

Comoros  
2012



## Comoros

- The Comoros achieved a growth rate of 2% in 2011. Growth should be driven by agricultural exports and infrastructure to reach 3.1% in 2012 and 3.5% in 2013.
- The country should meet the criteria to take it to the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative in 2012, qualifying it for cancellation of its multilateral debt.
- From the social point of view, the low level of growth is unlikely to enable it to curb unemployment, which currently affects 14.3% of the active population and 44.5% of young people.

## Overview

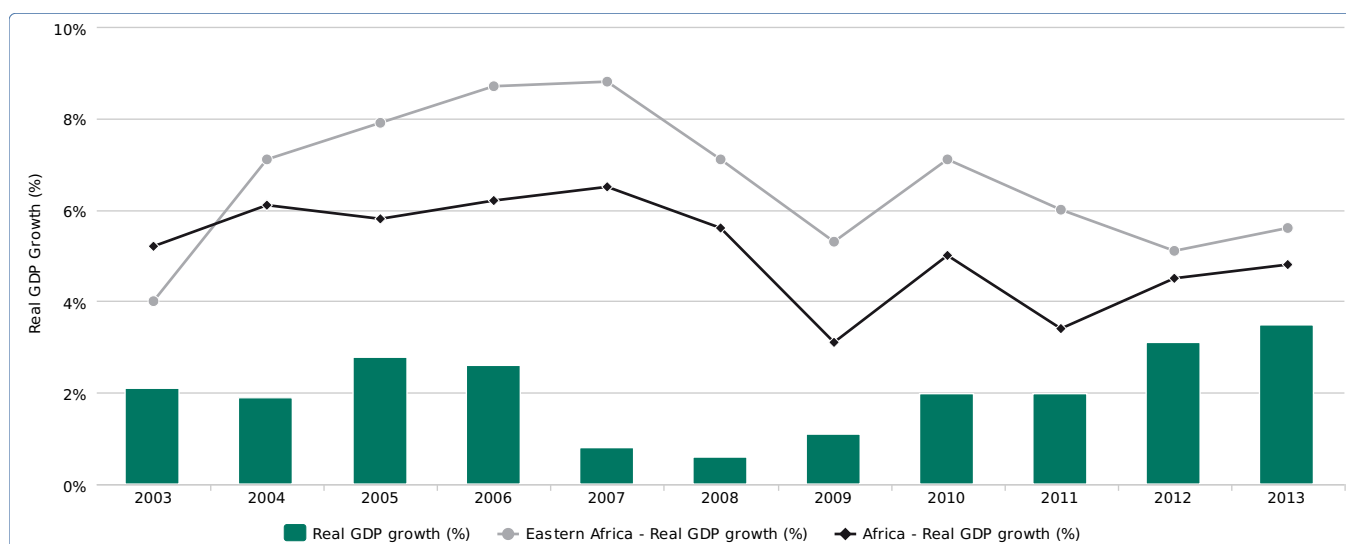
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In a difficult international economic climate, growth in the Comoros should reach 2% in 2011, driven by agricultural exports and essentially private final demand, supported by remittances from emigrants. These transfers represented 23% of gross domestic product (GDP) in 2011 and should stay at a comparable level in 2012 despite unfavourable economic conditions in France, the main host country for Comorian migrants. Growth should continue and reach 3.1% in 2012 and 3.5% in 2013. It should be underpinned by the start of work on several major infrastructure projects in the fields of transport, tourism and energy, even though their launch is likely to aggravate the budget deficit by increasing imports. The current account deficit should fall slightly in 2012 before increasing to 9.7% in 2013. Despite the application of strict money-supply management criteria by the Central Bank of the Comoros (BCC), growth in 2012 and 2013 should generate some inflation (see table 1).

In 2012, the Comoros will reach the completion point of the Heavily Indebted Poor Countries Initiative (HIPC). Achievement of this objective should open the way to a major reduction of multilateral debt stock under the terms of the Multilateral Debt Relief Initiative (MDRI). This debt relief will enable the debt/export ratio to be brought to a sustainable level of 150%, compared to its 349% level in net present value (NPV) in 2011. The debt cancellation should also reduce pressure on the budget and allow expenditure to be redirected from 2013 on towards public investment and the social sectors, notably education and health. This will allow the country to progress towards the Millennium Development Goals (MDGs), create a basis for inclusive growth and fight unemployment, particularly youth unemployment, which currently affects one out of two young people of working age. The Comoros will only be deemed to have reached the completion point if it makes real progress towards structural reform, notably in the management of public-sector companies and reduction of the wage bill, in line with the programme set by the International Monetary Fund's Enlarged Credit Facility (ECF). Higher growth will also require a marked improvement in the business climate. The islands fell one place place to 157<sup>th</sup> out of 183 countries in the World Bank's *Doing Business* index. This situation should improve from 2012 and 2013 with the technical assistance of the International Finance Corporation (IFC).

