14. Country profile: Djibouti



1. Development profile

While poor in natural resources, the nation of Djibouti occupies a strategically important 23,200 square kilometres on the Horn of Africa and at the mouth of the Red Sea. Civil war destabilised the country from 1991 to 1994, but the country has since held several successful democratic elections.¹

Approximately 87 percent of the population lives in urban areas and two-thirds of the population reside in the capital city; the rest are nomadic herders. The population is also very young, with 40 percent of people under the age of 15 and only 15 percent over the age of $40.^2$ Due to the absence of labour-intensive economic sectors, low skill and education levels, and limited access to microcredit to start businesses, it is estimated that 60 percent of the total population and 90 percent of youths 15 to 24 years of age are unemployed.³

Despite relatively high per capita income, the percentage of people living below the poverty line remains high at 42 percent and the poverty rate in rural areas is 96.5 percent (2002).⁴ Because of conflicts in neighbouring countries, Djibouti is home to thousands of refugees, which puts a strain on service delivery. There has been some progress in increasing school enrolment and decreasing mortality, but social indicators remain low and the country is not likely to meet any of its Millennium Development Goals. Due to low rainfall and the near-absence of arable land, Djibouti has to rely on imports for nearly its entire food supply, leaving people highly vulnerable to price shocks and natural disasters.⁵

The Djiboutian economy relies on the service sector, which is sustained by activities stemming from the nation's geographic location. The nation is an important transit port for regional and international

⁵ World Bank (2009).

¹ CIA World Factbook. (2010, March 5). *Djibouti*. Retrieved from United States Central Intelligence Agency: https://www.cia.gov/library/publications/the-world-factbook/geos/dj.html

² World Bank. (2009, September). *Djibouti: Country Brief*. Retrieved from World Bank: http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/DJIBOUTIEXTN/0,,menuPK:312817~pagePK :141132~piPK:141107~theSitePK:312807,00.html

³ Ibid.

⁴ IMF. (2009, July). *Djibouti: Poverty Reduction Strategy Paper*. Retrieved from International Monetary Fund: http://www.imf.org/external/np/prsp/prsp.asp

shipping, as well as a base for refuelling. Neighbouring landlocked Ethiopia, which has a population of 75 million people, is responsible for 70 percent of port activity.⁶ Recently, the government has implemented several policies aimed at encouraging economic growth. These include reaching out to foreign investors in order to increase trade activity; placing the port and airport under management contracts; expanding the airport; and establishing Djibouti as a free trade zone.⁷ These initiatives, combined with other factors, resulted in the GDP growth rate doubling between 2004 to 2008 (3 percent and 5.9 percent respectively).⁸ Because of its location and relative political stability, Djibouti houses several foreign military bases, including a US base that is central to the war on terror. Inflation is not high, but the Djiboutian franc's value is artificially high, as it is pegged to the US dollar, and this affects the balance of payments. A recession, which lasted from 1999 to 2006, resulted in a reduction in per capita consumption of 35 percent.⁹

In 2007, the Government launched the Initiative Nationale pour le Développement Social, which will promote social service delivery and alleviate the high unemployment rates by modernising the economic production process.¹⁰ While spending on social welfare programmes accounts for 10 percent of GDP, which is one of the highest in the developing world, only 0.5 percent of the funds are used for programmes that target the poor.¹¹

Socioeconomic indicators ¹²		
Population (millions)	0.724	
GNI per capita, PPP (current USD)	2,330	
GDP (current USD) (billions)	1.089	
GDP composition by sector 2005 (%)	Agriculture -4 Industry- 17 Services- 79	
GDP growth rate (%)	6.5	
Percent below poverty line (%)	42	
Inflation (%)	5	
GINI index	40	
Adult literacy rate (%)	67.9	
Life expectancy (years)	55	
Child dependency ratio	67.5	
Elderly dependency ratio	5.4	
HIV prevalence (%)	3.1	
Overseas development aid per capita	131.76	

⁶ Ibid.

⁷ Ibid.

⁸ African Economic Outlook. (2010, August). *Djibouti*. Retrieved from African Economic Outlook: http://www.africaneconomicoutlook.org/en/countries/east-africa/djibouti/

⁹ World Bank (2009).

