



## Mauritius Common Country Analysis (CCA) Report

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Salesio T. Zvawada

## Mauritius Facts at a Glance

Country	Mauritius
Capital	Port Louis
Area	2,040 sq km
Population & Ethnic groups	1.3 million (2015 est); (Indo-Mauritian 68%, Creole 27%, Sino-Mauritian 3%, Franco-Mauritian 2%)
Population growth rate	0.1% (2016)
Life Expectancy	74.6 (2015)
Literacy rate	98% ( Age 15-24 years)
HDI	0.781 (2015) (ranked 64 out of 188 countries)
Inflation	1.3% (2015)
GDP (PPP)	\$24.6 billion (2015)
GDP per capita	\$20,500 (2016 est.)
GDP - real growth rate	3.5% (2016 est.) 3.7% (2015 est.) 3.6% (2014 est.)
GDP composition by sector	Services (75%), Industry (21%), Agriculture (4%) (2016)
Land use	Arable land: 49.02%; permanent crops: 2.94%; other: 48.04% (2005)
Major industries	Food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism
Agricultural products	Sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats; fish
Natural resources	Arable land, fish
Exports	\$2.676 billion (2016 est.) \$2.685 billion (2015 est.)
Export commodities	Clothing and textiles, sugar, cut flowers, molasses, fish
Major export partners	UK 13.2%, UAE 12.4%, France 11.9%, US 10.7%, South Africa 8.6%, Madagascar 6.5%, Italy 5.4%, Spain 4.4% (2015)
Imports	\$4.355 billion (2016 est.) \$4.526 billion (2015 est.)
Major Import commodities	manufactured goods, capital equipment, foodstuffs, petroleum products, chemicals
Major import partners	India 18.7%, China 17.8%, France 7.1%, South Africa 6.5%, Vietnam 4.4% (2015)
Unemployment	7.9 % (2015)
Public debt	58.1% of GDP (2015)

## List of Acronyms

AOSIS/SIDSDOCK	Alliance of Small Island States/Small Island Developing States Dock
BOP	Balance of Payment
CCA	Common Country Analysis
CFC	Chlorofluorocarbon
COMESA	Common Market for East and Southern Africa
CSR	Corporate Social Responsibility
CPE	Certificate of Primary Education
DaO	Delivery as One
DPL	Development Policy Loan
EEZ	Exclusive Economic Zone
EFA	Education for All
EIA	Environmental Impact Assessment
EOC	Equal Opportunities Commission
EPA	Environment Protection Act
ESD	Ecologically Sustainable Development
ESTP	Economic and Social Transformation Plan
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FMRH	Fertility Management and Reproductive Health
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GoM	Government of Mauritius
GPI	Gender Parity Index
HBS	Household Budget Survey
HDI	Human Development Index
HRDC	Human Resource Development Council
ICT	Information and Communications Technology
ICZM	Integrated Coastal Zone Management
IMR	Infant Mortality Rate
IOC	Indian Ocean Commission
IORA	Indian Ocean Rim Association
IT	Information Technology
MACOSS	Mauritius Council of Social Services
MAIFS	Ministry of Agro-Industry and Food Security
MARENA	Mauritius Renewable Energy Agency
MCSAAR	Ministry of Civil Service Affairs and Administrative Reforms
MEFD	Ministry of Finance and Economic Development
MGECDFW	Ministry of Gender Equality, Child Development and Family Welfare
MLGOI	Ministry of Local Government and Outer Islands
MLIRET	Ministry of Labour, Industrial Relations, Employment and Training
MOEMRF	Ministry of Ocean Economy, Marine Resources & Fisheries
MICs	Middle Income Countries
MIH	Mauritius Institute of Health
MCP	Malaria Control Programme

MCH	Maternal and Child Health
MHCC	Mental Health Care Centre
MHQL	Ministry of Health and Quality of Life
MMR	Maternal Mortality Ratio
MTCT	Mother To Child Transmission
MRC	Mauritius Research Council
MSY	Maximum Sustainable Yield
NCCAPF	National Climate Change Adaptation Policy Framework
NCD	Non Communicable Diseases
NEAP	National Environment Action Plan
NEF	National Empowerment Foundation
NER	Net Enrolment Ratio
NHDC	National Housing Development Company
NGOs	Non-Governmental Organizations
NWEC	National Women Entrepreneurs Council
PAN	Protected Areas Network
PSC	Private Sector Competitiveness
SADC	Southern Africa Development Community
SPPD	Strategic Policy and Planning Department
UMIC	Upper Middle Income Country
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

## Executive Summary

### Background

Mauritius has made remarkable economic and social transformation from a low-income, agriculturally based economy to a diversified, upper middle-income economy with growing industrial, financial, and tourism sectors, achieving a steady GDP growth rate averaging 3.6% over the last five years. Mauritius has managed to improve the welfare of its people as seen in, minimal levels of poverty, more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure. It ranks highly on the human development index (HDI). Looking ahead, Government of Mauritius (GoM), through the Vision 2030 endeavour to accelerate inclusive economic growth and development and transform the economy from an upper middle income (UMIC) status to an inclusive high-income country. However, the key development challenges revolve around avoiding the “middle-income trap” and ensuring productivity and competitiveness, securing adequate development financing, environmental inclusiveness, as well building national capacity to drive the economy.

In its development aspirations, Mauritius committed to continue engaging with, and access the support and expertise of the UN development system in realising its development agenda. Against this background, an updated Common Country Analysis (CCA) is necessary to identify the current issues, challenges and opportunities so as to inform and prioritise the formulation of the new partnership framework. The CCA should therefore, help to strategically position the UN system to support Mauritius in its sustainable development course through evidence-based programming.

### Economic Management of the Country

Mauritius has made significant strides on the economic management trajectory which include transforming the economy from and agro-based to a diversified manufacturing, tourism and service based-economy. GDP grew in the range 3-4% per year for the period 2010-2014. GDP for 2016 stood at US\$12, 1 billion of which the services sector accounts for 75%, industry 21%, and agriculture 4%. Inflation is generally stable ranging between 1.3% and 2.0% over the last three years, with unemployment between 7-9% over the same period. However, the economy incurs a heavy trade deficit with imports (good and services) almost double exports. Due to its expansionary fiscal policy (financing social welfare programmes), Government incurs a heavy public debt of above 50% of GDP. The country has made commendable progress in the quality of life of its people. Extreme poverty is rare, and relative poverty was 9.8% of the population in 2012. The HDI stood at 0.781 as of 2015, ranking 64 out of 188 countries, with life expectancy at 74.6 years over the same period.

Notwithstanding the gains made, Mauritius faces increasing threats of an ageing population, structural employment, declining labour force putting an increasing pressure on Government expenditure budget as the revenue base shrinks. There may be need to review the sustainability of wholly financing social welfare programmes from the fiscus. Going forward, to achieve inclusive and sustainable economic growth, Mauritius wants to take bold measures to unlock value by making huge investments in new sectors with the potential to accelerate growth identified as, the ocean economy, ICT, asset management, as well as bunkering and port development services, while at the same time consolidating the existing sectors of manufacturing, financial services sector and tourism sectors. Government has also elaborated The Marshall Plan to eradicate poverty and inequality through the social integration

programmes. However, fundamental to the sustainable eradication of absolute poverty and inequality is addressing the underlying and root causes in the medium to long term.

The country has high demand for technical expertise, capacity building and research and development to unlock value in economic drivers, as well as supporting with strategic planning and policy advice for sustainable development in other complimentary sectors. The UN also has the potential to mobilise expertise to fostering a youth-led entrepreneurship, skills transfer to alleviate the problem of structural unemployment in the medium to long term.

### **Private Sector Development, Domestic, Regional and International Trade**

Mauritius aims to transform island into an open and globally competitive economy and to fully integrate into the world trade system. It also places emphasis on international trade with special attention on the opportunities provided by the regional market in Africa attracting investments mainly through public-private partnerships. The economy has been liberalised to promote private ownership and investment. The ICT sectors is one of the fast growing sector considered to be a pillar for supporting competitiveness. The manufacturing and textiles, though relatively declining still play a significant role, contributing at least 15% of GDP in 2015. Furthermore, Mauritius has grown to be an International Financial Centre. Mauritius also has one of the largest Exclusive Economic Zones in the world, which the country hopes to tap into through the development of the ocean economy. About 60% of its exports go to Europe. Main exports are sugarcane (15% of its exports), clothing and textile, tourism and fish. Main imports include petroleum products, fish, cars, and medicine. However, the country has a trade deficit which has been increasing overtime with latest figures at USD 2 billion in 2016.

Of late, the economy is facing competitive pressure from increasing global competition in the export markets especially in manufacturing. This is worsened by the business slowdown in Europe (the main export market) which also depresses tourism. GoM among other initiatives, is promoting technology investments to improve quality of exports to enable entry into new markets, and boost economic growth through higher productivity and to increase high value added exports.

GoM is keen to collaborate with partners which can provide technical expertise to support in not only exploring new opportunities, but also broadening and deepening the economic base for improved competitiveness. Mauritius need specialised policy advice on the proper matrix of sustaining economic growth and industrial upgrading. UN has the potential to support Mauritius in, for example, exploring new markets, enhancing South-South Cooperation, regional trade and investment promotion, access to new technology and promote the growth of the SMEs. Technical support is also critical in institutional and policy reform, as well as capacity building to align with emerging trends.

### **Human Capital Development**

Mauritius has demonstrated strong commitment toward human capital development as seen in the huge investments in basic social services and social welfare programme such universal free access health, education, pension and other safety nets. The health delivery system is very strong throughout the country. As a result, Mauritius has achieved the MDG 2 target of universal primary education with a net enrolment ratio in primary school for both sexes stood at 98% in 2014. Literacy rate of those between 15 to 24 years of age has increased from 91.2% in 1990 to 98.1% in 2014. It has already achieved most of the health related SDG targets, for instance, the

maternal mortality ratio improved from 66 in 1990 to 52 in 2014, and under-five mortality rate dropped from 23.1 in 1990 to 15.5 in 2015, and HIV prevalence rate below 1%. Incidences of other communicable diseases are very rare. Provision of safe drinking water and sanitation is highly commendable as the whole country population has access to safe drinking water and improved sanitation in both rural and urban areas. The proportion of the population with access to improved sanitation reached 99.8% in 2011.

However, non-communicable diseases remain a major national challenge as they account for 80% of the disease burden, while climate change phenomenon affects a number of issues including disease management and water production. Enhancing the quality and scope of education fit to respond to modern needs is another issue on the Government agenda.

With regards to social protection, Mauritius raised a red flag on child protection, which the UN may want to consider providing extension service to the Mauritius and monitor the developments more closely. UNICEF does not appear on the list of agencies supporting Mauritius. There could be a gap that needs to be urgently filled.

Government would continue to invest in the social sector to keep momentum on the SDGs. There is limited technical expertise to support Government in addressing data gaps on some SDG indicators, better understand the social, economic and environmental determinants of health, as well as strengthening the analytical capacity. There are also opportunities to help Government put in place robust implementation and monitoring and evaluation frameworks for major health programmes, such as NCD surveillance system in the country, and implementation of the Master Drug Control Framework. The UN has the capacity and ability to coordinate stakeholders to partner towards the agendas. Sustainable water and waste management could involve investing more research and development.

### **Agriculture, Ocean Economy, Fisheries and Food Security**

Mauritius imports about 70-75% of its annual food requirements, constituting agricultural and food products. Forty percent of the land is arable land of which sugar cane accounts for 90% the agricultural activity, followed by food-crops, livestock, flowers, fruits and forestry. Since the 2008 global food price crisis, Government diversified the sector and focused more attention to the agriculture sector to boost food production to ensure self-sufficiency. It is now producing 100% of the country's needs in fresh vegetables and 60% in potato. Livestock production is still very low and only meets 5% meat requirements and 2% milk. Despite the high dependence on food imports, hunger and malnutrition are low. Only 5% of the total population were undernourished in 2014.

Mauritius has Exclusive Economic Zone (EEZ) extending to over 2.3 million of exploitable marine resources with a huge zone to manage. The EEZ has a massive potential for development with a huge positive impact on the economy. Hence, GoM prioritises the ocean economy as a pillar in its future development endeavours. The fisheries sector is one of the important sectors of the economy accounting for 20% of total exports. However, potential in both sectors remains heavily underutilised mainly due to limited capacity both in terms of skilled human resources and technology to utilise the untapped potential. In fact Mauritius is a net importer of fish from countries that fish from its waters. Meanwhile, maritime security is a growing concern that could have a negative impact on the regional and international trade, economic integration and development of region.

This thematic sector offers vast opportunities for strategic UN collaboration with Government, ranging from technical support, research and development, access to technology to capacity development in a number of areas to be elaborated at programme level. Government is ready to engage with the UN in accessing technical assistance to support in tapping the potential in ocean economy and fisheries. With regards to agriculture and food security Mauritius has an array of areas waiting for technical assistance, for example, research and development in agri-business, agro-processing, climate change adaptation and resilience, organic farming, etc. The food security and nutrition sector may be a great opportunity for a UN joint flagship programme to ensure the country makes strides towards achieving food self-sufficiency. UN should also continue to support the regions to enhance maritime safety and security.

### **Governance and Accountability**

Mauritius is rated top in terms of democratic governance and economic governance in Africa. The economy is characterised by strong institutions in a politically stable and thriving business environment in which good governance and accountability are considered pre-requisites. National policy frameworks are seen as promoting effective, accountable and transparent institutions which allow for a multiplicity of planning sectors from security, law and order to good governance, civil service, democracy, public utilities, and job creation. A number of commissions/bodies have been set with a view to ensuring improved accountability, protection of human rights and dignity, access to justice, such as, the Equal Opportunities Commission, and Human Rights Commission, the Office of the Ombudsman and CSOs.

However, the main challenge which the UN can possibly support with, is the need to strengthen the M & E system in the civil service to improve efficiency and effectiveness in service delivery. There is also need to strengthen coordination and collaboration between public institutions and the non-state actors. Furthermore, technical support and capacity building would also be important in monitoring and reporting on SDGs on the various international treaty obligations and conventions to which Mauritius has acceded.

### **Environment, Climate Change and Natural Resource Management**

As an island, Mauritius is prone to many environmental threats such as, climate change, coastal erosion, and water management, loss of biodiversity, soil degradation, invasive species, marine pollution, waste management, energy efficiency, and sustainable land use. Given that economy is anchored on the marine and terrestrial ecosystems, these threats have a potential to derail economic development. Hence, mainstreaming environment, climate and natural resource management in its development programmes is of prime importance.

Land degradation and excess sedimentation in reservoir and lagoon areas have already impacted more than 90% of Mauritius' land surface area. Soil pollution and erosion due to unsustainable land use practices has impacted on marine life, while the number of animals threatened by extinction reached 89 in 2013. Coastal areas are prone cyclones and rising sea level, leading to the depletion of marine resources. As a result, the proportion of artisanal fish catch has been constantly decreasing, reaching 33% in 2013. The livelihoods of coastal fishing communities has also been threatened by depletion of marine resources. Mauritius has a good system of waste management with 100% of the urban population and 96% of rural population are served by municipal waste collection services. However, due to the rapid industrialisation, there is an increased risk of pollution. In addition, hazardous waste has also risen remarkably its disposal is

a threat to the environment, water, air, and land quality. The country depends on imported fuel to meet most of its energy requirements, therefore, Government supports efforts to seek more efficient and renewable energy sources and reduce dependency on imported fossil fuels. Government prioritises the development and the mainstreaming of a comprehensive and coherent Disaster Risk Reduction policy framework as fundamental to defending its socio-economic development base.

Environment, climate change and DRR provide as wide scope for UN system support and collaboration. Mauritius seek technical knowledge, competencies, and technology, in a number of areas which UN is better placed to mobilise. Strengthening institutional capacities, technological support, data development and management, and DRR monitoring system are some of the areas open for technical assistance. Overall, implementation of the Sendai Framework for Disaster Risk Reduction provides a platform for sustained collaboration.

### **Cross-Cutting Themes**

Government articulated gaps and prioritises in the areas of gender mainstreaming, technology and innovation, and data for development, all of which point towards strengthening national capacities in strategic policy and programme areas. Government looks forward to strengthen institutional mainstreaming of SDGs, and data for development. Data for development could provide an opportunity for formulating a joint programme. Strengthening gender mainstreaming and women empowerment is a national problem which may call for a strategic entry point-possibly deploy a gender advisor to spearhead capacity build at policy level down to programme.

### **Main Messages**

- Government of Mauritius welcomes support from the UN development system and other development actors as partners who play a strategic role in their development discourse;
- Government of Mauritius may want to consider developing a medium term national development plan responding to Vision 2030. In the absence of the national development plan, the sector plans appear to be hanging and have different time horizons;
- There is huge demand for technical assistance especially in the strategic sectors to facilitate green development. Technical support revolves around skilled expertise, national capacity building and, research and development anchored on ensuring strategic planning for future demands;
- Mauritius has well defined structures for mainstreaming SDGs from central Government to sector ministries. However, there is need to strengthen capacity for the monitoring and evaluation at both policy and at technical level;
- Formulation of a strategic partnership framework would be key to both the UNCT and Government of Mauritius as a tool to strengthen coordination, collaboration, harmonisation, and synergy for collective impact; and
- The UN development system may need to review its skills profile to appropriately response to the development needs and expectations of the nation.

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# Introduction

## I. Preamble

The Common Country Analysis (CCA) for Mauritius provides an analytical base for the formulation of a strategic partnership framework between the UN Country Team (UNCT) and the Government of Mauritius (GoM). It provides a basis for prioritising strategic areas of cooperation for the next three to five years with the Republic of Mauritius, with due reference to the Island of Rodrigues. The last United Nations Development Assistance Framework (UNDAF) for Mauritius ended in 2003. Since then, there has been no overarching UN/Government cooperation framework. Individual agencies sign separate bi-lateral country programme agreements with Government at sector ministry level. The CCA will guide the UNCT on the key development challenges facing Mauritius and also inform policy dialogue around emerging issues and support the UN to leverage strategic partnerships and resources for Mauritius' national development aspirations. The CCA seeks to assess the existing socio-economic development parameters, identify gaps, challenges, opportunities as well as emerging issues to ensure that the UN system appropriately harness its comparative advantages to support national priorities.

Notwithstanding the absence of an UNDAF, and formal Delivery As One (DaO) status and the missed opportunities associated with an UNDAF, the UN Country Team ( UNCT) in Mauritius consolidates efforts to improve coordination, collaboration and partnership both internally and externally whilst also tracking progress made on the DaO pillars and core elements. However, going forward, ideally, the UN system would be in a better position to support GoM within the parameters of a defined partnership framework. Since 2003, a number of developments have taken place both locally in terms of shifts in national priorities and development focus, country situation parameters, and globally in terms of development paradigms. Mauritius is, for example, rethinking on a strategy to quantum leap economic growth ensuring green development. Moreover, the UN recognizes that middle income countries (MICs<sup>1</sup>), in their diversity and peculiarities, still face significant challenges in achieving sustainable development, and that the full range of stakeholders involved in international development—not only the UN development system, but also the international financial institutions, local development partners and regional organizations, among others—should improve coordination and support of this effort<sup>2</sup>.

Against this background, there is therefore, need to draw a new framework of cooperation between the UN and Government of Mauritius that comprehensively responds to the current demands and specific development needs for Mauritius as an UMIC aspiring to be a HIC. As a first step, the formulation of a Common Country Analysis (CCA), is a pre-requisite to the development of an informed and evidence-based partnership framework.

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<sup>1</sup> MICs are by definition grouped according to income, which does not necessarily reflect a certain level of economic, political or social development. MIC is therefore a very broad and heterogeneous category. Even the division between lower-middle and upper-middle income countries is artificial, since even within these divisions there are countries at different stages of development (Challenges of The Middle- Income Countries, Seoul Debates, 2013)

<sup>2</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

Findings of the CCA should help the UN system to strategically position itself and tailor its support for Mauritius in its path for inclusive sustainable development, as well as provide a sound basis for future policy dialogue and programming. It should also provide common ground and an opportunity for a coordinated UN development system engagement with Government, national stakeholders and other development partners. It thus, holds the potential for ensuring that support provided by UN agencies as a whole, is coherent and complementary, drawing from each agency's expertise, resources and mandate. In addition, it also ensures alignment between UN efforts and national priorities and internationally agreed goals, particularly the SDGs.

This Country Analysis Report builds on the 2010 multi-disciplinary study conducted as a first building towards DaO and further expounds on new developments, successes, challenges, lessons and experiences, with a view to provide a clear basis for developing a cooperation and coordination framework with a niche tailored to the specific needs of Mauritius. The CCA is primarily an analytical desk review of collated literature. It was supplemented with consultations involving mainly the Government of Mauritius sector ministries and departments, the private sector, NGOs and civil society, and the UN system (resident and non-resident). It looks at six thematic areas namely; economic management of the country; private sector development, domestic, regional and international trade; human capital development; agriculture, fisheries and food security, governance and accountability; and environment, climate change and natural resource management. It also looks at some of the cross-cutting themes. The CCA also tries to suggest pointers towards which the UN System can skew their support for value addition.

## II. The Country Context

Mauritius is an Upper Middle Income Country (UMIC) aspiring to be a High Income Country (HIC) by 2030. It is a small, isolated island with an estimated population of 1.3 million in 2015<sup>3</sup>. Since independence in 1968, the country has undergone a remarkable economic transformation from a low-income, agriculturally based economy, to a diversified, upper middle-income economy with growing industrial, financial, and tourist sectors<sup>4</sup>. The country has achieved steady growth over the last several decades, resulting in more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure. The progress has been attributed to a combination of sustained investments in social welfare anchored on political will, economic discipline, strong institutions, private sector participation and good governance. Mauritius also had a stable political, economic and social environment that it has nurtured and embedded as a critical enabler for sustained development.

Politically, the country's constitution provides for multi-party democracy and general elections take place every five years. The constitution establishes the separation of powers between the legislature, the executive and the judiciary. It guarantees the protection of the fundamental rights and freedoms of the individual, and the right to private property<sup>5</sup>. Mauritius is signatory to a number of internationally agreed goals, international and regional treaties, conventions and obligations, including the African Union (AU) Agenda 2063, which in summary, seeks to promote inclusive growth and development, unity, good governance and human rights, peace and

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<sup>3</sup> Mauritius Country Profile <http://www.new-ag.info/en/country/profile.php?a=2811> 12/12/2017

<sup>4</sup> Mauritius Economy 2017, 2017 CIA World Factbook And Other Sources: [https://theodora.com/wfbcurrent/mauritius/mauritius\\_economy.html](https://theodora.com/wfbcurrent/mauritius/mauritius_economy.html) 26/12/2017

<sup>5</sup> The Commonwealth

security, upholding of culture, empowerment of women and youth, and partnerships<sup>6</sup> in African countries.

Overall, Mauritius is rated as having good governance and a well-regulated economy, in which extreme or absolute poverty is rare. However, issues of increasing poverty, inequality, and unemployment are a growing concern at the heart of the Government of Mauritius (GoM). In addition, price hikes, slumps in global food supply and climate change are significant risks that Mauritius faces as a net food importer. As a small island country it is vulnerable not only to economic and social shocks, but also to environmental degradation and natural disaster such as floods.

Mauritius defined a long term Vision 2030 aspiring to transform the economy from an upper middle income country (UMIC) to an inclusive high-income country by 2030 (the same timeframe as the SDGs). However, generally MICs are faced with three key factors that present new challenges in the context of the 2030 Agenda. First, the broadened global development goals as encoded in the SDGs, generate new and more ambitious demands, and overall, the countries face significant “unfinished business” from the MDGs. Second, the less favourable global economic context places new financial constraints on what can be done, as reflected in UN financing as well as government budgets for national development. Third, rising expectations on the part of the international community towards especially UMIC has tended to crowd out financial support<sup>7</sup>. Therefore, Mauritius, as an UMIC, is getting less attention from the radar of donors and development partners as it is considered, because of having reached a certain level of development, to be in a less problematic and less urgent situation than the least developed countries<sup>8</sup>. Just like other MICs, for Mauritius, evidence still points to the existence of a variety of development challenges including inequality, vulnerability, lack of competitiveness and innovation or institutional weaknesses, as well as the negative impact of climate change<sup>9</sup>. These new challenges are particularly important for Mauritius as they relate to efforts on poverty eradication, social equity and catalysing development. These may as such, require strategic policy advice and capacity development of the critical institutions to address some these bottlenecks.

### III. National Development Framework

Mauritius does not have a dedicated national development plan. National strategic policy orientation is provided by the Government Programme 2015-2019. Government planning is done through the annual budget process which draws the priority areas from the Vision 2030. However, the Government Programme 2015-2019 is an address statement from the President enunciating Government future intentions, which would need to be backed by documented concrete actionable plans. In the absence of a clearly articulated national development plan, the translation of a long term development vision to implementable programmes may remain loose or vague.

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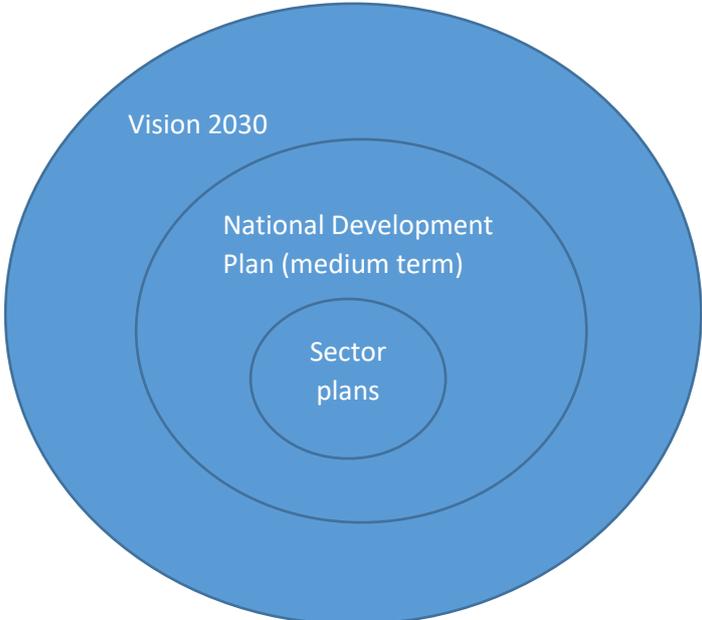
<sup>6</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>7</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

<sup>8</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>9</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

At operational level, comprehensive sectoral policies and strategies, as well as the annual budget statement articulate priority programmes and funding allocations on a yearly basis. At a higher level, Government developed the 2030 Development Model which seeks to inclusively transform the economy towards a high-income status. The National Economic Development Blueprint for the period 2015 to 2030, and the Three Year Strategic Plan 2017/18- 2019/20 elaborate the Vision 2030 Development Model, and provide the overarching national policy framework and guidance for all sectoral development plans and strategies as well as for SDG integration in the national priorities and plans. The National Economic Development Blueprint (2015-2030) was designed as an all –encompassing development plan for the realisation of the Vision 2030. The Blueprint identifies four key focus areas, namely addressing unemployment; alleviating poverty; opening up the country and new air access policies; and sustainable development and innovation<sup>10</sup>. The national development framework is further enunciated in a plethora of sectoral economic and social policies covering health, education, gender, environment, climate change, water and sanitation etc. Another complimentary national strategy worthy noting is the Marshall Plan Against of 2016 which seeks to eliminate absolute poverty especially on the vulnerable groups. The diagram below tries to give schematic visualisation of the national development frameworks and their supposed linkages.