Young people of working age are faced with widespread unemployment affecting about 45% of their age group, or almost one person in two. This unemployment is essentially structural and affects all young people, skilled or not. It is the result, notably, of insufficient economic growth and the multiple constraints confronting companies and thus holding back employment growth. These comprise the high cost of energy, the poor state of infrastructure supporting the economy, high taxation and high financial charges which increase the cost of local production and discourage job creation. On the supply side, young Comorians are often insufficiently trained to meet the real needs of the employment market. The civil service is currently the biggest provider of employment in the Comoros. The fight against youth employment needs to be addressed by a specific strategy and suitable institutional tools.

Figure 1: Real GDP growth (Eastern)



Figures for 2010 are estimates; for 2011 and later are projections.

StatLink <http://dx.doi.org/10.1787/888932618690>

Table 1: Macroeconomic Indicators

	2010	2011	2012	2013
<b>Real GDP growth</b>	2	2	3.1	3.5
<b>Real GDP per capita growth</b>	-0.6	-0.5	0.6	1
<b>CPI inflation</b>	3.8	1.9	4.6	3.5
<b>Budget balance % GDP</b>	7.2	-0.1	-1.9	-2.1
<b>Current account % GDP</b>	-8.7	-7.7	-6.8	-8.8

Figures for 2010 are estimates; for 2011 and later are projections.

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## Recent Developments & Prospects

Table 2: GDP by Sector (percentage of GDP)

	2006	2010
<b>Agriculture, forestry, fishing &amp; hunting</b>	41	43.9
<b>Mining and quarrying</b>	-	-
<b>of which oil</b>	-	-
<b>Manufacturing</b>	4	3.8
<b>Electricity, gas and water</b>	1.7	1.4
<b>Construction</b>	5.9	5.5
<b>Wholesale and retail trade, hotels and restaurants</b>	26.6	26.1
<b>of which hotels and restaurants</b>	-	-
<b>Transport, storage and communication</b>	5	4.7
<b>Finance, real estate and business services</b>	-	-
<b>Financial intermediation, real estate services, business and other service activities</b>	1.8	1.8
<b>General government services</b>	13.4	12.2
<b>Public administration &amp; defence; social security, education, health &amp; social work</b>	-	-
<b>Public administration, education, health</b>	-	-
<b>Public administration, education, health &amp; other social &amp; personal services</b>	-	-
<b>Other community, social &amp; personal service activities</b>	-	-
<b>Other services</b>	0.5	0.5
<b>Gross domestic product at basic prices / factor cost</b>	100	100

Figures for 2010 are estimates; for 2011 and later are projections.

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In an international context marked by a worsening economic and financial crisis, notably in the euro zone, and an expected 3.6% reduction in worldwide growth, economic growth in the Comoros should stabilise at 2% in 2011. This growth has been principally driven by abundant agricultural production resulting from a strong increase in cash and food crop production, a small recovery in foreign direct investment (FDI), on-going property investment funded by the Comorian diaspora and development of the financial sector. Inflation was moderate in 2011 at 2%, despite occasional upward pressure from increases in world oil and food prices.

There was no major change in the structure of GDP in 2011 (table 2). The Comorian economy remains dominated by agriculture, livestock farming and fisheries (44% of GDP) and low-added-value services, particularly trade (26.1%). The contribution to the economy of the secondary sector remained limited (10%) in the absence of a real industrial fabric and as a result of major structural constraints on production (uncompetitive factor costs and energy costs).

