

**DELEGATION OF THE EUROPEAN COMMISSION IN  
MAURITIUS**

**and**

**NATIONAL AUTHORISING OFFICER**

**Co-operation between the European Union  
and the Republic of Mauritius**

**Joint Annual Report**

**2002**

**CONCLUSIONS integrating comments of the Country  
Team and the Operational Review meetings**

The Joint Annual Report (JAR) is the opportunity for both the European Union (EU) and the Government of Mauritius to make a common assessment of the socio-economic background of the country with respect to the reference framework provided in the Country Strategy Paper (CSP) and in the previous JAR. The 2002 JAR establishes that there are no major changes with respect to the prior reviews but that there is increasing concern of the country about the erosion of trade preferences.

Trade is a major issue looming on the horizon. Mauritius has been favoured under successive Lomé Conventions, mainly by the Sugar Protocol and the Multi-fibre Agreement (MFA) for preferential access of its products to the European market, its main trade partner. With the dismantlement of the MFA and the uncertain perspectives of the Sugar Protocol, Mauritius will have to move from traditional comparative advantage to competitive advantage, a challenge seen as difficult by SMEs and industrialists.

With respect to the overall objective of poverty reduction in the Cotonou Agreement, and in line with the adoption by Mauritius of the UN Millennium Development Goals Declaration, the country has, through sustained policies and actions, already essentially achieved four out of the eight MDGs. Mauritius has achieved universal primary education, reduction of child mortality, improvement of maternal health through the reduction by three quarters of maternal mortality ratio and gender equality through equal enrolment in primary and secondary education.

Follow-up to eradicate of poverty will include the continued assessment of the indicators for the eight goals retained by Mauritius. Some institutions are already well equipped and are already monitoring progress in their sector, but many are unaware of the commitment of Mauritius to the MDGs. It is imperative that all concerned should be informed accordingly. One of the institutions that requires stronger capacity to understand and monitor the goal and targets concerned is the Trust Fund for Vulnerable Groups. The inputs of the EDF-funded intervention for poverty alleviation, “A Nou Diboute Ensam”, should also be mobilized to help structure the proper targeting of the MDG. The project will end in 2004, but a new decentralized cooperation program will be funded under the 9<sup>th</sup> EDF. In fact, it is thought that the Economic and Social Council, which has been set up, could be the most appropriate umbrella for a holistic and interagency monitoring of the policies, actions and achievements with respect to the MDGs. In this context proper coordination should be effected, at the

initiative of the Government, as part of the Action Plan for Poverty Alleviation adopted in 2001.

Notwithstanding the above efforts to eradicate poverty, the Country Team meeting noted increasing concern that a significant segment of the population is in danger of being left behind by the economy's transformation, particularly in Rodrigues.

Indicators on poverty should be carefully selected and closely monitored. In fact, the Country Team meeting agreed on the importance of having proper indicators that are result-oriented, easily monitored, available and representative of the situation.

The Country Team meeting also saw the need to develop stronger links between the focal and non-focal sector. In this context, the involvement of Non-State Actors, especially in discussing potential future activities/projects in the sanitation sector, should be ensured. The role that these Non-State Actors could play should become clearer by the time of the mid-term review.

The overall assessment of co-operation highlighted that commitments were generally met both by the Government and the Commission, thus allowing favourable expectations for the 9<sup>th</sup> EDF. With respect to past and on-going operations, individual EDF-funded projects in Mauritius have generally achieved their intended results, whether in terms of provision of infrastructure or of social development. Microprojects have been particularly successful, especially where a participatory approach has been adopted. As far as on-going projects are concerned both partners noted slow implementation rates in a few projects, namely the 8th EDF SME support programme and the HRD Development programme for the port community. The common assessment lies in performance of the Technical Assistance at the PMU level, too heavy structures (Steering Committee) at the country level, and lack of in-house human resources affected to the programme.

It has to be mentioned that the Technology Introduction Scheme (TIS) project has been under scrutiny for suspected malpractices. Following court cases and disputes with contractants over payments, the Delegation has proposed to the Government to close these commitments by settling the amounts unilaterally.

The assessment of other projects, now closed or being closed, is still on-going but their positive impact is well noted. This concerns in particular the 7th EDF Police Cadres Project,

the 6th EDF Support to the Industrial and Vocational Training Board project, the 7th EDF Rodrigues Human Resource Centre project and the road construction projects.

The two partners acknowledge that there has been major progress in the focal sector which scheduled to consume around 85% of the 9<sup>th</sup> EDF A-allocation with the signing of the budget support programme for the wastewater sector. The Country Team meeting drew however the attention to a significant number of negative trends highlighted by the meeting of the intervening donors in the sector at the end of 2003, in particular at the level of institutional capacity (technical and contracts management).

Any delay due to problems of not very effective management, slowness of the invitations to tender, heaviness of the internal circuits, can negatively influence the release of the second tranche of the sectoral support. If the targets set are at risk due to a worsening macroeconomic situation, the government should inform the Commission in time to adapt targets to circumstances

The COM suggested further improvements to the institutional dialogue, donor coordination (principally with the World Bank), and involvement of non-state actors. The institutional capacity within the sector is regarded as being deficient and the lack of manpower/expertise can impact on poor implementation, which in turn, can affect the disbursement of the second tranche. The shortage of technicians as well as officers to management tenders/contracts is worrying. Poor disbursement may have a negative consequence on the possibilities of allocating additional resources to the sector and future allocations to the country. It is therefore important that Government respects its commitments. The donors coordination meetings will, inter alia, provide a means of ensuring constant follow-up of progress made by the country in meeting the above commitments.

It has to be noted that Mauritius has already set up a broad-based consultative mechanism regrouping key stakeholders of society (NESC). This helps to promote greater interaction and dialogue on issues of national interest among the various segments of the population. In addition, the experience gained with the implementation of microprojects under previous EDFs for grass-root development has helped to forge closer cooperation with non-state actors. On the basis of the consultations already held during 2003, it is proposed to further intensify the dialogue among state and non-state actors including EU Delegation and NAO to facilitate exchange of information and ensure the smooth implementation of major programme/projects

during 2004. This will be especially important for the successful implementation of the budgetary support for the wastewater sector and the decentralised cooperation programme under the 9<sup>th</sup> EDF.

Finally both the COM and Government have taken note of the forecast releases of funds and unused amounts from previous National Indicative Programmes (the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> EDF); these funds have been transferred to the 9<sup>th</sup> EDF and the Country Team drew the attention to the respect of the principle of concentration by using these funds in the framework of the agreed strategy.. Indeed, some € 10 m were identified as reliquats, including an important amount of unused resources from the unsuccessful SME Challenge project. During the operational review in the country, the Government raised the question of the possible use of uncommitted funds. Three different options were identified: (i) to open up a second focal sector to finance private sector projects, including e-COMMIT; (ii) to maintain the level of spending in the first concentration sector until 10<sup>th</sup> EDF becomes available (disbursement presently envisaged ends 2005/2006); and (iii) to increase the amount foreseen in the non-focal sector which would allow financial support to private sector associations and, to implement actions in favour of poverty alleviation (mainly in Rodrigues) – actions to be taken in complementarity with what exists under regional and All-ACP initiatives. While Government initially favoured the first solution, the Commission put forward several reservations to the opening of a second focal sector, namely:

- the time and effort required to thoroughly study and appraise a sector where recent past investments have failed;
- the relatively small value available would not provide a critical mass;
- the reduced continuity and concentration
- the two-project approach initially presented the additional disadvantages of short-term quick fixed devoid of medium-term commitment and a return to the project execution modalities in a country where EC strategy is firmly rooted in budget support;
- funds already committed under regional programmes could satisfy part of the requirements.

After careful consideration, the GoM confirmed that it **would not request** the opening of a second focal sector and **the reliquats should be used in the decentralised cooperation programme to implement actions in favour of poverty reduction. To this end a part should be reserved for the private / productive sector.**

It was agreed nevertheless that all the possibilities available under regional or All ACP programmes be explored before considering new initiatives in order to avoid any possibility of duplication or overlapping between envisaged national programmes and regional programmes already under execution or preparation.

Attention was also drawn by the Country Team to the increased level of reported cases of corruption in the country pointing out the negative impact of these signals. The EC will continue to raise this issue with Government,

**DELEGATION OF THE EUROPEAN COMMISSION IN  
MAURITIUS**

**and**

**NATIONAL AUTHORISING OFFICER**

**Co-operation between the European  
Union and the Republic of Mauritius**

**Joint Annual Report**

**2002**

**VOLUME I**

# CONTENTS

## VOLUME I

1. EXECUTIVE SUMMARY .....	3
2. THE POLICY AGENDA OF THE PARTNER COUNTRY .....	4
3. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION .....	6
3.1 Millennium Development Goals (MDG).....	6
3.2 Political Situation .....	7
3.3 Economic Situation.....	7
3.3.1 Structure and Performance.....	7
3.3.2 Assessing the Process of Reform.....	11
3.3.3 Structure of Public Finances and Main Sectoral Policies .....	12
3.3.4 External Environment – present challenges.....	13
3.4 Social Situation.....	16
3.4.1 Poverty Alleviation and Social Development.....	16
3.4.2 Crosscutting Issues: environment and gender.....	18
4. OVERVIEW OF THE PAST AND ON GOING CO-OPERATION .....	19
4.1 Focal sectors .....	20
4.1.1 6 <sup>th</sup> and 7 <sup>th</sup> EDF : Agricultural diversification and protection of the environment and natural resources .....	20
4.1.2 8 <sup>th</sup> EDF : Environmental Protection and Private Sector and Human Resources Development.....	23
4.2 Projects and programmes outside focal sectors .....	26
4.2.1 Road Infrastructure and Human Resources - 7 <sup>th</sup> EDF.....	26
4.2.2 Poverty Alleviation and Upgrading of Housing Estates - 8th EDF .....	29
4.2.3 9 <sup>th</sup> EDF.....	30
4.3 Utilisation of resources for non-state actors (NSA).....	30
4.4 Other instruments .....	30
4.4.1 European Investment Bank.....	30
4.4.2 Regional co-operation.....	31
4.4.3 The Sugar Protocol and the Special Preferential Sugar Agreement.....	32
4.4.5 General trade preferences .....	32
4.4.6 Fisheries Agreement .....	32
4.4.7 Budget lines .....	33
4.4.8 Centre for Development of Enterprise.....	33
5. PROGRAMMING PERSPECTIVE FOR THE FOLLOWING YEARS.....	33
6. ANNUAL OPERATIONAL REVIEWS.....	35
6.1 Speeding up of the use of old EDF resources.....	35
6.2 Setting indicators and targets for measuring results in focal sectors – Refinement of the 9th EDF Indicators.....	36
6.3 Assessment of the ongoing in-field dialogue and proposals for further strengthening.....	38

## VOLUME II : ANNEXES

ANNEX 1	INTERVENTION FRAMEWORK – 9 <sup>TH</sup> EDF, 8 <sup>TH</sup> EDF, 7 <sup>TH</sup> EDF
ANNEX 2	CHRONOGRAMME OF ACTIVITES
ANNEX 3	INDICATIVE TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS
ANNEX 4	FINANCIAL SITUATION FOR 8 <sup>TH</sup> EDF
ANNEX 5	FINANCIAL SITUATION FOR 7 <sup>TH</sup> EDF
ANNEX 6	FINANCIAL SITUATION FOR 6 <sup>TH</sup> EDF
ANNEX 7	REGIONAL RPROJECTS
ANNEX 8	EIB PROJECTS
ANNEX 9	ON-GOING PROJECTS PER SECTOR



## 1. EXECUTIVE SUMMARY

Mauritius ranks among countries of Medium Human Development level. The country has achieved constant progress in its Human Development Index from 0.655 in 1980 to 0.721 in 1990 and 0.765 in 1999 to 0.779 in 2001. The maintenance of free health care and free primary and secondary education has been fundamental in the high level of human development in these fields. The country has, through sustained policies and actions, already essentially achieved four of the Millennium Development Goals (MDG)<sup>1</sup>, namely universal primary education, reduction of child mortality, improvement of maternal health through the reduction by three quarters of maternal mortality ratio and gender equality through equal enrolment in primary and secondary education. Efforts in these areas will be sustained, and attention directed to ensuring that all parts of the Republic, in particular Rodrigues, achieve similarly. It however remains that pockets of poverty and the feminisation of poverty challenge the country for more focussed and more clearly determined policies and action.<sup>2</sup>

The Country Strategy Paper agreed between the EU and Mauritius puts poverty reduction as the overall objective of the common agenda and coherent with the Cotonou Agreement. The EU will specifically accompany Mauritius to ensure the adequate and sustainable preservation of the country's natural water resources (lagoons, aquifers, etc) and all socio-economic activities dependent thereof, with the obvious impact on health and employment, through a sector wide approach in the wastewater sector.

The 9<sup>th</sup> EDF Country Strategy Paper fits as an important instrument (85% of resources under the 9<sup>th</sup> EDF A-envelope) within one of the Millennium Development Goals (MDG), namely "ensuring environmental sustainability".

With respect to past and on-going operations individual EU-funded projects in Mauritius have generally achieved their intended results, whether in terms of provision of infrastructure or of social development. Microprojects have been particularly successful, especially where a participatory approach has been adopted. However, the wide range of sectors covered by programmes and the high number of relatively small interventions – until the 8<sup>th</sup> EDF – meant that EC-funded programmes had little measurable impact on a specific sector (and their implementation placed a heavy administrative burden on those involved).

Under the 8<sup>th</sup> EDF, a heavier concentration on two focal sectors, environment and private sector/human resource development, meant that – in the environment sector in particular – there will be a measurable impact in terms of strengthening of institutional capacity and the sustainability of sectoral investments.

---

<sup>1</sup> the 8 specific goals adopted by Mauritius in the context of the United Nations Millenium Declaration to improve humanity in the new century. The **eight** goals are as follows:

Eradicate extreme poverty and hunger  
Achieve universal primary education  
Promote gender equality and empower women  
Reduce child mortality

Improve maternal health  
Combat HIV/AIDS, malaria and other diseases  
Ensure environmental sustainability  
Develop a global partnership for development

<sup>2</sup> UNDP National Millennium Development Goals 2002 Report

Released resources together with unused NIP funds will total around € 5 700 000 in early 2003 and would be used both for already identified projects and to top up the 9<sup>th</sup> EDF sectoral programme with around € 2.5M.

The implementation of the 9<sup>th</sup> EDF will be conditioned, through annual country reviews, to a monitoring of specific macroeconomic and sectoral indicators together with an obligation on all donors for better coordination and dialogue. The involvement of non-state actors will also be enhanced.

Finally the major issue cropping up over the horizon is trade. Mauritius has been favoured under successive Lomé Conventions mainly by the Sugar Protocol as well as the Multi-fibre Agreement for preferential access of its products to the European market, its main trade partner. With the dismantlement of the MFA and the foreseeable erosion of preferences Mauritius will have to move from traditional comparative advantage to competitive advantage, a challenge seen as difficult by the major SMEs and industrialists. European Union's assistance will probably be solicited in the course of 2003 in that context as well as that of the continual move towards the Economic Partnership Agreements negotiations and configurations.

## 2. THE POLICY AGENDA OF THE PARTNER COUNTRY

The Government's economic policy, as embodied in the New Economic Agenda (NEA)<sup>3</sup>, is directed towards an enabling environment that would promote further, broader-based economic growth. As in previous years, its aim has been to continuously improve international competitiveness in anticipation of the trade liberalisation era. Attraction of foreign investment has also been a priority. The objective of government has been to strictly control the present fiscal deficit, and the goal is to reach 3% by 2005-2006.

The educational sector reform has been going on as scheduled and has indeed emerged into one which can cater, in a more proficient manner, for the needs of the society at large and therefore better address the fight of social exclusion. Government has also embarked upon a reconfiguration of primary schools in the most deprived regions, or those showing the least performance, along the "ZEP – Zone d'éducation préférentielle" concept. It is expected that next budgetary provisions (2003-2004) will fully cater for the implementation of the "ZEP", the objective being better social and economic integration of vulnerable groups by fostering their education to be as complete as possible in the early years.

Social provision by Government in a number of fields (health, housing) with the objective to reach the needy through aids and to empower the poor has considerably improved. Several comprehensive poverty alleviation programmes have been implemented to help reduce social exclusion and marginalisation, including the EU-funded *A nou diboute ensam* project.

The protection of the environment is a major feature of the Government economic agenda. The rapid advent of industrialisation from late 1970s to 1980s, the expansion in the population, the rise in the number of tourist arrivals and the inevitable evolution in consumption patterns following the general up-haul in standard of living of the

---

<sup>3</sup> New Economic Agenda, published in 2001 after the General Elections in sep 2000

average Mauritian have meant more wastes in both liquid and solid forms. The absence of the necessary infrastructure and services to accommodate these wastes in a sustainable way has created tremendous pressure on the environment in its role as a sink.

Government's response to the problem is manifested by the commissioning of a series of studies including the National Environmental Policy, the National Environment Action Plan (NEAP), the Environment Investment Programme and the National Environmental Strategy, and thereon the creation of a full-fledged ministry of environment. Mauritius has also subscribed to the various international fora/treaties thus showing its commitment for long term strategies to deal with its environmental problems.

On the trade issues Government's policy to defend its acquired markets as well as to vigorously seek new markets has been reinforced. The forthcoming phasing out of trade preferences as well as the emergence of low cost high volume countries have made new opportunities like those presented under the AGOA (Africa Growth and Opportunity Act) more interesting. Mauritius has been among the first African countries to react positively to these opportunities though the benefits would only be reaped if Mauritius re-engineers rapidly its textile industry towards more value-addition.

Information and Communication Technology is another pillar in the Policy Agenda. The budget speech clearly spells out government's commitment to develop a globally competitive ICT industry, and make a Cyber Island out of the country.

The interest that Government showed in promoting private initiatives while limiting its own intervention in the economy can be seen through the necessary acts e.g. that permit Public Private Partnership initiatives. At the same time, the importance of reforming the civil service is not understated.

Mauritius has an outward-looking policy, catering for the regional level to all-ACP and through sub-saharan Africa. It spearheads a number of participations in regional initiatives on trade, tourism, disaster preparedness, and small island issues among others.

### 3. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

#### 3.1 Millennium Development Goals (MDG)

The country has filed a MDG Progress Report to the United Nations outlining the status on the eight retained goals and in the 2015 perspective:

**Status at a Glance**  
Summary of progress towards the Millennium Development Goals

GOALS/TARGETS	WILL THE GOAL/TARGET BE MET?				STATE OF SUPPORTIVE ENVIRONMENT			
	Probably	Potentially	Unlikely	No data	Strong	Fair	Weak but Improving	Weak
<b>EXTREME POVERTY</b> Halve the proportion of people living below the national poverty line by 2015		X					X	
<b>HIV/AIDS</b> Halt and reverse the spread of HIV/AIDS by 2015		X				X		
<b>HUNGER</b> Halve the proportion of underweight among under-five year olds by 2015	X					X		
<b>BASIC AMENITIES</b> Halve, by 2015, the proportion of people without access to safe drinking water	X				X			
<b>UNIVERSAL PRIMARY EDUCATION</b> Achieve universal primary education by 2015	X				X			
<b>GENDER EQUALITY</b> Achieve equal access for boys and girls to primary and secondary schooling by 2005		X	X				X	
<b>MATERNAL HEALTH</b> Reduce maternal mortality ratio by three-quarters by 2015	X					X		
<b>CHILD MORTALITY</b> Reduce under-five mortality by two-thirds by 2015	X				X			
<b>ENVIRONMENTAL SUSTAINABILITY</b> Reverse loss of environmental resources by 2015		X			X			
<b>DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT</b> Make available the benefits of new technologies, esp. ICTs	X				X			

Source : Mauritius NMDGR, 2001

The MDG can be monitored through set of indicators below. This report constituted the first instance of any record of the indicators, since in 2001 the exercise was not carried out (the NMDG report was tabled in late 2002).

