Conference of Partners at Development of Comoros

Paris: December 02 - 03, 2019

EMERGING COMOROS PLAN

SYNTHESIS

Conférence des
Partenaires au
Développement des
Comores
Paris: 02 - 03 décembre 2019

MESSAGE FROM THE PRESIDENT OF THE UNION OF THE COMOROS

Aware of the delay accumulated by my country since several years, I wanted to formulate a new hope for the Comorian nation. I formulate this hope around emergence as the driving force behind the aspirations of our people. The Emerging Comoros Plan (PCE) is a strategy and a vision for the period 2020-2030 which sets out this ambition in such a way as to guide the action of all, the State, the private sector, intermediary bodies, civil society, development partners, at the service of the common work that must be the emergence of the Comoros.

This strategic plan is the result of constructive reflections, analyzes and exchanges with the Comorians. The foundations and catalysts for emergence identified in this plan will make it possible to radically change our country, bring a better life to the Comorian population and open up a bright future for our youth. My conviction is that the path to emergence provides us with a path for this future.

The reforms that we have undertaken since my accession to the presidency of the Republic, the critical investments that we have made in infrastructure and the development of human capital are only the beginning of a long path of effort and commitment to which I invite all my fellow citizens.

Faced with the major challenges facing the world today and international issues, the Emerging Comoros Plan aims to be our tool for mobilizing our Nation to succeed in our development and our full regional integration while consolidating our capacity to honor our international commitments. for the betterment of humanity. This is why it integrates the achievement of the Sustainable Development Goals (SDGs) and Agenda 2063 of the African Union.

I request the support of all Comorian women and Comorians, all our development partners and all our friends to this ambitious vision of the emergence of the Comoros, in order to provide the most appropriate responses to the development of our country.

This vision calls for a new governance which must take root in a society respectful of human rights, democracy and the rule of law.

I would like to reaffirm the importance of everyone's participation in building a better way of living together marked by solidarity, social justice and shared prosperity in which everyone feels considered by society and in the action of public authorities.

The development of our public policies for harmonious development, in line with the ambitions stated in the PCE, must make it possible to strengthen the coherence of the policies to be carried out for the development of the country. The Emerging Comoros Plan sets the horizon and the medium and long-term strategic framework for public policies to be carried out for the development of the country.

In this perspective, the PCE aims to achieve a structural transformation of the Comorian economy through, in particular, sustained and structured interventions in favor of the private sector. In this regard, the government will put in place a proactive policy of promotion and support, with strong incentive measures, contributing to better participation of the national and international private sector in the financing of the Emerging Comoros Plan.

I invite you to share and support this ambition for development and the future of my country, the Union of the Comoros.

SEM Azali Assoumani

President of the Union

from the Comoros

THE COMOROS EMERGING 2030 PLAN, A NEW AMBITION OF DEVELOPMENT AT THE SERVICE OF A PEOPLE

The Head of State, HE Azali Assoumani declared that his ambition is to bring the Union of the Comoros into the ranks of emerging countries by 2030.
The country is thus embarking on a process of profound reforms at all levels to initiate structural changes favorable to emergence.

With a gross national income per capita of $1,360, the Union of the Comoros has just been classified among the lower middle-income countries. The ambition is to move into the upper bracket of more than $4,000 per capita by 2030, drawing inspiration from the practices and successful models of other emerging countries to put the Union of the Comoros on the path to economic expansion, break with cycles of low and volatile growth and create a growth dynamic that is expected to reach an average of more than 7.5% in 2030.

Weak and volatile growth.

Between 1975 and 2018, on average, the annual growth rate of the Comorian economy was 2.8%; that of income per capita of 0.3%. This growth is characterized by its volatility, its weakness and is essentially based on agriculture and services.

The Comorian economy is weakly competitive and finds itself in a "sub-optimal" equilibrium, characterized by slow growth, quasi-constant domestic income, a low investment rate, quasi-stagnant production and low factor costs. uncompetitive production. This growth is mainly driven by domestic demand maintained by transfers from the diaspora, the contribution of labor and assistance from development partners.

Also, the Comorian economy is characterized by narrow-based growth and highly asymmetrical foreign trade, marked by a structural deficit in the trade balance. This deficit is nevertheless covered by transfers from the diaspora and financial flows from development partners.

These resources contribute to the consolidation of foreign exchange reserves of the Central Bank which cover more than 7 months of imports of goods and services.

