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Executive Summary

Following two decades of remarkable growth, the Mauritian economy has experienced a slowdown after 2000, owing to the combined effects of the loss of trade preference in textiles, reform of the European Union's sugar market and soaring energy and goods prices. In response to these challenges, Government has, since June 2006, embarked on an ambitious, broad-based ten-year reform programme which aims at bringing the economy on a higher and sustained path of growth, with special emphasis on equity and social justice.

Through the reorientation of the country strategy under the 9th EDF End-of-Term Review, the EC has confirmed its support to the reform programme and has committed additional funding under the 9th EDF as budget support. During the year 2007, four major financing agreements (FAs) for a total sum of around € 55 million have been signed as assistance for the implementation of the economic reform programme. Further, the Country Strategy Paper (CSP) and National Indicative Programme (NIP) covering the period 2008-2013, developed around the Government's ten-year reform programme, was signed during the EU-Africa Summit held in Lisbon in December 2007. And lastly, Mauritius initialed the interim agreement for an Economic Partnership Agreement (EPA) that ensures that Mauritius maintains full duty-free and quota-free access to the European market while making reciprocal commitments to liberalize market access gradually over a 15 year period.

Government has also mobilized support for its reform strategy from other external development partners, including the Agence Française de Developpement, (AFD), the African Development Bank (ADB), and the World Bank (WB), who are contributing significant new loans via the General Budget Support mechanism. With a view to harmonize and increase efficiency and with the objective to develop a joint approach vis à vis the country's reform needs, the external partners have been holding regular joint missions and consultations with the Government on the economic reform programme throughout the year.

The implementation of the Multi-annual Adaptation Strategy for Sugar Sector (MAAS), is part of the Government reform and is being supported through the EC Sugar Accompanying Measures. It has taken Government and stakeholders more time than anticipated to agree on the specific modalities of implementing the MAAS, in particular equity aspects and the social dimensions across the strategy were subject to intensive debates. In this context, an agreement was finally reached in December 2007 which allowed subsequent progress in the restructuring process, notably with regard to factory closure and Voluntary Retirement Scheme (VRS).

During 2007, progress under the 9th EDF other programmes such as Wastewater Sector Policy Support (WSPSP), the Decentralised Cooperation Programme (DCP) and the Technical Cooperation Facility (TCF) has been good, although advancing at a slower pace than initially planned. Both programmes are being implemented in close collaboration with relevant local stakeholders, institutions and other partner organizations.

Commitments and disbursements under 9th EDF have proceeded as planned, with a total of € 67,984,833 committed and € 38,069,692 disbursed, of which € 11,263,349 in 2007 as payments for the WSPSP (€ 8,916,710), the DCP (€ 2,134,555), TCF (€ 245,292) and the closure of the post Kalunde rehabilitation programme under envelope B (€ -216,585 – See section 2.3).

1. Update on the political, economic and social situation

1.1 Update on the political situation and governance

Mauritius enjoys a vibrant democracy, with well established traditions of consensus building, maintenance of social harmony and liberty of expression by all sections of the population. The Government coalition led by the Labour Party, elected for a period of 5 years as a result of the 2005 National Elections, has a clear majority at the National Assembly. The post of the Leader of the Opposition was transferred from the MSM to the MMM party in September 2007.

Mauritius has agreed to undergo the African Peer Review Mechanism (APRM) of the New Partnership for Africa's Development (NEPAD). The full consultation process, launched in June 2007, is ongoing and the first phase of the Mechanism, i.e. the self-assessment report, is expected to be completed by April 2008.

In order to enhance the performance of the Judiciary Department, Government has introduced in 2007 several reform measures in the structure and operation of the judicial system and legal profession, as proposed by Lord Mackay in 1997 and 2006. The Judiciary reform is centered around reducing delays, the restructuring of the Supreme Court into a High Court and a Court of Appeal, the setting up of a separate DPP's Office with a team of law officers doing exclusively criminal prosecution work and the introduction of statutory time-limits for instituting proceedings before Court. The reform of the judicial and legal services is an ongoing process, and new measures, which are also in line with the prospective Government commitments made in the context of 10th EDF CSP programming phase, have been initiated both at the administrative and legislative level (see annex VI – Prospective Governance Commitments – update 20/06/2008). Those include the provision of more courtrooms, chambers and offices and the setting up of Special Committees to look into urgent matters of the Judicial reform, such as judicial training, court management, security and uniformisation, as well as court services to users.

In line with Government's commitments on financial governance, a Public Finance Management (PFM) assessment based on Public Expenditure and Financial Accountability (PEFA) methodology was undertaken. The report submitted in June 2007, highlighted the sound financial control and reporting, budget credibility and the transparency of the system and availability of information. In October 2007, the Government issued an Action Plan to address the few areas of weaknesses identified by the report, namely the level of extra-budget expenditures, the multiannual perspective in policy and budget planning, the tax collection effectiveness, the legislative scrutiny of audit reports. Some corrective measures have been undertaken in 2007, such as the simplification of the tax policy and the introduction of the programme based budgeting (PBB), some other are being or will be dealt with during 2008. A reform process for the parastatal sector has also been launched to make the latter more effective and efficient. In

addition, a new procurement act was passed in December 2006, hence making bidding procedures more transparent, efficient and accountable. The Procurement Policy Office has become operational and training sessions for officers involved in procurement have started in view of the proclamation of the Act in early 2008.

Rodrigues Island, which enjoys an autonomous status since 2001, has an economy much different from the main island, which is largely conditioned by its topography, its scarcity in natural resources (mainly water) and low human resource capacity. The Rodrigues Regional Assembly (RRA) has launched an ambitious programme of infrastructures and human resources development and promotion of private sector investment mainly in the areas of tourism, agriculture and fisheries. As regards public finance, Rodrigues is almost completely dependent on the Mauritius, which in 2007 allocated around 2% of its total budget to the RRA.

1.2 Update on the economic situation

In the past year, the Government's reform efforts have gathered momentum and first results can be noted. The Government has demonstrated its commitment to and ownership of the reform and there is now a growing support for the reform process within the business community and the civil society at large. In order to reconcile economic efficiency and social equity, Government is aiming at sharing benefits on a broad scale, especially through the Empowerment Programme (EP) which aims at creating higher paid jobs and broadening the circle of opportunities among the vulnerable ones.

The economic revival is more robust than expected. After a period of slow economic growth (average 3.6% between 2001/2 – 2004/5), mainly due to significant contractions in sugar output, the EPZ sector and the construction sector, Mauritius managed to reverse the declining trend in economic growth. In 2007, growth rate reached a solid 5.6%, driven mainly by positive performances in the construction sector (15%), the tourist industry (15.1%), hotels and restaurants (13.1%), the textile sector (10.1%), the real estate development (9.9 %) and financial services (7.3 %).

The unemployment rate also fell from 9.6% in 2005 to 8.8% in 2007 as economic activities improved. Inflation rate was exceptionally high in 2006/07 (10.7% as compared to 5.1 in 2005/06) owing to soaring oil prices, depreciation of the rupee, very high world demand for some commodities, adverse climatic conditions and higher freight rates. Compared to 2006, investment also picked up, registering a growth rate (exclusive of aircraft) of 12.1%; similarly, saving rate rose slightly to 17.6%. Moreover, private sector investment has also been increasing over the year (15.3% in 2006 and 17.5% in 2007), mainly as a result of high investment in hotels and IRS projects, and to a lesser extent in textile and wearing apparel industries.

Fiscal consolidation and debt management is at the core of the public finance reform. In order to restructure the public expenditure, strengthen expenditure controls and improve budgetary processes, the Government is implementing a Medium Term Expenditure Framework (MTEF). These reforms are embodied in a three year indicative Programme-Based Budgeting (PBB) framework which has been introduced in the 2007/08 Budget and is now internalized in the programmes of each Ministry. PBB will be approved by Parliament as the budget document starting 2008/09. It will be noted that the budget

deficit has been brought down to 4.3% of GDP in FY 2006/07, i.e. below 5% for the first time since 1999/2000 (3.8%) and is expected to lower further to 3.8% in FY 2007/08.

At the regional level, the Government is seeking to integrate its EPA and Aid for Trade agenda as well as consolidate regional integration to achieve a fully effective FTA within and between sub-regional groups and eventually an FTA covering Africa. Mauritius along with 15 countries has been negotiating within the ESA configuration and on 4 December 2007, Mauritius initialed an interim agreement with the EU. The deal includes a WTO-compatible market access schedule, provisions on development cooperation and fisheries. The agreement allows for 100% liberalization by the EU as of 1 January 2008 with transition periods for rice and sugar by 2015. Mauritius on the other hand will liberalize 95.6% of its products within the next 15 years. The Parties have undertaken to complete negotiations for a comprehensive EPA by 31 December 2008. The comprehensive EPA will include provisions on trade in services, trade related issues, customs and trade facilitation, and development issues, among others.

The CMMS (Comoros, Madagascar, Mauritius, Seychelles) has played a crucial role in the conclusion of the Interim EPA Agreement, in particular at the time when discussions were stalled in the ESA group in the second half of 2007. At the last CMMS Ministerial meeting held in Brussels during the EPA negotiations, the countries of the sub-region agreed that the development matrix should be reviewed and prioritized to better reflect the concerns and needs of the CMMS group.

Mauritius continues to strengthen ties with key trading partners including India with which a Comprehensive Economic Co-operation and Partnership Agreement is being negotiated. Similar efforts are under way with other Asian countries including China and Pakistan, with which a preferential trade agreement (PTA) entered into force in November 2007. Discussions are underway between the two Parties on the conclusion of a FTA. Mauritius has also been campaigning for the further extension of the US's African Growth and Opportunity Act (AGOA) during 2007 (which was however not granted in early 2008 for third countries fabric derogation). A Trade and Investment Framework Agreement (TIFA) has been signed with the US in 2006 and work is ongoing to operationalize the agreement with cooperation in selected sectors.

Mauritius is taking a major role in consultations with donor countries and international organizations under the Aid for Trade Initiative. On SIDS initiative, Mauritius is one of the founding members of the Small States Network for Economic Development (SSNED) which acts as a permanent structure within World Bank-sponsored Small States Forum to enable small states to share their expertise and technologies and to provide a continuous channel of communications among small states.

1.3 Update on the poverty and social situation

Absolute poverty is very low even by the standards of industrialized countries and relative poverty close to the best performers in the high income OECD. Poverty, defined as below 50% of median income, is only 8% in Mauritius as compared to 17% in the US, 12% in Australia and the UK respectively. However, the incidence of poverty is higher in Rodrigues, with 18.9% of the population living below the poverty line. A special poverty

report by the Central Statistics Office (CSO) found that absolute poverty (as defined < 1\$ per person per a day) affect less than 1% of the Mauritian population.

Mauritius has been constantly improving its ranking on the Human Development Index, from 0.662 in 1980 to 0.781 in 2000 to 0.804 in 2005. Government's commitment to its social development is reflected in the remarkable progress achieved in meeting the Millennium Development Goals (MDGs). Owing to its commitment and policy measures, especially free health care and free primary and secondary education, Mauritius has been able to meet 4 out of the 8 goals as well as some of the targets set for the missing goals. However, significant efforts are still required to fully achieve Goal 1 on eradication of extreme poverty, Goal 3 on Gender equality (target 4, 11 and 12) and Goal 6 on HIV/AIDS(target 7), while tangible results of measures undertaken to reach Goal 7 (target 9) – Integrate principle of sustainable development into country policies and programmes and reverse loss of environmental resources - are still to be measured. Mauritius is currently addressing the missing targets related to gender equality, combating HIV/AIDS and employment of young people : (1)Efforts are ongoing to empower women and to remove all forms of discrimination through appropriate legal reforms; (2) a National Multisectoral HIV and AIDS Strategic Framework has been elaborated for the period 2007-2011 and is currently being implemented to prevent new HIV infection and to mitigate the impact of the epidemic at all levels; and (3) with the recent economic reform programme, there is greater scope for employment in most sectors as evidenced by latest statistics showing a decline of the overall unemployment rate from 9.1% in 2006 to 8.5% in 2007. Overall, if current trends on economic and social policies are confirmed, Mauritius has good prospects to meet all MDGs by 2015.

Government has adopted a social agenda by launching a number of initiatives to provide more economic opportunities to people and widen the participation to the economic development. Under the Empowerment Programme (EP) and the Trust Fund for the Social Integration of Vulnerable Groups, schemes relating to social housing, micro-credit, training and re-skilling, distribution of educational materials and equipment are aimed at empowering the poor to guarantee inclusive growth. Moreover, tax reforms have been introduced to reduce the top income tax rate from 30% to 15% and to remove the lower middle income and many middle income families from the tax net, hence lowering the fiscal burden of many. As part of the Corporate Social Responsibility, the private sector is playing its part in contributing to national initiatives at promoting sustainable development and combating poverty. As a case in point, developers of Integrated Resort Schemes are being required to make a social contribution of US\$ 6,000 per villa, which will go towards poverty alleviation in the region.

1.3.1 Gender and children issues

In line with CEDAW (1984), Mauritius, from the legal framework point of view, is well equipped to combat discrimination related to gender, for instance the *Protection from Domestic Violence Act* (1997), subsequently amended in 2004 and 2007, the *Sex Discrimination Act* (2002). An Equal Opportunity Bill that has been prepared in 2007 will address outstanding practical problems relating to racial and gender discrimination. Government is receiving technical assistance from UNDP with a view of piloting a gender responsive Performance Based Budgeting (PBB) in selected Ministries. With this aim, the National Gender institutional set up of the Ministry of Women's Rights, Child

Development, Family Welfare and Consumer Protection has been consolidated and the National Gender Policy framework revised.

Downsizing in the sugar, textiles and clothing industries have predominantly affected women, whose unemployment rate far exceeds that of men. To foster women entrepreneurship, Government is providing direct assistance, including financial support, access to resources, capacity building, management and technical advice to women through the EP and the Trust Fund. So far 800 unemployed women/retrrenched workers have been on placement in business enterprises for on-the job training programmes under the EP and 130 women have started group businesses under the Special Programme for Unemployed Women.

In order to assist the most vulnerable families, the Government in 2007 has put in place several instruments, such as the *Women and Children's Solidarity Programme*, the *Family Empowerment Programme* and the *Child Mentoring Programme*. To better address the domestic violence that remains a problem in Mauritius, a *National Plan of Action to Combat Domestic Violence* has been launched in 2007. Its main focus is on legal framework, protection services and awareness campaigns. Also, to promote support services to enable women reconcile work and family responsibilities, Day Care Centre facilities have been consolidated.

A number of policy decisions aimed at ensuring the survival, development, protection and participation of children have been taken in line with the Convention on the Rights of the Child (CRC). The Ombudsperson for Children's Office is very active both at the national and the regional level, where it collaborates with the *Indian Ocean's Child Observatory* (ODEROI). Six Family Support Bureaux have been set up to enforce the *Child Protection Act* and a monitoring system for child abuse cases has been put in place.

1.3.2 Education and Training

The upgrading of school infrastructure, implementation of a new grading system and a comprehensive review of the curriculum at primary and secondary levels in the light of the national needs and developments world-wide have been important initiatives put in place to re-engineer the educational system. In 2007, pass rate at both CPE and HSC levels recorded a slight fall. CPE pass rate dropped from 66.17% as compared to 67.93% in 2006. Similarly, HSC pass rate in 2007 was 77.8% as compared to 79.3% in 2006. The growing number of educational institutions over the years has considerably improved access to tertiary education. In 2007, 51 institutions, both public aided and private, were operational as compared to 47 in 2006. As regards enrollment, in 2007 35,362 students were registered for tertiary education against 33,230 students in 2006. Also, in 2007, 1,853 post-secondary awards were given as compared to 1,730 in 2006, with particular increase in degrees and master degrees.