Type	Indicator	2000	2001	2002	2003	2004
Impact	1. Proportion of population below \$1 per day <sup>1</sup>					
	2. Prevalence of underweight children (under five years of age)	NA				
	3. Under-five mortality rate (per 1,000)	18.2	16.7	17.3		

Type	Indicator	2000	2001	2002	2003	2004
Outcome	4. Net enrolment ratio in primary education-%	97	97	96		
	5. Net enrolment ratio in secondary education-%	56	57	58		
	6. Primary completion rate-%	68	68	69		
	7. Ratio of girls to boys in: <sup>2</sup>					
	▪ primary education	97	97	97		
	▪ secondary education	105	106	108		
	▪ tertiary education	119 <sup>3</sup>	135 <sup>4</sup>			
	8. Proportion of births attended by skilled health personnel	99.8	98.9			
	9. Proportion of 1-year old children immunised against measles	84.3	89.0			
	10. HIV prevalence among 15-24-year old pregnant women	<0.1%	<0.1%	<0.1%		
	11. Proportion of population with sustainable access to an improved water source	98%	Over 99%	Over 99%		

1. % of households with less than half-median monthly expenditure=11.8% (2001-2002)

2. No of girls per 100 boys

3. Academic year 2000-2001

4. Academic year 2001-2002

The above figures support the country's MDG report in respect of the essential satisfaction of already four out of the eight goals. Sustained progress in the indicators shows on-going government commitment. It is expected that figures on the educational side will improve further with the advent of compulsory 9-year schooling (and 11-year schooling as from 2005 onwards).

### 3.2 Political Situation

The Republic of Mauritius is a parliamentary democracy based on the Westminster Model since independence in 1968. The country is governed by a Prime Minister, a Council of Ministers and a National Assembly. The President is the Head of State, and has no executive powers. Fair and orderly national and local elections are held every five years under the supervision of an independent Electoral Supervisory Commission and the Electoral Commission. Mauritius has an independent judiciary based on a combination of English Common Law and the Napoleonic Code, and human rights are protected under the Constitution.

In 2003 constitutional amendments are foreseen with respect to a rebalancing of the powers of the Executive and the President.

### 3.3 Economic Situation

#### 3.3.1 Structure and Performance

The economic success of Mauritius is founded on a combination of both internal and external favourable factors, which have transformed an agro-based industry into an export-oriented manufacturing economy with a strong tourism sector. During the past decades consistent policies have contributed to boost and diversify the Mauritian economy. The policies are a mixture of industrial-driven policies, democratic governance, dialogue between social partners, together with the careful management of necessary macroeconomic adjustment and a well controlled liberalisation of trade policies. These policies are complemented by a pro-business government favouring inward FDI exploiting the ease of cultural affinities as well as the interest of South East Asia to use Mauritius as a base to enter other markets, and a dynamic entrepreneurial class that has re-invested profits from the sugar sector into tourism and textiles. The export orientation was further reinforced with the development of the Export Processing Zone and the Tourism sector.

These internal conditions allowed Mauritius to take full advantage of preferential market access that has been available under the ACP-EU agreements both for its sugar and for its textiles and clothing products, which enabled Mauritius to sell its sugar and other products at guaranteed prices well above world market prices. As from the early nineties, Mauritius has further diversified economy through international trading activities by setting up the Freeport and developing a financial services sector. The government is now actively pursuing a strategy for the development of ICT as a new growth sector. In pursuing this objective, the government is looking to India for assistance to develop the cyber-city.

The change in the structure of the economy has been partially reflected in employment patterns. In 2000 the primary sector absorbed only 9.4% of the labour force, compared to 27.5% in 1980. The secondary sector - which became significant during that period - absorbed 42.7% of labour in 2000 as against 24.9% in 1980. The tertiary sector, however, has continued to employ the major proportion of total labour force, with an average of 44% over the twenty-year period. The main sectors and sub-sectors that have played a preponderant role in the country's economic expansion have been agriculture, manufacturing, tourism and financial services. (See Table 1 below).

**Table 1 : Real Growth Rates (%)**

Real Growth Rates (%)	1998	1999	2000	2001	2002
GDP	5.7	2.3	9.3	5.8	2.5
Agriculture	-1.5	-25.8	33.3	9.1	-14.4
Sugar	2.5	-43.9	64.5	13.4	-19.3
Manufacturing	6.2	2.0	7.9	4.6	-0.9
Export Process. Zone	6.9	6.0	6.0	4.4	-4.0
Tourism	6.0	4.0	13.5	1.0	3.2
Financial Intermediation	8.3	10.3	14.6	11.0	2.0

Source : CSO:National Account estimates

Despite its impressive post-independence performance, the Mauritian economy is now facing a number of short- and medium-term challenges, on both the internal and external fronts. These relate mainly to productivity, erosion of trade preferences,

rising unemployment, exchange rate fluctuations and high trade and budget deficits (see 3.3.3).

→ **Productivity & Competitiveness**

During the period 1995-2001, average salaries, wages and other benefits of employees for the total economy increased by 8.4% while labour productivity grew by an annual average of 4.7% only. As a result, unit labour cost increased by 3.5% annually, leading to sustained erosion in the cost competitiveness of Mauritian exports. Owing to the depreciation of the rupee against the US\$, unit labour cost in US\$ for the economy declined by 4.6%, and for the EPZ by 5%. The depreciation of the exchange rate has more than mitigated the loss of competitiveness of exports.

Productivity Indicators - Annual average growth rate (1995-2001)

	<b>Economy</b>	<b>Manufacturing</b>	<b>EPZ</b>
Labour Productivity	4.7%	4.2%	4.1%
Average Salaries, Wages & other Benefits	8.4%	7.0%	7.3%
Unit Labour Cost in Rupee terms	3.5%	2.8%	3.1%
Unit Labour Cost in Dollar terms	-4.6%	-5.3%	-5.0%

→ **Rising unemployment**

The recent rise of unemployment is causing increasing concern among policy makers. From 1990 to 2001, the rate of unemployment rose significantly from 2.8 percent to 9.2 percent. Job creation fell short of the demand especially as the female participation rate in the labour market increased strongly. Youth unemployment rates are extremely high, reaching 40 percent for the age group below 20. Today, two-thirds of the unemployed are younger than 25, first-time job seekers, and without technical or vocational training. These young Mauritians are at considerable risk of being left behind in a more dynamic and challenging environment.

→ **Trade issues:**

**a) The sugar challenge**

The protocols are affected by factors over which Mauritius, as an ACP country, and its fellow sugar-producing ACP countries, have no control. These are:

1. The EU is progressively lowering its trade barriers within the WTO framework in favour of all WTO members or a specific group (EBA). In February 2001, the EU decided to grant duty-free and quota-free access to 48 LDCs, under the EBA. The EBA provides transitional arrangements for banana, rice and sugar which will be eliminated gradually by 2006-2009.
2. The SPS Agreement that expired in mid 2001 was renewed for another 5 years. Mauritius quota was drastically lowered to 38,000 tones and it is scheduled to be gradually eliminated over the following 5 years.
3. The introduction of the EURO in January 1999 has resulted in the dismantling of the agro-monetary system of Green rates applicable to agricultural prices within the CAP.
4. The due-restraint Clause, also known as the peace clause, basically a non-aggression trade agreement between USA and EU expires in December 2003.
5. A review of the sugar regime in 2003. EU has commissioned 3 studies which are expected to be ready in Feb 2003. The EU Commission will be considering the proposal for reform from EU members in mid-2003.

6. September 2002, Australia and Brazil have formally lodged a WTO challenge against EU sugar subsidies. Both countries have entered the first stage of the WTO's dispute settlement procedure by issuing a joint request for consultations with the EU on the issue. These claims made by Brazil and Australia will be important challenges to certain elements of the sugar regime under which the Sugar Protocol, the SPS Arrangement and the EBA Initiative are implemented. If upheld, they will seriously undermine these vital trade access instruments.
7. October 2002, EU reduces the ACP's special preferential sugar quota by 12,588,300 tonnes white sugar equivalent.

The consequences of all these changes are that Mauritius shall inevitably be facing reduced prices for its sugar by 2008/09 (Government estimate: by 25 to 30% ) **with substantial impact on its economy taking into account that :**

- Sugar revenues account for approximately 2-4% of GDP per year and about 1/5 of merchandise export earnings. With production costs at 20-25% above competitors Mauritius will have to adjust. Labour costs accounted for some 60% of the total production costs.
- Cost of production in Mauritius is 18 cents per pound compared to 7 to 10 cents per pound in Brazil .
- Over the last five years the rupee price of sugar has been stagnant while costs have been increasing annually by more than 8% on the average.

#### **b) The Textile Challenge**

The EPZ, accounts for almost  $\frac{3}{4}$  of export earnings and employs 18% of the workforce. Restrictions on trade in textile and clothing under the MFA will be phased out gradually and heavily loaded towards the end of 2004. This means that Mauritian exporters will have to compete on equal terms with many emerging market operators, but AGOA II is likely to mitigate the impact of the termination of the MFA by 2004. Competition in European markets will be particularly tough with the phasing out of the Multi-Fibre Agreement. Mauritius will have to bank on quality as its comparative advantage given that its edge on labour cost has long been eroded. It will also have to continue to diversify both its products and markets to ensure sustainable development and to ensure that it is not overly affected by exchange rates fluctuations of the currencies of its main trading partners.

#### **c) Other issues:**

- A dualistic type of development in the manufacturing sector; a few large companies, which have established themselves in the international market as reliable suppliers of some high-quality brand names, have become high-precision and high-skills enterprises; the SMEs, on the other hand, have lagged behind in technology acquisition, quality control and productivity improvement.
- Clusters of light engineering and precision industries, which can represent a major source of raw materials and intermediate products presently being imported, are almost inexistent or operate on a very small scale.
- Labor cost per hour in the apparel sector: Mauritius is 4 times more expensive than Bangladesh, China , Madagascar, Kenya and Sri Lanka .
- The EPZ sector has relied increasingly on the cushion of currency depreciation; it has failed to diversify in products other than textiles, has not



extensively developed linkages within and across sectors and has kept a low-skill, low-tech structure.

- The regulations imposed by US buyers are perceived to be very stringent and new entrants will need to re-engineer their operations to be fully in compliance

### 3.3.2 Assessing the Process of Reform

The Structural Adjustment Programme in the early 1980s, supported by the IMF and the World Bank, was instrumental in laying down the foundations for sustained growth and for further diversifying the economy. The main policy thrust was on fiscal stabilisation, exchange rate re-alignment, trade liberalisation and fiscal consolidation. Various sectoral and supply-side policies were also adopted with the aim of increasing production capacity, particularly in the export-oriented sectors, which contributed towards employment creation and to improving the balance of payments. The most significant of these policies was the promotion of the country's Export Processing Zone (EPZ), the early diversification into EPZ activities has been of enormous benefit to the country over the past two decades.

The further development of a significant high-quality tourism sector has also proved highly successful in terms of income and employment, even if it has imposed certain additional strains on the environment.

Recent diversification into the financial services sector, Mauritius has again demonstrated its ability to spot, and act on, emerging opportunities for economic growth.

Government is fully conscious of current macroeconomic constraint and challenges and has embarked on a major reform programme - the New Economic Agenda<sup>4</sup> for the Millennium (NEA) (2001) -, the aim of which is to develop Mauritius into a high-tech, high-income and knowledge-based economy while achieving growth rates of over 5% per annum. It is to be noted that the protection of the environment is one of the cross-cutting issues which has been identified in the NEA. In fact Mauritius has integrated environmental concerns into its development process and developed National Environmental Strategies to prevent environment degradation and improve standard of living.

Government is on its way to ensuring financial sustainability of the NEA. It is also mitigating the adverse impact of trade liberalization on revenue. Government had already taken the following actions: (i) increased the VAT from 10% to 12% and eventually to 15% (ii) adjusted domestic petroleum prices to reflect market rates, and (iii) set up a high-level committee to develop a Medium Term Expenditure

---

<sup>4</sup> The key objectives of the NEA are to

- (i) improve competitiveness and enhance the employment-generation capacity of the economy;
- (ii) invest massively in people and society, and modernize the welfare state with a view to responding better to the needs of those at risk;
- (iii) protect and preserve the country's natural assets; and
- (iv) improve economic management, with focus on correcting imbalances in public finances.

Framework to improve revenue. Efforts are also underway to boost economic growth through greater diversification, consolidation of the economic base and trade creation.

With Government's role geared up towards more of a facilitator, the Public-Private Partnership scheme is being actively developed as a new form of financing and procuring infrastructure projects, the objective of which is to improve the efficiency and performance of public infrastructure and to better manage public expenditure and curb deficit. The legal and institutional framework governing business operations has also been revamped to help transform Mauritius as a leading regional hub.

### 3.3.3 Structure of Public Finances and Main Sectoral Policies

#### Public finance

The process of liberalisation is having a significant impact on public finances. Decreasing tax buoyancies as a result of significant reduction in customs duties and the need to maintain a tax-friendly environment and the increasing demand for better physical and social infrastructure and support services call for a restructuring of public finances.

This is already a major concern as Mauritius has not been spending enough in essential sectors/areas such as education, health, capital formation and other public services. Expenditures on education, health and housing as a percentage of GDP have remained relatively stagnant over the last decade.

#### Sectoral expenditures as % of GDP

	1982/83	1989/90	2001/02
Recurrent expenditure			
- Education	4.4	3.2	3.0
- Health	2.3	1.9	1.9
- Housing	0.2	0.2	0.6
- Social security & welfare	3.7	3.2	4.8
Capital expenditures	2.9	4.1	3.9

Even though the social welfare system has served the country well thus far, to-day in the context of the pressing needs of competing sectors to meet the challenges of globalisation, the Government has to rethink the welfare state in a bid to streamline public expenditures on such social programmes as education, health, housing and social security - some targeting is required as those who can afford to pay should bear the cost. The Welfare state cannot be sustained without more focus on the most essential needs of the community and the provision of some services on an "ability to pay" basis.

#### Human resource development programme

Only a small proportion of total Government expenditure is devoted to technical and vocational training. This is not enough for a country aspiring to become a high-tech services oriented economy. Moreover, vocational and technical training is concentrated in traditional areas, whilst new fields such as information technology, telecommunications, machine maintenance and automation have not received adequate attention until very recently with the development of the cyber island initiative. Even so it is obvious that the skills mismatch will persevere as a result of inappropriate investments and preparation earlier.

### **Budget deficit**

High budget deficits over the past few years remain a source of concern. Both increases in the level of expenditure and the downward trend in tax buoyancy have led to the deterioration in the budgetary accounts, which recorded deficits of 4.1% and 3.8% of GDP in 1998/99 and 1999/00 respectively. In 2000/01, budget deficit soared to 6.7% on account of massive losses incurred by parastatals, namely the State Trading Corporation (STC) and the Central Electricity Board (CEB).

Short-term Government policy is to bring down the present budget deficit to a manageable level through a combination of measures that will include rationalisation of public expenditure and improved revenue collection. Through the implementation of a fiscal consolidation programme (revenue consolidation, expenditure restructuring and management, and development of a medium-term expenditure framework (MTEF)) the budget deficit has slightly dropped to 6.0% in FY 2001/02. The Budget Speech spells out government objective of attaining a budgeted deficit of **3%** by 2005-2006.

For the medium term, the objective is to achieve a recurrent budget balance, which will help contain public sector borrowing, release resources for productive investment and reduce public debt to an acceptable level. The aim is to contain inflation within 5%.

### **Public debt**

Public debt represents more than half of the GDP, an important threshold that activates danger signals to economic observers and damages the country's credit worthiness. Interest payments on the public debt in 2001-2002 will be Rs 4.6 billion, equivalent to 3.3% percent of the GDP, 13.7% of total government spending, 16.3% of recurrent expenditure, and 18.6 % of recurrent revenue. Out of every rupee that Government will collect, 16 cents will go for interest debt servicing. The national debt is ballooning as successive budget deficits add to the national debt, and is compounded by further borrowing to pay for the sizeable and growing interest payments. If the parastatals' debt is included in these figures, an addition of at least Rs 16 billion, the national debt issue becomes even more serious, reaching 63% of the GDP. If the national debt is not to explode, Government will eventually be forced at some stage to reduce the debt to more sustainable levels, to less than 40% of GDP.

**Table 2: Government Revenue & Expenditure (% of GDP)**

	98/99	99/00	00/01	01/02
GDP growth	5.7	3.2	8.3	4.8
Total revenue & grants	20.2	20.6	18.4	18.3
Total expenditure & net lending	24.3	24.3	25.1	24.4
o/w~ Social Security &	4.9	4.9	5.0	4.8
~ Education	3.7	3.5	3.5	3.5
~ Health	2.0	2.0	2.1	2.1
Overall deficit	-4.1	-3.8	-6.7	-6.0
Central government debt	49.6	50.5	48.9	55.4

*MOF: Recurrent Budget, Budget Speech*

### **3.3.4 External Environment – present challenges**

Mauritius is a member of a number of regional groupings including the Indian Ocean Commission (IOC), SADC, COMESA and the Indian Ocean Rim Association (IOR-ARC). In addition, it is anticipated that it will join in an Economic Partnership Agreement (EPA), which countries of the region are expected to sign with the EC, for the purpose of maintaining and adapting trade and revenue generation. It sees all such regional co-operation and integration initiatives as a powerful development strategy, which could allow the country to expand its economic space.

### **The Position of Mauritius in the context of the ACP-EU Framework.**

The Economic Partnership Agreements (EPAs) will start to be implemented as from 1<sup>st</sup> January 2008 . The EPAs will define the future trade relationship between the ACP and the European Union, will have to be reciprocal and WTO compatible.

The negotiating guidelines that Mauritius would adopt in the ACP group with the EU would be based on a two-phased approach with first an all-ACP framework agreement complemented in the second stage by regional EPAs. Negotiations of a framework agreement between all the ACP and the EU would be on cross-cutting issues such as the principles, objectives, scope and content of the negotiations, measures to address supply side constraints, including fiscal and competitive adjustment, cooperation in the areas of customs and trade facilitation, safeguard measures, dispute settlement, etc.

During the second phase negotiations would focus on market access which would result into the establishment of free trade areas between the EU and the different regional blocs within the ACP. It will also cover tariff negotiations and any other specific sectoral commitments at national or regional levels as the case may be and issues of specific interest to ACP countries or regions.

### **Special Treatment for Small States**

Mauritius continues to plead for special treatments for small island states. It supports efforts to secure continued trade preferences in the Cotonou Agreement and the special treatment at WTO level. It is also supporting endeavours to get the Breton Woods institutions to review its current graduation policy and apply a vulnerability index so that small states are treated by different criteria to have access to concessional loans.

The WTO agreements do contain a few provisions which relate to specific characteristics of Member's economies, but so far WTO has not yet responded to the needs of the small vulnerable economies. There is still a long way to go for the WTO to recognize the small economies as a distinct group. There is strong resistance by some WTO members to the idea of special treatment for the small economies. At the Doha Ministerial it was agreed that the WTO should develop a Work Programme on Small Economies, but without the intention of establishing these economies as a special category.

The challenge facing Mauritius today is to adapt to the increasing free trade in global markets. More precisely it consists for the country to customize and fine-tune its policies to reap the benefits of the three most significant dimensions of globalization, namely:

- **Trade in goods and services**
- **Trade in assets**

- **Flows of information**

### **Trade in goods and services**

To face the intensification of competition for higher global market share, particularly with bulk and low-cost textile producers such as India, China, Vietnam and Bangladesh, Mauritius has to move up-market to tap high-value added products. Mauritius can no more contemplate itself in labour-intensive low-quality products. New niches will have to be found especially in the services sector.

Greater skills requirements. Capacity building will be instrumental in the country's quest to excel in the high-quality products market. It will have to increase expenditure on education and training, with a reorientation towards technical subjects. Private enterprises should be more pro-active in the training field.

Mobility of labour. The labour market needs to be more flexible allowing workers to shift from one job to another easily.

More research and development. Mauritius enterprises spend around 0.04% of GDP in R&D compared to more than 1% in the East Asian economies.

Need to develop new ways of doing business for a comparative advantage. E-commerce will greatly help in marketing and improved communication.

### **Trade in assets**

The argument for the free movement of capital is essentially the same: money can be channelled to more efficient uses, financing investment and giving savers better returns.

Attract foreign direct investment. FDI flows, particularly in small developing countries, have been marginal. The share of FDI flows to Mauritius is negligible compared to other developing countries. FDI is not only the transfer of capital but also of technical know-how, which improves productivity and competitiveness significantly.