Contained inflation.

The Comorian economy has evolved in a context of inflation contained below 3% over the last twenty years thanks to a prudent monetary policy. This policy of controlling changes in the general price level will be continued and should make it possible to maintain the inflation rate at a level below 3%.

Limited budget space.

Public revenues are low, leading to dependence on development partners to finance investment expenditure. The policy of improving revenue and stabilizing expenditure, carried out since 2017, has made it possible to significantly improve the budgetary balance, despite a public finance management system which still faces several structural challenges. The public deficit stood at 4.5% of GDP in 2017 after 7.3% in 2016.

An underfunded economy.

Access to credit remains limited with a narrow Comorian financial sector, offering a limited number of financial products and services. The loans offered by commercial banks are mainly short-term loans. Investment credits and the capital market do not yet exist, although reforms are planned for the modernization of monetary policy instruments. Furthermore, demand for credit remains moderate because the interest rates applied by commercial banks are high and the demand for financial services itself is low, due to the still highly informal nature of the economy; and this despite a banking rate (decentralized financial institutions included) standing at 22.6% in 2018, still far behind that of Mauritius (90%). The Government plans to strengthen its efforts to promote financial inclusion, which constitutes one of the factors of development, as recommended by the UN.

FIVE FOUNDATIONS AND FIVE CATALYSTS CONSTITUTE THE STRUCTURE AROUND WHICH THE VISION OF THE EMERGENCE OF THE COMOROS IS DEVELOPED.

STRATEGIC FOUNDATIONS FOR TRANSFORMATION STRUCTURAL OF THE ECONOMY

FROM THE COMOROS TOWARDS EMERGENCE

Base 1: Tourism and crafts, major assets for the Comoros in the Indian Ocean.

The Union of Comoros, member of the Vanilla Islands, is a country with strong tourism potential but exploitation remains modest. This potential embraces all segments of tourism products: ecotourism, seaside tourism, cultural tourism and agrotourism, through an exceptional coastline, protected endemic species, and a preserved natural habitat. Crafts, although still underdeveloped, occupy an important place in the Comoros due to their contribution to economic, social and cultural development while preserving the country's cultural heritage and identity. The vision of the Emerging Comoros Plan for 2030 is “to raise the Comoros to the rank of reference tourist destination in the Indian Ocean region”.

The diversification of the tourist offer with the creation of a tourist hub around the islands according to their specificity will make it possible to position the Comoros on a dynamic tourist market in the Indian Ocean.
The tourist offer will be diversified: development of a seaside center in Ngazidja, creation of a village tourist zone and development of agro tourism in Ndzuwani, development of an ecotourism zone around Nioumachioua park in Mwali, development of tourism in discovery of the Karthala and the coelacanth and others. The promotion of natural and cultural heritage will allow the Comoros to benefit from this wealth through the promotion of tourism.

Base 2: An affirmed blue economy of the Comoros.

The archipelago is located on a marine base common to Madagascar and the Seychelles.

The island character of the archipelago makes fishing and port activities sectors with high potential for the development of the blue economy. The vision of the Comoros Emergent Plan is to develop, by 2030, a sustainable blue economy through the exploitation of marine resources, including research and development of biotechnologies for pharmacy, genetics, chemistry and cosmetics, seabed mining, while protecting the marine environment. Rational management of natural resources will aim to conserve biodiversity and enhance ecosystem services. The PCE will endeavor to establish concerted governance of ecosystems at the heart of the sustainability of natural resources with a targeted approach to specific activities such as aquaculture, coastal tourism, marine biotechnologies, marine energy.

Base 3: The Comoros, a financial and logistics services hub in the Indian Ocean.

The Comorian financial sector is very little outward-looking, unlike Mauritius. However, a financial services economy constitutes a relevant niche that many small island countries have been able to exploit. The Union of the Comoros aims to become a financial services hub in the Indian Ocean by 2030 through the establishment of a special financial zone, Moroni Finance Smart City, at the crossroads of Asia which has the financing and Africa which will be the site of the major investment projects of this century. Moroni Finance City will aim to attract investment and pension funds from commercial, corporate and investment banks, and offshore companies. Moroni Finance Smart City will dedicate a special place to Islamic finance in order to attract banks from Gulf countries and Saudi Arabia who will set up in the Comoros and organize operations in the Indian Ocean islands and throughout the world. Southern Africa.