Agricultural production was the principal driver of growth in 2011 when it increased its contribution by 2.1%. Vanilla benefited from major support measures, notably in the form of the distribution of 50 000 vines to producers. Production should rise to 50 tonnes from 30 tonnes in 2010. Production of ylang-ylang should also rise to 50 tonnes, its highest level since 2006. Only clove production is likely to fall in 2011 despite higher prices on the international market.[1]

The generally good level of agricultural production is the result of favourable climatic conditions but also an increase in the average price per tonne of agricultural export products. This rose to KMF 17.9 million (Comorian francs) in 2011 from KMF 17.2 million in 2010. At the same time, the food crops sector continued to grow in 2011, with production up 4% on 2010 at 7 000 tonnes. Fruit exported to the island of Mayotte or consumed locally represents 80% of output. Fruit exports provided much of the improvement in the trade balance in 2011.

As in preceding years, domestic demand, notably from households supported by remittances from the diaspora, should constitute the other growth driver in 2011. and this trend should continue in 2012 and 2013.

The structure of the economy could be altered in 2012, however, by the expected increase in FDI from the Gulf countries and the start of a certain number of projects in the fields of food processing (industrial fisheries), transport infrastructure (inter-island port network and creation of a public-sector airline), energy and tourism (start of construction on the former Hotel Galawa site in northern Grande Comore) in line with commitments given at the Doha Conference in March 2010.

The share of investment in GDP should increase by 2-3% in 2012, stimulating growth notably from 2013 on. On this basis, GDP growth is forecast at 3.1% in 2012 and 3.5% in 2013.

## Macroeconomic Policy

### Fiscal Policy

The fiscal policy of the Comoros fits into an IMF economic programme backed by a USD 20 million financial contribution under the Extended Credit Facility (ECF). The programme's third and fourth reviews were unable to be completed, however, following insufficient progress on structural reform (notably management of public-sector companies and reduction of the civil-service wage bill) and budget management. This unsatisfactory performance obliged the IMF to adjourn payment of the two financial tranches associated with the third and fourth reviews and this had an impact on fiscal balance.

In this situation, Comorian budgetary policy remained restrictive in 2011. Operating costs in the form of salaries and other payments accounted for 83% of total expenditure, markedly more than investment expenditure, which was largely financed from external resources. Government revenue collection stagnated in the second half of 2011, held back by insufficient tax levels on oil products, poor performance by the fiscal administration and institutional failures in the management of the port of Moroni. Government revenue is unlikely to exceed 13.1% of GDP in 2011, compared to 14.3% in 2010 and below the 14% forecast. The wage bill has been reduced to 10% – a level that is considered compatible with the state's capacity to generate domestic revenue – following the wage freeze agreed in 2010.

At the same time, despite this poor revenue collection, non-salary-related expenditure was insufficiently controlled due to deficiencies in the functioning of the treasury committee. The primary budget balance, grants included, is therefore likely to show a deficit of 0.2% of GDP, compared to a 7.7% surplus in 2010 and a 1.1% surplus initially forecast for 2011.

The determination of the Comoros to reach the completion point of the HIPC Initiative by the end of 2012 should allow it to set up a better-balanced budget, opening the way to payment of the frozen financing tranches due under the IMF programme and budget support from the international community. [1] Taking into account higher investment spending, continuing efforts to put public finances on a sounder footing, higher fiscal revenue and reduced budgetary pressure as a result of the cancellation of a large part of multilateral debt, the budget deficit should be limited to 2.1% of GDP in 2012 and 2.3% in 2013.

Table 3: Public Finances (percentage of GDP)

	2003	2006	2007	2008	2009	2010	2011	2012	2013
<b>Total revenue and grants</b>	18.5	18.1	20.4	23.8	24.1	29.9	24	22.8	22.4
<b>Tax revenue</b>	14.2	10.6	10	10.3	11.1	11.4	11.5	11.7	11.9
<b>Oil revenue</b>	-	-	-	-	-	-	-	-	-
<b>Grants</b>	2.3	4.9	7.7	10.6	9.9	15.2	9.2	7.8	7.3
<b>Total expenditure and net lending (a)</b>	22	20.2	22.5	26.4	23.5	22.7	24.2	24.8	24.5
<b>Current expenditure</b>	16.5	15.6	16.3	17	18.4	16.8	18	18.2	17.6
<b>Excluding interest</b>	15.5	15.1	15.8	16.3	17.9	16.3	17.6	17.8	17.2
<b>Wages and salaries</b>	8.3	8.1	9.1	8.9	9.2	9.4	10	10.1	9.9
<b>Interest</b>	1	0.4	0.5	0.7	0.6	0.5	0.5	0.4	0.4
<b>Primary balance</b>	-2.5	-1.7	-1.5	-1.8	1.2	7.7	0.3	-1.6	-1.8
<b>Overall balance</b>	-3.5	-2.1	-2	-2.6	0.6	7.2	-0.1	-1.9	-2.1

Figures for 2010 are estimates; for 2011 and later are projections.