This CCA, however, did not go further to establish the extent to which the development frameworks are aligned, consistent and coherent, both in terms of strategic goals, and the implementation course and targets.

**IV. Policy Implementation and Coordination**

To ensure internal institutional coordination and policy coherence, especially as the implementation of Vision 2030 unrolls, Government established the Strategic Policy and Planning Department (SPPD) in the Prime Minister’s Office. The SPPD is tasked with driving the national strategic planning process, ensuring policy integration of the SDGs in Vision 2030 and policy coherence across various sector and levels. In 2017, Government also set up the Economic Development Board to promote investment. The board comprises representatives from the various boards and organisation of the private and public sectors.

<sup>10</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

Despite the presence of comprehensive policies and plans across the sectors, there is not much information on the extent to which the policies have impacted in terms of real changes to the lives of people on the ground especially the social welfare programmes. What could be needed is to put more attention on the monitoring and evaluation aspect of the implementation of policies. Most of the policies have articulated work plans with strategies and/or more detailed activities, but without established baselines or indicators, making it difficult to really monitor and measure results. Hence, data monitoring systems need to be strengthened.

There are also a number of commissions set up to oversee the protection of citizens in various ways, for example, the Human Rights Commission- looking the protection rights of life and freedoms, complaints against the police and rights of detainees, the Equal Opportunities Commission- advocating for accordance of equal opportunities between men and women at the workplace. However, tis no coordination structure or mechanism of the commissions' work to ensure harmonisation and coherency of their work and avoid duplication.

#### V. Cooperation with Development Partners

Government of Mauritius is committed to engage and access the support and expertise of the UN system and other development partners. Currently, seventeen UN agencies, funds and programmes constitute the United Nations Country Team (UNCT) of Mauritius, though the majority (14) are non-resident agencies. However, indications are that collaboration needs to be improved especially with respect to coordination arrangements. Government also noted that cooperation with the UN has become limited to a few isolated projects especially for Rodrigues. Overall coordination of international cooperation falls within the Ministry of Finance and Economic Development. There are also sector focal points within the Ministry who follow on the various sectors and report to the central monitoring team and the senior management. However, UN Agencies sign their country programmes strategies bi-laterally with the relevant line ministries. Other development partners also follow the same part. Monitoring of programmes is done at sector level. Internal coordination within Government ministries may need to be further strengthened to ensure collaboration and synergy between ministry programmes. One important missing link universally noted by both Government and the UNCT was the absence of an UNDAF as a coordination tool for both the UN and Government leading to a number of missed opportunities in terms joint programming, harmonisation, creating synergies. Furthermore, in the absence of the UNDAF, Ministry of Finance and Economic Development, as both coordinating Ministry and treasury, is not in the picture to know which agency is supporting which ministry/institution and in what areas. As treasury, those resources will not be captured in the national accounts, affecting national accountability for the resources. In addition, sector teams tend to update progress on programmes at the time of the national budget process.

#### VI. Implementation and Monitoring of SDGs

Mauritius is well informed and grounded on the SDGs across all sectors (Government, private sector and civil society organisations) and across all layers in organisations and units. The country was fully involved in the post MDG consultations leading to the Sustainable Development Goals (SDGs) and setting of the 2030 Agenda. GoM expressed full commitment to carry forward efforts from the MDGs to the implementation of the SDGs. It endeavours to mobilise the country towards implementation and realisation of the new set of development goals, within the

framework of the Vision 2030. SDGs are well mainstreamed in programmes at both national and subnational level. As indicated earlier national and sectoral plans are well aligned to SDGs. At the national level, Government set up the National Steering Committee for Implementation of SDGs with membership drawn from all relevant sectors including CSO and private sector to oversee and coordinate all efforts being made to attain Sustainable Development Goals targets. The private sector and civil society organizations are also strong pillars actively engaged in various areas as critical players in support and ensuring the country meets its set targets.

Evidence from a Rapid Integrated Assessment for Mauritius shows a high degree of alignment and harmonisation between Mauritius' development policy frameworks, key sectoral policies and the SDG targets and other Internal Development Goals (IDGs). The assessment also shows a high degree of mainstreaming of SDG targets in the national development plans as well as explicit inter-sectoral linkages between the frameworks. Mauritius' development policy frameworks prioritize 100 SDG targets out of 107 (169 SDG targets minus 43 on means of implementation under each of the goals and 19 targets of Goal 17 on partnerships)<sup>11</sup>. According to the Rapid Integrated Assessment – Mauritius SDG Profile (2016), the following SDG targets are not currently covered by national development policy frameworks:

- 5.3: Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation;
- 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms;
- 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses;
- 14.3: Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels;
- 14.6: By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation;
- 15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development; and
- 16.9 By 2030, provide legal identity for all, including birth registration.

In implementing the national development plan and the SDGs, Government of Mauritius takes into account the critical principle of inclusion and leaving no one behind in the development process. For example, the development of The Marshall Plan followed an extensive outreach programme with a view to establish the root causes of the various forms of poverty among the vulnerable groups. The Plan follows a right-based approach anchored on social inclusion going down to the community level entry point. It proposes a social inclusion framework anchored in human rights, to assist with the integration of the vulnerable segments of the population into

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<sup>11</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

the social, political and economic life of the nation<sup>12</sup>. The goal of social inclusion is ensure all citizens enjoy equal opportunities. The Marshall Plan is essentially a people centred and pro-poor programme meant to address the multiple aspects of poverty and inequality. GoM is tackling the root causes of poverty and exclusion by working with poor communities and others left behind to better access basic services such as health and education, social protection measures, and empowerment initiatives for women and youth. Hence, it proposes a community-based approach to service delivery, based on the premise that addressing the social and economic issues facing vulnerable groups will result in their social, political and economic empowerment and integration.

However, a critical gap identified by the CCA is that, despite good SDG implementation super structure, there is no ownership and accountability on the specific SDGs and the targets. Government noted that there appears to be no designated champions or lead ministries or institutions to monitor and report on specific SDGs or targets, hence SDGs are everybody's responsibility but nobody is specifically accountable. This is a gap that may urgently need to be addressed to ensure effective monitoring, evaluation and reporting on SDGs. There is also need to build national capacity for a robust monitoring and evaluation systems. Going forward, GoM expressed commitment to carry on with the unfinished business of the MDGs especially in promoting gender equality and empower women, ensure environmental sustainability, as well as accessing financial resources<sup>13</sup>.

## VII. Summary of Main Findings

### Observations

- Mauritius has made great strides on economic and social fronts as evidenced by impressive indicators on GDP growth rate, per capita income, inflation, the human development index, life expectancy, low poverty levels and employment rate, among others. This has been necessitated by among others, a politically stable environment, good governance and accountability system, sound polices and strong institutions;
- Mauritius is very clear about the development course it wants to take and the targets for the Vision 2030. This development vision appears well communicated and appreciated in the ranks and files of the structures of Government, private sector, development partners and civil society;
- Government carries a huge financial burden as it finances from the fiscus all welfare programmes such free education, health, pension, among other for the vulnerable groups of people;
- GoM plays a major facilitatory role in the management of the various sectors of the economy and strongly partners with the private sector and civil society;
- Mauritius is well informed about SDGs and there is clear alignment between its development vision and the 2030 Agenda. A National Steering Committee on Implementation of SDGs has been set to coordinate sectoral efforts towards achieving the targets. The structures cascade down to sector level. However, ownership and accountability for specific SDGs and targets appears loose;
- GoM welcomes support and is open to cooperating with UN development system and other development partners. The UN and Government have a good working relationship. GoM also

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<sup>12</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>13</sup> Mauritius Roadmap for SDG Implementation, 2017

cooperates well with other multi-lateral and bi-lateral partners such as the World Bank, the European Union, India, Japan etc;

- There is a general acknowledgement within Government and other institutions (though sometimes with concern) that, Mauritius, because of its UMIC status, does not attract funding from international development partners and has limited access to concessionary finance. Hence, Government expects less of financial, but rather more of technical support from the UN development system;
- Overall, UN programmes appear limited and scattered. However, indications are that there is scope for more collaboration depending on the extent to which the UN is flexible enough to respond to the country needs. The World Bank, EU and JICA are among the prominent and active development partners on the ground;
- The Ministry of Finance and Economic Development is the focal point for international cooperation including the UN. However, there is no structured or formal channel of communication or coordination, both internally within the Government system and externally with development partners;

### **Key challenges and issues**

Despite the impressive development progress made, there are some constraints and issues, which if not attended to, have the potential to threaten the gains made or derail the country's development aspirations as contained in the Vision 2030 and SDG targets. Top among them include; impact of climate change, environmental sustainability, disaster risk management and resilience building. As a small island, Mauritius is inherently vulnerable to natural disasters, limited natural resources, sensitive ecosystems, and the effects of climate change which have ripple effects on agriculture, food security, the economy and livelihoods of the population. On food security Mauritius is very vulnerable as it imports about 70% of its national food requirements.

The burden of non-communicable diseases (NCDs) coupled with an ageing population pose another issue of national concern. NCDs are accounting for more than 80% of the disease burden. There are serious economic implications for an ageing population- one being the threat to availability of young and able labour force in the long term, and the other being the tax burden put on the few working population to cater for, and sustain the rising needs of an increasing number of pensioners.

In terms of programme implementation, generally there is weak institutional capacity in a number of sectors to design, implement and monitor and evaluate programmes. Most of the social protection and poverty alleviation programmes, for example, over a long period of time have not been independently evaluated to determine the extent to which their goals and objectives have been met or the impact made. In a number of sectors, there is lack of skilled and specialised technical expertise to drive the development process, hence development progress has been slow. However, in the same vein, Mauritius suffers from structural unemployment emanating from two scenarios; firstly, there is the conventional mismatch between the skills of the labour market and what employers are looking for, secondly, the job seekers, especially the young, shun employment in those sectors considered low salaried, for example, manufacturing and textiles where most of the migrant workers especially from Madagascar and China are employed. The net effect is that there appears to be more vacancies than the job seekers. Hence labour migration has become an important aspect for the labour sustenance of the country.

Due to its geographical location as both a transit and destination for migrants, Mauritius faces the challenge of illicit transactions such as drug abuse and maritime crime. This has become a serious problem that need to be fought from a regional perspective. Other challenges include emerging threats of poverty and inequality, and concerns with the quality of education. Gender equality and empowerment of women- As indicated by Government, gender mainstreaming and women empowerment across the sectors remains an issue of concern.

In terms of the administration of UN programmes, coordination between Government and the UN development system, within Government institutions, and within the UN agencies themselves appear frail and usually on adhoc basis. Absence of a common framework of cooperation for the UN system engagement with Government of Mauritius (in the form of an UNDAF) has led to a number of missed opportunities in terms of programme coordination, collaboration, synergy, harmonisation of processes, and collective impact. This has been noted by both the UNCT itself and Government partners. Government indicated that absence of a binding framework at the strategic level also affected communication and knowledge and information exchange.

### **The development thinking**

Mauritius is re-thinking on a strategic and inclusive approach to development anchored on exploring new drivers of economic growth, while consolidating the existing one, and ensuring **sustainability** for future generations. For example, to reach the stage of the high income country, Mauritius has to attain a minimum GDP growth rate of 6% (from the current 3.9%) which is a mammoth task. Mauritius is cognisant of the “middle- income trap” for MIC as it explores centres for catalysing economic growth. Therefore, the business as usual approach will not yield the desired results. To achieve this, Mauritius will need to broaden its economic base, consolidate the existing sectors such as manufacturing tourism, and ICT, and invest more energy in exploring new sectors for growth such as the ocean economy, and high value sectors like the financial services, asset management, and bunkering services- given its geographical position as a trading route. In the same context, Mauritius is researching on the future work demands with a view to project which jobs may disappear and which ones might emerge due technological advancement and the skills set required to prepare the young generations for the future.

On the other side, the country also faces other threats and vulnerabilities such as an ageing population, waste management, impact of tourism on environment and impacts of climate change etc. There is therefore, need to rethink and invest more seriously in long term sustainability planning. Sustainability is a cross-cutting critical element in different aspect of economy. For example, the sustainability of financing huge social welfare budget from the fiscus in the long term, availability of labour in the long term in view of an ageing population, ensuring sustainable food security, mitigating the effects of climate change vulnerability and disaster risk management and resilience building, Conscious efforts have to be made in ensuring long term environmental sustainability planning as it relates to the impact of tourism, waste management, water supply and transport and other facilities designed for a small population. Mauritius is shifting attention from use of fossil fuel towards investment in renewable energy. Currently, renewable energy accounts for about 17% of the energy needs but there is potential for up to at least 30%. The long term objective is to green the economy. This rethinking point towards the need to invest today in **capacity building** and, **research and development**.

## Key messages

From the literature reviewed and points raised during consultations with both the Government and UN, a few important messages may be drawn, as well as some pointers towards the direction of engagement which both parties may want to consider.

- Mauritius has a well-articulated Vision 2030 and comprehensive sector policies and strategies with action plans. However, the missing link is, there is no national development plan in the medium term respond to the Vision. The national development plan would also break down the Vision into an implementable action programme responding to the Visions with set milestone. Currently, sector plans appear to have different timeframes possibly because there is no national plan to align and harmonise with. Government may want to consider developing a medium term national plan;
- The key emerging sectors for growth where Mauritius puts primary focus are, the Ocean Economy, fisheries, ICT, financial services, bunkering services and, renewable energy. Government need specialised expertise, vigorous research and development and capacity building to help GoM fully exploit. Most of the potential sectors remain largely underutilised due to lack of capacity to unlock value;
- The main threats to the economy with the long term potential to reverse the gains include, climate change, environmental sustainability (including waste and water management), food security, non-communicable diseases, ageing population, and maritime security (drugs crime). Mauritius may need to rethink and re-strategise for generational sustainability. UNCT and GoM strategic prioritisation is likely to hinge on the extent to which the UN is able to provide strategic technical support to both the key drivers of the economy and building sustainable capacities for resilience against the threats;
- Mauritius has strong demand for technical support for national capacity building and research development across sectors. The country has limited human resource and technological capacity to develop a roadmap and utilise to the potential in the envisaged key drivers of the economy that will sustain economic growth, investment and human capital development. There are a number of studies supported by development partners that have been commissioned and completed, but whose recommendations have not taken- off due to lack of technical capacity to roll-out the implementation. The Vision 2030, for instance, needs to be translated to an implementable action programme with milestones and clear timeframes and target;
- Evident is also the need to provide technical for research and development, long-term strategic planning and implementation that ensures green development. There is need to seriously review the sustainability of current practices, for example in, waste management, tourism, social welfare provision, energy and environment, agriculture and food security, among other, with a view to proffer long term sustainable solutions;
- South-South and Triangular Cooperation is one avenue through which support to Mauritius could make a difference. Mauritius benchmarks itself against high performing economies like Singapore, South Africa and other BRIC<sup>14</sup> countries. In MICs, the UN Country Teams have been found successful in providing policy support capitalising on the UN's comparative advantage of being able to draw on experiences of other countries to contextualize local experiences and suggest tailored solutions to eventual problems. This involves not only

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<sup>14</sup> Brazil, Russia, India, China

resorting to the UN's data and analysis functions, but also disseminating relevant outside experiences within the country<sup>15</sup>. Strengthening South-South Cooperation through multilateral platforms may be quite crucial in enabling knowledge creation and sharing among a broader range of countries;

- The blanket income classification criteria for countries especially MIC may need to be reviewed to allow flexibility for additional considerations beyond socio-economic indicators, for instance, also considering it as a Small Vulnerable Island for access certain funding. Mauritius as a small island is susceptible to vulnerabilities that could threaten the gains made such as climate change, food security, environment, natural disasters, but due to its classification as a MIC, it has difficulty in accessing some grants or concessionary financing critical for, not only building the country's resilience against internal and external shocks, but also vital for investment in agriculture research and innovation to support mitigation and adaptation. UN could support in building capacity to prepare bankable proposals to access such funding;
- Government of Mauritius and UN cooperation need to be guided by partnership framework based on the special needs of the country that are fully reflected in the Vision 2030 and the ambition of the 2030 Agenda for Sustainable Development. The cooperation framework may not necessarily take the form of the conventional UNDAF that exists in other countries due to context peculiarities. The cooperation framework will to strengthen UN collective response to national needs and priorities especially given that agency resources have dwindled significantly. The framework would also provide a tool for engaging with not only GoM, but also other development partners;
- Structures for SDG implementation and monitoring are well in place. However, indications are that there is need to strengthen the monitoring and reporting system including developing robust data collection and management system, and ensuring ownership and accountability for specific SDGs and targets with sector ministries/department; and
- The UN development system may need to review its skills profile to adequately response to the development needs of the nation. Evidence on the ground suggest that Mauritius would prefer specialised technical support that enhances movement along their development path especially in the driving sectors.

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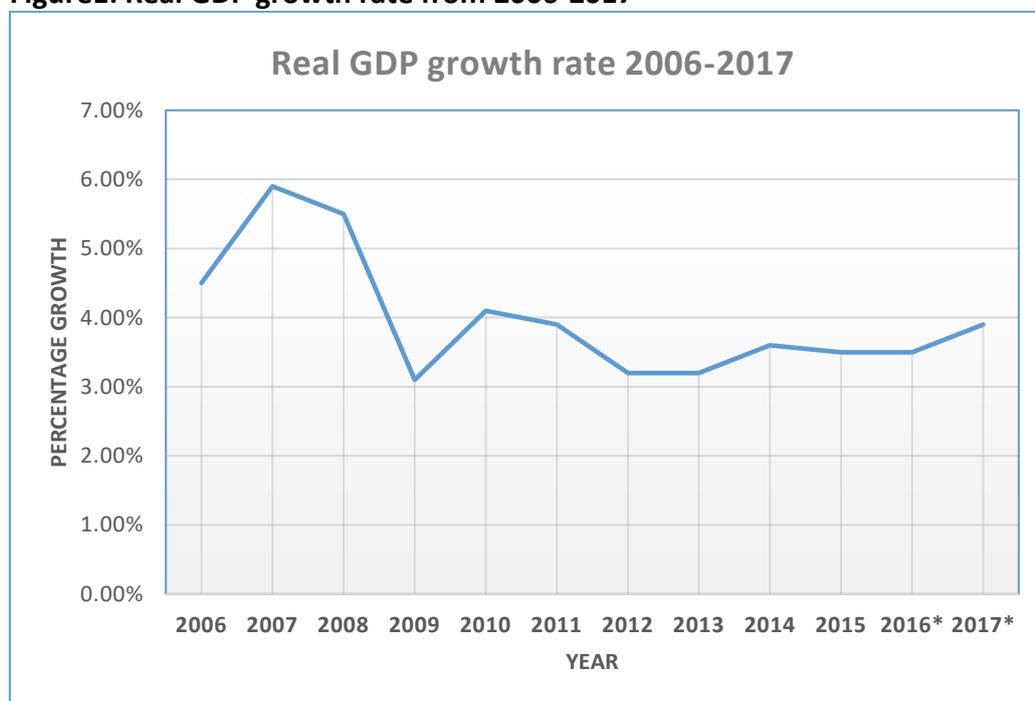
<sup>15</sup> <sup>15</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

# Chapter 1: Economic Management of the Country

## 1.1 Overview of Economic Performance

There are minor variations on the statistics of economic performance indicators depending on the source, but on average, the real economic growth for Mauritius stood at about 3.4% in 2015, and estimated at 3.9% in 2017<sup>16</sup>. Major drivers were the information and communications technology and the financial and insurance sectors, which grew by 6.3% and 5.6%, respectively.<sup>17</sup> The GDP Purchasing Power Parity (PPP) was US\$24.6 billion (2015)<sup>18</sup>. Real GDP for 2016 is estimated at US\$12, 1 billion, of which the services sector accounts for 75%, industry 21%, and agriculture 4%<sup>19</sup>. The country continues to expand its trade and investment outreach around the globe. In 2015 Government maintained an expansionary fiscal position stance with the budget deficit increasing to 4.4% of GDP, compared to 3.2% at the end of 2014<sup>20</sup>. Figure 1 below shows the general pattern in real GDP growth rate from 2006-2017. From 2011 real GDP growth rate has remained between 3-4%.

**Figure1: Real GDP growth rate from 2006-2017**



Source: IMF World Economic Outlook (2016), Global Finance, Mauritius GDP and Economic Data, Country Report 2017

\* Estimate

Inflation is generally stable- stood at 1.3% in 2015, and is estimated to have increased marginally to 1.5% in 2016<sup>21</sup>, and further projected to remain within the 2.5-3.0% range in the short term<sup>22</sup>.

<sup>16</sup> Statistics Mauritius, Republic of Mauritius, National Accounts Estimates (2014 – 2017) December 2017 issue

<sup>17</sup> African Economic Outlook, Mauritius 2016, [www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org)

<sup>18</sup> Mauritius, 2017 Index of Economic Freedom

<sup>19</sup> The Government of Mauritius Three Year Strategic Plan 2017/18- 2019/20

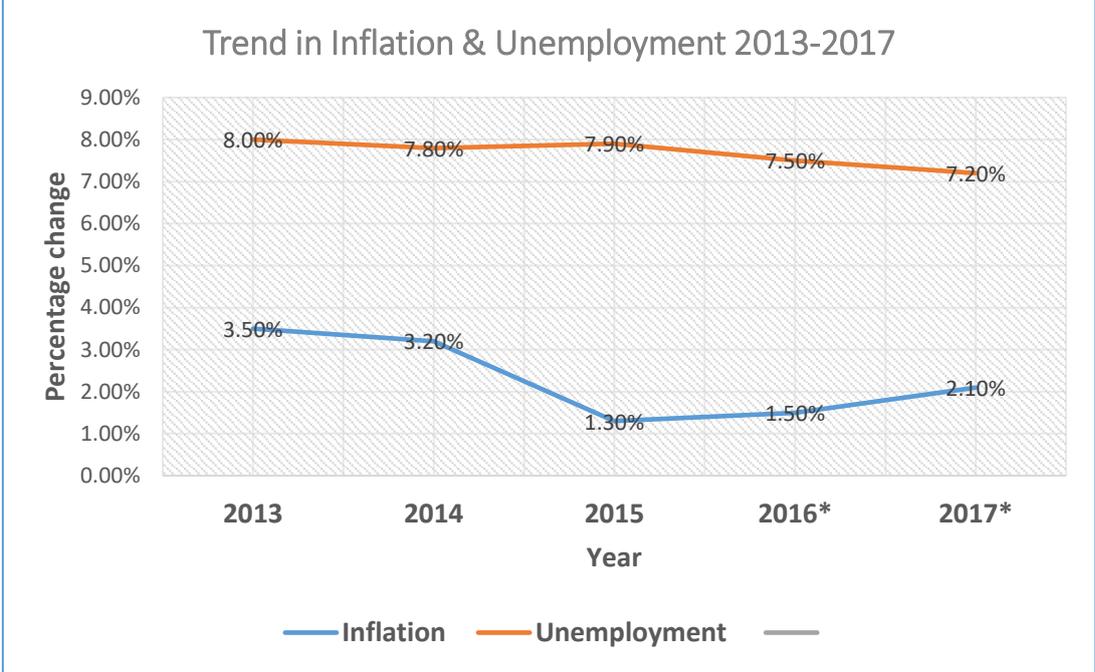
<sup>20</sup> African Economic Outlook, Mauritius 2016, [www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org)

<sup>21</sup> IMF World Economic Outlook, 2016, Global Finance, Mauritius GDP and Economic Data, Country Report 2017; <https://www.gfmag.com/global-data/country-data/mauritius-gdp-country-report> 24/12/2017

<sup>22</sup> African Economic Outlook, Mauritius 2016, [www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org)

Unemployment was pegged at 7.9% in 2015<sup>23</sup>. Figure 2 below shows the trend in inflation and unemployment for the period 2013-2017. While inflation markedly dropped from the 2013/14 figures to below 2% from 2015, unemployment, though showing a general decline has largely remained stable.

**Figure 2: Inflation and Unemployment trend Analysis 2013- 2017**



Source: IMF World Economic Outlook (2016), Global Finance, Mauritius GDP and Economic Data, Country Report 2017

\* Estimate

With regards to international trade, Mauritius has a trade deficit, with imports close to double the value exports. In 2016, exports were estimated at US\$ 2,676 billion against imports of US\$4,355 billion<sup>24</sup>. Government continues to incur heavy public debt mainly due to its expansionary fiscal policy. Public debt has been increasing overtime with the ratio of public debt rising from 53.9% of GDP in 2013 to was at 58.6% in 2015<sup>25</sup>, and the debt stock is projected to rise slightly further in the short term. Domestic debt of central government appears high at 46.3% of GDP, with the share of external sector debt, including corporate debt, pegged at 10.7% of GDP in 2014<sup>26</sup>. External debt has also not been spared as the Rupee depreciated- losing by 14 % against the US dollar by the end of 2015, though it remained stable against the euro.<sup>27</sup>

The economy of Mauritius is consumption driven. It is based on three major sectors- services (75%), industry (21%) and agriculture (4%)<sup>28</sup>. Overall, the Mauritius economy has transitioned from one primarily based on agriculture, to a well-diversified economy with agro-industry,

<sup>23</sup> IMF World Economic Outlook, 2016, Global Finance, Mauritius GDP and Economic Data, Country Report 2017; <https://www.gfmag.com/global-data/country-data/mauritius-gdp-country-report> 24/12/2017

<sup>24</sup> Mauritius Economy 2017, 2017 CIA World Factbook And Other Sources: [https://theodora.com/wfbcurrent/mauritius/mauritius\\_economy.html](https://theodora.com/wfbcurrent/mauritius/mauritius_economy.html) 26/12/2017

<sup>25</sup> IMF World Economic Outlook, 2016, Global Finance, Mauritius GDP and Economic Data, Country Report 2017; <https://www.gfmag.com/global-data/country-data/mauritius-gdp-country-report> 24/12/2017

<sup>26</sup> Mauritius, 2017 Index of Economic Freedom

<sup>27</sup> IMF (2016). Mauritius. Article IV Consultations, IMF Country Report No. 16/89, March 2016, p. 14.