Despite the growing enrolment, the education system still suffers from a number of systemic problems, which result, among others, in low enrolment at the secondary and tertiary level as compared to the primary one. A cohort analysis over 13 years of education reveals that only 28% of pupils entering the first grade in 1994 had

successfully completed the secondary cycle in 2006¹. The main challenge facing the Government of Mauritius is to bring about substantial reforms that would address issues like quality of education, equity in access and enhanced opportunities to respond to the capacities and needs of the various groups in the education sector, of which those with special needs.

In this context, in 2007 the Government has requested the EC assistance for the elaboration of an Education Strategy Paper covering the period 2008 to 2020. The consultants, funded through TCF (see §2.2.2), started their assignments in October 2007; the report is expected to be finalized by March/April 2008 and inform the development of the National Education Strategy Paper. A National Human Resources Development Plan has been prepared by the Human Resources Development Council (HRDC) and was published in April 2007. To keep the database in the Plan as realistic and updated as possible, the document is now being reviewed in light of recent developments in the labour market.

The Zone d'Education Prioritaires (ZEP) programme have been further consolidated to address the issues of low achieving schools and high school drop out rates with the support of UNDP. More specifically, in 2007, priority was given to the following activities: (i) Capacity building of ZEP teachers for the application of innovative pedagogical practices; (ii) Development of pedagogical tools in the form of posters, CDs and the introduction of an Ed-kit for teachers, with the support of the French Cooperation and other partners; (iii) launch of few pilots in collaboration with the communities to improve the Government school feeding programme and promote community participation into public schools.

The EP has been complementing the ZEP programme through community empowerment to facilitate participation and improve performance of children from poor families. The activities of the EP have been accelerated to improve human resources capacity, through training and re-skilling programmes so as to ensure that employability and adaptability of the population.

1.3.3 Health

Life expectancy of Mauritians has increased from 68 to 72 years during the last twenty years. Infant mortality rate has declined from 22.0 per thousand live births in 1988 to 15.4 per thousand live births in 2007. Under-five mortality rate has fallen to 16.1 per thousand live births in 2006. Mauritius has to a large extent been successful in dealing with communicable diseases and the immunization coverage against major infectious diseases has reached over 90%.

The high prevalence of Non-Communicable Diseases (NCDs), which are responsible for about 80% of the burden of disease, is still a major concern. The most prominent NCDs such as diabetes, cardiovascular diseases, cancer, pulmonary diseases and hypertension are linked to common preventable risk factors related to lifestyle, such as tobacco use, unhealthy diet, obesity and physical inactivity. About 1 in 5 of adults aged 30 and above

¹ Draft "*Education and Human Resources Strategic Plan 2008-2020*", Ministry of Education and Human Resources, July 2008.

has diabetes and hypertension affects about 1 in 3 adults aged 30 yrs and over. Moreover, cancer cases continue to be on the increase.

As at end of December 2007, 3,133 (2,591 male, 542 female) cases of HIV and AIDS have been reported in the country, out of which 151 were non-residents. A shift in the mode of transmission of the disease from heterosexual to Injecting Drug Users (IDUs) is noted with concern. In 2007, 92% of new infections are among IDUs as compared to only 14% in 2002. A new HIV/AIDS Strategic Plan 2007-2011 is being implemented and a HIV/AIDS legislation has already been enacted to provide measures for the control and prevention of the propagation of the virus. A Needle Exchange Programme (NEP) is being implemented in collaboration with NGOs and a Methadone Substitution Therapy has been introduced with a view to support exit strategies of Injecting Drug Users (IDUs).

To improve the quality and range of health care delivery and widen access to health services, Government has decentralized the provision of health care services through a network of Regional Hospitals and Area/Community Health Centres. High-technology services, including neuro-surgery, angiography, cardiac and spinal surgeries are provided free of user cost. Screenings of NCDs are being undertaken at educational institutions, worksites and in the Community.

2. Overview of past and on-going cooperation

Given the Government's plan to reform the entire economy, including the Sugar Sector, the EC support was characterised in 2007 by the introduction of a general budget support programme - Improving Competitiveness for Equitable Development (ICED), financed from allocations under the Sugar Budget Line and 9th EDF ETR top-up.

In this context, EC and other development partners providing general budget support made tremendous progress toward donor coordination and harmonisation both during the planning and monitoring phases (see Chap 5). Efforts have also been directed to improve coordination of the technical assistance provided to line Ministries through Annual Business Planning (ABP) exercises that are held in February since 2007.

Particular efforts were also directed to ensure that the phasing out of the two ongoing sector policy support programmes (wastewater and sugar) were accompanied by measures geared toward the sustainability and continued policy dialogue. A link has been ensured between the past and future budget support programmes through the introduction of two indicators related to sugar in the new ICED programme.

For the wastewater sector, efforts were mainly directed at supporting the institutional reform and setting up a comprehensive environmental monitoring and audit system at the national level. In addition, the existing donor coordination mechanism is committed to assist and support the development and implementation of the new National Sewerage Master Plan.

As regard to the sugar sector, major delays occurred in the implementation of the reform, mainly due to disagreement between the Government and the private sector over issues of equity and social measures. As for the Decentralised Cooperation Programme, 2007 has been a crucial year as major efforts were directed to adapt the implementation plan to a rapidly evolving local environment. Several agreements were negotiated to push forward the implementation of activities in collaboration with relevant local institutions such as the HRDC, the Trust Fund for Social Integration of Vulnerable Groups (TFSIVG), the

Central Statistics Office (CSO) and other development partners' programmes, particularly UNDP.

As regards to the achievement of the financial targets, the performance of Mauritius has continued to be very good with 99% of decommitments and 100% new global financial commitments. However, only 76 % of payments could be realized, due to the difficulties relating to the sugar sector together with some delays occurred in the Wastewater and DCP programmes.

2.1 Focal sectors (and macroeconomic support)

2.1.1 Wastewater Sector Policy Support Programme

Following the Mid-term evaluation of the CSP in 2005, a 10M€ top-up was allocated to the wastewater sector and a rider to the Financing Agreement was signed in November 2006. The addendum comprises two additional tranches (4th for FY2006/07 and 5th for FY 2007/08). The fourth tranche for FY 2006/2007 was disbursed at the end of June 2007 (€ 8.6 million) following the donors meeting held in January 2007. A technical meeting was also held in July 2007, as requested by the donors. The donors meeting to review progress in the sector has been postponed from December to February 2008. Particular attention is given to progress on institutional developments and the new Sector Policy Statement 2008-2013 which have experienced significant delays during 2007. Among the main conclusions of the last donors meeting held in February 2008 there was the consensus reached over the need to maintain the sector donor coordination beyond EC's SPSP and to progressively expand the environmental monitoring to the whole island. Donors also provided comments on the revised version of the draft Sector Policy Statement (SPS) submitted by the Government and it was agreed to finalize it by April 2008. Other issues discussed were the forthcoming delegation of operation and maintenance activities to a private firm and the signing of MoU between Wastewater Management Authority (WMA) and Ministry of Public Utilities (MPU) to clarify respective roles.

There has been progress in the implementation of the various National Sewerage Plan projects, although the level of capital investment has remained below projections in successive years. This underperformance is primarily due to delays in the procurement and award of contracts. On the positive side, the trunk sewer project for Plaines Wilhems has been completed within the original timeframe, and after much delays, one major contract for reticulations and house connections has been awarded (China funding), and two other major contracts are expected to be awarded in the first semester of 2008.

As a follow up to the two studies carried out in 2006, namely the Institutional Review and Tariff study, a draft of the SPS for the years 2008-2013 was sent to donors in December 2007 and reviewed at the donors meeting in February 2008. In the SPS, the Government committed itself to raise the tariff as of 1 March 2008 with a view to ensuring the full cost recovery of operation and maintenance expenditure and 25% cost recovery of the depreciation costs. At the institutional level, work is in progress since May 2007 to clarify the respective roles of WMA, its board and the MPU. On the other hand, WMA has considerably strengthened its project implementation capacity through the recruitment of additional engineering staff. Further training to enhance efficiency is required, including for the MPU, with regards to project planning and financing management. Based on preliminary documentation from the WMA, it appears that 5 out

of the 6 performance indicators have been met. Indicators for house connections, access to the poor, industrial pollution control, implementation capacity and financial sustainability reached the forecasted targets. However the indicator on capital expenditure remains below target for the second consecutive year: i) total capital disbursement in FY2006/07 at Rs 1.125 billion against Rs 1.230 billion, and ii) capital budget for FY2007/08 at Rs 1.134 billion against Rs 1.379 billion set in the Financing Agreement.

The technical assistance contract with DHV was extended up to December 2008 and reallocation approved through a rider in September 2007, in order to further assist WMA for operation and maintenance, performance indicators and control of pollution /accreditation of WMA laboratories.

2.1.2 Sugar Policy Support Programme (SPSP)

Following the presentation of the Government's Multi-Annual Strategy for Sugar (MAAS) in early 2006, and the adoption by the National Assembly of the revision of the Sugar Efficiency Act (SIE) 2001 in February 2007 (to allow more employees to access the voluntary or early retirement schemes and increase the related social benefits) progress was expected in the implementation of the restructuring during 2007, in particular the first phase of the Voluntary Retirement Scheme II (VRS), closure of factories, and new investments in flexi-factories. However, due to divergences about the implementation mechanism between the Government and the private sector, no progress in the sugar sector reform could be recorded until 5 December 2007, when the Government and the sugar corporate sector reached agreement on the way forward. Following the agreement, the re-structuring of the sugar sector with regard to factory closure and VRS has progressed rapidly.

In April 2007, the Government adopted the "*Outline of the Energy Policy 2007-2025-towards a coherent energy policy for the development of the energy sector in Mauritius*" which outlines in broad terms the Government's long term vision for the energy sector while committing to an Action Plan for the short term. The development of a coherent energy strategy was a pre-condition to the disbursement of the fixed tranche of the first Sugar Policy Support Programme, signed in May 2007 for a total of € 11 million, of which € 6.5 million from the budget line Sugar Accompanying Measures 2006 and € 4.5 million from 9th EDF reliquats. Consequently, the fixed tranche (€ 6.5 million) was disbursed in July 2007. At the same time, an energy study was jointly funded and carried out between August and December 2007 by EC and UNDP/UNEP (see § 2.2.2). The aim of this study was to support the development of a 25 years comprehensive energy policy, including a master plan for renewable energy sources, which the Government has committed to adopt by mid-2008.

The assessment of the performance indicators for the variable tranche of € 4.5 million (EDF part) is expected to be carried out in February 2008 with disbursement during the first quarter of 2008, based upon the substantial progress made since December 2007.

As such ambitious reform should occur without adverse impact on the environment, a Strategic Environmental Assessments (SEA) exercise financed under the EC Environment and Tropical Forest Budget line, was undertaken in 2007 to confirm and complete the findings and recommendations of the MAAS (Multi-annual Adaptation Strategy for Sugar Sector) pertaining to environmental issues.

The SEA final Report provides recommendations for further actions to mitigate adverse impact of the implementation of the MAAS with regard to the key environmental aspects identified, namely: vinasse management, sugar cane burning, conversion of sugar cane lands to other agricultural uses – impact on water resources, conversion of sugar cane lands in difficult areas and disposal of coal ash.

The proper implementation of mitigation and enhancement measures recommended within this SEA should ensure that any remaining adverse impacts on the environment would be offset by the environmental benefits of the MAAS. The follow-up of this study requires the continued involvement of the Government in order to ensure implementation of these recommendations.

2.1.3 Improved Competition for Equitable Development (ICED I – General Budget Support)

The Delegation and the NAO finalized the first General Budget Support programme, in close collaboration with other development partners, namely the World Bank, the Agence Francaise de Développement and the African Development Bank. The new programme is called Improved Competitiveness for Equitable Development, and it provides € 44.7 million in support of the economic and social reform programme of the Government for fiscal year 2007/2008. The ICED I programme is resourced from the additional allocation under the 9th End of Term Review (ETR) as well as the Sugar Accompanying Measures allocation for the year 2007. ICED I supports the overall economic reforms, and specifically the four pillars, namely improved public financial management, increased competitiveness and enhanced business environment, the restructuring of existing economic sectors and the promotion of new ones, and the implementation of social programmes to ensure equity and sustainability. Specific results expected under ICED I are reduction in government primary expenditure as percent of GDP, a progress in the restructuring of the sugar sector, re-employment of unemployed women and improved outputs in primary education in the *Zone Education Prioritaire*. The two Financing Agreements for ICED I were signed on 8 December 2007. The fixed tranche is expected to be disbursed in the first quarter of 2008, while the disbursement of the variable tranche is planned for the second quarter of 2008.

An additional amount of € 19.75 million, from FLEX 2006, will be channeled through ICED I - Part 2 (see § 2.4.1). The funds will be disbursed in two fixed tranches of € 9,750 million each for the year 2007/2008 and 2008/2009, upon verification of the established general conditions. Further funds received under FLEX 2007 will be added to ICED I. The above is in line with the 10th EDF CSP which states that funds obtained from various instruments will be combined to support the economic reform programme through general budget support.

2.2 Projects and programmes outside the focal sectors

2.2.1 Decentralised Cooperation programme

During 2007, main efforts were aimed at applying recommendations made by the annual Result Oriented Monitoring (ROM) mission in September 2006, namely to set targets at activity level to better monitor the programme's progress as well as to facilitate Non State Actors' access to resources. Specific work-plans have been developed for each one of the four components of the programme and several measures set up to improve and streamline the grants' awarding procedures. A second ROM mission, in September 2007,

acknowledged progresses made but recommended, among others, the simplification of the calls for proposals calendar and the promotion of synergies with similar ongoing programmes funded by other donors or by the Government itself.

This represents the major challenge for DCP since its inception, as attempts to coordinate with other stakeholders have been the principal reason for delays in planning and implementation of activities: for example, the development of a nationally accepted methodology for regular poverty monitoring in collaboration with UNDP and Central Statistic Office, the setting up of a training programme for SME in collaboration with the Human Resource Development Centre or the set up of a capacity building programme for NSAs in collaboration with all local stakeholders already involved in similar activities. Yet the coordination approach has always been pursued, as considered the best one in view of building local capacity and securing sustainable results.

As for progresses made in 2007 per component:

1 - Delivery of social services and direct assistance to vulnerable groups

A coordination committee has been set up to develop the NSAs training programme. As regards to grants, 45 of the 51 micro-projects selected under the first poverty call for proposal for a total amount of € 1,4 million are ongoing since June 2007. A second call for proposal of € 1,7 million for poverty alleviation has been launched with deadline 29 February 2008.

2 - Promotion of good governance: This component has suffered major delays due to change of DCP staff in 2007 and lack of responsiveness from the main institutions involved in Governance issues.

3 - Fight against unemployment and support to job creation: Following three major studies on the SME sector, a training programme has been prepared in collaboration with the Human Resource Development Centre.

4 - Improving natural resources management in Rodrigues:

The review of Rodrigues' research and extension services for agricultural development has been completed by the University of Mauritius and recommendations for reforms and training discussed with the relevant institutions. A two year work-plan has been prepared to re-launch the agricultural sector while promoting environmentally friendly practices. A call for proposal of € 815.000 has been launched and evaluation process is ongoing.

A financial and system audit on Programme Estimate 1 have been carried out in 2007: no major issues were raised, except for delay in disbursement and weak staff performance appraisal system. Programme Estimate 2 (July 2007 – December 2008) is now ongoing. Due to D+3 rule, the third and last PE will have to be signed by July 2008, while implementation is foreseen between January 2009 and March 2010.

