

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	
Matrix 1: Strengthening of customs			
<p>Establishment of a Customs Reform Committee composed of (public and private entities involved in port activities). Objective : to prepare a programme for modernization of the customs service, with a view to:</p> <ul style="list-style-type: none"> - putting documents and administrative forms in electronic form, - creating a n on-line integrated tariff - Computerization of customs and utilization of EDI <p style="text-align: center;">Working Group on computerization and the migration from applications currently in use to SYDONIA ++</p> <ul style="list-style-type: none"> - Adaptation of the legislative and regulatory framework to COMESA - Computerization and gradual abandoning of paper documents. - Training of customs administration staff with a view to the preparation of an integrated tariff. 	<p>Programme for the modernization of customs by the Reform Committee</p> <p>Master plan showing stages in the migration to SYDONIA++ and refinement of applications already developed (movement of goods into customs and into and out of the free zone)</p> <p>Ensure that the information technologies and applications introduced in the customs service are compatible with those of the port information system</p> <p>Institution and collection of an information technology fee</p> <p>Training courses on:</p> <ul style="list-style-type: none"> - taxation of petroleum products (supervision of the Doraleh Terminal), - customs value, - origin, - random inspections, - the functioning of bonded warehouses, - general accounting and auditing <p>Establishment of a salary scale for customs officers that acts as an incentive</p> <p>Reinforcement of customs inspections; Placing Djibouti's integrated tariff on line (web site)</p> <p>Ensure that the integrated tariff is included in the SYDONIA/ASYCUDA++ database.</p>	<p>The Customs Reform Committee should plan for:</p> <p>An increase in the number of staff and material resources of the customs administration (border surveillance and efforts to combat tax fraud and smuggling)</p> <p>Ongoing electronic transfer of data relating to the presentation, clearance and transit of goods loaded or unloaded in Djibouti</p> <p>Modification of laws and regulations to take account of the conversion of documents and forms from paper to electronic form</p>	<p>Technical assistance to help the Reform Committee prepare the plan relating to the conversion to electronic form of documents and the inspection regime, rules for authentication and certification by UNCITRAL.</p> <p>Technical assistance in the introduction of EDI in customs administration: expertise in EDI.</p> <p>Technical assistance in the form of foreign customs experts (3 to 4 experts)</p> <ul style="list-style-type: none"> ● Establishment of special anti-fraud and smuggling units, ● Training of staff from the Indirect Revenue Unit (Customs) ● UNDP, French technical cooperation

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 2: Budget policy

<p>Assessment of the anticipated impact of the move from the domestic consumption tax (TIC) to a combination of the COMESA Common External Tariff (CET) and a value added tax (VAT)</p> <p>Institution of the VAT:</p> <ul style="list-style-type: none"> • implications of the VAT for price movements and consumption/budgets of the poor, • impact of the VAT on the competitiveness of potential exports, • seminars and sensitization of the private sector to the implications of the VAT <p>Audit of public spending with a view to a quantitative and qualitative improvement in social expenditure and redistribution to the poor. Review of spending by the Ministry of Education with a view to strengthening vocational training. Expansion of investment (basic infrastructure) and regularization of national counterpart contributions to project assistance.</p> <p>Technical support for institution-building within the Ministry of Justice.</p> <p>Continue with the elimination of arrears.</p>	<p>Establishment of a Medium-Term Expenditure Framework setting out the objectives of the PRSP and the Millennium Goals (consolidation of the education, health and sanitation budgets)</p> <p>Regularization of public spending on training in conjunction with export sectors and completion of the Doraleh project.</p> <p>Ongoing evaluation of public spending on social sectors and the Ministry of Justice</p> <p>Mid-term assessment of the plan to reduce arrears</p>		<p>Ministry of Finance Technical assistance from IMF and France</p> <p>Ministry of Finance IMF</p> <p>Ministry of Finance Technical assistance CCD</p> <p>Ministry of Finance IMF, World Bank</p> <p>World Bank</p> <p>Ministry of Finance IMF, World Bank, bilateral and multilateral cooperation</p> <p>Ministry of Finance IMF</p>
--	--	--	---

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 3: Commercial public services and competitiveness