<sup>28</sup> The Government of Mauritius Three Year Strategic Plan 2017/18- 2019/20

textiles, manufacturing, tourism, financial services, Information and communication technology (ICT), and seafood processing as main pillars. For example, the domestic financial and insurance sectors are well-developed- accounting for up to 9% of GDP, employing over 13,400 people (approx. 2.3% of the labour force in 2013).<sup>29</sup> Financial liberalisation and establishment of an offshore financial centre in 1989 has expanded the financial services sector<sup>30</sup>. However, there is a possible risk associated with increased vulnerability to economic and financial openness. Exposure to global flows of goods and capital without proper safeguards run the risk of being affected more by global crises<sup>31</sup>. There could therefore, be need to manage the pace of further liberalization of the financial markets and to balance it against the risk of interconnectivity of domestic financial markets with global financial flows.

Going forward, through the Vision 2030, Mauritius seeks to transform the economy from an upper middle income country (UMIC) to an inclusive high-income country by 2030. However, challenges and threats to future economic growth include; the benefits of growth- rising income and cost of labour, negatively impacting on competitiveness of some export –oriented industries, an ageing population and structural issues such as, education, human capital development, attracting foreign direct investment (FDI), lack of technological innovation that impede further progress on the value chain<sup>32</sup>. Given that the economy is consumption driven, positive changes in consumption pattern would trigger economic growth. However, a soft skill that could be a critical enabler for the envisaged inclusive growth is the capacity and ability of GoM to effectively coordinate all economic activity towards the vision.

Notwithstanding the gains made, indications are that, economic growth has not fully translated into poverty reduction, job creation and improved quality of life. Socio-economic challenges include, income inequality, gradual increase in levels of poverty, and growing unemployment among the youth, gender and empowerment of women. One of key challenges for MIC including Mauritius relates to achieving inclusive growth. Growth has been associated with an increase in disparities of both income and access to basic needs and services, as well as a change in patterns of consumptions<sup>33</sup>. The concept of development inclusiveness should also be understood from three main aspect; that is, social inclusiveness-fighting all dimensions of poverty and inequality; environmental inclusiveness- ensuring environmentally sustainable economic development; and inclusive financing<sup>34</sup>- availing adequate financing for development. There is therefore, need to find the right structures, policies and financing for socially and environmentally inclusive development. Achieving inclusive and sustainable economic growth would entail taking bold measures and investments in areas that accelerate progress across sectors while benefiting the poorest and most vulnerable who are still not actively participating in the economy<sup>35</sup>. The next section takes a deeper look at employment and poverty situation in Mauritius.

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<sup>29</sup> World Bank (2015). Mauritius. Systematic Country Diagnostic, Report No. 92703-MU, World Bank Group, Washington, D.C

<sup>30</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>31</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>32</sup> The Government of Mauritius Three Year Strategic Plan 2017/18- 2019/20

<sup>33</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>34</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>35</sup> Mauritius Roadmap for SDG Implementation, 2017

## 1.2 Employment

The unemployment rate has decreased from around 10% in the period 2005-2006 and now fluctuates around 7-8 %<sup>36</sup>(also refer to Figure 2 above). Employment-to-population ratio (expressed as a percentage) has also improved from 52% in 1990 to 55 % in 2014. However, there is a strong gender disparity with corresponding figures among males as 71% against 40% for females<sup>37</sup>.

Government of Mauritius enacted and implemented several policies to address the issue of unemployment and skills mismatch, as well as enhancing employability, particularly the youth. GoM introduced the Youth Empowerment Programme (YEP) from 2013-2015 aimed at generating employment opportunities for the youth. In addition, Government also introduced circular migration initiatives, promotion of technical and vocational education, and introduction of entrepreneurship education. Other initiatives included a number of active labour market programmes aimed at increasing employment opportunities for poor and vulnerable populations<sup>38</sup>.

Notwithstanding the Government efforts, unemployment has emerged as a major challenge for the country. Unemployment is essentially structural, affecting mostly low-skilled youth and women. Low qualifications of job seekers, the mismatch between skills and labour market needs, have been identified as structural causes of unemployment. The structural unemployment causes also comes in two ways. On one side, the young generation generally shuns away employment in the so-called low income sectors such as manufacturing and agriculture in favour of the high income sectors like financial services and the public service that are associated with white- colour jobs like accountant, lawyers, banking etc. On the other side, some sectors have high demand for specialised certain skills which they cannot find on labour market. A study by the World Bank shows that over 50% companies in Mauritius cannot find workers with the right profiles to fill vacancies, especially in IT, higher-end services and finance<sup>39</sup>. The net effect is that there are probably more jobs on offer than the job seekers. Unemployment is higher among the youth (aged 16 to 24 years) at 25.3% in 2014 compared to a national average of 7.8%. This is even higher among women (whose unemployment rate is double that of men (11.4% versus 5.5%)<sup>40</sup>, though overtime, the gender gap is gradually closing. According to the Ministry of Labour, Industrial Relations, Employment and Training, there currently 40,000 migrant workers and the figure is expected to double possibly in the next 10-15 years.

The employment situation is particularly worse in Rodrigues, where there are very few employment opportunities, especially for those who do not pass the exams for the certificate of primary education (CPE). There is a tendency for many Rodriguans to come to Mauritius seeking employments<sup>41</sup>. But it's also important to note that getting employed does not translate to getting out of poverty. Analysis done indicates that 82% of those employed in less productive sectors or sectors that demand low levels of skill like agriculture, fisheries are more likely to remain poor<sup>42</sup>.

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<sup>36</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>37</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p.17

<sup>38</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>39</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>40</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>41</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>42</sup> Marshall Plan Against Poverty, Volume 2, 2016

Looking ahead, Government has to think strategically for the future regarding unemployment. The Ministry of Labour, Industrial Relations, Employment and Training, making reference to a study by ILO, projects that due to technological changes, half of the jobs will disappear in the medium term while new ones will also emerge. The challenge then is to identify the new set of skills for the future and train them. GoM is currently piloting a programme in which all youths of 18 year and above are registered with the Ministry with a view to build database on the skills set and how they can be utilised or supported. Government has also introduced measures such, career guidance in schools, reviewing tertiary education curriculum to match the demands of the labour market, and the national skills development programme, re-skilling and retraining, as well as reforming the education system to allow flexibility in terms skills development.

One important aspect of employment is the availability of labour force in Mauritius. Generally, Mauritius lack skilled labour force commensurate with the development trajectory of the country across the pillar sectors of development such as the Ocean Economy, ICT and the private sector. More to the small population, the situation is compounded by increasing trends in ageing population -a phenomenon of great concern to Mauritius. The proportion of old persons (60 years and above), increased from 5% of population in 1962 to 13% in 2011 and is projected to rise to 30% by 2051. Viewed from the other end, the proportion of the young age (15 years and under) dropped from 45% to 21%<sup>43</sup> over the same period. This has a directly impact on the human resource availability to meet the development needs of the country. Also directly related to the question of employment is the issue of migration. There is increasing cross-border movement of people and the associated risks. However, Government, intents to prepare the legal and institutional framework, including border control systems, to address the increase cross-border movement of people and related risks; create mechanisms to attach skilled personnel to train and transfer skills to locals (selective migration); and creating opportunities to nationals in foreign countries especially in Africa, to share their expertise and brand the country internationally<sup>44</sup>.

### 1.3 Poverty

Poverty is multi-dimensional without a standard measurement. This analysis mainly focuses on the monetary terms of the definition. There is no official poverty line in Mauritius, thus making it difficult to clearly articulate the levels of poverty. However, absolute or extreme poverty as measured by the international poverty line of USD 1.90/day PPP is negligible or rare in Mauritius. Less than 1% of the population is living on USD 1.25 a day (in PPP terms)<sup>45</sup>. However, it has been increasing, though slowly, over the recent past passing the 1% mark in 2014<sup>46</sup>. Relative poverty<sup>47</sup> also increased from 8.5% in 2007 to 9.8% of the population in 2012, with average income of households in relative poverty ten times less than that of the richest 10% of household<sup>48</sup>. Findings by the Statistics Mauritius (2012) show that children were more prone to poverty than

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<sup>43</sup> Statistics Mauritius, 2011 Population and Housing Survey, Republic of Mauritius

<sup>44</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>45</sup> Republic of Mauritius Millennium Development Goals Report 2015.

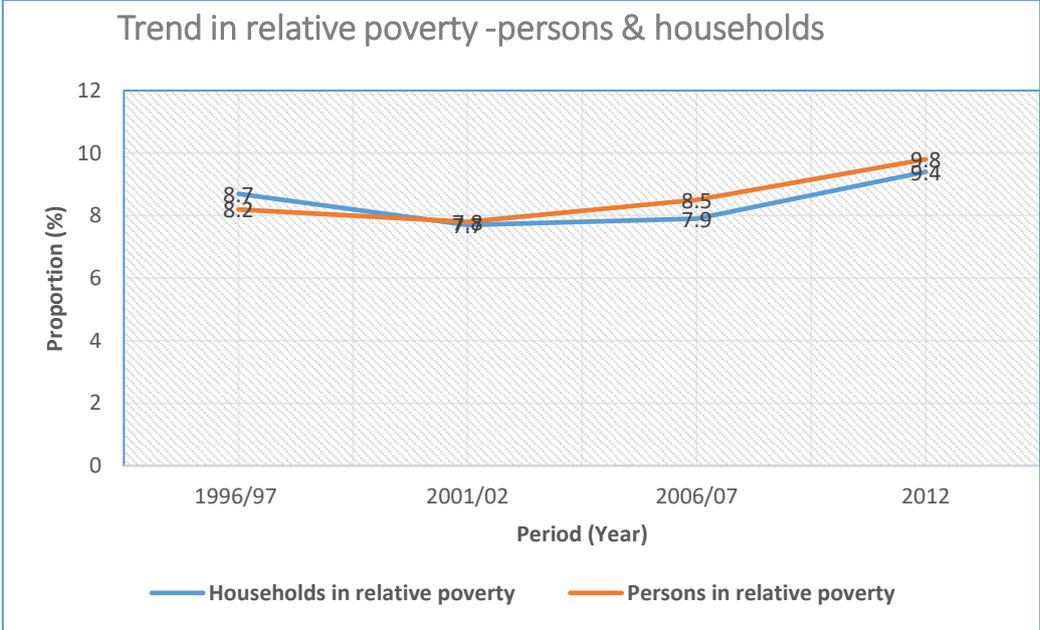
<sup>46</sup> Republic of Mauritius Millennium Development Goals Report 2015.

<sup>47</sup> Mauritius does not have an official poverty line. Based on Household Budget Surveys (HBS), Statistics Mauritius calculates a Relative Poverty Line (RPL) to assess poverty in the country. The RPL is set at half median monthly household income per adult equivalent, Republic of Mauritius Millennium Development Goals Report 2015.

<sup>48</sup> Statistics Mauritius, Republic of Mauritius, Ministry of Finance and Economic Development, Poverty Analysis 2012, 2015

older people, with an estimated 15% of children in relative poverty (42,100 out of a total of 285,900 children)<sup>49</sup>. The Statistics Mauritius further observed that, the depth and intensity of relative poverty<sup>50</sup> has increased over the past 15 years, showing a consistent deterioration of the people in relative poverty. Figure 3 below shows the trend of relative poverty for both households and person from 1996/97- 2012.

**Figure 3: Trend in relative poverty for households and persons**



Source: Statistics Mauritius, Poverty Analysis 2012, 2015

Furthermore, Household Budget Surveys show that poverty is more acute among female headed household (17%) than male headed household (7%), those with education below the secondary level, and worse in Rodrigues where economic livelihoods are largely based on subsistence agriculture<sup>51</sup>.

However, it is also critical to note that, Government transfers- social protection programmes, free education and free health services, help to suppress relative poverty low. Without the social programmes for example, in 2012, the proportion of poor households would have been 30% instead of 9.4%<sup>52</sup>. Despite the elaborate welfare system (keeping relative poverty levels low), inequality has been on the increase, with the share of national consumption going to the poorest

<sup>49</sup> Statistics Mauritius, Republic of Mauritius, Ministry of Finance and Economic Development, Poverty Analysis 2012, 2015

<sup>50</sup> The intensity of poverty (or poverty gap) is an indicator used to assess the extent to which the standard of living of the poor population is under the poverty line.

<sup>51</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>52</sup> Statistics Mauritius, Republic of Mauritius, Ministry of Finance and Economic Development, Poverty Analysis 2012, 2015

20% population stagnating around 7-8%<sup>53</sup>, and the Gini coefficient moving from 0.387 in the period, 1996/97 to 0.414 in 2012<sup>54</sup> and trend analysis by UNDP putting it at 0.439 in 2014<sup>55</sup>.

Reducing poverty and inequality remains one of the main development challenges. Mauritius pursued a dedicated strategy for poverty alleviation focusing on outreach support to vulnerable groups and interventions including Social Housing and Community Development, Child Welfare and Family Development, and Training and Placement. As a result of these social programme interventions, Mauritius has been hailed for making significant progress in the social sector especially provision of basic social services<sup>56</sup>. Mauritius established the National Empowerment Foundation (NEF) in 2008 as non-profit state-owned entity to spearhead and coordinate national poverty reduction efforts. Through the Ministry of Social Integration and Economic Empowerment, Government also adopted a social registry with a proximity test with a criteria to identify those in absolute poverty. Through the programme, families that qualify can (depending on the case) get subsistence allowances, child allowances including school material support, parents are also trained to for employment and livelihood skills. Government has also initiated negative income tax action where it tops up salaries for those whose salaries are below the minimum wage level to reach the minimum level. Some programme involve construction of houses for the disadvantaged.

However, in the absence of data, it's difficult to authoritatively discuss the impact of the initiatives since no impact assessment are evaluation has been conducted. What can be stated as a matter of fact, is that, unlike many other African countries, though there are pockets of poor housing and lack of infrastructure, largely, Mauritius does not have a serious problem of housing shortage nor is there a serious shortfall in infrastructure provision to dwellings<sup>57</sup>.

Further in its drive to fight poverty and social exclusion, GoM elaborated The Marshall Plan with thirty-nine recommendations aimed at tackling the needs of pockets of poverty and inequality, including by increasing the effectiveness of social welfare programmes. It aims to address the different dimensions of poverty and inequality, through enhancing social protection, employment, social housing, education, health, equity in service delivery, including a focus on Rodrigues<sup>58</sup>. The Plan also makes reference to specific SDG targets for alignment with international targets. According to Ministry of Social Integration and Economic Empowerment, The Plan has been approved by Government and a number of the recommendations were already being implemented.

Going into the future, GoM may want to reflect on a few areas. Poverty trends need close and regular monitoring to keep tracking on behaviour, thus a robust monitoring and evaluation systems is critical. One other challenge noted is the absence of an official poverty line for Mauritius. Operationally, there could be need to define the official poverty line in order to concretely assess the extent of poverty and be able to clearly identify the poorest among the

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<sup>53</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>54</sup> Statistics Mauritius, Republic of Mauritius, Ministry of Finance and Economic Development, Poverty Analysis 2012, 2015

<sup>55</sup> Marshall Plan Against Poverty, Volume 2, 2016; Analysis conducted by the UNDP International Policy for Inclusive Growth (UNDP IPC-IG)

<sup>56</sup> Republic of Mauritius Millennium Development Goals Report 2015.

<sup>57</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>58</sup> Marshall Plan Against Poverty, Volume 2, 2016

poor and neediest to design targeted policy and programme interventions. It also allows for clear monitoring and assessment of the poverty in the country.

With regards to inequality, some arguments being point forward say that; inequality levels were resistant to change; that tax-based approaches to redistribution risked slowing growth; and that Governments need to focus on dynamic redistribution (that is, ensuring that the poor receive an increasing share of the gains from growth, for instance by improving education levels) rather than transfer of existing income from rich to poor<sup>59</sup>. The diversity of variables means that social inequality will also require a multi-pronged approach tailored to the particular mix of factors in Mauritius. More importantly, proper policy responses to inequalities rely on an accurate understanding of the causes of inequality. Overall, the point is to universalize access to and utilisation of basic social services-in health, pensions, unemployment, child care and primary education, and make them individual rather than household based<sup>60</sup>. This contributes more towards reducing poverty, containing inequality, sustaining equitable economic growth and encouraging greater empowerment and autonomy especially for women.

However, fundamental to the sustainable eradication of poverty and inequality is to address not just the immediate causes in the short term, but more importantly, the underlying and root causes in the medium to long term. The ability to deal with this “poverty burden” and the “poverty paradox” for Mauritius, may have less to do with aid and more to do with how “pro-poor” their domestic policies are, especially the targeting aspect to nip the pockets of poverty. Further, Government may want to further review the sustainability of addressing poverty and inequality through provision of social welfare programmes. One may argue that this places a huge burden on Government expenditure, which tends to be inflationary because it’s on recurrent expenditure. Mauritius is a small state, with a small population and tax base aggravated by an ageing population. As an upper middle income country, Mauritius has limited access to concessionary finance<sup>61</sup>. The good poverty statistics hinge on the strength of Government to finance social programmes. But if for some reason, support falls, the poverty situation will drastically slide backwards. To this extent, as the economy transforms towards the high-income country status, it is important for the country to explore a menu of innovative development finance mechanisms that ensures value addition and sustainability, but at the same time minimising risks.

Another factor that may slowly impact on the long term development vision is the ageing population. The fundamental issue for Governments facing population ageing is the challenging task to provide social security and public services for the aged while maintaining economic growth. Population ageing is harmful for economic growth due to the decline in labour participation rate and its negative effect is significantly magnified through the increase in social security tax and the slowdown in productivity growth. In the short to medium term GoM has adjusted the retirement age upwards to 65 (and possibly further to 70). However, there may be need to explore ways of boosting the birth rate as well as managing labour migration.

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<sup>59</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

<sup>60</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>61</sup> Mauritius Roadmap for SDG Implementation, 2017

#### 1.4 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Economic Management</b></p> <ul style="list-style-type: none"> <li>• Sustaining of competitiveness of export – oriented industries</li> <li>• An ageing population and structural issues such as, education, human capital development</li> <li>• Lack of technological innovation</li> <li>• Huge public debt</li> </ul>	<ul style="list-style-type: none"> <li>• Shifting towards tourism, service, ocean economy, finance and IT sectors and the agro-industry.</li> <li>• Strong diversified economy</li> </ul>
<p><b>Employment</b></p> <ul style="list-style-type: none"> <li>• Structural unemployment</li> <li>• Youth and female unemployment</li> <li>• Migration issues-dealing with more young migrant workers</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for re-skilling and skills transfer</li> <li>• Reform of the tertiary and vocational training institutes</li> </ul>
<p><b>Poverty and inequality</b></p> <ul style="list-style-type: none"> <li>• Absence of an official poverty line</li> <li>• Increasing inequality</li> <li>• Weak monitoring and evaluation system</li> <li>• Sustainability of funding social welfare programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Government opened the space for the engagement of the private sector in social development through the corporate social responsibility (CSR)-leading to a proliferation of CSR initiatives</li> <li>• The Marshall Plan -dedicated plan to fight poverty and inequality</li> </ul>

#### 1.5 Priority areas for Government of Mauritius

At the national strategic level, in line with the Vision 2030, the overarching priority of Government is to catalyse inclusive economic growth to move from a UMIC towards a high-income country. GoM seeks to consolidate the existing sectors such as manufacturing, tourism, ICT, financial services sector while unlocking value in the new sectors such the Ocean Economy, butchering services, as well as port development. However, Government would need to mobilise skilled technical expertise from outside to build capacity to exploit the potential opportunities in sectors. In a number of sectors, for example, Ocean Economy and industry, some studies have been conducted and recommendations made, but implementation is stalled mainly because of either resources or lack of the necessary skilled expertise. In other sectors, proper studies have to be conducted make informed decisions on the way forward. At a strategic level, GoM would want to address capacity gaps as they relate to appropriate skills, qualified expertise, technology, development of policy and legislative frameworks depending on the specific needs of the sector in question. Other strategic areas include improving the infrastructure, for example, at economic zones, and the light railway system, reforming the education system and the health sector in line with the desire to make Mauritius a destination for health tourism. Mauritius has Government to Government agreements with countries such as Ghana, Ivory Coast, and Madagascar to export goods in which it intends to establish speed economic zones.

Government policy measures to address structural unemployment are intended to primarily target the employability of the youth with low skills and educational attainment. However, main focus would be enhancing educational attainment and vocational training of the youth.

Poverty and inequality pose barriers to the achievement of the SDGs. Hence, Government also prioritises the elaboration and implementation of The Marshall Plan in addressing poverty and inequality. Due to emerging threats, Government dropped the approach of addressing “pockets of poverty” in favour of a more holistic and comprehensive approach. The objective is to eliminate absolute poverty through social integration and empowerment of the vulnerable groups. Government set the National Corporate Social Response Foundation through which it collaborates with CSO, private sector and other development partners in all its poverty alleviation programmes. Private sector contributes 2% of profits towards the fund. Government, through the Ministry of Social Integration and Economic Empowerment is working on the development of a management information system for poverty and inequality.

Government noted the impact of the climate change phenomenon on the population as a serious threat to the fighting poverty in Mauritius. Flooding has become frequent due to climate changed induced heavy rains which destroys household property, wealth and food leaving many people exposed. Government finds itself constrained to provide the necessary facilities and to alleviate the situation especially in the short to medium term.

## 1.6 Opportunities for UN System Support and Collaboration with Government

GoM highly values the support from the UN system and other development partners especially in providing technical assistance. The message evidently coming from Mauritius is the need to mobilise expertise to support in various sectors of the economy especially in exploiting of the new sectors. At upstream level, the UN has the capacity to mobilise expertise and international best practices across the globe to provide the necessary technical and policy support to help transform the economy from UMIC towards a high-income country, as well as managing sustainability of debt and public expenditure burden on the fiscus.

With regards to labour and unemployment, Government collaborates well with ILO. Strategically, would need technical assistance specially to study and advise on the future of work. UK and Australia have already carried a study on how many jobs will disappear the foreseeable future, to complete the assessment, Government needs a study on what jobs and skills requirement will also emerge. There is also need for technical support to review the labour laws and legislation to be comparable with international’s best with a view to improve the security of workers. Another area is to research further on how labour productivity can be improved.

Research indicates that many MICs, may be vulnerable to reversals as unemployment increases and social policies face new budgetary constraints<sup>62</sup>. In this context, the UN may consider supporting GoM in designing and implementing mechanisms meant to close existing policy gaps and further boost the resilience of the economy against any internal and external shocks. In addition, the UN has a good platform to partner Government in addressing employment issues from a number of angles. Based on a thorough assessment, there could be need for policy

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<sup>62</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

review, institutional capacity strengthening (tertiary education sector), and promoting youth decent employment, with special bias towards women. From such an assessment, concrete, highly targeted policy tools could be drawn to inform decision-making. The ILO, for example, designed a “Career Guidance Resource Book” specifically designed for MICs<sup>63</sup>, as a reference for training materials. The resource book has been used in Argentina, China, Czech Republic, Egypt, and Indonesia, and was successfully mainstreamed into the national policies of three (China, Egypt, and Indonesia).

With respect to addressing poverty and inequality, for example, Government indicated the need for technical support to develop a proper legal framework and governance structure for NGOs and other players to ensure the players operate within given rules and procedures adhering to good governance principles. One of the weaknesses highlighted relates to the limited capacity by Government to carry out impact assessments due to lack of expertise. The UN may derive value in building the local technical capacity for monitoring and evaluation within Government institution. Depending on the entry points, institutional capacity strengthening in M& E can constitute a huge programme of intervention given that this is a challenge across many sectors.

With regards to the impact of climate change on poverty, the key issue could be the need for technical expertise and knowledge not only to manage effects of disaster, but more importantly to strengthen national capacity for pre-and post-disaster management. But what could probably be of special attention in this process, is the opportunity for the UN to support Mauritius to generate robust, quality, and disaggregated poverty and inequality statistics.

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<sup>63</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

## Chapter 2: Private Sector Development, Domestic, Regional and International Trade

### 2.1 Overview

From a predominantly agricultural economy, Mauritius successfully diversified into textiles exports, tourism, financial services, offshore global business and Information and Communications Technology (ICT). National development frameworks do pay attention to partnerships with the private sector in the national goal of achieving inclusive growth. Government established the Private Sector Competitiveness Development Policy Loan (PSC-DPL) to strengthen the policy and institutional environment in Mauritius to support competitiveness and enterprise development. The PSC programme supports Government's medium-term reform programme focusing on enhancing competitiveness and equity as its twin pillars<sup>64</sup>. Government also places emphasis on international trade with special focus on the opportunities provided by the African regional market. Attention is also devoted to expanding sources of financing for development, including foreign direct investment (FDI) and attracting investments by enterprises targeting the African continent, public-private partnerships, etc<sup>65</sup>. Mauritius is keen to avoid the middle-income trap as it embarks on transforming the economy to a higher-income status. However, competitiveness, productivity and investment rates have been on the decline in recent years<sup>66</sup>, and due to ageing population, the labour force is projected to shrink, potentially retarding growth.

### 2.2 Private Sector Development

Cognisant of the level of investment required to meet national aspirations across sectors, Government has enacted policies and strategies and taken a number of measures to liberalise the sector allowing for private ownership and investment across various sectors of the economy including infrastructure. In September 2016, for example, the Minister for Finance and Economic Development, Mr Pravind Jugnauth, launching the Build Operate and Transfer (BOT) Projects Guidance Manual, appealed to the private sector to contribute towards building a modern infrastructure and play a bigger role in national endeavours. He further called upon both the public and private sector to partner towards charting more investments<sup>67</sup> as Government cannot afford to provide everything.

According to the Global Finance Mauritius, Mauritius remains the preferred authority for a growing number of global investors because of its efficient, safe and secure platform. In 2012, the World Bank Doing Business Report ranked Mauritius first in Africa and twenty-third globally for the ease of doing business<sup>68</sup>. With regards to fiscal incentives, since 2007, Mauritius

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<sup>64</sup> The World Bank, Implementation Completion and Results Report, on a Series of Private sector competitiveness Development policy loans 2015

<sup>65</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>66</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>67</sup> Government Information Service, Prime Minister's Office, Economy & Finance, <http://www.govmu.org/English/News/Pages/Private-sector-encouraged-to-increase-investment-for-a-modern-economy-.aspx> ..31/12/2017

<sup>68</sup> Global Finance Mauritius [http://www.globalfinance.mu/index.php?option=com\\_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&](http://www.globalfinance.mu/index.php?option=com_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&) ...31/12/2017

introduced a flat tax rate of 15% for resident corporate firms and individuals. Some Global Business Companies harvest the benefits of double taxation relief under Mauritian tax treaties as these companies are considered to be resident ones for tax purposes while other Global Business Companies are not considered to be resident in Mauritius for tax purposes and are thus exempted from taxation in Mauritius<sup>69</sup>. As a result, the economy has attracted more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone has reached over \$1 billion<sup>70</sup>.