Mauritius will have to further develop its capital market, diversify financial instruments, and apply effective supervision in order to secure more stable investment. These initiatives will allow Mauritius to obtain a larger role in international finance and forge the synergies between the exports of financial and business services and the domestic capital market.

### **Flow of information**

Spectacular increases in information flows, made possible by the advances in electronic technology, are taking all countries in the multilateral trading system nearer to the perfect competition model. The country therefore has to take measures to tackle :

Inadequate infrastructure. Access to internet remains slow and costly. Lack of competition in the sector keeps the e-rate relatively high. Computer training and facilities in schools to build an IT culture at the very young age, are inadequate.

Inadequate human resource. The number of students specialising in mathematics and science subjects is very low compared to the East Asian economies. The number of IT professionals on the market is far lower than what is actually required.

The country's future indeed hinges on how fast it can implement an integrated national HRD strategy to achieve competitiveness in the global economy and put in place high-calibre institutions of learning to improve its skill-mix.

### **Mauritius response to its challenges**

The country will have to undergo fundamental readjustments and reforms in each and every sector of its economy and adopt new strategies in order to better face the challenges of globalisation and fully exploit the resulting opportunities. However, more importantly it needs a **global state of mind** by thinking globally to acquire competitive rather than comparative advantage

With the changes taking place in international relations, Mauritius is increasingly focusing on its policy of economic diplomacy by further strengthening its diplomatic missions. These missions are being staffed with more technical personnel and are now important focal points for all matters pertaining to trade, investment, marketing, economic and regional integration, and dissemination and acquisition of information.

## **3.4 Social Situation**

### **3.4.1 Poverty Alleviation and Social Development**

The population of the Republic of Mauritius was estimated at about 1.2 million in July 2002 and has one of the highest population densities in the world. Over the recent years, the population grew at a much lower average rate of 1% compared to approximately 3% in the early seventies due to the promotion of intensive family planning programmes and population and family life education programmes. Lower birth rates and longer life spans are now changing the structure of the population, gradually leading to a growing proportion of elderly people which will, in the longer term, give rise to a new set of economic and social welfare needs that must be met.

Over the past two decades the overall quality of life in Mauritius has improved, along with a sustained economic growth. A welfare system provides for free and universal health care, for (very) basic pensions as of the age of 60, and for specific social benefits for the underprivileged. Such social provision is costly, however, and will become more difficult to sustain as Mauritius' population ages.

The pensioner support ratio, defined as the number of persons of working age for every old-age pensioner, is expected to drop drastically from 7.5 to 1 in July 1998 to 4.5 to 1 in 2018 and further to 2.8 to 1 in 2038. This will impose a heavy burden on the budget, necessitating an increase in revenues, mostly from higher taxes, to meet the escalating cost of basic pensions

### **Social exclusion**

Despite the observed improvement in the quality of life for most Mauritians, there are certain segments of the population which have lagged behind and been unable to follow the development track. Around 12% of all households in the Republic of Mauritius live below the poverty line. Regional imbalances in development disproportionately affected specific localities and groups in society along gender lines. The island of Rodrigues is one of the areas most excluded from the rapid economic growth, and has the highest incidence of poverty (income and human poverty) in the country.

The widening of economic and social disparities has accentuated the problem of social exclusion and marginalisation and has intensified feelings of frustration. These constitute real threats to social cohesion and integration and have far-reaching implications for the economic and political stability of the country.

→ To address the problem of social exclusion and deprivation, the government has initiated remedial actions and is implementing several poverty alleviation programmes with funds from local sources and from other multilateral donors such as the EU, UNDP and IFAD. Greater emphasis has been placed on participatory approach and community involvement. These programmes aim at empowering the poorest segments of society while at the same time strengthening poverty reduction capabilities of the government, civil society, private sectors and NGOs.

### **Access to educational facilities**

Government had to reform an education system with a filtering mechanism that was branding, year after year, 40% of primary enrolment as plain failures and dumping these children on the labour market with six years of primary education as terminal point and more importantly it failed to cater to the real needs of the economy. An archaic education system where despite government spending of Rs 3.6 billion in the sector, private spending on education amounted to Rs 2.1 billion in 1999, reflected the large inequities of a system where the better off were able to make up for deficiencies in quality in a way that the poor could not. This system was producing a labour force with a mean year of schooling of only 7 years which is too low to respond to the challenges of globalisation, the New Economy, the continuous process of diversification of the economy towards higher value-added products and the varied entrepreneur skills requirements for SMEs.

→ The reform of the sector involves the abolition of the Certificate of Primary Education (CPE) ranking and its replacement by the grading system, the introduction of universal eleven years of compulsory education, an increase access to quality education, upgrading of school curriculum with special focus on the introduction of ICT as a subject in primary schools in order to make students computer-literate at an early age, and increase access to and enhance quality of tertiary education. These developments, along with the implementation of the “ZEP” concept, should improve on the very high rate of failure at the end of the primary school track and ensure adequate facilities at the secondary level.

Though the reform seems to be engaged, the country will have to sustain for some time the poor results of the prior system.

### **Health sector reform**

Government provides universal free health care. Primary health care, provided through health centres in the country, ensures a basic level of medical, nursing, pharmaceutical and midwifery service. Secondary health care, mostly curative in nature, is provided through a network of public hospitals at the regional and district levels. High technology tertiary health services are delivered within a few hospitals. Public health services are supplemented by general practitioners and specialists, as well as by pharmacies and clinics (primarily for secondary care) in the private sector. Communicable diseases have been brought largely under control. AIDS is at present amongst certain social categories, but is not widespread in the population as a whole. There have been marked reductions in infant mortality, and the life expectancy of both men and women, has risen substantially being 61 – 65.9 (M-W) during 1971-1973 to 68.2 - 75.3 (M – W) in the 1999 – 2001 assessed period

The government health care service has catered until now rather ineffectively for the changing needs and demands of the population. Standards of care have not been

monitored and there has been insufficient consideration for the patient. Continuity between primary and secondary care has not been ensured. There has also been stagnation in key development indicators such as child and maternal mortality over the last two decades.

It is recognised that pressure on it will increase as the population ages and as the cost of providing up-to-date operational health services rises.

### **Housing needs**

In the housing sector major issues include the increasing demand for low-cost housing, the failure of existing housing finance mechanisms to meet the financial needs of all income groups, in particular the low-income segment, and inadequate provision of housing subsidies to the needy.

The different housing schemes have not succeeded in reaching the very low- and very low-income households. There is a backlog of around 20,000 demands for housing that have accumulated over the years.

### **The transport sector**

In the transport sector substantial investment took place for the improvement in the road network, port and airport facilities over the last decade but these proved inadequate. With the growing role of Mauritius at the regional level, both the port and airport facilities need upgrading to compete with similar facilities in the region. The need for upgrading public transport, introducing cost recovery mechanisms, improving public safety and encouraging a greater role in the sector for private enterprise is felt. Recent legislative acts enabling for private sector participation, like the PPP (Public Private Partnership) show Government's commitment to allow the private sector in playing a bigger role in meeting the country's economic challenges.

### **3.4.2 Crosscutting Issues: environment and gender**

**Environment:** As a result of its rapid economic and social development environmental degradation in Mauritius is rising to high levels and will become a serious impediment to economic growth if appropriate measures are not taken. Tourism is particularly affected, as are fisheries and agriculture, where the potential negative impacts of high level of agro-chemicals are recognised. Ground and surface water and marine waters may be contaminated through leaching, percolation and surface run-off.

In April 2000, Government approved a 10-year National Environmental Strategy (NES) covering the period 2000-2010. The main objectives of the NES are to control pollution, promote clean technology, conserve resources and protect the natural and global environment. In addition, the Environmental Investment Plan II (EIP II) has been recommended for implementation during the next five years. The programme highlights a range of environmental problems requiring urgent attention, including waste management, uncontrolled urban growth, loss of biodiversity, contamination of fresh water resources and air pollution.

In terms of water supply and waste water disposal, Mauritius is typical of many countries in having concentrated for the past 20 years on the supply of water, and neglecting investment in waste water disposal. According to the 2000 Housing and Population Census survey (CSO), 99% of the population had water within their



premises, with 85% having water inside their house. Only some 20% of the population are presently served by a sewerage system. The EU, under the 8<sup>th</sup> EDF, financed projects worth more than € 21m in the sector, and a number of other donors and lenders, including the EIB, have contributed to financing projects in the sector. The focal sector identified under the 9<sup>th</sup> EDF is the environment sector, more specifically in the treatment and disposal of waste water.

**Gender:** Women constitute over 50% of Mauritius' population. Nearly all girls attend primary school, and 58% attend secondary school – a significant improvement and higher than the secondary enrolment rate for boys. The number of women in the economically active population group has increased from 32% in 1990 to 38.3% in 2002. The classification of employed women by industry and occupation shows that they are employed mostly in the manufacturing sector as they represent close to 66.5% of the labour force in the EPZ as at June 2002. The rising unemployment of recent years, mostly in textiles sector, has affected women more than men, explained by the fact that the first phase of industrialisation of Mauritius has involved light manufacturing industry - apparel sector – traditionally more intensive in women labour.

#### **4. OVERVIEW OF THE PAST AND ON GOING CO-OPERATION**

*Programmable aid:* from the first to the Fourth Lomé Convention, some € 145m were available under National Indicative Programmes (NIPs) to finance projects in areas such as agriculture, industry, infrastructure, tourism, health, education and human resources development, environment, private sector and poverty alleviation. *Non-programmable aid* related to the funds obtained under Stabex, Emergency aid and Food aid.

The overall impact of previous NIPs is difficult to gauge: the main objective of Lomé III (1986-1990) was to reduce unemployment (through agricultural diversification and industrial promotion). Though the precise impact of the NIP was not measured, full employment was in fact achieved during the period, and the NIP had to be reoriented. It was deemed appropriate to direct the NIP towards activities enabling larger response to problems linked to environmental pressure indeed linked to rapid industrialisation and full employment, rise in domestic consumption, and a burgeoning tourism industry.

Individual EU-funded projects in Mauritius have generally achieved their intended results, whether in terms of provision of infrastructure or of social provision. Microprojects have been particularly successful, especially where a participatory approach has been adopted. However, the wide range of sectors covered by programmes and the high number of relatively small interventions – until the 8<sup>th</sup> EDF – meant that EC-funded programmes had little measurable impact on a specific sector (and their implementation placed a heavy administrative burden on those involved).

Under the 8<sup>th</sup> EDF, a heavier concentration on two focal sectors, environment and private sector/human resource development, means that – in the environment sector in particular – there will be a measurable impact in terms of strengthening of institutional capacity and the sustainability of sectoral investments. The presence of a number of donors and lenders in the sector, and the co-ordination process that this has

engendered has also increased the prospects for investments achieving their objectives.

#### 4.1 Focal sectors

The focal sectors of the 7<sup>th</sup> EDF (34 M euros) were agricultural diversification (55-60% of the total allocation) and protection of the environment (17%). The focal sectors of the 8<sup>th</sup> EDF (39.5 M Euro) are environmental protection (50% of the total allocation) and private sector and human resource development (30%). The focal sector for the 9<sup>th</sup> EDF (33 m €) is the environment sector (85%) with focus on the water/wastewater subsector. The 15% non-focal allocation is intended for direct access by non-state actors in the context of a decentralised cooperation programme. The intervention frameworks, as defined in the 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> EDF National Indicative Programmes, are in Annex I.

##### 4.1.1 6<sup>th</sup> and 7<sup>th</sup> EDF: Agricultural diversification and protection of the environment and natural resources

###### 1) Agricultural diversification

The government was engaged under the 7<sup>th</sup> EDF to continue and reinforce its sectoral policy in agricultural diversification, focused on small and medium sized planters. Its specific objective was to increase the availability of irrigation water for small planters and to put in place a financial system to sustain the appertaining costs.

The Government sectoral commitments have progressed as follows:

- (i) **Measures taken in favour of diversification** :

These include replacement of sugar cane production on 20% of the newly irrigated area. Government is still committed to these measures, though their implementation might not be as fast as foreseen in the project document. This is because diversification has to generate income which is at least acceptable to the planters/farmers community when compared to income derived from sugar cane production. Irrigation needs are higher for diversification than for sugar.

- (ii) **Cost recovery system for irrigation water**

Adequate steps have been taken to recover the cost of irrigation. Farmers/planters are now metered individually. Other institutions like IFAD are also contributing in empowering water users to take management control of irrigation schemes, and achieve cost recovery. However some time is needed to allow the planters to adjust to this new mode of operation.

-(iii) **the reservation of 20% of the new irrigated areas for small planters** :

This will increase availability of irrigation for this population. Irrigation water is provided to all planters irrespective of the size of their land, which besides are all private holdings. The benefits accrue to the whole planters' community, including small planters.

The NPIP project (Northern Plains Irrigation Project, Euro 9,000,000)<sup>5</sup> seeks to improve the welfare of small planters, in particular, by increasing their agricultural income. It is expected that the implementation of the project, which has initially involved the replacement of old pipelines, will restore full irrigation to existing cultivated areas of about 1,920 ha and extend the irrigation to a 3,500 ha new area. 20% of this new area is to be devoted to the small-scale farmer diversification scheme.

The European Commission approved the extension of the programme up to December 2004 on the condition that 20% of the newly irrigated area will be permanently taken out of sugar cane production. For this purpose an amount up to EURO 1.76 million has been earmarked for mobilisation of 65 man-months Technical Assistance over a period of two years (Jan 2003 – Dec 2004) and for financing of equipment, research and the training of extension staff.

After the launch of the tenders (May 2002) and the technical and financial evaluation (December 2002), the contract for technical assistance was awarded to the consultancy firm on 23<sup>rd</sup> December 2002.

Prior activities under this project concerned the replacement of the main northern pipeline (the M1 pipeline) and the co-financing of the development of the A5 distribution pipelines.

Quality Management for the Mauritian Horticultural Sector (Euro 500,000)<sup>6</sup> is a project committed under 6<sup>th</sup> EDF reserves whose objective is to increase the capacity of horticultural producers/exporters to raise and ensure regularity of their production and export of higher quality horticultural products. The activities planned are: implementation of the National Code of Practice, training of beneficiaries and local counterparts, including the preparation of training materials, providing access for beneficiaries to technology, know-how and skills, reinforcing communication and information systems within the sector and reinforcing the secretariat of APEXHOM<sup>7</sup>. In 2002 the start-up work programme terminated in September and had achieved the reinforcement of the APEXHOM Secretariat to enable it to carry out its obligations as both Contracting and Supervising Authority. The restricted consultation for International Technical Assistance was also floated and contract subsequently awarded. It has also been necessary to lodge a 20% ceiling increase of the project amount to cater for higher technical assistance and training costs.

In the agricultural sector the National Fruit Fly Project (Euro 1,700,000)<sup>8</sup> aimed to reduce the fruit fly population and its damage, thereby increasing fruit quality and production, hence home consumption and exports of fruit. Control methods introduced in four districts reduced the fruit fly populations and the response by the beneficiaries was satisfactory. An evaluation confirmed the successful results of the environmentally friendly methods of fruit fly control. Therefore, the activities were extended in 1998 to cover all districts on the island of Mauritius and Rodrigues.

---

<sup>5</sup> 7 ACP MAS 32

<sup>6</sup> 6 ACP MAS 49

<sup>7</sup> APEXHOM stands for “Association des Producteurs et EXportateurs HOrtiques Mauriciens)

<sup>8</sup> 7 ACP MAS 5

## 2) Protection of environment and natural resources

The government met its commitments under the 7<sup>th</sup> EDF which were:

- to establish an institutional and legal framework for environment by drafting and implementing a “Master Plan for Solid Waste Management”,
- to undertake geophysical studies for identifying solid waste landfills and
- to implement actions for the protection of environment, in particular in Rodrigues

At some point the 7<sup>th</sup> EDF NIP environmental focus shifted to wastewater (liquid waste) rather than solid waste for several reasons :

- With only 20% of households connected to a sewerage system the negative environmental impact of improper wastewater disposal is much higher than the solid waste issue;
- The implementation of any solid waste management scenario was institutionally heavier since it involved decisions at both the central government level and the local governments;
- World Bank funding was already well organised for accompaniment of the solid waste sector. The World Bank has indeed maintained commitment and has financed studies for engineered landfills and alternative disposal mechanisms, for the institutional and legal framework, for cost recovery.

The momentum on organising the solid waste sector has been kept by Government in collaboration with the World Bank. In 2002 the final sector strategy was adopted and, among other recommendations, it indicated to have recourse to incineration systems built through BOT contracts.

The Management of Natural and Agricultural Resources of Rodrigues project (Euro 2,080,200)<sup>9</sup> aimed at protecting, restoring and organising the management of the natural resources and agriculture in Rodrigues. It focused on valley bottoms and water resources management, as well as on research and development activities. The following results were achieved by early 1998: 49 ha of valleys developed and protected, 4.9 km of feeder roads constructed, 400 ha of land reforested forming the sylvopastoral areas, 60 ha of mangroves planted, 4 weirs constructed, a geographical information system installed and staff trained in its use. In 1999 it was decided to use the balances still available to rehabilitate the seed and potato storage facilities constructed under the 4<sup>th</sup> EDF, the refrigeration equipment of which had been destroyed by a cyclone. The functioning Cold Storage Rooms were handed over to the Rodrigues Administration in November 2000. The experiences of the programme were used in the formulation of the Anti-erosion Programme for Rodrigues, financed under the 8<sup>th</sup> EDF.

Technical Assistance to Wastewater Management Authority (WMA) (Euro 600,000)<sup>10</sup> has been provided for four years in order to enable it to carry out effectively its mandate. Based on the National Sewerage Master Plan, the Government embarked in a vast programme of infrastructure projects and the primary responsibility for the

---

<sup>9</sup> 7 ACP MAS 4

<sup>10</sup> 7 ACP MAS 36

coordination and management of these projects, funded from various sources, rests with the WWA. The TA was instrumental in the development of the main project in the environmental sector – the expansion of St. Martin Waste Water Treatment Plant and also the related project for the sewerage of densely populated (CHA) housing estates, both of which funded under the 8<sup>th</sup> EDF. The TA contract ended in April 2002. A new project of 750,000 € under 8<sup>th</sup> EDF has been funded and the new TA is expected to start beginning 2003.

#### **4.1.2 8<sup>th</sup> EDF : Environmental Protection and Private Sector and Human Resources Development**

8<sup>th</sup> EDF projects in this focal sector are still on-going albeit under government financing after the upfront intervention by EDF resources. There may be a need for adequate follow-up of the various projects' indicators for an assessment of impact later on.

##### **1) Environmental Protection**

One of the objective under the 8<sup>th</sup> EDF was to minimise environmental degradation that could become a serious impediment to economic growth. The Government committed itself to rehabilitate and upgrade the wastewater disposal facilities in the Plaines Wilhems, Port Louis and the Northern regions, and to implement a coherent pollution control policy, improve the revenue base of the wastewater sector and provide adequate staff resources to operate and maintain the sewerage system and treatment works

The St Martin Sewage Treatment Plant Extension project (Euro 16,700,000)<sup>11</sup> serves a population of 220 000 to be connected to a sewerage system out of a total population of 310 000 projected by year 2005. Construction work is expected to be completed by early 2004. This first stage of St. Martin Treatment Plant is a vital part of Government's programme and one on which the forthcoming 9<sup>th</sup> EDF EU (water/wastewater) sector wide approach hinges on. It serves the Plaines Wilhelm's catchment, where only about 35% of the population benefit from sewerage and disposal facilities. The initial St. Martin wastewater treatment plant was overloaded hydraulically and biologically, resulting in 90% of wastewater being discharged untreated to the ocean.

The Wastewater Management Authority (WMA) has been transformed into a corporate autonomous body and legally entrusted with the two instruments for running its operations. The WMA Act 2000 was proclaimed on 30 August 2001, and the "Convention de Maîtrise D'Ouvrage Déléguée For Wastewater Works" as well as the "Contrat de Délégation For Public Wastewater Management" were signed on 31 August, 2001.