2.2.2 Technical Cooperation Facility

During 2007, the Technical Cooperation Facility for an amount of € 500,000 has been used to complete studies that are crucial for the good implementation of the economic reform programme, besides the regular training and capacity building activities financed under the TCF. The first study conducted was a Public Expenditure Framework Assessment (PEFA) which confirmed the soundness of public finance management and contributed to identify further reform areas. Two other important studies have been launched to support the development of long-term sector strategies for education and

energy. Both those sectors are closely monitored in the context of the current EC General Budget Support Programme.

2.3 Utilisation of B envelope

After cyclone “Kalunde” hit the island of Rodrigues, in March 2003, an amount of € 0.499 million from the envelope B was committed for the *Post-Kalunde Rehabilitation Programme*. The programme has been closed following the financial and system audit carried out in February 2007. An amount of € 216.585 was recovered due to both some over-expenditure (VAT recovery) and under-expenditure (delays occurred in procurement procedures).

After cyclone Gamede hit Mauritius’ main island in February 2007, an amount of € 300.000 was allocated from the Regional Envelope B to support the Government’s post-Gamede Reconstruction Programme. These funds will be channelled through a rider to the GBS Programme ICED-I (€ 8.7 million), which has been sent to HQs in September 2007.

2.4 Other instruments

2.4.1. FLEX

Mauritius was found eligible for compensation for export losses to the tune of € 19.51 million in 2006 and € 11.470 million in 2007 under the FLEX programme. These unforeseen funds are being channelled through the current general budget support programme to support the economic reform programme at the request of the Government of Mauritius.

2.4.2. Sugar Accompanying Measures

The allocation of € 36 million for the financial year 2007/2008 under the EC Accompanying Measures for the Sugar Protocol countries (EC AMSP) has been combined with an EDF amount of € 8.742531 million (received as top-up after the end of term review of the 9th EDF, for the financial year 2007/2008). This constitutes a total allocation of € 44.742531 million which will be disbursed as General Budget Support under the Improved Competitiveness for Equitable Development Programme I (see § 2.1.3)

2.4.3. Fisheries Agreement and Protocol

The fifth Fisheries Protocol (2003–2007) between the Republic of Mauritius and the EC provided for an annual total compensation of € 487,500 (excluding the contribution of vessel owners). The maximum number of licenses to be delivered to EU fishing vessels is of 41 seiners and 49 longliners and the reference tonnage is of 6,500 tonnes a year. The rate of utilization of the fishing licenses in 2007 was quite positive, while landings were reported to be below the reference tonnage.

The negotiations for a new Fisheries Partnership Agreement (FPA) and a new Protocol started in June 2007. The overarching aim of the FPA is to ensure a sustainable and responsible sectoral fisheries policy, as well as to ensure that the activities of the European fleet are compatible with the development objectives of Mauritius. Negotiations were not completed before the expiry of the previous agreement but are at an advanced stage. A number of issues are still to be agreed upon and will need further

discussions. Given that no final agreement was achieved before the termination of the former Protocol on 2 December 2007, the Community Fleet is no longer allowed to fish within Mauritian waters from this date.

Mauritius and the EC have confirmed their commitment to continue the negotiations in 2008 in order to conclude a new Fisheries Partnership Agreement and Fisheries Protocol.

2.4.4. European Investment Bank (EIB) –

The Bank's intervention under the Cotonou Agreement have been heavily geared to the private sector with funding of some € 31 million provided to two hotels, and a global loan of € 20 million, while the only public sector project signed, for the expansion of the Container Terminal in the port, was for € 14 million. Over the years substantial funding has been provided also to infrastructure, both through public and private promoters. Two projects in the water and waste water sectors, both signed in 2002, have experienced considerable delays, but have, during 2007, been showing encouraging progress in implementation.

The main focus of potential new operations stems from the planned restructuring of the sugar sector, benefiting from the EC accompanying measures for the Sugar Protocol countries. The Bank undertook an appraisal mission in early 2007 in order to explore potential investments arising from this restructuring. With a positive resolution of negotiations between the Government and the Sugar Producers' Association, held throughout 2007, discussions with the industry have been re-launched.

Other potential sectors for EIB funding are continued investments in the power and ports sectors, as well as investments linked to the smaller scale investments, through venture funds and global loans, in the expanding tourism and ICT sectors.

2.4.5 Regional Cooperation

Mauritius is a member of the Eastern and Southern Africa region and regional organisations such as COMESA, SADC and IOC. The IOC has the lead on regional programmes in the environment sector, and implements in particular a number of projects related to sustainable management of coastal areas and marine resources, from which Mauritius benefits. Among them, (i) the Regional Tuna Tagging Programme, a € 14 million programme which entered in its second phase (2007-2010) of collecting the tagged tunas and compiling data for research; (ii) the Monitoring, Control and Surveillance project (SCS), a € 3.4 million project which is almost completed but is complemented by a Regional Plan for Fisheries Surveillance in the Southwest Indian Ocean. The Regional Plan started in 2007, for a period of 3 years and a € 7 million budget, directly financed on the EC's budget (DG/MARE); (iii) the Sustainable Management of Marine and Coastal Resources Programme (RECOMAP), which began its activities in 2006 and focuses on integrated coastal zone management in the IOC countries plus Tanzania, Kenya and Mozambique. In 2007, RECOMAP launched a first call for proposal to fund projects up to € 2 million, out of the total € 18 million budget. Moreover, the Financing Proposal for a new programme at the African Union level - African Monitoring of Environment and Sustainable Development (AMESD) - was signed in 2006 and implementation started in 2007.

The country is also benefiting from other regional initiatives under the 9th EDF through COMESA to support the consolidation of the Free Trade Area and the forthcoming establishment of a Customs Union. These programmes aim at enhancing the regional integration process in order to promote development and growth in the region.

3. Policy Coherence for Development

Commitment to policy coherence for development (PCD) has been a central part of European Consensus for Development adopted in 2005 in order to enhance aid effectiveness and to better take into account the impact of EU policies on developing countries. Policy coherence aims at ensuring that all EU non-aid policies are beneficial to developing countries' efforts to attain the MDGs. Most of the 12 areas in which the EU has made commitments on improving PCD are very relevant to the Mauritius context. A critical aspect is to establish a policy dialogue with national authorities, where this is not yet the case, and to examine the link between relevant EC non-aid policies and national policies. Moreover, the following issues have to be considered in each of these areas:

- In the area of **trade**, Mauritius initialed an interim agreement with the EU on 04 December 2007. The agreement allows for duty-free access of goods produced in Mauritius into the EU as of 1 January 2008, with transition periods for sugar (and rice). This agreement hence not only maintains the market access provided for under Cotonou but further expands access to the European market, while simplifying rules of origins. Mauritius' textile industry will further benefit from the newly introduced single transformation rule, while in fisheries the region obtained additional quantities for derogation. Reciprocally, Mauritius (and several other countries in the Eastern and Southern Africa region, including the islands of the Indian Ocean) have committed to a gradual liberalization of their economies. Mauritius will begin this process in 2013 but it will have impact on the local industry only towards 2022 as Mauritius has already liberalized or reduced duties significantly on a wide range of goods. In addition, a number of sensitive produces have been excluded from liberalization. The EPA takes into account the development needs of the countries in the region as outlined in the development matrix included in the agreement.

However, while Mauritius generally complies with EU standards in their export of goods, it might require further support to comply with EU sanitary and phyto-sanitary requirements (SPS), in order to avoid restrictions.

- **Environment** being one of the focal sectors of the 9th EDF NIP and RIP, the EC is funding several programmes that assist the Government and non-government organizations in the protection of the environment (see also § 2.1.1 and 2.4.5). In addition, continued policy dialogue and EC support to Government's initiative to review of the National Environmental Strategy is helping to mainstream environmental protection in all sectors. In this context, the EC funded specifically a study to assist Mauritius in defining its long-term energy policy as well as a Strategic Environment Assessment of the Government's Multi-annual Adaptation Strategy for Sugar (see §2.1.3, 2.2.2 and 2.4.2). Several regional programmes focus on the protection of marine and coastal resources.

- **Climate change** is a major concern for Mauritius and the Government is following EU policies and negotiating positions for a post-Kyoto treaty. However, besides policy dialogue, no specific programmes are being funded to address preventive and coping mechanisms of Mauritius in face of rising sea levels and the impact of climatic changes.

Some measures to reduce carbon dioxide production such as energy production from sugar cane (Bagasse) and the use of ethanol for transport have been foreseen in the context of the sugar Multi Annual Adaptation Strategy (See 2.1.2).

- In the area of **fisheries**, an international workshop on EU Fishery and Aquaculture standards was held in Mauritius in May 2007. The workshop was organized by the Health and Consumer Protection Directorate-General (SANCO) of the European Commission, with the support of the Mauritius Competent Authority and the private sector. Twelve English and Portuguese speaking countries of Africa and the Indian Ocean participated in the workshop, which aimed at providing a detailed overview of the EU legislation and the Rapid Alert System for Food and Feed. The workshop allowed third countries exporting products to the EU to better understand the requirements of the EU legislation, and therefore facilitate trade of fisheries products to the EU market (see also 2.4.3).

- In the area of **research**, several projects from Mauritius have benefited from the 6th Research Framework Programme; there are extended opportunities to benefit from the 7th Research Framework Programme (FP 7 covers 2007-2013) which Mauritius should explore. Moreover, the Mauritius Sugar Research Institute (MSIRI) will conduct 9 (regional) research projects the context of the ACP Sugar Cane Research and Innovation Programme.

- In the area of the **information society**, increased use of information and communication technologies as well as the development of related research will contribute to bridging the technological divide and addressing the critical issue of isolation - typical features of Small Island Developing States economies such as Mauritius. Progress with technological platforms for e-health, e-commerce, e-training, etc could be used to support the further development of the country's tourism and financial sectors, in line with the EU's Lisbon Agenda and Sustainable Development Strategy.

- In the area of **transport**, the opening up of air access and the reducing the cost of carrying air freight and passengers has been instrumental in supporting the development of the tourism industry in the medium term. The EU's sustainable transport policy, based on the principle of partner country ownership, will contribute to ensuring transport safety and efficiency, and to minimizing adverse effects on the environment.

- The issues related to **energy** have been taken into account within the EC sector budget support programme for sugar (see§ 2.1.2).

- In the area of **migration**, Mauritius is seeking to pilot a circular migration programme with European and other OECD countries, which should help to increase in the medium term the skill and knowledge level in the society. A workshop on circular migration will be jointly organised by the Mauritian Government and the EC in Mauritius in September 2008.t

4. Joint EU-Africa Strategy

The integration of PCD into the development activities and planning will also take into account the 1st Action Plan for 2008-2010 in the context of the EU Strategy for Africa, which provides a long-term strategic framework for interaction between Europe and Africa at all levels: with pan-African institutions such as the African Union, regional organizations such as IOC, SADC, COMESA and national authorities. The 1st Action Plan was launched in December 2007 during the Lisbon Summit and focuses on **eight** partnership and priority areas to be specifically monitored. Some of these are considered to be more relevant to Mauritius and to EC's country's strategy, namely: Trade, regional integration and infrastructure (see points 1.2, 2.4.5 and 3), 5.Energy (see 2.1.2), 7.Migration, mobility and

employment (see point 1.2 and 3) and 8.Science, information society and space. Other priorities areas for which Mauritius is comparatively well advanced, such as 2.Democratic Governance, 4. MDGs, 6.Climate Change, will still be carefully monitored.

5. Donor coordination and harmonisation

The European Commission, through the Delegation maintains close and constant contact with the two EU Member States (France, UK) present in Mauritius. The number of donors present in Mauritius increased in 2007, with the World Bank and the Agence Francaise de Développement (AFD) opening local offices. The EC also collaborates closely with the International Monetary Fund and the UNDP (the latter also has an office in Mauritius), which are active in providing technical assistance to the Government of Mauritius.

The EU code of conduct was presented and discussed during an initial meeting held with the staff of the NAO and Member States in September 2007. The meeting agreed, in principle, to carry the discussions forward within a wider group of key donors in Mauritius. The NAO welcomed the timing of the EU Code of Conduct in the context of renewed donor presence and increasing funds flow to Mauritius. The EU Code in Mauritius is therefore being adapted to the country's specific context, taking into account the fact that only France and UK are present (the latter does not provide any ODA) and that other key donors (WB, ADB, F/AFD) have strong budget support focus like the EC. Consequently, common efforts were particularly focused on donor harmonization for budget support operations and related indicators, coordination of assessment missions and technical assistance.

In this context, progress toward donor coordination and harmonization was fructuous in 2007, principally among donors providing general budget support for the economic reform programme, namely the World Bank, the African Development Bank, the AFD and EC. Joint assessments of the general implementation of the government reform programme were carried out in the context of the Development Policy Loan in February 2007, July 2007 and October 2007. These joint initiatives have reduced the burden on the Government of Mauritius by reducing the number of parallel missions. Government has thus extended its leadership role in donor coordination successfully beyond that of Wastewater, where good coordination has already been taken place since 2004.

Beyond coordination of budget support, donors have taken the commitment upon the request of Government to better coordinate technical assistance provided to line Ministries for the effective implementation of the economic reform programme. This is being done annually and in a structured way through the Annual Business Planning (ABP) exercises that are held in February since 2007. Only the EC and the World Bank participated in the ABP in 2007, but the next exercise for 2008 should see enlarged participation from other bilateral and multilateral donors. Discussions have also been initiated on the possibility of creating a joint pool for donors providing technical assistance.

In the context of the 9th EDF sector budget support (environment/wastewater) from which Mauritius benefits, one of the requirements has been effective coordination among donors in the sector. Donors include the European Commission, the European Investment Bank, the World Bank, the Indian Government, the Chinese Government, Agence Française de Développement, the Kuwait Fund, the African Development Bank and the Arab Bank for Economic Development. Through a MoU signed in March 2004, donors

undertook to ensure that there is continuous monitoring of progress in the sanitation sector. Joint donors meeting at Ministerial and technical level are held regularly twice a year to review progress made and agree on way forward. In 2007, one meeting was held in January at ministerial level and one in July at technical level. The next meeting is scheduled for February 2008.

6. Dialogue in country with the NSAs, local authorities and national Parliament

In 2006, wide consultations took place with non-state actors including members of civil society and local authorities, on the main thrust of the 10th EDF CSP as well as on the programming of the sugar accompanying measures and governance related issues. In 2007, the dialogue with NSAs continued in particular with regard to the sugar sector reform with several meetings and targeted consultation held with the various stakeholders, especially with small planters. Consultations were also held with NSAs and Members of Parliament in the context of the general economic reform programme and the design of the budget support programme.

In April, the Delegation participated in a workshop on the “Evaluation for civil society participation in the Cotonou Agreement” based on a report developed by the *Center for Documentation, Research and Training on the South West Indian Ocean* (CEDREFI) in partnership with the Friedrich-Ebert-Stiftung (FES). The discussion focused on the need and possibilities to set-up a structured mechanism for regular dialogue between NSAs, local authorities and the Government – an initiative supported by the EC Delegation.

In May 2007, the Delegation and the Government jointly organised consultations on the EC-Mauritius cooperation relationship in the context of the ETR conclusions and JAR 2006. The meeting was well attended and the process reconfirmed the usefulness of consultations as participants highlighted the importance of involving NSA at all levels of the programming cycle of EC assistance. Again, several participants recommended to set up a structured and continuous consultation mechanism in future and improve on communication on the Government's reform programme. This suggestion has being positively received by both the EC Delegation and the NAO office who will review means to strengthen the consultation process.

In October 2007, a mission of representatives of the European Economic and Social Committee offered an opportunity to participate to a large meeting dedicated to the hearing of civil society representative. Discussions were held on all EC operations in Mauritius and useful suggestions retained both for programmes' implementation and communication strategies.