One of the fast growing sectors is the Information Communication Technology (ICT) which is also considered a key pillar for supporting competitiveness. Government developed the National ICT Strategic Plan (2011-2014) with the objective of converting Mauritius into a regional ICT hub and securing the technology and know-how required to support the country's aspirations to attain high-income status objective. These efforts appear to be yielding results as foreign investment in the sector amounted to USD 41 million in the period 2010-2013<sup>71</sup>. According to the Mauritius Investment Board, there are 750 companies in the ICT-BPO<sup>72</sup> sector in the country, accounting for Rs 5.4 billion (2014) of service exports.<sup>73</sup> Assuming favourable trends continue, the sector is projected to contribute up to 10% of GDP annually and create 50,000 jobs by 2030<sup>74</sup>. The ICT is considered the third pillar of the economy currently accounting for 7.5% of GDP<sup>75</sup> with the potential to be the leading sector. According to Government, ICT, has become powerful that it can transform the whole industrial outlook, service sector and even the hospitality. Mauritius has embraced ICT as a facilitator for socio-economic development. ICT is now part of the education curriculum at both primary and secondary school- all Grades 1 & 2 pupils have tablets. However, at tertiary level, there is room for improvement. The ICT, just like other sectors is not spared of the challenges of skilled labour.

The manufacturing sector though in relative decline over the past years, continues to play an important role in terms of its relative contribution to GDP (15% in 2015) and employment (9.2% of labour force). The textile industry remains the dominant sub-sector, however, production of other, value-added products such as medical devices, watch parts and diamond polishing is growing.<sup>76</sup> Mauritius' textile sector has taken advantage of the Africa Growth and Opportunity Act, a preferential trade program that allows duty free access to the US market, with Mauritian exports to the US growing by 40% from 2000 to 2014<sup>77</sup>. While the sector grew by 4.8% in 2015, performance of the textile industry remains generally weak<sup>78</sup>. However, the sector is going

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<sup>69</sup> Global Finance Mauritius

[http://www.globalfinance.mu/index.php?option=com\\_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&...](http://www.globalfinance.mu/index.php?option=com_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&...) 31/12/2017

<sup>70</sup> Mauritius Economy 2017, **2017** CIA World Factbook And Other Sources:

[https://theodora.com/wfbcurrent/mauritius/mauritius\\_economy.html](https://theodora.com/wfbcurrent/mauritius/mauritius_economy.html) 26/12/2017

<sup>71</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>72</sup> Business Process Outsourcing (BPO) refers to a company contracting with an external organization to take primary responsibility for providing a business process or function. See UNCTAD (2003). E-commerce and Development Report 2003, UNCTAD/SIDTE/ECB/2003/1, United Nations, New York and Geneva, p. 137.

<sup>73</sup> <http://www.investmauritius.com/investment-opportunities/ict.aspx>

<sup>74</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>75</sup> Ministry of Technology, Communication and Innovation

<sup>76</sup> AfDB, OECD, UNDP (2016). Mauritius. African Economic Outlook, p. 4.

<sup>77</sup> Mauritius Economy 2017, **2017** CIA World Factbook And Other Sources:

[https://theodora.com/wfbcurrent/mauritius/mauritius\\_economy.html](https://theodora.com/wfbcurrent/mauritius/mauritius_economy.html) 26/12/2017

<sup>78</sup> Mauritius Roadmap for SDG Implementation, 2017

through a very difficult phase as it faces tough competition from countries like Bangladesh and Vietnam with low production costs.

With respect to small and medium enterprises, Mauritius positions their role future drivers of the economy. According to the Ministry of Business, Enterprise and Cooperatives, operations of SME are well aligned to the national development objective. There is a Ten- year Master Plan for SMEs with short, medium and long term plans. They number to about 127,000 mostly informal (25,000 in the formal sector- manufacturing, financial services, textile and ICT) but the objective is to draw most of them into the formal sector. However, the main challenge they face is access to markets, access to financing and, access to technology.

The operational disconnect and constraining factor is the lack of skills and expertise locally as well as the skills mismatch in the labour market. Private enterprises, including SMEs in Mauritius, complain of a lack of skilled human resources and is encouraging the employment of highly-skilled foreigners to meet the needs of the economy which will only increase as the country develops knowledge-intensive industries<sup>79</sup> There is need to improve the education system to address the skills mismatch<sup>80</sup>. Successful diversification into more sophisticated products with higher domestic value added would hinge very much upon the capability to adapt technologies and customize products, processes and design. Hence the need for highly skilled and qualified workers. Hence as the industrialization progresses, tertiary and vocational training institutions play a bigger responsibilities as the primary sources of entrepreneurs, managers and skilled workers. Government recognizes the importance of skills as a pillar of economic transformation and growth and aims to become a knowledge hub. Over time the Government has taken some measures focusing on skills and training, technology development, and information services gaps<sup>81</sup>. The Mauritius Business Growth Scheme (MBGS) originally set up under the World Bank Mauritius Manufacturing and Services Development and Competitiveness Project supports enterprise productivity and competitiveness in line with the evolving needs of private sector firms<sup>82</sup>.

### 2.3 Regional and International Trade

Mauritius has a liberal economic and trade policy, with a trade-to-GDP ratio of nearly 110% (2015)<sup>83</sup>. Comparatively, customs duties are low and the island does not have any trade barriers<sup>84</sup>. Outside the WTO, it is a member of many other regional economic groups such as the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), and the Indian Ocean Rim Association for Regional Cooperation (IORARC) with the aim of promoting economic and technical cooperation, including expansion of trade and investment. Mauritius is a signatory to the SIDS Accelerated Modalities of Action (S.A.M.O.A) Pathway of 2014- an international framework that was developed as the outcome

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<sup>79</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>80</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector...31/12/2017> 31/12/2017

<sup>81</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector...31/12/2017> 31/12/2017

<sup>82</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector...31/12/2017> 31/12/2017

<sup>83</sup> Mauritius: Trade Profile, 2017, <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile...31/12/2017>

<sup>84</sup> Mauritius: Trade Profile, 2017, <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile...31/12/2017>

of the Third International Conference on Small Island Developing States (SIDS Conference). Small island developing states remain a special case for sustainable development in view of their unique and particular vulnerabilities and that they remain constrained in meeting their goals in all three dimensions of sustainable development<sup>85</sup>.

Government aims to transform the island into an open and globally competitive economy and to fully integrate it into the world trade system through its trade policies. Mauritius has one of the largest Exclusive Economic Zones in the world, which the country hopes to tap into through the development of the ocean economy. The country exports about 60% of its exports to Europe. According to African Economic Outlook, the country's GDP growth rate remained strong in 2011 at about 4%, but the uncertainty of the global economic environment, particularly in Europe, threatens future economic growth. To improve trade and foreign exchange earnings, Government of Mauritius aims to boost trade with traditional markets in Europe and the USA, as well as emerging markets in India, China and Africa, especially for sugar, fruits, vegetables, seafood and tourism<sup>86</sup>. In 2013 the tourism industry attracted more than 950 000 tourists annually<sup>87</sup>.

However, the country imports more than it exports. Data indicates that the trade deficit has been increasing overtime at most recent data, shows it amounted to over USD 2 billion in 2016<sup>88</sup>. Figure 7 below show the foreign trade composition pattern from 2012-2016.

**Figure 4: Foreign trade pattern 2012-2016**



<sup>85</sup> Draft outcome document of the third International Conference on Small Island Developing States, 2014

<sup>86</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>87</sup> Geography & Natural Disasters: A Review of Coastal Zone Management Facing Climate Change and Natural Disasters in Mauritius, 2013

<sup>88</sup> Mauritius: Trade Profile, 2017, <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile> ..31/12/2017

Source: Mauritius, Trade Profile, WTO; <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile>

The main trade partners are the European Union (led by France and the United Kingdom), China, India, South Africa and the United States. The country exports are mainly in clothing and textile, tourism, sugar, cut flowers and fish. Sugarcane represents 15% of its exports<sup>89</sup>. The export of services has been on the rise. Main imports include petroleum products, fish, cars, medicine and radio transmission equipment<sup>90</sup>. However economic analysts indicate that fiscal consolidation in advanced economies and increasing debt and financial problems in Europe negatively impacted on the economy with leading to a fall FDI and a fall in total exports, and a rise unemployment<sup>91</sup>.

With regards to the financial service sector, Mauritius has grown to be an International Financial Centre due to its strong regulatory framework in line with international initiatives to fight money laundering and the financing of terrorist activities. It has demonstrated a high commitment in setting OECD norms and ensuring active collaboration with other jurisdictions by exchanging information. In this regard, the Financial Services Commission of Mauritius has signed Memorandums of Understanding with 19 regulators including the Securities and Exchange Board of India<sup>92</sup>. In addition, Mauritius has entered into Investment Promotion Protection Agreements (IPPA) with 36 countries throughout the globe, especially with 17 African countries which are opening a new window of opportunities<sup>93</sup>. The Vision 2030 focuses on expansion of economic space for Mauritian firms through enhancing economic integration and cooperation. However, some scholar argue that economic integration can also create economic vulnerability through increased competitiveness. Rapid integration of economies in the global market can have adverse effects when domestic industries are not sufficiently competitive and when there is a precarious transfer from agricultural to industrial production<sup>94</sup>.

As a MIC, Mauritius faces the challenge of economic resilience and growth in an increasingly interconnected world where on one hand, it has to compete with the cheap inputs of lower-income exporters, but on the other hand not able to compete with the high-technology production of higher income countries<sup>95</sup>. Mauritius is recognized as one of the most competitive business-friendly destinations (ranked second behind South Africa in the Africa Region on The World Economic Forum)<sup>96</sup>. However, achieving the high income nation status requires keeping up and exceeding the pace of its competitors. From an analysis made by the World Bank on

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<sup>89</sup> Mauritius: Trade Profile, 2017, <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile> ..31/12/2017

<sup>90</sup> Mauritius: Trade Profile, 2017, <http://www.mauritiustrade.mu/en/trading-with-mauritius/mauritius-trade-profile> ..31/12/2017

<sup>91</sup> The World Bank, Implementation Completion and Results Report, on a Series of Private sector competitiveness Development policy loans 2015

<sup>92</sup> Global Finance Mauritius  
[http://www.globalfinance.mu/index.php?option=com\\_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&](http://www.globalfinance.mu/index.php?option=com_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&) ...31/12/2017

<sup>93</sup> Global Finance Mauritius  
[http://www.globalfinance.mu/index.php?option=com\\_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&](http://www.globalfinance.mu/index.php?option=com_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&) ...31/12/2017

<sup>94</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>95</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

<sup>96</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector> ...31/12/2017 31/12/2017

Private Sector Competitiveness in 2015, it was established that, the manufacturing sector is facing competitive pressure from increasing global competition in the export markets, aggravated by the business slowdown in Europe- the main export market for the island economy, thus is taking a toll on the economy<sup>97</sup>. The European problems are also depressing tourism, while the services sector are currently not high value added sources of growth<sup>98</sup>. Hence, enhancing competitiveness agenda is the fulcrum to achieving the government’s programme of reforms in order shake off the impact of the global economic crisis, boost economic growth through higher productivity and to increase high value added exports. It also needs to refocus on the SME sector, an important source of job creation and growth.

Government is committed to continue supporting the competitiveness agenda for development of the manufacturing and services sector. It advocates for the promotion of technology investments to improve quality of Mauritian exports to enable entry into new markets abroad as well as the prioritisation of Small and Medium Enterprises (SME) sector<sup>99</sup> for employment generation and growth.

2.4 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Private Sector Development</b></p> <ul style="list-style-type: none"> <li>• Lack of skilled manpower/expertise</li> <li>• Inward labour migration</li> <li>• Decreasing sector performance- e.g. manufacturing, textile</li> </ul>	<ul style="list-style-type: none"> <li>• Mauritius has one of the largest Exclusive Economic Zones in the world to utilise through the development of the ocean economy</li> <li>• Innovation as a key driver of growth by investing in technology, research and development</li> <li>• Government recognition of importance of skills as a pillar of economic transformation and growth</li> </ul>
<p><b>Regional and International Trade</b></p> <ul style="list-style-type: none"> <li>• Increasing competitiveness and productivity- improving the quality of exported goods and services</li> <li>• External shocks- fiscal consolidation in Europe</li> <li>• Financial constraints e.g. for building the required infrastructure to the EEZ</li> <li>• Negative trade balance</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritisation of Small and Medium Enterprises (SME) sector for employment generation and growth</li> <li>• Promotion of technology investments</li> <li>• Expanding regional markets</li> <li>• Exclusive Economic Zone (EEZ)</li> <li>• Government committed to support product competitiveness</li> </ul>

<sup>97</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector...31/12/2017> 31/12/2017

<sup>98</sup> The World Bank, Implementation Completion and Results Report, on a Series of Private sector competitiveness Development policy loans 2015

<sup>99</sup> Business Magazine, no 1054, 2012 <http://www.businessmag.mu/article/striving-compete-role-dynamic-private-sector...31/12/2017> 31/12/2017

## 2.5 Priority areas for Government of Mauritius

Looking into the future, with the advent of the increasing competitiveness, efforts will be tailored towards broadening the economic base, enhancing productivity, using innovation as a key driver of growth by investing in technology, research and development, improving efficiencies, as well as diversifying using Small and Medium Enterprises (SMEs) in the areas of technology and innovation. Government acknowledges that to reach HIC status by 2030, the economy has to grow by at least 6% per annum which is leap jump. To this extent, while consolidating the existing sectors, deliberate efforts have to be made to explore new sector such as the ocean economy and the high value financial services sector, asset management, renewable energy and bunkering and port services. Mauritius is a trading route from Asia to Africa about 30 000 ships pass through the Indian Ocean per year to which Mauritius can provide bunkering services. There Government would also want to promote the visibility of the country and top the list on the ease of doing business.

With regards to ICT, Mauritius focuses on implementing the e-Government Strategy 2013-2017 to enhance citizen and business interactions with the Government while aiming to improve Government-to-Government transactions. The Government is preparing a new Digital Government Strategy 2018-2022 to review the previous e-Government Strategy and to outline recommendations to further boost the digitalisation of Government transactions with citizens, businesses and between Government bodies. The strategy is expected by end of June 2018. The Government has also embarked on several projects covering areas such as mobile apps, Internet of Things (IoT), open data, telecommunications, and early warning systems amongst others. The idea is to drive all sectors using ICT including application in emerging sectors, climate change, food security, e-health, e-services, e-education etc.

On regional and international trade, Mauritius continues to explore opportunities for expanding trade and commerce. At policy level, Government prioritises Government to Government trade agreements, as well as regional body negotiations. Some of the regional trade negotiations to be pursued among others include, Comprehensive Economic Cooperation and Partnership Agreement with India, Free Trade Agreement with China, CFTA and SADC-COMESA-EAC Tripartite negotiations, deepening trade ties with EURASIA, and Mauritius – UK Post Brexit Agreement<sup>100</sup>. In additions, Mauritius has also engaged with Malawi, Mozambique, Seychelles and Zambia and agreed to accelerate their economic integration process by harnessing foreign investment, creating enhanced employment opportunities and fostering higher economic growth including through the sharpening of their competitive edge. In this respect, have launched the Accelerated Program for Economic Integration (APEI) in line with the spirit of rapid integration based on the principles of variable geometry and variable approach<sup>101</sup>.

Other areas regional integrating include; enhancing Maritime safety and security. Recognising that a safe and secure region in the African region and in the Indian Ocean is important for socio economic development, the IORA and the RECS have assigned Maritime Safety and Security as the top priority area of focus. In addition efforts will be made towards enhancing collaboration industrialisation, ICT, environment, disaster risk management, climate change mitigation, and migration issues.

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<sup>100</sup> Ministry of Foreign Affairs, Regional Integration and International Trade

<sup>101</sup> Ministry of Foreign Affairs, Regional Integration and International Trade

## **2.6 Opportunities for UN System Support and Collaboration with Government**

Mauritius has demand for specialised technical support to develop not only the roadmap to tap into the new sectors identified while broaden the base of the existing ones, but also to tap into new investment windows such as, connectivity, micro small and medium sized enterprises (MSMEs), finance, sustainable agriculture, agribusiness, sustainable cities, digital for development. There is also demand for building capacity to drive and sustain development in the sectors. For SMEs, they would need technical support to unlock potential market for their products. For example, SMEs are trying to enter the African market platform especially for the handcraft sector. SMEs would also like to go green and use solar photovoltaic system, but would need capacity building and technical support to access the technology from countries like India and China. Research and development and would play a very vital role in revolutionising sectors. Building on the work done by the World Bank towards, enhancing competitiveness and enterprise development<sup>102</sup>, the UN has the cutting edge to mobilise expertise to further support innovation and research to improve competitiveness and growth of enterprises, improve access to finance; and promote ICT usage and e-governance.

Mauritius need specialised economic advisers to support with technical guidance on the proper matrix of sustaining economic growth and industrial upgrading. The research indicates that numerous middle income countries are not able to mobilize industrial policy or institutions to achieve higher productivity and growth<sup>103</sup>. Technical support would also be wanted in institutionalising reform. For instance, to public and private sector to come up with a concrete diagnostic of the situation in the Mauritian manufacturing sector with a view to finding a sustainable solution for the industries concerned, capacity building in data gathering, analysis and management for the trade and services sectors, integrating small states in global value chains.

With regards to ICT, there is need for technical support and capacity building in a number of areas such as, Internet of Things (IoT), open data, telecommunications, promoting blockchain technology, and unrolling the concept of technology innovation labs. The UN could also assist Mauritius to tap into opportunities of technological development and the digital economy (digital 4 development), notably by exchanging on measurable ICT technology, legal and regulatory frameworks, and by supporting investments in digital infrastructure.

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<sup>102</sup> The World Bank, Implementation Completion and Results Report, on a Series of Private sector competitiveness Development policy loans 2015

<sup>103</sup> Challenges of The Middle- Income Countries, Seoul Debates, 2013

## Chapter 3: Human Capital Development

### 3.1 Overview

Historically, Mauritius has demonstrated strong commitment to social and human capital development. It has made huge investment in basic social services including social protection, which clearly yielded positive results in terms of human development outcomes. The Human Development Index (HDI) for Mauritius stands at 0.781 for 2015, putting the country in the high human development category—ranking 64 out of 188 countries and territories, with life expectancy at 74.6 years by the same year<sup>104</sup>. Table 1 below shows the trend in HDI and life expectancy between 1990 and 2015.

**Table 1: Life Expectancy and HDI trend between 1990 and 2015**

	1990	1995	2000	2005	2010	2011	2012	2013	2014	2015
Life Expectancy	69.4	70.3	71.2	72.4	73.4	73.7	74	74.2	74.4	74.6
HDI	0.62	0.648	0.673	0.713	0.748	0.756	0.765	0.769	0.779	0.781

Between 1990 and 2015, the HDI value increased by 26% from 0.620 to 0.781, over the same period life expectancy rose from 69.4 to 74.6 years gaining 5.2 points.

Notwithstanding the gains made in human capital development, there a number of emerging challenges which could potentially threaten the sustenance of the achievements. One relates to sustainability of government funding in the face of declining revenue-base, the other is the general lack of skilled expertise across the sectors. In the short to medium term, socio-economic growth might have to be sustained through labour importation. The next part looks at education, health, water and sanitation as the main areas.

### 3.2 The Education System

Mauritius has significantly invested in education with expenditure in the sector representing an average of 4.7% of GDP between 2011 and 2015, and about 14% of Government expenditure in 2015<sup>105</sup>. Government put in place various policy initiatives and strategies aimed at attaining the objective of Education for All (EFA). Results to date show that Mauritius achieved the MDG 2 target of universal primary education. The net enrolment ratio in primary school for both sexes stood at 98% in 2014, with males standing at 97% and females at 99%. The proportion of pupils starting Grade 1 who reach last Grade of primary school had reached 99% over the same period. Gender parity has also been achieved. In fact, by 2014, the enrolment rate in education was higher in girls (52%) than for boys (48%)<sup>106</sup>. Literacy rate of those between 15 to 24 years of age has increased from 91.2% in 1990 to 94.5% in 2000 and further to 98.1% in 2014<sup>107</sup>.

Notwithstanding, substantial investments and achievements made by Government in the sector, there are still reported challenges mainly with regards to quality of education (standards), high repetition and dropout rates. It is argued that, low standards of education and vocational training in the country fail to equip young men and women with the requirements of the job

<sup>104</sup> Mauritius Human Development Report, 2016

<sup>105</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>106</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>107</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p.31

market, which constrains them from getting employment in more lucrative sectors with higher wages. Some reports argue that, today free education is producing more failures than passes. The dropout rate is very high at different levels and the education system has given rise to the phenomena of "Private Tuitions" which is costing more to the parents<sup>108</sup>.

Furthermore, a deeper analysis point towards the need to address ripple effects of intricate issues of growing poverty and exclusion. For example, children of poor and vulnerable households would find it difficult to access education in high performing schools, hence they end up attending the nearest, mostly low performing schools, which because of the poor living environments (e.g. rural) would not attract best teachers nor would they have standard facilities. Chances of passing the Certificate of Primary Education (CPE), would therefore, be slim, narrowing opportunities for furthering education<sup>109</sup>. As a result, employment opportunities are low for the less educated, thus perpetuating poverty. A study by UNDP on secondary education level shows that children from poor households suffer high class repetition rates and drop-out rates at intermediary levels<sup>110</sup>. Looking ahead, there could be need to further enhance access and completion rate of secondary education by children, especially from poor families.

Acknowledging short-comings in the education system especially as it relates to rising inequality and unemployment, the Government of Mauritius intends to reform the education system to match the market demands and address systemic problems which disadvantage the poor and vulnerable.

### 3.3 Health Care System

#### 3.3.1 Overview

Mauritius has a well performing health system grounded on the principle of universal access through free health care provision –basic and specialized care services. The country's health delivery status is well above the level of developing countries. The GoM places health at the centre of sustainable human development and acknowledges access to health as a human right and provides free universal access to Primary Health Care (PHC) services to all its citizens, hence there is significant Government investment in the sector. In 2015, health expenditures contributed 4.3% of GDP and represented 9.5% of Government spending<sup>111</sup>. The whole population has reasonable access to the first point of contact with the health system within a radius of 3 miles. Mauritius made steady progress in most of MDG targets, and according to the statistics from the Ministry of Health and Quality of Life, Mauritius has already achieved some of the health related SDG targets set for 2030, for example, maternal mortality ratio, under 5 mortality rate, and HIV related targets. One of the aspirations of the 2030 Vision is to promote medical tourism for the country, and one motivation for such an objective would be to ensure that all health-related indicators are attractive.

Notwithstanding free and universal access to basic and specialized health services, the World Bank reports that out of pocket health spending is becoming an increasingly heavy burden at the household level, particularly for the lower income groups<sup>112</sup>. According to the statistics from the

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<sup>108</sup> NGO Group for the Convention on the Rights of the Child, Database of NGO Reports presented to the UN Committee on the Rights of the Child, 1995

<sup>109</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>110</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>111</sup> Mauritius Roadmap for SDG Implementation, 2017

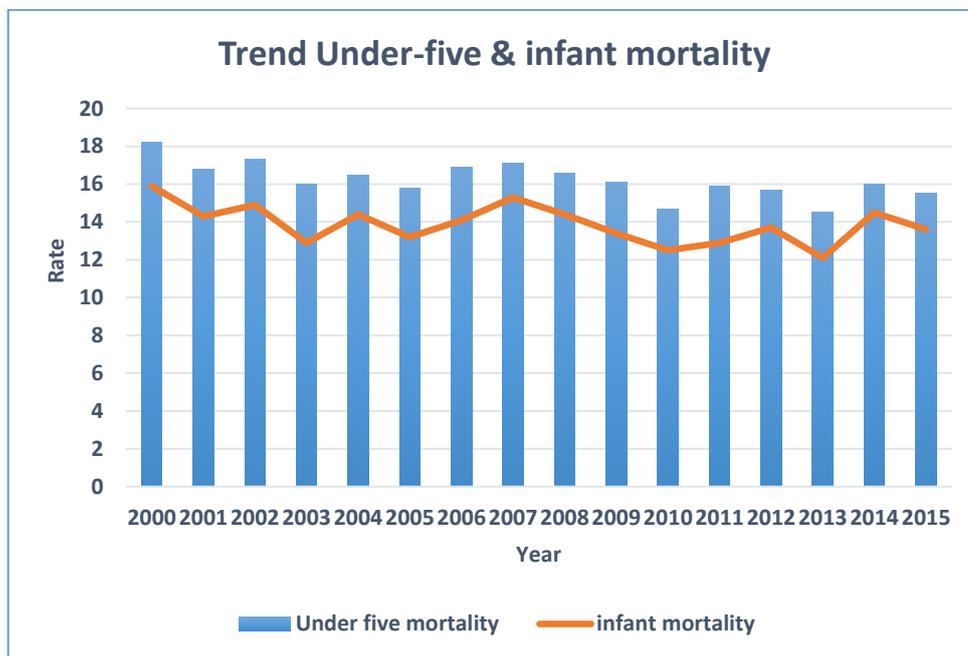
<sup>112</sup> Marshall Plan Against Poverty, Volume 2, 2016

Ministry of Health and Quality of Life, Mauritius has already achieved some of the health related SDG targets set for 2030. The next section takes a closer look at some of the main aspects of health.

### 3.3.2 Maternal and Child Health

The infant mortality rate (per 1,000 live births) dropped from 20.4 in 1990 to 13.6<sup>113</sup> in 2015. The under-five mortality rate (per 1000 live births) dropped from 23.1 in 1990 to 15.5 in 2015<sup>114</sup> against a SDG target of 25. However, the MDG target of 7.7 could not be achieved in 2015<sup>115</sup>. Figure 4 below shows the pattern for under five and infant mortality rates for the period 2000-2015.

**Figure 5: Infant and Under-five mortality rate, 2000-2015**



Source: Ministry of Health and Quality of Life, Health Statistics Report 2015

The Maternal Mortality Ratio (MMR, per 100,000 live births) was already very low at 66 in by 1990, decreased at a slow rate to 47 in 2016<sup>116</sup> against the SDG target of 70, but this falls far short of the MDG target of 17 deaths per 100,000 live births. Interesting to note that the trend was erratic between 2010 and 2015<sup>117</sup>. By 2014 statistics, Mauritius had probably the third lowest MMR (3<sup>rd</sup> best performer) in Africa after Egypt and Tunisia<sup>118</sup>.

Almost all deliveries (99% of births) in Mauritius are attended by skilled health personnel, and extensive maternal and health care facilities are available throughout the country. Emphasis has also been placed on promoting reproductive health. As a result, adolescent childbearing

<sup>113</sup> Ministry of Health and Quality of Life, Health Statistics Report 2015.

<sup>114</sup> Ministry of Health and Quality of Life, Health Statistics Report 2015.