During 2002 and up to the end of 2003 the WMA is implementing its organisation structure in line with the corporate plan. It is further expected that in 2003 the WMA will progress on Human Resource and Staffing for the required institutional strengthening and capacity building.

---

<sup>11</sup> 8 ACP MAS 5

Regarding the improvement in the revenue base of the sector, the two concerned organizations, WMA and the Central Water Authority (CWA) have initiated discussions on the legal, operational and financial aspects of the joint billing system. It is expected that the collection performance shall improve, after an agreement on joint billing and charges is reached.

Activities of the Programme to Combat Erosion in Rodrigues (Euro 3,960,000)<sup>12</sup> are intended to sustainably improve the living conditions of Rodriguans by striking a balance between economic development and the sustainable use of natural resources. It will introduce all physical, human and legal measures to reduce the rate of erosion and promote a proper land use planning policy.

3 categories of activities are identified to obtain the objectives set: A. land use and management tools, B. central level implementation for institutional strengthening development of strategical approaches and public awareness and C. community level participatory land use and management improvement. The progress remained disappointing under workprogramme (WP) 1 (7/2000-6/2001) and a number of actions were undertaken during 2001 to improve the situation. The start of WP 2 (7/2001-6/2002) has been more encouraging with results achieved by its end : land use plans finalised for villages, water retaining structures substantially rehabilitated, track roads constructed, terraced land rehabilitated, a forest management plan established covering all forest reserves and sylvopastoral areas. The financing agreement has been extended until mid 2004.

## **2) Private Sector and Human Resource Development**

With the view of ensuring greater economic efficiency, Government's specific objective, supported by the European Union, is to create the right enabling environment for the development of the private sector, in particular the Small and Medium Enterprises (SMEs). In this context the Small and Medium Industries Development Organisation (SMIDO), functioning under the aegis of the Ministry of Industry, is entrusted with the task to draft and update the policy framework regarding the development, promotion, and enhancing of competitiveness of the SMEs. The SMIDO shows good sectoral policy commitment and is quite active in the implementation of its annual workplan.

Enhancing the Competitiveness of Small and Medium-sized Enterprise project (Euro 7,000,000)<sup>13</sup> was approved in March 2000, for a duration up to March 2004, to respond to the main problems of the SMEs : weak management, insufficient human resources, difficult and expensive access to credit and lack of professional organisation and collective representation. The project actually took off in August 2001 and by December 2002 around 170 "Flash Diagnosis" (free audit of 2/3 days to identify the strengths or weaknesses of the enterprise and outline a business plan) have taken place (over a target of 400 by the end of the project). There is however very slow implementation on the direct technical assistance component of the project as well as in the setting up of the equity participation and credit guarantee funds. The Project Management Unit, manned by an international technical assistance and some

---

<sup>12</sup> 8 ACP MAS 3

<sup>13</sup> 8 ACP MAS 10

local staff, seems to suffer from increasing lack of confidence from the project authorities and appears to have difficulties to catalyse or trigger direct technical assistance requests from SMEs; at the same time the management structures of the project at the country level, such as the Technical Committee and the Steering Committee are being perceived to be unduly heavy. Likewise the SMEFIN component, which will address the equity participation and guarantee funds, is slow-going in regard of the lengthy processes of state legal clearance for the retained mechanisms. Thus strong measures need to be taken and may be addressed during the mid-term evaluation early 2003.

Training and Human Resources Development for Port-related Organisations project (Euro 400,000)<sup>14</sup>, started in September 2000, aims to enhance the competitiveness and efficiency of Mauritius's port sector, by improving the skills and capacity of port-users (from both the public and private sectors) at all levels. The project has encountered substantial delays due to an excessively long "teething" stage, principally in regard of EDF rules, regulations and procedures, for the project owner, the Mauritius Ports Authority, though it may be indicated that, since the very start, insufficient human resources have been devoted to ensure a proper running of the project. The project had to be extended from August 2002 to August 2003 mainly to reap the full benefits of the international technical assistance recruited quite late, in February 2002.

The direct beneficiaries of the Clothing Technology Centre (Euro 1,365,000)<sup>15</sup> project are SMEs, which due to the lack of adequate structure, human resources and the scale of their businesses, tend to rely more on external support for investment in technology and training and thereby benefiting from economies of scale. The project aims at providing institutional support to the centre, through the provision of TA and specific equipment. It is scheduled to be completed by December 2003. A Steering Committee for the project was first convened in November 2002 to set out the final programme of activities leading to closure of the project in December 2003. The activities will involve purchase of equipment for the Centre, short term Technical Assistance to continue training in the apparel sector and to appraise usage of newer technologies for production and trade.

Tourism Master Plan for Mauritius and Rodrigues (Euro 650,000)<sup>16</sup> analysed how many facets of development in the tourism sector can be drawn together and integrated in policies and strategies, which will guide the optimal development in the long-term and ensure the application of competitive and qualitative concepts to tourism development. Both master plans are now completed after numerous discussions at the ministry level and two workshops including civil society and private sector representatives.

#### **4.1.3. 9<sup>th</sup> EDF : Environment – Water/Wastewater Sector**

---

<sup>14</sup> 8 ACP MAS 12

<sup>15</sup> 8 ACP MAS 6

<sup>16</sup> 8 ACP MAS 7

Government has recognised that economic growth needs to take into account environmental problems which affect social wellbeing and which could otherwise become a serious constraint to economic growth. Such environmental problems include wastewater disposal, a sector which had been badly neglected until the mid-1990s, such that only a very small percentage of the population had access to adequate wastewater/sewerage disposal systems. It was agreed that the Country Support Strategy should propose that up to 85% of Mauritius' 9<sup>th</sup> EDF allocation be channelled to the environment sector, for the purpose of funding components of the 1994 National Sewerage Master Plan (NSMP).

The following specific objectives shall be pursued for the focal sector of environment:

- improvement of the living standards of the populations affected
- preservation of the natural resource base
- sustainable water management.

Approximately € 28m are being reserved for this sector. The major policy measures to be taken by the Government as a contribution to the implementation of the response are:

- the overall implementation of the National Sewerage Plan;
- the continued commitment to achieving financial sustainability of the Wastewater Management Authority (WMA);
- the continued commitment to develop human resources within the WMA.

The mechanism envisaged for support to the focal sector – environment – is budgetary aid.

## 4.2 Projects and programmes outside focal sectors

### 4.2.1. Road Infrastructure and Human Resources - 7<sup>th</sup> EDF

The non-focal sectors of the 7<sup>th</sup> EDF were road infrastructure and human resources.

#### 1) Road Infrastructure

Phoenix-Nouvelle France Road Construction project (Euro 4,000,000)<sup>17</sup> was approved in June 1998. The Phoenix-Nouvelle France Road is the major link between the southern parts of the country and the capital Port Louis. More than 35,000 commuters use the road daily. The works are completed and the maintenance period expired 7 July 2001. The project was closed in November 2001. As in the case of the prior road construction project (Pamplemousses – Grand Baie) the positive impact of the project will be felt more and more in terms of facilitated access to public amenities (hospital), reduced access time and better road security for goods and persons movement in and out of the airport, and of course, as a trigger for the development of new zones whether residential or industrial.

#### 2) Human resources

---

<sup>17</sup> 7 ACP MAS 46



Support to the Mauritius Institute of Public Management (MIPAM) project (Euro 1,205,000)<sup>18</sup> aimed to sustain the rapid economic growth on the island by enhancing the public sector management. It consisted of training for executives and trainers of MIPAM and of financing for procurement of equipment and training material. The MIPAM has been absorbed as the School of Public Policy and Management in the new University of Technology and the project stopped at that stage; closure procedures have been engaged and some € 500 000 would be released to the country's EDF reserves.

Support to the Human Resources Centre in Rodrigues project (Euro 660,000)<sup>19</sup> aims at promoting human resources development in Rodrigues by providing new training facilities and thus reduce the training dependency of Rodrigues on the main island. The project consists of financing furniture and equipment, training of the HRC executives, and international as well as local technical assistance for project implementation and follow-up. The Government funds the construction of the HRC building. All the major supplies contracts have been successfully allocated before the end of the project in November 2002 and full commissioning of equipment should be carried out early 2003. The end of contract report of the Technical Assistance contains a comprehensive manpower analysis for Rodrigues for the period spanning up to 2008. The Centre would build on these recommendations to establish its short, medium to long term planning of contents acquisitions and developments, hiring of trainers as well as its recruitment policy for learners both from the academic or professional sectors. Since September 2002, following the accession of the island to "autonomy" status, the decisions now belong to the Rodrigues Regional Assembly and its related executive units.

Training of Police Cadre project (Euro 1,000,000 under two separate financing agreements under 7<sup>th</sup> EDF)<sup>20</sup> supports the reforms of the Mauritius Police Force. It aims at training and strengthening the country's police force to meet the requirements of civil society and to enable the police force to up keep and enforce the country's law and order in the most effective manner. After a positive external evaluation in 2002 the project is scheduled for closure early 2003.

Support to the Industrial and Vocational Training Board (Euro 2,500,000 under 6<sup>th</sup> and Euro 165,000 under 7<sup>th</sup> EDF)<sup>21</sup> consisted of the upgrading (equipment, training) of four old Pre-Vocational Training Centres in order to transform them into regional apprenticeship centres, of equipping and modernising three Industrial Trade Training Centres and of strengthening the Industrial and Vocational Training Board at the institutional level. The project is closed. The project impact is already quite visible: 300 apprentices a year for each of the four regional apprenticeship centre and about 600 trainees a year for each Industrial Trade Centre, with good level of passes at the National Trade Certification awards. The resources trained by these centres supply a

---

<sup>18</sup> 7 ACP MAS 16

<sup>19</sup> 7 ACP MAS 23

<sup>20</sup> 7 ACP MAS 42 and 7 ACP MAS 54

<sup>21</sup> 6 ACP MAS 39 + 7 ACP MAS 41

major part of the island's needs in professional utility services, craftsmanship, mechanics, masons, carpenters, etc.

The main purpose of the Technology Development in Private Firms project (Euro 2,900,000)<sup>22</sup>, funded under the CBI/TIS scheme, is to assist the private enterprises in the manufacturing and service sectors in strengthening their competitiveness in the international market, through financing on a 50/50 cost-sharing basis the acquisition of technological expertise and know-how. It is expected that enterprises will be encouraged to invest in technology-related improvement programmes, in areas such as design, training, skills building and quality systems. The project mid-term evaluation carried out in November 2001 was overall positive. By mid 2002, the Steering Committee set up to oversee the implementation of the project noticed some cases which would tend to signify some form of malpractices on the part of the PMU. It was agreed that all payments due to the contractor since that date would be withheld until these problems are resolved. At the same time, payments for a number of group projects in the IT field were also withheld because of suspected malpractices. A full-fledged technical and financial audit will be carried out in 2003 to address these issues.

### **3) Other projects**

Support to the national AIDS Programme (Euro 423,000)<sup>23</sup> aimed at providing information on AIDS to the general public and to target groups such as women on the Export Processing Zone (EPZ), youth workers and those in other groups with even higher risk behaviour (prostitutes, homosexuals and injecting drug users). Building of a blood bank comprising a virology laboratory and providing other laboratory facilities for the HIV/AIDS diagnosis was also part of the project. Thus for the first time, equipment for HIV tests on infants are available. The project is closed. Globally the National AIDS Programme has been carried out successfully. As a matter of continued vigilance and follow-up a structure comprising the National Aids Committee (NAC) and a Multi-Technical Advisory Committee (MTAC) has been set up.

The 7<sup>th</sup> EDF includes a study (Euro 40,000) and a project for works and supervision for the Rehabilitation of the Mahebourg Market (Euro 2,000,000)<sup>24</sup>. The reconstruction of the 150 years old market extends the market, provides more and better stalls for the vendors and improves the sanitation and hygienic conditions in the market and its immediate environment. Thus it will improve the welfare of the producers, retailers and consumers. It is further expected that the number of tourists visiting the market will increase and that the new market will increase the demand for, and therefore the production of, fresh agricultural and sea products. Works (Euro 1,850,000) and supervision (Euro 150,000) commenced in July 2000. Due to delays the revised contract completion date has been 15 March 2002 (without extra cost implications for the EDF). The guarantee period will expire end of March 2003.

---

<sup>22</sup> 7 ACP RPR 672

<sup>23</sup> 7 ACP MAS 19

<sup>24</sup> 7 ACP MAS 50 + 7 ACP MAS 51

A Microprojects Programme (Euro 1,000,000)<sup>25</sup> of 29 projects was completed in 2000. Education, health and social sectors were key areas of the programme. Other projects concerned support for income generation as well as actions for the benefit of the environment. A technical assistance component for ad hoc support was also included in the programme. In December 2002, the secondary commitment amounted to Euro 999,956, disbursements to Euro 966, 665 (97%), and the project is being closed. There would be a need to formally structure the follow-up of the impact of the microprojects onto the communities which they serve and taking into account the indicators or measurables defined earlier in regard of the Millennium Development Goals.

#### **4.2.2 Poverty Alleviation and Upgrading of Housing Estates - 8th EDF**

20% of total allocated resources were earmarked for activities outside the concentration sectors.

##### **1) Poverty Alleviation**

A Microproject programme (MPP) "Anou Diboute Ensam" (Euro 3,665,000)<sup>26</sup> aims at poverty alleviation. The focus of the MPP is on the initiation of projects from grassroots organisations, through a bottom up participatory and demand driven approach. The beneficiaries have to contribute with 25% of the project cost. The intervention areas are: social infrastructure aimed at improving the quality of life of the targeted poor, income generating activities, and vocational training and adult education.

The programme was launched in November 1999 and the fieldwork started in November. The project encountered a number of teething problems and was very slow to take off. Reorganisation and further recruitment of the staff for the PMU improved the situation and about 67 projects were approved by the end of 2002. In December 2002, the secondary commitment and disbursements amounted to Euro 3,664,999 (100%) and Euro 1,048,877 (29%). The project duration has been extended to August 2004. Whilst the programme evaluation will have taken place by May 2004 only, and which will then allow its stakeholders to derive the proper lessons as to best practices in matters of poverty alleviation community initiatives, it is already expected that the forthcoming decentralised cooperation programme under the 9<sup>th</sup> EDF will depart from the current organisational setup with more powers devolved to the non-state actors.

##### **2) Upgrading of Housing Estates**

Over the period 1960-1988, the ex-Central Housing authority (CHA) built some 180 housing estates to cater for those who had become homeless as a result of cyclones. A survey carried out in 1994 showed that only 86 were free from sewerage problems. Consequently Government embarked on major programmes to upgrade the sewerage infrastructure and approached the EU in 1997 to assist in improving six estates. A

---

<sup>25</sup> 7 ACP MAS 37

<sup>26</sup> 8 ACP MAS 9

Study of Sewerage in CHA Housing Estates (Euro 150,000)<sup>27</sup> was undertaken in 1998 (under 7<sup>th</sup> EDF) to verify and update the previous Government feasibility study and produce a project dossier before proceeding to the final design and preparation of works tender documents. The financing decision for the Sewerage in CHA Housing Estates project (Euro 4,000,000)<sup>28</sup> was taken in June 2000 and the agreement of the Commission with regards to award of contract has been taken in December 2001. Despite a difficult environment works, which effectively started in July 2002, are progressing satisfactorily towards a scheduled end by August 2004.

#### **4.2.3 9<sup>th</sup> EDF**

An indicative amount of 5 million Euros (out of 33 million) has been reserved for a programme of decentralized co-operation aimed directly at poverty alleviation and in close cooperation and dialogue with non-state actors. In conformity with the provisions of the Cotonou Agreement and EC Development Policy, requests for such projects should meet with the general objective of poverty alleviation. Priority will be given to projects benefiting the most deprived areas of Mauritius, Rodrigues in particular, and the poorest segments of the population.

The country is entitled to benefit also from resources under 9<sup>th</sup> EDF non-programmable aid (the “B” envelope) and other instruments, including EU budget lines and the Investment Facility.

#### **4.3 Utilisation of resources for non-state actors (NSA)**

In accordance with the provisions of the Cotonou Agreement, Mauritius and the EU accept the key role of political dialogue as a means of addressing all issues of mutual concern and of ensuring consistency and increased impact of development cooperation. In this respect, the integration of the private sector and of civil society has been duly encouraged and consultations with them have been effected during the drawing up of the CSS, the 9<sup>th</sup> EDF work-programme and the EU response strategy for Mauritius. Specifically, three stakeholder meetings were held (on 12 October, 10 November 2000 and 6<sup>th</sup> April 2001) at which the Strategy Paper, in differing stages of preparation, was discussed. The CSP was finally signed in February 2002 between Mauritius and the EU. It is foreseen to continue the consultative meetings with the non-state actors, also in the context of a formal study for the design of the non-focal sector 9th EDF Decentralised Cooperation Programme.

#### **4.4 Other instruments**

##### **4.4.1. European Investment Bank**

Under Lomé IV (second financial protocol) the EIB has to date approved a total of € 63m on the Bank’s own resources. This represents more than twice the indicative

---

<sup>27</sup> 7 ACP MAS 43

<sup>28</sup> 8 ACP MAS 11

amount of € 30m envisaged in 1997, as a global indication, for the total assistance that the Bank could provide from the resources for which it is responsible.

Most of the above resources (i.e. € 53m, or 84%) went to financing two large public sector projects: € 18m for the upgrading and extension of the passenger terminal at Sir Seewoosagur International Airport, which was urgently needed to accompany the rapid expansion of tourism and of Mauritius's economy in general, and € 35m for the rehabilitation and extension of the sewerage system in the Plaines Wilhems area.

In the private sector, a loan of € 10m served to part-finance the construction of a base-load coal/bagasse fired power station situated in the north of the island. The project was completed on schedule and started commercial operation in 2000. By diversifying a substantial share of Mauritius' electricity production away from oil-fired generation and contributing to the rationalisation of the sugar industry, the economic and environmental benefits of the project will be significant.

The contribution of the EIB to development finance co-operation with Mauritius in the framework of the Cotonou Agreement will be the provision of long-term financial resources other than grants, to assist in promoting growth in the private sector and in helping to mobilise domestic and foreign capital for this purpose. The support will be in the form of risk-capital from the Investment Facility or as loans from the EIB's own resources.

The Bank shall be prepared to examine financing requests emanating from all economic sectors. Both private and public entities will be eligible, provided the latter are commercially run and their activities are critical for the private sector. The Bank will focus on three main areas of intervention. First, direct funding of large individual projects, where the Bank can contribute value added in the technical appraisal of the investment and/or act as catalyst in attracting private external debt and equity finance. Second, financing large infrastructure projects, namely in the power, water and sewerage, port, transport and telecommunications sectors. The emphasis will be to help increase the efficiency of public utilities and to encourage private sector participation where appropriate. Third, close co-operation with local financial intermediaries to support small and medium-scale enterprises through global loans, equity or guarantee funds.

A list of on-going EIB projects in Mauritius is in Annex 8.

#### **4.4.2. Regional co-operation**

Mauritius is a member country of the Indian Ocean Commission, which benefits from EDF regional allocations. Under the 7<sup>th</sup> EDF the regional allocation was Euro 30 million, out of which 80% was reserved to the focal sectors of (1) development of trade in products and services and (2) protection and sustainable management of natural and maritime resources. The same focal sectors benefited of Euro 25.5 million, i.e. 85% of the 8<sup>th</sup> EDF regional allocation of Euro 30 million.

The chosen priority sector for Mauritius within the 9<sup>th</sup> EDF, environment, exhibits significant coherence with on-going regional co-operation in the South Indian Ocean.

An on-going project under the 7<sup>th</sup> EDF in this region is the Regional Support Programme for Environmental Initiatives. Under the 8<sup>th</sup> EDF another environmental initiative has started and concerns the development and implementation of a programme for environmental education.

Contrary to previous regional indicative programmes that were specific to the Indian Ocean Region, the 9<sup>th</sup> EDF RIP covers also Eastern and Southern Africa. The total allocation of the RIP is 223 million. The functional policies to be implemented especially by the IOC within the RIP are concentrated on sustainable management of marine and coastal resources.

A separate annual report 2002 is prepared for the regional programme. A list of on-going regional projects is in Annex 7.