Finally, a consultation meeting was jointly organised by the NAO's office and the Delegation on 19th March 2008 to discuss the first draft of the JAR 2007 and Government's commitments as regards to good governance. Participants included representatives of Mauritian NGOs, trade unions, various federations and relevant public institutions as well as Parliament, local authorities and Ministries involved in cooperation activities with the EC. The meeting was well attended and the two EU members states present in Mauritius were also present. The Delegation is exploring options to restructure the dialogue with NSAs in order to render it more focussed on specific sectors and themes and to hold it at more regular intervals. The need of a structured mechanism for dialogue between NSAs, Government, private sector and donors has been raised on several occasions but no concrete proposal has been developed yet.

Other areas where targeted consultations were carried out have been the following:

- within the context of the EC support to the development of a national strategy on education, the DCP organised a workshop involving the main NGOs working in this sector in order to provide their inputs to the EC consultants.
- along the same line, ten workshops were organised in the context of the Strategic Environment Assessment involving all main stakeholders in environment and sugar sector.

At the operational level, continued dialogue and consultations have been carried out on specific subjects covered by each of the DCP's components. For example, extensive consultations took place with farmers' community and relevant NSAs in Rodrigues in the context of the study on the Agricultural Research and Extension Unit carried out in September 2007 by the University of Mauritius; a number of stakeholders were invited to participate to a consultative committee with the aim of setting up a coordinated response to NSAs capacity building needs.

7. Conclusions

The year 2007 has witnessed significant progress in the implementation of the ten-year reform programme launched by the Government in 2006. The latter includes efforts to improve financial efficiency and accountability in the public sector, for which the EC-financed Public Expenditure and Financial Accountability (PEFA) assessment, which uses a common methodology for the assessment of Public Finance Management (PFM), was critical. 2007 also saw a consolidation of reform measures to improve the business environment, and export competitiveness, while increasing social equity. Significant progress has also been made in the socio-economic sphere as the country moves towards meeting all its commitment with respect to the MDGs.

The Government has led efforts to strengthen harmonization of donor practices. As a result, Mauritius has continued to attract additional resources from development partners, including the WB, AfDB, AFD, UNDP and EC, to support its economic reform programme. Joint reviews of progress and joint missions by these development partners have helped to reduce demands on the NAO and line ministries. These developments should pave the way for increasing the level of budget support during 2008, in line with the 10th EDF Country Strategy Paper (2008-2013), which foresees that 85% of the NIP resources will be channeled through general budget support, together with additional resources from the EC budget, in particular from the Sugar Accompanying Measures.

With regards to governance commitments, the Government remains fully committed to implement these as foreseen, although several measures have encountered delays during 2007. At the same time, the African Peer Review Mechanism (APRM) was launched during the year and the exercise should be completed in 2008.

Mauritius has continued to play a proactive role in the regional arena and within the CMMS group (Comoros, Madagascar, Mauritius, Seychelles); the latter has contributed to the successful conclusion of an interim Economic Partnership Agreement (EPA) in December 2007. Negotiations are ongoing on the signature of a new Fisheries Protocol, for which an agreement will have to be reached in order to allow the Community Fleet to fish within Mauritian waters.

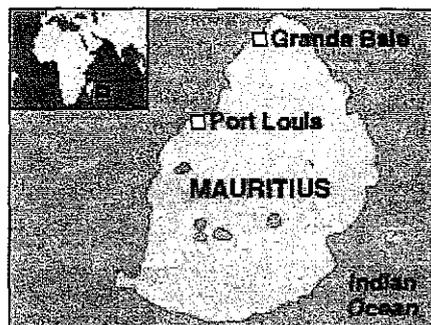
The level of dialogue between NAO and EC continues to be very satisfactory, be it at the political level, with regard to governance commitments or on cooperation issues.

As regards NSAs, the EC Delegation and the NAO have welcomed the suggestion by NSAs to establish a more structured and permanent dialogue. Both the EC and the NAO are committed to support any proposals in this direction.

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ANNEX I a : MAURITIUS AT A GLANCE



Location	: 20° South of the Equator 57° East of Greenwich
Area	: 2,040 km ² (including island of Rodrigues - 104 km ²)
Outlying Islands	: Rodrigues, Agalega, Tromelin and Cargados Carajos
Population (June 2007)	: 1,261,896
Gross Domestic Product (GDP at market prices)	: 2006 Rs 206 million : 2007 Rs 232 million
GDP Growth Rate	: 2006 +5.0% : 2007 +5.6%

Currency: Mauritian Rupee (As at the end of February 2008)

US \$ 1 = Rs 28.54

EUR 1 = Rs 41.96

Financial Year: July 1 – June 30

External Trade (2006)

Exports (f.o.b.)

MUR 140 million

Imports (c.i.f.)

MUR 159 million

Net International Reserves : MUR 82,250 million (37.6 weeks of imports - Feb 07)

Government

Independent 12th March, 1968

Member of Commonwealth

Member of African Union

Member of the Indian Ocean Commission-Indian Ocean Rim

Member of the Southern African Development Community

Member of Eastern Southern African Countries

ANNEX I b: Millennium Development Goals

Type	Indicator	1990	2000	2002	2004	2005	2006	2007	Target 2015
Impact	1. Proportion of population below \$1 per day ¹	NA	NA	<1%	NA	NA	<1%	<1%	halved
	2. Prevalence of underweight children (under-five years of age)	NA	NA	NA	NA	NA	NA	NA	halved
	3. Under-five mortality rate (per 1000)	23.1	18.2	17.3	16.5	15.8	16.9	NA	Reduced by 2/3
Outcome	4. Net enrolment ratio in primary education ² -%	99	97	96	98	97	97	96	100%
	Net enrolment in secondary education ³ -%	45	59	62	64	66	68	68	NA
	5. Primary Completion Rate-%	NA	68	69	69	72	75	73	NA
	6. Ratio of girls to boys in:								
	- primary education	98	97	98	97	97	97	97	NA
	- secondary education	100	101	104	103	103	103	104	NA
	- tertiary ⁴	NA	116	103	108	103	119	NA	NA
	7. Proportion of births attended by skilled health personnel	91.1	99.7	98.8	99.1	99.2 ⁵	99.5	NA	NA
	8. Coverage Rate for immunization against measles(%) ⁶	76.1	84.0	85.1	88.6	88.6	92.4	NA	NA
	9. No of HIV cases among 15-24 year old pregnant women		5	9	13	21	21	NA	
10. Proportion of population with sustainable access to an improved water source	95.7	>98.9%	>99%	>99%	>99%	>99%	>99%	>99%	100%

Source : Central Statistical Office

ANNEX I c: Basic Economic Data

Basic Data	2001	2002	2003	2004	2005	2006	2007
Population in 000 (mid year)	1,200	1,210	1,223	1,234	1,244	1,253	1,261
annual change in %	1.10	0.86	1.04	0.86	0.80	1.01	0.6
Nominal GDP (in millions €)	5046	5013	4883	5065	4688	5120	5305
Nominal GDP per capita (in €)	4202	4131	3992	4108	3832	3965	4207
Real GDP (annual change in %)	5.6	2.1	4.4	4.8	2.2	5.0	5.6
Gross domestic fixed capital formation (in % of GDP)	22.5	21.8	22.6	21.6	21.3	24.3	24.5
International transactions							
Export of goods and services (in % of GDP)	68.4	61.8	56.4	54.0	59.6	60.4	60.5
Balance of visible trade (in % of GDP)	-7.9	-7.5	-8.2	-12.2	-16.1	-20.5	-16.0
Current account balance (in % of GDP)	6.1	5.2	1.7	-1.8	-5.4	-4.9	-6.8
Net inflows of foreign direct investment (in % of GDP)	0.7	0.7	1.2	1.0	1.5	3.1	3.2
Total External debt (in % of GDP) - end of June	21.2	20.8	18.4	14.9	14.0	13.5	-
Service of external debt (in % of exports (f.o.b)) - end of June	9.7	8.4	8.0	6.5	6.5	8.4	6.7
Foreign exchange reserves (in weeks of imports of goods and non-factor services - end of June)	32.9	35.2	36.6	32.6	31.4	34.6	41.9
Government							

Revenues (in % of GDP) - end of June	18.3	18.4	20.2	20.4	19.8	20.1	19.3
of which: grants (in % of GDP) - end of June	0.2	0.2	0.2	0.4	0.2	0.3	0.1
Expenditure (in % of GDP) - end of June	24.9	24.5	26.4	25.8	24.8	25.0	23.5
of which: capital expenditure (in % of GDP) - end of June	3.6	3.7	4.7	4.3	3.5	3.6	3.3
Deficit (in % of GDP) including grants - end of June	6.6	6.1	6.2	5.4	5.0	5.3	4.3
Deficit (in % of GDP) excluding grants - end of June	6.9	6.3	6.5	5.6	5.2	5.6	4.4
Total Public Debt (in % of GDP)	48.9	52.6	56.7	56.2	58.1	58.0	56.1
of which: external (in % of total public debt)	11.3	12.2	10.7	9.1	8.7	7.6	11.0
Other							
Consumer price inflation (annual average change in %)	5.4	6.4	3.9	4.7	4.9	8.9	8.8
Lombard Rate (at end June)	12.00	11.50	10.25	9.50	10.00	11.50	8.5
Bank Rate (at end June)	11.14	10.01	8.26	4.74	6.13	7.30	10.98
Exchange rate (annual average of national currency per 1€)	26.21	28.49	32.23	34.69	37.02	45.20	43.8
Unemployment (in % of labour force, ILO definition)	6.9	7.3	7.7	8.5	9.6	9.1	8.8
Employment in agriculture							

Source :Central Statistics Office, Bank of Mauritius

ANNEX II a.: Financial situation - 6th EDF

COUNTRY: MAURITIUS EDF 6							
SITUATION : 31/12/2006							
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

100% clôturés (100% closed)

30,202,707 30,202,707 100% 30,202,707 100% TOTALS

6.ACP.MAS.04	T.A. to the Agricultural Marketing Board	123,949.19	123,949.19	100%	123,949.19	100%	Closed
6.ACP.MAS.07	Agricultural Development Program in Rodrigues	3,228,055.58	3,228,055.58	100%	3,228,055.58	100%	Closed
6.ACP.MAS.08	Industrial Diversification Program (Grant)	4,893,890.73	4,893,890.73	100%	4,893,890.73	100%	Closed
6.ACP.MAS.09	Industrial Diversification Program (Special Loan)	4,692,580.50	4,692,580.50	100%	4,692,580.50	100%	Closed
6.ACP.MAS.10	T.A. for Preparation of Agric. Diversification Prog.	16,411.53	16,411.53	100%	16,411.53	100%	Closed
6.ACP.MAS.14	ACP-EEC Cultural Show	9,428.59	9,428.59	100%	9,428.59	100%	Closed
6.ACP.MAS.15	1st Microprojects Program	670,529.52	670,529.52	100%	670,529.52	100%	Closed
6.ACP.MAS.16	National Handicraft Development Program	1,693,145.22	1,693,145.22	100%	1,693,145.22	100%	Closed
6.ACP.MAS.17	Agricultural Diversification Program (Special Loan)	4,000,000.00	4,000,000.00	100%	4,000,000.00	100%	Closed
6.ACP.MAS.18	Agricultural Diversification Program (Grant)	4,007,573.66	4,007,573.66	100%	4,007,573.66	100%	Closed
6.ACP.MAS.20	T.A. to Energy Planification	22,000.00	22,000.00	100%	22,000.00	100%	Closed
6.ACP.MAS.21	T.A. to Project Prep. : National Derocking Scheme	50,093.41	50,093.41	100%	50,093.41	100%	Closed
6.ACP.MAS.22	T.A. to Tender Prep. : National Derocking Scheme	22,292.00	22,292.00	100%	22,292.00	100%	Closed

6.ACP.MAS.23	Study : A National Fruit Fly Control Project	38,756.60	38,756.60	100%	38,756.60	100%	Closed
6.ACP.MAS.24	National Derocking Scheme (Grant)	1,978,157.56	1,978,157.56	100%	1,978,157.56	100%	Closed
6.ACP.MAS.25	National Derocking Scheme (Special Loan)	979,063.21	979,063.21	100%	979,063.21	100%	Closed
6.ACP.MAS.26	Study : Upgrading of Existing Technical Training Institutions	21,643.98	21,643.98	100%	21,643.98	100%	Closed
6.ACP.MAS.27	Study (II) : National Fruit Fly Control Project	25,736.41	25,736.41	100%	25,736.41	100%	Closed
6.ACP.MAS.28	Evaluation : Agric. Dev. Project in Rodrigues	46,917.48	46,917.48	100%	46,917.48	100%	Closed
6.ACP.MAS.29	Supervision of road works : Pamplemousses/Grand Baie	159,443.13	159,443.13	100%	159,443.13	100%	Closed
6.ACP.MAS.30	Study : Preparation of West Coast Irrig. Project	54,965.76	54,965.76	100%	54,965.76	100%	Closed
6.ACP.MAS.31	Study : Range and Forest Management in Rodrigues	9,766.72	9,766.72	100%	9,766.72	100%	Closed
6.ACP.MAS.32	Study : St. Martin Sewage Plant	62,666.87	62,666.87	100%	62,666.87	100%	Closed
6.ACP.MAS.33	Study : Civil Service College	39,977.29	39,977.29	100%	39,977.29	100%	Closed
6.ACP.MAS.34	Study : T.A. Project to the EPZDA	54,471.83	54,471.83	100%	54,471.83	100%	Closed
6.ACP.MAS.35	Study : Solid Waste Management Project	59,200.00	59,200.00	100%	59,200.00	100%	Closed
6.ACP.MAS.36	Study (II) West Coast Irrigation Project	8,526.56	8,526.56	100%	8,526.56	100%	Closed
6.ACP.MAS.37	Study : Preparation of IVTB Support Project	14,130.16	14,130.16	100%	14,130.16	100%	Closed
6.ACP.MAS.38	Evaluation : National Derocking Scheme Project	45,543.75	45,543.75	100%	45,543.75	100%	Closed
6.ACP.MAS.39	IVTB Project : Technical and Institutional Support	1,980,267.08	1,980,267.08	100%	1,980,267.08	100%	Closed
6.ACP.MAS.41	Study : Prep. of Solid Waste Project Technical Dossier	142,855.91	142,855.91	100%	142,855.91	100%	Closed
6.ACP.MAS.42	Participation of MEDIA in 1995 Internaitonal Fairs	86,039.14	86,039.14	100%	86,039.14	100%	Closed
6.ACP.MAS.45	Study : St. Martin Sewage Plant	468,991.24	468,991.24	100%	468,991.24	100%	Closed
6.ACP.MAS.46	Review of Solid Waste Management Plan	57,333.70	57,333.70	100%	57,333.70	100%	Closed
6.ACP.MAS.48	Phoenix - N France road - Study	89,437.81	89,437.81	100%	89,437.81	100%	Closed
6.ACP.MAS.49	Improving the quality of horticulture - under 9 ACP MAS 7	348,864.41	348,864.41	100%	348,864.41	100%	Transfer to new nb: 9 ACP MAS 7

COUNTRY: MAURITIUS EDF 6			% of NIP	% of GFC	AMOUNT in EUROS
SITUATION: 31/12/2006					
[A]	NET 6th EDF ENVELOPE	[A]			30,202,707
	Indicative Programme				31,000,000
	Transfers EDF 4				228,637
	Transfers of 6 MAS 49 into a new accounting number 9 ACP MAS 7				(251,136)
	Transfers to 9th EDF upon closure of 6th EDF projects				(774,794)
[B]	GFC : Global Financial Commitments	[B]	100.00%		30,202,707
[C]	IFC : Individual Financial Commitments	[C]	100.00%	100.00%	30,202,707
[D]	PAYMENTS	[D]	100.00%	100.00%	30,202,707
[E]	Uncommitted balance	[A] - [B]	0.00%		0

