

REPUBLIC OF DJIBOUTI

Unity - Equality - Peace



MINISTRY OF SOCIAL AFFAIRS  
AND SOLIDARITY

# NATIONAL STRATEGY FOR SOCIAL PROTECTION

(2018 - 2022)

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## Appreciation

The National Strategy for Social Protection 2018-2022 was initiated at the request of Mrs. Mouna Osman Aden, Minister of Social Affairs and Solidarity after a diagnostic work carried out in December 2016 with the participation of stakeholders from the social field: institutional, private , associations and technical and financial partners.

The content you have in your hands represents a historic shift in the understanding of the role of social protection in Djibouti and how to ensure its ownership (through legislation) and its governance.

At the Ministry of Social Affairs and Solidarity, we are determined to ensure the implementation of this Strategy, for which we were all mobilized.

This is an opportunity for us to send our sincere thanks to the Minister who had ensured the birth and then the realization of this national project by mobilizing national partners, including UN, UNICEF and UNDP and the Bank world.

To these institutions, we express our gratitude to all individuals and bodies who have contributed to the development of the Strategy.

Finally, we are grateful to Mr. Habib Louizi, an international consultant who has accompanied this adventure from the diagnosis to the operational phase through the drafting of the Strategy document.



**S.E.M. ISMAÏL OMAR GUELLEH  
PRESIDENT DE LA REPUBLIQUE DE DJIBOUTI**

## PREFACE

The development of a national strategy of social protection is always a strong act for the leaders of each country. I see personally, and at the same time, an assessment of our past, action document a concentrate of what we are called to provide in the present and a test of anticipation of future social developments with the aim of knowing the requirements and to prepare the master's tools.

Our country always tried something like that to fit its social policy. The national social protection strategy covering the period 2018-2022 is distinguished by a paradigm shift that, while within the priorities developed in our Vision 2035, social policy places Djibouti among countries develop this policy in terms of rights.

Indeed, the new Strategy considers not social change as a result of the exclusive economic growth but as a goal in itself whose instruments are primarily relevant social programs that, well governed, can in turn promote the integral development of the country.

In this context, if social protection policy cannot ignore the urgent responses in the face of the scourges and crisis situations, it is based essentially on a national base built around four social priorities detected after one intense dialogue that lasted more than a year and met all parties involved, namely the public and private sectors, local and foreign associations and technical and financial partners.

Indeed, the consensus achieved at the end of this social dialogue is built around four axes:

**Axis 1:** The right to food security for households below the national poverty line

**Axis 2:** The income guarantee for children living in households in acute poverty

**Axis 3:** The income guarantee for devoid of income seniors and people with disabilities unable to work

**Axis 4:** Income support for those who lack in life accidents (accidents, occupational diseases, redundancies,...).

To achieve the results that are expected of their implementation, these guarantees must be based on a targeting acute beneficiaries, accompanied by the pursuit of the safety nets to deal with the occasional shocks and unfold parallel to the development of socio-economic inclusion programmes to empower people in precarious situation and ensure their sustainable exit from poverty.

Thus, our new social Strategy is not enough to combat poverty, but aims to gradually involve vulnerable populations in the development work. This is why I appeal to him

the conditions of success, namely: a regular monitoring and evaluation of its impact and coordination between the institutional themselves and with the private sector, the associative and partners technical and financial.

In view of the objectives and outcomes that are expected of this strategy to fight social insecurity in our country, I recommend to everyone in its implementation to show perseverance and unfailing mobilization.

Our country has faced many challenges. She can still win this new challenge that will make access to a higher level of human development sustainable.

The President of the Republic of Djibouti  
Head of Government,  
Mr. Ismail Omar Guelleh

**REPUBLIQUE DE DJIBOUTI**  
**UNITE-EGALITE-PAIX**

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**PRESIDENCE DE LA REPUBLIQUE**

**Loi n°043/AN/19/8<sup>ème</sup> L**

Portant adoption de la Stratégie nationale de protection sociale 2018-2022 de la République de Djibouti.

**L'ASSEMBLEE NATIONALE A ADOPTE  
LE PRESIDENT DE LA REPUBLIQUE PROMULGUE  
LA LOI DONT LA TENEUR SUIT**

- 
- VU La Constitution du 15 septembre 1992 ;
  - VU La Loi Constitutionnelle n°92/AN/10/6<sup>ème</sup> L du 21 avril 2010 portant révision de la Constitution ;
  - VU La Loi n° 209/AN/17/7<sup>ème</sup> L du 6 février 2018 relative à la promotion et à la protection ;  
des droits des personnes âgées ;
  - VU La Loi n° 15/AN/18/8<sup>ème</sup> L portant création de l'Agence Nationale des Personnes Handicapées ;
  - VU La Loi n° 207/AN/17/7<sup>ème</sup> L du 06 février 2018 relative à la promotion et à la protection des droits des personnes à besoins spéciaux ;
  - VU La Loi n° 24/AN/14/7<sup>ème</sup> L du 5 février 2014 portant mise en place d'un système d'assurance maladie universelle ;
  - VU La Loi n°58/AN/14/7<sup>ème</sup> L du 6 décembre 2014 portant adoption de la “Vision Djibouti 2035” et ses Plans d'action opérationnels ;
  - VU La Loi n°199/AN/13/6<sup>ème</sup> L du 20 février 2013, complétant la loi n°212/AN/07/5<sup>ème</sup> L portant création de la Caisse Nationale de Sécurité Sociale (C.N.S.S) et étendant les prestations de soins aux Travailleurs indépendants ;
  - VU La Loi n°170/AN/12/6<sup>ème</sup> L du 1er août 2012 portant création du Fonds de Solidarité Nationale ;
  - VU La Loi n°133/AN/05/5<sup>ème</sup> L du 28 janvier 2006 portant Code du Travail ;
  - VU La Loi n°152/AN/02/4<sup>ème</sup> L du 31 janvier 2002 portant Code de la Famille ;
  - VU La Loi n°212/AN/05/5<sup>ème</sup> L du 19 janvier 2000 portant création de la Caisse Nationale de Sécurité Sociale (C.N.S.S.);
  - VU La Loi n°96/AN/00/4<sup>ème</sup>L du 10 juillet 2000 portant Orientation du Système Educatif Djiboutien ;
  - VU Les Lois des Finances pour les années 2013, 2014, 2015, 2016, 2017 ;
  - VU Le Décret N° 2017-096/PR/SEAS portant modification du décret n°2015-279/PR/SESN portant création, organisation et fonctionnement du Programme National de Solidarité Famille (PNSF) ;
  - VU Le Décret N° 2012-231/PR/SESN du 17 octobre 2012 fixant l'organisation et les modalités de fonctionnement du Fonds de Solidarité Nationale ;
  - VU Le Décret n° 2019-095/PRE du 05 mai 2019 portant nomination du Premier Ministre ;



- VU Le Décret n°2019-096/PRE du 05 mai 2019 portant nomination des membres du Gouvernement ;
- VU Le Décret n° 2019-116/PRE/2019 du 26 mai 2019 fixant les attributions des Ministères;
- VU L'Arrêté n° 2017-041 /PRE fixant le montant des contributions des organismes au Fonds de Solidarité Nationale ;
- VU la Circulaire n°104/PAN du 26/05/2019 portant convocation de la 3<sup>ème</sup> séance publique de la 1<sup>ère</sup> Session Ordinaire de l'AN 2019 ;

Le Conseil des Ministres entendu en sa séance du 19/02/2019.

**Article 1 :** La Stratégie Nationale de Protection Sociale 2018-2022 est adoptée.

**Article 2 :** La Stratégie Nationale de Protection Sociale 2018-2022 est le document de référence nationale pour toute réglementation portant sur la protection sociale.

**Article 3 :** Il est créé un comité de pilotage de la Stratégie Nationale de protection Sociale dont la composition et les attributions seront fixées par décret.

**Article 4 :** Il est créé un comité technique en charge du suivi et de l'évaluation de la Stratégie Nationale de Protection Sociale dont la composition et les missions seront définies par décret.

**Article 5 :** La concrétisation de cette stratégie nationale, l'application et la coordination de ces programmes et actions sont du ressort du ministère des Affaires Sociales et des Solidarités.

**Article 6 :** La présente Loi entrera en vigueur dès sa promulgation et sera publiée au Journal Officiel de la République de Djibouti.

23 JUN 2019

Fait à Djibouti, le.....

Le ~~Président de la République,~~  
Chef du ~~Gouvernement~~

ISMAÏL OMAR GUELLEH الرئيس



## EXECUTIVE SUMMARY

Located in a geostrategic sensitive region, the Republic of Djibouti has derived significant economic dividends that fueled its ambition to become the commercial hub of Africa by 2035. But it suffered, at the same time, from the disruptive effects of the tensions that prevail there and their prolongations in terms of displacements of populations and pressures on the modest resources of this small country of the Horn of Africa.

Having opted for a resolutely liberal economy, but with a still nascent private sector, Djibouti sees the expenditure related to public investment and the management costs of an administration with a predominant role exerting strong pressure on the budget and the external debt.

The youth of the population, which induces a high level of dependency, the massive unemployment and persistent poverty that sustained growth has not been able to counteract, are serious problems in terms of social demand and require a huge effort to develop an adequate offer in basic social services.

Yet, despite these severe handicaps, and waiting for more tangible positive repercussions of economic growth, which naturally take time to appear, the public authorities have entered a cycle of reforms based on the search for a better regional balance, the strengthening of human capital and the establishment of social equity.

This approach, framed by Vision 2035, Accelerated Growth and Employment Promotion Strategy (AGEPS) (2014-2019) and sectoral strategies with well-defined objectives, has enabled the country to make significant progress on the path of development in general and social promotion in particular.

Indeed, even if the HDI remains low and the Gini coefficient high (but comparable to most African countries), convincing results have been obtained in terms of the consolidation of human capital (health, education), gender policy and more transparent management of access to basic social services.

Innovative programs have been introduced to promote the socio-economic inclusion of vulnerable populations, such as microfinance, the social and solidarity economy, community development centers and social assistance centers.

The national strategy for social protection, which will spread over the period 2018-2022, is part of this dynamic of transformation by addressing the two most vulnerable categories of society:

-Those who have no income or whose income is insufficient to cover their basic needs (households, children, the elderly and the disabled) and access to essential services;

-Those who, even with contributory social security coverage, risk falling into poverty and precariousness.

In order to achieve these two strategic objectives, social protection must be part of a legal logic and aim at building a long-term welfare society, while ensuring that citizens' resilience needs are met on the short and medium terms.

Following this logic, and in accordance with the country's commitment to achieving the goals of sustainable development, the National Strategy for Social Protection appropriated the safeguards contained in the International Labor Organization (ILO) Recommendation 202/2012 creating national social protection floors while combining them with complementary social protection programs.

In the light of this desired complementarity because it corresponds best to the national context, four axes have been identified:

AXIS 1: The right to food security for households below the national poverty line

AXIS 2: The income guarantee for children living in households experiencing acute poverty

AXIS 3: The income guarantee for the elderly without income and the disabled unable to work

AXIS 4: The income guarantee for those who do not have it due to accidents in life (work accidents, occupational diseases, redundancies, etc.).

Thus, the Strategy is designed to address the country's priorities in a rights-based approach and to provide vulnerable populations with an integrated package of guaranteed transfers and essential services for those on social assistance and those who are temporarily or permanently terminated with social security.

In order to achieve the expected results of their implementation, these axes must be based on the most equitable targeting of the beneficiaries, bring about reforms to increase their operability and be part of a legal framework paving the way for their universality. They must also be accompanied with the continuation of safety nets to cope with occasional shocks and the development of socio-economic inclusion programs to ensure the socio-economic empowerment of populations in precarious situations and their sustainable exit from the vicious circle of poverty.

The adoption of the Strategy by all the partners will, on the other hand, be a function of a strong coordination that generates synergies and a strategy for monitoring and evaluation of its progress towards the exit from poverty and the beneficiaries' socio-economic inclusion.

Of course, a transparent and predictable funding architecture for the strategy will need to ensure its sustainability and ownership by all components of society.

The overall document of the National Strategy for Social Protection, which is adopted on a consensual basis, aims to serve as a reference framework for all stakeholders to achieve the objectives and maximize the impacts.

## Acronyms

ADDS	Agence Djiboutienne de Développement Social
AFD	Agence Française de Développement
AMO	Assurance Maladie Obligatoire
AMU	Assurance Maladie Universelle
ASEH	Projet d'assistance sociale aux étudiants à besoins spéciaux(ASEH).
ASERI	Assistance Sociale pour les Etudiants des Régions de l'Intérieur
BAD	Banque Africaine de Développement
BCD	Banque Centrale de Djibouti
BID	Banque Islamique de Développement
BIT	Bureau International du Travail
BM	Banque Mondiale
CASAF	Centre d'Action Sociale et d'Autonomisation des Femmes
CDC	Centre de Développement Communautaire
CPEC	Coopérative Populaire d'Epargne et de Crédit
CI/PS	Comité Intersectoriel de la Protection Sociale
CNSS	Caisse Nationale de Sécurité Sociale
COFACE	Compagnie Française d'Assurance pour le Commerce Extérieur
CSLP	Cadre Stratégique de Lutte contre la Pauvreté
DISED	Direction de la Statistique et des Études Démographiques
DSRP	Document de Stratégie pour la Réduction de la Pauvreté
EDAM-IS	Enquête Djiboutienne Auprès des Ménages-Indicateurs Sociaux
EDD	Electricité de Djibouti
EDSF/PAPFAM	Enquête Djiboutienne sur la Santé de la Famille/Pan Arab Poject for Family Health
ESS	Economie Sociale et Solidaire
ETFP	Enseignement Technique et Formation Professionnelle
FDj	Franc Djiboutien
FNUAP	Fonds des Nations Unies pour la Population

FSN	Fonds de Solidarité Nationale
HIMO	Travaux Publics à Haute Intensité de Main d'œuvre
IDA	Association Internationale de Développement-Banque Mondiale
IDE	Investissement Direct Etranger
IDH	Indice de Développement Humain
ILO	International Labor Organisation
INDS	Initiative Nationale de Développement Social
IOM	International Organization for Migration
FAO	Organisation des Nations Unies pour l'Agriculture et l'Alimentation
FMI	Fonds Monétaire International
FNUAP	Fonds des Nations Unies pour la Population
IGAD	Autorité Intergouvernementale pour le Développement
LFI	Loi de Finances Initiale
LFR	Loi de Finances Révisée
MAECI	Ministère des Affaires Étrangères et de la Coopération Internationale
MAEM	Ministère de l'Agriculture, de l'Élevage et de la Mer
MASS	Ministère des Affaires Sociales et des Solidarités
MEFI	Ministère de l'Economie et des Finances chargé de l'Industrie
MENFOP	Ministère de l'Éducation Nationale et de la Formation Professionnelle
MENSUR	Ministère de l'Enseignement Supérieur et de la Recherche
MFDj	Million de francs djiboutiens
mFDj	Millier de francs djiboutiens
MGF	Mutilations Génitales Féminines
MFF	Ministère de la Femme et de la Famille
MTRA	Ministère du Travail et de la Réforme de l'Administration
NFSP	National Family Solidarity Program
NSSP	National Strategy for Social Protection
OMS	Organisation Mondiale de la Santé
ONARS	Office National d'Aide aux Réfugiés et Sinistrés

ONEAD	Office National de l'Eau et de l'Assainissement de Djibouti
ONG	Organisation Non Gouvernementale
ONUSIDA	Programme Commun des Nations Unies sur le VIH/SIDA
PAM	Programme Alimentaire Mondial
PARISER	Projet d'Appui à la Réalisation des Infrastructures Socio-Economiques et à la promotion des activités économiques dans les Régions
PASPAP	Programme d'Assistance Sociale pour Personnes Agées Pauvres
PDR	Plan de Développement Régional
PDUI	Programme de Développement Urbain Intégré
PIB	Produit Intérieur Brut
PME	Petite et Moyenne Entreprise
PMT	Proxy Means Test
PNE	Politique Nationale de l'Emploi
PNG	Politique Nationale Genre
PNIASAN	Programme National d'Investissement Agricole et de Sécurité Alimentaire et Nutritionnelle
PNSA	Programme National de Sécurité Alimentaire
PNUAD	Programme des Nations Unies d'Aide au Développement
PNUD	Programme des Nations Unies pour le Développement
PREPUB	Projet de Réduction de la Pauvreté Urbaine à Balbala
PS	Priorité Stratégique
PTME	Prévention de la Transmission du VIH de la Mère à l'Enfant
PVVIH	Personne Vivant avec le VIH
RNDB	Revenu National Disponible
RTD	Radio Télévision Djiboutienne
SCAPE	Stratégie de Croissance Accélérée et de Promotion de l'Emploi
SDG	Sustainable Development Goals
SEJS	Secrétariat d'État à la Jeunesse et aux Sports
SHAP	Social Health Assistance Program

SMART	(Standardized Monitoring and Assessment of Relief and Transitions).
SNSP-FS	Stratégie Nationale de Protection Sociale-Filets Sociaux
SNU	Système des Nations Unis
TPE	Très Petite Entreprise
UNDAF	United Nations Development Assistance Program
UNFD	Union Nationale des Femmes Djiboutiennes
UNESCO	Organisation des Nations Unies pour l'Education, la Science et la Culture
UNHCR	United Nations High Commissioner for Refugees
UNICEF	Fonds des Nations Unies pour l'Enfance
WFP	World Food Program



# Introduction

In the early 2000s, the Republic of Djibouti embarked on the momentum shared by other African countries with the Poverty Reduction Strategy Papers (PRSPs). Successive strategies were adopted, including the economic orientation law (2001-2010), the Strategic Framework for Poverty Reduction (PRSP-2004-2006), the National Initiative for Social Development (NISD-2008-2012) and the most recent, the National Strategy for Social Protection-Social Nets (NSSP-FS-2013-2017) whose main objective is to *"put in place an efficient social safety nets system for the vulnerable population, who have so far not benefited from both emergency and conventional social security»*<sup>1</sup>.

The conclusion that emerges after the implementation of these strategies, accompanied, indeed, by other departments (health, education) or cross-sector (employment, gender, micro-finance), is that if the country has known a dynamic of sustained economic growth, despite the ups and downs of the national, regional and global economic situation. This growth has not, however, been accompanied by a significant social development.

Moreover, the heart of social fragility, such as extreme poverty and unemployment, did not change significantly when it did not worsen in some of its indicators<sup>2</sup>. In percentage terms, extreme poverty has declined by only 1% and overall poverty by only 6% over ten years (2002-2012)<sup>3</sup>.

Drawing on and even reversing the lessons of this situation, the Vision 2035, developed in 2014, which embodies the long-term approach to development, has defined ambitions for economic growth as well as for social protection. The latter is no longer seen as a substrate for growth but as a national objective with thresholds to be reached in terms of the fight against poverty, the mitigation of the impact of inequalities and the promotion of human capital in general.

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<sup>1</sup>Excerpt from Strategy document

<sup>2</sup>According to DISED's "Introduction of new poverty lines calculated on the basis of the 2013 Consumption Budget Survey", the overall level of food insecurity across the country has increased significantly, order of 5 points between 2002 and 2013.

<sup>3</sup>Source: DISED Extract from 'Document de Stratégie'

The accelerated growth and employment promotion strategy (AGEPS) (2015-2019), the medium-term operationalization plan, changed the Vision into objectives and lines of intervention, giving a large part to the construction and consolidation of human capital and the involvement of vulnerable categories in the dynamics of development.

The significant results achieved so far in terms of health and education have led Djibouti to such an extent where the search for quality is now rubbing shoulders with the objective of expanding the number of beneficiaries and their geographical coverage.

In terms of employment, a diversification of the supply is being made and targeting, in particular, SMEs-VSEs. The job creation potential of the latter is indeed recognized and proves highly useful for offering job and recruitment opportunities in a small and diversified economy, built in addition, on large investments that offer minimal opportunities for integration to unskilled labor, the main component of the majority of jobseekers in Djibouti.

In this context, the coverage period of the national social protection strategy which ends this year has, of course, seen relevant programs initiated, such as the National Family Solidarity Program (NFSP), the Social Health Assistance Program (SHAP), food insecurity programs or microcredit instruments, but these programs, which have not yet reached maturity, have not yet acquired a structuring power to sufficiently stimulate the objectives of the social protection strategy.

The results of this strategy have not yet been drawn up with precision. But in view of the expected effects, this assessment seems to be mixed, due to the lack of coordination between the actors, synergy between their interventions and periodic monitoring and evaluation of their results.

The new social protection strategy (2018-2022) will therefore have to take care to avoid these pitfalls, develop the points of strength observed and be part of a global approach that will give social protection:

- a set of human rights as agreed nationally and internationally;
- an integrated dynamic that helps the most vulnerable population while seeking at the same time to raise the level of protection of the entire population;

-a strategy bringing together the conditions for the sustainability of its programs in order to assess its contribution to the whole development of the country.

But the goal of sustainability does not mean that quick and non-recurring actions should not be done as they are often imposed by climate constraints and the consequences of the changes of the regional situation, where the inflow of migrants and refugees is really important. A combination of these short-term and long-term interventions will provide evidence that national constraints are well understood and controlled.

In addition, it is important to underline that the new strategy has, more than the previous ones, a context favorable to the design of its components and the deployment of its programs.

Indeed, it benefits first from two elements of framing, the Vision 2035 and the Accelerated Growth and Employment Promotion Strategy, which were the object of a national appropriation, after consultation with all the partners of the social scene.

It is then part of an international agenda endorsed by Djibouti, built around the Sustainable Development Goals (SDG2030) and the international partnership for the setting of national social protection bases including a set of recommendations for the implementation of minimum guarantees in accordance with the institutional structures, pace of development and aspirations of each country.

It is worth mentioning that the start of the new social protection strategy and its coverage period are the same as for the United Nations Development Assistance Program (UNDAF-Djibouti / 2018-2022).

Finally, the elaboration of the new National Strategy for Social Protection coincides with the extension of the powers of the government body in charge of this project which, from the Ministry of National Solidarity, became the Ministry of Social Affairs and Solidarities<sup>4</sup>, thanks to the new composition of the Government decided in May 2016.

This evolution makes it possible today to consider that the fight against poverty, which was the main gateway to social protection policy, will have to aim at the establishment of food

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<sup>4</sup>Law No. 162 / AN / 16 / 7th L reorganizing the Secretariat of State for Social Affairs..

security, to be part of a logic of transfers guaranteeing income throughout the life cycle and combining with a range of programs targeting the entire population for its involvement in the dynamics of development and its own well-being.

Moreover, and knowing that the end of the current year marks the end of the Social Protection Strategy-FS, a process of preparation of the Strategy 2018-2022 has been put in motion since the formulation of a first diagnosis, in a consultation workshop held in 2016, followed by the "Social Actions Meeting", held on 25 and 26 January 2017 in Djibouti<sup>5</sup> and a first diagnostic work carried out in the light of the recommendations of this national workshop and after consultation institutional actors, associations and technical and financial partners.

This consultation process was resumed again and completed last May, as part of the preparation of this report<sup>6</sup>.