Base 4: Modernized agriculture for food security.

Comorian agriculture must play a role as both an engine of growth and food security, within the framework of a value chain approach and rural agricultural entrepreneurship. The country has the necessary capacities to set up value chains and product processing industries to reduce food imports.

The vision of the Comoros Emergent Plan is to promote agricultural systems that are more productive and resilient to climate change, competitive and sustainable, integrating the resilience of rural communities and which rely on agricultural product processing units along value chains.

Achieving the objectives of the agricultural sector will require, on the one hand, significant support measures for agricultural sectors, and on the other hand, financial reforms for the sustainable financing of the sector. It will be based on improving the governance of the sector, the diversification and sustainable intensification of agricultural production, the promotion of export crops as well as the development of infrastructure and institutions favorable to the development of the sector.

Base 5: Industrial niches to diversify the economy.

The industrialization model envisaged in the Comoros, in particular, in the manufacturing industry sub-sector, will be based on the valorization of products for which the Comoros has comparative advantages such as seafood, essential oils and natural cosmetic products. The vision of the Comoros Emergent Plan is to promote “a strong economy where the industrial sector, in particular the manufacturing branch, has an important part in the creation of wealth and plays a central role in the modernization of the Comorian economy”.

The strategic objective is to promote a viable industrial fabric, made up of small and medium-sized enterprises, with high potential for creating added value and jobs, capable of meeting the needs of the population, as well as penetrating new markets with quality products.

ESSENTIAL CATALYSTS FOR THE FLOURISHING OF THE FOUNDATIONS OF EMERGENCE

Catalyst 1: A political and institutional framework reformed and more stable.

The Comorian government has made improving democratic and administrative governance one of its priorities over the next ten years. The government's vision is to make the Union of the Comoros "an emerging country by 2030, respectful of human rights, gender equality and promoting the rule of law". This vision applies in an operational framework essentially comprising administration, justice, the fight against corruption and decentralization.

The modernization of public administration aims to improve the organization and functioning of the administration and, consequently, the effectiveness and efficiency of public action and accountability to the population.

The proper functioning of justice constitutes an element of peace, stability, development and social cohesion. As part of the PCE, the Comorian government has set itself the objective of reforming justice with a view to promoting its independence, integrity and efficiency, in accordance with international standards and commitments.

The government will work to establish a new independent structure to fight corruption and illicit enrichment. The missions, legal and institutional framework of this structure will aim to guarantee in particular greater collaboration with judicial institutions, better communication with stakeholder institutions and good openness to citizens.

Decentralization is placed at the heart of the process of emergence. The vision carried by the government is "in 2030, local authorities are areas of grassroots democracy and sustainable local development, relying on effective decentralized administration, ensuring access for all to basic services, for a thriving local economy.

Catalyst 2: Up-to-date infrastructure for an efficient economy.

The vision of the Emerging Comoros Plan is, by 2030, that "the Comoros will be equipped with up-to-date infrastructure that supports the structural transformation of the economy and socio-economic emergence".
In a more targeted manner, it will enable the Comoros to be well served by air, sea and land, on the path to energy independence, with resilient towns and villages guaranteeing access to drinking water. and sanitation within the framework of planned territorial and urban development.

Catalyst 3: Human capital that prepares for the future. Human capital is one of the major catalysts of the Comoros' emergence process.

Significant efforts will be made in particular to accumulate a high and growing level of skills and experience to face the country's present and future issues and challenges.
Investments in this area will primarily focus on education, health, youth, social protection, employment, sport, culture and heritage.

Education is one of the fundamental factors for emergence due to its role in the training of qualified human resources and its importance as a fundamental vector to support the change in mentalities in favor of development. The positive externalities of education on the demographic transition, the demographic dividend or the appropriation of skills transfers in all areas of socio-economic life make it one of the pillars of the emergence processes.

One of the major challenges of the health sector is to succeed in establishing an efficient, accessible and equitable health system, capable of satisfying the right to health for all. The vision of the health sector is: “the Union of the Comoros has an efficient health system which allows the entire population, in particular the most vulnerable and the poor, to access quality health care, with the effective involvement of all public and private actors and stakeholders, in a spirit of solidarity, equality, equity and social justice.”

For youth, the ambition is to have “Educated, trained, competent, citizen Comorian youth, enjoying all their rights, and assuming their duties as citizens for national construction and sustainable development of the Union of the Comoros” .