RAL/RAC/RAP	RAL (reste à liquider)	[B] - [D]	0.00%	0.00%	-
TOTAL	RAC (reste à contracter)	[B] - [C]	0.00%		-
	RAP (reste à payer)	[C] - [D]	0.00%		-

ANNEX II b.: Financial situation - 7th EDF

COUNTRY: MAURITIUS EDF 7							
SITUATION : 31/12/2006							
Accounting N°	Project title	GFC [1]	IFC [2]	% [2] / [1]	Paid [3]	% [3] / [1]	Action (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

32,227,692.51	32,227,692.51	100.00%	32,227,692.51	100.00%	TOTALS
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7.acp.mas.3	Route Pamlemousses - G Baie (travx.) : voir 7.mas.011	4,949,605.36	4,949,605.36	100%	4,949,605.36	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	19,083.14	19,083.14	100%	19,083.14	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	10,739.27	10,739.27	100%	10,739.27	100%	Closed
7.acp.mas.10*	TRSF 5° FED : Rte Pamlemousses - G Baie (Supervision)	182,737.96	182,737.96	100%	182,737.96	100%	Closed
7.acp.mas.11*	TRSF 5° FED : Rte Pamlemousses - G Baie (Travaux)	166,848.87	166,848.87	100%	166,848.87	100%	Closed

7.acp.mas.12	West coast irrigation project (Magenta)	4,059,482.54	4,059,482.54	100%	4,059,482.54	100%	Closed
7.acp.mas.13	Etude NPIP (M1 Pipeline)	377,433.95	377,433.95	100%	377,433.95	100%	Closed
7.acp.mas.16	Appui au MIPAM	633,829.40	633,829.40	100%	633,829.40	100%	Closed
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	57,902.27	57,902.27	100%	57,902.27	100%	Closed
7.acp.mas.22	Study : Northern Plains Diversification	26,322.52	26,322.52	100%	26,322.52	100%	Closed
7.acp.mas.23	Human Resource Centre in Rodrigues	610,719.61	610,719.61	100%	610,719.61	100%	Closed
7.acp.mas.25	Study : Abattoir	59,321.48	59,321.48	100%	59,321.48	100%	Closed
7.acp.mas.30	Seminar on EDF procedures	25,462.24	25,462.24	100%	25,462.24	100%	Closed
7.acp.mas.31	Consultancy : St Martin Sewage Treatment Plant	60,846.43	60,846.43	100%	60,846.43	100%	Closed
7.acp.mas.32	Northern Plains Irrigation Project (Works)	8,718,472.53	8,718,472.53	100%	8,718,472.53	100%	Closed
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	57,188.29	57,188.29	100%	57,188.29	100%	Closed
7.acp.mas.35	Rodrigues anti-erosion study	31,727.24	31,727.24	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
7.acp.mas.37	Microprojects program	923,301.82	923,301.82	100%	923,301.82	100%	Closed
7.acp.mas.39	Training of Police Cadres (study)	24,523.86	24,523.86	100%	24,523.86	100%	Closed
7.acp.mas.40	Mahebourg market study	29,674.18	29,674.18	100%	29,674.18	100%	Closed
7.acp.mas.41*	Industrial & Vocational Training Board (see 6,MAS,039)	163,975.85	163,975.85	100%	163,975.85	100%	Closed
7.acp.mas.42	Training of Police Cadres	508,582.42	508,582.42	100%	508,582.42	100%	Closed
7.acp.mas.43	Rehab. of sewage infrastructure in housing states (study)	138,539.07	138,539.07	100%	138,539.07	100%	Closed
7.acp.mas.44	Trend Forum 1998	113,414.89	113,414.89	100%	113,414.89	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	48,730.50	100%	48,730.50	100%	Closed
7.acp.mas.48	Feasibility study Venture Capital and Mutual Guarantee	13,861.33	13,861.33	100%	13,861.33	100%	Closed
7.acp.mas.50	Mahébourg market : Consultancy services	104,068.21	104,068.21	100%	104,068.21	100%	Closed
7.acp.mas.51	Mahébourg market : Works - Reconstruction	1,530,209.32	1,530,209.32	100%	1,530,209.32	100%	Closed

7.acp.mas.52	Set up Quality Strategy by Mauritian Horticultural sector	24,555.67	24,555.67	100%	24,555.67	100%	Closed
7.acp.mas.53	Appui participation de Craft Aid au festival Skane	21,778.22	21,778.22	100%	21,778.22	100%	Closed
7.acp.mas.54	Enhancing democracy and the state of law	378,080.66	378,080.66	100%	378,080.66	100%	Closed

COUNTRY: MAURITIUS EDF 7			% of NIP	% of GFC	AMOUNT in EUROS
SITUATION : 31/12/2006					
	NET 7th EDF ENVELOPE	[A]			32,227,693
[A]	Indicative Programme				34,000,000
	Transfer 5th NIP to 7th EDF NIP				894,635
	Transfers to 9th EDF upon closure of 7th EDF projects (inc partial decommitments)				(2,666,943)
[B]	GFC : Global Financial Commitments	[B]	100.00%		32,227,693
[C]	IFC : Individual Financial Commitments	[C]	100.00%	100.00%	32,227,693
[D]	PAYMENTS	[D]	100.00%	100.00%	32,227,693
[E]	Uncommitted balance	[A] - [B]	0.00%		0

RAL/RAC/RAP TOTAL	RAL (reste à liquider)	[B] - [D]	0.00%	0.00%	-
	RAC (reste à contracter)	[B] - [C]	0.00%		-
	RAP (reste à payer)	[C] - [D]	0.00%		-

ANNEX II c.: Financial situation - 8th EDF

MAURITIUS EDF 8							
31/12/2006							
	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
		30,069,623.09	30,069,623.09	100.00%	30,069,623.09	100.00%	TOTALS
8-ACP MAS-3	Programme de lutte anti-érosion à Rodrigues	3,051,911.83	3,051,911.83	100%	3,051,911.83	100%	Closed
8-ACP MAS-4	Enhancing the competitiveness of the Mauritius Freeport Sector	-	-	-	-	-	Closed
8-ACP MAS-5	St Martin Sewage Treatment Plant	16,084,603.27	16,084,603.27	100%	16,084,603.27	100%	B IFC no 4 & no 6 are still open. Waiting for final works acceptance certificate in 2008.
8-ACP MAS-6	Clothing Technology Centre	739,107.36	739,107.36	100%	739,107.36	100%	Closed
8-ACP MAS-7	Tourism development plan for Mauritius and Rodrigues	609,555.48	609,555.48	100%	609,555.48	100%	Closed
8-ACP MAS-8	Preparation of manual of procedures for poverty project	8,346.73	8,346.73	100%	8,346.73	100%	Closed
8-ACP MAS-9	8th EDF microprojects programme (Poverty project)	3,465,856.20	3,465,856.20	100%	3,465,856.20	100%	Closed
8-ACP MAS-10	Support to Small and Medium Enterprises	850,521.96	850,521.96	100%	850,521.96	100%	Closed in March 2007
8-ACP MAS-11	Rehabilitation of sewerages in housing estates	3,961,627.10	3,961,627.10	100%	3,961,627.10	100%	Closed in August 2007

8-ACP MAS-12	Port Training	188,836.66	188,836.66	100%	188,836.66	100%	Closed
8-ACP MAS-14	TA Sewerage projects	98,341.81	98,341.81	100%	98,341.81	100%	Closed
8-ACP MAS-15	West Coast Sewerage Feasibility Study	137,724.36	137,724.36	100%	137,724.36	100%	Closed
8-ACP MAS-17	TA to Waste Water Management Authority	720,115.58	720,115.58	100%	720,115.58	100%	Closed in January 2007
8-ACP MAS-19	9th EDF sectoral study	59,672.00	59,672.00	100%	59,672.00	100%	Closed
8-ACP MAS-20	Publ of brochure : Le FED à Rodrigues 1982 - 2002	17,288.51	17,288.51	100%	17,288.51	100%	Closed
8-ACP MAS-21	9th EDF macroeconomic study	29,903.15	29,903.15	100%	29,903.15	100%	Closed
8-ACP MAS-23	9th EDF Decentralised cooperation programme : Feasibility study	46,211.09	46,211.09	100%	46,211.09	100%	Closed

MAURITIUS EDF 8		% of NIP	% of GFC	AMOUNT in EUROS
31/12/2006				
NET 8th EDF ENVELOPE	[A]			30,069,623
Indicative Programme				39,500,000
Top up				2,500,000
Transfers to 9th EDF upon closure of 8th EDF projects (inc partial decommitments)				(11,930,377)
GFC : Global Financial Commitments	[B]	100.00%		30,069,623
IFC : Individual Financial Commitments	[C]	100.00%	100.00%	30,069,623
PAYMENTS	[D]	100.00%	100.00%	30,069,623
Uncommitted balance	[A] - [B]	0.00%		-

RAL (reste à liquider)	[B] - [D]	0.00%	0.00%	-
RAC (reste à contracter)	[B] - [C]	0.00%		-
RAP (reste à payer)	[C] - [D]	0.00%		-

ANNEX II d.: Financial situation - 9th EDF

COUNTRY: MAURITIUS EDF 9							
SITUATION : 31/12/2007							
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
		67,984,833.09	55,355,768.21	81.42%	38,069,691.75	56.00%	TOTALS
9-ACP MAS-1	POST-KALUNDE REHABILITATION PROGRAMME FOR RODRIGUES (ENV B)	282,415	282,415	100%	282,415	100%	Closed in August 2007
9-ACP MAS-3	MAURITIUS WASTEWATER SECTOR POLICY SUPPORT PROGRAMME	39,800,000	39,571,347	99%	34,315,976	86%	On going
9-ACP MAS-4	EVALUATION OF THE MAHEBOURG MARKET PROJECT - CLOSED IN OLAS	12,887	12,887	100%	12,887	100%	Closed
9-ACP MAS-5	ECO TECHNICAL COOPERATION FACILITY (TCF)	500,000	453,761	91%	309,380	62%	On going
9-ACP MAS-6	ECO CAPACITY BUILDING PROGRAMME - NSA'S FIGHT AGAINST POVERT	13,500,000	10,478,357	78%	3,149,034	23%	On going
9-ACP MAS-7	Improving the quality of horticulture - ex 6 ACP MAS 49	87,919	86,404	98%	85,070	97%	6th EDF project transferred into new 9th EDF accounting number - NOT COUNTED
9-ACP MAS-8	Mauritius Sugar Sector Support Programme A	4,117,000	4,117,000	100%	-	0%	On going
9-ACP MAS-9	Mauritius Sugar Sector Support Programme B	440,000	440,000	100%	-	0%	On going

9-ACP MAS-10	Technical Cooperation Facility (2nd phase)	590,000	-	0%	-	0%	On going
9-ACP MAS-11	Improved Competitiveness for equitable development GBS	8,742,531	-	0%	-	0%	On going

COUNTRY: MAURITIUS EDF 9			% of NIP	% of GFC	AMOUNT in EUROS
SITUATION : 31/12/2007					
	TOTAL N I P ENVELOPE including transfers and and Top Ups)	[A]			67,984,833
[A]	Indicative Programme A envelope & B envelope				34,100,000
	Top up (mid term & final)				18,742,531
	Transfers from previous EDFs				15,535,331
	Transfer to long term development reserve				(393,029)
[B]	GFC : Global Financial Commitments	[B]	100.00%		67,984,833
[C]	IFC : Individual Financial Commitments	[C]	81.42%	81.42%	55,355,768
[D]	PAYMENTS	[D]	56.00%	56.00%	38,069,692
[E]	Uncommitted balance	[A] - [B]	0.00%		-

ANNEX III a: Sector concentration of engagement under 9th EDF

(million €)	Initial allocation 2002	Revised after ETR in 2006 + previous EDFs reliquats	Allocation from AMSP 2006-2007	Allocation form FLEX 2006-07 and Env.B	Total allocation under 9 th EDF + AMSP + FLEX
Environment - Wastewater	28	11,8			39,8
Sugar Sector Policy Support Programme		4,5	6,5		11
Macroeconomic Support		8,7	36	31,18	77,88
Decentralised Cooperation Programme	5	13,5			13,5
Technical Cooperation		1,09			1,09
Total	33	39,59	42,5	31,18	143,27

Annex III b: Financial situation - Regional Projects

COUNTRY: REGIONAL IOC EDF 9							
SITUATION : 31/12/2007							
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

37,065,796.57	27,673,576.26	74.66%	16,502,570.79	44.52%	TOTALS
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9 ACP RSA 1	Projet Pilote Régional de surveillance, contrôle et suivi des Grands pélagique migrants	3,415,796.57	3,025,019.57	89%	1,706,593.23	50%	ON GOING PROJECT
9 ACP RSA 5	Regional Tuna tagging Project	4,300,000.00	4,081,297.22	95%	2,939,240.26	68%	ON GOING PROJECT
9 ACP RSA 6	Regional Tuna tagging Project	9,700,000.00	9,546,447.50	98%	7,943,667.50	82%	ON GOING PROJECT
9 ACP RSA 7	Appui institutionnel au secrétariat général de la COI	1,650,000.00	1,642,888.97	100%	1,472,796.01	89%	Projet en cours de clôture
9 ACP RSA 20	Regional Programme for the sustainable management of coastal resources	18,000,000.00	9,377,923.00	52%	2,440,273.79	14%	ON GOING PROJECT

ANNEX III c: Financial situation - EIB projects

Numéro de prêt	Nom du contrat	Nom de l'accord financier	Date de signature	Evolution	Secteur d'activité	Montant du contrat en EUR	Montant annulé en EUR	Montant versé en EUR	Solde à verser en EUR	Encours versé en EUR
16799	CWA WATER SUPPLY	LOME - CONVENTION 4	20/09/1993	VERSE	EAU, ASSAINISSEMENT	10,000,000.00	0.00	10,000,000.00	0.00	3,076,394.00
17670	HAREL BELLE VUE BAGASSE COAL ENERGY	LOME - CONVENTION 4 - PROT.2	21/09/1998	VERSE	ENERGIE	10,000,000.00	0.00	10,000,000.00	0.00	2,345,000.00
17771	MAURITIUS TELECOM	LOME - CONVENTION 4	29/12/1994	VERSE	TELECOMMUNICATIONS	14,000,000.00	0.00	14,000,000.00	0.00	5,068,484.00
18201	BAIE DU TOMBEAU SEWERAGE	LOME - CONVENTION 4	06/11/1995	VERSE	EAU, ASSAINISSEMENT	16,000,000.00	0.00	16,000,000.00	0.00	5,535,933.00
18394	PT LOUIS CONT. TERM(MAURIT.) A	LOME - CONVENTION 4	18/12/1995	VERSE	TRANSPORTS	12,000,000.00	0.00	12,000,000.00	0.00	4,361,098.00
18948	SSR INTER. AIRPORT (MAURITIUS)	LOME - CONVENTION 4	12/09/1996	VERSE	TRANSPORTS	8,000,000.00	925,327.00	7,074,673.00	0.00	2,353,753.00
19635	PORT LOUIS CONTAINER TERMINAL (MAURITIUS) B	LOME - CONVENTION 4	07/07/1997	VERSE	TRANSPORTS	3,000,000.00	0.00	3,000,000.00	0.00	390,675.00
20747	MAURITIUS SSR AIRPORT EXTENSION II	LOME - CONVENTION 4 - PROT.2	10/10/2000	VERSE	TRANSPORTS	18,000,000.00	15,415,991.00	2,584,008.00	0.00	1,876,155.00
21396	PLAINES WILHEMS SEWERAGE	LOME - CONVENTION 4 - PROT.2	17/12/2001	SIGNE	EAU, ASSAINISSEMENT	35,000,000.00	0.00	0.00	35,000,000.00	0.00
21884	CWA REDUCTION OF NON-REVENUE WATER	LOME - CONVENTION 4 - PROT.2	20/12/2002	SIGNE	EAU, ASSAINISSEMENT	20,000,000.00	0.00	2,326,141.00	17,673,858.00	2,326,141.00
22172	BEL OMBRE HOTEL A (SENIOR LOAN)	ACCORD DE COTONOU	12/08/2003	VERSE	SERVICES	6,100,000.00	0.00	6,100,000.00	0.00	5,422,222.00
22871	MAURITIUS CONTAINER TERMINAL II	ACCORD DE COTONOU	21/12/2004	SIGNE	TRANSPORTS	14,000,000.00	0.00	7,521,013.00	6,478,986.00	6,622,005.00
23147	SBM GLOBAL LOAN	ACCORD DE COTONOU	28/07/2005	SIGNE	PRETS GLOBAUX; PRETS GROUPEES	20,000,000.00	0.00	0.00	20,000,000.00	0.00
Total						186,100,000.00	16,341,318.00	90,605,835.00	79,152,844.00	39,377,860.00

