it to formulate and apply a policy for the national promotion of employment, within the framework of better labour relations and respect for justice, thereby facilitating effective participation of the total national manpower in development efforts. Within this framework, the Labour administration project (DJI/80/002), which is in two phases, has made an expert available to the Ministry of Labour for two years.

9. With regard to social security, the International Labour Organisation (ILO) has made available to the Ministry of Labour an adviser in the regulation and management of social security to assist the Minister of Labour and Social Legislation and the Social Benefits Fund in the organization of their services, in the evaluation of the results obtained by the current system and in the preparation of a programme of training and development of personnel. This activity will be continued by a UNDP project (Assistance to social security agencies, DJI/81/008) implemented by the ILO and having as its objectives the restructuring of social security legislation, the administrative reorganization of the management authority and the establishment of a financial organization based on adequate technical criteria. Another UNDP project implemented by the ILO (Occupational safety and health, DJI/81/001), aims at the promotion of national measures in the field of occupational safety and health for dockers and the training of personnel.

10. The industrial sector has not played a large part so far in the country's development: industrial production was limited to 6.5 per cent of the gross

national product (GNP) in 1979 and 7 per cent in 1980. The Government wishes to strengthen this sector through the establishment of medium-size and small enterprises, while formulating projects oriented towards domestic consumption and exports. An initial study of the needs in the field of training and the strengthening of institutions has been financed by the United Nations Industrial Development Organization (UNIDO). The industrial training expert made available to the Government under this project has recommended the creation of an industrial development unit responsible for co-ordinating all activities in this sector and has formulated a training programme. The activity undertaken by the UNIDO expert, including personnel training, will be continued by a project, to be financed by UNDP and other sources, on the basis of cost-sharing, and designed to assist the Government in the task of carrying out feasibility studies for industrial projects and in its role as provider of technical and management assistance to existing and future enterprises.

11. In order to integrate specific interventions in the various sectors with regard to training and the strengthening of institutions, UNDP has considered financing a project to make available to the Government the services of United Nations Volunteers in various sectors; for lack of funds the implementation of this project has been postponed until 1984.

#### B. Evaluation and exploitation of natural resources

12. Djibouti is in a unique geological situation, which makes the country rather interesting from the scientific point of view, but its natural resources (energy, mineral and hydraulic) are at present little known. In order to reduce the country's dependence on hydrocarbon imports, which are the only source of electricity production, research and tests in the field of geothermic energy have been financed by UNDP, the French Fonds d'aide de la co-operation (FAC) and the Italian Technical Co-operation. The results of this project (Tests on geothermic fluids, DJI/78/005) are being evaluated. In order to contribute to the establishment of a policy and a strategy for hydrocarbon supply and demand, UNDP has made an expert available to the Government for four months. The same expert will also study the possibility of the use of other forms of energy (solar and wind energy), which are perfectly suitable for use by small autonomous units. The United Nations Interim Fund for Science and Technology for Development is financing the services of one or more geology experts, who will assist the Government for a period of six months in its activity in this area.

13. The salt resources of Lake Assal may be regarded as unlimited; studies on this sector would be necessary before exploitation projects were undertaken. Deposits of perlite exist in the neighbourhood of Lake Assal and elsewhere in the country. The presence of deposits of calcium and gypsum has also been discovered. A cement works project is also under study.

14. The problem of water supply is a constant concern of the Government, because of the drought which strikes the country on an almost continuous basis. In order to increase these resources, a joint project of the United Nations Children's Fund (UNICEF) and the United Nations Capital Development Fund has financed the provision

of drilling equipment and technical assistance. A water supply project at Ali Sabieh and Dikhil will be financed by the Office of the United Nations Commissioner for Refugees (UNHCR), with the participation of UNICEF, the World Food Programme (WFP) and possibly UNDP.

15. Agriculture properly speaking constitutes today in Djibouti only an activity of very modest dimensions. The total agricultural area throughout the country as a whole has been estimated at only 110 hectares. The country imports almost all the fruits and vegetables which it consumes. The natural environment has resources suitable for agricultural development, but currently almost all the nationals are ignorant of farming. Stock-raising is barely sufficient for the subsistence of the nomadic population. Moreover, the lack of technical personnel in the Ministry of Agriculture and the specialized services prevents these institutions from performing their training role effectively. In 1978, the United Nations Food and Agriculture Organization (FAO) carried out a study on the situation of the sector, its characteristics and its needs. In 1980, the United Nations office for the Sudano-Sahelian region, following an integrated agro-silvo-pastoral development approach which would initially have an experimental character, proposed several pilot projects for the development of natural resources and the combating of desertification. UNDP, while not meeting the most urgent needs in the area of agriculture and stock-raising, financed the services of an agro-economic expert and a stock-raising expert with a good knowledge of transhumant stock-raising, with the task of advising the authorities concerned, training technical personnel in these matters and formulating agricultural development projects. Small projects, making available to the Government experts in the various areas of stock-raising, are financed by FAO. A project providing for the establishment of agricultural areas will be financed jointly by UNHCR, FAO and other possible sources of assistance.