Also, and given the context that justified its development and the opinions expressed by the structures involved and the resource persons, this strategy document will comprise four parts.

**The first part** will focus on defining the economic and social context of the Republic of Djibouti by exploring (i) the regional context in terms of opportunities and challenges, (ii) analyzing the economic situation and (iii) the demographic situation. (Iv).

The macroeconomic and demographic trend framework will then serve to identify the expected effects of (v) the evolution of the economic situation in the medium term and its effects on the financing of development and the social sector in particular and the consequences of (vi) the evolution of national and foreign population in terms of impacts and needs at the level of essential social services.

**In the second part**, the findings and challenges of social protection will be examined through (i) the social security contributory sector and (ii) the social assistance sector, where the programs fighting against poverty and food insecurity, the responses to the demand for basic

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<sup>5</sup>See appendix IV.6.

<sup>6</sup>See appendix V.

social services (health, education, water and sanitation) and those provided for people with special needs (elderly people, disabled people, migrants and refugees) will be explored.

Cross-cutting strategies will be addressed in their dynamic relationships with social protection. These will be (iii) the promotion of employment and income, (iv) the promotion of gender, (v) housing, (vi) the environment and (vii) regional development where, with the new dynamics of decentralization, social protection will spread on a wider scale and become a local service within the reach of all citizens.

Cash and quasi-cash transfer programs and innovative programs will be discussed at the end of this section.

**The third part** will focus on the implementation of the National baseline for Social Protection. This base is defined as the framework intended to broaden the spectrum of minimum social guarantees to the whole population (gradually, according to the means and pace of development of the country), and to raise the level of social benefits. The prerequisites for its implementation are then defined.

Such an approach needs, of course, building the capacity of structures and human resources to build a sound and effective system based on effective and equitable targeting and reliable sources of information.

But it also requires sustainable sources of funding that it is up to the state, in the first place, to consent through the creation of a dedicated budget space.

**In the fourth part**, the implementation framework and accompanying measures will be defined.

**In the road map**, a three-step action plan is proposed, preparing for the launch of the Strategy in 2018 and actions to be developed for an adequate framing of the programs to be put in place immediately.

**The annexes** will be organized into four types: (i) the strategic action plan and other syntheses of expected results, budget data and monitoring-evaluation methodology, (ii) the texts, tables, boxes and figures used to support and / or illustrate this report, (iii) the documents consulted and (iv) the people we met.

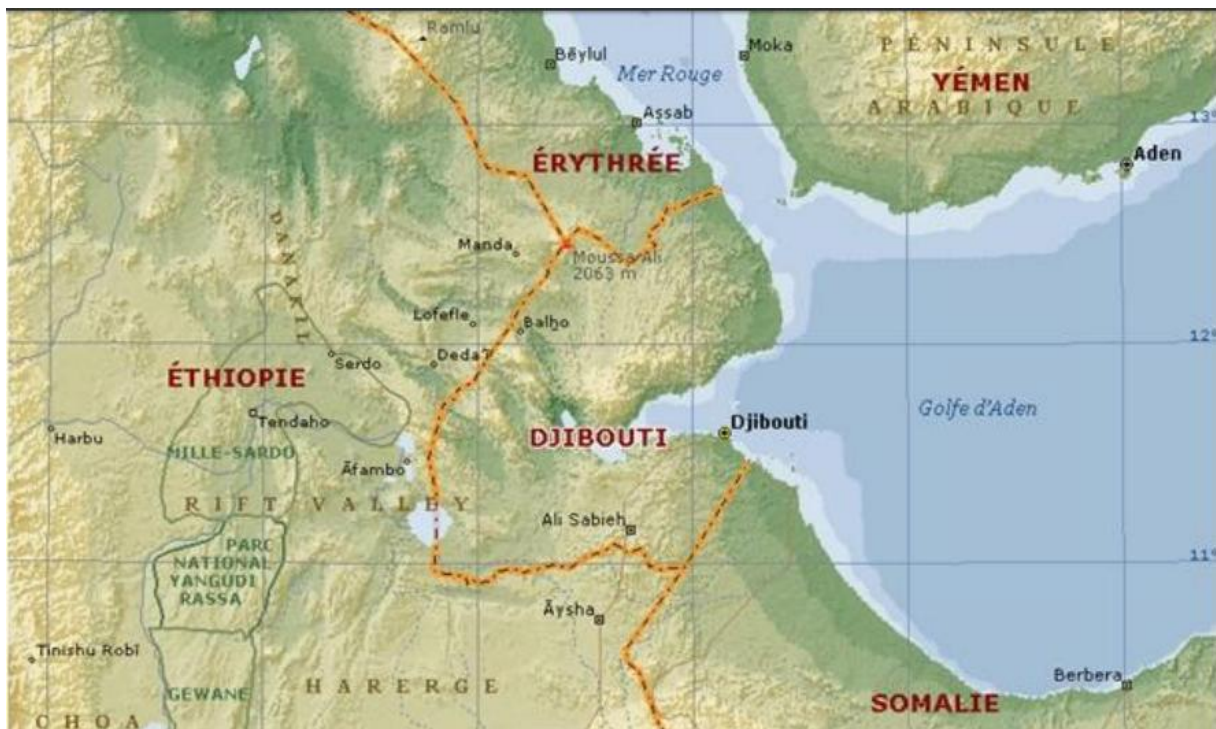


PART - 1

## I. The economic and social context

### I.1. The regional context

The Republic of Djibouti occupies an exceptional geostrategic position located on the second most used maritime route for international trade. Open on the Gulf of Aden, at the exit of the Red Sea, it connects the Mediterranean with the coasts of Africa and the Far East. It faces the Arabian Peninsula, especially Yemen, and shares its borders with three countries which are Ethiopia (landlocked country), Eritrea and Somalia. Djibouti also maintains relations with some landlocked African countries such as Burundi, Uganda and Rwanda.



This geographical situation has led this state of the Horn of Africa to naturally join several regional economic and political entities. Djibouti is indeed part of:

- The Associated States of Africa, the Caribbean and the Pacific (ACP);
- the Common Market of East Africa and Australia (COMESA) which groups together 20 countries and extends from Egypt to South Africa also encompassing the Indian Ocean Islands;
- the Community of Sahel-Saharan States (CEN-SAD)

- the Intergovernmental Authority on Development (IGAD), of which it is the seat, and which brings together seven countries.

The Republic of Djibouti is also a member of the League of Arab States and the Organization of the Islamic Conference (OIC).

Taking advantage of its strategic position, Djibouti is home to foreign bases from which it derives a dividend in the order of 15,905,843,000 FDD in 2017<sup>7</sup>, or 13.16% of budget revenues and 4.67% of GDP.

At the regional level, Djibouti has strengthened its integration with the Ethiopian neighbor totally isolated since 1993 and to whom it offers a vital maritime outlet. Ethiopia is today the main trading partner of Djibouti, where it accounts for 80% of the transit of goods. The electrical interconnection between the two countries, the recent completion of a drinking water supply project to Djibouti, the construction of the Mekele-Tadjourah road, the Djibouti-Addis Ababa railway line and the future port of Tadjourah have further strengthened this integration.

The country's economic growth can still benefit from regional integration through the development of the port of Doraleh, which will strengthen trade with the State of South Sudan and the tripartite project Djibouti-Ethiopia-South Sudan deconstruction of a pipeline from Juba, port of the latter country, to the Djiboutian sea outlet.

It thus appears that the geostrategic situation of Djibouti and its regional integration efforts enable it to make a significant financial and economic dividend, offsetting the modest budgetary resources and the impact of a difficult climate environment and offering opportunities for sustained growth that could have an impact on the improvement of the social situation.

Nevertheless, it's to admit that this situation is not without risks. Djibouti could, indeed, suffer from the repercussions of the instability of a region plagued by conflicts, certainly appeased at the present time, but whose resurgence could jeopardize the gains made.

## **I.2. The economic situation**

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<sup>7</sup> Original Finance Law. Djibouti. 2017



Thanks to the political stability that has characterized the country in recent years, the growth rate has seen a continuous positive evolution from 4.5% in 2011 to 6.5% in 2016 with an estimate of 7% for 2017<sup>8</sup>. This growth is supported by the development of investments in infrastructure and logistics related to port activities and by foreign direct investment (FDI) which mainly target the construction of port, road and real estate infrastructure and the development of the hotel sector.

Despite a drop in production costs, mainly due to the drop in the energy bill after the electricity interconnection with Ethiopia<sup>9</sup>, Djibouti's economy remains dominated by the service sector. Industry and agriculture represent respectively only 18% and 3.6% of GDP<sup>10</sup>. Moreover, with less than 1000 square kilometers of arable land (0.04% of the total area of its territory) and average rainfall of only 130 millimeters per year, Djibouti produces only 10% of its food needs<sup>11</sup> even if Livestock represents 75% of agricultural GDP and the livelihood of 30% of the population.

At the level of employment, the youth of the population (40% are under 15 years old), is an asset to serve as an engine for growth, as it poses a problem in the face of the modest job opportunities offered to it. The emergence of unemployment among young first-time graduates may further complicate the situation if a better match between education and the needs of the labor market is not sought in the short term.

In addition, the informal sector, which accounts for almost 20% of the effective workforce of 15-64 year olds (as opposed to more than 70% in most sub-Saharan African countries<sup>12</sup>), consists mainly of micro-units (average size of 1.3 persons) with precarious jobs. Moreover, nearly 92% of the informal production units do not see any interest in registering in the main state registers (commercial register, The National Fund for Social Security, ...) thus

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<sup>8</sup> Original Finance Law. Djibouti. 2017

<sup>9</sup> In 2011, poor households saw the value of their electricity consumption fall by 30%.

<sup>10</sup> Ref. UNS. Common country assessment. September 2016.

<sup>11</sup> UNDP 2018-2022. Draft 5. 21 march 2017.

<sup>12</sup> Djiboutian survey on employment, the informal sector and household consumption (EDESIC 2015). Analysis of the informal sector. DISED.

<sup>13</sup> Regional territorial development in Djibouti. Presentation of Luigi N. Tessitore dated February 27, 2016.

<sup>14</sup> COFACE. January 2017.

restricting the tax revenue base and the expansion of the population subject to social security.

These factors, combined with limited access to credit, lead to growth that, even if sustained, remains low in labor intensity.

In addition, regional inequalities, especially between Djibouti Capital and the rest of the country, remain significant. The budget of the State reflects this distortion, since, according to a recent study<sup>13</sup>, it would be managed 98% at the central scale and 2% across the five regions of the country.

The weight of the debt affects, for its part, the public finances to hope to clear, without difficulty, a consequent budgetary space which would be dedicated to the social protection. Fixed at 13,216,468 000 Djibouti francs for the year 2017, it increased by 29.40% compared to 2016.

Unlike other economic indicators, the variable debt has a worrying trajectory. The IMF even estimates that the ratio of debt as a percentage of GDP is more than 80%.

Lastly, persistent smuggling has a strong impact on tax revenues. Those resulting from the tobacco trade, for example, have been revised downwards in the 2017 finance law (an estimated decrease of 87 millions of Djibouti francs compared to 2016).

### **I.3. The demographic situation**

According to the last general census of the population, carried out in 2009, the population of Djiboutian counted 818, 200 inhabitants of which 46.2% are women and nearly 74% of them are less than 35 years. Population growth is 2.8%, or 22,900 additional inhabitants per year<sup>14</sup>. The capital is home to 60% of the population. Djibouti is the second most urbanized

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<sup>14</sup>According to the UNDP. Djibouti, the population growth rate is very high (5%), of which 3% is due to migratory flows.

<sup>16</sup> The HDI, calculated by the UNDP, is presented as a unitless number between 0 and 1 and refers to 3 criteria: i- health / longevity ii- knowledge or level of education and iii- standard of living . The average HDI in the world is 0.711, the low HDI is 0.505 and the very high HDI is 0.896.

country on the African continent due to rural exodus and the influx of migrants and refugees from the Horn of Africa.

Such an economic and demographic situation has not been without social consequences, as shown in particular by the persistence of poverty, exclusion and unemployment, as well as the deepening of the regional imbalance and the displacements of the populations from the rural areas to the urban areas and to Djibouti city, in particular.

The value of the Human Development Index (HDI) confirms this situation since the UNDP, in its 2015 report, ranks Djibouti 168th worldwide out of 188 countries with an index of 0.470 and ranks it among the countries with low human development<sup>15</sup>. The Gini index, which remains steady at a level of 0.4 between 2002 and 2013, also reflects the importance of the challenges to be tackled both in terms of social services and the level of inequalities.

In terms of health, the infant mortality rate, of 50.20 per thousand, ranks Djibouti at 190 out of 229 countries.

A joint evaluation by the Ministry of Health and UNICEF (November / December 2013) indicates that 17.8% of children under 5 years of age suffer from global acute malnutrition including 5.7% who suffer from severe acute malnutrition.

To remedy this state of affairs and put the country in a dynamic of inclusive and sustainable development, the public authorities have taken various initiatives to prevent human capital against economic and social shocks and to provide social protection for vulnerable populations.

But it is clear that the succession of shocks and crises that has characterized the last few years has further weakened the most vulnerable segments of the population and worsened their state of poverty. Specific responses to crisis situations - in the form of social safety nets - have thus been implemented by various government and non-government institutions and agencies working in the social sectors with the support of the international community, combined with action on the prices of staples. These actions have made it possible to meet the emergency food needs of the most vulnerable populations, particularly in the most remote rural areas of the country.

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The recurrence of these crises and the sometimes definitive losses that they have caused in terms of material and human capital, have given these difficulties a chronic and structural character. Combined with inadequate results in the fight against poverty and the persistence of situations of food insecurity - especially for a large part of the poor population, which lives for the most part in urban areas - this situation made it imperative to implement a social protection strategy which was to develop more broadly the "social safety nets", component of the National Initiative for Social Development (NISD 2007) in addition to the actions of the technical ministries in the social sectors and the contributory social security system

Moreover, it should be noted that Djibouti is experiencing an unprecedented migratory phenomenon since the outbreak of the crisis in Yemen, which has amplified an already existing phenomenon since the 1990s following conflicts between border countries and within these countries. The International Organization for Migration (IOM) estimates the number of border crossings between 300 and 400 per day that swell the ranks of refugees from camps in the country. Nearly 200,000 illegal Ethiopian residents put more pressure on local populations, particularly in terms of access to basic services (40% of the weight borne by the health services is due to migrants because of diarrhea, respiratory problems, imported cholera case, ...). Of the 6000 migrants referred to live in Djibouti-Ville, 20% are between the ages of 11 and 17 and are unaccompanied, which is not without causing problems related to child trafficking, sexual abuse and drugs. They often become street children and teenagers with no identity documents.

This population is thus added to the "floating population" or IDPs who cause problems of identification and census and for whom the food and water needs are enormous.

The stabilization of these populations and their social integration or reintegration in their countries of origin cannot be solved by the only Djiboutian interveners and require an energetic action of the international community.

## **II. Macroeconomic framework and demographic trends**

### **II.1. The evolution expected from the economic situation**

►The growth expected for the Djibouti economy would average 8.5% over the 2018-2035 period. It would be more sustained at the beginning of the period. Indeed, for the period 2018-2022, it would be 9.6% and then decline over the period 2023-2035 to have a rhythm of 7.5% annually. This growth will be focused on a better diversification of the economy, especially in sectors considered to be promising such as manufacturing, trade, fishing and tourism at relatively high levels of public administration and transport and telecommunications.

The share of public administration in GDP, in particular, would rise from 17% to 15% between 2018 and 2022 to reach 12% by 2035. In addition, the share of public administration in total employment, which was 41% in 2016, would rise to 35.9% in 2025 and reach 29.3% in 2035.

►The gross national disposable income (GNDI) would evolve more rapidly than that of consumption.

In fact, the consumption that represented 84.2% of the Gross National Disposable Income (GNDI) in 2015 would be of the order of 80.8% in 2022 and 74% by 2035. This atypical situation (which could have led us to believe, logically, to the existence of a continued savings dynamic, (is this the case?) raises the question of the role of this increase of consumption in the development of domestic demand and growth.

►On another level, foreign direct investment (FDI) would maintain the same value annually over the period 2018-2022 and would therefore have a relative decline in relation to GDP from 2.5% in 2018 to 1.5% in 2022.

►For this reason, financing needs would rise from 9% in 2018 to just over 1% in 2022. The needs would change into financing capacities from 2026.

This situation would be explained by the end of major investments, major infrastructures reaching maturity in 2018 and by the progressive financial returns that would then be expected.

In general, the IMF believes that *"to reap the benefits of massive investments and make everyone benefit from them, the authorities will need to focus on several fundamental*

*reforms, which aim to turn the investment boom into strong and inclusive growth that will reduce poverty, create jobs and put debt on a sustainable path. "*

In this context, a sustained budget cut policy has been put in place (see appendixes) as well as a strategy for reducing taxes on energy products.

On the other hand, being aware of a predictable drying-up of external financial flows which, combined with the weight of the debt, could make it more difficult to finance planned spending, the Djiboutian authorities (BIA 2017) "have endeavored to mobilize support with the commitment of the main development partners, but with a focus on access to grants rather than loans, or where appropriate to focus only on concessional loans ". Thus, while in 2014, about 10% of public expenses were financed by donations and 23% by loans, in 2016 the situation was reversed with respectively 18% and 5%.

## **II.2.The evolution expected from the demography**

The population is to be growing (see appendix) at an average annual rate of 2.8%; however, it would be differentiated by region. The inter-regional concentration index<sup>16</sup> reveals a relative diversification of the population during the 2015-2025 decade, for a reversal of the situation during the 2025-2035 decade. As such, Djibouti-city which concentrates 58% of the population in 2015, would increase to only 57% in 2025, to be between 2035 and 59.6%.

Labor market data show a growing involvement of women in the labor market; the active population will evolve over this period with an average annual rate of about 2.4%. This population will increase from 329 thousand to more than 400 thousand in 2025.

These estimates suggest that jobs in the private sector should change rapidly from 120,000 jobs in 2017 to 200,000 in 2025 and 317,000 in 2035.

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<sup>16</sup>*I Herfindahl-Hirschmann index: Concentration / diversification index: if it is high, it reflects a lesser distribution between the components (eg sectors of economic activity,*

$$H = \sum_{i=1}^n s_i^2$$

*regions, etc.)*

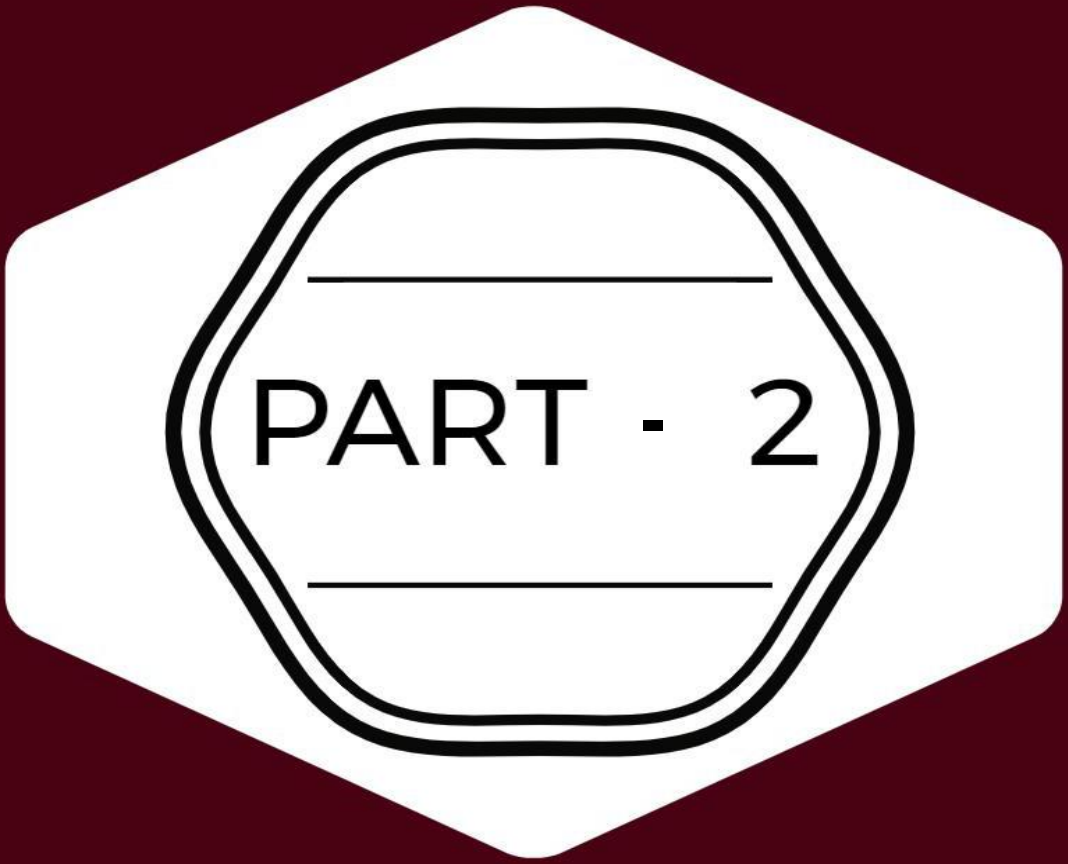
(Avec Si = part dans total)

By allowing this category of workers to benefit from social security coverage as part of the contributory system, the social protection strategy should, in doing so, extend the protection to more workers by (i) helping to strengthen the role of the private sector in creating jobs (ii) and seeking to integrate the maximum of informal sector assets into the formal sector.

At the level of unemployment, the number of unemployed people is expected to fall to 88,000 in 2025. The population is expected to grow at an average annual rate of 2.2% over the 2018-2025 period, and would thus increase the total population of Djibouti from 1,013,000 individuals in 2017 to 1,180,000 individuals by 2025.

In addition, the Vision 2035 aims to reduce the unemployment rate to almost 10% in 2035. However, to reach this goal, this rate should fall to 22% by 2025.

Regarding the poor, in 2016 almost 22% of the population of Djiboutian lived below the extreme poverty line. This figure corresponds to 217 thousand individuals. The objective of the Vision is to reduce by one third the rate of acute poverty, 15% by 2035 (and 20% by 2022) and thus maintain this population at around 220,000 individuals;



PART - 2



### III. Reports and challenges of social protection

The Republic of Djibouti already has a formal social protection system that has been operating for several years (family allowances, old-age pensions and universal health insurance since 2014) and a social protection system based on social services for the poor and vulnerable groups.

#### III.1. Social security in the contributory sector

The social insurance, which is of a contributory nature, has been managed since 2008 by the National Fund for Social Security, a public administrative institution under the supervision of the Ministry of Labor and the Reform of the Administration.

The National Fund for Social Security ensures the recovery of social contributions and guarantees, since the implementation of Universal Health Insurance, in December 2014, which is a universal medical coverage for all.

The risks covered by the CNSS are the following:

<b>RISKS</b>	<b>Employee's share</b>	<b>Employer's share</b>
<b>Family allowances</b>	<b>0</b>	<b>5.5%</b>
<b>Industrial injuries</b>	<b>0</b>	<b>1%</b>
<b>Old age, disabled, survivors pensions</b>	<b>4%</b>	<b>4%</b>
<b>Health care</b>	<b>2%</b>	<b>5%</b>

The self-employed contribute only 7% to the "care" scheme.