<p>Comparative study of available supply and demand resulting from the growth objectives of the PRSP</p> <p>Identification of alternative sources of energy (wind power, solar energy)</p> <p>Possibility of interconnection with Ethiopia</p> <p>Audit of the management and supply of oil</p> <p>State disengagement in relation to available financing for network expansion</p> <p>Feasibility study on price reductions and recalculation of rates in the current institutional context</p>	<p>Regularize supply to the rural and urban populations</p> <p>Gradually increase coverage of the population, in accordance with the Millennium Goals</p> <p>Resumption of the policy for the installation and management of water points by the private sector</p> <p>Study of the impact of water prices on budgets/consumption among the poor</p> <p>Establishment of a regulatory body and implementation of the privatization programme</p> <p>Increase telephone density, both fixed and mobile</p> <p>Study of the most cost-effective coverage among the rural population</p>		<p>Ministries ?????? World Bank, UNDP, bilateral cooperation</p> <p>Ministries ??? World Bank</p> <p>Ministries ?????? World Bank, UNDP, bilateral cooperation</p> <p>Ministries ?????? Agence française de développement (ADF), USAID, World Bank</p> <p>AFD, USAID, World Bank</p> <p>World Bank</p> <p>Ministry of Telecommunications ?????? World Bank, ITU, bilateral cooperation</p> <p>World Bank, UNDP, ITU</p> <p>World Bank, UNDP, ITU</p>
--	---	--	--

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 4: Institutions for trade and competitiveness

<p>Support for the restructuring of CCD Training programmes for newly elected members Analysis of information technology needs (hardware, software, databases)</p> <ul style="list-style-type: none"> - Implementing decree: internal structure, methods of operation. - Clarification of the differences between CCD, CNI, ANPI as a single window (creation of enterprises) - Reassessment of needs and budget allocations for human and material resources <p>Re-evaluation of institutional missions and internal reorganization Establishment of a DTIS unit Promotion and monitoring of international trade flows Training in international trade regulations and familiarization with standards, in conjunction with the relevant ministries</p> <p>Adoption of the draft Labour Code Study on the possible establishment of a Commercial Tribunal Establishment of a functioning arbitration/mediation mechanism</p> <p>Promulgation of a statute of the judiciary and training Recruitment of new judges Increase budget allocations for the justice system</p>	<p>Private sector training</p> <p>Formulation of a multiyear strategy and preparation of annual action plans</p> <p>Constitution of a database on Djibouti's international trade and collection of documentation relating to the country's principal exports (salt, livestock, fish) with a needs assessment relating to compliance with international health standards</p> <p>Simplification of the regimes governing free zones</p> <p>Completion of work on the Commercial Code and adoption of a position regarding OHADA rules</p> <p>Ending of the dual system of justice Establishment of a training centre for the legal profession Establishment of a Court of Audit and Budgetary Discipline separate from the Supreme Court</p>		<p>Ministry of Trade, Industry and Handicrafts (MCIA) French cooperation, French Chamber of Commerce, CCI</p> <p>Office of the President of the Republic, Ministry of Presidential Affairs UNCTAD, World Bank, bilateral cooperation</p> <p>UNDP, UNCTAD, CCI, WTO</p> <p>Office of the President of the Republic, Ministry of Employment and Solidarity Ministry of Justice, CCD ILO</p> <p>Office of the President of the Republic, Ministry of Presidential Affairs Finance IMF/World Bank</p> <p>Ministry of Presidential Affairs, MCIA, CCD CCI, UNCTAD, WTO, World Bank</p> <p>Office of the President of the Republic, Ministry of Justice World Bank, bilateral cooperation</p>
---	--	--	---

Type of activity and implementation timeline			Lead agencies/potential support
ST	MT	LT	

Matrix 5 : Transport

<p>Identification of the institutional framework for port activities (bearing in mind regulatory responsibilities)</p> <p>Preparation of the legal text establishing the existence of the port management authority; statute and internal regulations</p>	<p>Preparation and implementation of a plan for the gradual retraining of staff, with social plan</p> <p>Establishment of an independent documentation service (within the port community)</p>	<p>Ministry of Transport (MET) APD</p> <p>PAID/DPI</p> <p>PAID/DPI</p> <p>MET, CCD PAID/DPI, APD</p>
<p>Identification of the institutional framework for airport activities (bearing in mind regulatory responsibilities)</p> <p>Preparation of the legal text establishing the existence of the airport management authority; statute and internal regulations</p> <p>Clarification of the conditions for the financing of air-traffic control operations and the operations of the National Weather Service</p> <p>Negotiations aimed at diversifying and expanding air links</p>	<p>Development and implementation of a plan for the gradual retraining of staff, with social plan</p>	<p>MET, legal expert APD</p> <p>PAID/DPI</p> <p>MET State</p> <p>MET PAID/DPI</p> <p>MET PAID/DPI</p>
<p>Negotiations (Transit agreement with Ethiopia): (a) for the gradual reduction of protectionist measures giving preference to agents of the Ethiopian shipping company in the handling of transit traffic; (b) with a view to the adoption of the COMESA transit customs regime; (c) to confirm the updating and harmonization of transport legislation in the two countries.</p> <p>Adoption of the necessary measures (chiefly fiscal) to give operators in Djibouti access to the road transport market along the corridor</p> <p>Study of the professional skills required for employment in the Regional Trade Centre (particularly in the future free trade zone) and development of appropriate training</p>		<p>MET PM</p> <p>MET PM</p> <p>Ministry of Education Jebel Ali Free Zone Authority CCD, APD</p>