¹⁰ Ibid.

¹¹ IMF (2009).

¹² World Bank. (2010, September). Country Profile: Djibouti. Retrieved from World Bank: http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pageP K:64133150~piPK:64133175~theSitePK:239419,00.html

(current USD)	
Net official development assistance (USD millions)	112
Remittances as % of GDP	2.6
2009 Human Development Index (HDI) ranking	155

2. Vulnerability analysis

2.1 External shocks

Djibouti has not been too affected by the global economic downturn, but its heavy reliance on imported food and diesel-generated electricity makes average consumers vulnerable to global price fluctuations. Foreign direct investment is expected to decline or at the least be delayed, and a reduction in trade is inevitable.

Droughts are the most common natural disaster: "since 2003, successive droughts have reduced pasture and provoked increased migration in search of water and pasture. Pastoralists have been forced to cut the amount of food they eat, as well as the quality of the food they consume".¹³ In late 2009 and 2010, there was very little rainfall and droughts are expected; at the same time, the United Nations' World Food Programme has reduced its food aid by up to 74 percent in most pastoral areas compared to earlier years, which make the pastoralists even more vulnerable.¹⁴

2.2 HIV/AIDS

While Djibouti does not have an extremely high HIV/AIDS prevalence, it is estimated that only 480 of the 10,000 people living with the disease have access to adequate treatment. As a trade port, people are constantly coming to and leaving from the country and casual sexual encounters are common, which heightens the risk of contracting HIV. Female genital mutilation is a common practice in Djibouti and puts girls at a greater risk of contracting the virus.¹⁵

2.3 Foreign aid and remittances

Because Djibouti has no natural resources and only a small industrial base, it is relying on foreign aid to finance development projects and support the country's balance of payments.¹⁶

¹³ WFP. (n.d.). *Djibouti*. Retrieved from World Food Programme: http://www.wfp.org/countries/djibouti

¹⁴ IRIN. (2010, January). *Djibouti: Running Low on Water, Pasture and Food*. Retrieved from Integrated Regional Information Networks: http://allafrica.com/stories/201001130852.html

¹⁵ Medilinks. (2006, May). *Djibouti: The Weight of Silence - Overcoming the Stigma of HIV/AIDS*. Retrieved from Medilinks: http://medilinkz.org/news/news2.asp?NewsID=15982

¹⁶ CIA World Factbook (2010).

3. Monitoring and evaluation

In Djibouti's Poverty Reduction Strategy Plan, the Government emphasises the importance of establishing an effective system for monitoring and evaluation. The system will include:

- Monitoring living conditions and poverty.
- Monitoring the physical and financial execution of priority actions, programs and projects.
- Periodic evaluation of the impact of interventions.¹⁷

4. Social assistance programmes overview

*All currency conversions are based on 17 February 2010 rates:

- 1 DJF = 0.00562 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.¹⁸

es	Programme name	Protracted Relief and Recovery Operation: Djibouti ¹⁹
ial servic	Programme overview	 Programme run by the World Food Programme to combat poverty, malnutrition, food insecurity, and market and climactic shocks.
Programme #1: in-kind transfer, food for work, welfare and social services	Programme objective	 The programme has four components, which aim to: 1. Save lives and protect livelihoods in crisis situations. 2: Prevent acute hunger and improve disaster preparedness. 3: Help the drought-affected populations to improve food and nutrition security by restoring and rebuilding livelihoods. 4: Improve the situation for PLWHA and TB patients.
fer, food for wo		 Food distribution and supplementary feeding to refugees and people affected by drought and global high prices. 9,300-10,000 refugees receive full rations of food daily. Children under five and lactating women receive supplemental feeding.
e #1: in-kind transf	Programme components	 New monitoring system for early warnings, food security and nutrition. Food for Work/ Food for Assets programmes. Improved access to treatment for HIV/AIDS and TB, in tandem with nutritional support.
gramr	Programme duration	 1 October 2009-30 September 2011.
Prog	Programme coverage	 99,750 beneficiaries (59 percent women).

¹⁷ IMF (2009).

