Statement by Bassary Toure  
Date of Meeting: December 19, 2000

**Djibouti: Country Assistance Strategy**

At the outset we would like to thank staff for the preparation of this country assistance strategy (CAS). The development of this CAS is not only welcome but also long overdue. The first CAS for Djibouti was in 1991. My Djiboutian authorities are in agreement with the thrust of the proposed CAS developed by the Bank in collaboration with the government and various stakeholders. They are particularly pleased that this CAS is viewed as the first phase of a long-term strategy on which the Bank would build its lending program, as well as its non-lending services.

My authorities are very appreciative of Bank’s renewed commitment to support their efforts to address the country’s economic difficulties and to alleviate poverty. As a matter of fact, Djibouti has always sought a more substantial partnership with the Bank but this small state has at all times hard time to negotiate dealings with multilateral institutions because of its very limited institutional capacity.

Djibouti is a small landlocked state of about 700,000 million inhabitants with very limited resources. Djibouti is rated as a lower-middle-income country, with an average per capita income of $780. About 45 percent of the population live under the "poor poverty line" of $3 a day. However, as mentioned in the poverty assessment (1997), estimated living standards are distorted by the high cost of living and well-paid civil servants. Most Djiboutians live at the subsistence level. The rate of economic growth has been weak over the past decade and a half. Social indicators have lagged behind the average in Sub-Saharan Africa (SSA). Gross primary school enrollment (39 percent) is less than the average for SSA. Infant mortality and maternal mortality are higher than the average in SSA. About 33 percent of the population do not have access to safe water. The prevalence of infectious diseases is high. Unemployment is estimated at 45 percent.

The government’s priority development objectives consist of: (i) reducing poverty and unemployment, (ii) improving access to basic services such as health and education, and (iv) laying the basis for sustainable, private-sector-led growth. Over 1996-1998, the government...
implemented a macroeconomic adjustment and structural reform program supported by an IMF stand-by arrangement. In July 2000, the first year review under the PRGF was successfully concluded. The government is committed to maintaining macro-stability and deepening its reform efforts with the assistance of its development partners.

The CAS is based on direct interventions to reduce poverty while focussing on education, health and assistance for vulnerable groups, and measures to provide the basis for growth and employment generation. Our authorities consider the two pillars of the proposed CAS consistent with the government’s development objectives.

**Education**

Education is high on the government’s agenda. Our authorities are committed to achieving universal access to basic education and modifying the education system to be more responsive to the country’s development needs. They convened a National Education Forum to discuss reform proposals in the sector, and designed a ten-year perspective plan to implement the reforms presented at the Roundtable Donors Meeting for Education in October 2000. They are pleased that the CAS addresses the major issues the sector is facing. They view the objectives of the proposed School Access and Improvement Program fully in line with the government’s education strategy.

The CAS plans nine non-lending services during FY01-03 and we welcome them given the Bank’s very limited knowledge base on Djibouti. However, while we see the merit of most of the proposed non-lending services such as a pension fund reform strategy note, a public expenditure review, and a country financial and auditing assessment, we remain skeptical as for the value-added of an education strategy note at this stage of the reform process. We would welcome staff’s view on this.

**Health**

As the CAS rightly mentions, the situation is precarious and health care facilities are inadequate. Our authorities are committed to designing a health sector strategy and they look forward to their development partners’ support to its implementation.

**HIV/AIDS**

In recent years, the HIV/AIDS epidemic has become increasingly generalized in Djibouti. Given the magnitude of the epidemic and the government’s willingness to tackle without delay the disease we recommend the country team to design a HIV/AIDS project to be supported by the Multi-country HIV/AIDS Program for Africa. We would appreciate staff’s view on this specific issue.

**The problem of qat**

The consumption of qat is a long-standing habit in Djibouti. We are convinced that
behavioral change needs to be reinforced and public awareness should be built on health effects of qat consumption. We share staff’s view on the lack of public discussion to reduce qat consumption.

Concurrently, qat is an important source of income for many urban poor households, and a very important source of revenue for the government as mentioned in the poverty assessment (1997). Therefore alternative sources of revenues should be envisaged while addressing the problem of qat in Djibouti. This information is quite relevant and should warrant some attention in the CAS.

Gender

The CAS highlights the extent of gender gap in Djibouti. Our authorities have initiated various measures to narrow the gap and redress the disparities - e.g. streamlining gender in the education project. The creation of the Ministry of Gender and Social Affairs strengthens the government’s commitment to correct the imbalances. The fact that there is no denial is a huge positive step forward and should be judged on its own merits. In the context of the CAS and given the extent of gender gap, we recommend that the Bank commit to streamlining gender - as much as necessary - in its interventions in Djibouti. The proposed education project and the future health project are a good start in this vein.

Female genital mutilation

Female Genital Mutilation (FGM) is a major public concern in the country. One of the main challenges is to enforce the law prohibiting FGM. Our authorities are making progress on tackling FGM issues mainly with the assistance of UNDP and FNUAP but much yet remains to be done. They welcome Bank’s commitment to work closely with other donors to address critical issues in this area.

The Population and Reproductive Health Project (IDA/R98-160) for Guinea financed by the Bank, includes a FMG sub-component which addresses similar issues as those Djibouti is facing. Our authorities consider that experiences from the Guinean project could be replicated in Djibouti. Consequently, they recommend that a similar FMG sub-component be part of the future health project. Bank’s assistance in this specific area will support the Ministry of Gender and Social Affairs’ current program on Population and Reproductive Health.

To conclude, on behalf of our authorities we would like to commend staff for their work and look forward to Board’s support to the proposed CAS.