#### **4.4.3. The Sugar Protocol and the Special Preferential Sugar Agreement**

Since 1975, Mauritius has been granted preferential access to the European market under the Sugar Protocol of the Lomé Convention. The quota amounted to 507,000 tons of raw sugar. The Special Preferential Sugar Agreement (SPA 1995), under which Mauritius was allocated an additional quota of 85,000 tons, expired in 2001.

Following the approval of the “Everything but Arms” initiative in 2001 which gives the LDCs a quota free access to the EU for sugar, the SPA was renegotiated and Mauritius has been confronted with a reduction of its SPA quota to some 35,000 tons in favour of LDCs. This is going to be phased out in 2008/09.

Even if there was not any further drop in the value of euro against the US dollar in 2002, wage increases continue to weigh heavily on the finances of the sector. However, in anticipation of this, a strategic plan for the sector was developed by the Government in 2001 and agreed between all the stakeholders. This plan provides for a Voluntary Retirement Scheme. It was further announced that three sugar factories would be closed by the end of the year.

The sugar crop 2001/02 amounted to 645,600 tons whilst the sugar exports to Europe in 2001/02 amounted to 592,000 tons with a value of Euro 327 million. The equivalent value of this quantity of sugar at world market prices amounts to Euro 144 million, therefore giving Mauritius a net benefit of Euro 183 million from the sugar Protocol in 2001/02.

#### **4.4.5. General trade preferences**

Under the Lomé Convention, Mauritius benefits from general trade preferences including special derogations. The benefits of trade preferences are eroding with the general process of trade liberalisation. However, the countries of the region are to negotiate Economic Partnership Agreements (EPA) with the EC, for the purpose of increased trade and revenue generation. The negotiations started in September 2002 and will be completed by 2008 when the transitional period for general trade preferences will end.

#### **4.4.6 Fisheries Agreement**

During 1999 a new, fourth, Fisheries Protocol was negotiated valid until 2002 and a one-year extension from 3 December 2002 to 2 December 2003 has been agreed between the EC and the government of Mauritius. Due to the low level of declared catches during the previous protocol the reference tonnage was reduced from 7 500 to 5 500. Total compensation over three years amounts to euro 1,237,000 of which 543,750 is for technical and scientific cooperation and 75,000 for training, in addition to Euro 0,6 m for fisheries development activities. Although the contribution of the EU was reduced for this agreement, the contribution of the ship owners through licence fees was significantly increased from up to 49,500 to 127,000 depending on the utilisation of the quota. The agreement allows a maximum of 83 European vessels to apply for licenses (43 seiners and 40 longlines). In 2002 limited use has been made of the facility.

#### **4.4.7. Budget lines**

In January 1999 the non-governmental organisation Handicap International obtained cofinancing from the European Commission NGO Cofinancing and Decentralised Cooperation Budget line to the tune of Euro 471,000. The project aims at supporting the integration of disabled people in Mauritius. The project implementation has had some delays and the project ended in December 2002.

In December 2000, Rodrigues based CRAC Anti-drug Group obtained EU financing of Euro 165.000 under the Fight Against Drugs Budget line. The project consists of the construction and management of a rehabilitation centre for alcoholics and drug-addicts. The centre will have 13 bed places and its objective is to respond to the physical and psychological needs of the patients and thus contribute to the social rehabilitation in Rodrigues. The construction part of the project was almost completed in 2001. The project runs for two years until January 2003.

#### **4.4.8 Centre for Development of Enterprise**

CDE activities in Mauritius are carried out with the help of the Export Processing Zone Development Agency, the Venture Capital Fund and the Chamber of Commerce, which is CDE's local contact organisation. The Centre for the Development of Enterprise (CDE) in collaboration with the Chamber of Commerce in Mauritius has undertaken activities to encourage and support the creation, extension and restructuring of industrial companies. The CDE has supported several enterprises, mainly in the textile sector.

### **5. Programming perspective for the following years**

As far as the 9<sup>th</sup> EDF focal sector is concerned (85% of 9<sup>th</sup> EDF A-allocation) the identification and instruction phase should be ready beginning 2003 along the lines of a sector wide approach with budgetary support as the financing mechanism. Issues

such as the sectoral performance indicators and the macroeconomic indicators, the physical and financial planning within the sector (pending a Medium Term Expenditure Framework, cf 3.3.2) still need to be addressed.

Released funds estimated at 5.7 million euro from project closure and unused prior National Indicative Programme (6th,7th,8th EDF) will be programmed in accordance with the CSP provisions and taking into account already identified projects for which appraisal studies or recommendations are in the pipeline.

The 9<sup>th</sup> EDF focal sector, being the major CSP orientation, is about improving the wastewater disposal. This objective tallies fully with one of the priority sectors of EC Aid policy: preservation of the environment. The EC involvement in the sewerage sector in Mauritius is thus fully consistent with the EC aid policy and objectives as stated in the Treaty establishing the European Community and reaffirmed in the Cotonou Agreement. These objectives are:

1. Promote sustainable economic and social development;
2. Foster the integration of developing countries into the world economy;
3. Combat poverty.

In particular the EU made an important contribution during the latest World Summit on sustainable development in Johannesburg to put again the overall water problematic and lack of access at the highest development politic agenda. Improving proper disposal of urban wastewater would check environmental degradation, preserve water resources, reduce discharges in the lagoon and ground contamination. This would impact positively on public health and particularly on the health of the poor who typically live in non-sewered areas. It would also allow Mauritius to continue sustaining a high economic growth, which is crucial to generate sufficient employment to absorb a young and fast growing labour force.



## 6. Annual operational reviews

### 6.1. Speeding up of the use of old EDF resources

As at 31<sup>st</sup> December 2002 the RAL<sup>29</sup> and unused balances on the National Indicative Programmes (NIP) for the on-going European Development Funds (EDF) are as follows :

EDF	NIP (+transfers)	GFC (primary commitments)	RAL		Balance unused on NIP	
6	31 228 637	30 353 844	480 396	1.5% of GFC	874 793	2.8% of NIP
7	34 864 635	33 738 745	3 507 425	10.4 % of GFC	1 155 890	3.3% of NIP
8	42 000 000	38 869 189	18 718 417	48.1% of GFC	3 130 811	7.4% of NIP

6<sup>th</sup> EDF : There is only one open project, initially meant to be committed on the 8<sup>th</sup> EDF. It is on-going and will be transferred in due time to the prevailing EDF upon global closure of the 6<sup>th</sup> EDF.

7<sup>th</sup> EDF : The RAL relates mainly to approximately € 500 000 on project 7 MAS 16 (MIPAM), € 2 000 000 on project 7 MAS 32 (NPIP), and € 500 000 on project 7 MAS 51 (Mahébourg Market).

Out of these RAL, decommitment to be effected early in 2003 is for project 7 MAS 16, to the tune of approximately € 500 000. The NPIP project goes on to 2006 and funds under the Mahébourg Market will be used by the end of the project in August 2003.

#### Available resources on 6,7,8 EDF and new commitments :

Unused NIP balances	€ 5 161 494
Decommitments	€ 600 000
Total realised resources	€ 5 761 494

#### Forecast new primary commitments :

E-commit project (expected July 2003)	: € 2 000 000
New phase for anti-erosion programme in Rodrigues	: € 1 500 000
Balance to be transferred for the 9 <sup>th</sup> EDF NIP objectives	: € 2 200 000

The balance of the released resources could be used in the context of the 9<sup>th</sup> EDF CSP to top up the focal sector programme (waste water sector), perhaps for the financing of the monitoring Technical Assistance, or, alternatively, the decentralized cooperation programme of the 9<sup>th</sup> EDF non-focal component.

<sup>29</sup> RAL : “Reste à liquider”, is total funds yet undisbursed on primary commitments (now called global financial commitments, GFC )

## 6.2 Setting indicators and targets for measuring results in focal sectors – Refinement of the 9th EDF Indicators

Further to the broad outlines in the CSP and the initial set of indicators mentioned in the 2001 Joint Annual Report, two important studies have been contracted in late 2002 to assess the macroeconomic situation and to finalise the framework of indicators to be retained in the context of 9<sup>th</sup> Focal Sector implementation.

Up to the point when the financing proposal would be drafted for the 9<sup>th</sup> EDF focal sector intervention, budget support to the waste water sector, it is foreseen that complementary inputs may still be sought from the forthcoming long term technical assistance to the Waste Water Management Authority.

The two latest studies (nov 2002 : macroeconomic and sectoral) have endeavoured to refine the definition and formulation of the indicators as tabled out in the CSP intervention framework to ensure that they can provide the necessary feedback on progress and results from the beginning of the 9<sup>th</sup> EDF implementation until, at least, the mid-term review. Indeed all sector wide approach to the provision of development aid requires that appropriate targets and indicators (SMART) are needed for monitoring progress in the sector.

During the first semester 2003 state and non-state stakeholders will have to be consulted and should acknowledge the performance indicators related to the 9<sup>th</sup> EDF sector wide-approach for Mauritius. The main monitoring tool will be principally in the form of progress in selected output and outcome indicators :

- a) The review and monitoring process will be based on the trends in the wastewater sector based on policy-driven indicators supported by the Wastewater Management Authority (WMA), Ministry of Public Utilities and Ministry of Finance.
- b) Macroeconomic and public finance management indicators

In addition to the performance indicators, trigger conditions for the release of tranches within the budgetary support envelope will have to be determined.

The table below shows the set of indicators that would most probably be used for the targeted sector, to be agreed however with the other donors. The finalisation of the indicators during early 2003 and their formalisation as part of the Financing Proposal for the 9<sup>th</sup> EDF Focal Sector Programme will de facto constitute an update to the the intervention framework for the 9<sup>th</sup> EDF as embodied in the CSP.

<b>Performance indicators for the Wastewater Sector</b>	<b>Notes/Proposed indicators measured</b>
Project Capital expenditure under National sewerage programme (Yearly )	The base projected expenditure is based on the financial year from 1st July to 30 <sup>th</sup> June the following in Constant Rupees
House connections (Cumulative)	Cumulative Projected domestic & non-domestic (living quarters) connections

WMA financial performance	Expressed as an annual amount of revenue collected to reflect combined effect of tariffs increases and improved collection performance.
Implementation of industrial pollution control programme	Yearly. Implementation of Industrial Agreement with the Industries discharging wastewater into the public sewer networks.
Improvement of access of the poor to suitable sanitation	Yearly. Cumulative number of poor households getting access to proper sanitation through the CHA projects and from other capital sewer works planned

Regarding indicators appertaining to the macroeconomic situation and public finance management the 9<sup>th</sup> EDF macroeconomic study recommends that the following aspects be closely monitored by the Delegation:

- **Government budget deficit:** Mauritius has agreed with the World Bank (PERL I (Public Expenditure Reform Loan)) to contain the budgetary deficit to 6.5% of GDP in 2001/02 and to gradually decrease it to 4.0% of GDP by 2004/05, so as to reach 3% of GDP by 2005/06.
- **GDP growth:** As long as economic growth keeps up the fast trend of the past of over 5% p.a. in real terms, problems, including the budget deficit, are manageable.
- **Budgetary process:** Mauritius' budget efficiency and transparency is the main factor in the country's eligibility for budget support programs. Close monitoring is necessary to ensure that it stays that way.
- **Medium-term expenditure framework:** Mauritius is planning to introduce such a framework with World Bank's assistance and the Delegation should monitor progress with a view to helping it if needed, particularly in the sector chosen for budgetary support.
- **Procurement procedures:** Mauritius is preparing new procurement procedures, which are expected to be ready by the first quarter of 2003. Close monitoring is necessary as this can have substantial impact on the budget support program. If the work is delayed, alternative solutions will have to be found.

Target numbers are available for the macroeconomic indicators (GDP growth, budget deficits, international reserves) and come from the World Bank President's Report on the first PERL (April 3, 2002), which was discussed and agreed with the Mauritian authorities. They figure in the table below but may need to be updated every year or whenever new developments require it.

Objective	Indicator	Monitorable Outcome
To ensure continued good economic performance	GDP Growth	4.6% in 2002/03 5.5% in 2003/04 5.3% in 2004/05
	Overall budget deficit	-6.0% of GDP in 2002/03 -5.5% of GDP in 2003/04 -4.0% of GDP in 2004/05 -3.0% of GDP in 2005/06
	Total Gross Reserves	3.7 months of imports in 2002/03 3.7 months of imports in 2003/04 3.7 months of imports in 2004/05
	Real effective exchange rate (1995 = 100)	105 in February 2002 102 in 2002/03* 100 in 2003/04* 100 in 2004/05*
To ensure continued sound, transparent and efficient budget process	Budget preparation	Start in early February and complete in May for presentation to National Assembly in June as scheduled. New policy initiatives presented and discussed at the same time when the overall budget envelope known.
	Budget implementation	Discrepancies between budgeted and actual revenues less than 5%* Discrepancies between budgeted and actual expenditures less than (i) 5%* for recurrent budget and (ii) 15%* for capital budget. Audit report does not reveal any serious irregularities or inappropriate expenditures.
	Medium-term expenditure framework (MTEF)	Pilot program for five ministries carried out in 2002/03 as scheduled.
To improve transparency in public procurement	Preparation and introduction of a new and modern public procurement system	New procurement procedures ready for Parliament action by March 2003*. Adoption by Parliament of new procurement legislation by end 2003*. Introduction of new system by end 2004*.

\*Indicative. The numbers are only given for illustrative purposes. The indicators need to be discussed and agreed with the Mauritian authorities before they can become operational.

### 6.3 Assessment of the ongoing in-field dialogue and proposals for further strengthening

The sectoral policy is supported by a significant number of donors. However this is also reflected through different implementation mechanisms from traditional projects approach (with strings concerning eligibility for firms on basis of nationalities) to the proposed EU Sectoral Budgetary Support.

Currently each donor carries out its project reviews independently considering their own specific rules and regulations (project approach). This unfortunately involves important absorption of the weak resources of the government in preparatory work and repetitive meetings (problem of the transaction costs).

The EC is keen to ensure full coherence between the proposed Programme and other development partner-supported actions, with a particular focus in the wastewater

sector. The Government has demonstrated clearly that it wants to be the key actor assuring a better co-ordination between different donors. The World Bank and the EC via Budgetary support are giving clear signals towards improved harmonization, reduction of transaction costs and improving ownership of the recipient country

The EC is a lead donor in the wastewater sector and is therefore well placed to raise issues. As the EC is the sole donor with a permanent representation in Mauritius it will have a key role to play to improve the co-ordination between donors.

It is proposed that both the EC and the World Bank hold regular meetings as from January 2003 with a commitment to increase coordination and to effect common monitoring missions throughout the budgetary aid implementation and disbursement process. Delegation of the European Commission in Mauritius in consultation with the World Bank office in Madagascar will indeed formalise the instruments (Memorandum of Understanding) for the EU-WB Joint Monitoring Missions. The wish of the Bank to cooperate with the EC in the field of budgetary support is very high.

Delegation also insists with Government on the latter's obligation to keep it informed of the missions of the other financial backers of the sector and to promote dialogue therewith. This will be closely followed up by the Delegation.

On the Government side, it recognizes the present weakness of donor coordination, but is ready to straighten the consultations among donors. The key role could indeed be played by the agreement between the two main donors (EC/World Bank), which will probably launch the global process.

On the more general issue of dialogue as per the Cotonou Agreement philosophy it is vital that stakeholders especially the non-state actors are kept informed on cooperation strategies affecting them directly. The decentralised cooperation envisaged under the 9<sup>th</sup> EDF of the Cotonou Agreement underscores the complementary roles and contributions of the non-state actors in the development process. Mauritius has already set in place a broad-based consultative mechanism regrouping key stakeholders of the society (NESC). This helps to promote greater interaction and dialogue on issues of national interest among the various segments of the population. In addition, the experience gained with the implementation of microprojects under previous EDFs for grass-root development has helped to forge closer cooperation with non-state actors.

It is proposed to carry out further consultations and dialogues in 2003 among state and non-state actors including EU Delegation and NAO to facilitate exchange of information and ensure the smooth implementation of major programme/projects for the coming year. This would especially be important for the successful implementation of the budgetary support for the wastewater sector and the decentralised cooperation programme under the 9<sup>th</sup> EDF.

**DELEGATION OF THE EUROPEAN COMMISSION IN  
MAURITIUS**

**and**

**NATIONAL AUTHORISING OFFICER**

**Co-operation between the European Union  
and the Republic of Mauritius**

**Joint Annual Report**

**2002**

**VOLUME II : ANNEXES**

26.11.2004

- ANNEX 1      INTERVENTION FRAMEWORK**  
                  **1A : 9<sup>TH</sup> EDF (UPDATED NOV 2004)**  
                  **1B : 8<sup>TH</sup> EDF (extract from NIP document, not updated)**  
                  **1C : 7<sup>TH</sup> EDF (Extract from NIP document, not updated)**
- ANNEX 2      CHRONOGRAMME OF ACTIVITES (WITH A PROSPECTIVE  
                  CHARACTER)**
- ANNEX 3      INDICATIVE TIMETABLE FOR COMMITMENTS AND  
                  DISBURSEMENTS**
- ANNEX 4      FINANCIAL SITUATION FOR 8<sup>TH</sup> EDF AT 31/12/2002**
- ANNEX 5      FINANCIAL SITUATION FOR 7<sup>TH</sup> EDF AT 31/12/2002**
- ANNEX 6      FINANCIAL SITUATION FOR 6<sup>TH</sup> EDF AT 31/12/2002**
- ANNEX 7      REGIONAL PROJECTS**
- ANNEX 8      EIB PROJECTS**
- ANNEX 9      ON-GOING PROJECTS PER SECTOR**

# **Annex 1**



**Cooperation  
European Union – Republic of Mauritius**

**Joint Annual Report 2002**

**9<sup>th</sup> EDF Intervention Framework for the focal sector (updated nov 2004)**

<b>Overall objective</b>	Outcome indicators	Sources of Verification	Assumptions
Sustainable balance between economic objectives, the rational management of the environment and the enhancement of natural and human resources (National Sewerage Plan)	1. National Sewerage Plan will be implemented as indicated	Quarterly follow-up of project planning	The update of Masterplan study by 2005
<b>EC support is to contribute to sustainable development preserving the fragile environment and public health via a Wastewater Sector Policy Support Programme (SPSP)</b>	2. Increase of population percentage connected to central sewerage collection system from below 20% to 50% in 2010	Central Statistical Office and Waste Water Management Authority (WWMA) statistics	
	3. Total house connections (HC) increased from present 32,250 to 66,200 in 2005	Customer database of WWMA	Financing for all capital projects including HC is guaranteed
	4. Adjustment of tariffs according to affordability criteria	Sector policy Letter (SPL) with necessary amendments	Amendment of SPL will be accepted
	5. Financial sustainability of WWMA reached by 2005	Yearly balance sheets of WWMA National Budget	
	6. Human resources development within WWMA	New WWMA Staff Chart, (including numbers of posts filled/vacant)	The required organization chart for the new WWMA will be the basis
	7. Improvement of public health situation in Mauritius (statistics on sanitation-related disease occurrence)	Central Statistical office and general health statistics	
	8. Improved water quality : groundwater and lagoon and coastal waters	Water quality tests – Pollution Control Unit	
	9. Improved availability of water for agriculture	Lower irrigation costs	Sugar industry accounts

In the context of the implementation of the Wastewater SPSP, **progress in selected output and outcome indicators will be the main monitoring tool:**

- a) The review and monitoring process will be based on the trends in the wastewater sector based on the following indicators. These indicators are policy driven and are supported by the WMA, Ministry of Public Utilities and Ministry of Finance.