For social protection, the Union of the Comoros aspires to a “nation where each citizen has sustainable access to the satisfaction of their fundamental needs through through comprehensive and inclusive social protection”.

Employment is the cornerstone of the development of the Comoros. The ambition is to succeed in the short and medium term in considerably reducing unemployment which affects young people and causes the low participation of women in the country's economic activity, by prioritizing respect for equality between men and women. In the long term, the development of more diversified productive sectors will influence the consolidation of gradual growth in the national economy. The vision is: “full, productive employment and decent employment for all”.

Sport is a major factor in the physical and cultural development of young people and the population in general. The PCE aims to make sport a vector of attitude change for emergence. The vision is “to achieve excellence by establishing a framework favorable to the consolidation of a competitive and successful high-level sport”.

This vision leads the Comorian government to do sport not only a sector for promoting public health, education, culture and social, economic and political integration on the regional, continental and international levels, but also a sector providing jobs.

Culture and heritage, at the heart of the development of the Comoros. This will involve preserving cultural identity in the face of globalization and ensuring its capacity to integrate/digest technological innovations so that its externalities on culture and the economy are positive. The vision in the field of culture is “to ensure cultural development by promoting creativity and participation in cultural life, releasing the social and economic potential of culture likely to improve the daily life of the population”.

Catalyst 4: Structural reforms for a competitive environment.

A set of structural reforms will ensure lasting improvement in the business environment. The ambition is to be among the top 10 reformers in the 2021 edition of “Doing Business”.
Three levers will be used: (i) the establishment of a task force dedicated to rapid reforms which will propose a reform plan each year and which will benefit support from the highest authorities and will mobilize all stakeholders in its implementation involved (public and private); (ii) the extensive dematerialization of procedures through ICT; (iii) the generalization of Single Windows involving several administrations, thus allowing considerable savings in terms of time and costs.

Alongside the emergency reforms to be carried out, an agenda of in-depth reforms will be initiated to build, in a sustainable manner, a business climate that encourages and facilitates investments.

Catalyst 5: The Comoros, an actor of the digital revolution.

The “Comoros 2028 digital strategy” focuses on strengthening the legal and institutional framework, promoting the use and dissemination of ICT, the pooling of infrastructure and capitalization of investments, and the diversification of the sector beyond telecommunications. The vision is to make Comoros “an information society, a player in the digital revolution” by 2030. The ambition is to make digital a sector contributing significantly to the national economy, a growth lever for other sectors and a positive factor in social transformation.

CONDITIONS FOR SUCCESS ESSENTIAL FOR AMBITION COMOROS EMERGING

Condition 1: A macroeconomic framework favorable to emergence.

The challenge is to break with the current "sub-optimal" balance and move towards another model that places the economy on a higher growth orbit. The Union of the Comoros will overcome the handicaps linked to insularity, smallness or remoteness, to achieve the aforementioned transformations.

The envisaged model is thus based on the attraction of foreign direct investment to finance the expansion of sectors likely to accelerate growth in the Comoros, in this case: tourism, fishing, niche industry, financial services and hydrocarbons.

Condition 2: Development resilient to climate change and disasters.

Taking into account the lessons learned on the effects of climate change, the Comorian Government aims to achieve sustainable, strong, inclusive and equitable economic growth. The PCE recommends taking urgent measures to promote, conserve, restore, improve the coverage and representativeness of biodiversity and ensure sustainable management of protected areas on a national scale. The ambition of the PCE is to make Comoros by 2030: "a country resilient to shocks in all dimensions of sustainable development".

The Comorian Government is committed to mitigating the effects of hazards in an inclusive and equitable framework by strengthening the resilience capacities of vulnerable groups.

Condition 3: Renovated framework for political dialogue on development.

The challenge of emergence and the political will to decisively address the country's development challenges require a high-level political and institutional coordination framework. The national commitment in favor of emergence will be manifested by the creation of a Presidential Strategic Council of the Emerging Comoros Plan chaired by the Head of State which will oversee the entire institutional and political system for coordinating development.

A Technical Steering Committee (CTP), a Technical Secretariat of the System (STD) responsible for coordination of the implementation and monitoring-evaluation of the PCE and the Thematic and Sectoral Dialogue Groups (GTD) responsible for ensuring the implementation and monitoring-evaluation of development policies within the framework of the sectors and dialogue at the of the sector will complete the PCE management, implementation and monitoring-evaluation system.

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