In 2016, the National Fund for Social Security had 80,000 tax payers, consisting of private sector workers (40,000), government employees (18,000) and uniformed employees.

In order to meet the expenses involved to cover the benefits under the two systems, general and special, of the social security system, the National Fund for Social Security has funding resources that come mainly from employers and employees and a grant from the State with regard to the medical coverage of the poorest.

The estimated budget for the 2016 financial year of the National Fund for Social Security has been established in products at more than 20 billion Djibouti francs and has a surplus of more than 4 billion Djibouti francs.

The estimated revenues are up compared to 2015, mainly due, according to the National Fund for Social Security, to continued economic growth and its positive effects on job creation.

As part of its investment strategy, the National Fund for Social Security gave importance to implementing several projects in 2016, including the launch of the Social Health Assistance Program, the completion of the technical studies for the construction of a new modern hospital project and the acquisition of medical equipment for the Arta hospital and its health centers. This development intervention could be improved by improving the recovery rate from employers tempted by under-reporting or total "social evasion".

From the foregoing, it is clear that formal sector coverage is well structured despite a modest penetration rate (29%). But this sector could be the subject of a favorable extension reaching a rate of 75% in 2024.

It should be emphasized here that the informal sector should be given special attention in measuring the number of jobs it generates. Its progressive formalization would make these jobs visible, not to mention the impact that the structuring of the sector could have on the reinforcement of social security resources and, consequently, on the broadening of the contributors' base.

In addition, the establishment of a universal health insurance system (UHI) which enshrines the right of access for all to health (Law No. 24 / AN / 14 / 7th L) constitutes a considerable step forward to the institutionalization of a universal human right. The universal health insurance also represents a manifestation of social solidarity since it includes a contributory Compulsory Health Insurance (CHI) and the Social Health Assistance Program which covers people without income (previously identified) and who are not affiliated to the National Fund for Social Security.

At present<sup>17</sup>, there are 339,449 people covered as follows:

- ▶ Compulsory Health Insurance: 51,666 households, or 284,183 people.
- ▶ Social Health Assistance Program: 17,952 households<sup>18</sup>, or 98,736 people.

In order to guarantee the conditions of sustainability of the reform, the Universal Health Insurance needs to complete the organizational texts, set up an information system for steering and control, and broaden the base of contributors of the . In doing so, this program will make a significant contribution to improving the health of the general population and reducing the still high rates of infant and child mortality.

### **III.2. The social assistance sector: challenges and opportunities**

#### ***III.2.1. The fight against poverty***

Poor households are the most disadvantaged and therefore have the greatest deviations from the average: low levels of income, assets and savings, low levels of education, training or skills, and limited access to funding sources. The latest data on the analysis of the poverty situation in Djibouti, based on the consumption budget survey through the Djiboutian surveys of households (DSH4), indicate that the incidence of extreme poverty at the national level stood at 19.1% in 2017 for a extreme poverty line estimated at 111,142 DJF for the whole country.

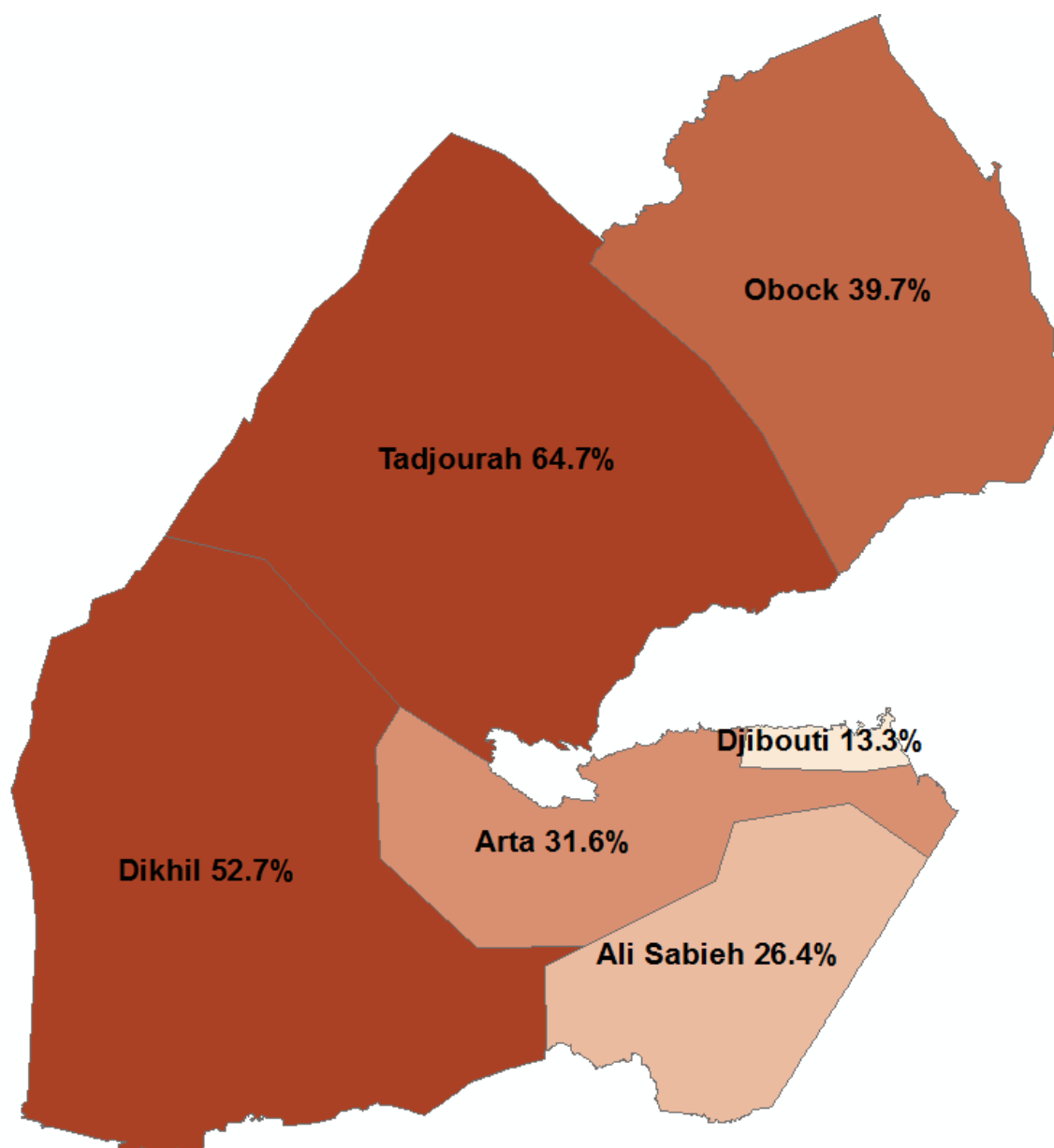
Compared with the 2013 data, the change found is a 4 percent percentage point drop across the country. But this decline should be interpreted with caution as the methodology for calculating Djiboutian surveys of households DSH4 has changed further than DSH3.

"In line with previous years' studies, there seems to be a long-standing gap between the well-being of the capital and other regions. Indeed, in Djibouti-ville, the extreme poverty rate is estimated at 13.3%, while in the other regions, it is almost three times higher than the national rate: 44.6%. DSH4. See map below.

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<sup>17</sup> National Fund for Social Security statistics at 22/12/2016

<sup>19</sup> This figure was updated in October 2018.



"By using a global poverty line, the proportion of the population considered as poor increases considerably. Across the country 35.3% are unable to cover their food and non-food needs. Among households in other regions, this rate is even higher at 59.3%. As far as inequality is concerned, the Gini coefficient is estimated at 0.42. This level of inequality is the second highest in the Middle East and North Africa region. "

The overall poverty line for the country as a whole is estimated at 150,565 DJF with a relative poverty incidence rate of 35.3% in 2017. Poverty remains much more pronounced outside the capital.

The proportion of the population that suffers from multidimensional poverty has not significantly decreased in relation to the incidence of income poverty. Indeed, statistics show that poverty affects more people who have never been to school, 90% of the poor.

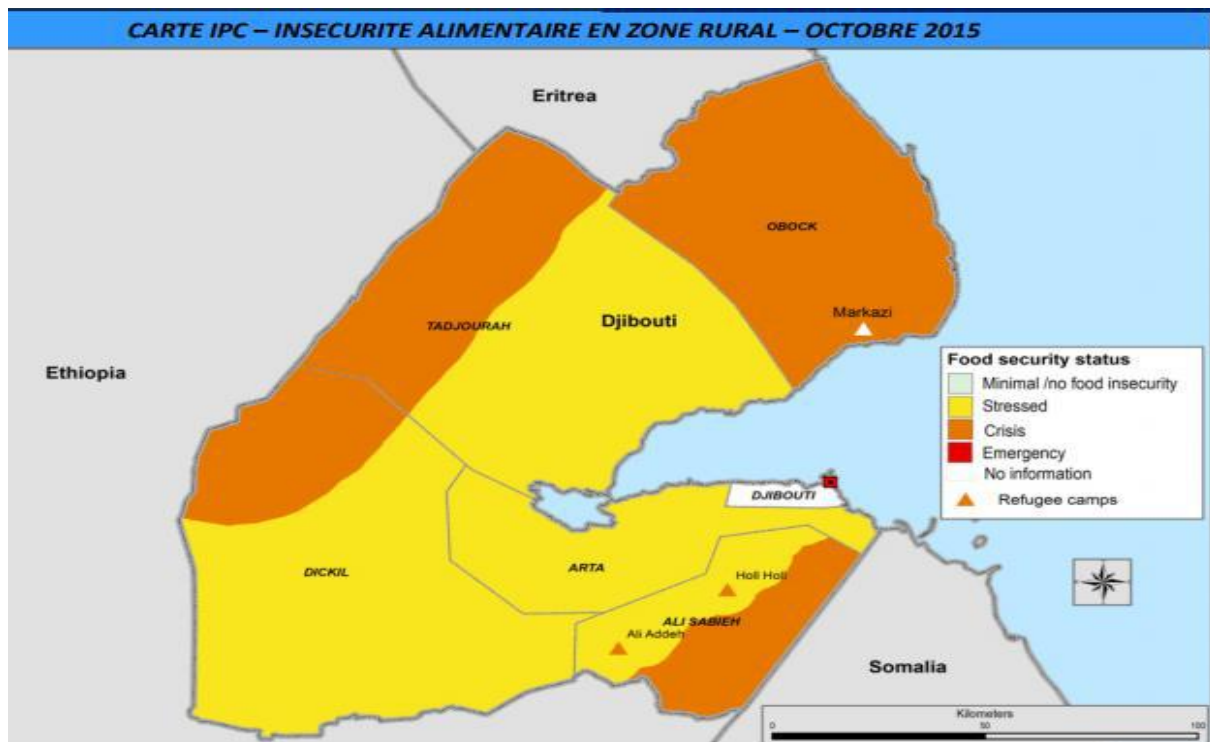
The high level of monetary poverty impacts household spending on food, which has declined in real terms. The poorest households spend up to 80% of their budget on food, compared with 70% in 2002 (Accelerated Growth and Employment Promotion Strategy).

### ***III.2.2. The fight against food insecurity***

The population in acute food insecurity is defined as the population who, even when spending all their money (for food and anything else) on food, is not able to acquire the minimum daily calorie intake.

Recent results from the Consumer Price Index (CPI) analysis of chronic food insecurity (valid for up to 5 years, in the absence of unusual shocks) are as follows: almost 280 000 people, or 28.4% of the population, face chronic food insecurity (CPI IAC Level 3+).

Level 4	106,866 people at severe level
Level 3	171,988 people at moderate level
Level 2	332,165 people at middle level
Level 1	368,426 people at minimal level



Source: IPC. Integrated food security classification framework. Djibouti. October 2015.

The most severely affected regions are the Obock regions in the north, and the Ali Sabieh and Dikhil regions in the south, with respectively 30%, 25% and 20% of the rural population at level 4. In the capital and its periphery (Balbaba), 15% and 25% respectively are at Level 3, ie 113,373 people. This analysis covered the period from 2007 to 2017 and is valid for 3 years until the end of 2020.

Faced with this situation, the State has set itself priority objectives in the framework of resilience, which includes improving food security, particularly in rural areas (Accelerated Growth and Employment Promotion Strategy and PNIASAN). For this, the State opted for:

- improving the management of short-term food crises in collaboration with WFP. This should begin with the construction of regional food distribution depots.
- the creation of conditions for structural food security.

In this context, Djibouti has set up the National Food Security Program (2012-2017) and the PNIASAN (2016-2020) from which three main components emerge:

- *ensuring sustainable food security in the regional context with the development of agricultural farms granted by Ethiopia and North Sudan. The focus is on five products: flour,*

*oil, sugar, rice and sorghum. Experts from the Ministry of Agriculture believe that the problem for these products can be solved within two to three years;*

- *Improving storage capacity for strategic products;*
- *the creation of new sources of growth through the introduction of modern technologies (drip, greenhouse crops, etc.) and new varieties of products (palm groves, sugar crops, fisheries) and the support for national exports (meat and fishery products).*

This program, which is currently being implemented, calls for capacity building through the training of farmers and their regrouping into agricultural cooperatives. But it has already helped to obtain results, notably through a noticeable action at the level of public prices of flour, bran and oil.

In addition, the start-up of the aqueduct with Ethiopia will have a tangible impact on the development of food security.

### ***III.2.3. The vulnerabilities related to age and sex***

► Children and the elderly are vulnerable because of their immaturity and disability respectively. Women are particularly vulnerable to the age of procreation. Young people (especially in the 15 to 24 age group) also show specific vulnerabilities in terms of access to the labor market and health risks, particularly with regard to their exposure to HIV / AIDS. .

According to the 2009 Census, Djibouti had 818,159 inhabitants, 46.2% of whom were women. This population was mostly composed of young people (about 74% of the population was under 35 years of age), which induces high dependence ratios and reduces the savings capacities of families and households, contributing to reproducing poverty, because among the poor, the number of children is the highest

According to census data, the age structure shows that 56.8% (Djibouti-city: 56.0% and other regions: 58.8%) of people are under 15, nearly 73.5% (Djibouti city: 73.60% and other regions: 73.1%) are under 35, while 6.5% (Djibouti city: 6.0% and other regions: 7.9%) only are 55 years old and over. This result reflects a relatively high dependency ratio (inactive ratio on assets) in the country. The average age of the population is around 23 years old. The youth of the population and the predominance of women, nearly 57% of whom are of

childbearing age, result in sizeable social needs, labor market tensions and strong demand in the education and training sectors of health.

► For their part, young children (0 to 4 years old, or 11.4%) face particular risks, particularly health and malnutrition risks that jeopardize their survival.

In the proportion of children under 5 who suffer from stunting, the overall prevalence of this form of malnutrition is about 33.5% with 19% severe stunting (EDSF / PAPFAM 2012). The age group most affected by stunting is 12-23 months, or more than four out of 10 children (41.5%). The differences are significant according to the place of residence: the proportion is higher in rural than in urban areas (42.3% against 30%).

Infant mortality remains high, 58% according to EDSF / PAPFAM 2- 2012, with gender disparities (62.4% for boys and 53.3% for girls), geographical disparities (58.8% in urban areas against 55.7% in rural areas) and disparities in the educational attainment of mothers (64.4% of children of mothers with no education versus 40.4% of children of mothers with primary education and above).

► Among youth-related vulnerabilities is unemployment. The structural constraints of the labor market in Djibouti led to a high unemployment rate (48% in 2012) which even reached 60% in rural areas. Nearly three-fifths of women and young people are affected by this scourge.

The National Employment Policy highlights the relative preponderance of young people leaving the education and training system, the first jobseekers, in the population of people affected by unemployment and underemployment. In fact, 72% of the unemployed are under 35 years old. An average proportion of 33% of employees, a majority of whom are young, are employed in the unofficial sector.

Faced with this serious trend, the Vision 2035 set itself the goal of reducing the unemployment rate to 10% in 2035. In absolute terms, the goal is to create more than 200,000 jobs.

Moreover, the particular vulnerability of young people to the risks of HIV / AIDS is to be underlined despite significant progress recorded between 2006 and 2012. Indeed, in 2006<sup>19</sup>,

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<sup>19</sup> Survey EDSF 2006.



only 16% of young women and a proportion twice as high of young men (35%), had full knowledge of HIV / AIDS, in 2012<sup>20</sup>, 67% of 15- to 49-year-old non-single women experienced this disease with differences in educational level and place of residence. The proportion of young people using condoms has been very low: around 19% for men and only 10% for women at first intercourse, with rates much lower in rural and northern areas.

► **People over the age of 65** (3.1% of the population) sometimes have little or no family support and are subject to increasing risks of illness and disability, with significant needs for medicines and medical consultations. The proportions of patients increased from 0.9% among those under 15 to about 17.5% among the population aged 65 and over.

Conscious of this situation of fragility, the services of the Ministry of Social Affairs are initiating an ambitious program of care for vulnerable elderly people living alone in the context of reception centers ensuring their accommodation and medical assistance.

It is worth noting here that a bill promoting the advancement of older persons is in the process of being adopted.

► **People living with a disability** appear to be one of the most precarious groups with a range of disadvantages, ranging from access barriers to education and employment to the constraints of their full participation to social and cultural life.

However, in the absence of known statistics at the moment, it is difficult to quantify these disadvantages. The most recent estimates concern a number of 10,000 people with disabilities, 95% of whom suffer from a virtual absence of income according to the President of the National Network of Disabled People (recently created network). The main handicaps are visual, loco-motor and mental. The latter type of disability is thought to be due to difficult deliveries, which largely justifies the efforts made to carry out childbirth assisted by health professionals.

A draft law on persons with disabilities, currently being adopted, will offer this category of the population the possibility of having adequate qualifying training and means of access to public buildings.

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<sup>20</sup> Second Djiboutian survey on the health of the family. EDSF / PAPFAM 2-2012.

### *III.2.4. Promoting access to basic social services (health, education, water and sanitation)*

#### **► Health:**

Significant progress has been made in maternal and child health. The introduction of the Universal Health Insurance has come to provide solutions to the challenge of affordability of care for all.

But it is clear that the maternal mortality rate is still high (300 deaths per 100,000 live births). The infant mortality rates, for their part, exceed the standards (50.20 per thousand). A high prevalence of acute malnutrition and anemia is observed in children aged 6-59 months.

As for HIV / AIDS, the coverage rate of access to care for people living with HIV remains low (21.6%), probably because of a fear of stigmatization.

On the other hand, although the increase in the general staffing of health personnel appears to be sustained, it has nevertheless been much more at the level of the administrative staff than of the clinical staff, knowing, of course, that An adequate number of medical and paramedical health care providers is a long process that is a challenge for a country with limited resources.

In the meantime, the immediate increase in the number of these professionals and their priority assignment in the regions could be achieved through a call for foreign expertise through international cooperation.

On the other hand, the human resources (and equipment) are fewer in the districts, which increase the already existing inequalities of access to health as a function of household income.

The following table shows the number of inhabitants per general practitioner and nurse while comparing this ratio to WHO standards:

Areas/towns	Number of inhabitants per doctor		Number of inhabitants per graduate nurse from the state	
	WHO standard	2013	WHO standard	2013
<b>Ali Sabieh</b>		48 552		4 624

<b>Arta</b>	10 000	15 777	5 000	2 629
<b>Dikhil</b>		49668		3 425
<b>Obock</b>		21 139		2 114
<b>Tadjourah</b>		48 415		3 586
<b>Djibouti ville</b>		6 396		2 750
<b>Country</b>		9 720		3 016

*Source: SNIS-MS 2013 Health Statistics Yearbook.*

The share of health in the state budget, including external funding, has rather followed a downward trend, decreasing from 12.6% in 2007 to 8.9% in 2013 to reach a level of 7.37 in 2016 with an estimate of 6.94% in 2017, far from the 15% target advocated by the 2001 Abuja Declaration.

Many challenges remain. According to the guidelines of the National Health Development Policy (2013-2017), health policy aims to reduce by 2019 "the morbidity and mortality associated with major endemic pandemics, particularly for the most vulnerable target group, the mother and the child ... as well as the reduction of territorial inequalities by correcting the disparities of supply observed between the Capital and the districts".

A report published in October 2014<sup>21</sup> explains precisely the consequences of these regional inequalities, in terms of distances patients have to travel to reach a health facility: "With only 75 public, parastatal and private hospitals, health coverage in Djibouti remains low. The 10 private clinics and 4 parastatal centers are located in the Capital. In Djibouti, there is a basic health center for 17,053 inhabitants. The average radius of action of an infrastructure is 12.1 km in the country with peaks in the regions of Dikhil (18.1), Obock (16.1) and Tadjourah (15.3), which far exceeds the acceptable physical accessibility which is of the order of 5 kms.

Given this situation, but with broader objectives, the Accelerated Growth and Employment Promotion Strategy foresees results to be achieved by 2019, including "universal access to quality health services" and "the development and enhancement of human resources based on health priorities and on a geographical equity basis".

**►Education:**

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<sup>21</sup>Republic of Djibouti. Global Analysis of Vulnerability, Food Security and Nutrition (AGVSAN) - WFP. October 2014.

In terms of the right to education, the Accelerated Growth and Employment Promotion Strategy plans to achieve the goal of universal primary education and have sub-systems for vocational training and for higher education that are efficient and in line with the needs of the labor market.

The priority given to education since the beginning of the 2000s, in particular with free public primary education, has allowed the regular expansion of reception capacities and a steady increase in enrollment at all levels of education.

Over the period 2001-2015<sup>22</sup>, the gross enrollment rate for girls in primary school increased from 68.8 per cent to 94.2 per cent, while that of boys rose from 79.6 per cent to 94.1 per cent, which resulted in perfect parity. At the secondary level, the gross enrollment rate for girls rose from 41.8 percent in 2003 to 79.1 percent in 2015, and the parity index rose from 0.69 percent to 0.87 percent.

The same trends are observed at the university level where the proportion of girls among all students enrolled at the University has increased from 39.8% in 2006 to 42.9% in 2015.

On the other hand, the adult literacy rate increased from 49% in 2002 to 59.7% in 2015. In this context, the Ministry of the Promotion of Women and Family Welfare initiated literacy in national languages for vulnerable women.

During the year 2017, the Ministry of the Promotion of Women and Family Welfare launched a literacy program throughout the country. To date some 2086 illiterate women are taking literacy classes in national languages (Afar, Somali). Through this action, the Ministry of the Promotion of Women and Family Welfare intends to influence the high rate of illiterate women compared to that of men. It is expected to reach 36,000 women by the year 2020.

But it is a question that is starting to become firmly entrenched in the educational space, that of pre-school education. By initiating community nurseries, the goal of the Ministry of the Promotion of Women and Family Welfare was to free up time for mothers to train or have an income generating activities. Financed by the state budget, these nurseries are not yet fully

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<sup>22</sup>Presentation of the Ministry of the promotion of Women and Family Welfare. Document of 2016.