¹⁸ *Currency Converter*. (n.d.). Retrieved from OANDA: http://www.oanda.com/currency/converter/

¹⁹ Table drawn from WFP. (2004, April). *Protracted Relief and Recovery operation Djibouti*. Retrieved from World Food Programme: http://www.wfp.org/content/food-assistance-vulnerable-groups-and-refugees-0

Beneficiary determination process	 Beneficiaries are targeted through criteria including: livelihoods, female-headed households, hosting orphans and/or disabled members, food insecurity (based on a body mass index [BMI] below 18.5).
Finance	• \$24,938,892 USD.
Legal framework	 This PRRO is aligned to the 'food security and nutrition strategy' of the government, as well as the United Nations Development Assistance Framework (UNDAF 2008–2012).
	 Local communities: select beneficiaries and run distributions, under the support from WFP field monitors.
	 Partners: Ministry of Agriculture, Livestock and Sea, WFP, FAO, UNICEF, IFAD.
	 Refugee component: implemented in partnership with UNHCR, which provides water, plastic sheeting, blankets and other basic items, and ONARS.
Administrative	 Health and nutrition interventions: led by Ministry of Health, implemented in collaboration with UNICEF and MSF-Switzerland.
framework	 Programming approach: specifically considers protection issues in design and implementation; relies on WFP humanitarian principles and Do-No- Harm frameworks.
	 Non-food items (NFI): WFP has budgeted for the purchase of NFIs for health/nutrition and FFW/FFA activities. However, partners are expected to provide the majority of the material and expertise.
	 Logistics: The Djibouti port will be used as an entry port for all imported commodities. No local food procurement is planned, although regional purchase will be considered if commodities are available and prices are competitive.
	 Reception, storage and transport of commodities: WFP will assume responsibility. A 100 percent transport and handling cost subsidy at \$ 154 USD/mt is planned through the budget.
	 M&E matrix prepared by country office, to conform with the corporate strategic results framework.
	 M&E matrix provides indicators to measure results and means for data collection.
Monitoring and evaluation	 M&E system incorporates results-based management.
	 WFP will monitor outputs, outcomes and food security indicators.
	 Data collection tools include nutritional surveys and the EFSA and checklists on output and process indicators.

 Food security outcomes will be compared to baseline information collected in the 2009 EFSA.
 Distribution reports will be provided by cooperating partners and WFP food monitors will play a key role in the data collection and verification process.
 Data will be entered in the country office database and used to prepare regular monitoring reports to track progress and reorient interventions and objectives as required.

	Programme name	Food for Education in Rural Djibouti ²⁰
	Programme objective	 World Food Programme project that supports national government efforts to achieve universal basic education for all children by the year 2015.
Programme #2: in-kind transfer	Programme components	 Take-home rations to families: Rations provided to families of girls in grades 3-5 who have at least 80% attendance. Provided in all 65 rural primary schools. Ration composition/size consistent with WFP guidelines. Rations serve as incentives to increase enrolment, attendance, retention and completion rates. On-site feeding: Provides morning snack and hot lunch to all children enrolled in school (18,000). Provides 1,080 kilocalories per day to each student. Provided in all 65 rural primary schools. New initiatives piloted in selected schools include: School fishery project. School cattle activity. Vegetable school gardens (in schools with accessible water points), to diversify and supplement the food basket and develop agricultural skills among students. Produce is also sold to support the project or provided to students as take-home rations. Fuel-efficient stoves: Provided by WFP to reduce the impact on the environment.
	Programme duration	 1 January 2008 – 31 December 2012.
	Programme coverage	 18,000 (annual average).
	Finance	 WFP food cost: 2,995,220 USD.
		 Total cost to WFP: 4,953,253 USD.