FED

Numéro de prêt	Nom du contrat	Nom de l'accord financier	Date de signature	Evolution	Secteur d'activité	Montant du contrat en EUR	Montant annulé en EUR	Montant versé en EUR	Solde à verser en EUR	Encours versé en EUR
21479	RODRIGUES POWER STATION	LOME - CONVENTION 4 - PROT.2	18/02/2002	VERSE	ENERGIE	2,000,000.00	10,737.00	1,989,263.00	0.00	1,491,947.00
22173	BEL OMBRE HOTEL B (SUBORDINATED LOAN)	ACCORD DE COTONOU	12/08/2003	VERSE	SERVICES	3,300,000.00	0.00	3,300,000.00	0.00	2,933,333.00
22174	BEL OMBRE HOTEL C (INDIRECT EQUITY)	ACCORD DE COTONOU	12/08/2003	VERSE	SERVICES	2,800,000.00	0.00	2,800,000.00	0.00	2,245,635.00
23343	ALBION RESORT MAURITIUS B	ACCORD DE COTONOU	11/12/2005	SIGNE	SERVICES	5,000,000.00	0.00	4,500,000.00	500,000.00	4,500,000.00
23438	ALBION RESORT MAURITIUS	ACCORD DE COTONOU	30/03/2006	SIGNE	SERVICES	14,000,000.00	0.00	9,000,000.00	5,000,000.00	9,000,000.00
70612	DBM III GLOBAL LOAN	LOME - CONVENTION 3	25/08/1986	VERSE	PRETS GLOBAUX; PRETS GROUPES	2,000,000.00	694,813.00	1,305,186.00	0.00	941,120.00
70632	SOCOTA TEXTILE MILLS	LOME - CONVENTION 3	16/12/1986	VERSE	INDUSTRIE	1,500,000.00	0.00	1,500,000.00	0.00	211,700.00
70701	CEB IV	LOME - CONVENTION 3	02/12/1987	VERSE	ENERGIE	3,000,000.00	0.00	3,000,000.00	0.00	648,300.00
70920	CWA WATER SUPPLY PROJECT	LOME - CONVENTION 4	20/09/1993	VERSE	EAU, ASSAINISSEMENT	2,000,000.00	0.00	2,000,000.00	0.00	629,199.00
Total						35,600,000.00	705,550.00	29,394,449.00	5,500,000.00	22,601,234.00

MANDAT

Numéro de prêt	Nom du contrat	Nom de l'accord financier	Date de signature	Evolution	Secteur d'activité	Montant du contrat en EUR	Montant annulé en EUR	Montant versé en EUR	Solde à verser en EUR	Encours versé en EUR
80018	TERRE ROUGE - MAPOU ROAD	LOME - CONVENTION 1	25/07/1978	VERSE		4,600,000.00	0.00	4,600,000.00	0.00	1,769,160.00
80103	MAURITIUS HOUSING	LOME - CONVENTION 1	09/09/1981	VERSE		3,040,000.00	0.00	3,040,000.00	0.00	1,481,392.00
80158	CONSTR. MAIZE PROC. PLANTS	LOME - CONVENTION 2	27/02/1984	VERSE		850,000.00	19,490.00	830,509.00	0.00	473,805.00
80203	STORAGE INSTALLATIONS	LOME - CONVENTION 2	27/12/1985	VERSE		1,350,000.00	6,003.00	1,343,996.00	0.00	854,244.00
80204	ROUTE PHOENIX-NOUVELLE FRANCE	LOME - CONVENTION 1	14/01/1986	VERSE		3,306,664.00	0.00	2,968,000.00	0.00	1,886,460.00
80204	ROUTE PHOENIX-NOUVELLE FRANCE	LOME - CONVENTION 2	14/01/1986	VERSE		5,161,335.00	0.00	5,161,335.00	0.00	3,280,544.00
80349	NATIONAL DEROCKING SCHEME	LOME - CONVENTION 3	09/12/1991	VERSE		1,000,000.00	20,936.00	979,063.00	0.00	791,181.00
80352	DIVERSIF.: N° 1 INDUSTRIE	LOME - CONVENTION 3	14/02/1992	VERSE		5,000,000.00	307,419.00	4,692,580.00	0.00	3,792,074.00
80353	DIVERSIF.: N° 2 AGRICULTURE	LOME - CONVENTION 3	14/02/1992	VERSE		4,000,000.00	0.00	4,000,000.00	0.00	3,232,400.00
Total						28,307,999.00	353,848.00	27,615,483.00	0.00	17,561,260.00

ANNEX III d: Use of budget support

EDF	COMMITMENT (Million €)	AVAILABLE TRANCHE in 2007 (Million €)	DISBURSED in 2007/2008 (Million €)	DATE
9th EDF WSPSP	38.0	9.1	8.6 mio	5 July 2007
9th EDF SPSP (variable tranche)	4.5 (in 2006)	4.5	Not yet	Not yet
9th EDF ICED I GBS (fixed tranche)	8.7 (in 2007)	8.7 (in 2008)	Not yet	Not yet
9th EDF FLEX 2006 ICED I Part 2 GBS	19.510 (in 2007)	2 tranches of 9.755 (in 2008/9 and 09/10)	-	-
TOTAL	70.71	41.81	8.6	-

Budget Line	COMMITMENT	AVAILABLE TRANCHE in 2007	DISBURSED in 2007/2008	DATE
SUGAR SPSP 2006	6.5 (in 2006)	6.5	6.5	July 2007
SUGAR ICED I GBS (fixed and variable)	36 (in 2007)	36 (in 2008)	Not yet	Not yet
TOTAL	42.5	42.5	6.5	-

ANNEX III e: Budget lines

ANNEX IV a:

EAMR aid effectiveness questionnaire

The Commission has to report its performance annually against the four EU targets on aid effectiveness. The data for this will be collected through the EAMR reporting system. You are therefore requested to complete the questions below with specific information as noted so that the current baseline we have from the July 2007 EAMR can be tracked annually. The information will also be important for you to exchange with your government colleagues, NGOs and with other donors, including MS.

Delegations had difficulty completing the questionnaire for the July 2007 EAMR. Following discussions with them the guidance to measure each target has been made more specific, following the revised OECD guidance for the 2008 survey. We hope you find the new elements more helpful. If you would still like further clarifications please contact your desk officer in AIDCO.

Some Delegations will also be completing the OECD survey during Jan-March 08. Your responses below should make it much easier to answer the OECD survey.

Regional offices will have to complete Annex C separately for each country in their region.

Please note that within the strategy that EuropeAid in relation to EU Target 4 – reduce the number of uncoordinated missions by 50 % - a number of new points have been prepared:

- Delegations are invited to:

- list dates for HQ missions already planned for the immediate 6 months period and mention if they are not coordinated;
- indicate to HQ what priority missions the Delegations estimate better serves coordination arrangements at local level for the following 6 months period.

The periods for missions, to be used in the January and July EAMR are as follows:

- In the 2008 January EAMR; Delegations list missions agreed for the period March to August 2008 and indicate their priorities for HQ in the period September 2008 to February 2009;
- In the 2008 July EAMR: Delegations list missions agreed for September 2008 to February 2009 and then indicate their priorities for HQ missions in the period March to August 2009.

1. EU Target No 1

Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements

2. Introduction

The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)

3. Questions and definitions

Question	Definition – OECD Ref	Response EUR
How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)?	Qd2	€ 17.8 million
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd5	€ 15.1 million
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd6	€ 15.1 million
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd7	€ 15.1 million
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd9	€ 15.1 million

4. Definition of Indicator

$[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2]$ (please calculate and enter as response %)

85 %

5. Additional information

Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)

For Mauritius, the use of budget support is being significantly expanded in line with the objective to channel at least 85% of the 10th EDF (including resources from the Sugar Budget line) through national procedures.

The remainder of the activities, in particular in relation to preparatory and accompanying studies and other initiatives, as well as NSA related initiatives will continue to be channelled through project support.

1. EU target 2

Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements¹

2. Introduction

EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.

The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.

To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link <http://www.oecd.org/dataoecd/13/29/36306366.doc>. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.

Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.

3. Questions and definitions

1	How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^{d3}</i>	€ 0.9 million
2	How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^{d4}</i>	€ 0.9 million

4. Definition of Indicator

3	<i>Q^{d4} / Q^{d3} (please calculate this and enter in the next column as %)</i>	100 %
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¹ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^{d4}.

5 Additional Information

4

Mauritius: Technical cooperation is provided to the Government of Mauritius under the WSPSP programme and the DCP, as well as under the Technical Cooperation Facility. In the former, the TA is provided in the context of joint donor programme to support the national strategy. Similarly, the TA and services provided under the other programmes are made upon request of the national services, and coordinated – where appropriate – with other donors. The DCP Steering Committee includes representative of other donors (IFAD, UNDP).

NB.

Region: The IOC is diversifying its donor mix and ensuring complementarities rather than coordination. This involves co-financing with France (FCEM) on Coastal and Marine Resources and with World Bank on GEF facility; Contribution Agreement is under implementation with FAO/IOTC in context of Tuna Tagging project. Though there has been no donor coordination at IOC level this might be required in the context of 10th EDF programming and we note the initiative started by the ESA RIOs (COMESA, EAC, IGAD, IOC) at the Development Cooperation Partners meeting in June 2007 in Nairobi.

Qualitative information² :

EU Code of Conduct: has been disseminated in all countries of the region and discussions are ongoing on their appropriate application in the specific country context, in particular the absence or limited EU MS presence in the countries.

In the context of the economic reform programme, donors are considering establishing a TA pool, which will involve full coordination and may involve common procedures.

² These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU target 3

Avoid establishment of new project implementation units (PIUs).

2. Introduction

EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"

To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link <http://www.oecd.org/dataoecd/13/29/36306366.doc>. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.

Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.

3. Questions and Definitions

1	How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d10</i>	1
2	Out of these, how many <u>new</u> parallel project implementation units were established during 2007?	0

4. Additional Information

3 **Qualitative information³:**

Due to the nature of the implementation via Budget support, only one PIU is active in Mauritius in the context of the labour intensive DCP project.

Are there any significant initiatives to avoid the establishment of parallel PIUs in your country?

Requests for the establishment of PIUs are screened in the early phases of the Project Cycle. Support Groups, such as the QSG, are particularly sensitive to the aspects of project implementation.

What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements?

The existence of a PIU is not detrimental to domestic ownership, nor the quality of a project, given among other that the only PIU is housed with the NAO office. It has been noticed that the support function provided by PIUs relate to facilitating the implementation of often complex projects.

If so, please provide a short description. If not, highlight key constraints.

The continuous effort to switch from the project approach to budget support, as well as the intention to further simplify the underlying rules and regulations are appropriate steps towards streamlining implementation mechanisms that at a medium term will render PIUs obsolete.

Please note any other comments you have on these issues

1. EU Target No 4

Reduce the number of uncoordinated missions by 50%.

2. Introduction

The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.

The Paris Declaration **objectives** underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁴ it is important that donors: **Conduct fewer missions, coordinate timing of missions** with partner authorities and, where necessary, with other donors, **conduct more joint missions, avoid conducting missions during "mission free periods"**⁵.

Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?

³ These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

⁴ 'Field' refers to the country in general including missions to the capital only.

⁵ The target set for 2010 for indicator 10 a) is to have 40% if donor missions to the field as joint.

3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?
 The Definitions and Guidance of the OECD (www.oecd.org/dataoecd/13/29/36306366.doc) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.

3. Questions and definitions

OECD ref: Q ^d 15	How many HQ missions to the field were undertaken in FY 2007? ⁶	3
Q ^d 16	How many of these were coordinated?	0
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		
AIDCO		2
DEV		
RELEX		
TRADE		1
ECHO		
FISH		1
OTHER DGs		
Consultants contracted by the Commission		12
Total		16

4. Definition of Indicator

Q ^d 16 / Q ^d 15	2006	2007
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;	0	0

5. Additional Information

Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors;

⁶ This question applies to the missions from the HQ

HQ DG	Date planned	Purpose/Sector	Coordinated (Yes/No)
Commissioner Michel	April 08	SADC Poverty summit	YES
AIDCO	March 08	General budget support	No
DEV	March 08	General Budget Support	No
AIDCO	June	General budget support	Yes

Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.

HQ DG	Date planned	Purpose/Sector	Donor(s) involved
_AIDCO	Jan 2009	General Budget Support	AFD, WBank, AfDB

Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.

Yes, the general budget support missions are done jointly by all budget support donors, with clearly indicated calendar and agenda.

Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of un-coordinated missions:

- OECD target of 40% likely to be met: Yes
- EU target of halving the number of un-coordinated missions: No

Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:

_____ Donor coordination is increasing steadily and will result in an increasing number of coordinated missions around the budget support programme. This should ensure that the 40% OECD target will be met by 2010. However, given the limited presence of other donors in the country, it is expected that a number of uncoordinated missions will have to remain for all other aspects of our cooperation. _____

Other aid effectiveness related information

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission **will promote wide discussions with partner countries and other donors on complementarity and division of labour**, based on the EU code of Conduct which will be complemented by first experiences in the field. **The outcome of these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008.** The Council invites the **incoming Presidencies to actively support such a process**, in close cooperation with the Member States and the Commission." (Highlights by AIDCO 01)

1.1 Have the discussions with partner countries and other donors been held? Yes

(a) **If yes**, when and what was the result? Please describe in brief how these talks are progressing. There were two meetings held on the EU Code of Conduct, the first one with the two MS present in Mauritius, and the second one with the Government of Mauritius and other donors. It has been decided to reflect on the practical ways whereby the Code could be implemented, given the limited number of MS in Mauritius. The Government has also asked for more time to discuss internally its leadership role in donor coordination.

(b) **If no**, are there plans to hold them? If yes, please describe briefly what the plans are.

1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank.

2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: 'a **self-assessment in its potential areas of comparative advantage** as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)

2.1 What action has been taken towards this self assessment of comparative advantage?

(a) If yes, please describe the process in brief and the results.

(b) If no, do you have any plans for initiating such a process? What are the plans? This self-assessment might not be necessary because of the natural selection of donors for sectors in line with the priorities. The small size of the country also renders this self-assessment less important.