<sup>24</sup> Pre-school education for all. Sonia Naccache. Article. 2015.

functional. But the Ministry of the Promotion of Women and Family Welfare has set up 29 day-care centers: 15 in Djibouti-ville and 14 in the interior regions with support from UNICEF.

In fact, "it is now established that the" return on investment "of preschool education is the highest of all educational cycles and that it is even higher for disadvantaged social groups"<sup>23</sup>

#### ► Access to water and sanitation

Due to arid climatic conditions, more than 95% of drinking water is supplied by groundwater from volcanic and sedimentary aquifers. Groundwater production is estimated in 2013 at nearly 30 million cubic meters<sup>24</sup> per year and consumption<sup>25</sup> in 2017 at 40,000 m<sup>3</sup> / day.

*"The intensive exploitation of groundwater for several decades has led to the overexploitation of groundwater and, as a result, a deterioration of water quality. Limited recharge of groundwater, intensification of pumping and intrusion of seawater help to increase salinity and promote the emergence of brackish water. In addition, the issue of water is acute for the population in terms of the quantity available."*<sup>26</sup>

This situation is not without harmful consequences for the majority of people who are obliged to supply water either from a rudimentary borehole, a traditional well or a cemented well. The subscription to the National Office of Water and Sanitation of Djibouti (ONEAD) network concerns a minority of inhabitants of the Capital and its outlying districts.

To ensure the water needs of the population and the various economic sectors, the Djiboutian authorities have elaborated and adopted in 2000 a Master Plan of Water which takes into account the project of desalination of the sea water and the mobilization of the water surface area (dam construction).

In this context, the FAO has undertaken with the ADB the construction of a dam in Obock and a second project of reservoirs, in cooperation with Sweden, through the collection of

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<sup>24</sup> Second National Communication of the Republic of Djibouti to the United Nations Framework Convention on Climate Change. Djibouti. December 2013. Ministry of Housing, Urban Planning and Environment.

<sup>26</sup> Source: Ministry of Agriculture. May 2017.

<sup>27</sup> Same source as reference 25.

runoff water in Dikhil. The Djibouti State has earmarked 15, 000, 000 DjF in the 2017 budget for the construction of new water reservoirs.

The seawater desalination project will enable ONEAD to produce 40,000 m<sup>3</sup> of water per day, which corresponds to its current production.

The new, almost completed water supply project from Hadagala in Ethiopia is expected to produce 100,000 m<sup>3</sup> of water a day. It would solve most of the problem of water, at least in Djibouti city and in the southern regions and, according to experts of the Ministry of Agriculture, would bring down the level of exploitation of groundwater at 10,000 m<sup>3</sup> per day. At this rate, the groundwater could regenerate and many wells would be closed.

As for the northern regions, new drilling projects are planned with funding from the European Union and the ADB. The State Budget 2017 provides for 57,000,000 DJF for the drilling of new boreholes.

In terms of sanitation indicators at the household level, only 22% of households<sup>27</sup> have adequate latrines (11.3% have improved latrines and 10.7% have latrines with flush toilets).

Given the importance of the problem of sanitation nationwide and in addition to an allocation of 35,000,000 DJF on the 2017 budget, Djibouti benefits from several projects funded by foreign partners but often without synergy.

As indicated in the statistics on the distribution of poverty and precariousness between the regions and given the disparities in basic services between the capital and the regions, a strategy is being set up concomitantly between the Ministry of Social Affairs and Solidarities and the Secretary of State of Decentralization.

In this context, local social services have been implemented (12 social counters including 5 in the regions, development of mobile telephony for access to cash transfers, etc.). The support of the Secretary State of Decentralization and the support for social projects have consolidated this trend. The Regional Development Programs of this trend, led by the same Department, will have to provide a framework for the future.

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<sup>27</sup>Djiboutian Household Survey3-IS-April2012

### **III.2.5. The answers to the question of migrants and refugees**

From countries of transit to the Gulf countries and Europe, Djibouti has become, in recent years, a country of settlement for a number of migrants, refugees and asylum seekers.

In this context, the Government has enacted a set of laws protecting vulnerable people in Djibouti. These include the Juvenile Protection Code (2015), the Anti-Trafficking of Persons and Smuggling of Migrants Act (2016) and the Refugee Status Act (2017).

But it is clear that the precariousness of this population worsens the living conditions of the vulnerable local population and on the modest finances of the country which must face, at the same time, the needs of the internally displaced populations.

International organizations such as IOM, WFP, UNHCR and UN-AIDS (which provided 96,000,000 DJF in 2017 to assist vulnerable groups and refugees) provide support with ONARS and the Djiboutian Red Crescent to the three refugee camps in the country, but the problem remains unresolved.

In view of its legislation and in view of its international commitments on human rights and the need to ensure a minimum level of social protection for the migrant and refugee population, Djibouti should address this crucial issue in order to limit the various social consequences.

But Djibouti is not only a land of transit or immigration. It is also a country of emigration whose human components, with their number, their characteristics and their relations with their country of origin, deserve an exhaustive study.

The development of a national migration strategy could provide relevant insights into the migratory profile of Djibouti as a whole and allow, at the same time, to explore diverse relations of migration with the development of the country.

### **III.3. The transversal strategies**

In support of this strategy of access to basic social services, Djibouti has developed cross-cutting strategies aimed at socio-economic inclusion, the reduction of inequalities and the consolidation of human capital.

#### ***III.3.1. Promotion of employment and income***

According to the "2014-2018 Employment Policy Operational Plan" document, the strategic diagnosis of the employment situation has highlighted three main concerns that are: (i) the mismatch between training and employment, (ii) the low intensity of economic growth in decent jobs, (iii) the shortcomings in labor market governance and social protection.

On the basis of this diagnosis, strategic axes have been identified as giving rise to expected effects by 2024, in particular to:

1- significantly change the proportion of the active population trained in education and technical and vocational training from 10% in 2012 to at least 33%

2- reduce the unemployment rate of women and youth respectively from 65.6% and 62.8% in 2012 to around 31%

3- increase the share of the formal private sector in total employment from 15.4% in 2012 to 20.4%, by encouraging the creation of around 90 000 new jobs during the period 2014-2024 in the structured private sector

4- increase the share of primary sector employment in total employment from 2.3% in 2012 to 3.5% in 2024, by the insertion of 8 000 young people and women in the fishing, livestock and agriculture. This will accelerate the growth of primary sector income by doubling the growth rate of labor productivity to 5%

5- increase the coverage rate of social security from 29.3% in 2012 to 75% by 2024.

### ***III.3.2. The promotion of gender***

The Republic of Djibouti has made undeniable progress in the area of gender policy, given that mainstreaming gender equality in development instruments is not only a requirement for sustainable development but also question of law and social justice.

For that, the country has a number of assets, including:

-a national gender policy for the period 2011-2021

- an institutional framework for gender equality that covers both national and local levels



-a ratification of international and regional instruments for the promotion of gender equality and the protection of children<sup>28</sup>

-training institutions for women's empowerment

-human rights institutions and civil society organizations working in the field of women's empowerment.

On the legal front, various national texts have been enacted, in particular the Family Code (2002) which sets the legal age for marriage at 18, the Code of Legal Protection for the Underage (under 18) (2015), the law establishing the schooling requirement for children aged 6 to 16 and the development of a national strategy to accelerate the total abandonment of Female Genital Mutilation (FGM)<sup>29</sup>.

However, even if Djiboutian women have an arsenal of texts guaranteeing their protection and the enforcement of their rights, the weak implementation of these texts prevents them from enjoying them fully. The reasons are due to the precedence of customary law over modern law, the low level of education and literacy of a large part of the population and the lack of knowledge by women and men of the different legal provisions.

At the level of the education system, it should be noted that drop-out affects girls more than boys and that female teachers represent a tiny portion of the educational body both inside and outside the capital in spite of a slight improvement of the situation in recent years.

Given these challenges, a significant effort is being provided by the State, UNFPA and UNICEF, visible through the budget allowed in the 2017 State Budget.

In this context, it is important to mention the creation by the Ministry of the Promotion of Women and Family Welfare of the Center for Social Action and Empowerment of Women, a kind of second chance school for out-of-school or illiterate girls who provide them with vocational training that can help them to carry out IGAs. A TPE incubator is being set up. The

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<sup>28</sup> See Appendix IV.4.

<sup>30</sup> National Strategy to Accelerate the Total Abandonment of FGM 2018-2022. Ministry for the promotion of Women and Family Welfare with support from UNICEF.

Ministry of the Promotion of Women and Family Welfare is also initiating a project to support young entrepreneurs with entrepreneurial projects.

Social welfare centers (2 at present) aimed primarily at women and adolescent girls were inaugurated in Tadjourah and Ali Sabieh thanks to the combined efforts of the Ministry of Social Affairs and Solidarities, the Ministry for the Promotion of Women and Family Welfare and the National Union of Djiboutian Women (UNFD).

In addition, the Ministry for the Promotion of Women and Family Welfare, which is decentralized, has a free green line and the National Union of Djiboutian Women has a listening unit with a lawyer and a doctor.

In the same spirit, the Ministry of Sports has set up, in collaboration with the Ministry of Social Affairs, 12 Community Development Centers (CDC) in the Capital and a CDC in each regional capital where sports activities are developed for young boys and girls. Those girls are also more engaged in sewing and continue literacy courses or computer.

In one of the CDC of the Djibouti-ville, a pilot cell of "entrepreneurial impulse" was created in cooperation with the Ministry of Social Affairs and Solidarities, in order to encourage, on the one hand, trained young people to do a professional activity and to regroup in cooperatives and, on the other hand, to help unemployed graduates to set up small businesses.

### ***III.3.3. Housing***

New programs have emerged consisting of construction of villages composed of housing and equipped with structures and social amenities (school, health center, drinking water connection). Thanks to donors from Arab countries, several village creation projects have been implemented: four have already been finalized (chief towns of Obock and Dikhil, Lake Assal (Tadjourah region) and Omar Jagah (Arta region).) and others are in progress.

These programs, which aim to improve the living conditions of the rural poor, provide these beneficiaries with decent housing and basic social services in the same package.

However, despite these programs to promote people's access to decent housing (most of them dependent on external funding), the high costs of connecting to water and electricity

prevent many vulnerable households from gaining access to electricity and to a habitat with basic sanitary and welfare conditions.

The situation in rural areas is proving more problematic because of the prevailing nomadism and the cost of construction.

In this context, the State, as a priority, and the private sector should agree on a social housing policy accessible to the majority of the population.

The state budget 2017 seems to provide an initial response by underlining that *"to support the policy of access to housing, real estate development companies benefit from the fixed registration fee of 100,000 DJF only for the acquisition of land to build on the condition that the company invest in social housing and economic housing."*<sup>30</sup>

In addition, to reduce the cost of factors, Djibouti could act, like other developing countries, in involving young servicemen and women in training projects on construction of social housing.

The issue of housing, including the "floating population", is among the priorities of the new Mayor of Djibouti which aims to develop a communal development plan and intends to set up a commission that will decide on possible solutions to reduce the phenomenon of the anarchic urbanization of the Capital.

### ***III.3.4. The environment***

The problem of the environment in Djibouti is very important in the context of the responses to be given to climatic variations and in particular the persistent drought which has given rise to human problems and created a situation of structural water distress and serious consequences for the natural environment.

On the human level, it is worth mentioning the great number of displaced people due to climate change (1/3 of the rural population was affected by the drought) who have increased the number of the inhabitants of the peri-urban areas of Djibouti and the impact of refugees on the local population. The drought has made living conditions of vulnerable populations in rural areas even more difficult due to lack of water and the reduction of transhumance perimeters, due to the soil aridity for nomadic populations.

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<sup>30</sup> 2017 Finance Act. Volume 1. National context.

In order to master data on the causes and consequences of internal migration, the Ministry of Social Affairs plans to conduct a qualitative and quantitative study in 2018 with the support of the International Organization for Migration

To these extreme conditions is added a new phenomenon, that of air pollution generated by the thousands of trucks that use the roads connecting Djibouti and Ethiopia in addition to the accumulation of solid waste resulting from these movements of heavy vehicles.

Indeed, a national strategy for the environment has been validated, and an action plan exists, but the means to make them operational and the scale of the challenges that lie ahead can only be addressed within the framework of a sustained regional and international cooperation, which should not exclude an awareness of all the institutional, private and associative actors, the seriousness of the situation and the need to contribute to its mitigation.

### ***III.3.5. Development of regions***

Djibouti is affected by a strong centralization of the administration in the capital and a concentration of major economic projects in this city.

This situation has led to an accelerated urbanization with its share of demographic and social problems and has generated uneven development between the regions of the country, which are themselves subject to geographically differentiated situations (landlocked regions, regions having access to the sea) and at the demographic level (populations not settled, frontier populations, ...). The administrative centers of the regions, of modest size, have not managed, in the absence of infrastructure, structural projects and quality social services, to retain populations displaced by rural-urban migration.

The creation of the Secretary of State of Decentralization is a wise choice to allow better decentralization of public services and a deep decentralization of economic and social development projects.

The decree No. 2017-119 / PR / MEFI adopting the Dikhil, Ali Sabieh, Tadjourah, Obock and Arta Regional Development Plans drew on the objectives of Vision 2035 and the Accelerated Growth and Employment Promotion Strategy to tackle the challenges of "economic opening

up" of the regions and taking care of their human needs. To this end, it has defined the following four strategic orientations:

- develop the structuring infrastructure and reinforce the transport network to promote a better circulation of goods and people as well as the integration and cohesion of local territories;
- build regional economies and regional economic poles, exploit the agricultural potential in the regions to ensure food security and strengthen the resilience of populations;
- develop a quality living environment and human capital to support sustainable development actions;
- promote good local governance, strengthen the capacities of regional policy makers, and improve the level of training and the participation of all actors and civil society in the management of public affairs.

Nearly 195 billion DJF are planned to finance the development opportunities in the regions, according to their priorities, to decentralize and decentralize the administrative services in a concern of proximity and in order to transfer the competences to fight against the poverty and the exodus rural.

The fight against regional inequalities is thus at the center of the concerns related to the harmonious development of the country and at the heart of the department in charge of decentralization.

### **III.4.The current needs response programs**

#### ***III.4.1. Current cash and quasi-cash transfer programs***

Money and quasi-monetary transfers play a key role in the fight against poverty and food insecurity. But their dispersion among various stakeholders makes the accounting uncertain and the impact difficult to grasp.

Programs run by the State, on own funds, or in coordination with partners, offer optimal conditions of visibility when the distribution of tasks is defined. This is the case with the Ministry of Social Affairs and Solidarities' social protection interventions.

► **The National Solidarity Fund** with a budget of one billion Djibouti francs is financed from the state budget, the funds granted by public and private companies as well as by the dividends of the Port and Djibouti Telecom. It is the main financial source of the social protection programs.

The total forecast of financing by the National Solidarity Fund in 2017 is 1,880,112,716 DJF.

However, it is clear that the National Solidarity Fund is used in specific contexts and should be included in a planning logic that can clear the gap to be filled by the Technical and Financial Partners.

► A new government program is distinguished from others by the visibility of its objectives and its funding. This is the National Family Solidarity Program, deployed by the Ministry of Social Affairs and Solidarities, initially, on the National Solidarity Funds.

**This program is of a structuring nature, based on agreed targeting criteria and requiring from the beneficiaries behavioral changes, particularly in terms of children's health and education.**

Its deployment, in the long term, could lead to:

- the **improvement** in the living conditions of beneficiary households;
- the **revitalization** of the local economy through the increase in consumption;
- **capacity building** for poor households and indirectly for the organizations and local authorities involved.

For the year 2017, this program targeted 4,000 households suffering from extreme poverty (poverty threshold estimated at 104,000 DJF/year) and drawn from the social register recently established. The planned budget is close to 504,000,000 DJF and each household receives an allowance of 30,000 DJF/ trimester.

For lack of sufficient funds, the first phase of intervention covers a sub-prefecture for each district. Its long-term registration should be guaranteed.

However, this program seems to have the necessary conditions to become one of the flagship programs of social protection, provided that it is financially viable: a program of a structuring nature based on agreed targeting criteria and requiring from beneficiary households behavioral changes, particularly in terms of children's health and education.

***The National Family Solidarity Program, which is currently deployed in a sub-prefecture by region, for lack of sufficient funds, should be long-term and become the unifying program for all monetary and quasi-monetary transfer programs.***

In this context, the *National Family Solidarity Program* should:

- integrate the National Solidarity Fund, the Social Health Assistance Program (non-contributory branch of the Universal Health Insurance), the transfers for the elderly poor), the monetary and non-monetary transfers of the WFP, the funds granted by the Technical and Financial Partners and the United Nation System for the programs of social protection, monetary aids for poor and handicapped students and poor students, as well as all other punctual, conditioned or universal monetary transfers (such as High Intensity of Labor (HIMO), funding for care for rare diseases, etc.).

In such a configuration, the National Family Solidarity Program would have more substantial funds and become the flagship program for public intervention aimed at populations living in poverty and precariousness.

To do this, it would need to improve its governance in terms of management structures and human capacities and to develop a platform for transparent coordination with donors.

The achievement of such an objective requires prerequisites, the most important of which appear to be:

- 1) A new formulation of the law that created the National Family Solidarity Program.
- 2) Expanding its field of deployment to all sub - prefectures in the name of regional equity.
- 3) The establishment of verification mechanisms to prevent abuse and fraud.

4) The creation of a dedicated functional structure attached to the Ministry of Social Affairs and Solidarities.

► Another universal program is the Social Health Assistance Program which guarantees the provision of care to the most needy. This program, which is in fact the non-contributory branch of the Universal Health Insurance, promotes coordination between institutions and sets the stage for the full realization of the universal health guarantee. It also combines urban targeting with the universal approach in rural areas, as the Government have considered the extreme poverty in the rural area and decided that registration would require from the people only the proof of their settlement in that area and the presentation of an identity document.

As part of this program, a judicious distribution of roles is implemented: the Ministry of Social Affairs and Solidarities identifies poor people eligible for Social Health Assistance Program and sends their lists to the CNSS for biometric enrollment and the delivery of a Social Health Assistance Program card to each insured indigent person. The Ministry of Health plays the role of caregiver.

Given the significant number of people already registered at the Social Health Assistance Program (around 12,500 in May 2017), it is necessary to speed up the implementation of the administrative and financial procedures of the Solidarity Fund in order to guarantee access to care for the most needy, as stipulated in its creation decree n ° 2014 / PR.MTRA.

But, besides this action that it will be up to the administration to concretize, the Social Health Assistance Program could become more efficient if relevant answers were found to questions of primary importance. These questions include:

- the guarantee of a care offer in remote localities without health facilities;
- informing the beneficiaries of the Social Health Assistance Program as to the best use of the card issued to them;
- the verification mechanisms to be implemented to prevent abuse and fraud;
- the care costs defined under the Universal Health Insurance Act (see box below), which is really important to determine health costs;



▪the health map to monitor changes in the distribution of care facilities and to overcome regional inequalities.

Article 22: In addition to the universal package that is provided free of charge and without distinction to the entire population, beneficiaries of the social health assistance program receive the following care:

-a basic package 1 supported 100% which includes consultations (children and adults) at the general practitioner, single deliveries, cesarean deliveries, five (5) standard medical tests, drugs ( National List of Essential Generic Medecine) as well as radiology exams except CT, ultrasound, fibroscopy and special examinations;

- a basic package 2 consisting of curative consultations (children and adults), generic drugs from the National List of Essential Medicines and all medical tests prescribed by medical specialists;

This covered care basket, based on the details detailed above, will be extended to medically required hospital care services available from public health facilities, depending on their benefit levels.

►For the sixth consecutive year, the Ministry of Social Affairs and Solidarities and WFP are renewing the cash transfer project known as "food stamps"; the latter is a seasonal project intended to cover the period of extreme heat (from July to September)<sup>31</sup>, for the benefit of the poor and vulnerable populations living in the communes of Balbala and Boulaos.

At the same time, a coordination effort is provided with the National Family Solidarity Program in rural areas (150 people benefit from it).

The value of transfers via food stamps is fixed at 8,000 DJF per month.

The number of households planned for WFP assistance during the 2016-17 iteration of the project was 2,584, spread over 14 sub-districts (6 wards) in Balbala. The forecast for the year 2017 is set at 4000 extremely poor households in the urban and peri-urban areas of Djibouti city.

The WFP representative in Djibouti believes that even if direct food assistance still exists, in order to deal with emergency situations, the cash transfer is preferred by the beneficiaries as

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<sup>31</sup> The duration of the project is extended by an additional month this year, probably because of additional expenses that will have occurred during the month of Ramadhan, Eid feasts and back to school.

a structural solution to a problem now recognized as structural by the donors. And even though food stamps are meant to meet food needs, they could actually help target households to vary their diet for the specific nutritional needs of young children.

► **Two programs for young students show the importance of inter-institutional coordination:**

▪ *The Special Needs Social Assistance Project (ASEH).*

This project, initiated with the University of Djibouti, consists of awarding a monthly scholarship of 15,000 DJF to each student for his success and his empowerment.

As a pilot project resulting from collaboration between Ministry of Social Affairs and Solidarities and the University of Djibouti, this program has reached, since its implementation, more than 36 students with a physical disability. The number planned for the year 2017 is 200 students for an estimated budget of 14,000,000 DJF.

In 2016, the Ministry of Social Affairs and Solidarities and Ministry of Education agreed on a partnership agreement to help high school students with physical disabilities and open social assistance units to identify students in distress.

▪ *The Quasi-monetary Transfer Program for the benefit of students from the University of Djibouti and coming from the districts (ASERI)*

This program, which is as part of an agreement between the Ministry of Social Affairs and Solidarities and the Ministries of Education, targets the students of the University of Djibouti coming from the interior regions and in precarious situation. 727 students have benefited in 2016 and 1701 are expected in 2017. The program is in the form of quasi-monetary transfers for a projected budget of 221,600,000 DJF in 2017. This assistance is renewed every academic year.

► **The one-time social assistance program for vulnerable people**

This program provides one-time financial support to individuals or families to prevent them from worsening a difficult situation or making it everlasting. This support is accompanied by a global social monitoring.

During the years 2016/2017, it was used as follows:

- *a 50,000,000 DJF Assistance budget for households victims of disasters or other upheavals, that means 1696 families.*
- *a 40,000,000 DJF Support budget for food distributions every trimester to 2,000 families.*
- *taking into account new and unpredictable situations (purchase of medical supplies, medical supplies and equipment) for the benefit of ten children with disabilities, with rare and chronic diseases, amounting to 5,000,000 DJF.*

► **The Social Assistance Program for the Poor Old People (PASPAP)** is a new program designed to cover the basic needs of the daily life of people aged 65 and over, living alone or in an extremely poor household with no source of income. This assistance comes in both monetary and non-monetary form.

A thousand people benefit from this program for a budget of 41,000,000 DJF. These people benefit from improved access to free health care and cash transfers to improve their socio-economic conditions.

In addition, it is planned, in the near future, to build a reception center for people over 65 years old in a situation of loss of physical and / or mental autonomy and who can no longer be kept at home. The Center will take the form of a multi-purpose structure that will accommodate residents in single or collective rooms and offer, in addition to assistance with daily life (sunrise, bed, toilet, catering, laundry, ...), specialized medical care (geriatrics, physiotherapy, etc ...), and other services such as social assistance and leisure activities ...