<sup>115</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p.48

<sup>116</sup> Ministry of Health and Quality of Life

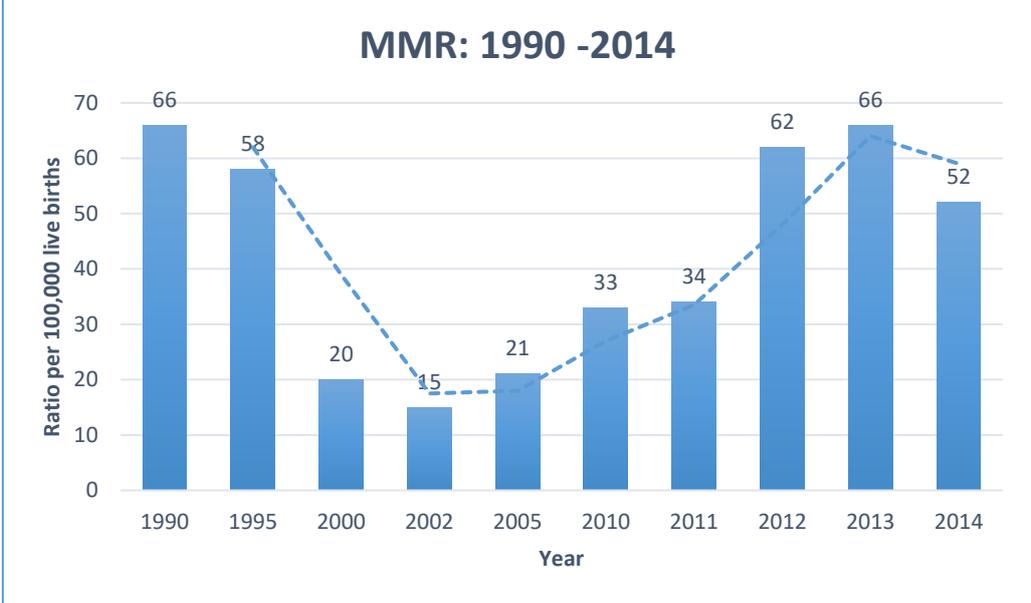
<sup>117</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p. 55

<sup>118</sup> IndexMundi, Country Comparison; <https://www.indexmundi.com/g/r.aspx?c=mp&v=2223> 27/12/2017

decreased by almost half from 45 in 1990 to 25 births per 1,000 girls aged 15-19 years by 2014. However, contraceptive prevalence dropped from 74% in 1991 to 64% in 2014<sup>119</sup>. These achievements are attributed to the successful implementation of an integrated package of primary health care services.

Figure 5 shows the Maternal Mortality Ratio (per 100,000 live births) for the period 1990-2014. An interesting observation from the graph, the sudden drop of the MMR in 2000 to about 2011, and then a sharp rise thereafter. It might be important to account for such drastic fluctuations with a view to important draw lessons especially why the country slipped back after the gains of 2000- 2005.

**Figure 6: Mauritius Maternal Mortality Ratio, 1990-2014**



Source: The Republic of Mauritius Millennium Development Goals Report, 2015

**3.3.3 Communicable Diseases**

Mauritius met all the MDG targets with respect to HIV and AIDS, malaria and other communicable diseases. The prevalence of major communicable diseases of public health importance has considerably decreased over the last few decades. Overall, the HIV prevalence rate dropped from 0.40% in 2006 to 0.18% in 2014<sup>120</sup>. In absolute terms the incidence of new cases dropped from 921 cases reported in 2005, to 568 in 2010, and further to 262 cases in 2015<sup>121</sup>. However, the rate is much higher in key populations at risk, for example, HIV prevalence among female sex workers (22%), people who inject drugs (44%), and prison inmates (22%)<sup>122</sup>. Introducing more targeted programme interventions would be an ideal approach by the Ministry of Health and Quality of Life (MHQL). Mauritius attributes this success to intensive sensitization campaigns as from 2006 together with the introduction of harm reduction programmes. Complimentary to the above, the percentage of HIV positive pregnant women receiving

<sup>119</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p. 55  
<sup>120</sup> The Republic of Mauritius Millennium Development Goals Report, 2015  
<sup>121</sup> Ministry of Health and Quality of Life, 2017  
<sup>122</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

antiretroviral treatment to prevent mother to child transmission has improved from 68 percent in 2009 to 97 percent in 2014<sup>123</sup>.

Mauritius must be commended for doing very well with in its health delivery system as shown by its exceptionally impressive indicators when compared with a number of countries in the region. A number of African countries, especially in the Sub-Saharan region may want to take a leaf from the Mauritian approach.

As regards other Communicable Diseases (CD), Mauritius is a malaria- free country, with few imported cases only ( there is no local transmission of the disease (1.6 per 100,000 in 2014). However, it is surrounded by malaria infested countries in the region. Tuberculosis is already low (10 per 100, 000 in 2014)<sup>124</sup>. These successes are attributed to an effective Communicable Disease Surveillance and Response System which is in place to avoid the spread of these diseases Communicable Diseases Mauritius. The country needs to remain vigilant to sustain the gains made especially given that it's a transit zone and destination for migrants. Extensive air and trade links between endemic countries and Mauritius increases the risk of importation of pathogens and vulnerabilities to epidemic prone diseases. Mauritius is also prone to climate changes and its impact on vector distribution.

#### 3.3.4 Non- Communicable Diseases

Non-Communicable Diseases (NCDs) such diabetes, cardiovascular disease, cancers and chronic respiratory diseases related to affluence, unhealthy lifestyles and dietary practice are a major concern to Mauritius. They are estimated to account for 80% of the disease burden, with 85% of deaths in Mauritius, as well as substance abuse<sup>125</sup>. Indications are that, albeit the standard of living has improved during the last four decades, the Mauritian population has adopted unhealthy lifestyles, resulting in high cases of NCDs. For example, there an estimated 257,442 people between the ages of 25 and 74 years with diabetes and the standardised prevalence was 22.8% (for the age group 25-74) in 2015 was 22.8% compared to the 23.6%<sup>126</sup> measured in 2009, while for prevalence of hypertension has dropped from 37.9% to 28.4%<sup>127</sup> over the same period. And about 50% and 13%<sup>128</sup> of deaths are attributable to cardiovascular diseases and cancers respectively.

The increasing incidence of NCDs combined with the implications of an ageing population, decline in fertility rates and population growth (negative population growth by 2025)<sup>129</sup> –i.e. increasing dependency ratio - as well as increasing costs of health services overall, has a ripple effect on the fiscal sustainability of social programmes. Therefore, to the extent that there are linkages between NCDs and education and income levels, it means the poor in Mauritius are more at risk of suffering from NCDs, than the non-poor. It is interesting to note is the observation that NCD are more prevalent in poor and less educated people. Research by the World Bank shows that people with low education face a higher risk of acquiring NCDs<sup>130</sup>. Based on these

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<sup>123</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>124</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>125</sup> RAPID INTEGRATED ASSESSMENT – MAURITIUS SDG PROFILE, 2016

<sup>126</sup> Ministry of Health and Quality of Life, Mauritius Non- Communicable Diseases Survey, 2015

<sup>127</sup> Ministry of Health and Quality of Life, 2017

<sup>128</sup> Ministry of Health and Quality of Life, 2017

<sup>129</sup> Ministry of Health and Quality of Life, 2017

<sup>130</sup> Mauritius Roadmap for SDG Implementation, 2017

findings, given the linkages between low education and poverty, NCDs disproportionately affect the poor adding another dimension to growing inequality in the country. Addressing the NCDs issue may call for the adoption of a holistic and multi-sectoral approach from a national perspective.

Overall, the major threats to sustaining health care include; the ageing population putting pressure on specialised health care, the increasing burden of NCDs, emerging and re-emerging communicable diseases, decreasing fertility, economic burden on lower income households, escalating costs of treatment, as well as increased pressure on overall health delivery system as the quality of life improves<sup>131</sup>. With regards to costs of treatment and medication, Mauritius is caught up in “fix”- because it is an UMIC, it does not qualify for the (Global Alliance for Vaccines and Immunisation) GAVI fund for vaccines. In addition, the price of medication is discounted when procured in large quantities, but because its population is small, it can only procure in small quantities but at high prices. Meanwhile, Ministry of Health and Quality of Life also flagged out the problem of drug abuse especially the systemic drugs and which appears to be on the increase.

### 3.4 Water and Sanitation

The whole country population (100%) has access to safe drinking water and improved sanitation in both rural and urban areas<sup>132</sup> with 99%<sup>133</sup> of the population having access to piped water supply. However, 4% of the households are categorised as living in slum conditions.<sup>134</sup> The World Economic Forum’s Global Risk Report ranks water crisis as the 3<sup>rd</sup> most serious risk for the country, thus underlying the importance of management of water resources<sup>135</sup>. Generally, Mauritius has adequate water supply albeit the water distribution network in some localities requires upgrading. In 2013, 49% of potable water was from storage reservoirs and rivers, and 51%<sup>136</sup> was from ground sources. The main threat to water production is climate change causing very uneven rainfall patterns significantly affecting water production. Other challenges, include temperature variation, rising sea level, pollution stress and impact on freshwater biodiversity, sea water intrusion, as well as increasing demands and consumption patterns<sup>137</sup>. Mauritius is already water stressed and is expected to suffer from water scarcity by 2020<sup>138</sup>. Government may want to strengthen the implementation of the various water resources development and management policies in place to ensure enough safeguards against the risk and threats.

Mauritius has invested in basic water sanitation and waste water management system. The Mauritius MDG Report (2015), shows that the proportion of the population with access to improved sanitation has steadily increased from 83.6% in 1990 to reach 99.8% in 2011<sup>139</sup>. Access to sanitation facilities is through on-site disposal or through the sewer system. In the long-term, it could be important to look into the environmental effect of on-site disposals

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<sup>131</sup> The Government of Mauritius Three Year Strategic Plan 2017/18- 2019/20

<sup>132</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>133</sup> Water Sector of Mauritius, L Juggoo, Director, Water Resources Unit, Ministry of Energy & Public Utilities, 2015

<sup>134</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>135</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>136</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>137</sup> Water Sector of Mauritius, L Juggoo, Director, Water Resources Unit, Ministry of Energy & Public Utilities, 2015

<sup>138</sup> Water Sector of Mauritius, L Juggoo, Director, Water Resources Unit, Ministry of Energy & Public Utilities, 2015

<sup>139</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

and explore other sustainable methods for waste management. Furthermore, threats to water supply are also direct threats to sanitation as the two cannot be separated.

### 3.5 Social Protection

The delivery of social protection and essential public services for all is one of the issues and commitments under the Addis Ababa Action Agenda that build on the synergies of the sustainable development goals (SDGs)<sup>140</sup> and address critical gaps in their delivery. The 2030 SDG Agenda among other issues, calls for countries to; provide fiscally sustainable and nationally appropriate social protection systems and measures for all with special attention to the poorest, disadvantaged and vulnerable persons; and consider setting nationally appropriate spending targets for quality investments in essential public services for all, including health, education, energy, water and sanitation, consistent with national sustainable development strategies<sup>141</sup>.

Mauritius has a well-established and comprehensive social protection system laid down from independence. This is evidenced by its policies, strong commitments and the significant investments in the provision of basic social services such as free primary education, universal free health care services, and other social programmes are grounded on enhancing social protection for the poor, elderly, vulnerable or marginalised populations. Social protection programmes are implemented by government entities and non-state actors and CSOs. A host of social protection programmes are being implemented which include; universal pensions (to all over 60 years of age<sup>142</sup>) and social assistance- covering old-age pensions and categorical transfers such as disability, orphaned children, widowhood etc; and social aid/subsistence allowances for reducing hardship and vulnerabilities among the poor. However, the poverty impact of universal pensions is very high. It is estimated that, without the scheme, poverty would be at 19%.<sup>143</sup> Furthermore, about 53% of Government spending in 2015 was dedicated to the social sectors, including 27.2% for social protection programmes, mainly pensions and social assistance targeted at the poor.<sup>144</sup> Government implements the National Corporate Social Responsibility Scheme which requires businesses to contribute 2% of their taxable income to support civil society action in areas of poverty alleviation; educational support; social housing; supporting persons with severe disabilities; dealing with health problems resulting from substance abuse and poor sanitation and family protection<sup>145</sup>. This can be viewed as part of financing social protection programmes and promoting social inclusion.

However, having such a plethora of fragmented social programmes raises issues of coordination, coherence, duplication, inefficiencies etc. Going forward, Government may want to ensure that the programmes are well integrated in the government's overall strategy for social protection to enhance synergies and harmonisation. The burden on the fiscus could also bring critical issues of sustainability. The amount of burden that social protection programmes exert on the fiscus may not be sustainable in the long run given the Government public debt above 50% of GDP (refer to growing budget deficit in Chapter 1). This is especially worrisome in view of the increasing unproductive ageing population, decline in fertility rate and population growth<sup>146</sup>

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<sup>140</sup> 2016 Inter-Agency Task Force Report, Financing for Development, Addis Ababa Action Agenda

<sup>141</sup> 2016 Inter-Agency Task Force Report, Financing for Development, Addis Ababa Action Agenda

<sup>142</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>143</sup> Marshall Plan Against Poverty, Draft March 2016, Volume 2, Background Analysis, p. 30

<sup>144</sup> Republic of Mauritius (2016). Supplement to the Budget Speech 2016/2017. Economic and Social Review, p. 15

<sup>145</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>146</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

projected to be negative by 2025. Also the tax base is small given the size of the population let alone the productive taxable population. From a philosophical perspective, Government could be seen as “over-protecting” its people to the extent of encouraging “intentional unemployment” as Government provides almost all they want for a decent life. Thus the opportunity cost of unemployment is very minimal. There may be neither push nor pull factors to get out of their poverty situation, thus suppressing the incentive to, for example, find employment for a living, self-empowerment, individual entrepreneurship or see the benefit of sending their children to school. Overtime, Government may want to shift from social assistance towards empowerment to wean itself from perpetual burden.

**3.5.1 Child Protection**

Government pointed that there were emerging cases for child protection. According to the Ministry of Gender Equality, Child Development and Family Welfare, an average of 6000 cases of children victims of violence are reported annually to the Ministry. The total number of cases of child abuse reported at the Family Support Bureau increase from 5,903 (55.6% girls) in 2014 to 6,035 (54.7% girls) in 2015<sup>147</sup>. Though there is a child protection system, and a working level committee on child protection system in place, it has not been effectively functioning, and would need strengthening. There is need for capacity building on protection issues as there is very limited expertise in Mauritius. The Child Development Unit in the Ministry of Gender Equality, Child Development and Family Welfare looks more at prevention side rather than the protection. Government, with the support of the EU is working to finalise the Children’s Bill and Adaptation Bill. The withdrawal of UNICEF left a vacuum in terms of technical support in the area.

**3.6 Summary of Key Issues, Challenges and Opportunities**

Challenges/Issues	Opportunities
<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• High failure rate at the end of primary school</li> <li>• High class repetition rates and drop-out rates at intermediary levels</li> <li>• Poverty and exclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Government intention to reform the education system</li> <li>• Provision of free but compulsory education for all up to the age of 16, and free provision of education materials</li> </ul>
<p><b>Health System</b></p> <ul style="list-style-type: none"> <li>• The threat of NCDs- diabetes, hypertension, respiratory and cardiovascular diseases</li> <li>• Inevitable causes of maternal death e.g. ectopic pregnancy and non-obstetric, complicating pregnancy and childbirth</li> <li>• Exposure to communicable diseases due to trade and travel links- tourism and migration</li> <li>• Effects of climate change</li> <li>• High cost of medication</li> <li>• Drug abuse</li> </ul>	<ul style="list-style-type: none"> <li>• Strong political will in support of child and maternal health</li> <li>• Adequate institutional, human and financial resource capacity to strengthen the health delivery system including measures to address the CDs and NCDs challenges</li> <li>• Government vision to promote medical tourism</li> </ul>

<sup>147</sup> Statistics Mauritius, A Gender Approach, Ministry of Gender Equality, Child Development and Family Welfare, 2017

<p><b>Water and Sanitation</b></p> <ul style="list-style-type: none"> <li>• Climate change and uneven rainfall patterns</li> <li>• Temperature variation</li> <li>• Rising sea level and sea water intrusion</li> <li>• Pollution</li> <li>• Old reticulation system</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of various water resources development and management policies</li> <li>• Investment in water infrastructure and rehabilitation construction</li> <li>• Minimising water loss and improving water harnessing techniques</li> </ul>
<p><b>Social Protection</b></p> <ul style="list-style-type: none"> <li>• Burden on the fiscus and sustainability</li> <li>• Weak coordination and coherency</li> <li>• Operational inefficiencies</li> </ul> <p>Increasing unproductive ageing population, decline in fertility rate and low population growth</p>	<ul style="list-style-type: none"> <li>• Partnership with private sector and civil society</li> <li>• Implementation of the Marshall Plan Against poverty</li> </ul>

### 3.7 Priority areas for Government of Mauritius

Within the context of monitoring implementation of SDGs, Mauritius pays particular attention to the welfare of its citizens and will continue to strengthen the health delivery system through implementation of an integrated package of primary, secondary and tertiary health care services, expanded programme of immunisation, maternal and child cares, and preventive medicine and health promotion. Government will pay attention to the threats of both NCDs and CDs with a view to combat NCDs and control communicable/infectious diseases including HIV and AIDS through the implementation of the National Action Plan for HIV 2018-2022 which emphasises improvement of quality care in HIV services and integration of other services.

With regards to education, Government would want to sustain the gains by investing more importantly, on the education reform, as well as build on the successes to address other gaps for example, quality, tertiary education, and employability. GoM would also want to look into improving efficiencies management and utilisation as well as expanding water resource infrastructure development.

### 3.8 Opportunities for UN System Support and Collaboration with Government

Tracking progress in the implementation of SDGs would be critical in ensuring that Mauritius keeps the momentum on human capital development. With regards monitoring the SDGs, there is need for technical expertise to support Government in addressing data gaps on some indicators, including more disaggregated data to better understand the social, economic and environmental determinants of health, as well as strengthening the analytical capacity. Related to the same, indications are that, in the near future, Mauritius may host a conference on health SDGs. This may call for stakeholder (Government, UN, CSO, private sector and development partners) support to successfully organise. Government also indicated the need to put in place robust monitoring and evaluation frameworks for major health programmes, for example the need to establish a proper NCD surveillance system in the country. With regards to drug abuse, a Master Drug Control Framework has already been developed with the support of UNODC. Further support may be required to implement it. The UN also brings with it, the ability to coordinate stakeholders to partner towards an agenda.

In the context of guaranteeing sustainability of the programmes, other opportunities for UN supports relate to research and development, capacity building and training, promoting regional international exchange of knowledge, as well as facility procurement of medical supplies. Sustainable water and waste management could involve support research and policy development and implementation.

## Chapter 4: Agriculture, Ocean Economy, Fisheries and Food Security

### 4.1 Agriculture, Food Security and Nutrition

Mauritius is small in size- 2,040 sq km and about 40 % the island's surface is used for cultivation, of which roughly 90% is sugar cane<sup>148</sup>, the balance being tea, tobacco and food crops. Historically, sugar cane cultivation was the main agricultural activity-accounting for 15% of export earnings<sup>149</sup>, followed by food-crops, livestock, flowers, fruits and forestry. However, following a cut in the European Union's guaranteed sugar price (leading to a fall in sugar prices by 36 % between 2005 and 2009), falling production levels and the global food price crisis, the Ministry of Agro-Industry and Food Security diversified the agricultural sector<sup>150</sup>.

Mauritius is a net importer of food. The estimated annual net food requirement is 690,000 tons, of which 75% constitutes imports of agricultural and food products<sup>151</sup>. The bulk of the food imports consist of crop derived foodstuffs (mainly staples- rice, wheat, flour, fresh fruits ), animal food items including live slaughter stock and milk), and edible oil. There is also a sharp rise in the importation of processed food items with the trend expected to continue. The food import bill on a net basis has more than doubled during the period 2001/2007, from Rs 8.4 billion to Rs 21.0 billion<sup>152</sup>. And according to World Bank collection of development indicators, food imports (as a percentage of merchandise imports) in Mauritius was reported at 22.07 % in 2015.

Since the 2008 global food price crisis, Government put more attention to the agricultural sector to boost food production to ensure self-sufficiency. To enhance contribution to the economy, Government is implementing measures such as, the establishment of a land management system to put marginal land to productive use, and technology driven agriculture and bio-farming<sup>153</sup>among others. Some notable successes have been recorded with farmers producing 100% of the country's needs in fresh vegetables and 60% in potato<sup>154</sup>. Fruit production consists mainly of banana, pineapple, litchi and mango, and meets just under 50% country's requirements. Livestock production is very low and only meets 5% meat requirements and 2% milk<sup>155</sup>. Although the country is considered self-sufficient in poultry and eggs (almost 100%), this sector relies almost entirely on imported raw materials (approximately 145,300 tonnes annually) representing 80% of total feed requirements<sup>156</sup>. Government is working towards improving technology in the dairy sector more, upgrade small regional cow breeding cooperatives and attract investment in animal feed production. Agricultural production activities are mainly undertaken by the corporate sector and a large number of small scale producers.

Hunger and malnutrition are low in Mauritius. According to the Food and Agriculture Organisation (FAO), only 5% of the total population were undernourished in 2013, a notable

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<sup>148</sup> Mauritius Country Profile <http://www.new-ag.info/en/country/profile.php?a=2811> 12/12/2017

<sup>149</sup> Mauritius Economy 2017, 2017 CIA World Factbook And Other Sources: [https://theodora.com/wfbcurrent/mauritius/mauritius\\_economy.html](https://theodora.com/wfbcurrent/mauritius/mauritius_economy.html) 26/12/2017

<sup>150</sup> Mauritius Country Profile <http://www.new-ag.info/en/country/profile.php?a=2811> 12/12/2017

<sup>151</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

<sup>152</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

<sup>153</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>154</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

<sup>155</sup> Mauritius Country Profile <http://www.new-ag.info/en/country/profile.php?a=2811> 12/12/2017

<sup>156</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

drop from an estimated 8% in 1991/1992<sup>157</sup>. The proportion of children under five years who are moderately or severely underweight was 14.9 percent in 1995. Proportion of the total population who are undernourished decreased from 8.1 % in 1991/1992 to 5% in 2014<sup>158</sup>. As part of efforts to ensure adequate nutrition especially for all school children residing in vulnerable groups of population, the NEF in 2008, launched a School Feeding Programme providing school meals to children attending ZEP school<sup>159</sup>. However, the existence of such inadequate nutrition could be indicators or manifestations of bigger but hidden underlying poverty issues in some families worth tracing, unearthing and addressing.

Food insecurity is one of the major development challenges facing Mauritius. As a small island state (SIDS) Mauritius is prone to many characteristic limitations including its small size, geographical isolation, small internal markets and revenue base, high vulnerability to natural and environmental disasters, high dependency on imports. Due to the country's high dependence on food imports requirements (75%), it is particularly prone to external shocks including fluctuations in international prices<sup>160</sup> especially hikes in prices of food and feeds. One of the main challenges facing the future of agriculture in Mauritius is to increase productivity and diversification of the sector, in view of the adverse environmental impacts of agriculture. Environmental threats include soil degradation due to sugar mono-cropping and the use of pesticides and other agrochemicals, water stress and pollution due the intrusion of saltwater in groundwater aquifers which constitute the main source of water to the sector<sup>161</sup>.

Government, through the Ministry of Agro-Industry and Food Security, in their *Blueprint for A Sustainable Diversified Agri- Food Strategy*, and the Strategic Plan for The Food Crop, Livestock and Forestry Sectors (2016-2020) recognise food security an indispensable pillar for sustainable development and human security. The strategy outlines a number of inward looking programmatic measures to ensure food security, foreign exchange earnings, sustainable development and an improvement in the diet and health of the nation. The Government of Mauritius' goal is to increase food production to safeguard against the vulnerability arising from food import dependence. Government emphasises the development of agri-business SMEs; the promotion of organic agriculture; and safety, quality and innovation issues<sup>162</sup>. The strategy further recognises the need to reform the sector to respond to the changes and consumer demands. It therefore, proposes a multi-dimensional approach, with interventions at various entry points of the agri-food supply chain, resource management and utilisation and production, marketing systems and regulatory framework, and international trade and distribution systems<sup>163</sup>.

Apart of limited technical capacity to drive the sector, the sector also faces the serious threat of climate change. Hence, investment in capacity building and research and development especially on climate change resilient crop and animal varieties is at the core of the agro-industry and food security sector. Government may also want strengthen cooperation with countries in the region

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<sup>157</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>158</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p.17

<sup>159</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>160</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

<sup>161</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>162</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>163</sup> A Sustainable Diversified Agri-Food Sector Strategy for Mauritius 2008 - 2015

where opportunities arise to produce food crops, livestock and marine products for domestic consumption and regional markets e.g. Mozambique.

## 4.2 The Ocean Economy and Fisheries

Mauritius has Exclusive Economic Zone (EEZ) extending over an area of about 2.3 million Km<sup>2</sup><sup>164</sup> of exploitable marine resources with a huge maritime zone to manage as well as a massive potential for development that can have a huge bearing on the economy. GoM considers the ocean economy as a pillar and new driver in its future development endeavours<sup>165</sup>, and hence prioritise the development of the sector. The exercise of its rights over the EEZ and Continental Shelf will imply access to potentially vast natural (living and non-living) and mineral resources for a number of years to come. Development of the Ocean Economy is expected to have significant positive impact on other industries including land and sea transportation, cargo and port services<sup>166</sup>. The Government aim to make the Ocean Economy one of the most important cornerstones of the economy and contributors to GDP. Some of the envisaged benefit include a variety of activities from seabed exploration and exploitation of hydrocarbon and minerals; to fishing, seafood processing and aquaculture; deep ocean water applications; marine services; marine renewable energy; sea port related activities, etc. However, the legal and regulatory framework, as well as the institutional framework for steering the development of the sector are still emerging. Mauritius is also working on Government to Government agreements in establishing speed economic zones with countries such as Ghana, Ivory Coast and Madagascar.

The fisheries sector is a key economic sector contributing towards provision of employment, export revenues, foreign license fees and other services. Fisheries' share of GDP stands at 1-2% of GDP but the sector accounts for 20% of total good exports. Tuna, snapper and grouper are some of the most commercially valuable species of fish<sup>167</sup>. However, records show that fish catches have been going down regressed and dwindled over the years (refer to Chapter 6) due to various factors including climate change through its impacts on the coral cover and the marine ecosystem<sup>168</sup>. The decline in fish catch would adversely affect in various ways the seafood industry and the economy at large. The fisheries sector remains largely unutilised and undeveloped. According to the Ministry of Ocean Economy, Marine Resources, Fisheries and Shipping, currently, due to limited capacity, Mauritius fishes only about 1,500 tonnes out of a potential of 500,000 tonnes of fish per year. In fact, Mauritius imports from other countries which apparently, fish from Mauritian waters. As a way of diversifying the economy and boosting fish production, Government is also promoting aquaculture. An Aquaculture Master Plan was commissioned by the Board of investment as far back as 2006 to explore the potential of aquaculture in Mauritius<sup>169</sup>. However, absence of human resource expertise to unlock the opportunities and drive sector has continued to stall progress as mostly small and medium scale farmers are operating. There is also need to develop regulatory policy frameworks and strategic

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<sup>164</sup> Mauritius: Promoting the Development of an Ocean Economy, Intercontinental Trust Newsletter, Vol 6

<sup>165</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>166</sup> Mauritius: Promoting the Development of an Ocean Economy, Intercontinental Trust Newsletter, Vol 6

<sup>167</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>168</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>169</sup> Potential for Sustainable Aquaculture Development in Mauritius, Investment Board of Mauritius, Ministry of Agro-Industry and Fisheries, 2007

plans for utilising the ocean economy as well as setting up for the infrastructure. Other challenges relate to mobilising funding for investment in the sector, lack of appropriate local expertise and skills, as well as the impact of change on the marine flora and fauna.