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### Monetary Policy

The monetary policy of the Comoros is based on moderate expansion in line with the economic growth rate. To meet increasing demand, money supply in the broad sense would need to increase by an average 5.75% in 2011 and 2012 – a little less than nominal GDP growth – compared to 19.4% in 2010. The state needs to take a prudent approach to the level of its indebtedness to the banking system to leave room for the expansion of lending to the private sector. Reserve requirements remain the main instrument for regulating liquidity. They were raised to 30% in 2010, then reduced to 25% in 2011 in response to a gradual fall in demand for credit against a background of excessive liquidity in the banking system. It should remain at this level in 2012 and 2013 if there is no resurgence in inflation. The future evolution of the coefficient will depend on the readiness of the Central Bank of the Comoros to continue meeting the liquidity needs of the economy while maintaining price stability and the macroeconomic framework. In 2012, the bank will complete consolidation of its bank supervision service, with technical assistance from the IMF and Banque de France. Lending rates used for credit operations, which range from 7% to 14%, and interest on savings, which start at 1.75%, were unchanged in 2011.

### **Economic Cooperation, Regional Integration & Trade**

Despite a marked 9% increase in agricultural exports, the trade balance is expected to be in deficit in 2011 following an 11% increase in imports. The balance of trade is likely to remain in structural deficit in 2012 and 2013 because of the increase in imports expected to be generated by future investment in infrastructure. The current account deficit should improve, however, in 2011, when it is expected to rise from 8.7% of GDP in 2010 to 7.7%, and in 2012, when it should fall to 6.8% in line with positive forecasts for agricultural exports and money transfers from emigrants. The deficit will probably increase again in 2013 to 8.8% of GDP.

Although the Comoros joined the Common Market for Eastern and Southern Africa (COMESA) in 2006, it traded very little with other member states in 2011, and is not likely to trade much in 2012 and 2013. Most exports (57%) go to the European Union. Imports, particularly oil products, which represent 35% of the total, come from the Gulf countries, especially Kuwait.

Table 4: Current Account (percentage of GDP)

	2003	2006	2007	2008	2009	2010	2011	2012	2013
<b>Trade balance</b>	-11	-21.7	-24.7	-31.9	-28.7	-29.8	-31.6	-32.5	-32.5
<b>Exports of goods (f.o.b.)</b>	9.5	2.5	3	1.7	3.6	4.3	4.3	4.2	4
<b>Imports of goods (f.o.b.)</b>	20.5	24.2	27.7	33.6	32.3	34	35.9	36.7	36.4
<b>Services</b>	-2	-2	-2	-2.9	-4.6	-5.2	-4.7	-4.2	-3.6
<b>Factor income</b>	-0.9	-0.4	0.4	-0.3	-0.1	-0.2	-0.3	-0.2	-0.1
<b>Current transfers</b>	8.1	18	18.8	21.8	26	26.4	28.9	30.1	27.3
<b>Current account balance</b>	-5.8	-6.1	-7.6	-13.3	-7.4	-8.7	-7.7	-6.8	-8.8

Figures for 2010 are estimates; for 2011 and later are projections.