► **The Social nets project implemented by the Djibouti Social Development Agency (ADDS)**

The Social Nets Project implemented by the Djibouti Social Development Agency

combines a labor-intensive employment program to improve household incomes with a community nutrition program focusing on the first 1,000 days with participatory and community approaches.

In the course of 2016, a lot of activities have been completed. Beneficiaries of labor-intensive activities reached 300,000 H/ D or 66% of the project objective, which represents about

260,000,000 DJF allocated in the form of compensation to the beneficiaries of the "75 urban gardens" projects. "

The prevention of malnutrition has reached a new stage through the implementation of field supervision tools and the participatory approach (monthly meetings with partners instead of quarterly meetings before).

### **III.4.2. Socio-economic empowerment programs**

In support of this set of social safety nets, socio-economic empowerment strategies are implemented and develop innovative intervention policies.

#### **III.4.2.1. *The social and solidarity economy (SSE)***

In Djibouti, as everywhere in the world, development models are questioned because of their difficulty to create jobs, to share the fruits of growth, to ensure a "fair" distribution of economic progress, in particular to benefit young people, or some remote parts of the country. Another way emerges under the name of Social and Economy Solidarity which, without pretending to find solutions to all the current dysfunctions, makes it possible to collectively solve situations without individual or collective exit.

Indeed, the Social and Economy Solidarity, supported by an adequate public policy, can contribute to the economic security of all sections of the population and their autonomy.

Covering several forms of organization (including associations, NGOs, foundations, cooperatives ...) and reaching all sectors, the Social and Economy Solidarity can become a response to the lack of economic diversification suffered by Djibouti, not to mention that its model which advocates low-profit-making companies hardly exposes it to financial market transactions.

In addition, the Social and Economy Solidarity contributes to the construction of intra and inter-generational solidarity and is a school of participative values that promote organized citizen expression.

The law establishing the general status of cooperatives (Law N16 / AN / 13) is part of this approach, without summarizing it.

And it is by taking advantage of this law that the Ministry of Social Affairs and Solidarities, in partnership with Secretary of State of Sports, promotes and develops service cooperatives in working-class neighborhoods to encourage young people to organize themselves into affinity groups in order to set up their own cooperatives. In this context, and at the beginning of 2017, the two Departments have agreed to set up, within the CDCs, orientation units and " a spirit of entrepreneurship" among the youth.

On the other hand, the Ministry of Social Affairs and Solidarities has encouraged stonemasons to form a co-operative that now has 300 members and represents a reliable interlocutor with the public works companies in the area.

For their part, the empowerment centers in the regions initiated by the Ministry of the Promotion Of Women and Family Welfare can be part of this impulse.

This third path between the market economy and social action offers new opportunities for people in precarious situations to integrate into development by counting on the spirit of solidarity.

This mode of economic operation, which has proven its importance and efficiency all over the world, seems appropriate and productive enough to:

- extend the provisions of the law on cooperatives so that it becomes a framework law for the development and organization of the social and solidarity economy;
- develop complementarities formulas between the social and solidarity economy and microfinance instruments;
- think about creating an "ethical bank" in a later stage;
- involve the social and solidarity economy in the development of the regions as it represents an option to strengthen social cohesion and promote equity between the components of the national community.

### ***III.2.2. Micro finance***

Designed as a relevant social innovation to deal with the consequences of the exclusion of vulnerable people from the traditional banking system, micro-finance has been organized in

Djibouti since 2009, in a network of popular savings and credit unions (CPEC) put in place since this year.

The CPEC are cooperatives under the supervision of the Ministry for Social Affairs and Solidarities and approved by the Central Bank with a basic status and functioning defined by Law No. 117 / AN / 11 / 6th L regulating cooperatives. They thus constitute a legalized synthesis of micro-credit activities previously practiced by the informal sector and NGOs.

The CPEC of Djibouti has services located in Einguella and Balbala. An agency exists in Arta and another in Damerjog. In the northern districts, a CPEC is located in Tadjourah with an agency in Obock. In the South, a CPEC exists in Ali Sabieh with an agency in Dikhil.

The CPEC offers various financial services including:

-Individual loan: It is granted to natural or legal persons having or wishing to have an income-generating activity and which provide real guarantees. The minimum amount granted is 100,000 DJF for a period of 36 months and the maximum amount is 1000,000 DJF with an interest rate of 2% / month, which means 24% / year. The credit is repayable monthly or every trimester.

-The solidarity loan: it is granted to natural or legal persons (between 4 to 6 people) to start or develop an income-generating activity and provide real guarantees. The amounts vary between 50,000 DJF and 250,000 DJF / member over a period of 10 months, with an interest rate of 1.5% / month, or 14% / year.

-The "young developers" credit is a project funding program presented by young developers excluded from traditional financing methods. The program aims to promote access to rewarding training and income-generating activities. Credits range from 500,000 DJF to 2,000,000 DJF over a 36-month period, with an interest rate of 1% / month, or 12% / year, repayable monthly or every trimester.

-The consumer loan that benefits employees of the public or private sector is intended to finance consumption or equipment needs. The amounts vary from 100,000 DJF to 1 000,000 DJF, over a period of 24 months, an interest rate of 2% / month and a repayment period monthly or every trimester.

In addition, CPEC provides transfers to beneficiaries of certain social programs.

According to the Ministry of Social Affairs and Solidarities, the population receiving credit is mainly made up of 70.8% women. Young people aged 18 to 29 represent only 8.1% of the beneficiaries.

In mid-2017, the total CPEC membership reached 26,834, with total loans of 2,185,615,676 DJF, outstanding loans of 239,551,228 DJF, and total of deposits of 215,551,228 DJF.

For the only CPEC in Djibouti city, the delinquency rate is very low (0.38%), which shows the relevance of the products offered.

However, because of the high rate of interest, account opening fees (200 DJF) and account maintenance (100 DJF / month), and probably also due to insufficient communication, CPECs reach only 5% of the target population, mostly in urban areas.

Islamic microfinance does not do better in terms of coverage, since so far only 451 beneficiaries have used its services.

Given the important role of micro-finance instruments and the need to develop them further, it seems timely and useful to:

- expand the network of micro-credit agencies for more proximity;
- introduce more flexibility in the duration of the investigation of the files;
- review the ceiling of the credits for the creative projects of the Income Generating Activities;
- adopt credit formulas adapted to the specificities and constraints of the rural world;
- establish forms of partnership with third parties, such as the Chamber of Commerce, to encourage more memberships;
- explore ways of formalized coordination between these instruments and Islamic microfinance.

### ***III.2.3. The Project for the Promotion of Youth Employment and Handicrafts (PROPEJA)***

The project, implemented in collaboration with the World Bank and the financial support of the Japanese government, is a pilot project lasting three years (completion end of August 2018) and amounting to US \$ 2,730,000,000.

The main objective of this project is to improve the accessibility of young people (aged 16 to 29) and women to income and job creation opportunities, through training, financial support and support for projects.

The project is divided into two components:

-The capacity building of 2,200 young people, about half of whom can access support funds to start their activities on the basis of a competition for the best project and the best business plan.

-800 beneficiaries, mainly women, receive training and financial assistance in the form of donations to enhance their potential for promoting income-generating activities in the field of crafts.

#### ***III.2.4. Capacity building through vocational training***

Vocational training is the best alternative for promoting the employability of young people in local trades or non-traditional sectors.

In total, 1300 young people were admitted to the professional training provided by the Djibouti Social Development Agency for all projects (AFD, IDA, IDB, ADB, MDTF ...) from 2010 to 2016, through the PDUI and the PREPUB of Balbala project areas.

At the end of this second part of the document devoted to the exploration of the findings and challenges of social protection, some conclusions can be formulated:

1. The existence of a strong political will to develop social protection.

This strong political will is supported by the President of the Republic's Vision 2035, which states that no citizen should live below a certain income level and that all citizens should have good access to essential social services.

This vision is in line with the terms defined in the Universal Declaration of Human Rights of 1948: "Art. 22 - Everyone, as a member of society, has the right to social security; they are entitled to the economic, social and cultural rights essential to their dignity and the free



development of their personality, through national efforts and international co-operation, taking into account the organization and resources of each country " .

This same vision is also in harmony with the Constitution of the Republic of Djibouti: "Art. 10

- The human person is sacred. The state has the obligation to respect it and to protect it ....

Everyone has the right to life, liberty, security and integrity of person ... "

2. A two-component system.

Djibouti has a two-component system:

-A well-structured social security system covering the contributory sector and which will develop further by improving its penetration rate, gradually integrating the informal sector and expanding its collection rate with employers.

-A social assistance system based on social transfers marked notably by the construction of a universal health insurance and by the progressive implementation of various programs of response to the main vulnerabilities among which food insecurity, cyclical precariousness of life and to people with specific needs.

-This system has marked decisive points in the construction and preservation of human capital (health and education), gender policy and regional development policy.

-Djibouti is developing relevant responses for socio-economic empowerment through social and solidarity economy, micro finance and human capacity building through training.

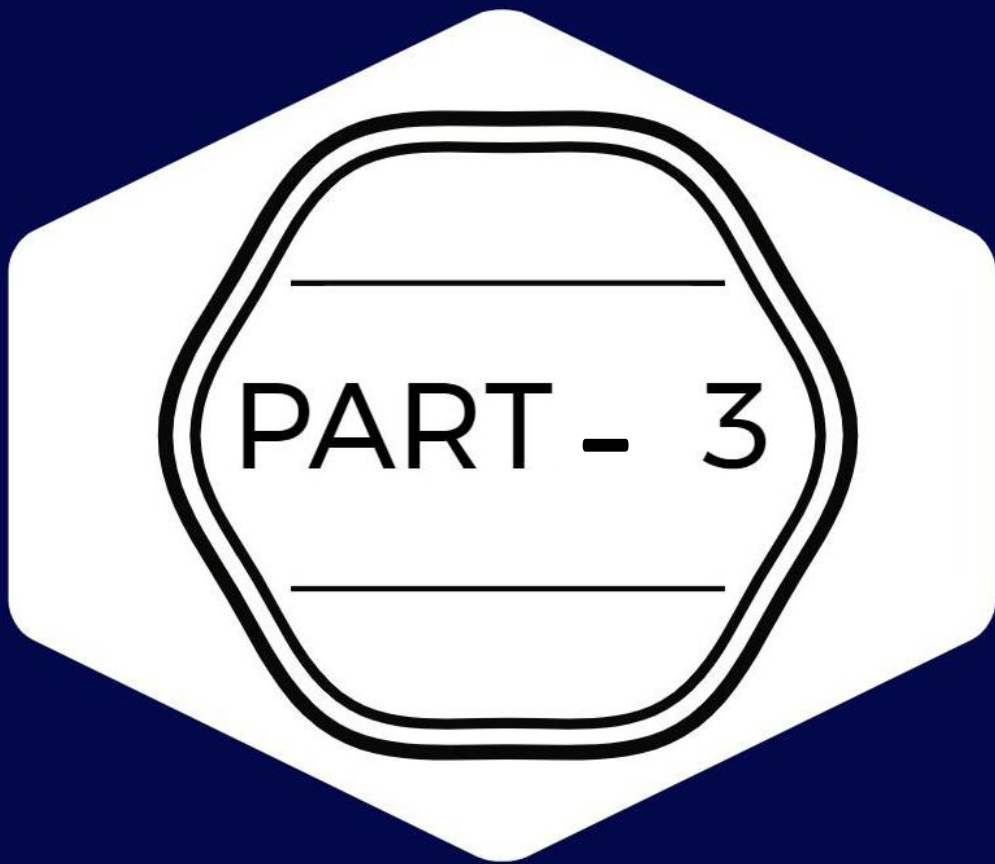
3. The lack of completeness and the lack of guarantees.

-The two social protection systems (social security and social assistance) suffer from the lack of income guarantees for children from poor families, elderly people who have never worked, people with disabilities and people who are unemployed .

-The two systems are therefore not exhaustive and the minimum guarantees for all citizens are not defined explicitly.

The need to supplement the existing mechanisms, to amplify their impact and to sustain the expected results calls for the adoption of a National Strategy that makes social protection not a response to immediate social needs but rather a right and a goal for a wellness society.

The adoption of a national social protection base as defined and advocated by the International Labor Organization recommendation 202/2012 is necessary to provide a structured human rights-based response and new tools to tackle, on the short, medium and long-term, the multidimensional problem of poverty that has become structural over the years, and the socio-economic inclusion of populations in vulnerable situations.



PART - 3

## IV. The extension of social protection: towards the establishment of a national social protection floor

### IV.1. Definition of the National baseline for Social Protection

This is neither a prescription nor a universal standard, but an adaptable policy that each country must implement according to its priorities, resources and needs. This new and broader approach to social protection, designed and developed on the basis of recent innovative experiences, prioritizes basic social assistance. This support can be introduced gradually and in a pluralistic way, according to national aspirations, to respond to the specific circumstances and the institutional and financial capacities of the moment".

*"In many ways, the strength of the social protection baseline lies in its simplicity. It is based on the idea that everyone must have a basic income security, sufficient to live, guaranteed by cash or in-kind transfers, such as social pensions for elderly or disabled people, family allowances, income support and / or employment guarantees, as well as services for the unemployed and the working poor.*

In total, cash and in-kind transfers must ensure that everyone has access to essential goods and services, including basic health services, primary education, housing, clean water and sanitation.

In addition, by giving priority to coherence and political coordination, the social protection base makes it possible to protect individuals and make them autonomous throughout their lives.

To be fully effective, the social protection baseline must finally focus on the working-age population and develop close links with employment policies. This must allow access to productive and decent employment and the exit from poverty.

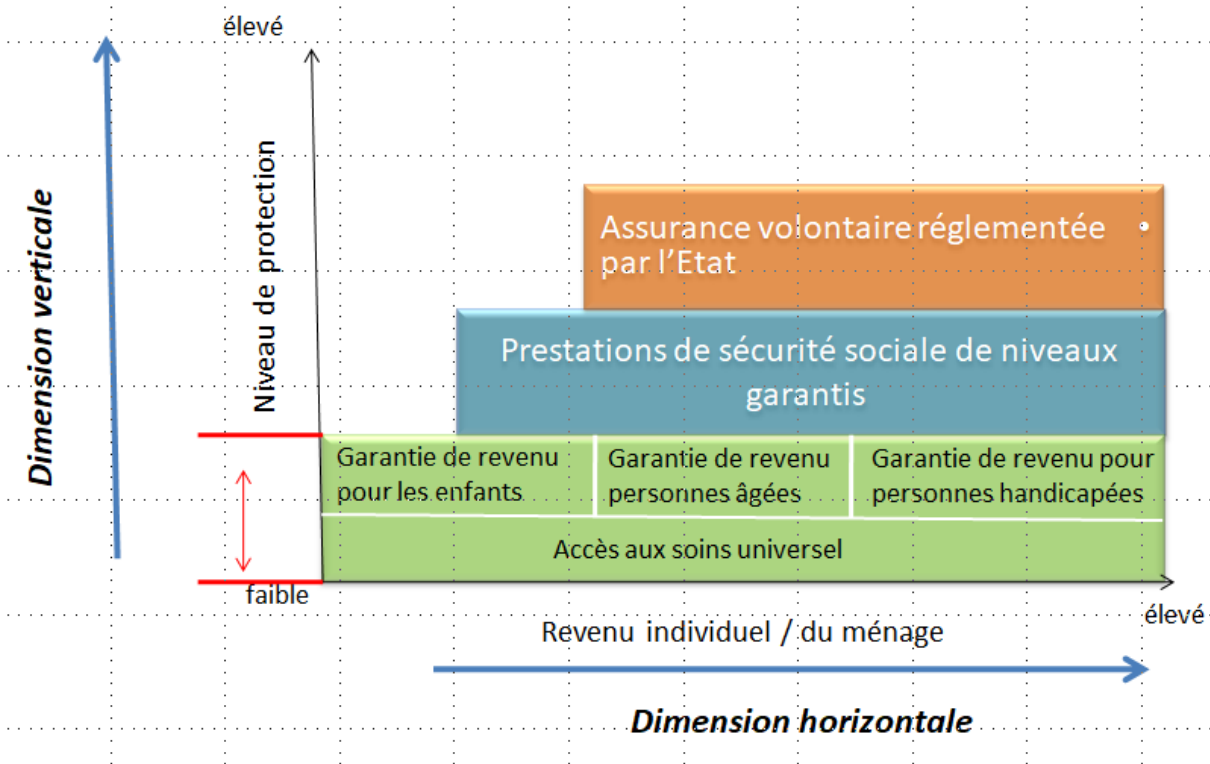
As part of the social protection baseline, it is important to see expenses as an investment, not as a cost, to the extent that these expenses will promote productivity but also to the extent that preventive expenses are smaller and more effective than curative expenses.

Investing in human capital is an essential element in achieving growth and development goals.

The National baseline for Social Protection is presented as a two-dimensional strategy for the extension of social protection.

The following diagram illustrates this strategy:

**ILO two-dimensional strategy for the extension of social protection**



In the case of Djibouti, it appears that the essential conditions for implementing the National baseline for Social Protection seem to be in place and that it is mainly a matter of reinforcing the low levels of social protection, covering coverage gaps, expanding the social protection for the poor and vulnerable by strengthening existing social policies.

**IV.2. Prerequisites for the establishment of the National baseline for Social Protection**

**IV.2.1. Support the coordination of the actors of the National Strategy for Social Protection**

In addition to government bodies, several actors intervene in the field of social protection in Djibouti:

- Parastatal institutions: Djibouti Social Development Agency (ADDS), National Fund for Social Security (CNSS), Diwan al Zakat Foundation, etc.
- International and national NGOs: ACF, UNFD, NGO P & L, EVA, NGO BD, etc. • Islamic NGOs: Wamy, Al Rahma, Islamic Relief, Dawat al Islam, Qatar Charity, CSSW, ...
- TFPs: AFD, AfDB, IDB, WB, FAO, IMF, UNFPA, JICA, UNAIDS, WFP, UNDP, TIKKA, EU, UNICEF, USAID, ...
- Associations of women, young people, neighborhoods, and of villages.

This multiplicity of actors highlights the need to coordinate their interventions and to develop the maximum of synergies between them.

#### ***IV.2.1.1. Interministerial coordination:***

The social policy governance system suffers from a lack of coordination among line ministries, which in many cases develop similar activities.

In this context, it seems useful to have a transparent database of all existing social programs to explore potential synergies, facilitate information sharing and achieve economies of scale.

#### **IV.2.1.2. Coordination with the UNS and PTFs:**

On this subject, it is worth emphasizing that the Bachelet Report recommends "that donors provide multi-year and predictable financial support to low-income countries to strengthen nationally defined social protection floors within the fiscal framework of these countries". "

Djibouti has certainly created a framework for dialogue in the form of sectoral groups themselves divided into subgroups, one of which is dedicated to social protection, which meets regularly. But even if the agencies make the effort to align with the priorities of the sectors, the fact remains that there is: (i) a fragmentation of the interventions of the UNS and the other TFPs, (ii) a deficit coordination at the central, regional and local levels, (iii) high transaction costs for national partners and donors, and (iv) low predictability funding.

This situation did not fail to lead to:

- a low rate of absorption of resources made available for the implementation of projects and programs;
- a difficulty in tracing the resources executed by the UNS Agencies and other TFPs in the management of public finances;
- a lack of understanding of the overall coherence of the various interventions of the UNS and TFPs in general in Djibouti.

The implementation of the next United Nations Assistance Program Djibouti coincides with the implementation of the new national strategy of social protection and is a real opportunity to deploy the necessary efforts in terms of coordination and harmonization both within the national actors and the UNS with international partners.

It is worth mentioning here that the memorandum signed between WFP and the Ministry of Social Affairs demonstrates that the coordination / harmonization of social protection interventions in urban / rural areas is still possible.

#### **IV.2.1.3. Coordination with the private sector:**

Coordination between the public and private sectors could be strengthened through:

- a balance between the level of tax exemptions granted to companies and the importance of the social efforts they provide;
- the development of an incentive legal framework for the employment and training of first-time jobseekers (nationals of the vocational training system and unemployed graduates);
- the creation of a national fund for the promotion of small trades and crafts that would be based on tripartite financing (State / Private Sector / NGO).
- a definition of a legal framework for the sponsorship by companies of works, organizations or structures with a social purpose.
- the establishment and monitoring of an obligation for companies employing more than 100 people to recruit a disabled person.

#### **IV.2.1.4. Coordination with the associative sector:**

The contribution of the voluntary sector is significant in Djibouti. It is particularly noticeable through the funding by foreign NGOs of many social safety net programs. National associations, often with modest resources, still pose the problem of differentiating between those that are operational and those that have only a fictional existence.

However, given the need to involve this sector, which exists and has a significant potential for intervention, it seems necessary:

- to improve the 1901 law in order to better organize the sector, its operation and the accountability;
- train associative skills in the design of development projects, their assembly, implementation and monitoring and evaluation;
- to bring Diwan Al Zakat, which has significant funding, to be less in line with the charitable action (assistance provided to 3500 orphans) and to systematize its interventions by integrating them into a developmental approach.

#### **IV.3. Capacity building of the structures and staff in charge of the implementation of the SNPS**

##### ***IV.3.1. Improve the production of information:***

Djibouti has the necessary legal framework (in particular the Law on the Organization of Statistical Activity and the Organization of the National Statistical System (Law No. 124 / AN / 11 / 6th L) and the bodies for the production of information. In some cases, this information, however necessary, is either not updated or too scattered among several producers of information to allow sufficient and reliable aggregations.

This situation makes it difficult to collect precise and operational indicators on the situation of social protection and even less on its future evolution. Also, it becomes highly important to provide with adequate means the official structures of production of statistical information. Social departments should, therefore, make the necessary efforts to develop their statistical

and monitoring-evaluation services on a sustained basis and deal with the field data as quickly as possible by aggregating them at central, regional and local levels.

#### ***IV.3.2. Build capacity:***

Article 2 of the law reorganizing the Ministry of Social Affairs and Solidarities provides that the latter "is responsible for the implementation of the policy of combating poverty and promoting social action. Together with the Ministry of Economy and Finance and the Ministry of Trade, it coordinates the policy to fight against precariousness and social exclusion".

Faced with its rise due to the extension of its prerogatives and the complexity of the architecture of social programs, the Ministry of Social Affairs and Solidarities, which currently has a small team, young, competent and motivated, should strengthen its workforce in statisticians and specialists in planning and monitoring-evaluation and acquire the necessary professional skills such as social assistants whose role as a link between the administration and the citizens is very useful and specialists in the social and solidarity economy. The new organization chart still offers opportunities for recruitment or secondment.