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 6: Salt

Study of the conditions for creating loyalty within the Ethiopian market	<p>Study on market diversification</p> <p>Assessment of the impact of regulation and operating licenses and feasibility study on the modernization of technology to enhance competitiveness</p> <p>Export promotion</p> <p>UNICEF/WHO health standards</p> <p>Development of domestic consumption through a diversification of uses (hides and skins, tourism, fisheries)</p>		<p>MCIA, CCD CCI, UNCTAD, World Bank</p> <p>MCIA, CCD CCI, UNCTAD, World Bank</p> <p>MCIA, CCD CCI, UNCTAD, World Bank</p>
--	---	--	--

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 7: Livestock

<p>Strengthening of the capacities of veterinary services and adoption of OIE standards with regard to animal diseases</p> <p>Improvement of the holding conditions for live animals intended for export (livestock holding centre)</p>	<p>Improvement of slaughtering conditions, compliance with international health standards</p> <p>Regularization of herding and promotion of livestock industry in periurban areas</p>		<p>Ministry of Agriculture, Livestock and Fisheries (MAEM) USAID, European Union, World Bank</p> <p>MAEM USAID, European Union, World Bank</p> <p>MAEM ADB MAEM World Bank</p>
---	---	--	--

Type of activity and implementation timeline	Type of activity and implementation timeline			Lead agencies/potential external support
	ST	MT	LT	

Matrix 8 : Fisheries

Formulation of a strategy for the development and promotion of exports of fishery products, taking account of potential and the promotion of species	<ul style="list-style-type: none"> *Technical support for the Livestock and Fisheries Departments *Laboratory (evaluation of fishery/livestock synergies) *Wholesale fish market *Revision and adaptation of the legislative and environmental framework of the fisheries sector *Development of an operational framework with the Ministry of Health and the Commissariat for Poverty Reduction *Development of a training programme for supervisors and staff in each office 		CCI/ITC ADB
	Evaluate the potential for the exploitation of demersal and pelagic species and commercial outlets for them		CCI, FAO, Japanese cooperation, E
Development of training programmes for heads of enterprises, supervisors and production staff (international market prospects, international sanitary and health standards, and product promotion)	<ul style="list-style-type: none"> Study for the development of artisanal deep-sea fishing and the use of a mother ship *Study on the establishment of a semi-industrial fleet (small craft with high-powered motors and a mother ship) *Development of a training programme for fishermen Feasibility study on the establishment of an all-purpose processing plant and export facility for Djibouti's marine resources *Study of interest in building such a plant 		CCI, ADB/FAO, French cooperation European Union Cooperation with Japan, France and
*Campaigns to encourage fish consumption and increase general dietary intake of animal protein			FAO, ADB

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 9: Tourism

<p>Rehabilitate tourist sites Strengthen vocational training Develop a strategic commercial vision</p> <p>*Elimination of impediments *Clean-up of beaches * "Pavillon Bleu" *Study of a scheme for training in the tourist and hotel management industry *Preparation of a 3-year commercial plan of action (PAC)</p> <p>*Organization of a national meeting on tourism and inventory of experiences in the area of solidarity tourism</p>	<p>Carry out technology transfers with a view to marketing local products more effectively (packaging)</p>		<p>Technical assistance from the World Bank, NGOs, European Union cooperation</p> <p>UNCTAD and the World Tourism Organization</p> <p>Ministry of Tourism, Ministry of Trade, Industry and Handicrafts, WTO and the private sector</p>
---	--	--	--

Type of activity and implementation timeline			Lead agencies/potential external support
ST	MT	LT	