#### 4.2.1 Maritime Safety and Security

While the ocean economy bring huge opportunities for Mauritius it also faces challenges and maritime security remains high on the agenda. The country is poised to become a strategic maritime and shipping hub in view of the envisaged intensification of the maritime traffic in the Indian Ocean basin. Government is keen to facilitate vibrant maritime commerce and economic activities at sea given that these initiatives strengthen economic security while at the same time protect maritime domains against ocean-related threats such as piracy. Maritime crime pertains not solely to the serious issue of piracy but also other problematic such as trafficking of drugs, arms, people, and prohibited goods, migrant smuggling and illicit fishing. Though the CCA could not get concrete statistics on the extent of the problem, maritime security remains a major threat to the region and Mauritius is not spared. According Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands, the persistent scourge of piracy off the coasts of Somalia threatens the security of private sector development, regional and international trade, economic integration and development. Government noted the difficulty in tracking and policing illicit transactions. It is therefore, critical to adopt an integrated maritime safety and security strategy to fight against crime and pollution at regional level. There are ongoing discussion within the Indian Ocean Rim Association (IORA) aimed at tightening maritime security and tackling maritime crime in the Indian Ocean region.

#### 4.3 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Agriculture &amp; Food Security</b></p> <ul style="list-style-type: none"> <li>• High food insecurity (over dependence on food importation)</li> <li>• Vulnerability to, and impact of natural disasters and external shocks especially international food prices</li> <li>• Vulnerability to climate change variations including rainfall patterns</li> <li>• Environmental issues- soil degradation</li> <li>• Small land size for agriculture</li> <li>• Limited capacity for technical skills, knowledge, research and development</li> <li>• Import cost of raw materials especially for poultry and livestock production</li> <li>• Shortage of labour</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen cooperation with countries in the region where opportunities arise to produce food crops, livestock and marine products for domestic consumption and regional markets</li> <li>• Government commitment to tackle food security</li> <li>• Ministry of Agro-Industry and Food Security, has a <i>Blueprint for A Sustainable Diversified Agri Food Strategy and Strategic Plan 2016-2020</i></li> <li>• Diversification of the agriculture sector</li> <li>• Mechanisation of agriculture</li> </ul>
<p><b>Ocean Economy and Fisheries</b></p> <ul style="list-style-type: none"> <li>• In adequate capacity (financial and technical) to exploit the ocean economy sustainably</li> <li>• Financial constraints e.g. for building the required infrastructure to the EEZ</li> </ul>	<ul style="list-style-type: none"> <li>• Existence of the ocean economy- has Exclusive Economic Zone (EEZ)</li> <li>• Global experiences on exploitation of the ocean economy</li> <li>• Research Institute on Ocean Economy</li> <li>• Labour importation and migration</li> </ul>

<ul style="list-style-type: none"> <li>• Increasing cost of labour</li> <li>• Lack of the regulatory framework to guide development of the sector</li> <li>• Limited capacity to utilise the fisheries sector and aquaculture</li> <li>• Dwindling fish catch</li> <li>• Climate change impact</li> </ul>	
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#### 4.4 Priority areas for Government of Mauritius

Government has a host plans lined for expanding potential in agriculture, food security and the ocean economy. In the agriculture sector, Government and other stakeholders key drivers needing attention to boost production. These include; increasing investment in modern and innovative agricultural practices; promoting sustainable agricultural growth; improving agricultural diversification and productivity to ensure food security; empowering individuals, particularly the youth and women, to undertake agricultural practices and; enhancing agricultural exports, research and development, and capacity building. The Strategic Plan (2016-2020) further elaborates on ten strategic interventions as; enhancing food and nutrition security; improving product competitiveness; promoting food safety and efficient and sustainable production practices; promoting strong value chains; developing resilience to climate change; exploiting agri-business potentials of international, regional markets and free trade zones; promoting the emergence of agro-entrepreneurs, creating an enabling environment and options for risk management; facilitating the emergence of agri-business centres and; research and development<sup>170</sup>.

With respect to the Ocean Economy, Government also has an ambitious plan to utilise the sector as one of the growth pillars and new drivers of the economy with the potential to transform and propel the country towards the 2030 Vision. The World Bank conducted a study on how Mauritius can utilise the ocean economy and came up with a matrix of the action plan and recommendations on how to develop the sector citing specific potential areas. The recommendations and action plan constitute the priority areas for Mauritius. Some of the areas include, lagoon rehabilitation, developing the fisheries information system, use of the fish aggregating device, blue carbon etc. The success of the Ocean Economy also hinges on building the required infrastructure for the EEZ which requires huge financial investment.

#### 4.5 Opportunities for UN System Support and Collaboration with Government

This is one of areas with great potential and opportunities for the UN system to support and collaborate with Government in ways that add value. Food security cuts across many UN agencies, hence the UN has a great opportunity to support Government through a joint flagship programme on food security and nutrition to ensure the country makes strides towards achieving food self-sufficiency. Government has demand for technical assistance and research and development to; strengthen agri-business (value chain development, agri-park development); value add through agro-processing, climate change resilience and adaptation (both animal and crop varieties), sustainability of agriculture (minimise use of agro-chemicals), and organic farming (sustainable pest and disease management for food safety and nutrition,

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<sup>170</sup> Strategic Plan for The Food Crop, Livestock and Forestry Sectors (2016-2020), Ministry of Agro-Industry and Food Security

and other technologies. Another emerging approach is the implementation of the One Health concept. Animal and human health are very interconnected, implying for example, that diseases surveillance for animal cannot be separated from disease surveillance on humans as they can be transmitted to humans through consumption of contaminated meat and milk products. The UN can build on the existing programmes in the sector funded by FAO and IFAD.

UN can potentially facilitate knowledge brokering through South-South Cooperation and Triangular Cooperation. Mauritius looks forward to regional food security initiatives, for example, cross –border production in Madagascar. Government also promotes important financial investment for the development of production zones and logistics. The UN has been most successful in fostering knowledge exchanges between MICs through highly focused regional or sub-regional efforts<sup>171</sup>.

Implementation of the recommendations of the World Bank Report on unlocking value in Ocean Economy presents a unique opportunity for the UN to demonstrate its agility in providing the required tailored technical support and capacity building. Unlocking the value of the economy has been stalled by lacking funding. Technical support may be required to help Mauritius access concessionary financing to implement the plans. In addition, the potential to develop the aquaculture industry and substantially increase fish production and promote export and economic growth exists, needs research and development as well as capacity development. For Mauritius, the ocean economy will play a crucial in fostering inclusive growth, ‘blue’ jobs and innovation whilst recalling the three pillars for this development: the sustainable use of marine resources as a vehicle for prosperity; the protection of the marine environment; and the enhancement of maritime security including the fight against illegal, unreported and unregulated (IUU) fishing. UNCT may collaborate with Mauritius to pioneer sustainable blue growth. As a small island developing state (SIDS) with the assistance of UN Oceans, Mauritius is the guardian of a large ocean space and aspires to be a ‘success story’ in the creation of a sustainable ocean economy.

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<sup>171</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

## Chapter 5: Governance and Accountability

### 5.1 Overview

Mauritius is highly rated in Africa in terms of democratic governance and economic governance<sup>172</sup>. In 2011, it was ranked top among the list of African countries in the Mo Ibrahim Index of Corporate Governance<sup>173</sup>. Government has placed a real emphasis on anti-corruption measures and achieved some notable results, particularly the passing of a series of laws and the establishment of the Independent Commission Against Corruption (ICAC) in 2002<sup>174</sup>.

The economy is characterised by strong institutions in a politically stable and thriving business environment. Vision 2030 recognises good governance, effective and efficient public service delivery as pre-requisites for conducive business environment for growth enablers to thrive<sup>175</sup>. A case in point is, Government dedicated a new Ministry of Financial Services and Good Governance to consolidate the country's position as a Financial Services Centre. Notwithstanding the existence of challenges, national ownership and strong leadership and governance capabilities provide a solid foundation upon which to build country. Generally, national policy frameworks are seen as promoting effective, accountable and transparent institutions at all levels especially within the context of SDG 16 on peaceful and inclusive societies.

The next part analyses the aspect of governance and accountability with respect to the judiciary, local governance, civil service reform, and non-governmental organisation, as well as gender biased violence (GBV) as a national social and human rights problem.

### 5.2 Judicial Sector Reform

Mauritius' constitution provides for multi-party democracy and general elections take place every five years. The constitution establishes the separation of powers between the legislature, the executive and the judiciary and guarantees the protection of the fundamental rights and freedoms of the individual<sup>176</sup>. The administration of Justice in Mauritius is conferred by the constitution upon the Judiciary, which exercise its jurisdiction through the subordinate Courts which include the industrial court, the intermediate court, the district court and the court of Rodrigues. There are diverse divisions of the Supreme Court that exercises the jurisdiction such as Court of Appeal, the Court of Criminal Appeal, the Court of Civil Appeal and the Court of first instance in criminal and civil matters<sup>177</sup> The Judiciary aims at maintaining an independent and

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<sup>172</sup> Mauritius Unitary Country, Africa, 2016

<sup>173</sup> Global Finance Mauritius

[http://www.globalfinance.mu/index.php?option=com\\_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&...](http://www.globalfinance.mu/index.php?option=com_content&view=article&id=78:about-mauritius-ifc&catid=21:mauritius&Itemid=463&...) 31/12/2017

<sup>174</sup> Transparency International, Overview of Corruption and Anti-Corruption in Mauritius, 2014;

[https://www.transparency.org/whatwedo/answer/overview\\_of\\_corruption\\_and\\_anti\\_corruption\\_in\\_mauritius](https://www.transparency.org/whatwedo/answer/overview_of_corruption_and_anti_corruption_in_mauritius) 31/12/2017

<sup>175</sup> The Government of Mauritius Three Year Strategic Plan 2017/18- 2019/20

<sup>176</sup> Commonwealth Governance, Judicial System of Mauritius,

<http://www.commonwealthgovernance.org/countries/africa/mauritius/judicial-system/> 18/12/2017

<sup>177</sup> Commonwealth Governance, Judicial System of Mauritius,

<http://www.commonwealthgovernance.org/countries/africa/mauritius/judicial-system/> 18/12/2017

competent judicial system which up holds the law, and safeguards the rights and freedom of the individual and commands domestic and international confidence<sup>178</sup>.

To ensure that the judiciary continues to discharge its duties properly, the President set up the Law Reform Commission to periodically carry out judicial review. In its report of 2012, the Law Reform Commission, was tasked to examine and report upon the structure and operation of the Judicial System and Legal Professions of Mauritius and make recommendations. The Commission had received representations that the present rule of limitation of actions against public officers was having a detrimental effect on the perception of fairness in the judicial process. The Commission reviewed and made recommendations on several aspects of the law and pointed out the need for procedural and substantive reforms in the area of judicial review of administrative procedures. Details of the findings and recommendations are contained in the Commission Report “The Work of the Law Reform Commission (2012)”. The Commission further expressed the need to better review the law to effectively safeguard existing rights, to afford constitutional protection to economic, social and cultural rights, and also to guarantee the rights of vulnerable persons. One of the specific recommendations was to advise the Attorney General on ways in which the law of Mauritius can be made as understandable and accessible as is practicable<sup>179</sup>, especially to vulnerable populations.

According to the Ministry of Justice, Human Rights and Institutional Reform ( Attorney General’s Office), Government reports on the Universal Periodic Review on Human Rights process and is due to present again in September 2018. Some independent commissions have also been set up with mandates to oversee the administration of specific human rights matters. The Equal Opportunities Commission (EOC) has the objective to eliminate discrimination and victimisation on the grounds of status especially at the workplace by monitoring the implementation and application of the labour laws at the workplace. The Commission also conducts awareness campaigns, education and sensitisation programmes.

According to the EOC 2014 Report, 63% of the discrimination complaints received were from men, 22% of women, 33% were alleged to have been perpetrated by public institutions, 24% by private institutions, 18% by parastatals and 25% unspecified<sup>180</sup>. It would be important at policy level to attempt to read beyond the statistics and dig out certain underlying issues. For example, the complaints from women could seem low, not because they are few in reality, but there could be deep sited cultural or religious issues supressing women from reporting cases of discrimination or harassment. The Human Rights Commission handles human rights issues, complaints against police, and the National Prevention Mechanism (looking at the rights of detainees). Other institutions include the Office of the Ombudsman and private law firms. These institutions are important for ensuring a peaceful and just society. However, they appear uncoordinated and working in silos to the extent that some issues may fall between the cracks or the public may not know where to go for what service. Government also acknowledged the existence of a number of units or organs on human rights which poses a challenge on coordination. Through the National Mechanism for Reporting and Follow-up, Government attempt brings all actors together including the CSOs. At operational level, their independence, impartiality and freedoms tend to be compromised given that they are Government set and

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<sup>178</sup> The Judiciary

<sup>179</sup> The Work of the Law Reform Commission, Law Reform Commission of Mauritius, 2012

<sup>180</sup> Equal Opportunities Commission Report, 2014

Government funded institutions. There are also funding constraints to effectively carry out their advocacy work.

In the absence of an evaluation, the CCA could not establish the extent to which the work of the various commissions have impacted in terms of results, nor whether or not the findings and recommendations of Law Reform Commission were implemented, as well as improvements noticed in the discharge of justice to date, nor the extent to which human rights are being protected. However, despite the lack of evaluation reports, feedback from the Report of the Working Group on the Universal Periodic Review on Human Rights of 2013 demonstrate that Mauritius is one of the top performers in the protection and implementation of international human rights commitments and obligations. For example, several countries commended Mauritius for, launching the National Human Rights Action Plan, the Human Rights Portal, setting up the Equal Opportunities Commission, Human Rights Monitoring Committee, Ministry of Social Integration and Economic Empowerment for combating poverty, restructuring and strengthening of the National Human Rights Commission, and adoption of the National Action Plan to Combat Domestic Violence<sup>181</sup>. However, further efforts would be needed to improve existing safeguards for children and the child protection system, as well as strengthening civil and political rights. A number of recommendations were also presented for implementation to further improve the human rights situation. Several indicators show Mauritius' commitment to ensuring that every citizen enjoys fully their rights. The country, for example, is ranked the 16<sup>th</sup> most democratic nation in the world illustrating the commitment of the Government to strengthen the existing democratic and human rights architecture. Mauritius also retained its first place on the Mo Ibrahim Index relating to governance performance in African countries. The Rating for Mauritius was 0.781 in the 2016 Human Development Report<sup>182</sup>. Consequently, Mauritius is placed in the high human development category and positions itself at 64 out of 188 countries and territories<sup>183</sup>.

### 5.3 Decentralisation

Decentralization is not enshrined in the Constitution of Mauritius, with the exception of the guaranteed special status of the Island of Rodrigues, which has its own Regional Assembly<sup>184</sup>. However, the country has decentralized system of government structures that govern the country's small island dependencies including Rodrigues Island, the largest dependency with its own government<sup>185</sup>). There are two levels of local governments. They are divided into urban and rural authorities, the second tier of decentralization comprises of five urban councils, and seven districts councils<sup>186</sup>.

The 2011 Local Government Act (LGA) specifically provides for formal consultation processes with civil society on local governance issues, and the holding of municipal council and village council elections every six years<sup>187</sup>. The government in collaboration with local authorities, launched an e-government portal for local authorities which allows members of the public to

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<sup>181</sup> Report of the Working Group on the Universal Periodic Review\*, Mauritius, 2013

<sup>182</sup> Draft UPR Report, 2018

<sup>183</sup> Draft UPR Report, 2018

<sup>184</sup> Mauritius Unitary Country, Africa, 2016

<sup>185</sup> Mauritius, <https://localdemocracy.net/countries/africa-southern/mauritius/> 18/12/2017

<sup>186</sup> Mauritius Unitary Country, Africa, 2016

<sup>187</sup> Mauritius, <https://localdemocracy.net/countries/africa-southern/mauritius/> 18/12/2017

access information, make applications and inquiries and file complaints via the portal<sup>188</sup>. The Ministry of Local Government and Outer Islands (MLGOI) is responsible for overseeing local authorities. The Local Government Act clearly provides for local governments competences provision of basic social services including public infrastructure.

Challenges associated with the decentralisation that have been cited relate to limited room or discretion for local planning mainly because local government units have very limited administrative and fiscal power. Financial estimates of local authorities, disbursements, withdrawal and reallocation of funds are approved by the Ministry of Local Government and Outer Islands (MLGOI), as well as the Ministry of Finance and Economic Development<sup>189</sup>. Most subjects of interest to the poor, such as health, education, water, sanitation and others, have not been decentralized<sup>190</sup>. To this extent, in as much as there is participatory local governance, local governments are not independent and are disempowered from overseeing the planning and development of their areas as they would wish. Other challenges associated with participatory local governance include, political representation and participation of women remain low despite the legal provisions. Despite equality in education, the attitudes that prevent women's participation remain unchanged<sup>191</sup>. The Law Reform Commission was of the view that Inclusiveness and Accountability of Local Democratic Institutions are the two pillars for local community empowerment and it recommended a new framework for an effective, efficient, inclusive and accountable local government, which would empower local communities so that they can face the challenges of globalization<sup>192</sup>. In support of the same, successful implementation of the Marshall Plan, envisages a community-based approach, provides an ideal opportunity to empower local governance structures<sup>193</sup>.

As part of future planning, Vision 2030 makes reference to the planned enactment of a new Local Government Act 'bringing forth the decentralization agenda in Mauritius. As stated in the Marshall Plan, local government units have very limited financial and administrative autonomy yet most issues of interest to the poor are handled at the central government level. To this extent, promotion of community-based schemes for service provision could be facilitated in view of increased autonomy of local elected governments.

#### 5.4 Civil Service Reform

With regards to Civil Service Reform, Mauritius has a Customer Charter of the Ministry of Civil Service Affairs and Administrative Reforms (MCSAAR) of 2006, which is reviewed annually. The objective of the Charter is to create a modern and efficient Public Service, ensure good governance and achieve excellence in the delivery of public services<sup>194</sup>. It aims to drive, catalyse, and facilitate the development of effective and efficient human resources in the Civil Service, as well as spearhead administrative reforms aimed at improving timely and quality service delivery to the public<sup>195</sup>- although there is no yardstick to evaluate output in the public sector. The public sector has to reorient itself to the demands of a progressive, proactive, aggressive and

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<sup>188</sup> Mauritius, <https://localdemocracy.net/countries/africa-southern/mauritius/> 18/12/2017

<sup>189</sup> Mauritius Unitary Country, Africa, 2016

<sup>190</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>191</sup> Mauritius, <https://localdemocracy.net/countries/africa-southern/mauritius/> 18/12/2017

<sup>192</sup> The Work of the Law Reform Commission, Law Reform Commission of Mauritius, 2012

<sup>193</sup> The Marshall Plan, Volume 2, 2016

<sup>194</sup> Customer Charter, Ministry of Civil Service and Administrative Reforms, 2006

<sup>195</sup> Customer Charter, Ministry of Civil Service and Administrative Reforms, 2006

demanding society, and virtues as accountability for results, provision of responsive service and efficiency should be the guiding principles throughout the public sector. Attempts have been made to revitalize the civil service during the colonial and the post-independence periods. The January 2000 Manual of good practice for the civil service contains a code of ethics for central government officers relating to their duties and responsibilities, political impartiality and professional behaviour, among other tenets<sup>196</sup>.

In August 2001, the MCSAAR launched its 2001-2003 Action Plan towards the modernisation of the public service focusing on strategic objectives and a set of projects aimed at bringing significant changes in the public sector in the medium term<sup>197</sup>. It envisaged a public service which is able to respond quickly to the rising expectations of the public and provide them with the type and level of service they expect with courtesy, fairness and transparency.

Despite the calls for improved efficiency and effectiveness in the civil service, there is not much information (in terms of concrete data) with regards to the extent which the calls have translated to action beyond a pronouncements of expectations nor the results of such actions. Some argue that, standards and targets are hardly set to satisfy expectations and requirements<sup>198</sup>. There are also cited cases of rigidity, and bureaucratic red tape that impedes speed execution of planned programmes<sup>199</sup>. Some UN agencies also cited prolonged delays due to the lengthy processes and procedures in Government as one of the major administrative bottlenecks for effective and efficient implementation of projects. These are mainly attributed to existence of over-regulation, which if not addressed, the public sector may not meet the emerging challenges and demands of contemporary society.

In spite of the existence of many comprehensive social programmes policies and plans across the sectors meant to enhance public service delivery, there is not much information on the extent to which the policies are being implemented or their impact in terms of real changes to the lives of people on the ground. In a number of MICs, successful service delivery has depended upon strategic focus. For policies to be effective and bring results, they should go beyond an outline or checklist of activities to measure achievements in terms of real changes (results) and impact on the intended beneficiaries. Hence, the need to strengthen the monitoring, evaluation and results reporting. Evidence from policies reviewed by the Rapid Integrated Assessment show that, overall, the policies and strategies lack a results framework and indicators to monitor progress on implementation and impact. In echo of this position, Marshall Plan also notes the lack of impact monitoring of social welfare programmes and lack of gender disaggregated data, among other weaknesses<sup>200</sup>. The Marshall Plan further acknowledges that “monitoring and evaluation, in government institutions, is more understood as a reporting exercise on activities and adherence of procedures and rules, rather than an assessment of

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<sup>196</sup> new public sector for modern Mauritius, <https://www.lexpress.mu/article/new-public-sector-modern-mauritius> 18/12/2017

<sup>197</sup> A new public sector for modern Mauritius, <https://www.lexpress.mu/article/new-public-sector-modern-mauritius> 18/12/2017

<sup>198</sup> A new public sector for modern Mauritius, <https://www.lexpress.mu/article/new-public-sector-modern-mauritius> 18/12/2017

<sup>199</sup> A new public sector for modern Mauritius, <https://www.lexpress.mu/article/new-public-sector-modern-mauritius> 18/12/2017

<sup>200</sup> Marshall Plan Against Poverty, Volume 2, 2016

impacts and progress towards expected results”<sup>201</sup>. In the absence of rigorous impact assessments, there is very limited information to inform future policy design, targeting and implementation. A 2012 evaluation of UNDP by the Canadian International Development Agency (CIDA), noted that the programme initiatives tended to be most successful where country programming had the ability to implement a “culture of evaluation,”<sup>202</sup> planning initiatives with monitoring and evaluation benchmarks and indicators in mind rather than attempting to devise them in an ad hoc fashion. Such a culture of evaluation has helped the not only the UN system, but national counterparts to increasingly rely on evidence-based analysis to design and implement projects.

Another challenge is the lack of coordination between public institutions and the non-state actors. Opportunities to create synergies and maximize impact of social programmes are missed because of lack of coordination between government ministries, as well as between government and non-government actors. The tendency, across government and non-government institutions, is to work in silo<sup>203</sup>.

Looking ahead, the public service should be driven by innovation minimising unnecessarily long bureaucratic processes. Suggestions from observers point towards the adoption of the concept of E-governance which facilitates access to public services and organisations through electronic networks. The argument is that, proper use of up-to-date technological methods will help re-shape government, making it innovative, efficient and effective, as well as responsive and transparent to the public. This could also reduce malpractices such as fraud, corruption, non-compliance with tender procedures, poor planning, and absence of budgetary control, accounting indiscipline, defective resource utilisation and abuse of public property for personal gain<sup>204</sup>.

Public sector transformation is not just viewed from the perspective of delivering savings, efficiencies and growth in the economy. It also is about moving to customer-centric service delivery where government services and actions wrap around the client, citizen and employee, thus providing a service that keeps pace with the way society is changing<sup>205</sup>. Some scholar argue that Government should shift from the concept of civil service reforms and re-engineering, which is predominantly administrative and process-based, to a vision of whole-of-government public sector business transformation, which places emphasis on a collective response to the business of government as well as themes of national importance, creating a joint ownership model for implementation, action and results.<sup>206</sup> Some of the measures foreseen in the national policy frameworks to enhance accountability include the design of citizens’ reporting mechanisms

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<sup>201</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>202</sup> Delivering the 2030 Agenda for Sustainable Development: The role of the UN development system in Middle-Income Countries, A report prepared for the United Nations Department of Economic and Social Affairs, May 2016

<sup>203</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>204</sup> The Commonwealth: Transforming the civil service in Mauritius, 2016, <http://thecommonwealth.org/media/news/transforming-civil-service-mauritius> 18/12/2017

<sup>205</sup> The Commonwealth: Transforming the civil service in Mauritius, 2016, <http://thecommonwealth.org/media/news/transforming-civil-service-mauritius> 18/12/2017

<sup>206</sup> The Commonwealth: Transforming the civil service in Mauritius, 2016, <http://thecommonwealth.org/media/news/transforming-civil-service-mauritius> 18/12/2017

using mobile technologies, to report on unavailability, delays or quality problems in the delivery of public services; identification and real time monitoring<sup>207</sup>.

## 5.5 Non-Governmental Organisations

Non-governmental organisations (NGOs) play and the private an important role in Mauritius and they support a number of national programmes especially related to improving the welfare of disadvantaged or vulnerable groups. They fill gaps which not be filled by Government with respect to provision of services to the under privileged and vulnerable groups. Some NGOs have indicated that there has not been efforts from Government to implement for example, the Convention on the Rights of Child, as the Convention had not been harmonised with the law, adding that the Law Reform Commission was silent on the need to harmonise the laws in line with the Convention of the Rights of the Child<sup>208</sup> with the aim of ensuring full compliance with the principles and provisions of the Convention<sup>209</sup>. Further, information points to the fact that the non-profit sector is emerging as an alternative provider of social services to the most disadvantaged communities. Though, there are no exact statistics, it is noted, for example, that a good number of civil society organizations and other non-state actors, are involved in the poverty alleviation programmes or projects.

The Mauritius Council of Social Services (MACOSS), a forum of local NGOs get a budget from treasury (under Social Security) to implement various programmes. The private sector also contribute 2% of their profits towards the National Corporate Social Responsibility Foundation fund from which 50% of the private sector contribution goes towards work of MACOSS. MACOSS supports orphans and the vulnerable children, clinics, shelter, victims of domestic violence, children and women distress, victims of child abuse, rehabilitation centres, provision of special services etc. The NGOs also compliment Government efforts in implementing and advocating for SDGs as their plans are also aligned with SDGs. NGOs also monitor the implementation of regional and international laws and protocols e.g. UPR on Human Rights, issues of human trafficking, and terrorism.