**WMA – Performance Indicators and indicative targets**

Performance indicators for the Wastewater Sector	Baseline Data	Target				Notes
	2003	2003 /04	2004 /05	2005 /06	Weight	
Nr 1. Project Capital expenditure under NSP (Yearly )	Rs 900 m (2002/3)	Rs 1,100 m (2003/4)	Rs 1,160 m (2004/5)	Rs 1,500 m (2005/6)		The base projected expenditure is based on the financial year from 1st July to 30 <sup>th</sup> June the following in Constant Rupees (2002/2003)
Nr 2. House connections (Cumulative)	50,100	54,000	61,400	66,200	20%	Cumulative Projected domestic & non-domestic (living quarters) connections
Nr 3. WMA financial performance					40%	Expressed as an annual amount of revenue collected. This indicator shall traduce the combined effect of tariffs increases and improved collection <b>performance related to institutional efficiency and to enforcement of connection to sewer</b>
Nr 4 Implementation of industrial pollution control programme	0	50	50	50	20%	Yearly. Implementation of Industrial Agreement with the Industries discharging wastewater into the public sewer networks. Approximate Number of Industries in the sewered Area = 200
Nr 5 Improvement of access of the poor to suitable sanitation *	7,800	9,100	10,400	11,400	20%	Yearly Cumulative number of poor household getting access to proper sanitation through the CHA projects and from other capital sewer works planned

**b) Macroeconomic and public finance management indicators**

- i) Macroeconomic framework remains sustainable. The EC will confirm this on an annual basis before each tranche release. The macroeconomic assessment will be based on the latest available IMF article 4 consultations and on the EC own analysis. This assessment will particular monitor that the budget deficit follows a decreasing trend consistent with the GoM objective of 3% budget deficit in 2005/2006. If by the contrary the budget deficit increased over 8% of GDP, no further disbursement would be possible until the budget deficit is re-conducted.
- ii) Partnership – The GoM will maintain an open and constructive dialogue with the Donors in relation to macro-economic and social sector policies through the MOF. GoM will keep the Donors informed of changes in these policies.
- iii) Monitoring review and evaluation – GoM remains committed to continuing development of the wastewater sector programme and the review and monitoring of this through the annual review.
- iv) Regular information on compliance with PFM regulation in the form of audits of wastewater sector, is submitted by the GoM to the EC Delegation.
- v) Provision by the Government - as part of the annual review process - of assessment of the sector performance (compliance with quantitative targets of agreed indicators)

<u>Intervention Objective</u>	Specific Indicators	Sources	Assumptions
<p><b>The proposed intervention is to halt and reverse the trend of wastewater pollution on the island and its coastal zone and improve health and sanitary conditions of the population.</b></p> <p>The objective is thus the improvement of living standards of populations affected including preservation of the natural resource base and sustainable water resource management</p>	<ol style="list-style-type: none"> <li>1. Systematic reduction in numbers of septic tanks and absorption pits in service in urban and industrial areas</li> <li>2. Systematic collection of waste-water (WW) through reticulation system and treatment of WW for further reutilization of effluents</li> <li>3. Gradual elimination of industrial and domestic pollution sources and consequently preservation of water resources</li> <li>4. Improved monitoring of water resources and effluents</li> <li>5. Strengthening of water resources management</li> </ol>	<p>Works progress in sewer collection system and house connections programme – WWMA</p> <p>Works progress in capital projects – WWMA</p> <p>Works progress in capital project and signing of industrial agreements with industrial holdings – WWMA</p> <p>Water Resource Unit – MPU, WWMA, Ministry of Environment Ministry of Public Utilities</p>	<p>Capital projects will be executed as scheduled</p> <p>Execution of projects as scheduled</p> <p>Final adaptation and enforcement of standards</p> <p>Institutional set-up ready in 2001</p>

<u>RESULTS</u>	Specific indicators	Sources	Assumptions
<p>The infrastructure needed to protect the environment and public health expanded (up to 50% of the population connected in 2010) and the WMA is strengthened, with adequate legal status, human resources and tariff structure</p>			
<p>1. Disposal and treatment of wastewater sector in main urban areas are improved</p>	<p>House connections increasing from 50,100 in 2002/03 to 66,200 in 2005/06  Systematic reduction in numbers of septic tanks and absorption pits in urban and industrial areas  Length of new sewers improved</p>	<p>Central Statistical Office  Customer data base – WWMA</p>	<p>The trunk sewer (TS) is regularly maintained</p> <p>The reticulation system is maintained regularly</p>
<p>2. Collection/treatment of wastewater for coastal touristic areas is improved</p>	<p>Increase in number of hotel connections to sewer network  Pollution levels in the lagoon improve</p>	<p>Pollution Control Unit (PCU)  Water Resources Unit, MOE</p>	<p>Revenue is collected from domestic and industrial connections and there is Improved revenue collection from domestic, commercial and industrial clients</p>
<p>3. Discharge of industrial effluents done in proper way</p>	<p>Water quality improved and Water quality control is instituted for re-utilisation (e.g. for irrigation)</p>		

## LOME IV BIS - 8th EDF

### SECTORAL POLICIES AND COMMITMENTS

	Objectives pursued	Measures to be taken	Period	Indicators of achievement	Sources of verification	Responsibility
Environmental Protection	Wastewater management in an environmentally sustainable manner to reduce risks of pollution	- Rehabilitation and extension of facilities for wastewater treatment	1999	- More efficient treatment of wastewater & effluents	- Annual report on quality treated wastewater	- Wastewater Authority, Ministry of Public Infrastructure
		- Strengthening of the technical and managerial capacity of Wastewater Authority	1998	- Staff number and grade	- Annual reports - Organigram	
		- Improvement of cost recovery	1998	- Improved revenue base for operations and maintenance	- Annual reports - Financial audits	
		- Improvement of Operation and Maintenance	1998	- Financial and Human resources allocated to O & M activities	- Annual report	
Private Sector Human Resources Development	- Creation of an enabling environment to support private sector development, including Small and Medium Enterprises	- Study to identify private sector development needs	1997	- Study report	- Report	- Ministry of Economic Plann. & Development
		- Designing and implementation of a programme to support private sector	1998-1999	- Approved programme documents for private sector development	- Progress reports - Evaluation report	- Relevant public and private sector bodies

## LOME IV BIS - 8th EDF

### SECTORAL POLICIES AND COMMITMENTS

Poverty Alleviation	- Addressing poverty-related issues	<ul style="list-style-type: none"> <li>- Undertake a study to set up a poverty profile</li> <li>- Diagnose the constraints to poverty reduction</li> <li>- Examine the existing social safety nets and its cost effectiveness</li> <li>- Establish and implement a poverty alleviation programme</li> </ul>	<p>1997</p> <p>1997</p> <p>1997</p> <p>1998-2000</p>	<p>Approved study documents</p> <p>- Approved diagnosis</p> <p>Approved programme documents</p>	<p>- Reports</p> <p>- Progress reports</p> <p>- Evaluation</p>	<p>- Ministry of Economic Plann. &amp; Development</p> <p>- Relevant public and private sector organisations</p>
Upgrading of Housing Estates	- Improvement of the living conditions of the inhabitants and protection of the environment and groundwater resources	<ul style="list-style-type: none"> <li>- Rehabilitation of sewers to prevent water ingress and groundwater infiltration</li> <li>- Installation of sewer reticulation where houses drain to soakage/absorption pits</li> </ul>	<p>1997-2000</p> <p>1997-1999</p>	<p>- Number of houses served by the sewer systems</p> <p>- Number of houses served by the sewer systems</p>	<p>- Project completion report</p> <p>- Project completion report</p>	Wastewater Authority, Ministry of Public Infrastructure

## Lome IV - 7° FED

## CALENDRIER INDICATIF DES ACTIONS ET MESURES A PRENDRE

OBJECTIFS POURSUIVIS	ACTIONS ET MESURES A PRENDRE					
	Par le Gouvernement dans le cadre de ses politiques sectorielles	DATE	Par le Gouvernement avec l'appui de la Commission et par le biais des ressources du PIM	DATE	Par la Commission	DATE
1. Diversification Agricole						
1. Objectif global : accroître le degré d'autosuffisance alimentaire et promouvoir les cultures d'exportation	Poursuivre et renforcer les mesures incitatives dans le cadre de la stratégie de diversification agricole		Réhabilitation et extension des réseaux d'irrigation existants			
2. Objectif spécifique : Augmenter la production de céréales, fruits, légumes, etc.	- Etablir un système de recouvrement des coûts de l'eau d'irrigation visant la protection des intérêts des petits agriculteurs	91/92	- Mise à jour des études de faisabilité/ dossiers d'exécution	2° sem. 91	- Proposition de Financement ° Canal Magenta ° M1 Pipeline	1° sem. 92 2° sem.92
	- Accroître la disponibilité en eau pour l'irrigation chez les petits planteurs	92/93	- Lancement A.O : ° Canal Magenta ° M1 Pipeline	1° sem. 92 2° sem.92	- Décision de Financement ° Canal Magenta ° M1 Pipeline	1° sem. 92 2° sem.92
			- Début travaux : ° Canal Magenta ° M1 Pipeline	2° sem. 92 1° sem. 93		
			Mise en œuvre d'un projet de lutte contre les mouches de fruits	1° sem. 92	° Proposition de Financ ° Décision de Financem	2° sem.91 1° sem. 92
			Evaluation du projet d'épierrage Lome 111	1993		

## Lome IV - 7° FED

## CALENDRIER INDICATIF DES ACTIONS ET MESURES A PRENDRE

OBJECTIFS POURSUIVIS	ACTIONS ET MESURES A PRENDRE					
	Par le Gouvernement dans le cadre de ses politiques sectorielles	DATE	Par le Gouvernement avec l'appui de la Commission et par le biais des ressources du PIM	DATE	Par la Commission	DATE
11. Protection de l'environnement						
- Rationalisation du système de dépôt des déchets solides	- Coordination étroite entre tous les financements extérieurs  - Réalisation des études géophysiques nécessaires pour la reconnaissance des sites	2° sem. 91	- Etude de faisabilité  - Dossier A.O - Lancement A.O  - Construction site	2° sem. 91  1° sem. 92 2° sem. 92 1° sem. 93	° Proposition de Financem	2° sem. 92
- Protection des ressources naturelles de Rodrigues	- Affectation de cadres et agents à Rodrigues pour permettre l'exécution rapide du programme	2° sem. 92	- Etude préparatoire et l'élaboration d'un programme intégré pour Rodrigues  - Début exécution du projet	1° sem. 91 2° sem. 92	° Proposition de Financem ° Décision de Financem	2° sem. 91 1° sem. 92
111. Infrastructure routières						
- Meilleur désenclavement de la région Nord-Ouest du pays	- Acquisition des terres (avant signature du marche)  - Prise en charge sur budget national de tout dépassement de l'enveloppe FED allouée au projet	2° sem. 91	- Mise à jour du dossier d'A.O existant pour la route Pamplémousses-Grand Baie  - lancement A.O  - Réhabilitation de la route existante et construction d'une nouvelle transversale Est-Ouest	1° sem. 91 2° sem. 91 1° sem. 92	° Proposition de Financem ° Décision de Financem	2° sem. 91 2° sem. 91



## CALENDRIER INDICATIF DES ACTIONS ET MESURES A PRENDRE

OBJECTIFS POURSUIVIS	ACTIONS ET MESURES A PRENDRE					
	Par le Gouvernement dans le cadre de ses politiques sectorielles	DATE	Par le Gouvernement avec l'appui de la Commission et par le biais des ressources du PIM	DATE	Par la Commission	DATE
IV. Valorisation des ressources humaines						
- Promouvoir la formation professionnelle	- Mise en œuvre du Programme de Développement des Ressources Humaines et coordination étroite avec tous les bailleurs de fonds concernés	91/93	- Réalisations d'actions de formation, de préférence liées aux secteurs de concentration	1° sem. 92	° Proposition de Financ ° Décision de Financem	2° sem. 91 1° sem. 92
V. Suivi de l'exécution du P.I						
Améliorer l'efficacité de la mise en œuvre par :	- Mise en place d'une instance de concertation entre les Ministères et Services Techniques concernés par le P.I, avec participation de la Délégation de la Commission			91/95		
°un renforcement du dialogue Gouvernement - Commission et une amélioration de la coordination avec les autres bailleurs	- Organisation de réunions régulières avec les autres bailleurs de fonds			91/95		
°un suivi rapproché de l'exécution technique et financière des actions						
° l'accélération du rythme d'exécution						

## **Annex 2**

**Annex 2**  
**9th EDF Activity Pipeline Chronogramme (updated on basis of table in CSP)**  
*updated as at Nov 2004*

Activity	Amount	Identification	Appraisal	Financing Decision
9th EDF sector-wide approach for focal sector (budgetary aid) : water/wastewater sector	€ 29.6 million	2003/1	2003/2	2003/2
9th EDF non-focal sector Decentralised cooperation programme	€ 13.5 million	2003/2 - 2004/1	2004/2	2005/1
9th EDF Technical Cooperation Facility	€ 0.5 million	2004/1	2004/2	2004/2

## **Annex 3**

**PAYMENTS**

SUMMARY of	FORECAST 2nd SEMESTER 2004				FORECAST 2005						
	2 nd SEMESTER	ESTIMATION of RISK for 2004			1 st SEMESTER A	2 nd SEMESTER B	TOTAL PAYMENTS A+B	ESTIMATION of RISK for 2005			TARGET 2005
		Low L	Medium M	High H				Low L	Medium M	High H	
<b>TOTAL FORECAST PAYMENTS ONGOING INDIV. COMMITMENTS</b>	1.892.654	1.658.704	76.950	157.000	10.136.000	331.000	10.467.000	6.948.000	267.000	3.252.000	7.081.500
<b>TOTAL PAYMENTS ON NEW INDIVIDUAL COMMITMENTS</b>	377.910	167695	50.215	160.000	556.478	366.000	922.478	408.000	502.478	12.000	659.239
<b>TOTAL payments on NEW GLOBAL COMMITMENTS</b>	0	0	0	0	570.000	2.275.000	2.845.000	570.000	1.125.000	1.150.000	1.132.500
<b>TOTAL PAYMENTS</b>	<b>2.270.564</b>	<b>1826399</b>	<b>127.165</b>	<b>317.000</b>	<b>11.262.478</b>	<b>2.972.000</b>	<b>14.234.478</b>	<b>7.926.000</b>	<b>1.894.478</b>	<b>4.414.000</b>	<b>8.873.239</b>

**INDIVIDUAL COMMITMENTS**

SUMMARY of	2004	2005		
	2 nd SEMESTER	1 st SEMESTER A	2 nd SEMESTER B	TOTAL PAYMENTS A+B
<b>TOTAL NEW INDIVIDUAL COMMIT. ON ONGOING GLOBAL COMMIT.</b>	727.388	1.480.000	65.000	1.545.000
<b>TOTAL NEW INDIVIDUAL COMMIT. ON NEW GLOBAL COMMIT.</b>	0	2.698.300	2.000.000	4.698.300
<b>TOTAL PAYMENTS</b>	<b>727.388</b>	<b>4.178.300</b>	<b>2.065.000</b>	<b>6.243.300</b>

**GLOBAL COMMITMENTS**

SUMMARY of	2004	2005		
	2 nd SEMESTER	1 st SEMESTER A	2 nd SEMESTER B	TOTAL PAYMENTS A+B
<b>TOTAL NEW GLOBAL COMMITMENTS</b>	0	13.500.000	0	13.500.000



EUROPEAID  
CO-OPERATION OFFICE

MAURITIUS

## FORECAST EDF PAYMENTS 2004 - 2005 (ongoing INDIV. COMMITMENTS)

YEAR GLOBAL COMMIT	ACCOUNTING NUMBER (GLOBAL COMMIT.)	N° INDIV COMMIT	TITLE INDIVIDUAL COMMITMENTS	END DATE	SITUATION 1st JULY 2004			FORECAST 2nd SEMESTER 2004				FORECAST 2005						ALARM E
					AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP	PAYMENTS	ESTIMATION of RISK FACTOR			1st SEMESTER PAYMENTS A	2nd SEMESTER PAYMENTS B	TOTAL PAYMENTS A+B	ESTIMATION of RISK FACTOR			
									Low L	Medium M	High H				Low L	Medium M	High H	
<b>TOTAL FORECAST PAYMENTS ON ONGOING INDIVIDUAL COMMITMENTS</b>								<b>1.892.654</b>	<b>1.658.704</b>	<b>76.950</b>	<b>157.000</b>	<b>10.136.000</b>	<b>331.000</b>	<b>10.467.000</b>	<b>6.948.000</b>	<b>267.000</b>	<b>3.252.000</b>	
2000	6ACP MAS49	2	DRU UNIV.OF GREENWICH-NATURAL RESOURCES INSTITUTE	20051130	450.000	68.422	381.578	126.819	69.819	57.000		91.000	91.000	182.000			182.000	OK
2000	6ACP MAS49	3	DRU WORK-PROG 2 APEXHOM/WP/2 (10.09.03-31.08.04 : 1.444.500)	20040831	49.000	21.893	27.107	15.000		15.000				0				OK
1995	7ACP MAS23	11	ECO DP 4 01042001-31032002	20021130	202.100	165.987	36.113	4.000			4.000			0				OK
1996	7ACP MAS32	8	DRU START-UP WP 15012003-15072003	20030430	46.800	44.192	2.608	-4.508	-4.508					0				OK
1996	7ACP MAS32	9	DRU VAKAKIS INTERNATIONAL	20041231	850.000	380.745	469.255	293.456	213.456	80.000		175.000		175.000	175.000			OK
1996	7ACP MAS32	10	DRU WORK PROGRAMME 1 (01.05.03-31.03.04 : 9.728.000 MUR)	20040229	320.000	259.192	60.808	-5.000	0		-5.000			0				OK
1996	7ACP MAS32	11	DRU WORK PROGRAMME 2 (APRIL 04-31.12.04 : 15.642.165 MUR)	20041231	504.000	0	504.000	360.932	235.932	125.000				0				OK
1998	7ACP MAS51	1	INF ALLIED BUILDERS LTD (LIMITED TO 1300000 EUR)	20011129	1.300.000	1.296.050	3.950	0	0					0				OK
1998	7ACP MAS51	3	INF WP NO 1 26.06.2003-31.08.2003	20030831	223.000	220.330	2.670	0	0					0				OK
2000	8ACP MAS10	2	ECO JEXCO	20050802	747.500	485.168	262.332	100.000			100.000			0				OK
2000	8ACP MAS10	3	ECO WP 1 20112001-31032002 START-UP FOR PROJECT SME	20020731	372.000	75.897	296.103	-2.318	-2.318					0				OK
2000	8ACP MAS10	4	ECO WP 2 (01.07.02-31.12.03 : 22.024.100 MUR)	20031231	823.000	255.653	567.347	-115.000	0	-115.000				0				OK
2000	8ACP MAS11	1	INF TA CONTRACT - HYDROARCH	20031017	292.000	255.154	36.846	0	0			24.000		24.000	24.000			OK
2000	8ACP MAS11	2	INF WORKS CONTRACT - SOTRAVIC / SOTRAMON	20041231	3.410.000	3.183.074	226.926	226.926	226.926					0				OK
2000	8ACP MAS12	2	ECO WP 2	20020831	64.000	28.872	35.128	-35	-35					0				OK
2000	8ACP MAS12	4	ECO WP 3 01122002-31082003	20030831	116.000	53.124	62.876	-13.200	-13.200					0				OK
2001	8ACP MAS15	1	INF GARLAND ORMOND INTERNATIONAL	20030726	141.000	99.080	41.920	38.950		38.950				0				OK
2002	8ACP MAS17	1	INF BCEOM TA TO WMA	20060114	676.000	284.015	391.985	126.000	126.000			100.000	120.000	220.000	100.000	50.000	70.000	OK
2003	8ACP MAS23	1	ECO EURONET CONSULTING - FRAMEWORK CONTRACT	20030909	58.264	46.211	12.053	0	0					0				OK
1998	8ACP MAS3	1	DRU VAKAKIS INTERNATIONAL	20040630	850.600	772.788	77.812	40.000		40.000				0				OK
1998	8ACP MAS3	4	DRU WP 2 (1/07/2001-30/06/2002)	20020630	795.800	756.925	38.875	-46.000	-46.000					0				OK
1998	8ACP MAS3	7	DRU ANNUAL WORK PROGRAMME 3 (01.07.2002-30.06.2004)	20040630	917.000	720.332	196.668	135.000	135.000					0				OK
1998	8ACP MAS3	8	DRU AGRISYSTEMS-FRAMEWORK	20030627	59.992	58.999	993	0	0					0				OK
1998	8ACP MAS3	9	DRU MSIRI - ESTABLISHMENT OF A GIS SYSTEM	20040604	77.600	49.968	27.632	27.632	27.632					0				OK
1998	8ACP MAS3	10	DRU P.A.D. CO LTD (WORKS CONTRACT DATED 12.05.04)	20040630	279.000	0	279.000	70.000	0	70.000				0				OK
1999	8ACP MAS5	1	INF MONTGOMERY WATSON	20040207	1.400.000	976.255	423.745	0	0			97.000		97.000		97.000		OK
1999	8ACP MAS5	3	INF CONSORTIUM DEGREMONT/IBL/GC/GROUP FIVE	20061208	12.087.594	12.087.594	0	0	0					0				OK
1999	8ACP MAS5	4	INF CONSORTIUM DEGREMONT/IBL/GC/GROUP FIVE	20061208	892.152	891.887	265	0	0					0				OK
1999	8ACP MAS5	5	INF CONSORTIUM DEGREMONT/IBL/GC/GROUP FIVE	20061208	1.190.864	1.190.864	0	0	0					0				OK
1999	8ACP MAS5	6	INF CONSORTIUM DEGREMONT/IBL/GC/GROUP FIVE	20061208	824.233	824.233	0	0	0					0				OK
1999	8ACP MAS6	3	ECO DP 2 EPZDA 01102000-30092001	20010930	166.273	166.273	0	-59.000		-59.000				0				OK
1999	8ACP MAS6	4	ECO DP 3 EPZDA 01102001-30092002	20020930	172.028	172.028	0	-50.000		-50.000				0				OK
1999	8ACP MAS6	5	ECO WP 4 0101-31122003	20031231	403.000	192.567	210.433	-67.000		0	-67.000			0				OK