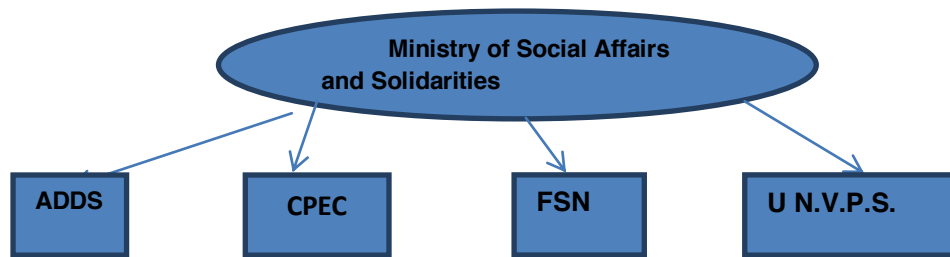
On the other hand, the social protection sector is as broad as it is transversal and deserves a greater interest in terms of studies and surveys for the purpose of analysis, the development of monitoring-evaluation indicators and prospective approaches.

Such a mission could be entrusted to a National Unit for Social Welfare which would fulfill it, certainly within the Ministry of Social Affairs and Solidarities, relying on the Department of Statistics and Demographic Studies (DISED), but also on resource persons coming from the ministries, from the University of Djibouti, the private sector and associations.

The unit thus constituted could be a catalyst for skills training and ongoing training of existing capacities in the different sectors of social protection.

A regulatory act should specify its missions, composition and mode of operation.





### **IV.3.3. Implementing a legal framework for the National Strategy for Social protection:**

The main objectives of social protection are currently scattered throughout the Constitution and the various codes and laws affecting the family, women's and children's rights and refugee rights, to name but a few.

The social protection is also a major focus of Vision 2035 and the Accelerated Growth and Employment Promotion Strategy is on the trajectory of cross-cutting strategies (gender, youth, etc.).

On this basis, the enacting of a law adopting the national social protection floor would give it legislative legitimacy that would lead other sectors to take it into account when drawing up their legal texts or programs.

By aiming at the universality of the extension of protection and by including in particular and explicitly under its protection populations with specific needs, it would be part of (i) a new and strong act of compliance of Djibouti with international commitments on human rights to which it has subscribed and as (ii) a step towards achieving the Sustainable Development Goals (SDG) by 2030.

### ***IV.3.4. Establish effective and fair targeting:***

The requirements of transparency and the necessary trust between the rulers and the ruled need, in order to be accomplished, the most accurate and reliable identification of the citizens and especially the poorest among them.

#### ***IV.3.4.1. The social register***

The social register, under the supervision of the Ministry of Social Affairs and Solidarities, is a data bank intended to collect information on the characteristics and needs of the entire population. It has benefited and will continue to benefit from the support of the World Bank.

The Register, which currently contains socio-economic data specific to more than 45,000 households, is intended primarily for program implementers to provide them, in a timely and as comprehensive manner as possible, specific information on the populations targeted by their programs.

But, for the sake of completeness and efficiency, its targeting and scoring methodology requires some adjustments.

Indeed, medium-term plan formulas constructed from EDAM3 data limited to the sedentary population alone may exclude a nomadic population whose number is estimated at 21% of the population and which is exposed to the effects of drought due to its dependence on livestock breeding, not to mention the absence of vital records for the identification of its members and the removal of the majority of its components from administrative and economic centers.

In addition, efforts to pool work between the Ministry of Social Affairs and Solidarities, CNSS (for the Social Health Assistance Program database) and the Ministry of the Interior are to be developed to create the necessary synergies between public services and, above all, integrate the data. Registry with the national identification files of the Department of the Interior, in accordance with the rules of confidentiality and preservation of personal data.

In addition, as it is expected to eventually become the general matrix of the social information system (SIS), the Register would gain from now on to enrich and vary the indicators of identification of vulnerable populations.

In this context, it could disaggregate the target households and introduce parameters whose relevance will be valuable as the need for finer and more precise targeting becomes apparent. The Registry could thus comprise several strata, in particular:

- general categories (women, children, people with disabilities, elderly people);

- more specific categories (pregnant women, widows, or heads of household, children aged 0-5, school-aged children, children who have lost a parent, people of working age);
- geographical areas of origin or residence according to the risks they present (arid zone, area prone to flooding, high seismic risk zone ...), the level of poverty or the survival strategies adopted, etc.

Finally, one of the problems that the Social Register could cause as a reference base for different users is that any inclusion or exclusion errors that could taint its database would be duplicated in programs run by these users. This risk requires:

- a continuous update of the Register;
- the establishment of a unified system of registration of all beneficiaries of social protection and determine their family relations in order to rebuild the family cluster;
- avoiding the double registration of the same person subject to the social protection system;
- reducing situations in which the benefits attributed to the same person are accumulated by contributory and non-contributory social protection systems.

#### **IV.3.4.2. Social counters**

Social counters are a valuable tool for supplying data to the Social Register and prioritizing them, an opportunity to develop monitoring and evaluation of its operation and a concrete way for citizens to measure the accountability of public services, which is one of the levers the human rights approach to social protection.

In addition, since the launch and opening of social counters, the Ministry of Social Affairs and Solidarities has been able to collect a number of grievances. In October 2018, 14,189 grievances were registered. 80% of the grievances come from the counters of the city of Djibouti.

The exploitation of the most frequent grievances highlights the priorities (•Health Assistance (42.9%), Food Aid (38.8%), Housing Demand (9.4%), Employment Demand (3.6%) ), Support to access to finance (0.8%).

In this context, and in view of the need to establish the link between social workers and social counters, which represent the portal for access to services for the most vulnerable members of society, a program of professionalization Fieldwork was developed and received early implementation in 2018, through hands-on training in Djibouti and abroad as part of South-South cooperation and with the support of UNICEF.

## V. The funding of social protection

The funding of social protection raises serious challenges when it comes to implement a comprehensive system of social, coherent and coordinated coverage that can guarantee universal protection against social risks for people throughout their whole lives.

This objective obviously raises the question of the sustainability of the financing of social protection.

Domestic sources of financing must be the primary guarantors of this sustainability. Official development assistance (in the form of borrowings and grants) should be another source of funding provided that resources are available and a strategy is deployed to mobilize resources for a sufficient and predictable duration agreed with the public authorities.

Macroeconomic and fiscal projections for 2018-2022 suggest that budget margins could be made, however, to finance more social protection expenses. Indeed, the pace of sustained growth and the expected reform of taxation following the recommendations of the meetings held in 2015, should generate an increase in tax revenue.

In this context, the development of a fiscal space is essential as the appropriate framework for determining the financial resources to be made available for social protection and for setting the level of guarantees contained therein.

### V.1. Towards a dedicated budget area

#### V.1.1. Evolution of domestic resources

Domestic revenue has been growing steadily in recent years. Over the 2007/2016 period, their annual growth rate remained in line with the annual trend of GDP growth of 8.87%.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Inner revenues	45 533	50 254	56 967	60 366	62 654	62 348	84 784	73 924	92 705	97 844
GDP	151 033	174 617	186 447	200 578	220 439	243 367	258 658	282 228	306 896	336 649

In millions Djibouti francs

### ***V.1.1.1. Tax revenues***

Tax revenue increased by 30.9 billion DJF between 2007 and 2016. The estimated amount for 2017 is 65,925,998,000 DJF), an increase of 3,818,212,000 DJF compared to 2016 (62 107,786,000 DJF).

In 2017, the total of levies on wages and labor and the special solidarity tax (11,666,000,000 DJF), represent 17.69% of tax revenue. This revenue represents 9.65% of the state budget and 3.43% of GDP.

The overall evolution of tax revenues thus shows, and despite everything, that by means of an extension of the coverage rate, which would be possible through a denser regional deployment of dedicated services and the exploration of new tax loopholes, the State will be able to further develop its revenues in this sector, especially since the tax burden is still within a tolerable limit.

### **V.1.1.2. Budget savings**

The State budget for the year 2017 amounts to 120,825,000,000 DJF and shows a decrease of 4,274,651,363 DJF compared to the previous year's budget of 125,099,651,363 DJF.

This decline is part of the continuation of the compression of government spending observed in recent years. In this context, and without necessarily having a cause and effect relationship, the budgets of the social ministries were maintained at the same level during the 2016 and 2017 fiscal years and even had a slight overall increase as shown in the following table. . The budgets considered include domestic resources and external contributions in the form of grants or loans.

<b>Ministry</b>	<b>Amount</b>	<b>% of State Budget</b>	<b>%du GDP</b>
<b>Ministry of Health</b>			
2016	9 231 253 435	7.37	2.71
2017	8 397 134 435	6.94	2.46
<b>Ministry of Education and Vocational Training</b>			
2016	13 909 920 405	11.11	4.09
2017	14 199 734 363	11.75	4.17
<b>Ministry of Labor and Administration Reform</b>			

2016	1 788 796 789	1.4	0.52
2017	2 552 902 685	2.11	0.07
<b>Ministry of Housing, Urbanism and Environment</b>			
2016	1 501 913 023	1.2	0.44
2017	559 473 023	0.46	0.16
<b>State Department for Youth and Sports</b>			
2016	793 472 194	0.63	0.23
2017	853 852 012	0.70	0.25
<b>Ministry of Women and Family</b>			
2016	404 964 820	0.32	0.11
2017	558 998 820	0.46	0.16
<b>Ministry of Muslim Affairs, Culture and Wakfs Property</b>			
2016	1 017 633 797	0.81	0.29
2017	921 633 797	0.76	0.27
<b>Ministry of Social Affairs and Solidarities</b>			
2016	1 851 273 248	1.47	0.54
2017	1 824 273 248	1.50	0.53
<b>Ministry of Higher Education and Research</b>			
2016	4 391 094 638	3.51	1.29
2017	4 527 937 730	3.74	1.33

*Source: LFR 2016 and LFI 2017. The amounts are denominated in Djibouti francs*

It thus appears that the budgets of social ministries have remained significant in general, and represent more than a quarter of the state budget, with respectively 27.23% in 2016 and 28.46% in 2017, or 10.11% of GDP which was estimated at 340 billion DJF for this last year.

It is important to note that during the period 2000-2015, public spending in the education sector alone accounted for an average of 22% of the state budget and 8% of GDP.

The interest in training has been extended since the estimated spending on education (from primary to higher education) and health represent 22.44% of the state budget in 2017 and reach the proportion 78.86% of the total budgets allocated to social ministries during the same year, and 7.97% of the GDP.

The level of the total payroll which reached 32,017,000,000 DJF (an increase of 1,170,000,000 DJF compared to 2016), it should be noted that 803,525,896 DJF, registered in the under the Ministry of Labor and the Reform of the Administration, represent the impact of the unfreezing measure of the advancement of State agents for the years 2013/2014, after that the freeze which was decided in 2012 to put an end to the deficit increasing budget. The budget of 358,000,000 DFJ included in the 2017 budget is a support measure for the social sectors and essentially covers the new expected recruitments. This situation shows that even

if the State budget is subject to tensions it is always possible to prioritize social spending and achieve budget savings.

## V.2. Evolution of external resources

The structure of external financing is as follows:

	2011	2012	2013	2014	2015	2016	2017Estimations
<b>Tot.External funding</b>	<b>19.263</b>	<b>25.325</b>	<b>16.850</b>	<b>16.893</b>	<b>26.497</b>	<b>27.257</b>	<b>20. 095</b>
Donations	13.315	20.574	11.132	13.166	21.120	21.314	13 874
Loans	5 948	4 751	5 718	3 727	5 377	5 943	6 221

In millions of Djibouti francs

The irregular amounts of donations shows the uncertainty of this resource and the importance of the mobilization efforts to be made to increase them, as they mainly cover (13,392,000 DJF, or 3.93 % of GDP in 2017) priority sectors, in terms of human needs, such as social programs, water, sanitation, climate resilience, health and education.

On the other hand, the evolution of the loans testifies the will displayed by the public authorities to control this position because of the excessive constraints of the management of the debt. Moreover, it is significant that a rate of 28.14% of these resources will be allocated in 2017 to social safety nets, education, health and climate resilience programs, which represents 1.44% the state budget and 0.51% of GDP.

## V.3. Evolution of public expenses

To direct available resources to the priority social sectors, the authorities have initiated sustained expenditure rationalization policies through the contraction of current expenditures, particularly staff costs and some equipment costs deemed unnecessary.

Since 2015, the state budget is presented in balance between domestic revenues and domestic charges.

Over the last eight years, total expenditure has increased by 58.354 billion DJF, an average growth rate of 9.23%, in line with GDP growth.

In the 2007-2015 period, investment spending increased by an average of almost 13%, while current expenditure increased by 7.37%, indicating a clear propensity to invest more public expenditure.

The increase in current expenditure stems from the continued rise in staff costs, energy costs, fees paid to students (scholarships) in Djibouti and abroad and grants to independent schools.

### V.3.1. Social expenses

The table of general expenses of the state budget (LFI 2017) dedicates 4,345,530,000 DJF to the heading "social benefits" in 2016, and 4,445,530,000 DJF in 2017.

2016	2017
Amount: 4 345 530	Amount : 4 445 530
<b>% of public expenses : 3,47</b>	<b>% of public expenses : 3,67</b>
<b>% of GDP : 1,29</b>	<b>% of GDP : 1,30</b>

The analysis of these expenditures in the 2017 finance law reveals that they have been allocated primarily to the social protection sectors:

Tasks	Fight against poverty and Social programs support	Food and nutrition expenditure	High Intensity of Labor (HIMO))	Health and social programs	Education programmes	Employment and Vocational Training	Water, sanitation and resilience
<b>Prevention</b>	✓	✓		✓			✓
<b>Protection</b>	✓	✓	✓	✓			✓
<b>Transformation</b>			✓		✓	✓	

These expenditures include domestic public expenditures, external grants and loans directly for social protection, the costs of strengthening human capital (education and health), the promotion of the quality of life, and Strengthening the resilience of the population. Cross-cutting policies (employment and training, youth and gender) are also included.

The values of the selected items are as follows:

Heading	Amounts in Dj. Francs
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Fight against poverty and support for social programs	12,718,656,193
Food / Nutrition	1,627,538,408
Repair and maintenance work of public buildings, highways, solar lighting panels	1,099,257,243
Health and Social Programs	1,589,076,320
Education Programs	513,000,000
Employment / Vocational Training	546,500,000
Water, sanitation and resilience to climate change	3,728,000,000
Youth Programs	1,132,566,046
Gender Promotion Programs	216,000,000
<b>TOTAL</b>	<b>23,170,594,210</b>

With a total of 23,170,594,000 DJF, these expenditure forecasts represent 6.81% of GDP in 2017 and are broken down as follows according to their sources:

- State budget: 15,577,000,000 DJF, a share of 67.22%.
- External resources: 7,593,000,000 DJF, representing a share of 32.77%. These resources would amount to 6,104,000,000 DJF if the expenditure on the seawater desalination plant and the Ethiopian water supply project were deducted (1,489,000,000 DJF) because they were considered large investments in infrastructure, although aimed at solving the problem of water shortage in the country as a whole. The percentage of external resources would then be 28.15%.

The social expenditures, excluding salaries and socio-economic development infrastructures, would amount to a total of 21,681,000,000 DJF.

### ***V.3.2. Social protection expenditure***

Measuring social protection expenditure is a difficult exercise with uncertain outcomes for at least three considerations.

The first relates to the fact that these expenses are sometimes only estimates, as the accounts of the contributory plans are not always exhaustive or available, as is the case for the preparation of this report.

The second relates to the virtual absence of data on civil society organizations' spending on social protection, as the report shows.

The third concerns the lack of consensus on the choice of criteria for inclusion or exclusion of expenditure to be counted as part of social protection.

As a result, a recognized frame of reference had to be found. To this end, the present report adopted the functional definition of the International Labor Organization, an institution whose main mission is to promote the principles of social justice and the objectives of development and extension of social protection.

According to this definition, social protection *"takes into account three categories: (i) the expenditures of contributory programs (social insurance), (ii) the expenditure of non-contributory programs (social assistance or universal programs), and (iii) the public expenditure of health"*.

Given this approach, social protection expenditure in Djibouti (excluding contributory programs) is as follows:

Heading	Source of funding		Total in thousands of Djibouti francs
	Domestic funding	External funding	
<b>Fight against poverty and support for social programs</b>	11,866,655 93.30%	852,000 6.69%	12,718,655
<b>Food/Nutrition</b>	669,417 35.39%	1,222,000 64.60%	1,891,417
<b>Repair and maintenance work on public buildings, highways, solar lighting panels (compiled from the Finance Act 2017)</b>	1,099,257 100%		1,099,257
<b>Health and social programs</b>	178,900 12.64%	1,235,559 87.35%	1,414,459
<b>Education programmes</b>		123,000 100%	123,000
<b>Gender Promotion Programs</b>	95,000 57.22%	71,000 42.77%	166,000
<b>TOTAL</b>	13,90,229 79.87%	3,503,559 20.12%	17,412,788

Expenditure (excluding the contributory sector) devoted to social protection in 2017 amounted to 17,412,788,000 DJF, representing a rate of 14.41% of the State budget and

5.12% of GDP. Their financing on domestic resources is four times greater than that from external resources.

#### **V.4. Sustainability of financial resources**

The alternatives for sustainable financing of social protection depend on the political commitments as to the objectives to be achieved and the technical choices concerning the gap to be completed in favor of these objectives, in stages, until the end of the complete assistantship of the vulnerable populations.

The resources could be released according to the following options:

√. **Take rigorous measures to rationalize expenses.** This option could be achieved by continuing the reduction of staff costs, the elimination of unproductive expenditures and better targeting of subsidies so that they benefit the poorest people in the first place.

√. **The increase in tax revenue through:**

- **Increasing inclusion of informal sector workers in the formal sector.**
- **The creation of new legitimate taxes to finance social protection. Three taxes could be proposed:**

**1. A moderate surcharge on rents at foreign military bases.**

**2. An anti-pollution tax to be paid by truck drivers on the roads between Djibouti and Ethiopia.** The growth of carbon dioxide emissions and the accumulation of solid waste on these roads would justify this option.

**3. A social solidarity tax** to be included in the price of travel tickets by air or by train. For businesses, this tax could take the form of a variable tax, to be calculated according to the base of the net profits of each year. TPEs would be totally exempt from this tax.

√. **Institutionalization of Zakat funds.** Since it is difficult to estimate the potential of these funds and estimate the amount of funding that might be expected, it is necessary to create a legal framework to formalize this approach in close consultation with the religious authorities.

√. **The mobilization of voluntary donations and Waqf goods** and their use in accordance with Shari'a precepts, in coordination with the religious authorities.

√. **The negotiation with the bilateral partners** of a conversion of all or part of the debt for purposes of financing the fight against poverty.

√. **An important effort for the mobilization** of external donations through the development of advocacy based on objectives gathering international consensus:

-The development of the social protection system around which a solid international partnership has been formed.

-The attainment of sustainable development goals such as gender parity, the fight against hunger and malnutrition, total abandonment of FGM or universal health coverage.

Advocacy should take into account the interests of each donor and mobilize international NGOs, each according to their preferred field of intervention (Handicap International, Bill and Melinda Gates Foundation, Getty Foundation, ...).

## **VI. Objectives and thrusts of the national strategy for social protection**

### **VI.1. Strategic targets**

VI.1.1. 0S1. Social protection coverage suitable for all

*"Social protection is a way to reduce poverty, achieve greater gender equity, reduce economic inequality and promote quality jobs," Jim Yong Kim, president of the Assembly, told the meeting. World Bank Group<sup>32</sup>.*

During this General Assembly, a large-scale partnership was initiated, involving the United Nations and the World Bank, and recognized the need to provide adequate social protection for all.

Does Djibouti have the permanent means to ensure this universal protection?

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<sup>32</sup> United Nations General Assembly. New York. September 2016.

The staggering over time of the implementation of guarantees leads to answering affirmatively, especially since, given the context of Djibouti; *this approach is the one that seems to come closest to the objectives of justice and social equity, not to mention that it is socially and politically sustainable.*

In the absence of quantitative and qualitative studies on the duration required for a sustainable extension of the principle of universality, the National Strategy for Social Protection will focus on the two most vulnerable categories of society:

- those who have no income or whose income is insufficient to cover their basic needs (households, children, the elderly and the disabled) and the use of essential social services;

-those who, even with contributory social security, risk falling into poverty due to disabling events or the occurrence of unforeseen risks.

#### ***VI.1.2.OS2. Moving from assistantship to socio-economic inclusion***

The social protection strategy therefore aims to lift some sections of the population from the assistantship and integrate them into the development dynamic by promoting their access to the insurance system. For those who benefit inadequately from this system or who are excluded and may experience deprivation, the Strategy must be able to guarantee them an additional income or a decent income in extreme cases.

On this basis, the National Strategy for Social Protection will be based on the guarantees of the base and supplemented by the development of reinforcement strategies for an exit from poverty.

In other words, the target populations will each benefit from an integrated package of guaranteed cash transfers, human capital building programs, different services or nets (monetary or in-kind) and socio-economic inclusion programs with the objective of putting these populations on a path out of poverty.

#### **VI.2. Targets of the National Strategy for Social Protection**

Thanks to the socio-economic information relating to the entire poor population and vulnerable contained in the social register, it is possible to identify three types of priority targets:

***VI.2.1. The households with a level of well-being below the national poverty line including:***

- Children aged 0 to 16 living in extreme poverty
- Pregnant and lactating women
- Dependents unable to work

**VI.2.2. Individuals without resources including:**

- People over 65 without pension or other income
- Disabled or disabled persons temporarily or permanently
- Orphans and vulnerable children
- People with HIV who are unable to work.

***VI.2.3. People of working age and deprived of income sources temporarily or permanently:***

- Employees at work or victims of occupational diseases
- Workers dismissed unfairly or for economic reasons.

The targets being numerous, the National Baseline for Social Protection includes guarantees that the State is obliged to honor, offers a flexibility in the prioritization of these guarantees and the possibility of a graduation in the choice targets, the axes of the Base have been defined as follows:

- for the first category of targets (VI.2.1), the key issue is that of household food security. The right to food security is thus the first axis of the National Baseline for Social Protection.
- investing in childhood is investing in the development and future of the country. Because of the high risks associated with the health, malnutrition and high dependence of children who are putting their survival at risk, the income guarantee for children is the second pillar of the bedrock.

- for the second category of targets (VI.2.2.), the criteria of number, inability to work and the principles of solidarity contained in the Islamic culture lead to the privileging of the elderly and people with disabilities as the third axis of the National Baseline for Social Protection.
- for the third category of targets (VI.2.3.), the principle of the "social lift" advocated by the National Baseline for Social Protection, favors the transition from the social assistance to the contributory sector and not the opposite. Securing an income for those who have been deprived of it is a process of supporting these former workers until they find their former situation and do not continue in the assistance. This is the fourth axis of the base.

If budgetary resources do not allow it in the short term despite the flexibility of the national social protection floor, the achievement of this guarantee could be postponed until the favorable conditions are met.

### VI.3. Minimum guarantees

The National Baseline for Social Protection, as advocated by the ILO, makes universal access to care and education a priority because of its weaknesses around the world.

For Djibouti, even if these guarantees are still the subject of particular attention, they are now experiencing an irreversible momentum. Indeed, under the universal health insurance, the government of Djibouti launched the guarantee of care for all by setting up the health social assistance program whose beneficiaries are estimated at 14,000 households in 2017 and who will increase to more than 25,000 households (108,000 people) by 2019.