However, consultations with MACOSS also pointed towards the need for Government to give due consideration to NGOs as the public sector (considered as the third sector), the need to review the governance and legislative framework of NGOs and, the need to create a platform to engage with other organisations and departments. But given that MACOSS is funded from Government, issue of independence, freedom, objectivity, impartiality especially on sensitive issues like human rights tend be compromised, and may not be viewed as NGOs. In addition, they also face challenges of legitimacy in terms the capacity to challenge national policy, for example on environmental degradation and advocacy for re-afforestation. Other challenges include inadequate resources for livelihood projects like fruit production, weak monitoring and evaluation systems for programmes and projects.

Government opened the space for the engagement of the private sector in the social development of the country. Government policies and regulations on corporate social responsibility (CSR) have, over the years, led to a proliferation of CSR initiatives, projects and

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<sup>207</sup> Marshall Plan (2016). Volume 2. Background analysis, p. 19.

<sup>208</sup> NGO Group for the Convention on the Rights of the Child, Database of NGO Reports presented to the UN Committee on the Rights of the Child, 1995

<sup>209</sup> Convention on the Rights of the Child, Combined Third, Fourth and Fifth Periodic Review, Republic of Mauritius, 2011

foundations<sup>210</sup>. However, by and large, the NGOs are fragmented and lack coordination. The impact of their efforts has not yet been established<sup>211</sup>. The positive things to note at least, is the existence of such NGOs in itself presents an opportunity for expanding partnerships not only with Government, but also with other partners such the UN and the private sector especially in the implementation of the SDGs.

## 5.6 Gender-based Violence

Like in most patriarchal societies, gender-based violence (GBV) is a common feature mostly perpetrated by men against women. Government set up a National Coalition against Domestic Violence to advocate against gender-based violence and domestic violence. Through the various instruments and legislation passed by Government, Mauritius tries to address the situation including; reinforcing protective services for victims of domestic violence, provision of immediate, hotline for reporting and, empowerment programmes.

However, the situation is worrisome. Out of 2,301 cases of domestic violence recorded at the level of the Ministry of Gender Equality, Child Development and Family Welfare in 2014, about 90% of the victims were women<sup>212</sup>. In addition, according to Statistics Mauritius, in 2015, there was a rise of 8% in sexual offences, whereby 91% of victims were women, and out of which 63% were minors under 16 years old. These figures could be a gross understatement given that some cases go unreported because of various reasons including, culture, beliefs, awareness, proximity to friendly centre or police and many victims suffer silently without any supporting network. For example, in 2015, 2016 and 2017, only 2281, 2539 and 3436 victims of GBV were provided with protective and supportive services by the Ministry of Gender Equality, Child Development and Family Welfare.

Furthermore, according to the Ministry of Gender Equality, Child Development and Family Welfare, The incidence of Gender-Based Violence (GBV), particularly intimate partner violence (IPV), is growing at an alarming rate in Mauritius. According to a Quantitative Assessment of Intimate Partner Violence and Associated Economic Costs in Mauritius conducted in 2016, in a sample size of 400, the prevalence rates for physical violence, sexual violence and emotional violence stand at 12%, 9% and 6-8% respectively. About 50,000 women are experiencing violence on a yearly basis. The Mauritius MDG Report (2015) also notes that there are a number of cases of disabled women and girls being abused, some of which go unreported. There are also limitations like lacks of coordination between partners and more importantly, lack of baseline indicators to effectively monitor progress towards achieving the SDG 5 target of *“eliminating all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation”*.

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<sup>210</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>211</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>212</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

## 5.7 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Judicial Reform</b></p> <ul style="list-style-type: none"> <li>• Further review of law to safeguard and guarantee the rights of vulnerable persons</li> <li>• The law of Mauritius not practically understandable and accessible to people especially to vulnerable populations</li> <li>• Lack monitoring and evaluation of on implementation of reforms</li> <li>• Compromised independence of commissions</li> <li>• Lack of coordination between institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of the Law Reform Commission</li> <li>• Emphasis being placed on the need for impact assessments</li> <li>• National Mechanism for Reporting and Follow-up can coordinate the work of different commissions and institutions of Government.</li> </ul>
<p><b>Decentralisation</b></p> <ul style="list-style-type: none"> <li>• Very limited administrative and fiscal power of local governments</li> <li>• Low political representation and participation of women despite the legal provisions</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of community-based schemes for service provision</li> <li>• Enactment of a new Local Government Act 'bringing forth the decentralization agenda in Mauritius</li> <li>• Implementation of the Marshall Plan envisaged as community-based approach</li> </ul>
<p><b>Civil Service Reform</b></p> <ul style="list-style-type: none"> <li>• Bureaucracy in the public sector</li> <li>• Weak monitoring and evaluation system on effectiveness of civil service reform initiatives - absence of impact assessments</li> <li>• Lack of coordination between public institutions and the non-state actors.</li> <li>• Lack of gender disaggregated data</li> </ul>	<ul style="list-style-type: none"> <li>• Existence of Customer Charter of the Ministry of Civil Service Affairs and Administrative Reforms</li> <li>• Adoption of the concept of E-governance</li> </ul>
<p><b>Non- Governmental Organisations</b></p> <ul style="list-style-type: none"> <li>• Fragmentation and lack of coordination among NGOs</li> <li>• Limited resources</li> </ul>	<ul style="list-style-type: none"> <li>• Government policies and regulations on corporate social responsibility</li> <li>• Existence of NGOs as alternative provider of social services to the most disadvantaged communities</li> <li>• Establishing partnerships For implementation of SDGs</li> </ul>
<p><b>Gender Based Violence</b></p> <ul style="list-style-type: none"> <li>• Inadequate support network</li> <li>• A number of cases of GBV which go unreported</li> <li>• Fighting cultural beliefs and patriarchal norms</li> <li>• Reforming civil service to meet the demands of the environment</li> <li>• Lack of baseline data to monitor</li> <li>• Weak monitoring systems</li> <li>• Fragmented response to GBV</li> </ul>	<ul style="list-style-type: none"> <li>• National Coalition against Domestic Violence Committee established for victims of domestic violence o</li> <li>• Government committed to support women in distress</li> </ul>

## 5.8 Priority areas for Government of Mauritius

Strengthening public sector institutions to improve on good governance and accountability has no substitute as an enabler for inclusive growth. Government strives continuously review its system with a view to improve its effectiveness, efficiency and accountability record.

With regards to judicial reform, Government would want to close a few gaps, for example, ratification of the protocol on Africa Charter on the Rights of Older Persons. Mauritius already has universal pension, free education, free health etc, but has yet signed the protocol. Government also needs to be compliant with the provisions of the Rights of Persons with Disabilities in that most of the public structures (buildings) are not disability friendly in terms of facilities, for instance inaccessible to people on wheel chair. This is mostly due to the costs involved. Government also intends to review some outdated laws and frameworks. Hence, Government also prioritises implementation of SDGs especially ensuring visibility and ownership for monitoring and accountability.

With respect to GBV, Government proposes to set up Observatory on Gender-Based Violence to centralise all the information and coordination work. It would also be a resource centre on various aspect of GBV.

## 5.9 Opportunities for UN System Support and Collaboration with Government

This thematic areas appears to have limited scope for UN support. However, opportunities would be in providing technical assistance in reforming the Human Rights Commission to streamline as well as broaden it functions.

Within the context of South-South Cooperation, UN can support to facilitate mutual assistance between states. Mauritius indicated the intention initiate judicial cooperation with other countries. Government says Mauritius receives many requests for judicial cooperation. In the same vein, there also scope for strengthening capacity of institutions for mutual cooperation and assistance between countries, particularly for Mauritius to participate in settlement of investment disputes concerning states which is being reviewed. Mauritius is an international investment centre.

UN has the capacity to provide appropriate technical support Government to in addressing GBV. UN can also provide capacity building for robust monitoring and evaluation mechanism remain central especially within the context of monitoring progress towards SDG s its programmes.

## Chapter 6: Environment, Climate Change and Natural Resource Management

### 6.1 Overview

As a small island, Mauritius faces many environmental threats, key among which include; climate change, coastal erosion; water management; loss of biodiversity; soil degradation; invasive species; marine pollution; waste management; energy efficiency; and sustainable land use<sup>213</sup>. Given that Mauritius' economy banks on the marine and terrestrial ecosystems, these threats put social and economic development at risk. Government, therefore, pays particular attention to, and mainstreams environment sustainability and natural resource management in its development programmes. There are several pieces of policies and strategies the energy and environment sector such as, the National Climate Change Adaptation Policy Framework (NCCAPF), the Environment Protection Act (EPA) 1991, Integrated Coastal Zone Management (ICZM) framework, National Water Policy (2014), the Long-term Energy Strategy and Action Plan (2011-2025), Agro-forestry Strategy (2016-2020). Mauritius has ratified and adhered to relevant international law or legal instruments such as the 1982 United Nations Convention on the Laws of the Sea (UNCLOS), the Code of Practice for Responsible Fishing and Agenda 21 of UNCED for sustainable development of marine living resources, protection of the marine environment and preservation of biodiversity (including the 1992 Convention on Biological Diversity)<sup>214</sup>.

At Government level, environmental sustainability is mainstreamed in the overall development process and integrated into budget for implementation by the relevant line ministries. Government has also undertaken a number of environmental fiscal measures and has reallocated the public budget to create the enabling conditions for a green economy transformation<sup>215</sup>. Government expenditure on environment comes through a number of programmes, but about 50% goes to wastewater management, 26% waste management, and 10% environmental protection, and overall, Government allocates about 0.65% of GDP to environment programmes<sup>216</sup>.

### 6.2 Natural Resources and Environmental Management

Mauritius' natural resources are anchored on its terrestrial and marine ecosystems which are the backbone the country's economic development and social well-being. It has no extractable natural resources and depends on imported fuel to meet most of its energy requirements. Local and renewable energy sources include biomass, hydro, solar and wind energy<sup>217</sup>. Government supports efforts to seek more efficient and renewable energy sources and reduce dependency on imported fossil fuels. The long term energy Strategy 2009-2025 aims to meet 35% of the energy demand through renewable energy sources by the year 2025<sup>218</sup>.

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<sup>213</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>214</sup> Environmental Impact Assessment in the Republic of Mauritius, Recommendations for Mainstreaming Climate Change into EIA Process, 2013

<sup>215</sup> Mauritius, Green Economy, Fiscal Policy Scoping Study, December 2014

<sup>216</sup> Mauritius, Green Economy, Fiscal Policy Scoping Study, December 2014

<sup>217</sup> Rapid Integrated Assessment – Mauritius SDG Profile, 2016

<sup>218</sup> Geography & Natural Disasters: A Review of Coastal Zone Management Facing Climate Change and Natural Disasters in Mauritius, 2013

Efforts to protect the environment and conserve biodiversity have, so far, yielded mixed results. The loss of environmental resources could not be reversed. Land degradation and the impacts of excess sedimentation in reservoir and lagoon areas, which are visible in both Mauritius and Rodrigues, have already impacted more than 90% of Mauritius' land surface area<sup>219</sup>. Unsustainable practices, including sand mining leading to coastal erosion, and soil erosion are further compounding the situation. Preservation of the coastal zone is of paramount importance to the economy, in terms of fisheries, and domestic and international tourism.

Environmental degradation emanating from deforestation and unsustainable agricultural practices, is a threat receiving growing attention. Land degradation is mainly attributed to deforestation, overgrazing, soil erosion and conversion of forest and grassland areas into urban land uses. In addition, soil pollution and erosion due to unsustainable land use practices has impacted on marine life<sup>220</sup>. Though 25% of the island is under forest cover, most of this is dominated by invasive species<sup>221</sup>. In 2005, 88% of plants and 64% of animal species were threatened by extinction. While the number of threatened plants did not change since 2005, the number of animals threatened by extinction recently soared from 65 in 2010 to 89 in 2013<sup>222</sup>. Information indicates that, since 2005 there has been no further reduction in the land area covered by forest<sup>223</sup>. In the National Biodiversity Strategy Action Plan, Government has set an ambitious target of restoring more than 1000 hectares of forest by 2017. There is need to design targeted policies and strengthen implementation to arrest the loss of biodiversity and the extinction of threatened species.

With respect to waste management, Mauritius has a fairly good system of waste management with 100% of the urban population and 96% of rural population are served by municipal waste collection services<sup>224</sup>. However, the rapid economic growth, shortfalls in the management of waste and effluents from industrial work, agriculture and tourism has also resulted in increased risk of pollution of aquifers and surface water sources<sup>225</sup>. Implementation of the National Water Policy (NWP, Integrated Water Resources Management (IWRM) Plan is expected to address the water supply sector in the country. In addition, hazardous waste has also risen significantly and its disposal to the environment is posing growing threat to water, air and land quality<sup>226</sup>. Recycling, which is a key waste management approach, is said to be still in its infancy while waste separation is still a major obstacle to increasing the volumes of paper, plastic, glass, textile, metals and other biodegradable waste for recycling. Relatively small quantities of waste are used in waste-to-energy systems for electricity generation and for composting.

With regards to fisheries, one of the major causes of poverty among coastal fishing communities is the depletion of marine resources. According to the International Fund for Agricultural Development (IFAD), lagoons are at risk of being over-fished, octopus stocks have declined sharply and the methods of fishing for octopus are gradually destroying the reef. In addition,

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<sup>219</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>220</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>221</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>222</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>223</sup> The Republic of Mauritius Millennium Development Goals Report, 2015, p. 71

<sup>224</sup> Marshall Plan Against Poverty, Volume 2, 2016

<sup>225</sup> Marshall Plan Against Poverty, Volume 2, 2016

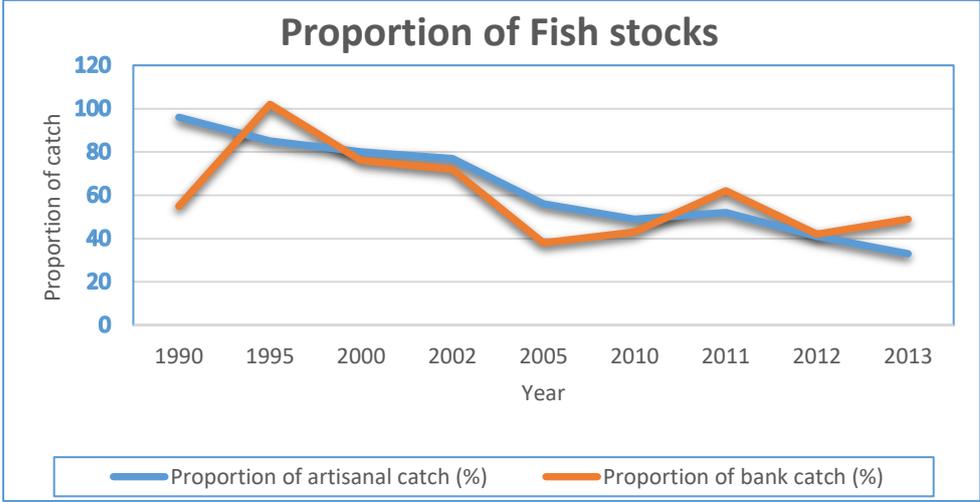
<sup>226</sup> Marshall Plan Against Poverty, Volume 2, 2016

coastal communities are also vulnerable to cyclones and rising sea levels. The proportion of artisanal fish catch was high at 96 percent in 1990 and close to the Maximum Sustainable Yield (MSY) threshold of 1,700 tons<sup>227</sup>. However, following strong measures introduced to sustain fishery development and to avoid depletion of existing stock and to replenish the lagoons, the proportion of artisanal fish catch has been constantly decreasing to reach 33% in 2013 (refer to Table 2 and Figure 6 below). Similarly, the proportion of banks catch has decreased from 76% in 2000 to 49% in 2013, due to the introduction of sustainable fishing methods. The proportion of fish stocks within safe biological limits is considered by the Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands to stand at 90 % in 2014. Banks' catch and level of exploitation, as well as artisanal fishery, are currently within the limit of MSY<sup>228</sup>.

**Table 2: Proportion of fish stocks, 1990-2013**

	1990	1995	2000	2002	2005	2010	2011	2012	2013
Proportion of artisanal catch (%)	96	85	80	77	56	49	52	41	33
Proportion of bank catch (%)	55	102	76	72	38	43	62	42	49

**Figure 7: Trend is proportion of fish stocks 1990-2013**



Source: The Republic of Mauritius Millennium Development Goals Report, 2015

### 6.3 Climate Change Impact

As a Small Island Developing State (SIDS), Mauritius is highly vulnerable to the effects of climate change and its adverse socio-economic impacts. The UN report, 'SIDS in Numbers 2017', states that the damage due to climate change is projected to be around 15 percent of GDP or more for SIDSs. Mauritius was the first country to sign the United Nations framework Convention on Climate Change (UNFCCC) in June 1992 and acceded to the Kyoto protocol in May 2001<sup>229</sup>. Like all SIDS,

<sup>227</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>228</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>229</sup> Mauritius at the United Nations; <http://www1.govmu.org/portal/sites/mfamission/newyork/mission.htm> 20/01/2018

adaptation to climate change remains a huge challenge, calling for massive investments as well as the adequate capacities to deal with emerging challenges and impacts on climate change. Climate change is threatening the country's ecosystem and economy. It has far reaching direct and indirect socio-economic impacts such as changes in rainfall patterns with potential to decrease agricultural productivity in the medium and longer term due to increased rainfall variability.

Meteorological records clearly indicate the increase of average temperatures, rising sea levels, intermittent heavy rainfall causing flash floods and climate variability that deviate from past patterns. The associated impacts on our agriculture, water availability, food security, energy balance, infrastructure and overall economy has not yet been assessed<sup>230</sup>. The World Economic Forum's Global Risk Report lists failure of adapting and mitigating climate change by Mauritius as the top risk to the country's outlook in the coming years.<sup>231</sup> Carbon dioxide emissions per capita are on the rise, whilst in terms of GDP they have been on a decreasing trend, suggesting a more efficient use of energy<sup>232</sup>. As a response, the Mauritius Vision 2030 defines targets for the reduction of greenhouse gas emissions by 30 % by 2030 – a shift from the 7 million metric tons CO2 equivalent.

Rising sea levels, fluctuating rainfall patterns and more intense storms put undue pressure on agricultural resources and aquatic resources. According to the Mauritius Meteorological Services, the number of consecutive dry days is increasing and while the number of rainy days is decreasing, heavy rainfall events (leading to flash floods) has increased, as has the frequency of extreme weather events, including storms of tropical cyclone strength<sup>233</sup>. In the last few years, for example, Mauritius has experienced some unprecedented heavy rainfall due to extreme climatic conditions which have been attributed to climate change affecting the island. Flash floods are becoming a common, for example the 2013 floods which claimed lives of 11 people<sup>234</sup>. More recently, Government reported of cyclone Berguitta which hit the country in February 2018 and other weather events such as flooding which affected agriculture and the economy in general.

Reef degradation due to coral bleaching is related to climate change and human induced destruction, such as land based pollution and Submarine Ground water Discharge. Reef degradation impacts on the tourism sector. Mauritius is categorised as having a high level of reef-based tourism with over 70% of the total tourists taking part in reef-based activities, and the number of tourists visiting Mauritius annually exceeded 950,000 in 2013<sup>235</sup>.

For future sustainability, given the fragility of the marine ecosystems worsened by the effects of climate change, as well as the economic and social importance of marine resources for the

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<sup>230</sup> Mauritius at the United Nations; <http://www1.govmu.org/portal/sites/mfamission/newyork/mission.htm> 20/01/2018

<sup>231</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>232</sup> IMF World Economic Outlook, 2016, Global Finance, Mauritius GDP and Economic Data, Country Report 2017

<sup>233</sup> Mauritius Country Profile <http://www.new-ag.info/en/country/profile.php?a=2811> 12/12/2017

<sup>234</sup> Geography & Natural Disasters: A Review of Coastal Zone Management Facing Climate Change and Natural Disasters in Mauritius, 2013

<sup>235</sup> Geography & Natural Disasters: A Review of Coastal Zone Management Facing Climate Change and Natural Disasters in Mauritius, 2013

country, finding an appropriate balance between resource development and sustainability will be critical.

#### **6.4 Vulnerability and Disaster Risk Reduction**

Disaster risk is a major threat to the country's development endeavours in especially with the prevalence of climate related extreme weather conditions on the increase. The impact tends to be worse on the vulnerable segments of society with limited access to productive assets for early recovery and response and limited exposure to early warning systems. Further compounding that effects of climate change are the inherent vulnerabilities of being a small island- limited land area, susceptibility to natural disasters, limited natural resources and sensitive ecosystems. Mauritius is particularly vulnerable to climate change associated with sea level rise and increasing frequency and intensity of tropical cyclones that will result in considerable economic loss, humanitarian problems, and environmental degradation.

Government is implementing the Disaster Management Strategy which comprises, prevention and protection, preparedness, response and recovery. Key among the requirements for effective, robust, well-coordinated disaster risk response system especially at the sub-national level, will be the need to replicate the capacities of the national level disaster preparedness at all levels of administration especially in areas where the poor live. There is also need to have deliberate efforts to build the long term resilience of poor segments of society to disaster risks.

The Vision 2030 makes reference to the implementation of the Sendai Framework on Disaster Risk Reduction and the target to reduce by half the country's natural disaster risk by 2030 though.<sup>236</sup> The World Risk Index 2015 ranks Mauritius as the 13<sup>th</sup> country with the highest disaster risk and 7<sup>th</sup> among those most exposed to natural hazards.<sup>237</sup> Going forward, and building on the investments made on climate change mitigation and adaptation it would be important to develop a more coherent policy framework on disaster risk reduction (DRR) to facilitate mainstreaming across various domains and DRR investment allocations across sectors.

There are however, technical constraints that GoM faces to effectively manage the environment, climate change and natural resources. The key ones are; limited technical capacity for climate change forecasts and climate impact assessments; inappropriate indicators (e.g. lack of indicators to evaluate resiliency, adaptive capacity, effectiveness of adaptation measures); weak institutional capacity- regulatory standards and communication with government institutions and departments<sup>238</sup>.

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<sup>236</sup> RAPID INTEGRATED ASSESSMENT – MAURITIUS SDG PROFILE, 2016

<sup>237</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>238</sup> Environmental Impact Assessment in the Republic of Mauritius, Recommendations for Mainstreaming Climate Change into EIA Process, 2013

## 6.5 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Natural Resources and Environmental Management</b></p> <ul style="list-style-type: none"> <li>• Unsustainable practices including sand mining</li> <li>• Inadequate funding- action plans to ensure environmental sustainability and environment protection require massive financial resources</li> <li>• Lack of competencies and equipment to develop integrated models of management in key sectors like air quality, freshwater, climate change, chemicals and waste management</li> <li>• Depletion of marine resources</li> </ul>	<ul style="list-style-type: none"> <li>• Terrestrial and marine resources one the of the key drivers of the economy</li> <li>• International and national regulatory frameworks</li> <li>• Implementation of policies such as National Water Policy (NWP), Integrated Water Resources Management (IWRM) Plan, Long-term Energy Strategy and Action Plan, 2011-2025, Agro-forestry Strategy, 2016-2020</li> <li>• Employing recycling for key waste management</li> </ul>
<p><b>Climate Change Impact</b></p> <ul style="list-style-type: none"> <li>• Inadequate institutional and human capacity, research and development, monitoring and enforcement</li> <li>• Extreme weather conditions causing uneven rainfall patterns</li> <li>• Lack of data for evidence-based planning</li> <li>• Lacks of the necessary technologies and technical capacity e.g. for monitoring exercises, surveys and data collection and monitor the environmental media</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of National Climate Change Adaptation Policy Framework</li> <li>• Boasting renewable energy sources</li> </ul>
<p><b>Vulnerability and Disaster Risk Reduction</b></p> <ul style="list-style-type: none"> <li>• Lack of technology to minor environment for forecast and early warning systems</li> <li>• Inadequate funding</li> <li>• Limited access to productive assets for early recovery and response and limited exposure to early warning systems</li> <li>• Lack of well-coordinated disaster risk response system</li> </ul>	<ul style="list-style-type: none"> <li>• Vision 2030- implementation of the Sendai Framework on Disaster Risk Reduction and the target to reduce by half the country's natural disaster risk by 2030</li> <li>• Develop a coherent policy framework on disaster risk reduction (DRR) to facilitate DRR mainstreaming across various sectors</li> </ul>

## 6.6 Priority areas for Government of Mauritius

GoM gives prime attention to protecting environment, mitigate effects of natural disasters, build robust community resiliency and recovery system and minimise vulnerabilities. Disaster risk reduction management is at the centre of climate change mitigation and vulnerability reduction. Implementation of the Sendai Framework<sup>239</sup> on Disaster Risk Reduction (2015-2030) whose

<sup>239</sup> The Sendai Framework for Disaster Risk Reduction 2015-2030 outlines seven clear targets and four priorities for action to prevent new and reduce existing disaster risks: (i) Understanding disaster risk; (ii) Strengthening disaster risk governance to manage disaster risk; (iii) Investing in disaster reduction for resilience and; (iv) Enhancing disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction. It aims to achieve the substantial reduction of disaster risk and losses in lives, livelihoods and

target is to reduce by half the country's natural disaster risk by 2030, is the overarching guide note. To this extent, developing a robust, coherent framework on disaster risk reduction and making concerted efforts to mainstream it across all domains build disaster are top among the priorities. Government, through the Disaster Risk Reduction Management Centre prioritises, the development and implementation of DRRM Policy, Strategic and Action Plan, strengthening the early warning system, enhancing community preparedness, capacity building for first response agencies.

Overall, there is need for more investment towards strengthening institutional capacity, technological capacity and specialised human resources to manage the various technical aspects of environmental sustainability, climate change and, disaster risk management. Another important aspect is to develop data management and monitoring system for forecasting and early warning. Success will measured against the extent to which Mauritius honours its commitments to global and regional conventions.

### **6.7 Opportunities for UN System Support and Collaboration with Government**

There are fertile grounds for UN system support and collaboration. Globally, environmental sustainability and climate change management are top on the agenda even at the political level. While, generally resources towards other development areas are dwindling, this is one of the areas where resources allocation is still substantial.

For Mauritius the scope for collaboration appears quite wide depending on what the UN is able to offer. Government needs technical assistance in terms of strengthening institutional capacities, technological support, coordination, data development and management, and DRR monitoring system forecasting and early warning. Other areas include building national capacity to analyze, implement, monitor, report and account for the extent of efficiencies on carbon omissions; facilitate environment technology transfer, use of Environment Statistics Self-Assessment Tool (ESSAT), participating at Multilateral Environmental Agreement (MEAs) etc. A possible area of study is checking how the nation balances industrial growth with environmental impact especially industrial waste.