EUROPEAID  
CO-OPERATION OFFICE

MAURITIUS

## FORECAST EDF PAYMENTS 2004 - 2005 (ongoing INDIV. COMMITMENTS)

YEAR GLOBAL COMMIT	ACCOUNTING NUMBER (GLOBAL COMMIT.)	N° INDIV COMMIT	TITLE INDIVIDUAL COMMITMENTS	END DATE	SITUATION 1rst JULY 2004			FORECAST 2nd SEMESTER 2004			FORECAST 2005						ALARM E		
					AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP	PAYMENTS	ESTIMATION of RISK FACTOR			1st SEMESTER PAYMENTS A	2nd SEMESTER PAYMENTS B	TOTAL PAYMENTS A+B	ESTIMATION of RISK FACTOR				
									Low L	Medium M	High H				Low L	Medium M		High H	
1999	8ACP MAS6	6	ECO EXPERT CONSULTING - DESIGN & IMPLEMENTATION OF PILOT QU	20040103	67.200	64.916	2.284	0	0				0						OK
1999	8ACP MAS6	7	ECO TRFC HARNESS FICREL CONSULT AG - 2 TRAINING PROGRAMS ENER	20040118	10.970	10.871	99	0	0				0						OK
1999	8ACP MAS9	4	ECO WP 3 01092002-31082003	20030831	742.599	568.808	173.791	0	0				0						OK
1999	8ACP MAS9	5	ECO WORK PROGRAMME (01.09.03-31.08.04 : 59.520.000 MUR)	20040831	1.914.639	1.401.237	513.402	500.000	500.000				0						OK
2003	9ACP MAS1	1	INF WP FOR WATER STORAGE - RODRIGUES REG. ASS.	20050127	459.000	0	459.000	190.000	190.000			149.000	120.000	269.000	149.000	120.000			OK
2003	9ACP MAS3	1	WASTEWATER SECTOR POLICY SUPPORT PROGRAMME EC BUDGET SUPPORT	20071231	28.000.000	8.000.000	20.000.000	0	0			9.500.000		9.500.000	6.500.000			3.000.000	OK
2003	9ACP MAS3	2	ECO GEOMAR REF 12434 2004	20050730	0	0	0	0	0					0					OK

			FORECAST 2nd SEMESTER 2004					FORECAST 2005								
			ESTIMATION of RISK on PAYMENTS					1st SEMESTER 2005		2nd SEMESTER 2005		TOTAL 2005		ESTIMATION of RISK on PAYMENTS		
YEAR GLOBAL COMMIT	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE of <u>NEW</u> INDIVIDUAL COMMITMENT	INDIVID. COMMIT.	PAYMENTS	Low L	Medium M	High H	INDIVID. COMMIT.	PAYMENTS A	INDIVID. COMMIT.	PAYMENTS B	INDIVID. COMMIT.	TOTAL PAYMENTS A+B	Low L	Medium M	High H
<b>TOTAL INDIVIDUAL COMMITMENTS &amp; PAYMENTS</b>			<b>727.388</b>	<b>377.910</b>	<b>167.695</b>	<b>50.215</b>	<b>160.000</b>	<b>1.480.000</b>	<b>556.478</b>	<b>65.000</b>	<b>366.000</b>	<b>1.545.000</b>	<b>922.478</b>	<b>408.000</b>	<b>502.478</b>	<b>12.000</b>
		<b>Apexhom</b>										0	0			
2000	6ACP MAS49	DRU: WORK-PROG 3 APEXHOM/WP/3 (01.09.04- )	40.000	16.000	16.000		0		24.000			0	24.000	24.000		
2000	6ACP MAS49	DRU: AUDIT	0	0				15.000	9.000		6.000	15.000	15.000	9.000	6.000	
2000	6ACP MAS49	DRU: EVALUATION						20.000	12.000		8.000	20.000	20.000	12.000	8.000	
		<b>Northern Plains Irrigation</b>										0	0			
1996	7ACP MAS32	DRU: EVALUATION	70.000	42.000			42.000		36.000			0	36.000	36.000		
1996	7ACP MAS32	DRU : AUDIT	30.000	18.000			18.000		12.000			0	12.000	12.000		
		<b>Microréalisations à Maurice</b>										0	0			
1999	8ACP MAS9	ECO: WORK PROGRAMME (01.09.03-31.08.04 : 59.520.000 MUR) -RIDER	175.000	90.000	90.000							0	0			
1999	8ACP MAS9	ECO: IBF CONSULTING: EVALUATION	29.197	29.197	29.197							0	0			
1999	8ACP MAS9	ECO: BASNET CONSULTING : AUDIT	14.498	14.498	14.498							0	0			
		<b>Rehabilitation of Sewerage in CHA Housing Estates</b>										0	0			
2000	8ACP MAS11	INF: WORKS CONTRACT SOTRAVIC/SOTRAMON - RIDER FINANCING AGREEMENT	260.000	100.000			100.000		160.000			0	160.000		160.000	
		<b>Post Kalunde Rehabilitation Programme for Rodrigues</b>										0	0			
2003	9ACP MAS1	INF: WP FOR WATER STORAGE -RODRIGUES REG. ASS.- RIDER	15.000					15.000			15.000	15.000	15.000	15.000		
2003	9ACP MAS1	INF: EVALUATION								15.000	15.000	15.000	15.000		15.000	
		<b>Mauritius Wastewater Sector Policy Support Programme</b>										0	0			
2003	9ACP MAS3	INF: TECHNICAL ASSISTANCE CONTRACT						1.300.000	200.000		240.000	1.300.000	440.000	200.000	240.000	
2003	9ACP MAS3	INF: MID TERM EVALUATION CONTRACT						30.000	18.000		12.000	30.000	30.000		18.000	12.000
		<b>Evaluation of the Mahebourg Market</b>										0	0			
2004	9ACP MAS4	ECO: PLANTCENTER FRAMEWORK CONTRACT	13.693	8.215		8.215			5.478			0	5.478		5.478	
		<b>Technical Cooperation Facility</b>										0	0			
2004	9ACP MAS5	INF:EVALUATION PROJECT ST MARTIN						50.000	30.000		20.000	50.000	50.000	30.000	20.000	
2004	9ACP MAS5	ECO: PREPARATION STUDY NEW DCP	50.000	30.000		30.000			20.000			0	20.000	20.000		
2004	9ACP MAS5	ECO: VARIOUS STUDIES						50.000	30.000	50.000	50.000	100.000	80.000	50.000	30.000	
2004	9ACP MAS5	ECO: AUDIT PROJECT CTC	30.000	30.000	18.000	12.000						0	0			
												0	0			
												0	0			
												0	0			
												0	0			
												0	0			
												0	0			
												0	0			



**FORECAST NEW INDIVIDUAL COMMITMENTS (INCLUDING PAYMENTS) 2004-2005 ON ONGOING GLOBAL COMMITMENTS**

			FORECAST 2nd SEMESTER 2004					FORECAST 2005								
					ESTIMATION of RISK on PAYMENTS			1st SEMESTER 2005		2nd SEMESTER 2005		TOTAL 2005		ESTIMATION of RISK on PAYMENTS		
YEAR GLOBAL COMMIT	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE of <u>NEW</u> INDIVIDUAL COMMITMENT	INDIVID. COMMIT.	PAYMENTS	Low L	Medium M	High H	INDIVID. COMMIT.	PAYMENTS A	INDIVID. COMMIT.	PAYMENTS B	INDIVID. COMMIT.	TOTAL PAYMENTS A+B	Low L	Medium M	High H
													0	0		
													0	0		
													0	0		



## **Annex 4**

COUNTRY: MAURITIUS EDF 8							
SITUATION : 31/12/2002							
Accounting N°	Project title	GFC [ 1 ]	IFC [ 2 ]	% [2] / [1]	Paid [ 3 ]	% [3] / [1]	Action taken/to be taken and when (A-D):RAL. Status of projects open beyond end date A: GFC to close, B: IFCs to close,C:IFC with open advances, D: IFC with problems
		38.869.188,54	30.988.734,01	79,73%	20.150.771,96	51,84%	TOTALS
8-ACP MAS-3	Programme de lutte anti-érosion à Rodrigues	3.960.000	3.259.941	82%	1.853.263	47%	On-going (includes 20% top-up). Final year in 2003, to monitor and plan for extension (new project) under reliquats EDF 8 / 9
8-ACP MAS-5	St Martin Sewage Treatment Plant	16.700.000	16.400.000	98%	14.497.776	87%	C On-going. EDF payments finishing (limit : EUR 15M), supervision on-going. <b>To extend to 2004</b>
8-ACP MAS-6	Clothing Technology Centre	1.365.000	1.024.311	75%	649.612	48%	On-going. Final year in 2003, to monitor execution closely.
8-ACP MAS-7	Tourism development plan for Mauritius and Rodrigues	650.000	625.000	96%	477.037	73%	B Retention money to be paid to consultant after approval final report, then to close project
8-ACP MAS-8	Preparation of manual of procedures for poverty project	8.347	8.347	100%	8.347	100%	Closed
8-ACP MAS-9	8th EDF microprojects programme (Poverty project)	3.665.000	3.664.999	100%	1.048.877	29%	Slow disbursements.
8-ACP MAS-10	Support to Small and Medium Enterprises	7.000.000	1.989.970	28%	436.961	6%	Slow implementation
8-ACP MAS-11	Rehabilitation of sewerages in housing estates	4.000.000	3.702.000	93%	970.847	24%	On-going.
8-ACP MAS-12	Port Training	400.000	107.700	27%	37.611	9%	On-going. Extended to 08/03. TA ending in 02/03. To implement final WP (supplies, Rodrigues)
8-ACP MAS-14	TA Sewerage projects	98.342	98.342	100%	98.342	100%	Closed
8-ACP MAS-15	West Coast Sewerage Feasibility Study	150.000	-	0%	-	0%	Study to start beginning 2003,
8-ACP MAS-17	TA to Waste Water Management Authority	749.500	-	0%	-	0%	BCEOM contract awarded Oct 2002.
8-ACP MAS-19	9th EDF sectoral study	71.000	59.672	84%	47.738	67%	To terminate payments and close after issuance of final report
8-ACP MAS-20	Publ of brochure : Le FED à Rodrigues 1982 - 2002	20.000	18.000	90%	-	0%	On-going
8-ACP MAS-21	9th EDF macroeconomic study	32.000	30.452	95%	24.362	76%	To terminate payments and close after issuance of final report
				-		-	

COUNTRY: MAURITIUS EDF 8			% of NIP	% of GFC	AMOUNT in EUROS
SITUATION : 31/12/2002					
[ A ]	TOTAL N I P ENVELOPE including transfers and and Top Ups)	[ A ]			42.000.000
	Indicative Programme				39.500.000
	Top-up				2.500.000
[ B ]	GFC : Global Financial Commitments	[ B ]	92,55%		38.869.189
[ C ]	IFC : Individual Financial Commitments	[ C ]	73,78%	79,73%	30.988.734
[ D ]	PAYMENTS	[ D ]	47,98%	51,84%	20.150.772
[ E ]	Uncommitted balance	[ A ] - [ B ]	7,45%		3.130.811
RAL/RAC/RAP TOTAL	RAL (reste à liquider)	[ B ] - [ D ]	44,57%	48,16%	18.718.417
	RAC (reste à contracter)	[ B ] - [ C ]	18,76%		7.880.455
	RAP (reste à payer)	[ C ] - [ D ]	25,80%		10.837.962
RAL/RAC/RAP Category : NORMAL GFCs within delays	RAL (reste à liquider)		38,79%	41,92%	16.292.329
	RAC (reste à contracter)		17,95%		7.540.579
	RAP (reste à payer)		20,84%		8.751.750
RAL/RAC/RAP Category : A IFCs all closed GFC to close	RAL (reste à liquider)		0,00%	0,00%	-
	RAC (reste à contracter)		0,00%		-
	RAP (reste à payer)		0,00%		-
RAL/RAC/RAP Category : B Some IFCs not closed	RAL (reste à liquider)		0,41%	0,44%	172.963
	RAC (reste à contracter)		0,06%		25.000
	RAP (reste à payer)		0,35%		147.963
RAL/RAC/RAP Category : C IFCs with outstanding advances	RAL (reste à liquider)		5,24%	5,67%	2.202.224
	RAC (reste à contracter)		0,71%		300.000
	RAP (reste à payer)		4,53%		1.902.224
RAL/RAC/RAP Category : D IFCs with problems	RAL (reste à liquider)		0,00%	0,00%	-
	RAC (reste à contracter)		0,00%		-
	RAP (reste à payer)		0,00%		-

## **Annex 5**

Accounting N°	Project designation	Project amount €	Secondary commitments		Paid		
			€	%	€	%	
		[ 1 ]	[ 2 ]	[ 2 ]/[ 1 ]	[ 3 ]	[ 3 ]/[ 1 ]	
7.acp.mas.3	Route Pamplemousses - G Baie (travx.) : voir 7.mas.011	4.949.605,00	4.949.605,00	100%	4.949.605,00	100%	Closed
7.acp.mas.4	Gestion des ressources naturelles et agricoles de Rodrigues	1.938.021,76	1.938.021,76	100%	1.938.021,76	100%	Closed
7.acp.mas.5	Programme de controle des mouches de fruits	1.597.641,93	1.597.641,93	100%	1.597.641,93	100%	Closed
7.acp.mas.7	Etude Human Resource Centre - Rodrigues	19.083,00	19.083,00	100%	19.083,00	100%	Closed
7.acp.mas.8*	TRSF 5° FED : Prog. pluri-annuel de formation 84-86	26.660,35	26.660,35	100%	26.660,35	100%	Closed
7.acp.mas.9*	TRSF 5° FED : Rel.1-2-3 FED :AT Centre National Artisanat	10.739,00	10.739,00	100%	10.739,00	100%	Closed
7.acp.mas.10*	TRSF 5° FED : Rte Pamplemousses - G Baie (Supervision)	182.738,00	182.738,00	100%	182.738,00	100%	Closed
7.acp.mas.11*	TRSF 5° FED : Rte Pamplemousses - G Baie (Travaux)	166.848,87	166.848,87	100%	166.848,87	100%	Closed
7.acp.mas.12	West coast irrigation project (Magenta)	4.059.482,00	4.059.482,00	100%	4.059.482,00	100%	Closed
7.acp.mas.13	Etude NPIP (M1 Pipeline)	377.434,00	377.434,00	100%	377.434,00	100%	Closed
<b>7.acp.mas.16</b>	<b>Appui au MIPAM</b>	<b>1.205.000,00</b>	<b>716.330,00</b>	<b>59%</b>	<b>716.330,00</b>	<b>59%</b>	<b>Last two payn authorised by thereafter with WP funds</b>
7.acp.mas.19	Projet de lutte contre le SIDA	331.256,66	331.256,66	100%	331.256,66	100%	Closed
7.acp.mas.21	St Martin sewerage project feasibility study	57.902,00	57.902,00	100%	57.902,00	100%	Closed
7.acp.mas.22	Study : Northern Plains Diversification	26.322,52	26.322,52	100%	26.322,52	100%	Closed
<b>7.acp.mas.23</b>	<b>Human Resource Centre in Rodrigues</b>	<b>660.000,00</b>	<b>649.364,28</b>	<b>98%</b>	<b>444.513,26</b>	<b>67%</b>	<b>End of projec</b>
7.acp.mas.25	Study : Abattoir	59.321,00	59.321,00	100%	59.321,00	100%	Closed
7.acp.mas.30	Seminar on EDF procedures	25.462,00	25.462,00	100%	25.462,00	100%	Closed

Accounting N°	Project designation	Project amount €	Secondary commitments		Paid		
			€	%	€	%	
		[ 1 ]	[ 2 ]	[ 2 ]/[ 1 ]	[ 3 ]	[ 3 ]/[ 1 ]	
7.acp.mas.31	Consultancy : St Martin Sewage Treatment Plant	60.846,43	60.846,43	0%	60.846,43	0%	Closed
<b>7.acp.mas.32</b>	<b>Northern Plains Irrigation Project (Works)</b>	<b>9.000.000,00</b>	<b>7.205.960,98</b>	<b>80%</b>	<b>6.986.439,42</b>	<b>78%</b>	<b>On-going. Ext approved by I</b>
7.acp.mas.33	Final report on 6th EDF micro-projects program	16.506,86	16.506,86	100%	16.506,86	100%	Closed
7.acp.mas.34	Study on promotion of private sector	57.188,00	57.188,29	100%	57.188,29	100%	Closed
7.acp.mas.35	Rodrigues anti-erosion study	31.727,00	31.727,00	100%	31.727,24	100%	Closed
7.acp.mas.36	T.A. to Waste Water Authority	573.827,56	573.827,56	100%	573.827,56	100%	Closed
<b>7.acp.mas.37</b>	<b>Microprojects program</b>	<b>1.000.000,00</b>	<b>999.956,00</b>	<b>100%</b>	<b>966.665,00</b>	<b>97%</b>	<b>To close after MUR 1 278 58</b>
7.acp.mas.39	Training of Police Cadres (study)	24.524,00	24.524,00	100%	24.524,00	100%	Closed
7.acp.mas.40	Mahebourg market study	29.674,00	29.674,18	100%	29.674,18	100%	Closed
7.acp.mas.41*	Industrial & Vocational Training Board (see 6.MAS.039)	163.975,00	163.975,00	100%	163.975,00	100%	Closed
<b>7.acp.mas.42</b>	<b>Training of Police Cadres</b>	<b>550.000,00</b>	<b>515.176,41</b>	<b>94%</b>	<b>499.231,16</b>	<b>91%</b>	<b>To close</b>
7.acp.mas.43	Rehab. of sewage infrastructure in housing states (study)	138.539,00	138.539,00	100%	138.539,00	100%	Closed
7.acp.mas.44	Trend Forum 1998	113.415,00	113.415,00	100%	113.415,00	100%	Closed
7.acp.mas.45	Prefeasibility study : Desiltation of lagoon Rodrigues	32.900,00	32.900,00	100%	32.900,00	100%	Closed
7.acp.mas.46	Phoenix - Nvelle France Rd (2nd C/Way)	3.693.178,99	3.693.178,99	100%	3.693.178,99	100%	Closed
7.acp.mas.47	Preparation of microproject "Poverty Relief"	48.730,50	48.731,00	100%	48.731,00	100%	Closed