Thus, and given the existence of the universal care guarantee and the generalization of education for the age group between 6 and 16, the extension of social protection based on the national social protection floor can be built on the following axes:

#### **AXIS 1: The right to food security**

Households in a situation of food insecurity share the fact that their food consumption per adult is below the food poverty line.

Of course, the State is deploying structural efforts to ensure sustainable *food security with the development of agricultural farms granted by Ethiopia and North Sudan, improving storage capacity for strategic products and creating new sources of growth through the*

*introduction of modern technologies and new varieties of products (palm groves, sugar crops, fisheries).*

This program has already achieved results, notably through a noticeable action at the level of public prices of flour, bran and oil.

However, the high prevalence of acute malnutrition, particularly among pregnant and lactating women, makes immediate cash transfers the best guarantee for ensuring sustainable food security for poor households.

In this context, the Ministry of Social Affairs and Solidarities / WFP transfer program should be extended over the whole year and integrated into the objectives of the National Family Solidarity Program.

## **AXIS 2 : The income guarantee for children**

In its report on "Social Protection in the World 2014/2015", the International Labor Organization recommends: *"We must redouble our efforts to strengthen measures to ensure income security for children and families"*.

This recommendation calls for the guarantee of income for every child belonging to a household living in extreme poverty, which could take the form of an allowance to be put in place gradually. This allowance, in line with ILO recommendation 202/2012, with UNICEF's directions and priorities, and with the national and international child rights instruments, should be conditioned by a reduction in the prevalence of acute malnutrition, particularly during the first 1000 days of life, by the health care to provide (vaccination of 0-5 years) and by the obligation to attend school until the age of 16 years.

The amount of the allowance varies according to the number of dependent children aged 0-16, with a maximum of six (06) children.

## **AXIS 3 : The income guarantee for the elderly and disabled people unable to work**

The aim is to enable people aged 65 and over who do not have a formal or informal income, and disabled people who are unable to work to have an income that protects them against precariousness and poverty, as stipulated in the legal provisions concerning these categories of the population at national and international levels . This legal income will be combined with



the various mechanisms to fight against the precariousness intended for these two categories of the population.

For people with disabilities, the allocation of a decent income should not overshadow the issues of facilitating access to public places and their educational, economic, vocational and social integration as priorities.

#### **AXIS 4 : The guarantee of essential services for those who are deprived of it for reason of Accidents of life**

Given the flexibility of the social protection floor, the ultimate goal is to ensure a minimum source of income and social services for people of working age who are unable to earn sufficient income because of illness, unemployment, maternity or physical disability.

For people still able to work, the income allowance will be conditioned by participation in public works.

Priority should be given in this scheme to the objective of combating exclusion and removing the inequity experienced by women heads of households employed in the informal sector, including women employed in the maternity insurance sector in the formal sector.

In addition, instead of an unemployment fund (very costly and difficult to manage), the State must set up a system of insurance for the loss of employment to be financed by employers, workers and by means of financial support from the State.

### **VII. Complementary actions for strengthening the bedrock: strategies to overcome poverty**

#### ***VII.1.1. The contributory system: Extension of the social security system***

According to the ILO's recommendations which, through the National baseline for Social Protection, a comprehensive social security system, the current social security schemes should evolve to ensure their financial equilibrium, their sustainability, the improvement of their services and benefits and their extension to the different categories occupied and their dependents, in accordance with the principle of equity.

The reforms should concern the different parameters of the retirement pension : the contribution rates (employers and employees), the retirement age, the reference salary, the number of years of training required, the yield of annuities, the revaluation of the pension, ...

and those of the provision of health insurance (contribution rate, benefits, plans, ceiling, reimbursement rate ...).

In addition to examining the aspects of the parametric reforms that are needed, it is also necessary to look further into the pathways of systemic reform, such as the diversification of funding sources and the management of pensions, and mostly the health insurance.

Measures to review the governance of the system, the management and the evaluation of social security schemes should be the subject of studies to be undertaken to measure the performance of the schemes implemented, their penetration rate and the adequacy of management capacities, and their cost with the effects achieved and expected.

These reforms of the social security system, which should be the result of the widest possible consultation and consensus-building process between the state and the social partners, should make it possible to go from a coverage rate of 29% to a rate of 75% in 2024.

#### ***VII.1.2. The social assistance system: Availability of essential services and access for all:***

As part of the human rights-based approach, essential services must be available, accessible and of high quality.

Despite the efforts made, the diagnosis of social protection in Djibouti reveals shortcomings that affect the quality of life and where serious progress could be made:

##### ***VII.1.2.1. The development of human capital***

Djibouti has certainly made great strides in achieving these two fundamental guarantees recommended by the ILO and listed as objectives of the SDGs. Nevertheless, these two guarantees would be more consolidated by the following actions:

- In terms of health, it will be for governance to:

- accelerate the implementation of the administrative and financial procedures of the Solidarity Health Fund in order to guarantee access to care for the most needy;

- to ensure the extension of the offer of care (fixed or mobile) to remote localities without health facilities and thus be closer to the internationally-agreed maximum distance to be traveled by the patient;

- to progressively bring closer, in terms of availability of services, improved accessibility and quality, between the care benefits of contributory plans and those provided under the free care system;

For target populations, it matters to:

- continue to give priority to fight against the prevalence of acute malnutrition among children during the first 1000 days;

- provide the necessary services for pregnant and lactating women;

- ensure the health coverage of the categories occupied in the informal sector.

- In terms of education, it will be about increasing schools network, continuing the adequacy between training and employment and intensifying the efforts to benefit the socio-economic development of the qualified and highly qualified executives.

#### ***VII.1.2.2. Access to basic services:***

- Increase social safety nets to respond to the possible shocks that the population which is not covered by the social protection may face. It will be, in this context to:

- develop the High Intensity of Labor programs (HIMO) for the inactive and condition the combined monetary and food transfers through active job search;

- spread the Ministry of Social Affairs and Solidarities / WFP food programs over the maximum number of months possible in the year and no longer be content with periods of drought.

- ***Access to drinking water and sanitation***

The importance of drinking water and sanitation is vital in terms of preserving health, fighting food insecurity and ensuring quality of life.

Major drinking water supply and desalination projects currently being implemented are likely to reduce water stress in the country and encourage the adoption of appropriate behaviors in the field of sanitation.

Nevertheless, the effort should be continued through the implementation of the components contained in the Regional Development Plans, which will provide answers to the most arid regions, particularly through the construction of protected wells and the development of each regional territory.

#### ***•Access to electricity***

The electricity connection with Ethiopia has certainly made it possible to offer more energy to Djibouti and has made it possible to reduce the household electricity bill relatively. But the adoption of renewable energies (solar energy and geothermal energy) is the great alternative that will enable the country to meet its needs and provide households with a higher quality of life.

The authorities are aware that they are developing these alternative production routes.

#### ***VII.1.2.3. Access to well-being: decent housing***

The non-conformity of the offer with the needs of vulnerable populations and with the specific demands of the regions as a result of the weak commitment of the private sector in the promotion of social housing, together with the lack of housing developments and rising building materials costs explain the difficulties of access to decent housing for low-income social groups.

Action on prices and a fair social housing strategy between the regions should serve as levers for promoting social housing.

Given the low financial resources of employees in the formal and informal sectors, the lease-purchase agreement seems the most appropriate for the case of Djibouti provided that the management of access to decent housing is legally and financially structured.

The setting up of an agency promoting social housing for the benefit of employees could represent an efficient mechanism that would be financed by the State through a fund fed by a staffing and a contribution of 2% shared equitably between workers and employers.

By giving due attention to these essential services and by strengthening inter-institutional coherence and coordination, the new social protection strategy will both protect households, improve their quality of life and empower them along their life.

### **VII.1.3. Access to socio-economic inclusion:**

#### ***VII.1.3.1. Promote professional training***

Inclusion factors, vocational training and apprenticeships are designed to promote labor productivity and to enable young people to have the qualifications to facilitate their insertion into the world of work provided that the training provided is in line with the needs in the development of the labor market.

#### ***VII.1.3.2. Facilitate access to microfinance***

-In view of the important role of microfinance and the need to develop it further, it seems appropriate and useful to:

- open new micro-credit agencies<sup>33</sup> for more proximity, to introduce more flexibility in the processing of credit files (two weeks instead of one month now);

- review the ceiling of the credits for the creative projects of Income Generating Activities;

-adapt formulas to the specificities and constraints of the rural world;

- establish forms of partnership with third parties, such as the Chamber of Commerce, to encourage more memberships;

- explore ways of formalized coordination between microfinance instruments and Islamic microfinance.

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<sup>33</sup> According to 99% of respondents to the survey developed as part of the "Final Report on the Living Conditions of Women in Rural Areas" (Ministry for the Promotion of Women and Family Welfare and Ministry of Economy, Finance and Planning, November 2016), the micro credit service, to assist in the development of AGR, such as handicrafts, small service businesses or even agropastoralism, is not available in rural communities.

### *VII.1.3.3. Develop the social and solidarity economy*

As an operational track for the expansion of the Social and Solidarity Economy (ESS) in Djibouti, it would be useful, while relying on the law on cooperatives, to explore promising sectors, to set up a especially dedicated legal framework and to think about ways of funding.

On this last point, Djibouti should:

- find the bridges between the ESS and microfinance instruments;
- promote Islamic finance by legally supervising it;
- Think about creating an "ethical bank" in a later stage.



PART - 4

## VIII. Operational framework of the Strategy

As part of the extension of the social protection system and with the aim of establishing a social protection baseline, it is important to set up first a small committee of reflection composed of the Ministry of Labor in charge of the Reform of the Administration, the Minister of Housing, Urbanization and Environment, in charge of Housing, the Ministry of Budget and the Ministry of Social Affairs and Solidarities.

This committee will be tasked with thinking more about the extension of social protection and deciding on:

- The legal framework and institutional set-up of social protection
- Social protection floor benefits by transforming the various guarantees into programs, including the coverage rate of the protection floor
- The estimation of the final costs of the social protection floor and its financial sustainability
- The communication and awareness strategy to ensure the ownership of the protection baseline by all Djiboutians

The operational framework defined in this strategy document provides a platform for this preliminary work.

### VIII.1. Framework for implementation

#### VIII.1.1. Coordination and monitoring-evaluation mechanisms



Taking into account the past results of the coordination mechanisms in Djibouti and the comparative experiences of other developing countries, it is proposed to set up a coordination mechanism at four interdependent levels:

1. A level for strategic directions and budget decisions. This is the role of the interdepartmental committee.
2. A level for operational guidance including the coordination to be implemented, monitoring the progress of the strategy, at national, regional and local levels and executing its funding. This role is the responsibility of the steering committee, which reports to the interdepartmental committee. This steering committee has three groups of results.
3. The level of monitoring and evaluation conducted by a transversal committee placed with the chair of the steering committee.
4. The level of communication and advocacy which is entrusted to a transversal committee placed with the chair of the steering committee.

The Ministry of Social Affairs and Solidarities will set up a pool to facilitate the work of the various committees and groups, ensure the management and financial supervision and finalize the reports to be transmitted to the Cabinet.

An adequate legal instrument will have to define the coordination mechanisms of the national social protection strategy.

#### VIII.1.1.1. The interdepartmental committee

The supervision of the National Strategy for Social Protection will be the responsibility of an interministerial committee chaired by the Prime Minister.

This committee will define the strategic orientations and decide on the distribution of the financial resources allocated to the strategy.

The interministerial committee will receive at the end of each year of implementation a report from the Ministry of Social Affairs and Solidarities, chair of the steering group, on the progress of the strategy.

#### VIII.1.1.2. The steering committee

This committee is responsible for the operational management of the Strategy. It will be chaired by the Ministry of Social Affairs and Solidarities and composed of the parties involved in the programming, financing and implementation of the axes of the strategy to be organized in the form of result groups. These groups of results will also have to take into account the complementary actions described above.

#### VIII.1.1.3. The monitoring and evaluation committee

The monitoring and evaluation committee will be responsible for evaluating the reports of the strategy groups, and in particular for consolidating the quarterly reports of the results groups before transmitting them to the steering committee together with the performance indicators.

In this context, the Monitoring and Evaluation Committee will ensure (i) the preparation of the monitoring and evaluation schedule and its updating, (ii) the implementation of the partners' performance measurement plan, (iii) the impact of the National Strategy for Social Protection on beneficiaries in line with the Accelerated Growth and Employment Promotion Strategy objectives, the national strategies and sectoral plans and (iv) the consolidation of the monitoring and evaluation culture with the National Strategy for Social Protection stakeholders.

It will rely on the DISED and the entities producing statistics and monitoring and evaluation indicators of the ministries involved in the National Strategy for Social Protection at the central, regional and local levels.

The committee will be called upon to carry out an evaluation of the mid-term results in 2020, in order to make the necessary adjustments.

The monitoring and evaluation committee will be made up of representatives familiar with monitoring and evaluation instruments, the Ministry of Social Affairs and Solidarities, the UNS, the TFPs and the associative network. It will be placed under the authority of the chair of the steering committee, which will determine the number of its members.

At the end of the National Strategy for Social Protection coverage period, an independent final evaluation will be made on the efficiency, impact and sustainability of the programs achieved in relation to the targeted objectives.

#### VIII.1.1.4. Communication and Advocacy Committee

A communication and advocacy committee will be set up including the representatives of the ministries directly involved, the UNS, TFPs, the private sector and civil society.

This Committee will be responsible for developing and implementing a sustained communication and advocacy strategy<sup>34</sup>. It will meet at least once every six months and whenever the chair of the steering committee so requests.

The communication and advocacy committee will be under the authority of the chair of the steering committee, which appoints its members on the proposal of their governing bodies.

#### ***VIII.1.2. Research planning tools***

Results-based social policy planning needs relevant instruments for measuring progress. With regard to social protection, these instruments consist of adequate, consensual, reliable and available indicators.

Once adopted by the public authorities, the private sector, civil society and development partners, they become a shared agreement that is a source of mutual commitment (see annexed action plan 2018-2022).

The expected results of the different axes, their effects and their impacts are summarized as follows:

- access to social protection (increase in the number of people who have better access to social benefits and services);
- the extension of the coverage (evolution of the number of previously excluded persons who are now covered);
- the quality of coverage (number of people who benefit from higher levels of protection).

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<sup>34</sup> See the draft strategy attached.

### ***VIII.1.3. Monitoring and evaluation schedule***

The table below is a project that defines the periodicity of the monitoring and evaluation reports on the progress of the National Strategy for Social Protection and the meetings of the coordination and communication committees and groups.

## **VIII.2. Accompanying measures of governance**

### ***VIII.2.1. Strengthening of analytical databases and of targeting and monitoring-evaluation systems***

Djibouti currently has a reference institution - the DISED - which, through its experience of piloting different surveys (Population survey, SMART Surveys, Household Surveys, ...), has reliable databases that can guide the decision-making level to the scale of the whole country.

However, the preparation of this report has revealed the need to supplement the information system of current social protection systems, both in terms of social security in the formal sector and the level of social assistance provided to poor people and vulnerable population.

In addition, weak data capture of current socio-demographic dynamics deprives social ministries of useful indicators for policy development in line with the country's evolution. This is the case of the phenomenon of internal and international migration, the insufficient statistical control of which could be a matter of concern. The transformation of lifestyles of nomadic populations is little known and could deprive them of targeted programs adapted to their real needs. The informal sector has developed its own strategies without sufficient qualitative and quantitative surveys to capture them and draw appropriate consequences in terms of public policies. The labor market needs shorter-term economic outlooks to control its short-term evolution and take the measures it requires at the decision-making level.

The weaknesses noted could be overcome by a greater number of engineers and analysts who can respond to increasingly complex information needs and the need for rapid and reliable results brought about by the modernization of the country and the importance of its socio-economic ambitions.

### ***VIII.2.2. Integration of the National Strategy for Social Protection into the local development process***

Once adopted, the national strategy for social protection will be widely disseminated to regional and local authorities and meetings of the same authorities, members of parliament, representatives of the private sector, NGOs and associations and community and religious leaders.

These meetings will serve to clarify the objectives and expected results of the strategy, to raise awareness of its importance, to bring about a change in the behaviors of which it is one of its objectives and to mobilize around this highly political project.

On a technical level, a strong coordination will have to be developed between the Ministry of Social Affairs and Solidarities and the Secretary of State for Decentralization to organize community mobilization meetings and meetings with regional and local managers in charge of regional development plans to explore complementarities and the synergies to be developed between the strategy and the social components of the Regional Development Plans in order to foster ownership of the strategy and to achieve ever-increasing economies of scale.

### ***VIII.2.3. Strategy to make the National Strategy for Social Protection services accessible to everyone***

The National Strategy for Social Protection should not be added to other strategies by imposing its strategic and operational objectives with them. Aiming for social change based on the right to socio-economic inclusion and well-being, it needs strong national ownership that would guarantee the support and participation of the entire social body.

#### ***VIII.2.3.1. Strengthening of the legislative framework (see above, on the law establishing the National Baseline for Social Protection).***

#### ***VIII.2.3.2. Installation of an advocacy and communication strategy***

As the national strategy for social protection strategy has benefited from an expanded consultative process, it will, first of all, be necessary to sustain this process by continuing, throughout the progress of the strategy, the debate that has started at the beginning of the diagnostic phase.

It will then be necessary to broaden this exchange with a wider range of recipients, such as Members of Parliament, regional and local authorities and civil society organizations, because of their primary role as means of information and public awareness for the beneficiaries.

The second target is the media, which must be sufficiently informed to be able to play their intermediation role well with the general public.

The poor and vulnerable population is the other target and the most important one, because it is that population that will benefit from the strategy, and who, in addition to the mass communication that will have to reach it, must be involved in a communication approach for development / change.

In addition to implementing these communication policies, it is important to develop an advocacy strategy towards:

- the private sector to encourage their participation in the success of the strategy • MPs to support their institutionalization;
- the donors by developing a rationale linking the strategy to the political ambition to achieve the goals of sustainable development and to promote access to social protection as a human right.

## **IX. Three-step action plan**

As it is planned to implement the National Strategy for Social Protection in the year 2018, the table below presents a roadmap in three stages, the precise timing of which will be set at a decision-making level. These steps will include (i) the preparation and adoption of legal texts, (ii) the implementation of the advocacy and communication strategy and (iii) the establishment of dedicated bodies and the start of their activities.

## **X. Strategic Plan (2018-2022)**

### **X.1. The axes of the National Baseline for Social Protection**

#### **AXIS 1: Guarantee food security**

**General Objective:** To reduce the incidence of household poverty by coordinating transfers between the National Family Solidarity Program, the Social Health Assistance Program and social safety nets

**1.1. Expected Result:** The acute poverty rate decreases from 23% in 2013 to 20% in 2022 and the overall poverty rate decreases from 40.8% to 36% in 2022

TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Consolidation and integration into the PNSF of anti-poverty programs led by Ministry of Social Affairs	Ministry of Social Affairs and Solidarities /ADDS	X	X	X	X	X	- A decree is proposed to integrate all cash and quasi-monetary transfers into the National Family Solidarity Program
► Consolidation, development and establishment of synergies with the programs of NGOs and Associations	Ministry of Social Affairs and Solidarities /ADDS/ NGO/Associations	X	X	X	X	X	Analysis of the increase of synergies

**1.2. Expected Result:** The acute food insecurity rate decreases from 11.9% to 9.5% and the overall food insecurity rate decreases from 48.2% to 44%. Chronic malnutrition among poor children goes down from 22.9% to 18.7%.

TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Ensuring the sustainability of National Family Solidarity Program transfers	Ministry of Social Affairs and Solidarities /Ministry of Budget	X	X	X	X	X	National Family Solidarity Program has an annual budget
► Intensify free or subsidized food distribution programs targeting the most vulnerable (food stamps)	Ministry of Social Affairs and Solidarities /Ministry of Budget/ ONG and Associations	X	X	X	X	X	Reports on the number of beneficiaries, the allocated budget and the contribution of contributors
► To guarantee the nutrition of the children during the first 1000 days (thanks to child benefits)	Ministry of Social Affairs and Solidarities	X	X	X	X	X	- From the 22.9% rate of chronic malnutrition to 18.7%. -Global increase of beneficiaries
► Find sustainable solutions to food storage and replenishment issues	Ministry of Social Affairs and Solidarities /Ministry of Agriculture/ Regions	X	X				- Increase of the number of storage sites -Geographical distribution of these sites

► Generalize school canteens (including nurseries and kindergartens)	SSD/ Ministry of Budget	X	X	X	X	X	- Achieve a school coverage rate of 50% in school canteens. -Increase of the number of beneficiaries
► Set up a credit for small farmers and small farmers (gathered in cooperatives)  Central Bank of Djibouti / CPEC / NGO / Associations		X	X	X	X	X	Increase of the number of beneficiaries

## AXIS 2: The guarantee of income for children

**General Objective:** To invest in children to improve their situation in the areas of food, health, education and care services. Target: 6000 children / year

**2.1. Expected Result:** The children have a monthly income guaranteeing their correct nutrition, the continuation of their compulsory schooling and their access to care.

TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Enact a decree establishing universal income for each child from to households in extreme poverty and assure his nutrition, health and education	- Ministry of Social Affairs and Solidarities /Ministry of Budget/ Ministry of Justice	X					- Decree enacted
	- Ministry of Social Affairs and Solidarities /Ministry of Budget	X	X	X	X	X	- Increase of the number of beneficiaries

**2.2. Expected Result:** All children (from 0 to 2 years, in a first step) are correctly vaccinated according to international standards.

TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Ensure compulsory vaccination for all children from 0 to 2 years old	Ministry of Health	X	X	X	X	X	Increase of the number of vaccinated children compared to children eligible for vaccination

## Axis 3: The income guarantee for the elderly and the disabled

**General Objective:** To allow people of 65 years of age and over who are not pensioners and people with disabilities to have an income that protects them from precariousness and poverty

**4.1 Expected Result:** An old-age benefit is provided to people over 65 years of age living alone or in households living in extreme poverty. Target: 5000 / year.

TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Provide an old age allowance	Ministry of Social Affairs and Solidarities /Ministry of Budget	X	X	X	X	X	Number of beneficiaries in relation to the total of eligible people
► Propose a law for the	Ministry of Justice/	X					The law and its implementing decrees



protection of the elderly	Ministry of Social Affairs and Solidarities						are enacted
<b>4.2. Expected Result:</b> The allocation of a decent income to any disabled person unable to work, without forgetting the issues related to facilitating their access to public places and their educational, economic, vocational and social integration as priorities. of the allowance: 5000 / year.							
TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Provide an allowance for disabled people who cannot work	/ Ministry of Social Affairs and Solidarities/ Ministry of Budget	X	X	X	X	X	Number of beneficiaries in relation to the total of eligible people
► Develop a law for the protection of people with disabilities	Ministry of Justice	X					The law and the decrees of application are enacted
<b>AXIS 4: The guarantee of a minimum income for those who are prevented because of accidents of life</b>							
General Objective: To provide a minimum income support for working-age people who are unable to earn sufficient income due to illness, unemployment, maternity or physical disability							
<b>3.1. Expected Result:</b> A minimum income is guaranteed for life for those with a definite physical disability that prevents them from returning to gainful employment. Targets: accidents at work or with occupational diseases, dismissed for economic reasons,...							
TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Provide a minimum allowance	Ministry of Transport/ Ministry of Budget	X	X	X	X	X	Increase of the number of beneficiaries
► Introduce a provision in the labor code	Ministry of Transport /Ministry of Justice	X					A provision is introduced concerning the workers concerned
<b>3.2. Expected Result:</b> A minimum income is guaranteed during the period of inactivity to those with a temporary physical disability. Targets: accident at work or suffering from occupational diseases, dismissed for economic reasons,...							
TASKS	OFFICIALS	YEAR					TRACKING INDICATOR
		1	2	3	4	5	
► Provide a temporary minimum allowance	Ministry of Transport / Ministry of Budget						- Number of industrial accidents -Number of workers with occupational diseases - Dismissed for economic reasons
► Introduce a provision in the labor code	Ministry of Transport /Ministry of Justice	X					A provision is introduced concerning the workers concerned

The implementation of this action plan undoubtedly requires training in the short and medium terms of a body of professional social workers.

## X.2. Promotion of social development policies and programs

### **X.2.1. Modernization of the Legal side :**

-Enact a law for the promotion and protection of the elderly and publication of the 2018-2019 decrees

-Enact a law for the promotion and protection of persons with disabilities and publication of the 2018-2019 decrees

-Enact a law organizing and developing Social and Solidarity Economy in Djibouti, as sector of job creation, formalization of the informal sector and strengthening of solidarity and publication of the application texts. **2018-2019**

-Implementing the coordinating bodies provided for by the **2019 Strategy**

### **X.2.2. Social Security Development Programs:**

-The extension of the social security protection, particularly to the informal sector and the social and solidarity economy entities **2019-2020**

**-X.2.3.** Extension of cash transfer programs to households in rural areas **2019-2021**

**-X.2.4.** Development of vocational training programs for young girls and boys who are dropping out of school **2020-2022**

**-X.2.5.** Development of access to social housing through a revision of the conditions of access to micro credit institutions. **2019-2022**

**-X.2.6.** Improvement of the expected results of social counters after their integration in "the integrated windows of social services". **2019-2020**

**-X.2.7.** Conclusion of cooperation agreements with the institutional and associative organizations involved in the execution of the SNPS. **2018-2019**

## **XI. Budget Framework (2018-2022)**

In order to establish a sustainable social protection floor, the introduction of benefits must be in accordance with the available fiscal space and the extension depends on the progressive widening of the corresponding tax space to guarantee the right to protection of the basic social welfare for all.

XI.1. The effectiveness and efficiency of the social protection system, particularly the basement with complementary empowerment programs, depends largely on the availability of sustainable financial resources. After some simulations on the costs of direct transfers to beneficiaries of different guarantees, we have estimated an amount of 3.9 billion Djibouti francs, which represents 3% of the State budget and 1% of GDP in 2018. With this cost, we can cover all households in extreme poverty by giving them a (i) minimum income for food security, (ii) a family allowance for three children of the same monetary value as that granted by the CNSS, (iii) an allowance for the elderly and people with disabilities.

XI.2. For the first three years of coverage of the basement, the Ministry of Social Affairs and Solidarities has mobilized from development partners including the World Bank and the European Union, the cost of direct transfer for the global allocation - National Family Solidarity Program which includes the child allowance and the food security allocation for 62% of extreme poor households (ie 12,362 households).

XI.3. To cover the full cost of the national social protection floor, it is recommended to analyze the expenditures of the social sectors, including that of the contributory social protection sector. International experiences have shown that national baseline for social protection is generally 80% covered by the state budget and 20% by external donations.

**Annex 1:** Calculation of the cost of the National Social Protection Floor (Base Expenses, Available Resources and Gap to cover for the 2019-2022 National Strategy for Social Protection Period)

<b>Costs of the National Baseline for Social protection for the period 2019-2022</b>				
	<b>Target (extreme poverty)</b>	<b>Annual unit cost(DJF)</b>	<b>Total annual cost(DJF)</b>	<b>Total cost for four years (DJF)</b>
<b>Overall allocation - National Family Solidarity Program includes: (i) Food security allocation; (ii) Child allowance up to 3 children</b>	19,878 <sup>35</sup>	120,000	2,385,360 000	9,541,440,000

<sup>35</sup> Number of households in extreme poverty, EDAM-4, DISED 2018.

<b>Health Care – Social Health Assistance Program</b>	109,329 <sup>36</sup>	10,000	1,093,290,000	4,373,160,000
<b>Old age allowance</b>	2,999 <sup>37</sup>	40,000	119,960,000	479,840,000
<b>Disabled allowance</b>	9,730 <sup>38</sup>	40,000	389,200,000	1,556,800,000
<b>Total Cost of the National Social Protection Floor</b>			<b>3,987,810,000</b>	<b>15,951,240,000</b>

Table 1: Cost of the National Social Protection Floor, 2019-2022 (In Djibouti Francs)

Table 2: Resources available for the National Baseline for Social Protection for the period 2019-2021 (FDJ)

<b>International and national resources collected for the National Baseline for Social Protection</b>				
	<b>Target</b>	<b>Annual unit cost</b>	<b>Total annual cost</b>	<b>Total cost for three years (DJF)</b>
National Family Solidarity Program - WB	5,000	120,000	600,000,000	1,800,000,000
National Family Solidarity Program - EU (Urban)	4,000	72,000	288,000,000	864,000,000
<b>Total Partners' funding</b>	<b>9,000</b>	<b>96,000</b>	<b>888,000,000</b>	<b>2,664,000,000</b>
National Family Solidarity Program - Government	3,362	120,000	403,440,000	1,210,320,000
Health care – Social Health Assistance Program	-	-	500,000,000	1,500,000,000
<b>Total Government's funding</b>			<b>903,440,000</b>	<b>2,710,320,000</b>
<b>Total Secured Funds for the period 2019-2021</b>			<b>1,791,440,000</b>	<b>5,374,320,000</b>

Table 3: Financing Gap for Coverage of the National Baseline for the Period 2019-2022

	<b>Annual cost</b>	<b>Cost for the period of the SNPS 2019-2022</b>
<b>Total Cost of the National Baseline for Social Protection</b>	3,987,810,000	15,951,240,000

<sup>36</sup> Number of extreme poor individuals (number of households multiplied by number of individuals per household).

<sup>37</sup> Number of people aged 65 and over living in extreme poverty.

<sup>38</sup> Number of disabled people living in extreme poverty.

<b>Total Secured Funds for the period 2019-2022</b>	1,791,440,000	5,374,320,000
<b>GAP for financing of the National Baseline for Social Protection for the Period 2019-2022</b>	<b>2,196,370,000</b>	<b>10,576,920,000</b>

Table 4: Employment Opportunities Development Program

	Collected Funds in USD	Collected Funds in DJF
National Solidarity Fund 2018	411,235	72,994,248
WB new project	4,300,000	763,250,000
EU-WFP	195,000	34,612,500
Total	4,906,235	870,856,748
<b>GAP</b>	<b>8,450,704</b>	<b>1,500,000,000</b>

**REPUBLIQUE DE DJIBOUTI**  
**UNITE-EGALITE-PAIX**

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**PRESIDENCE DE LA REPUBLIQUE**

**Loi n°044/AN/19/8<sup>ème</sup> L**

Relative à l'Economie Sociale et Solidaire.

**L'ASSEMBLEE NATIONALE A ADOPTE  
LE PRESIDENT DE LA REPUBLIQUE PROMULGUE  
LA LOI DONT LA TENEUR SUIT**

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- Vu** la constitution du 15 septembre 1992 ;
- Vu** la loi constitutionnelle n°92/AN/10/6<sup>ème</sup> L portant révision de la constitution du 21 avril 2010 ;
- Vu** la loi du 1<sup>er</sup> juillet 1901 sur les associations ;
- Vu** la loi n°191/AN/86 sur les sociétés commerciales en République de Djibouti ;
- Vu** la loi n°91/AN/05/5<sup>ème</sup> L Relative aux Statuts de la Banque Centrale de Djibouti ;
- Vu** la loi n°179/AN/07/5<sup>ème</sup> L du 16 mai 2007 portant réglementations des activités de micro finance sur le territoire de la République de Djibouti.
- Vu** la loi n°51/AN/09/6<sup>ème</sup> L portant code de l'environnement en République de Djibouti ;
- Vu** la loi n°117/AN/11/6<sup>ème</sup> L portant réglementation des coopératives financières.
- Vu** la loi n°133/AN/05/5<sup>ème</sup> L portant code du travail de la République de Djibouti
- Vu** la Loi n°134/AN/11/6<sup>ème</sup> L portant code de commerce en République de Djibouti ;
- Vu** la loi n°161/AN/12/6<sup>ème</sup> L actualisant et complétant la Loi n°40/AN/99/4<sup>ème</sup> L du 8 juin 1999 fixant la réglementation applicable aux entreprises d'assurance.
- Vu** la loi n°16/AN/13/7<sup>ème</sup> L du 7 juillet 2013 fixant le statut général des coopératives en République de Djibouti ;
- Vu** la loi n° 162/AN/16/7<sup>ème</sup> L du 5 janvier 2017 portant réorganisation du secrétariat d'état chargé des affaires sociales ;
- Vu** le décret n°2013-337/PR/SEMHUEL portant conditions de création et de fonctionnement des coopératives d'habitat ;
- Vu** Le Décret n° 2019-095/PRE du 05 mai 2019 portant nomination du Premier Ministre ;
- Vu** Le Décret n°2019-096/PRE du 05 mai 2019 portant nomination des membres du Gouvernement ;
- Vu** Le Décret n° 2019-116/PRE/2019 du 26 mai 2019 fixant les attributions des Ministères;
- Vu** la Circulaire n°104/PAN du 26/05/2019 portant convocation de la 3<sup>ème</sup> séance publique de la 1<sup>ère</sup> Session Ordinaire de l'AN 2019 ;

Le Conseil des Ministres entendu en sa séance du 19/02/2019.

## **Titre I : Dispositions générales**

### **Article 1<sup>er</sup> : Objet de la Loi**

La présente loi-cadre a pour objet de définir les normes relatives à l'économie sociale et solidaire (ESS), aussi bien que ses principes et détermine les modalités de son organisation ainsi que les structures et les instruments permettant sa mise en place et son développement.

### **Article 2 : Concept et dénomination**

L'économie sociale et solidaire, au sens de la présente loi désigne l'ensemble des activités économiques et sociales organisées dans le cadre de structures formelles ou de groupements de personnes physiques ou morales poursuivant une finalité d'intérêt collectif et sociétal et qui sont réalisées dans le cadre d'entités exploitées conformément aux principes directeurs définis à l'article 3 de la présente loi.

### **Article 3 : Principes directeurs**

Les personnes morales, citées aux articles 4 et 5 de la présente loi, sont régies quant à leur constitution, les modalités de fonctionnement et leur dissolution aux règles fixées par leurs statuts spécifiques et sur la base des principes suivants:

- a) la primauté de la personne, du travail et de la finalité sociale sur le capital;
- b) la promotion de la solidarité interne et d'une société qui favorise l'engagement pour le développement local, l'égalité des chances pour les hommes et les femmes et la cohésion sociale ;
- c) une gouvernance démocratique et participative prévoyant l'information pour chaque membre sur la transparence du fonctionnement ;
- d) un but poursuivi autre que le seul partage des bénéfices ;
- e) Une gestion collective indivisible.

## **Titre II : Des entités de l'économie sociale et solidaire**

**Article 4 :** Sont considérées obligatoirement des entreprises de l'économie sociale et solidaire, les personnes morales suivantes :

- ❖ Les coopératives quels que soient la nature et leur type d'activité ;
- ❖ Les mutuelles ;
- ❖ Les fondations ;
- ❖ Et les associations.

### **Article 5 : Conditions des entités de l'économie sociale et solidaire**

Peuvent être considérées des entreprises de l'économie sociale et solidaire les entreprises qui satisfont aux deux conditions suivantes :

- ❖ Le caractère social de l'activité ;
- ❖ Le réinvestissement des bénéfices à hauteur des deux tiers au minimum dans le cadre de leur objet social.

### **Article 6 : Inscription au Registre national de l'économie sociale et solidaire**

Les entreprises de l'économie sociale et solidaire sont tenues de s'inscrire dans un registre national de l'économie sociale et solidaire dans un délai ne dépassant pas un mois à compter de la date de leur création. Ce registre national de l'économie sociale et solidaire est tenu auprès du ministère en charge des affaires sociales.

### **Article 7. Promotion et diffusion de l'économie sociale et solidaire**

Les pouvoirs publics, dans le cadre de leurs compétences respectives, auront pour objectif de promouvoir l'économie sociale et solidaire, notamment par :

- a) l'élimination des obstacles qui empêchent le démarrage et le développement d'une activité économique des entités de l'économie sociale et solidaire. À cette fin, une attention particulière sera accordée à la simplification des procédures administratives pour la création et le financement d'entités de l'économie sociale et solidaire ;
- b) la facilitation des différentes initiatives d'économie sociale et solidaire ;
- c) la promotion des principes et des valeurs de l'économie sociale et solidaire ;
- d) la promotion de la formation et de la reconversion professionnelle dans le domaine des entités de l'économie sociale ;
- e) la facilitation de l'accès des entrepreneurs des entités de l'économie sociale et solidaire aux processus d'innovation technologique et organisationnelle ;
- f) la création d'un environnement propice au développement d'initiatives économiques et sociales dans le cadre de l'économie sociale et solidaire ;
- g) l'implication des entités de l'économie sociale et solidaire dans les politiques actives de l'emploi, notamment en faveur des populations les plus touchées par le chômage, à savoir les femmes, les jeunes et les chômeurs de longue durée ;
- h) l'introduction des références à l'économie sociale et solidaire dans les programmes éducatifs et de l'enseignement supérieur ;
- i) la promotion du développement de l'économie sociale et solidaire dans des domaines tels que le développement rural.

### **Titre III : De la gouvernance de l'économie sociale et solidaire**

#### **Article 8 : Organe d'application de la loi**

Le Ministère en charge des affaires Sociales assure la tutelle du secteur chargé de l'application de la présente loi ; il a pour mission de mettre en place les politiques publiques , les stratégies et les programmes ayant pour but de promouvoir le secteur et d'assurer le suivi , la promotion, la diffusion et la formation à l'économie sociale et solidaire, sans préjudice des facultés d'autres départements ministériels en ce qui concerne les activités économiques, commerciales et sociales développées par les entités de l'économie sociale et solidaire en vue de la réalisation de leur objectif social.

#### **Article 9 : Le Conseil pour la Promotion de l'économie sociale et solidaire**

Il est institué un Conseil pour la Promotion de l'Economie Sociale et Solidaire qui constitue un organe consultatif pour les activités liées à ce secteur. Ses fonctions sont les suivantes:

- a) Collaborer à l'élaboration ou à la révision de tout texte législatif ou réglementaire affectant les entités de l'économie sociale ;
- b) Préparer les rapports demandés par le ministère en charge des Affaires Sociales et d'autres départements ministériels.
- c) Renseigner et communiquer sur les programmes de développement et de promotion de l'économie sociale et solidaire ;
- e) Réaliser des études et des rapports sur des questions et problèmes en relation avec l'économie sociale et solidaire et en particulier sur le renforcement des connaissances,



la présence institutionnelle et la projection internationale de l'économie sociale et solidaire ;

f) Veiller à la promotion et au respect des principes directeurs de la présente loi ;

g) Publier un rapport préalable sur l'adoption de mesures d'information statistique d'entités de l'économie sociale et solidaire ;

h) Toute autre question relative à l'économie sociale et solidaire.

#### **Article 10 : Forme légale du Conseil**

La composition et le fonctionnement du Conseil pour la promotion de l'économie sociale et solidaire sont fixés par décret pris en Conseil des ministres sur proposition du ministère en charge des Affaires Sociales.

#### **Article 11 : Avantages accordés aux entreprises de l'économie sociale et solidaire**

Afin de soutenir le développement des entreprises sociales, les autorités publiques accordent des avantages financiers et fiscaux conformément à la législation en vigueur dont bénéficient d'autres organisations économiques.

#### **Article 12 :**

Des textes réglementaires seront adoptés pour l'application de cette loi.

#### **Article 13 : Dispositions transitoires et finales**

Les personnes morales existantes et régies par les dispositions de la présente loi à la date de sa promulgation, sont tenues de régulariser leurs situations quant à leur inscription au registre national de l'économie sociale et solidaire dans un délai n'excédant pas un an à compter de la date d'entrée en vigueur de la présente loi.

**Article 14 :** La présente loi abroge toutes les dispositions antérieures contraires.

**Article 15 :** La présente loi entrera en vigueur dès sa publication au Journal Officiel de la République de Djibouti.

23 JUN 2019  
Fait à Djibouti, le.....

Le Président de la République,  
Chef du Gouvernement

ISMAÏL OMAR GUELLEH



## Annexe 2 :Personnes Rencontrées.

Nom et Prénoms	Institution	Fonction
M. Philippe Collignon	AFD	Directeur Agence Régionale Djibouti-Somali land-Yémen
M.Mikail Tasdemir	Agence Turque de coopération et de coordination (TIKA)	Coordinateur de TiKA Djibouti
M.Samatar Isse Abdi		Assistant de Programme
M.Atou Seck	Banque Mondiale	Représentant Résidant à Djibouti, Région du Moyen Orient et Afrique du Nord
M. Kadar Mouhoumed Omar		Analyste des Opérations
M.Hachim Houssein Farah	Chambre de Commerce de Djibouti	Chef du Service Comptabilité et Matériel
Mme Kafia Abdarahman		
Mohamed Houmed-gaba Osman	CPEC Djibouti	Gérant
Mouhyadine Issa Hassan		Superviseur du Service Crédit.
M.Daher Osman Omar	Croissant Rouge de Djibouti	Trésorier
Mme Amina Houssein		Chargée de Programme
M.Jose Puig Vara	Délégation de l'Union Européenne	Chef de Coopération, Premier Conseiller
Mme Samad Hassan		Gestionnaire de Programme
Mme Isabelle De RUYT		Gestionnaire de Programme

M.Sekou Tidiani Konaté	DISED	Statisticien
Mme Emmanuelle Guernebleich	FAO	Représentante auprès de la République de Djibouti et de l'Autorité intergouvernementale pour le Développement (IGAD)
Dr.E.Fallou Guèye		Coordonnateur Intl. de Projet   Représentant <i>par interim</i> de la FAO en Rép. de Djibouti et auprès de l'IGAD
M.Ahmed Daher Okieh	Groupement Paysan Agricole d'Assamo	Président du Comité Exécutif
M.Moussa Ali Meigague	Ministère des Affaires Etrangères et de la Coopération Internationale	Directeur de l'Institut des Etudes Diplomatiques
Mme Mouna Yonis Hoche [Holman]		Directrice de la Coopération Internationale et de l'Intégration Régionale
Mohamed Abdoukader Moussa		Conseiller en formation et développement. IDS
M.Mehdi Darrar		Coordinateur de la Cellule d'exécution des Programmes de l'UE (Direction du Financement Extérieur)
M.Sirag Omar Abdoukader	Ministère de l'Intérieur	Secrétaire Général
M.Moussa Djama Guedi		Directeur Général de la Réglementation
M.Yonis Fareh		Juriste
Mme Fatouma Houssein Ardeyeh		Assistante de la Direction de l'Administration Générale et de la Réglementation

Dr.Tabarek Mohamed	Ministère de l'Agriculture, de l'Eau, de la Pêche, de l'Elevage, chargé des Ressources Hydrauliques	Conseiller Technique du Ministre
M.A.Legroun Abdelkrim		Conseiller Technique du Ministre, chargé de la production agricole et de la sécurité alimentaire
M. Ahmed Mohamed Ali		Directeur de l'Agriculture et des Forêts
M. Youssef Daher Roble		Chef du Service de la Production Végétale
M.Ali Abed Bourhan		Chef du Service des Forêts et de la Lutte contre la Désertification
Mme Mouna Osman Aden	Ministère des Affaires Sociales et des Solidarités	Ministre
Mme Ifrah Ali Ahmed		Secrétaire Générale
Mme Amina Warsama Ahmed		Directrice des Affaires Sociales
Mme Mouna Ahmed Ragueh		Directrice des Etudes et de la Prospection
M.Mahdi Mahamed Jama		Directeur Général de l'ADDS
M. Simon MIBRATHU	Ministère du Budget	Secrétaire Général
M.Othman Sadic Ahmed		Directeur du Budget
Mme Saïda Souleiman		Sous-directrice du Budget
M. Hassan Mohamed Nagueyeh		Chef de service de la prévision statistique budgétaire
M.Arafat Hassan Ahmeh	Ministère de l'Economie et des Finances	Chargé de la planification nationale à la Direction de l'Economie et du Plan.
Mme Fatouma Houmed-Gaba Osman		Chargée du suivi et évaluation à la Direction de l'Economie et du Plan
Mme Mariam Hamadou Ali		Direction de l'Economie et du Plan

M. Abdelkader Houmed	Ministère de l'Education Nationale et de la Formation Professionnelle	Directeur Général de l'Enseignement Technique et de la Formation Professionnelle
Mme Yasmne Salem	Ministère de la Femme et de la Famille	Secrétaire Générale
M. Mohamed Abdi Guedi		
M.Houssein Rirach	Ministère de l'Habitat, de l'Urbanisme et de l'Environnement	Directeur de l'Environnement et du Développement Durable
Mme Linda Youssouf Kayad		
Dr. Ahmed Robleh Abdillah	Ministère de la Santé	Secrétaire Général
M. Abdallah Ali Mohamed	Ministère du Travail, chargé de la Réforme de l'Administration	Secrétaire Général
Mme Lalini Veerassamy	OIM	Chef de Mission
M. Etienne Labande	PAM	Chargé de Programme
M. Hassan Ali	PNUD Djibouti	Programme specialist
M. Idriss Moumin Abdi	Réseau National des Personnes Handicapées	Président
M. Youssouf Abdallah	Secrétariat d'Etat de la Décentralisation	Directeur de la Décentralisation
M. Mohamed Sougueh Barreh		
M. Radwan Issa Sougueh		
Mme Madina Saleh	Secrétariat d'Etat à la Jeunesse et aux Sports	Conseillère Technique en Communication et Promotion de l'Entrepreneuriat Jeunesse

Mme Alexandra Illmer	UNICEF	Représentante Adjointe
M. Abdallah Mohamed Youssouf		Monitoring and Evaluation & Social Policy Officer
Mme Dekha David		Child Protection Officer
M. Nasser Djama	US AID	Chargé des Programmes
Mme Saada Idriss Abdillahi		Chargée du Programme d'Education
M. Mansour Ahmed		Chargé du Programme Santé
Mme Fatouma Awaleh Osman	Ville de Djibouti	Maire de la Ville de Djibouti
M. Wabéri Nour Eleyeh		Président de la Commune de Balbala
M. Mohamed Omar Ismaël		Président de la Commune de Boulaos