3 In country that have already initiated some form of division of labour

3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc). : Government asked multilateral donors to act as lead donor/coordinator for a sector of their choice in October 2007. The process would start by each donor funding the elaboration of a strategic plan for the selected sector. After internal discussions donors each chose one or two sectors. The list was communicated to the Government in November 2007

3.2 As a result of this process, did the Delegation:

- Reduce or expand the sectors in which it remains active? Stayed same

- Exit from any sectors? No
- Enter any new sectors? No
- Become lead donor in any sectors? Became coordinator for education
- Enter into delegated cooperation partnerships? Not yet but being considered

Annex IV b: Main Donor Disbursements in Mauritius as at 31 December 2007/Planned Donor Disbursement for 2008 (Indicative)

Euro Million

<i>DONOR</i>	<i>General Budget Support</i>	<i>Capacity Building</i>	<i>Wastewater</i>	<i>Public Infrastructure</i>	<i>SMEs</i>	<i>Agricultural Development</i>	<i>Poverty Eradication</i>
<i>European Commission (EU) (2007-11)</i>							
Grant	6.5						4.9
<i>World Bank (WB) (2007-9)</i>							
Loan	45						
<i>African Development Bank (AfDB) (2007-9)</i>							
Loan	15						
<i>Agence Française de Développement (AFD) (2006/7-2008/9)</i>							
Loan	24						
<i>United Nations Development Programme (UNDP) (2009-11)</i>							
Grant		1.6					

People's Republic of China (2007-9)							
Grant	0.06						
Loan				52.5			
Japan							
Loan			3.5				
Kuweit Fund for Arab Economic Development							
Loan				0.2			
Arab Bank for Economic Development in Africa (BADEA) (2007-2010)							
Loan				4.6			
International Fund for Agricultural Development (IFAD)							
Loan						0.5	
Republic of India (2007-9)							
Loan			1.1	0.2	0.4		

Euro/USD: 1.5 (20.06.08)

Annex IV c: Current/Prospective Main Donor Presence in Mauritius as at 31 December 2007 (Indicative)
Euro Million

<i>DONOR</i>	<i>General Budget Support</i>	<i>Capacity Building</i>	<i>Wastewater</i>	<i>Public Infrastructure</i>	<i>SMEs</i>	<i>Agricultural Development</i>	<i>Poverty Eradication</i>
<i>European Commission (EU) (2007-11)</i>							
Grant	207.37	2.59	4.2				14.5
<i>World Bank (WB) (2007-9)</i>							
Loan	135						
<i>African Development Bank (AfDB) (2007-9)</i>							
Loan	45						
<i>Agence Française de Développement (AFD) (2006/7-2008/9)</i>							
Loan	72			51.5			
Grant		2.5					
<i>United Nations Development Programme (UNDP) (2009-11)</i>							
Grant		23.1					
<i>People's Republic of China (2007-9)</i>							

Loan			45.7	224.3		
Grant	0.06					
<i>Japan</i>						
Loan			3.5			
<i>Kuweit Fund for Arab Economic Development</i>						
Loan				0.2		
<i>Arab Bank for Economic Development in Africa (BADEA) (2007-2010)</i>						
Loan				30		
<i>International Fund for Agricultural Development (IFAD)</i>						
Loan						0.5
<i>Republic of India (2007-9)</i>						
Loan			1.1	150	0.4	
Grant				15		

Euro/USD: 1.5 (20.06.08)

20.06.08

YEAR	ALLOCATION NUMBER	INDIVIDUAL COMMITMENT	TOTAL ON ONGOING INDIVIDUAL COMMITMENTS	SITUATION END 2006		FORECASTS ON PAYMENTS 1st SEM 2007			FORECASTS ON PAYMENTS 2nd SEM 2007			FORECASTS ON PAYMENTS 1st SEM 2008			FORECASTS ON PAYMENTS 2nd SEM 2008			COMMENTS		
				COMMITMENT	PAID	1st SEMESTER	2nd SEMESTER	1st SEMESTER	2nd SEMESTER	1st SEMESTER	2nd SEMESTER	1st SEMESTER	2nd SEMESTER	1st SEMESTER	2nd SEMESTER					
1998	7ACP MAS23	0	RESEARCHES HIRAKENEA	680,000	847,597	12,400	0	0	0	0	0	0	0	0	0	0	0	OK		
1998	7ACP MAS23	11	EDC DE F. 0144232	202,100	165,987	35,115	0	0	0	0	0	0	0	0	0	0	0	OK		
1998	7ACP MAS23	11	EDC DE F. 0144232	202,100	165,987	35,115	0	0	0	0	0	0	0	0	0	0	0	OK		
1999	8ACP MASE	0	REP. ST. MARTIN SEWAGE EXPANSION - STAGE 1	16,084,605	15,084,605	0	0	0	0	0	0	0	0	0	0	0	0	OK		
1999	8ACP MASE	4	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	891,587	891,587	0	0	0	0	0	0	0	0	0	0	0	0	OK		
1999	8ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	824,253	824,253	0	0	0	0	0	0	0	0	0	0	0	0	OK		
1999	8ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	1,716,120	1,716,120	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS10	0	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	1,070,846	1,070,846	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS10	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	277,776	277,776	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS10	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	747,070	747,070	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	0	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	4,000,000	3,684,137	15,865	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	1	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	202,600	202,600	24,000	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	3,670,000	3,085,271	11,726	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	3,962,000	3,915,424	48,576	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	251,135	206,819	44,316	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	181,431	66,627	120,804	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	25,468	25,468	7,000	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	205,970	65,627	140,343	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	728,500	728,116	384	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	490,000	490,000	12,000	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	472,400	301,025	171,375	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	14,520	14,457	63	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	485,320	315,522	171,346	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS11	2	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	39,800,000	28,173,366	10,626,134	0	0	0	0	0	0	0	0	0	0	0	OK		
2000	9ACP MAS3	1	WATER SUPPLY	28,000,000	25,200,000	2,800,000	0	0	0	0	0	0	0	0	0	0	0	0	OK	
2000	9ACP MAS3	3	REP. DW. WATER SUPPLY	1,127,300	827,700	299,600	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	OK		
2000	9ACP MAS3	3	REP. DW. WATER SUPPLY	28,127,300	25,327,300	3,745,600	0	0	0	0	0	0	0	0	0	0	0	0	OK	
2001	9ACP MASE	0	COOPERATION FACILITY (CFE)	500,000	107,492	392,508	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	65,000	13,306	51,694	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	58,000	13,306	44,694	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	13,000,000	3,911,190	9,088,810	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	675,420	166,441	508,979	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	2,450,000	155,560	2,294,440	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	134,487	116,650	17,837	77,787	77,787	77,787	77,787	77,787	77,787	77,787	77,787	77,787	77,787	77,787	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	198,308	118,345	79,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	75,963	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	10,710	10,710	0	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	48,815	29,886	18,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	3,776,320	1,008,620	2,767,700	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	OK		
2001	9ACP MASE	6	REP. CONSORTIUM FIVE COMMUNITIES/REP. CONSORTIUM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	OK		



MAURITIUS

EDF FORECASTS 2007-2008: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

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OPERATION DICE

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YEAR CODE COMMIT	ACCOUNTING NUMBER	TITLE INDIVIDUAL COMMITMENT	FORECASTS 1st SEM 2007						FORECASTS 2nd SEM 2007						FORECASTS 1st SEM 2008						FORECASTS 2nd SEM 2008					
			ESTIMATION OF RISK FACTOR FOR PAYMENTS			ESTIMATION OF RISK FACTOR FOR PAYMENTS			ESTIMATION OF RISK FACTOR FOR PAYMENTS			ESTIMATION OF RISK FACTOR FOR PAYMENTS			ESTIMATION OF RISK FACTOR FOR PAYMENTS			ESTIMATION OF RISK FACTOR FOR PAYMENTS								
			INDIVID. COMMIT.	PAYMENTS	Low	Medium	High	INDIVID. COMMIT.	PAYMENTS	Low	Medium	High	INDIVID. COMMIT.	PAYMENTS	Low	Medium	High	INDIVID. COMMIT.	PAYMENTS	Low	Medium	High				
TOTALS on NEW INDIVIDUAL Commitments			15.103.984	11.393.983	10.224.964	1.169.019	0	270.000	751.000	66.000	685.000	0	5.030.000	3.203.000	1.578.000	1.625.000	0	10.000	1.066.000	1.010.000	56.000	0				
2003	9ACP MAS3	INF MAURITIUS WASTEWATER SECTOR POLICY SUPPORT PROGRAMME																								
2003	9ACP MAS3	WASTEWATER SECTOR POLICY SUPPORT PROGRAMME EC BUDGET SUPPORT	10.000.000	9.000.000	9.000.000	0	0	0	0	0	0	0	1.000.000	1.000.000	0	0	0	0	0	0	0	0				
2003	9ACP MAS3	Evaluation	0	0	0	0	0	50.000	0	0	0	0	50.000	50.000	0	0	0	0	0	0	0	0				
2003	9ACP MAS3	Use of reliquats -rider DHV	400.000	0	0	0	0	0	50.000	50.000	0	0	0	350.000	350.000	0	0	0	0	0	0	0				
2004	9ACP MAS5	ECO TECHNICAL COOPERATION FACILITY (TCP)																								
2004	9ACP MAS5	PE 2 (13/03/07 - 01/03/08)	40.000	15.000	15.000	0	0	25.000	0	25.000	0	0	0	0	0	0	0	0	0	0	0	0				
2004	9ACP MAS5	studies -PEFA	59.967	35.980	35.980	0	0	23.987	0	23.987	0	0	0	0	0	0	0	0	0	0	0	0				
2004	9ACP MAS5	studies	140.033	84.019	0	84.019	0	56.013	0	56.013	0	0	0	0	0	0	0	0	0	0	0	0				
2004	9ACP MAS5	Specific studies low 10th EDF Not	0	0	0	0	0	140.000	0	0	0	0	0	84.000	84.000	0	0	0	56.000	0	56.000	0				
2004	9ACP MAS5	Evaluation as foreseen in F.A	0	0	0	0	0	0	0	0	0	0	20.000	20.000	0	0	0	0	0	0	0	0				
2004	9ACP MAS5	Audit as foreseen in F.A	0	0	0	0	0	0	0	0	0	0	10.000	10.000	0	0	0	0	0	0	0	0				
2005	9ACP MAS6	ECO CAPACITY BUILDING PROGRAMME - NSAS FIGHT AGAINST POVERT																								
2005	9ACP MAS6	PE 2 (01/04/07 - 30/06/08)	2.900.000	1.160.000	1.160.000	0	0	580.000	0	580.000	0	0	1.160.000	0	1.160.000	0	0	0	0	0	0	0				
2005	9ACP MAS6	Specific Commitment Direct award grant HRDC	950.000	665.000	0	665.000	0	0	0	0	0	0	285.000	0	285.000	0	0	0	0	0	0	0				
2005	9ACP MAS6	Specific Commitment Direct award grant NCCG(or as apprx.)	600.000	420.000	0	420.000	0	0	0	0	0	0	180.000	0	180.000	0	0	0	0	0	0	0				
2005	9ACP MAS6	Mid-term evaluation	0	0	0	0	0	80.000	16.000	16.000	0	0	64.000	64.000	0	0	0	0	0	0	0	0				
2005	9ACP MAS6	Audit of the DP1	10.000	10.000	10.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
2005	9ACP MAS6	Audit of the DP 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10.000	10.000	10.000	0	0	0				
2005	9ACP MAS6	MOORE STEPHENS CONTROL OF PAYMENT ORDERS	3.984	3.984	3.984	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
2005	9ACP MAS6	PE 3 (01/07/08 - 31/03/09)	0	0	0	0	0	0	0	0	0	2.500.000	0	0	0	0	0	1.000.000	1.000.000	0	0	0				
2005	9ACP MAS6	PE 4 (01/04/09-31/03/10) - To be signed before 12 July 2008	0	0	0	0	0	0	0	0	0	2.500.000	0	0	0	0	0	0	0	0	0	0				



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DG OPERATIONS

MAURITIUS

EDF FORECATS 2007-2008 : NEW GLOBAL Commitments (including individual commitments & Payments).

(amounts in €)

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ESTIMATED DECISION DATE	PROJECT TITLE (GLOBAL COMMITMENT)	CATEGORY	AMOUNT	FORECASTS 1st SEM 2007						FORECASTS 2nd SEM 2007						FORECASTS 1st SEM 2008						FORECASTS 2nd SEM 2008					
				INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS						
						Low	Medium	High			Low	Medium	High			Low	Medium	High			Low	Medium	High				
	TOTALS on NEW GLOBAL Commitments.		12,868,531	0	0	0	0	0	4,557,000	4,557,000	0	0	4,557,000	0	0	6,992,531	8,742,531	20,000	8,742,531	0	0	0	120,000	120,000	0	0	
03 2007	DRU MAURITIUS SUGAR SECTOR SUPPORT PROGRAMME	SPSP BS	4,117,000	0	0	0	0	0	4,117,000	4,117,000	0	0	4,117,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
03 2007	DRU MAURITIUS SUGAR SECTOR SUPPORT PROGRAMME	SPSP BS	440,000	0	0	0	0	0	440,000	440,000	0	0	440,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
07 2007	TCF NO.2 STUDIES W/P	PROJECT	590,000	0	0	0	0	0	0	0	0	0	0	0	0	200,000	0	0	0	0	0	0	120,000	120,000	0	0	
				0	0	0	0	0	0	0	0	0	0	0	50,000	20,000	20,000	0	0	0	0	0	0	0	0		
07 2007	GENERAL BUDGET SUPPORT GENERAL BUDGET SUPPORT	GENERAL BS	8,742,531	0	0	0	0	0	0	0	0	0	0	0	8,742,531	8,742,531	0	8,742,531	0	0	0	0	0	0	0		

ANNEX 8: PROSPECTIVE GOVERNANCE COMMITMENTS: MAURITIUS

OVERALL CONCLUSION	
GOVERNANCE PROFILE	COMMITMENTS
<p>1. POLITICAL/DEMOCRATIC GOVERNANCE (VOICE AND ACCOUNTABILITY FOR WBI)</p>	<ul style="list-style-type: none"> • Government is committed to ensuring that human rights are well respected in Mauritius. In this context amendments will be brought to the Protection of Human Rights Act by December 2007 to strengthen the National Human Rights Commission (“NHRC”) • The functioning and enforcement powers of the National Human Rights Commission will be reviewed, in the light of the recommendations made by the UN Human Rights Committee in March 2005 and of the Paris Principles. <p>STATUS</p> <p><i>A Draft Protection of Human Rights (Amendment) Bill which is under preparation will provide, inter-alia for :-</i></p> <p><i>(a) change in the composition of the National Human Rights Commission, bearing in mind the ‘Paris Principles’;</i></p> <p><i>(b) the establishment as Division of the Commission of a National Preventive Mechanism (Optional Protocol – CAT), the Equal Opportunity Division and the Police Complaints Division.</i></p> <ul style="list-style-type: none"> • The Equal Opportunities Bill which will be introduced by December 2007 will provide for the establishment of an Equal Opportunities Commission. <p>STATUS</p> <p><i>A draft Equal Opportunities Bill is being examined. The Bill provides for the establishment of an Equal Opportunities Commission.</i></p>

**II. POLITICAL GOVERNANCE/RULE OF LAW:
JUDICIAL AND LAW ENFORCEMENT
SYSTEM**

Prisons

- It is proposed to further improve the prison conditions and environment and to provide better facilities for detainees. The objective is to have one cell per detainee and a dormitory to accommodate between three and twenty detainees.

STATUS

Rs20.5m have been spent from 2003-2007 for creating structures in all the Prisons and the Correctional Youth Centre with a view to providing better services to detainees.

Improvement works for the enhancement of prisons conditions and environment are ongoing.

- A strategic plan which will cover accommodation, safety and security of detainees will be finalised by March 2007.