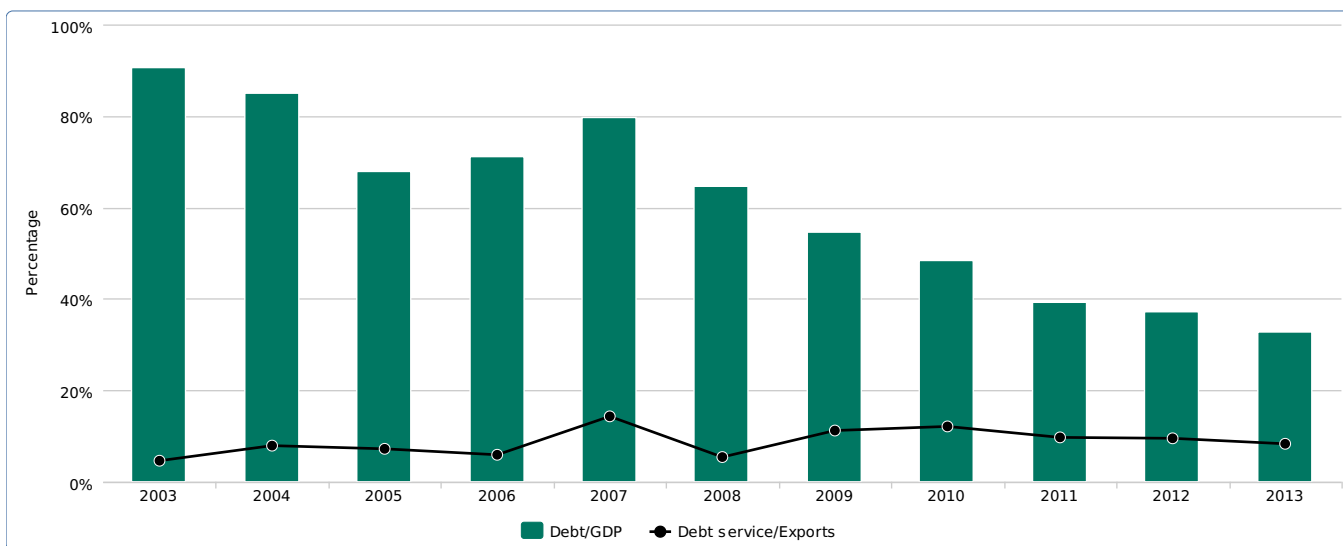
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### **Debt Policy**


In 2011, the external debt of the Comoros remained unsustainable. Public external debt taken on and guaranteed by the state totalled USD 287 million, including arrears, to represent 349% of exports in net present value. The Comoros should reach the completion point of the HIPC Initiative by the end of 2012 and benefit from multilateral debt relief which will reduce the external debt/export ratio to 150%.

The state still relies heavily on internal debt for exceptional financing, given that there is no secondary market for it to issue bonds. In 2011, arrears were estimated at KMF 13 billion, or 7.5% of GDP and 57% of domestic revenue.[3] Faced with financial constraints, the authorities postponed settlement of arrears until 2012, although this will depend on budgetary resources from outside sources.

Figure 2: Stock of total external debt (percentage of GDP) and debt service (percentage of exports of goods and services)



Figures for 2010 are estimates; for 2011 and later are projections.

StatLink  <http://dx.doi.org/10.1787/888932618690>



## Economic & Political Governance

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### Private Sector

The situation of the private sector deteriorated in 2011. The Comoros dropped one place in the 2012 *Doing Business* 157<sup>th</sup> out of 183 countries. The country's score fell in 80% of the indicators used. The business climate remains heavily penalised by the absence of: support infrastructures, particularly in the transport and energy sectors; financial services, particularly medium- and long-term credit and guarantee funds; non-financial services, such as consultancy, accounting and training; and the lack of qualified workers. The investment-promotion agency (ANPI) set up at the start of 2010 has so far had little effect on private-sector development as a result of its unsatisfactory institutional positioning and a lack of operating resources.

The one-stop counter to facilitate and accelerate business start-up is not yet operational. Since the end of 2010, the International Finance Corporation (IFC) has been helping the Comoros improve its business climate. This support should begin to bear fruit in 2013.

### Financial Sector

The banking system has enjoyed major development over the last three years, with two new banks opening – Eximbank and Banque Fédérale du Commerce (BFC). The Comoros also has a highly active micro-financing sector that helps to extend the reach of national financing systems and facilitates access to credit for the population at large. In terms of market share, the banks hold 44.3% of deposits, followed by the micro-financing institutions with 34.4%. The country's four banks control around 60% of financing of the economy, compared to about 28% for the two micro-financing networks. The performance of the Comorian banking system was generally satisfying in 2011, despite some turbulence following the discovery of fraud at the national postal and financial services company (SNPSF). The government took short-term emergency measures to strengthen management and improve the SNPSF's financial situation pending completion of a medium-term reform programme and perhaps the break-up of the company into two separate entities (postal and finance). The SNPSF has provisionally been placed under the supervision of the central bank and instructed to prepare a credible, short-term recovery plan. The government has given the central bank a large measure of autonomy in carrying out the reform with technical support from development partners. Outstanding impaired loans, the main indicator of the health of the financial sector, continued to diminish in 2011 to reach 15.7%, and most financial institutions saw their profitability improve.