Matrix 10: Financing of the economy

<p>Improvement of the legal environment: acceleration of procedures</p> <p>Technical assistance for the development of:</p> <ul style="list-style-type: none"> - Marketing (“demand-driven” approach), with a view to reaching different niche markets and ensure wide geographic coverage of credit applicants - Analysis of project follow-up (preliminary design of a guarantee fund) - Estimation of the cost of credit - Review of the institutional structure and functioning and governance in respect of loans (Board of Directors, customer participation on FDED Board, internal audit with report to Board) - Establish an organizational chart for governance in accordance with mission - Develop capacities for the preparation of growth plans (estimation of targeted demand and alignment with funds to be mobilized, recruitment) <p>Technical assistance for:</p> <ul style="list-style-type: none"> - Organization of special training workshops (cf. CGAP courses), - Study tours and exchanges of experience - Development of an appropriate electronic reporting system - Identify an optimal legal framework: an opportunity to make NGOs into “mutual savings and loans”? or existing forms of NGO supervision? Creation of a federation? - Individual loans for certain groups - Other financial services (micro-savings, micro-insurance, housing loans ...) 	<p>Binding force of judicial decisions Promote the use of guarantees in granting credit</p> <p>Incentives (e.g. tax measures) for the introduction of certification and auditing procedures Adaptation of the legal framework to permit innovation/ introduction of financial instruments (leasing, negotiable instruments, government bonds...)</p>	<p>Ministry of Justice, Ministry of Handicrafts, Ministry of Bank, commercial banks</p> <p>Ministry of Finance, Central France</p> <p>FDED, Central Bank, development (AFD, etc.)</p> <p>Central Bank, bilateral cooperation NGOs</p> <p>SDF, Central Bank, bilateral international NGOs</p>
---	--	--

Table summarizing priority actions by major areas of reform

Activities to be implemented as soon as possible are underlined and in bold

Sector	Priority actions	Implications of reforms			
		Integration	Competitiveness	Growth	Poverty reduction
Customs reform	<u>Reform Committee</u>	Facilitation of regional trade	Efficiency of des procedures and attractiveness of the port	Increase trade flows	Job creation
	Computerization				
Budgetary policy	Audit of public expenditure		-Reduce labour costs by improving potential productivity (education, health) -Enhance the functioning of the system of justice and lower transactional costs -Development of infrastructure	New activities	Ease of integration in the labour market Labour-intensive programme
	<u>Study of the impact of the CET and the VAT</u>	Regional agreement	Advantages of forming a customs union	Evaluation of the risks and opportunities for international trade	Redistribution implications of the CET and the VAT on consumption
	Elimination of arrears		Lower additional costs and prices	Macroeconomic stability and private sector development	Impact on wages and social redistribution
Commercial public services	<u>Study of institutional modalities of privatization of the electric and telecommunications companies</u>	Opportunity for linkage with Ethiopia (electricity) Prospects for a telecommunications "hub" in Djibouti	Lower energy costs by expanding sources of supply Quality of service Market transparency as a factor in cost reduction	Investment and expansion of the range of profitable goods	Reduce cost and facilitate access to services
Institutions	<u>Support for capacity-building in MCIA (foreign trade and handicrafts departments)</u>	Better understanding of the regional environment for movements of national goods	-Advising and information concerning the productive system -Improvement of coordination with CCD	Identification of foreign market outlets	Development of employment in the services and handicrafts sectors

Sector	Priority actions	Implications of reforms			
		Integration	Competitiveness	Growth	Poverty reduction
Institutions <i>(continued)</i>	<u>Incentives for creation of enterprises</u>		Reduce transaction costs	Expand the range of marketable goods produced	Effects of the creation of new activities
	Simplification of free zone regimes	Harmonization of free zone regimes			
	Make ANPI operational		Single window for formalities		
	Finalization of new Labour Code		Contract and wage flexibility		
Transport and port activities	<u>Study of prospects for the Doraleh project</u>	Evaluation of regional and multilateral trade integration	Conditions for success: cost and factor availability	Investment in infrastructure and expansion of production	Skilled and unskilled jobs
	Establishment of an office to regulate multimodal transport (Ministry of Transport)	Regional trade flows Development of a regional transport hub	Reduce costs by improving coordination of transport modes	Development of road transport through synergy with other modes	Jobs requiring different levels of training
Salt	<u>Conditions for the development of salt and export prospects</u>	Creation of integration and regional export flows	-Product quality -Health standards -Factor costs	International trade and land use planning	Poverty reduction through employment in the handicrafts sector
Livestock	<u>Livestock intake capacity and improvement of veterinary services</u>	Creation of integration and regional export flows	-Product quality -Health standards -Factor costs	Resumption of transit activities	Creation of direct and indirect employment
Fisheries	<u>Analysis of fisheries potential</u>	Export flows to Asia and COMESA countries	Influence of resource prices and distribution logistics (location et export)	Sustainable development on the basis of new activities	Employment and improvement of the diet of poor people
Tourism	<u>Tourism development strategy</u>	Prospects for integrated regional tourism	Identification of solutions to problems of factor costs and limited hotel capacity	Evaluation of the demand for recreational and business tourism	Development of direct and indirect employment (local artisans)

Finance	Evaluation of involvement of various economic financing mechanisms	Development of trade with neighbouring countries	Lower capital costs by reducing transaction costs	Stimulate activities within the country	Expansion of process for participation in local activities
----------------	--	--	---	---	--