STATUS

The Strategic Plan 2007-2009 which covers inter alia accommodation, safety and security of detainees has been finalised and is being implemented with the stakeholders concerned.

- A new prison which would house up to 750 detainees will be constructed at Melrose. Construction works are scheduled to start by June 2008 and to be completed by 2011.

STATUS

Construction works for the Phase I of the New Prison at Melrose are expected to start in May 2009. Preliminary drawings have been completed. Five consultants have been appointed for Architectural Design, Structural Design, Quantity Surveying, Electrical/Fire Detection Installation Design, and Design of Sewerage disposal and Treatment Systems.

The services of two other Consultants are being enlisted for Mechanical Services and Security Design.

One cell per detainee and dormitories as per standard norms will be achieved with the operationalisation of the Melrose Prison.

Police

- Government is firmly committed to improve investigative methods and eliminate and punish police violence.
- To achieve this, the following measures will be introduced :-
 - The DNA Bill will be finalised by December 2007.

STATUS

The Draft DNA Bill is under consideration in view of its complexity and human rights issues. The Bill is expected to be introduced in the National Assembly shortly.

- Improved training will be dispensed to police officers in investigative methods. The French Government will provide training during the first semester of 2007 in the following fields :-
 - (a) *Graphologie: 9 officers followed the course from 23-27 April 2007.*
 - (b) *Identit  judiciaire: 2 officers followed the course held in France from 27 May to 22 June 2007.*
 - (c) *Ballistiques: 9 officers followed the course from 23-27 April 2007.*
 - (d) *Techniques de l'enquete et d'audition: 10 officers will follow training programme in Reunion Island in October 2007.*
 - (e) *Formation sur l'ADN: Training to be conducted in 2008.*

Lectures are also held regularly by Divisional Commanders and Officer-in-Charge of Operational Units on human rights issues, especially whilst dealing with suspects, accused and witnesses.

- An Independent Police Complaints Commission will be established and will provide for more transparency in the investigation of complaints made against police officers.

STATUS

The Draft Bill which had already been prepared had to be amended in the light of information gathered during a study tour effected in South Africa. The amended draft legislation for the establishment of such a body is in the final stage of preparation and is expected to be introduced into the National Assembly by July 2008.

Judiciary

- By letter dated 12 February 2007, the Judiciary has indicated that it proposes to reduce delays in completing pre-trial procedures and court proceedings by almost 50% by the end of December 2008.
- Government proposes to implement measures recommended by Lord Mackay in 1997 and 2006 in his review of structure and operation of the judicial system and legal profession.
- Those measures include –
 - (a) the restructuring of the Supreme Court into a High Court and a Court of Appeal, which will result in a permanent Division of the High Court hearing first instance criminal cases throughout the Court term;

STATUS

Two judges of the Supreme Court have been deputed to hear drugs and criminal cases at the Assizes. The Criminal Division of the Supreme Court is fully operational.

An additional Judge has been appointed on 14 January 2008 and new appointments will be made when the restructuring of the Supreme Court into a High Court and a Court of Appeal will be implemented.

A Family Court has been set up and is fully operational. It is sitting full-time to hear matrimonial cases and matters relating to some 50 cases have been scheduled for the year.

(b) The setting up of a separate DPP's office with a team of law officers doing exclusively criminal prosecution work, which will result in less backlog at the level of the DPP's office; and

STATUS

As from 12 February 2008, the DPP's office has been divided in three units namely –

- *Civil Advisory Council and Litigation Unit;*
- *Criminal Advisory Council and Litigation Unit (or DPP) and*
- *Legislative Drafting Unit*

(c) The introduction of statutory time-limits for instituting proceedings before Court.

STATUS

With the appointment of the new Chief Justice, further discussions will be held on the matter.

A Scheme has been set in place in July 2007 for the Judges of the Supreme Court to undertake a management of old cases with a view to their being put into shape for their prompt and early disposal, yielded positive results in as much as these cases have already been disposed of and the remaining are scheduled to be heard and completed this year.

(i) **Expansion and refurbishing of New Court Room facilities**

The Central Tender Board already approved the renting of Office space for additional Courtrooms, Chambers and Offices for supporting staff and the setting up of a Central Archive at Astor Court Building, Port Louis. The building is being improved to comply with certain conditions and legal requirements.

(ii) **Renovation**

Tenders have been launched in January 2008 for the renovation of the Flacq District Court. Assessment of tenders is awaiting completion.

Other avenues are being explored for temporary accommodation of Moka and Bambous District Courts during repairs and renovation of existing buildings.

Preliminary plans have been worked for the setting up of additional Court rooms, Chambers and Offices for implementation of the Judicial Reforms Program of the Judicial Service. The actual premises present difficulties in terms of security and access.

Funds are urgently required for the construction of Court buildings appropriate infrastructure to provide a modern and suitable Judicial Court Service.

Special Committee for Judicial Reform

The following Special Committees which are of utmost importance for the implementation of Judicial Reforms Program of the Judicial Service and presided by Judges of the Supreme Court have been constituted to look into such urgent matters as –

- Judicial Training,
- Court Management and Cash Flow Monitoring,
- Court Security,
- Court uniformisation and Standardisation,
- Court Services to court users,

	<ul style="list-style-type: none"> • Implementation and Management of Judicial Projects <p>Funds are urgently required for an early implementation and setting up thereof.</p>
<p>III. CONTROL OF CORRUPTION</p>	<p>Government aims at improving the ranking of Mauritius on the corruption index. The following measures inter alia will be implemented –</p> <p>(i) amendment of the Prevention of Corruption Act (PoCA) with a view to –</p> <ul style="list-style-type: none"> • widening the definition of corruption offence to include “private corruption”; • strengthening the evidence-gathering powers of ICAC, and • streamlining the procedures laid down in PoCA. <p>STATUS</p> <p><i>Final instructions of the Parliamentary Committee are awaited.</i></p> <p>(ii) implementation of the recommendations of ICAC (contained in Corruption Prevention Reviews) on reducing the risks for corruption in public bodies.</p> <p>STATUS</p> <p><i>13 Corruption Prevention Reviews (CPR) have been undertaken and are still ongoing.</i></p> <p>(iii) intensifying the education programme to educate the citizens on the evils of corruption; and</p> <p>STATUS</p> <p><i>Out of the 80 Education Projects, only 23 have been completed.</i></p>

	<p><i>Commitment includes the implementation of the Three Year Action Plan CPED – 2006-2009 which focuses on building integrity in the nation and enhancing credibility in the institution - Status Report including CPRs, Education Project and Education Activities is at Annex.</i></p> <p>(iv) Implementation of the Public Procurement Act which was passed in December 2006 with a view to ensuring maximum transparency in public procurement matters. The Act will be operational by June 2007.</p> <p>STATUS</p> <p><i>The Public Procurement Act is in operation since 17 January 2008.</i></p>
<p>IV. GOVERNMENT EFFECTIVENESS</p>	<ul style="list-style-type: none"> • A Public Finance Management (PFM) assessment based on PEFA methodology is underway and will be completed by June 2007. Once the areas requiring improvement are identified, the consultants will be requested to formulate a costed action plan and timetable for implementation. Government has requested assistance from the IMF Fiscal Affairs Dept to strengthen the PFM system. <p>STATUS</p> <p><i>A Public Finance Management (PFM) assessment has been carried out. Steps are being taken by the Ministry to implement the PFM as recommended by the Public Expenditure and Financial Accountability (PEFA) methodology.</i></p>
<p>V. ECONOMIC GOVERNANCE (REGULATORY CAPACITY FOR WBI</p>	<ul style="list-style-type: none"> • The Business Facilitation (Miscellaneous Provisions) Act 2006 which aims at improving the investment climate and at the same time our ranking in the “Doing Business Survey” is fully operational. <p>STATUS</p> <p><i>The Business Facilitation (Miscellaneous provisions) Act 2006 has been proclaimed on 30 August 2006. Our ranking in the “Doing Business Survey” is 32nd in 2007.</i></p> <p><i>In addition, the following labour reforms are being carried out to improve our investment climate.</i></p>

- (i) Employment Relations Bill*
- (ii) Employment Rights Bill*

Bills which are at final stage of drafting have been referred to the Ministry of Labour, Industrial Relations and Employment.

Consultation are being held with stakeholders.

Bills are expected to be introduced in the National Assembly during the next session.

- The Government is committed to the principle of effective exchange of information for tax purposes on the basis of the latest OECD model convention on the avoidance of double taxation. For that purpose, it intends to continually update its domestic provisions, whenever required, to ensure that the competent authorities have adequate powers to obtain and share information with its Treaty partners, including banking information and irrespective of domestic tax interest. It also intends to engage into negotiations with EU Member States with which Mauritius has a Double Taxation Avoidance in order to render the provisions on exchange of information compliant with the latest OECD model for those Member States Convention. The Government will continue its dialogue with the OECD, pursuant to commitments taken and pursue on-going efforts to keep the tax regime free from harmful features.
- The Fisheries and Marine Resources (Amendment) Act aims at harmonizing the fisheries administrative and legislative framework of countries of the IOC region. The draft Fisheries and Marine Resources Bill is being finalised by the Attorney General's Office and will be enacted by June 2007.

STATUS

The Fisheries and Marine Resources Bill has been passed in the National Assembly on 13 November 2007 and will be proclaimed within 3 months.

	<p><u>Fish Auction Market</u></p> <p>The construction work of the Fish Auction Market, financed by the Greek authorities, is scheduled to start by June this year and the market will be operational by early 2009.</p> <p><u>Development of longline Fishing</u></p> <p>A delegation from Al Habshi Company of Kuwait was in Mauritius on 22 January 2008 for an inception report submittal and feasibility study for the 'development of longline fishery'.</p> <p><u>Fishermen Investment Trust</u></p> <p>The Fisherman Investment Trust (FIT) Act was proclaimed in January 2007. 300 shares will be distributed freely to registered fishermen from Mauritius and Rodrigues by end of June 2008.</p>
<p>VI. INTERNAL AND EXTERNAL SECURITY (POLITICAL STABILITY AND ABSENCE OF VIOLENCE FOR WBI)</p>	<p>-</p>
<p>VII. SOCIAL GOVERNANCE</p>	<ul style="list-style-type: none"> • The Labour (Amendment) Act 2006 bringing the minimum age of employment from 15 to 16 was proclaimed on 18 December 2006 and is in operation as from that date. The objective of the Act is to prohibit child employment. <p>STATUS</p> <p><i>Labour inspections which are carried out by the Ministry of Labour, Industrial Relations and Employment at places of work are meant to detect cases of child employment. For year 2007, 3 cases of child labour were lodged in Court and 8 other cases are presently being processed for Court action.</i></p> <p><i>During the course of workshops/seminars, emphasis are being laid on provisions of the Labour Act prohibiting child labour and on the obligations of the Government of Mauritius to comply with the International Labour Organisation Convention No. 138 on minimum age of employment.</i></p>

	<ul style="list-style-type: none"> • Government has committed itself to adopt an Equal Opportunities Act which shall, <i>inter alia</i>, provide for equal opportunities in employment and in access to resources, and the establishment of an Equal Opportunities Commission. The Bill will be enacted by December 2007 (refer to page 1). • Legislation on measures to further prevent and punish trafficking in persons will be introduced by December 2007. <p>STATUS</p> <p><i>A request has been made to UNODC seeking technical assistance in the drafting of the legislation.</i></p> <p><i>The Child Protection Act was amended in December 2005 to mainly –</i></p> <ul style="list-style-type: none"> <i>(i) address problem of child trafficking;</i> <i>(ii) Ensure that offenders are severely punished;</i> <i>(iii) Criminalize abandonment and abduction leading to trafficking; and</i> <i>(iv) Make provision for a penal servitude not exceeding 15 years for offence of child trafficking.</i> <p>Results achieved by the Ministry of Women’s Rights, Child Development, Family Welfare and Consumer Protection at Annex I.</p> <ul style="list-style-type: none"> • It is envisaged to reduce Commercial Sexual Exploitation of children by 50% and progressively eliminate this phenomenon by the year 2010. <p>STATUS</p> <p><i>Crackdown operations are organized by the stakeholder in collaboration with NGOs to ensure that students are attending school during normal school hours thus preventing these students from getting involved in illicit activities.</i></p>
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	<p><i>A Community Child Protection Programme has been launched in August 2007 to encourage local communities to be involved in the protection of children.</i></p> <p><i>A Drop-in-Centre has been constructed in 2003 to take care of children victims of Commercial Sexual exploitation. The construction of two additional ones, based on the Philippines model, are being envisaged.</i></p>
<p>VIII. INTERNATIONAL AND REGIONAL CONTEXT</p>	<ul style="list-style-type: none"> • Mauritius became a member of the International Organisation for Migration (IOM) on 08 June 06. IOM is financing a study on the Mauritian diaspora as well as overseas labour migration funded under the 1035 facility. The duration of the project will be 6 months. A draft Report is expected by end of May 2007, and the final Report is expected in April 2007. <p>STATUS</p> <p><i>The International Organisation for Migration has funded under its Mauritius 1035 facilities a study to map out the Mauritian diaspora and devise an Overseas Employment Strategy to enable Mauritian workers to proceed abroad, work on a temporary basis and return after having gained experience and expertise. The report is being studied by a Steering Committee under the aegis of the Prime Minister's Office. With the assistance of IOM Circular Migration projects are being worked out. A first batch of about 80 low skilled workers will go to Canada in the first week of March 2008 to work in a meat processing plant. The EU is financing a workshop on Circular Migration scheduled for early September 2008.</i></p> <ul style="list-style-type: none"> • The mandate of the National Economic and Social Council (NESC) as the focal point for the APRM exercise has been re-confirmed by Government. <p>STATUS</p> <p>Since the official launching of the APRM exercise in April 2007, the NESC and the consultant (Ernst & Young) have conducted a series of 22 consultative workshops during which over 1300 questionnaires were received on the four core areas of governance i.e. (i) Democracy and Good Political Governance, (ii) Economic Governance and Management, (iii)</p>

	<p>Corporate Governance; and (iv) Socio Economic Development. These inputs were fine turned in August 2007 during follow up consultations. Similar workshops were also held in Rodrigues. On 3 December 2007, a first meeting was held where NESC and Ernst & Young explained the inputs expected from public institutions.</p> <ul style="list-style-type: none"> • The NESC has issued public tenders for recruitment of consultants to complete the APR self-assessment report on Mauritius, which may be completed by the end of 2007. Government is contributing \$25,000 to the exercise in addition to US\$140,000 to be paid by UNDP. <p>STATUS</p> <p>On the basis of information/data received and their analysis, the NESC and the consultancy firm will proceed with the preparation of the Self Assessment Report (SAR) for Mauritian which could then be expected to be peer reviewed during the APRM Heads of State Forum in January 2009.</p>
<p>IX. QUALITY OF PARTNERSHIP</p>	<ul style="list-style-type: none"> • Government commits itself to a formal Article 8 dialogue starting in 2007. <p>STATUS</p> <p>Mauritius remains fully involved and committed to the process of dialogue with the European Union under the various instances provided for in the Cotonou Partnership Agreement. Both at the ACP level and under the Joint Parliamentary Assembly, Mauritius continues to play a qualitative role for the promotion of Mauritius/ACP/EU relations.</p> <p>The Incentive Tranche pertaining to the 10th EDF is conditional upon the entry into force of the Revised Cotonou Agreement. Up to now the threshold of the required number of ratifications, both from the ACP and the EC side has not been reached for the entry into force of the Revised Cotonou Agreement. In this regard, in order to ensure continuation of activities of the joint institutions, the Joint Council agreed on allocation of funds from decommitted funds from the 2008 budget for the ACP, CTA and CDE.</p>