In 2011, sight deposits increased 9.4% and time deposits 1.3%. Lending to the economy increased 5.9% after rising 16.1% in 2010, and could increase further in 2012 and 2013 as the economy develops. But this will depend on suitable guarantee instruments being set up.

### Public Sector Management, Institutions & Reform

Implementation of the International Monetary Fund programme did not really improve in 2011. The third and fourth review missions could not be carried out because the Comoros did not respect budget deficit limits. At the same time, structural reforms, including privatisation of the national telecom (Comores Telecom), oil and gas (SCH), and water and electricity (MAMWE) companies, made little significant headway.

Reduction of the public-sector wage bill, which accounts for the bulk of the budget in the Comoros (83% of expenditure in 2011) at the expense of investment, also showed little progress. The authorities prefer to seek dialogue with trade unions to keep the risk of industrial disputes to a minimum. The government that came into office on 1 June 2011 nevertheless froze the decree linking the wage bill of employees in the health and education services to the cost of living, since this decree caused the budget deficit to spiral out of control in 2010. The government also launched a census in September 2011, with the help of the World Bank.

The new government took a number of positive measures with immediate effects affecting governance and financial transparency. These measures included setting up an anti-corruption commission, cancelling some public contracts the outgoing government awarded to foreign investors without calling for tenders, and not renewing the Gulfcom group's concession for operation of the port of Moroni.

At the initiative of President Ikililou, an audit of the quality of the government's action was also launched and the Supreme Court, which came into operation at the start of 2012, has finally been given the power to assess the Union's accounts. The court fills a gap in the Comorian judiciary system and should help to improve governance. The government should continue and speed up the reforms in 2012 so the Comoros can reach the all-important completion point of the HIPC Initiative by the end of 2012.

### Natural Resource Management & Environment

The Comoros are rich in marine and terrestrial biodiversity, but also extremely vulnerable for various reasons: the soil covering is fragile and subject to erosion. Natural resources are under increasing pressure from population growth; the island of Anjouan has a population density of 450 inhabitants per square kilometre, one of the highest in Africa; the surface area under cultivation is increasing and land use is often poor; the main towns and cities are concentrated along the coast; environmental legislation is out of date and insufficiently enforced; and in the absence of regulations to protect against climate risk, infrastructures are built less than six metres above sea level. In 2006, the Comoros adopted a national climate-change adaptation plan (PANA) which serves as a reference framework for sustainable environmental policy. Implementation of it is dependent, however, on donor funding.

### ***Political Context***

Over the last three years, the Comoros have made notable progress towards political normalisation. Amendments to the constitution in 2009 made economic management of the archipelago more coherent. From a political and institutional point of view, the main event of 2011 was the arrival in office on 26 May of Ikililou Dhoinine as the new President of the Union, followed on 1 June by the appointment of a new government with three vice-presidents representing the three islands in the Union. Although it preserves the essential institutional balance of the Comoros, the new president's mandate represents a break of sorts with the past, aimed at introducing greater transparency into economic management and implementing key reforms to reduce corruption and improve economic and financial governance.

## **Social Context & Human Development**

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### ***Building Human Resources***

In general terms, the monitoring of the Comoros' progress towards the Millennium Development Goals (MDGs) is complicated by the absence of a monitoring system. In health and education, the trends are fairly positive. In 2011, the net enrolment rate in schools was slightly higher than in 2010 at 77.3%. The ratio of girls to boys in schools is currently between 0.9 and 1 and is moving in the right direction. The vaccination rate for the main endemic diseases like tuberculosis and cholera was an estimated 80.3% in 2011. Health infrastructure has got worse, however, because too has been invested in rehabilitating facilities and replacing defective equipment. HIV/AIDS prevalence remained at a relatively low 0.8%, but this figure should be treated with caution given the lack of recent epidemiological surveys. Moreover, cases of malnutrition-related childhood diseases and leprosy were detected on the island of Anjouan in 2011.

### ***Poverty Reduction, Social Protection & Labour***

The Comoros have a growth and poverty reduction strategy (GPRS) for 2009-14, which is the main tool that guides public action on poverty reduction. The authorities estimate that about 37% of households and 44.8% of people live below the poverty line. The poverty index varies from one island to another and is generally higher in rural areas. Government-funded social-protection programmes for the poorest people are limited due to major budgetary constraints. But there are state subsidises for a range of consumer staples, including rice and oil.