²⁰ Table drawn from WFP. (n.d.) *Food for Education in Rural Djibouti*. Retrieved from World Food Programme: http://www.wfp.org/content/food-education-rural-djibouti

	 A Development Project Action Plan will be signed with the Ministry of Foreign Affairs and International Cooperation.
	 The Ministry of National and Higher Education will be responsible for the overall implementation of the project. Meals prepared by women from the community. Government pays the salary of at least one cook per school; WFP encourages government to
	employ additional cooks and provides a refresher course on how to prepare WFP commodities.
Administrative	 WFP prepares and distributes school feeding management guidelines.
framework	 School management committees are already established, and are responsible for managing the school feeding programme. Committees are made up of school and community representatives and are elected by the Parents and Teachers Associations. Women make up at least 50% of the committee.
	 The Ministry of National and Higher Education, WFP, and UNICEF will conduct awareness campaigns promoting girls' education, with the support of donors.
	Private transport companies deliver food to schools each semester.
	 A standardised school feeding survey was conducted in early 2008, and a mid-term evaluation is being conducted in 2010 to determine to what extent the government is ready to take over school feeding activities.
	 Information on output and outcome indicators is collected monthly.
	 School directors report education-related performance indicators (i.e. attendance), stock movements, and management committees' participation in school activities.
Monitoring and	 WFP food aid monitors play a key role in data control and verification, using a programme database in the country office and producing regular reports to monitor progress and adjust the programme as needed.
evaluation	 M&E system incorporates both risk management and results-based management.
	 Gender-disaggregated data will be collected, analysed and used to plan, implement, review and evaluate the programme on an ongoing basis.
	 Logistics unit tracks food delivery and distribution through a Commodity Movement, Processing and Analysis system, which keeps track of shipment arrivals, clearance, quality control, post-delivery losses and commodity movements.
	 Evaluations of the school feeding programme have enhanced the M&E system by providing indicators to measure results and outlining a method for data collection.

	Programme name	Social Development and Public Works Project ²¹
Programme #3: public works	Programme objective	 The Social Development and Public Works Project (SDPWP) will benefit inhabitants of Djibouti's poorest neighbourhoods by enhance their living conditions permanently, as a result of the improvement and expansion of the local social and economic infrastructure, and temporarily, as the result of the related construction activities.
	Programme components	 The ongoing SDPWP encompasses three main activities: Construction/rehabilitation of social and economic infrastructure in low-income neighbourhoods while creating jobs for local people. Support to community development, through social mobilisation programs and investment grants for the creation of community facilities. Institutional capacity building, including for monitoring poverty. The proposed supplemental operation will focus on implementing worthy social and economic infrastructure subprojects which are ready for implementation and await funding. Subprojects will include civil works to improve and expand existing street systems, water supply and sanitation services, and primary education, health and other social facilities. The implementation process will be carried out with the support of the local authorities and communities concerned. Construction activities will be aimed at creating job opportunities for the poorest segments of the local population.
Program	Programme duration	 All works are expected to be completed by December 31, 2005, and the proposed supplemental credit is expected to be closed by June 30, 2006.
	Beneficiary determination process	 Priority will be given to the implementation of subprojects in the poorest districts of the city of Djibouti which could not be equitably served by the ongoing operation.
	Finance	 The total cost of the ongoing SDPWP is estimated at US\$16.4 million, of which \$14.8 million USD provided by IDA and the balance by the government and the local communities of Djibouti. Most of the funding is already committed. The total cost of the proposed supplemental operation is \$5.15 million USD, with \$5 million USD provided
	Administrative framework	 by IDA and the balance by the government. Implemented by Agence Djiboutienne d'Execution des Travaux d'Interet Public (ADETIP), Republic of Djibouti. ADETIP will operate according to the applicable principles of the General Agreement (convention-cadre) that it has established with the State, represented by the Ministry of Economy, Finance and Planning. All social and economic infrastructure investment projects will be carried out in consultation with the ministries responsible for the operation of the resulting facilities.

²¹ Table text from World Bank. (2003, May). *Djibouti: Social Development and Public Works Project*. Retrieved from World Bank: http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSite PK=523679 & menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000094946_03060404011321

 At receptions of these facilities, these ministries will sign a hand-over agreement which defines their management and organisation obligations.
 Measures to ensure sustainability include: Active involvement of beneficiaries in project selection, design and implementation, thus ensuring greater ownership. Arrangements with the ministries and entities responsible for operating and maintaining the social and economic infrastructure to ensure that they fulfil these obligations, satisfactorily.