Accounting N°	Project designation	Project amount €	Secondary commitments		Paid		
			€	%	€	%	
		[ 1 ]	[ 2 ]	[ 2 ]/[ 1 ]	[ 3 ]	[ 3 ]/[ 1 ]	
7.acp.mas.48	Feasibility study Venture Capital and Mutual Guarantee	13.861,00	13.861,00	100%	13.861,00	100%	Closed
<b>7.acp.mas.50*</b>	<b>Mahébourg market : Consultancy services</b>	<b>150.000,00</b>	<b>124.000,00</b>	<b>83%</b>	<b>104.068,21</b>	<b>69%</b>	<b>Works finishe on-going</b>
<b>7.acp.mas.51</b>	<b>Mahébourg market : Works - Reconstruction</b>	<b>1.850.000,00</b>	<b>1.315.000,00</b>	<b>71%</b>	<b>1.296.050,28</b>	<b>70%</b>	<b>Works finishe on-going</b>
7.acp.mas.52	Set up Quality Strategy by Mauritian Horticultural sector	24.556,00	24.556,00	100%	24.556,00	100%	Closed
7.acp.mas.53	Appui participation craft	21.778,00	21.778,00	100%	21.778,00	100%	Closed
<b>7.acp.mas.54</b>	<b>Enhancing democracy and the state of law</b>	<b>450.000,00</b>	<b>411.058,56</b>	<b>91%</b>	<b>344.276,92</b>	<b>77%</b>	<b>Evaluation efi</b>

Accounting N°	Project designation	Project amount	Secondary commitments		Paid	
		€	€	%	€	%
		[ 1 ]	[ 2 ]	[ 2 ]/[ 1 ]	[ 3 ]	[ 3 ]/[ 1 ]
TOTAL PRIMARY COMMITMENTS (PROJECTS)		33.738.745,43	30.810.592,63	91%	30.231.320,89	90%
7th EDF NIP		34.000.000,00				
Transfers from prior EDF to 7th EDF		894.635,00				
*** symbol above denotes projects financed from transfers						
TOTAL 7th EDF NIP + Transfers		34.894.635,00				

		=	RATIO per [ A ]	RATIO per [ A ]	AMOUNT in EUROS
[ A ]	N I P ENVELOPE including transfers and and Top Ups)	[ A ]			34.894.635
[ B ]	PRIMARY COMMITMENTS	[ B ]	96,69%		33.738.745
[ C ]	SECONDARY COMMITMENTS	[ C ]	88,30%	91,32%	30.810.593
[ D ]	PAYMENTS	[ D ]	86,64%	89,60%	30.231.321
[ E ]	BALANCE UNDISBURSED ON PRIMARY COMMITMENTS	[ B ] - [ D ]	10,05%		3.507.425
[ F ]	BALANCE UNCOMMITTED ON INDICATIVE PROGRAMME	[ A ] - [ B ]	3,31%		1.155.890

## **Annex 6**

Project N°	Project Title	Project Amount (1)	Committed (2)	% [2]/[1]	Paid (3)	% [3]/[1]	Remarks
6.ACP.MAS.04	T.A. to the Agricultural Marketing Board	123.949	123.949	100	123.949	100	Closed
6.ACP.MAS.07	Agricultural Development Program in Rodrigues	3.228.056	3.228.056	100	3.228.056	100	Closed
6.ACP.MAS.08	Industrial Diversification Program (Grant)	4.893.891	4.893.891	100	4.893.891	100	Closed
6.ACP.MAS.09	Industrial Diversification Program (Special Loan)	4.692.581	4.692.581	100	4.692.581	100	Closed
6.ACP.MAS.10	T.A. for Preparation of Agric. Diversification Prog.	16.412	16.412	100	16.412	100	Closed
6.ACP.MAS.14	ACP-EEC Cultural Show	9.429	9.429	100	9.429	100	Closed
6.ACP.MAS.15	1st Microprojects Program	670.530	670.530	100	670.530	100	Closed
6.ACP.MAS.16	National Handicraft Development Program	1.693.145	1.693.145	100	1.693.145	100	Closed
6.ACP.MAS.17	Agricultural Diversification Program (Special Loan)	4.000.000	4.000.000	100	4.000.000	100	Closed
6.ACP.MAS.18	Agricultural Diversification Program (Grant)	4.007.573	4.007.573	100	4.007.573	100	Closed
6.ACP.MAS.20	T.A. to Energy Planification	22.000	22.000	100	22.000	100	Closed
6.ACP.MAS.21	T.A. to Project Prep. : National Derocking Scheme	50.093	50.093	100	50.093	100	Closed
6.ACP.MAS.22	T.A. to Tender Prep. : National Derocking Scheme	22.292	22.292	100	22.292	100	Closed
6.ACP.MAS.23	Study : A National Fruit Fly Control Project	38.757	38.757	100	38.757	100	Closed
6.ACP.MAS.24	National Derocking Scheme (Grant)	1.978.158	1.978.158	100	1.978.158	100	Closed
6.ACP.MAS.25	National Derocking Scheme (Special Loan)	979.063	979.063	100	979.063	100	Closed
6.ACP.MAS.26	Study : Upgrading of Existing Technical Training Institutions	21.644	21.644	100	21.644	100	Closed

Project N°	Project Title	Project Amount (1)	Committed (2)	% [2]/[1]	Paid (3)	% [3]/[1]	Remarks
6.ACP.MAS.27	Study (II) : National Fruit Fly Control Project	25.736	25.736	100	25.736	100	Closed
6.ACP.MAS.28	Evaluation : Agric. Dev. Project in Rodrigues	46.917	46.917	100	46.917	100	Closed
6.ACP.MAS.29	Supervision of road works : Pamplemousses/Grand Baie	159.443	159.443	100	159.443	100	Closed
6.ACP.MAS.30	Study : Preparation of West Coast Irrig. Project	54.966	54.966	100	54.966	100	Closed
6.ACP.MAS.31	Study : Range and Forest Management in Rodrigues	9.767	9.767	100	9.767	100	Closed
6.ACP.MAS.32	Study : St. Martin Sewage Plant	62.666	62.666	100	62.666	100	Closed
6.ACP.MAS.33	Study : Civil Service College	39.977	39.977	100	39.977	100	Closed
6.ACP.MAS.34	Study : T.A. Project to the EPZDA	54.472	54.472	100	54.472	100	Closed
6.ACP.MAS.35	Study : Solid Waste Management Project	59.200	59.200	100	59.200	100	Closed
6.ACP.MAS.36	Study (II) West Coast Irrigation Project	8.527	8.527	100	8.527	100	Closed
6.ACP.MAS.37	Study : Preparation of IVTB Support Project	14.130	14.130	100	14.130	100	Closed
6.ACP.MAS.38	Evaluation : National Derocking Scheme Project	45.544	45.544	100	45.544	100	Closed
6.ACP.MAS.39	IVTB Project : Technical and Institutional Support	1.980.267	1.980.267	100	1.980.267	100	Closed
6.ACP.MAS.41	Study : Prep. of Solid Waste Project Technical Dossier	142.856	142.856	100	142.856	100	Closed
6.ACP.MAS.42	Participation of MEDIA in 1995 Internaitonal Fairs	86.039	86.039	100	86.039	100	Closed
6.ACP.MAS.45	Study : St. Martin Sewage Plant	468.991	468.991	100	468.991	100	Closed
6.ACP.MAS.46	Review of Solid Waste Management Plan	57.334	57.334	100	57.334	100	Closed
6.ACP.MAS.48	Phoenix - N France road - Study	89.438	89.438	100	89.438	100	Closed

Project N°	Project Title	Project Amount (1)	Committed (2)	% [2]/[1]	Paid (3)	% [3]/[1]	Remarks
6.ACP.MAS.49	Improving the quality of horticulture	500.000	476.000	95	19.604	4	On-going
	<i>Total for projects</i>	30.353.844	30.329.844	100	29.873.447	98	
	<i>Total of 6th EDF NIP + Transfers from 4th EDF</i>	31.228.637					

		=	RATIO per [ A ]	RATIO per [ B ]	AMOUNT in EUROS
[ A ]	N I P ENVELOPE including transfers and and Top Ups)	[ A ]			31.228.637
[ B ]	PRIMARY COMMITMENTS	[ B ]	97,20%		30.353.844
[ C ]	SECONDARY COMMITMENTS	[ C ]	97,12%	99,92%	30.329.844
[ D ]	PAYMENTS	[ D ]	95,66%	98,42%	29.873.447
[ E ]	BALANCE UNDISBURSED ON PRIMARY COMMITMENTS	[ B ] - [ D ]	1,54%		480.396
[ F ]	BALANCE UNCOMMITTED ON INDICATIVE PROGRAMME	[ A ] - [ B ]	2,80%		874.793

## **Annex 7**

**COUNTRY: REGIONAL INDIAN OCEAN EDF 8**  
**SITUATION : OPEN PROJECTS EDF 6,7,8 AUGUST 2003**

Accounting N°	Project title	GFC [ 1 ]	IFC [ 2 ]	% [2] / [1]	Paid [ 3 ]	% [3] / [1]	Action taken/to be taken and when (A-D):RAL Status of projects open beyond end date A: GFC to close, B: IFCs to close,C:IFC with open advances, D: IFC with problems
<b>Totals</b>		<b>49.110.000,00</b>	<b>40.715.077,45</b>	<b>82,91%</b>	<b>35.280.728,50</b>	<b>71,84%</b>	<b>TOTALS</b>
8-ACP RIN-001	Unité Technique de Gestion auprès du Secrétariat de la COI	1.560.000,00	1.263.939,46	81,02%	1.259.950,17	80,77%	C Projet terminé. Clôturer progressivement les engagements, puis projet
8-ACP RIN-002	Programme cadre de coopération technique (PCCT) IV	1.950.000,00	1.856.586,79	95,21%	1.426.953,00	73,18%	Extension accordée au 31 JAN 2004
8-ACP RIN-003	Programme de coopération météorologique	1.800.000,00	855.157,00	47,51%	384.802,00	21,38%	Réallocation budgétaire et extension calendrier obtenus. En cours.
8-ACP RIN-004	Promotion d'une éducation pour la gestion de l'environnement	1.980.000,00	500.900,00	25,30%	152.525,00	7,70%	En cours. Extension accordée au 31 DEC 2005
8-ACP RIN-005	Augmentation plafond + PRIDE 7° FED ( 7 RPR 459)	1.583.000,00	1.503.010,00	94,95%	1.077.536,74	68,07%	C Projet terminé. Clôturer progressivement les engagements, puis projet
8-ACP RIN-006	Université de l'Océan Indien + 7 RPR 640	385.000,00	379.862,05	98,67%	193.392,00	50,23%	C Projet terminé. Clôturer progressivement les engagements, puis projet
8-ACP RIN-007	Programme Tourisme Régional + 7 RPR 67 + 6 RPR 520	163.000,00	162.099,01	99,45%	147.193,00	90,30%	D Ext projet FED 6 RPR 520 7 RPR 067
8-ACP RIN-008	Manifestation culturelle tournante	750.000,00	733.894,00	97,85%	574.396,00	76,59%	en cours
8-ACP RIN-010	Etude de faisabilité : Tuna Tagging	175.000,00	137.000,00	78,29%	122.098,34	69,77%	B Rapport final des consultants (Marine Resources Assessment Group MRAG) accepté. A terminer paiements et clôturer contrat (durée 19/8/02 - 18/2/03)
8-ACP RIN-011	Appui aux négociations commerciales COI	750.000,00	-	0,00%	-	0,00%	A A annuler
8-ACP RIN-012	Prog Régional de Protection des végétaux	4.850.000,00	1.203.000,00	24,80%	-	0,00%	En cours.
7.acp.rpr.067	Programme Régional Tourisme (Voir aussi 6. RPR.520)	1.500.000,00	1.434.478,38	95,63%	1.306.976,02	87,13%	D inchangé. Voir commentaires 6 RPR 520. Litigieux
7.acp.rpr.068	Appui aux programmes environnementaux pays COI	11.000.000,00	10.367.347,00	94,25%	9.503.843,00	86,40%	En cours, fin au 31/12/2003. Attention à la cloture des DP régionaux (Mad, etc)
7.acp.rpr.308	Prog. d'appui communautaire - formation en statistiques	200.000,00	192.256,00	96,13%	122.755,00	61,38%	B Prog tous ACP de 10 583 000. Voir avec BXL pour DATES et CLOTURE
7.acp.rpr.459	PRIDE	7.800.000,00	7.617.295,54	97,66%	7.420.974,13	95,14%	C Terminé. Désengagement partiel effectué. A clôturer DP et contrats et récupérer/justifier avances
7.acp.rpr.640	Université de l'Océan Indien	1.925.000,00	1.869.632,54	97,12%	1.631.140,00	84,73%	C Terminé. Poursuivre opérations de clôture des DP.
6.acp rpr.066	Invent. plantes aromatiques et médicinales de l'O. Indien	2.200.000,00	2.189.426,83	99,52%	2.178.053,52	99,00%	D 64 eng. dont 4 ouverts. Eng. 4 et 13 - DP MAD - et eng. 52 (DP CA) , 62 (DP COM) tjrs ouverts. Prob avec justif avances sur DP
6.acp rpr.067	Prog. d'assistance à l'Artisanat des pays de la COI	3.500.000,00	3.442.321,29	98,35%	3.440.722,86	98,31%	D Attention : EUR 400 000 censé être prélevé sur Art Promo Commerciale. Prob avec justif avances sur DP
6.acp rpr.332	Prog. de Coopération Culturelle monde Bantu	300.000,00	296.747,00	98,92%	233.342,00	77,78%	B Concerne seulement la partie comorienne, certifié complétée par Délégation au Gabon, projet global de EUR 5 600 000. A VERIFIER avec BXL pour DATES et CLOTURE
6.acp rpr.520	Programme tourisme régional COI	4.739.000,00	4.710.124,56	99,39%	4.104.075,72	86,60%	D 24 eng. dont 13 ouverts. Contrat litigieux Antelme et les DP 94, 95, 96, 97, 98, 99, 2000 tjrs ouverts



## **Annex 8**

**Cooperation  
European Union – Republic of Mauritius**

**Joint Annual Report 2002**

**ANNEX 8 – EIB PROJECTS – 31 DEC 2002**

**Lomé Convention IV – 1<sup>st</sup> Protocol**

<b>Loan number</b>	<b>Contract name</b>	<b>Date of signature</b>	<b>Sector</b>	<b>Amount in Euro</b>
16114	Mauritian production	27/07/1992	Industry	2,000,000
16799	CWA Water Supply	20/09/1993	Water	10,000,000
17771	Mauritius Telecom	28/12/1994	Telecommunications	14,000,000
18201	Baie du Tombeau Sewerage	06/11/1995	Water	16,000,000
18394	Port Louis Container Terminal	18/12/1995	Transports	12,000,000
18948	SSR International Airport	12/09/1998	Transports	6,000,000
19835	Port Louis Container Terminal	07/07/1997	Transports	3,000,000

**Lomé Convention IV – 2<sup>nd</sup> Protocol**

<b>Loan number</b>	<b>Contract name</b>	<b>Date of signature</b>	<b>Sector</b>	<b>Amount in Euro</b>
17670	Harel Belle Vue Bagasse Coal Energy	21/09/1998	Energy	10,000,000
20747	Mauritius SSR Airport Extension	10/10/2000	Transports	18,000,000
21396	Plaines Wilhems Sewerage	17/12/2001	Water	35,000,000

## **Annex 9**

## SECTORAL ANALYSIS OF ON-GOING PROJECTS AS AT 31/12/2002

Project N°	Project Title	Project Amount	AGRICULTURE	EDUCATION / TRAINING	ENVIRONMENT	HEALTH	HOUSING	INDUSTRY / TRADE	SOCIAL	TOURISM	TRANSPORT	Undefined / Others
			-	-	-	-	-	-	-	-	-	-
6.ACP.MAS.49	Improving the quality of horticulture	500.000	500.000	-	-	-	-	-	-	-	-	-
	LOME III (EDF 6)	500.000	500.000	-	-	-	-	-	-	-	-	-
7.acp.mas.16	Appui au MIPAM	1.205.000	-	1.205.000	-	-	-	-	-	-	-	-
7.acp.mas.23	Human Resource Centre in Rodrigues	660.000	-	660.000	-	-	-	-	-	-	-	-
7.acp.mas.32	Northern Plains Irrigation Project (Works)	9.000.000	9.000.000	-	-	-	-	-	-	-	-	-
7.acp.mas.37	Microprojects program	1.000.000	-	-	-	-	-	-	1.000.000	-	-	-
7.acp.mas.42	Training of Police Cadres	550.000	-	550.000	-	-	-	-	-	-	-	-
7.acp.mas.50	Mahébourg market : Consultancy services	150.000	150.000	-	-	-	-	-	-	-	-	-
7.acp.mas.51	Mahébourg market : Works - Reconstruction	1.850.000	1.850.000	-	-	-	-	-	-	-	-	-
7.acp.mas.54	Enhancing democracy and the state of law	450.000	-	450.000	-	-	-	-	-	-	-	-
	LOME IV.a (EDF 7)	14.865.000	11.000.000	2.865.000	-	-	-	-	1.000.000	-	-	-
8-ACP MAS-3	Programme de lutte anti-érosion à Rodrigues	3.960.000	-	-	3.960.000	-	-	-	-	-	-	-
8-ACP MAS-5	St Martin Sewage Treatment Plant	16.700.000	-	-	16.700.000	-	-	-	-	-	-	-
8-ACP MAS-6	Clothing Technology Centre	1.365.000	-	-	-	-	-	1.365.000	-	-	-	-
8-ACP MAS-7	Tourism development plan for Mauritius and Rodrigues	650.000	-	-	-	-	-	-	-	650.000	-	-
8-ACP MAS-9	8th EDF microprojects programme (Poverty project)	3.665.000	-	-	-	-	-	-	3.665.000	-	-	-
8-ACP MAS-10	Support to Small and Medium Enterprises	7.000.000	-	-	-	-	-	7.000.000	-	-	-	-
8-ACP MAS-11	Rehabilitation of sewerages in housing estates	4.000.000	-	-	4.000.000	-	-	-	-	-	-	-
8-ACP MAS-12	Port Training	400.000	-	400.000	-	-	-	-	-	-	-	-
8-ACP MAS-15	West coast Sewerage Feasibility Study	150.000	-	-	150.000	-	-	-	-	-	-	-
8-ACP MAS-17	TA to WMA	749.500	-	-	749.500	-	-	-	-	-	-	-
8-ACP MAS-19	9th EDF Sectoral Study	71.000	-	-	71.000	-	-	-	-	-	-	-
8-ACP MAS-20	Brochure Rodrigues on EU cooperation	20.000	-	-	-	-	-	-	-	-	-	20.000
8-ACP MAS-21	9th EDF macroeconomic study	32.000	-	-	32.000	-	-	-	-	-	-	-
	LOME IV Bis (EDF 8)	38.762.500	-	400.000	25.662.500	-	-	8.365.000	3.665.000	650.000	-	20.000

European Union - Republic of Mauritius Cooperation

SECTORAL ANALYSIS OF PROGRAMMABLE AID from Yaoundé II to Lomé IV

Funding Source	Total projects	AGRICULTURE	EDUCATION / TRAINING	ENVIRONMENT	HEALTH	HOUSING	INDUSTRY / TRADE	SOCIAL	TOURISM	TRANSPORT	Undefined / Others
Yaoundé II (EDF 3)	4.431.005	248.000	4.083.635	-	-	-	-	75.700	23.670	-	-
LOME I (EDF 4)	15.157.007	330.184	700.000	-	1.685.028	3.150.813	623.184	-	-	8.667.798	-
LOME II (EDF 5)	20.377.944	6.772.420	1.100.000	-	2.742.550	-	1.344.796	2.055.480	-	6.362.698	-
LOME III (EDF 6)	30.560.698	15.126.043	2.056.018	800.814	-	-	11.626.983	670.530	-	248.881	31.429
LOME IV.a (EDF 7)	33.742.495	17.174.432	3.045.922	2.799.090	423.000	-	216.981	1.065.237	-	8.992.371	25.462
LOME IV Bis (EDF 8)	38.008.347	-	400.000	24.920.000	-	-	8.365.000	3.673.347	650.000	-	-
<b>TOTALS</b>	<b>142.277.496</b>	<b>39.651.079</b>	<b>11.385.575</b>	<b>28.519.904</b>	<b>4.850.578</b>	<b>3.150.813</b>	<b>22.176.944</b>	<b>7.540.294</b>	<b>673.670</b>	<b>24.271.748</b>	<b>56.891</b>