Poverty reduction is complicated by a birth rate which is still very high in the Comoros and weighs on revenue distribution within households, which number 6.3 people on average. Remittances from emigrants were slightly down in 2011 at 23% of GDP, but play a key role as a social buffer, particularly in rural areas where they help to make up for the absence of local public services like schools and dispensaries and support household revenues and demand.

### ***Gender Equality***

In development terms, there is no significant difference between men and women in the Comoros. The last gender-related development index (GDI) was published in 2007. It measured the respective positions of men and woman in the fields of education, health and revenue and the Comoros received a score of 0.571, compared to 0.576 for the Human Development Index (HDI). Significant differences continue to exist between men and women, however, with regard to employment, wage levels, company ownership, land law and ownership of property. The level of dependence of women heads of family, who represent 50.5% of the population, is 3.9% against 3.4% for men. The participation of women in economic activity is 17.4% compared to 32.8% for men. On the other hand, women are the main beneficiaries of loans granted by the micro-financing sector. In 2011, women were still barely present in public and political life. Official policy and legislation encourage equality between men and women in these areas, but the legislation is not sufficiently enforced because there are no specific follow-up mechanisms.

## Thematic analysis: Promoting Youth Employment

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Unemployment is widespread in the Comoros, averaging an estimated 14.3% but varying from one island to another. Young people – skilled and unskilled – are worst hit. Unemployment among the under 25s is 44.5%, at least four times higher than for 30-49 year-olds according to studies by the International Labour Office, the United Nations Development Programme (UNDP) and the Food and Agriculture Organization (FAO). More than half of young Comorians are believed to be underemployed or living in an extremely precarious situation.

The causes of youth unemployment are many. On the demand side, there is not sufficient economic growth to absorb the number of qualified and unqualified young people of working age who arrive on the job market every year.<sup>[1]</sup> The constraints on Comorian companies, notably high energy costs, the poor state of infrastructure supporting the economy, high taxation and heavy financial charges, increase local production costs and have a negative impact on job creation. The absence of a real industrial policy and the priority given to imports over exports offering the opportunity to create added value are not conducive to job creation. Hiring and firing is hindered by too much red tape, an obstacle to job creation that principally affects the young.

On the supply side, young Comorians are not sufficiently trained to meet the real needs of the employment market. Professional training and apprenticeship are underdeveloped. Poor-quality education and a strong public-sector culture mean young people undergo training not to join the private sector but to gain access to the public sector, which is the main source of employment.

Nevertheless, the new president, in power since 26 May 2011, is prioritising creating jobs and reducing unemployment.

The government wants to use dialogue between social partners to combat underemployment, and on 27 July 2011 it revitalised the CSTE, its employment body responsible for promoting dialogue between the state, the private sector, professional organisations and trade unions, redefining the body's missions.

An employment framework document has been in force in the Comoros since December 2007, but for this document to be effectively implemented, the government must create a legal framework, draw up a suitable programme, and integrate the document into the GPRS. The document propounds the launch of a specific policy for female company bosses and young people based on a co-operative approach and partnerships with the private sector.

The Aprojec project, which seeks to maintain peace by promoting employment for young people and women, was launched in August 2010 with backing from the International Labour Office. The project creates strategic partnerships between the private sector and organisations representing young people and women, prioritising training for young people through private-sector sub-contractors. It is hoped the project will create jobs for several hundred economically vulnerable people.

If youth unemployment is to be reduced in the medium term, existing mechanisms will need reforging into a public agency responsible for youth employment. This agency would harness the different government resources and revitalise public action in close partnership with the private sector and professional organisations. It would also use public-service concessions to support job creation in domains of public interest such as urban roads, sanitation, the maintenance of secondary roads, refuse collection and so on. Support for the creation and consolidation of micro and small enterprises, based initially on self-employment, should be the other main plank in this strategy.

This strategy should also be able to make use of an innovative project-support system which would provide a link between young people needing support services to create micro and small enterprises and existing financial and non-financial consultancy services.

### Notes

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1Clove production is traditionally counter-cyclical in the Comoros.

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2From the World Bank and African Development Bank, in particular.

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377% of the arrears for civil-service salaries from 1995 to 2008.

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4The improvements solely concern *access to financing* and *trans-border trade*.

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5Some studies carried out in sub-Saharan Africa show that a lasting reduction in unemployment requires a growth rate of at least 6% for about ten years.



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