	Programme name	Crisis Response: Employment and Human Capital Social Safety Net ²²
	Programme objective	 To generate short-term job opportunities for the poor and vulnerable.
		 To improve nutrition practices (by enhancing knowledge, attitude and practices (KAP) on water management, hygiene, food handling, and child care) among participating households, preschool children, and pregnant/lactating women.
		Component 1: Community driven labour-intensive public works
Programme #4: welfare and social services	Programme components	 Limited in scope and size to construction and maintenance of small-scale community assets through the use of (unskilled) labour-intensive construction techniques.
		 Communities select infrastructure and services from a list that will include: road/street rehabilitation and drainage; creation or upgrade of sanitation systems such as dry or pour-flush latrines; street cleaning; garbage collection (particularly plastics); cooking services at school canteens; childcare provision.
		 In rural areas, the list will also include agricultural support type projects such as: reforestation/pasture maintenance; construction and maintenance of water collection; storage and erosion control systems.
		 The grant will fund the costs of community mobilisation events and provide a stipend for community area officers and the costs of materials and wages to the workers.
		 This component will also support capacity building for SMEs, NGOs and community-based organisations on implementing labour intensive processes and on managing these works.
		Component 2: Nutrition-based social assistance to support investments in human capital
		 Will support innovative nutrition interventions in Djibouti aiming at

²² Table text from ReliefWeb. (2010, January). *Integrated Safeguards Data Sheet*. Retrieved from ReliefWeb: http://www.reliefweb.int/rw/rwb.nsf/db900sid/VVOS-7ZUSZT?OpenDocument

	preventing malnutrition in pre-school children and women.
	 Through training, it seeks to enhance appropriate utilisation of key micronutrients, food and water conservation.
	 Promotes improved caring practices for children.
	 Address non-health causes of malnutrition (e.g. hygiene practices).
	 In addition to fostering preventive care, the grant will also support: The development of material and training for building community capacity for children growth promotion. The set-up of referral linkages to relevant child health and nutrition rehabilitation services or other linkages for addressing non-health causes of child malnutrition. The costs of nutritional supplements (and/or cash for preventive health and nutrition).
Finance	 Japan Social Development Fund: \$3.64 million USD.
Administrative framework	 Grant Management and Administration component will support the organisations involved in grant implementation, including: Hiring selected personnel for grant management and field coordination. Undertaking audits. Renting vehicles for field visits and monitoring. Procuring office supplies. Capacity building for the project support team. Operational/administrative support to grant activities.
Monitoring and	 Finance built-in monitoring and quantitative and qualitative evaluation of the programme for each of its components, as guidance for future scaling up. Activities will include undertaking a baseline and follow up survey, setting-up beneficiaries list and needs assessment, establishing a monitoring and
evaluation	 evaluation mechanism for regular monitoring of process and outputs over the grant period. This will provide the basis for periodic assessment, post-grant completion/impact evaluation and knowledge dissemination activities (seminars, conferences and symposiums).
Programme barriers	 The NGOs in Djibouti do not have the capacity to implement a project of this magnitude.

	Programme name	Food Assistance to Refugees and Vulnerable Groups ²³
Programme 5#: in-kind transfer	Programme overview	 In-kind transfer that provides food assistance to refugees and vulnerable groups. Pastoralists face deteriorating food security: Due to recurrent rain failure, many have lost up to 60% of their livestock and have reduced consumption to one or two meals per day. Food baskets are growing more homogeneous because animal products (meat and milk) are in short supply. Family members living in cities are less able to send remittances, because rising prices force them to spend more on food. The total expenditure basket is now 63% higher than the lowest-paid salar The refugee caseload in camps is growing: Refugee camp Ali-Addeh now has 8,500 occupants, an increase of about 2,000 from central and southern Somalia since the first semester of 2008.
e 5#: in	Programme objective	 To save lives and improve the nutritional status of the most vulnerable groups in rural and urban areas in the next year.
Programme	Programme components	 Distributes three months of general food, providing full rations to 80,000 people living in rural areas highly affected by drought and high food prices. Distributes six months of food/cash vouchers to 55,000 people living in urban and semi urban areas of Djibouti town. Assists health centres of Djibouti town and districts with take-home rations for 5,500 malnourished under five year old children and pregnant and lactating women. Distributes general food to 8,500 refugees settled in Ali-Addeh camp.
	Programme duration	 July – December 2008.
	Programme coverage	 Total: 149,000 (76,500 women).
	Finance	• \$11,106,162 USD.
	Administrative framework	 Ministry of Interior and Decentralisation, ONARS and UNFD.