16. Fishing is an activity which should be increased and improved. All the fishermen (approximately 300) have been regrouped in a production co-operative, and more appropriate material means have been made available to them. In addition, training and extension services have been initiated. The UNDP regional project Development of fishing in the Red Sea and in the Gulf of Aden, Phase II (RAB/81/002), in which Djibouti is currently participating, was set up in 1978, with a view to developing the small-scale fishing activities of the participating countries, and, within the framework of the diversification of the economies of those countries developing those fishing activities to an industrial level. Another project aimed at the development of small-scale fishing has been financed jointly by the International Fund for Agricultural Development (IFAD) and by bilateral aid sources.

### C. Strengthening and modernization of infrastructures

17. The transport sector plays an essential role in the country's economy, owing to its geographical position. The existing infrastructures constitute an international transit complex - port, airport, railway - which is essential for economic development. The project Occupational safety and health (DJI/81/001) mentioned in paragraph 9, aims at the promotion of national regulations on occupational safety and health for dockers. A programme for renovation of the

railway and renewal of rolling stock was considered within the framework of the United Nations Decade for Transport and Communications in Africa. UNDP is financing the project Development of Civil Aviation (DJI/81/002), implemented by the International Civil Aviation Organization (ICAO), which provides for an expert in organization to be made available to the Government and a training programme for personnel in charge of navigation and aircraft maintenance.

18. With regard to road transport, UNDP financed the project Study on highway maintenance (DJI/81/006), implemented by the World Bank and relating to the carrying out of a study on highway maintenance and the formulation of a road maintenance and development programme, with a view to possible financing by the World Bank Group and funds from the Arab countries.

19. UNDP assistance in telecommunications involves two major training projects and the making available of experts to the Government within the framework of the project Development of telecommunications (DJI/80/003), for the construction of wide-band radio links to connect Djibouti with African and Near Eastern networks.

#### D. Tertiary activities

20. A UNDP preparatory assistance project, implemented by the ILO (Labour Administration, DJI/81/007), will contribute to the elimination of existing imbalances between labour supply and demand, the training of skilled manpower and improvement of information methods on the employment market.

21. There are no precise data on the population of Djibouti. A project for a general population census was set up in 1981, with the assistance of the United Nations Fund for Population Activities (UNFPA), in order to provide reliable demographic, social and economic data. It will also assist in the provision of training for demographic statisticians in Djibouti or through courses abroad.

22. During six months of the year at least, the country has a tourist potential which can be exploited. A preliminary mission of the World Tourism Organization (WTO) came to Djibouti in January 1981 to evaluate that potential and prepare strategies for tourism development. UNDP is willing to finance some tourism projects, particularly in the field of training and technical assistance, when they have been properly formulated.

23. The education system was inherited from the colonial period. A regional co-operation programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Arab Fund for Economic and Social Development (AFESD) provides for a study of school construction. UNESCO, with Funds-in-Trust from Saudi Arabia, has offered to finance the printing of textbooks.

24. The World Health Organization (WHO) has appointed a resident co-ordinator to Djibouti. UNICEF participates in programmes for public health, maternal and child care and refugees and also in a sanitation programme, in co-operation with UNCDF, as stated in paragraph 14. WFP provides food for the tubercular.

25. In order to offset the modesty of the resources allocated by UNDP and in co-operation with UNDP, the Government will explore other multilateral and bilateral sources of financing for some of the identified projects and especially for those whose high cost would absorb a considerable portion of the IPF.

26. As mentioned in paragraph 16, Djibouti is participating in the regional project Development of fishing in the Red Sea and the Gulf of Aden, Phase II (RAB/81/002) for the development of fishing in the Red Sea and Gulf of Aden region. The participation of Djibouti in other regional activities in various fields is also envisaged.

Annex  
 FINANCIAL SUMMARY

A. <u>Resources</u>	\$
(a) IPF and other resources	
(i) Illustrative IPF for programme period	5 250 000
(ii) Carry-over from previous IPF cycles	1 493 000
(iii) Other resources (indicate Government cost-sharing, trust funds, etc. as applicable)	-
(b) Provision for adequate programming	-
TOTAL	6 743 000
B. <u>Use of resources</u>	
(a) Programmed	
(i) Ongoing projects	2 657 000
(ii) New projects and new phases included in the country programme	1 217 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-
SUBTOTAL	3 874 000
(b) Reserve [if any]	674 300
(c) Unprogrammed balance <u>a/</u>	2 194 700
TOTAL	6 743 000

C. Financial distribution of programme, by sector

<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Total</u>
02 General development	882 000	1 030 000	1 912 000
03 Natural resources	404 000	-	404 000
06 Transport and communications	832 000	123 000	955 000
12 Employment	539 000	-	539 000
Other	-	64 000	64 000
TOTAL	2 657 000	1 217 000	3 874 000

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.