²³ Table text from UN and Republic of Djibouti. (2008, July). Joint Appeal Response Plan for Drought, Food and Nutrition Crisis. Retrieved from United Nations and Republic of Djibouti: www.emro.who.int/EHA/pdf/djibouti_drought_appeal.pdf

	 Nutritional status of drought victims and vulnerable groups improved, through timely provision of food in sufficient quantity.
	 Acute malnutrition among vulnerable groups—under five children, and pregnant and lactating women—reduced and/or stabilised.
Socioeconomic impacts	 Acute malnutrition among refugees—through timely provision of sufficient quantities of food— reduced and/or stabilised.
	 Migration to cities reduced by assisting affected populations in their location of origin.
	 Increased coping mechanisms in affected populations with the implementation of food for work projects: reforestation, agro pastoral perimeter (date trees) and establishment of district buffer stocks.

	Programme name	Strengthening Capacities to Develop Income-Generating Activities ²⁴
	Programme overview	 The increase in food prices over the past three years is estimated to have led to an increase in extreme poverty from 40% to 54%, aggravating the vulnerability of the population who are facing the drought.
		 The World Bank has provided a grant to compensate for taxes on food grains, but this action should be accompanied with direct support to the vulnerable and the most affected, in order to improve their purchasing power and develop income generating activities.
sfer	Programme objective	 Strengthen capacity to develop income-generating activities.
Programme #6: in-kind transfer	Programme components	 Provides small grants and/or micro credit to people strongly affected by the food shortages and inflation. Identifies, promotes and finances viable economic activities adapted to the local context. Provides training and technical support for people setting up micro-enterprise. Strengthens local institutions in their role of promoting economic development.
	Programme duration	 July – December 2008.
	Beneficiary determination process	 Vulnerable groups in urban and rural areas: youth, elderly, handicapped, women and nomads.
	Finance	• \$ 1,498,000 USD.
	Administrative framework	 Government and decentralised public entities, civil society, UNDP and Secrétariat d'Etat chargé de la Solidarité Nationale.

Socioeconomic impacts	 Social stability assured and a favourable environment for local development created.
	 Increased revenues for vulnerable groups and thus increased food security and access to basic social services.
	 Reduced unemployment rates of vulnerable groups.
	 Strengthened capacity to deliver services in favour of local economic development.

	Programme name	Urban Poverty Reduction Programme ²⁵
Programme #7: welfare and social services and in-kind transfer	Programme objective	 To achieve an increased access to and use of local infrastructure and basic urban services, and community development projects.
	Programme components	 Provision of local infrastructure and basic services to be implemented via labour intensive techniques, so as to favour the satisfaction of the population's needs in terms of access, as well as the creation of employment opportunities for a little qualified manpower. Support to community development, which would benefit community associations, NGOs and local authorities, with the purpose of supporting their local economic development initiatives at the community, neighbourhood, and city levels. Technical assistance and project management, which would enable the implementing agency to carryout baseline surveys and social impact studies, the design of sub-projects and of sector interventions, the management of the programme and the required reporting.
lfare a	Programme duration	 29 April 2008 to 31 May 2012.
#7: we	Programme coverage	 400,000 people in capital city and 50,000 people in secondary centres.
Programme	Beneficiary determination process	 Poor population of Djibouti-ville and five secondary urban centres. Identified via the poverty mapping of Djibouti-ville, which has been produced by the PDSTP.
	Finance	• \$38.5 million USD.
	Monitoring and evaluation	 The outcomes will be assessed by measuring the improved availability of such services by the intended programme recipients.

²⁵ Table text from World Bank. (2010, June 15). *Djibouti: DJ-Urban Poverty Reduction Programme*. Retrieved from World Bank: http://www.evd.nl/zoeken/showbouwsteen.asp?bstnum=200112&location=&highlight=