Furthermore, Mauritius lacks well-defined and customized standard procedure regarding the post-disaster management especially complying with the expectations of the Sendai Framework. Given the cross cutting nature of the issues, UN may explore the possibility of a joint UN programme especially implementation of the Sendai Framework for Disaster Risk Reduction.

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health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries over the next 15 years. The Framework was adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, on March 18, 2015.

## Chapter 7: Cross Cutting Themes

### 7.1 Gender Mainstreaming

Statistics for gender equality are impressive with respect to education and literacy, but not as encouraging as they relate to women empowerment. The number of literate women per 100 literate men increased from 97.7% in 1990 to 99.9% in 2011<sup>240</sup>, and the marginal difference could be explained by a higher proportion of women above 60 years who did not attend school. Gender parity has been achieved in education at all levels-primary, secondary and tertiary<sup>241</sup>, and in terms of performance, the statistics show that girls are doing better than boys<sup>242</sup>. The 2015 Human Development Index (HDI) for women drops by 14% points when adjusted by gender inequality.<sup>243</sup> Gender inequality manifests itself in different aspects of women's life such as health, education, political participation, economic empowerment, etc.

Evidence points towards the need for more work in gender and empowerment of women across the various spheres. Mauritius did not meet the target on women participation in Parliament during the MDG era. The representation of women in the National Assembly has declined and was at 12% in 2014<sup>244</sup>. Following the new Local Government Act of 2011, there has been an increase in representation at local government level, however, at central government level this is still an issue<sup>245</sup>. Generally, gender disparities are quite notable, for example, in terms of women participation in wage employment in spite of women's higher education attainment. While the country has experienced an increased percentage of women in its labour force from 25% in 1972 to 35.6% in 2005, over the last fifteen years the unemployment rate for women has increased from 4.9% to 16.5% (compared to 5.8% in the case of men). Women continue to be concentrated in low skilled and low paying jobs. According to the UNDP and Ministry of Women's Rights, (2005) women in Mauritius, on average, 36% less than men. The gap is 44% in the rural areas compared to 28% in urban regions<sup>246</sup>. In addition, in the labour market, the share of women in wage employment in the non-agricultural has improved from 34.1% in 1990 to 40.2% in 2014<sup>247</sup>.

However, on a positive note, in line with Government commitments taken at SADC, women participation at high level decision making is above the target of 30% and women are well represented in the judiciary. Another positive development in the introduction of A Gender Development Index for Mauritius to measure progress is gender equality<sup>248</sup> (no progress statistics as yet). In championing women empowerment, the National Women Entrepreneur Council (NWECC) provides support and assistance to both potential and existing women entrepreneurs. Furthermore, Government is also working on the amendment of the Employment legislation to attract more women into the labour force to ensure more

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<sup>240</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>241</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>242</sup> Ministry of Gender Equality, Child Development and Family Welfare

<sup>243</sup> Mauritius Human Development Report, 2016

<sup>244</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>245</sup> Ministry of Gender Equality, Child Development and Family Welfare

<sup>246</sup> Draft Gender Strategy for Local Government in Mauritius

<sup>247</sup> The Republic of Mauritius Millennium Development Goals Report, 2015

<sup>248</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

participation of women from the current 43.6% to 50% by 2030<sup>249</sup>. National policies note the need for more concerted efforts to address the issue of gender equality.

In terms of gender mainstreaming structure and implementation process, there is a National Steering Committee on Gender Mainstreaming comprising representatives from line ministries and institutions and chaired by the Ministry of Gender Equality, Child Development and Family Welfare (MGECDFW). Each ministry has a gender cell. In addition, there is a gender caucus at the level of national assembly. Other platforms for women empowerment include the National Women's Council and the National Women's Entrepreneurship Council.

Using the National Gender Policy Framework (2008) as the guiding document, Government implements policies and programmes for promoting women empowerment and gender equality across line ministries and public institutions at both policy and programmatic level. All sector ministries have developed sector gender policies and strategies responding to the National Gender Policy Framework<sup>250</sup>. Mauritius uses the SDG indicators for gender as the national indicators as well. At local level, the Gender Strategy for Local Government ensures that series of practical steps are taken for ensuring that gender is mainstreamed in and through local government.

According to the MGECDFW, an assessment carried out in 2013, cited weak commitment to implement sector policies/strategies, gender stereotyping, change of gender focal points, lack of gender expertise as some of the key challenges impeding gender mainstreaming. Other issues low representation of women at decision-making level in boards especially in the private sector.

Going forward, there would be need to make concerted efforts to strengthen gender mainstreaming by focusing on cultural, traditional, and policy impediments especially associated with patriarchal societies that tend to reinforce gender stereotypes, for example, providing women with training in areas culturally reserved to them, such as embroidery, tailoring, nursing etc<sup>251</sup>. Fundamental is to take gender equality as key development pillar, as opposite to just a mainstreaming requirement. There could be need to call for decisive action, and monitoring of strategies and actions envisaged in national plans to address bottlenecks, including thorough gender disaggregated data. What could also be important, is to go beyond simple statistics of how many women or girls are involved, to really dig out and address real issues of real empowerment- ownership, access, control and utilisation of resources. Data relating to this kind of information could not be established.

## 7.2 Science, Technology and Innovation

Science, technology and innovation is seen as an emerging driver of economic development cutting across all domains. Pivotal will be the creation of an enabling environment driven by innovation that enhances the productivity, flexibility and competitiveness of the economy in a manner that bolsters broad based economic diversification, creates sustainable employment opportunities, and fosters entrepreneurship.

The budding Information and Communication Technology (ICT) sector is seen key enabler for all socio-economic sectors. It is therefore, mainstreamed in all development areas to solve

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<sup>249</sup> Republic of Mauritius, Interim Report on the Implementation of Agenda 2063, July 2017

<sup>250</sup> Ministry of Gender Equality, Child Development and Family Welfare

<sup>251</sup> Marshall Plan Against Poverty, Volume 2, 2016

development problems, improve sector effectiveness and efficiency. Government pursued liberalisation and sector efficiency, established regulatory frameworks, encouraged private ownership and investment, and developed ICT readiness across society<sup>252</sup>. The National ICT Strategic Plan is to convert Mauritius into a regional ICT hub and securing the technology and know-how required to support the country's development goals. Internet access has become more affordable but penetration was only 66.6% in 2015. Cellular subscriptions are however significant at 139.5% of the population the same year.<sup>253</sup>

### 7.3 Data for Development

Data is at the centre of all decision making, planning and programming process. Furthermore, all development processes should have robust results frameworks for effective monitoring and evaluation. In the absence of such robust quality data, the monitoring and evaluation systems will be weak. Weak M & E systems imply that one is not able to tell the impact of programmes. The Statistics Mauritius, under the Ministry of Finance and Economic Development, is the central statistical authority and the repository of all the statistics produced in the country (however, economic data is management by the Central Bank of Mauritius). It is subscribed to the Special Data Dissemination Standard. It oversees the Statistics Board which approves, co-ordinates and monitors the statistical programmes of producers of Official Statistics to improve on the consistency, quality and efficiency of data collection and of its comparability, dissemination and analysis. With regards to SDG monitoring, a National Steering Committee on SDGs has been set up within the Statistics Board.

About 110 SDG indicators have been identified as relevant to Mauritius, but there are still gaps on others. According to Statistics Mauritius, a national workshop was conducted to prioritise the SDG indicators. One challenge is that, no national targets have been set for the SDG indicators. In addition, there are some indicators whose data is not available. Currently, the SDG database has about 60% of the data required<sup>254</sup>.

Though updated monitoring data is generally need improvement, Mauritius has amassed disaggregated data from MDG monitoring and reporting, and developed a set of 60 national MDG indicators that assist policy analysis and development. Its statistical capacity is ranked among the best in the world (at a score of 91.1/100 in the World Bank's Statistical Capacity Indicator, and above the average of 59.9 in Sub-Saharan Africa)<sup>255</sup>. However, lessons from the MDG experience underscored the need for robust data and systems for monitoring progress and formulating corrective actions in its statistical system, strengthen data management capacity across all sectors of the economy. Another area of attention is ensuring collection, availability and utilisation of quality, updated disaggregated data (especially gender) to inform evidenced based, and targeted planning and programming.

Consultations with Statistics Mauritius and other stakeholders (during the Mauritius Roadmap for SDG Implementation by UNDP) point towards weaknesses in the analytical capacity of users of data in the national statistics system, especially with respect to impact evaluation of policies which is acknowledged to be lacking across government entities, projects and programmes<sup>256</sup>.

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<sup>252</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>253</sup> Statistics Mauritius.

<sup>254</sup> Statistics Mauritius

<sup>255</sup> Mauritius Roadmap for SDG Implementation, 2017

<sup>256</sup> Mauritius Roadmap for SDG Implementation, 2017

Furthermore, Mauritius currently does not have a National Strategy for the Development of Statistics (NSDS).<sup>257</sup> The last one covered the period 2007-2012. The formulation of a new NSDS would represent a unique opportunity to develop an integrated statistical strategy that responds coherently to the needs of both Vision 2030 and the 2030 Agenda.

#### 7.4 Summary of Key Issues, Challenges and Opportunities

Challenges/Issues	Opportunities
<p><b>Gender mainstreaming</b></p> <ul style="list-style-type: none"> <li>• Lack of quality updated gender disaggregated data to inform policy formulation and decisions</li> <li>• Lack of commitment to implement policies</li> <li>• Gender stereotyping</li> <li>• Structure of employment skewed towards men for certain specific sectors such as construction, transportation and disciplined forces</li> <li>• Low participation of women in politics, and at decision-making level in general- corporate/ private sector</li> <li>• Lack of technical expertise on gender issues</li> </ul>	<ul style="list-style-type: none"> <li>• Existence of the Ministry of Gender Equality</li> <li>• National Gender Policy Framework</li> <li>• Elaborate structures for gender and empowerment of women</li> </ul>
<p><b>Science Technology and Innovation</b></p> <ul style="list-style-type: none"> <li>• Sector still emerging</li> <li>• Inadequate financing and institutional support</li> <li>• Penetration is still relative low</li> <li>• Lack of technical expertise and skills</li> </ul>	<ul style="list-style-type: none"> <li>• Emerging driver of economic development</li> <li>• Government policies and strategies pursuing liberalisation and sector efficiency, private ownership and investment</li> <li>• Implementation of the National ICT Strategic Plan (2011-2014)</li> <li>• Internet access more affordable</li> </ul>
<p><b>Data for Development</b></p> <ul style="list-style-type: none"> <li>• Inadequate robust updated disaggregated data</li> <li>• Lack of systems for monitoring and evaluating progress</li> <li>• Weak analytical capacity of users of data in the national statistics system</li> <li>• Lack of a National Strategy for the Development of Statistics</li> <li>• Some SDG indicators not available</li> </ul>	<ul style="list-style-type: none"> <li>• Presence a central statistical authority – Statistics Mauritius as the repository of all the statistics produced in the country</li> <li>• Structures set for SDG implementation</li> <li>• The formulation of a new NSDS to develop an integrated statistical strategy to Agenda 2030</li> </ul>

#### 7.5 Priority areas for Government of Mauritius

All the cross-cutting thematic areas would appear on priority list of Government. Government will continue to strengthen gender efforts for gender for gender equality and empowerment of women and gender mainstreaming programmes. Continuous education and advocacy is important to break barriers of gender stereotypes. Focus will also be o developing of gender sensitive data for effective monitoring and evaluation. There is also need to strengthen

<sup>257</sup> The NSDS approach, developed by the Partnership in Statistics for Development in the 21st Century (PARIS21), provides a common set of guidelines for developing a national framework for statistics development aimed at mainstreaming statistics into national policy and planning processes. For more information, see <http://nsdsguidelines.paris21.org/>

monitoring of the implementation of gender sector policies and strategies. Addressing power relations between men and women, in terms of ownership, control, access and utilisation of resources, is also critical to achieving inclusive economic growth and welfare of the people.

Strengthening data for development remains the critical enabler for evidence-based planning and monitoring of programmes. Statistics Mauritius noted gaps in SDG database that need to be addressed including robust gender disaggregated data. In addition, data development is a continuous processes which involves improvements in data gathering and analysis techniques. Statistics Mauritius is moving towards the use of tablets for data collection and using online surveys. Government may want to prioritise the development of the National Strategy for the Development of Statistics (NSDS) that comprehensively respond to the data needs for monitoring and evaluation system which meet the demands of SDGs.

Government would continue with the social protection programmes to eliminate absolute poverty. The Marshall Plan has been approved by Government and recommendations are already being implement by the Ministry of Social Integration and Economic Empowerment. Food for thought for Government is to possibly review the plethora of social welfare programmes with a view to streamline some of them, as well as look for innovative and sustainable means of financing social protection programme to remove excess burden on the fiscus especially in view of an ageing population, and declining labour force in the long run.

Outside funding issues, Government may want to prioritise strengthening institutional framework and mechanisms for SDG monitoring and review to establish how effective the social protection programmes have been to date. Government should continue to promote science and technology, but its role may be that of providing an enabling environment or regulatory functions as opposed to investing.

## **7.6 Opportunities for UN System Support and Collaboration with Government**

Government look forward to strengthen institutional mainstreaming of SDGs and capacity building in gender mainstreaming at national and subnational level. Government seeks technical support to engage in policy dialogue on gender issues with a view to see how best to strengthen mainstreaming, identify areas of intervention within sectors, streamline indicators which would be used for M& E, as well as strengthen stakeholder collaboration. A gender advisor at senior level may be the most ideal route. There is also high demand for capacity building in gender mainstreaming and advocacy at policy and programmatic level, including gender-based budgeting. The UN may build on the support being provided by EU in gender mainstreaming..

With regards to child protection, UN (UNICEF) may want to consider providing extension service to the Mauritius and monitor the developments more closely. It would appear that the withdrawal of UNICEF left the country exposed in terms of back-up mechanisms.

Similarly, with respect to data for development, formulation of a new NSDS would represent a unique opportunity for the UN to support the development of an integrated statistical strategy to critical for strong M&E systems as SDG implementation unrolls. Technical support is also sought in data processing and decimation especially for Statistic Mauritius. Overall, data is a cross-cutting need, there are opportunities for formulating a joint programme.

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## Annex 1: List of Stakeholders Consulted

Mauritius Common Country Analysis: Stakeholders consulted

Stakeholder	Institution/Agency
Government of Mauritius	<ul style="list-style-type: none"> <li>• Ministry of Finance &amp; Economic Development</li> <li>• Ministry of Defence and Rodrigues</li> <li>• Ministry of Foreign Affairs, Regional Integration and International Trade</li> <li>• Ministry of Ocean Economy, Marine Resources, Fisheries and Shipping</li> <li>• Ministry of Agro-Industry and Food Security</li> <li>• Ministry of Gender Equality, Child Development and Family Welfare</li> <li>• Ministry of Health and Quality of Life &amp; National AIDS Secretariat</li> <li>• Ministry of Social Integration and Economic Empowerment</li> <li>• Ministry of Environment and Sustainable Development</li> <li>• Ministry of Social Security and National Solidarity</li> <li>• Attorney General's Office, Ministry of Justice, Human Rights and Institutional Reforms</li> <li>• Ministry of Industry, Commerce and Consumer Protection</li> <li>• Ministry of Business, Enterprise, and Cooperatives</li> <li>• Ministry of Technology, Communication and Innovation</li> <li>• Ministry of Labour, Industrial Relations, Employment and Training</li> <li>• Statistics Mauritius</li> <li>• National Disaster and Risk Reduction and Management Centre</li> </ul>
Public institutions/bodies	<ul style="list-style-type: none"> <li>• Equal Opportunities Commission</li> <li>• Human Rights Commission</li> </ul>
CSOs	<ul style="list-style-type: none"> <li>• Mauritius Council of Social Services</li> </ul>
UNCT	<ul style="list-style-type: none"> <li>• UNODC</li> <li>• IOM</li> <li>• UNESCO</li> <li>• WHO</li> <li>• UNEP</li> <li>• UNDP</li> <li>• GEF (Small Grants)</li> <li>• IAEA (Focal point)</li> </ul>

## Annex 2: Terms of Reference



### TERMS OF REFERENCE: INDIVIDUAL CONTRACTOR FOR THE FORMULATION OF A COMMON COUNTRY ANALYSIS (CCA) FOR THE REPUBLIC OF MAURITIUS

#### A. PROJECT TITLE

Formulation of a lite Common Country Analysis for the Republic of Mauritius.

#### B. PROJECT DESCRIPTION

Even with limited agency physical presence (only UNDP and WHO have country offices) and absence of a UNDAF, the work and support of the UN remains highly relevant. Mauritius remains committed to access the support and expertise of the UN development system although the request is not always primarily for grant based finance, but quality resources that enable access to rapid technical support.

The last UNDAF for Mauritius ended in 2003 and there has been no overarching UN/Government cooperation framework since. Mauritius is classified as a non-harmonised programme country (where UNDAF is not a mandatory process) but UNCT is continuously attempting to get in place a coordination framework.

Notwithstanding the absence of an UNDAF and formal DaO status, the RCO together with the UNCT consolidated its efforts to improve coordination whilst also tracking progress made on the DaO pillars and core elements. The RCO is also undertaking an exhaustive SAMOA pathway mapping with contribution of the UNCT, which will also support the ongoing Rapid Integrated Assessment of policies and strategies related to SDG achievement.

As a first building block towards DaO, a multi-disciplinary study was carried out far back in 2010. The United Nations Resident Coordinator's Office (UNRCO) in Mauritius now seeks the services of an **individual contractor** to support the formulation of a Common Country Analysis (CCA), which is intended to define both the current and projected (three years forecast) priority development opportunities and challenges alongside their underlying causes in the Republic of Mauritius, with due reference to the Island of Rodrigues.

The findings of the CCA will help to strategically position the UN system in the country based on robust evidence-based analysis on sustainable development. It will provide the basis for future programming and represents a powerful source of information to help the UN system engage with national stakeholders, including to advocate for policy changes. The CCA will be underpinned by the promise of the 2030 Agenda to Leave No One Behind, and the three programming principles (human rights, gender equality and women's empowerment; sustainability and resilience; and accountability). Closely linked to the CCA is a UN Comparative Advantage and Capacity Assessment exercise to highlight the areas where the

UN is the most efficient and effective partner to take forward the development of the Republic of Mauritius.

This process will entail consultation and engagement with the Government of the Republic of Mauritius and other relevant stakeholders, such as Development Partners, the Private Sector, Civil Society Organizations, Academia and Research Institutions.

## C. SCOPE OF WORK AND KEY TASKS

The CCA is a comprehensive assessment of the national development plan-Vision 2030 and other sectoral plans. The purpose of the assignment is to articulate Mauritius' context, opportunities and challenges, encompassing sustainable development, human rights and gender equality. The CCA includes a SWOT analysis of the policy and legal frameworks and institutional capacity for formulation, implementation, monitoring and evaluation of policies, and will look into the government's capacity for coordination and management of development assistance.

This exercise will:

- provide the essential evidence base from which UNCT collective theory of change is drawn
- define medium and longer-term trends, based on a wide range of data sources, which provide the foundation of the Agenda 2030 document
- identify areas for enhanced policy coherence, reflecting the interdependence of the SDGs and issues that the country must address

To the extent possible, the assessment will examine UN and other development partners' contribution to national development results and thereby help to identify areas of UN's comparative advantage.

The assessment will be based on secondary data review whenever possible, collect and draw on information from national and international development partners, including civil society organizations by way of consultations and draw from findings. The analysis of development results will identify challenges and strategies for future interventions. In doing so, in all development result areas, effort should be made to address crosscutting issues and include to the extent possible the assessment of the implementation of international conventions and the recommendations of relevant human rights monitoring mechanisms.

The following criteria will be applied for assessing development results:

### 1. Economic management of the country

- a) Asses the inclusiveness of economic growth in Mauritius;
- b) Assess fiscal policy and its impact on the macroeconomic indicators (inflation, private investment, and current account deficits or the public debt). While assessing the fiscal policy impact, evaluate if fiscal policy was responsive to the needs of the population by way of provision of public goods and facilitating medium-term growth;

- c) Assess the consistency of government spending with the poverty reduction priorities, taking into account the extent to which individuals, groups (including women and girls), or localities that are poor, vulnerable, or have unequal access to services and opportunities are identified and supported through the existing public service delivery mechanism (among others through decentralization process) or through an explicit interventions to assist the groups identified; and establish the composition and incidence of public expenditures are tracked systematically and their results inform subsequent resource allocation decisions;
- d) Assess the labour market policies and unemployment issues in the country. How the socio-economic reforms are contributing to sustainable and decent job creation in the country and to reducing gender gaps;
- e) Review the process of evidence based policy making including the statistical systems based on disaggregated data with the view to identify critical gaps in information for policy making;
- f) Assess the level of development finance in view of the changing local and global circumstances including the role of private sector in financing development;
- g) Identify priority areas of development intervention;
- h) Identify key issues and challenges;
- i) Suggest areas of rationale and opportunity for UN support.

## **2. Private sector development, domestic, regional and international trade**

- a) Establish the role of private sector in the Mauritian economy through identifying best policy options for private sector's contribution to value added, employment generation and regional integration;
- b) Assess the role of trade in the economy of Mauritius. In doing so, estimate the share of trade (domestic, regional and international) in the economy, both for value added and employment. Analyze the value and volume of trade to establish the trends;
- c) Critically examine the factors that affect industrial development in Mauritius with a view to increase the contribution of the sector to the economy and employment generation;
- d) Identify constraints for private sector development with two focus: (i) on Micro, Small, and Medium Enterprises (MSMEs) and (ii) Investment Promotion (Foreign Direct Investment). Among others the factors constraining private sector participation should look at regulations affecting entry, exit, and competition. The analysis should be done at central and local levels and consider international rankings such as the Doing Business (World Bank) and Competitiveness Index (World Economic Forum);
- e) Identify the financial instruments and key factors to develop strong, stable, competitive, and inclusive financial system that provides access to financial services for the entire population and contributes to growth by efficiently channeling domestic and foreign savings toward productive investments;
- f) Identify priority areas of development intervention;

- g) Identify key issues and challenges;
- h) Suggest areas of rationale and opportunity for UN support.

**3. Human capital development** (with focus on aspects of human capital development with a gender perspective as follows):

- a) Assess national policies and service delivery that affect access to and quality of health and nutrition services, including population and reproductive health, and prevention and treatment of HIV/AIDS, as well as Communicable and Non-Communicable Diseases;
- b) Assess access, efficiency, effectiveness and gender sensitiveness of services pertaining to education, Early Child Development (ECD) and adult literacy programs;
- c) Examine the effectiveness of skills development and technical vocational and higher education services with a view to promote structural transformation needed for the achievement of Vision 2030 and address the high level of unemployment levels in particular to the youth and women;
- d) Review the progress made in the promotion of access to and quality of water and sanitation services and if gender dimension is properly addressed;
- e) Critically examine the adequacy and effectiveness of social protection systems with a view to identify areas for further improvement.
- f) Given the pervasive poverty levels and regional disparities, identify key policy and programmatic priority areas to address inequality and promote social cohesion;
- g) Identify areas for policy and programmatic support to improve the human capital development of the country;
- h) Identify key issues and challenges;
- i) Suggest areas of rationale and opportunity for UN support.

**4. Agriculture, Fisheries and Food Security**

- a) Assess the contribution of the agriculture and fishery sector to the economy and food security. Establish the linkages between agriculture/fishery and other sectors including manufacturing;
- b) Examine the effectiveness of current policies and strategies to promote production and productivity in the agricultural/fishery sector with specific focus on small holder agriculture and women, given their significant importance in the sector. The analysis should cover the linkages between the sector and the budget and resources allocation;
- c) Assess value for money – return on investment in the agriculture/fishery sector;
- d) Analyze supply chain constraints. Identify weaknesses at various stages of the value chain;
- e) Assess the progress of food security in the country;

- f) Review the policy options put in place to combat agriculture sector vulnerability to climate change and disaster risk reduction approaches and provide implementable solutions;
- g) Identify priority areas of development intervention;
- h) Identify key issues and challenges;
- i) Suggest areas of rationale and opportunity for UN support.

## **5. Governance and Accountability**

- a) Assess the extent to which economic activities are facilitated by an effective legal system and rule-of-law-based governance structure in which property and contract rights are reliably respected and enforced;
- b) Assess progress related to judiciary sector reform. Among others the assessment should cover conformity with international and regional human rights standards, predictability, transparency, non-discrimination and impartiality of laws affecting the population, and their application by the judiciary;
- c) Examine the accountability systems for the use of funds and development results including the effective and independent functioning of oversight institutions (electorate and by the legislature and judiciary);
- d) Identify key policy and programmatic areas for further improvement in promotion of good governance, human rights and deepening democratic culture;
- e) Assess the decentralization process and reforming the local government system;
- f) Assess role and participation of civil society organizations - including women's organizations in terms of supporting democratic reforms, monitoring human rights, promoting accountability and the rule of law and delivering services at communities;
- g) Identify priority areas of development intervention;
- h) Identify key issues and challenges;
- i) Suggest areas of rationale and opportunity for UN support.

## **6. Environment, climate change and natural resources management** - In view of the significant vulnerability of Mauritius to climate change and disaster, the following critical points will be covered in the country assessment:

- a) Critically assess the profile and trends of disaster risk in Mauritius with specific focus on the impact of climate change on the economy as well as the adequacy of policies and legal frameworks of the country to adapt and mitigate climate change, as well as critically review the disaster risk reduction approach of the country to the changing disaster risk circumstances;
- b) Examine the effectiveness of environmental policies to foster the sustainable use and management of natural resources (i.e. water, waste, conservation management, coastal zones management, and natural resources management);

- c) Examine the Long-Term Energy Strategy 2009-2025 (10% RE by 2025) implementation and the main challenges and opportunities to the Country. Use some indicators like avoided CO2 emissions so far, energy generated from RE in KWh and as % of the total;
- d) Examine the impact of urbanization on the environment and sustainability of growth in the country;
- e) Identify priority areas of development intervention;
- f) Identify key issues and challenges;
- g) Suggest areas of rationale and opportunity for UN support.

## **D. EXPECTED OUTPUTS AND DELIVERABLES**

The CCA consultant shall prepare and submit:

- A first draft Lite CCA report (Max. 30 pages (English), including Executive Summary (5 pages));
- A second draft CCA report, including an executive summary of max 5 pages, which will be presented for validation; and
- A final CCA report having incorporated comments arising from the reviews (Max. 30 pages (English), including Executive Summary (5 pages)).

The final CCA report should be ready to feed into the next UNCT Retreat (Strategic Engagement Workshop), tentatively scheduled for mid-February 2018.

The Final CCA report should describe the current development status, challenges and opportunities in Mauritius, using the MAPS approach on the SDGs, including:

1. A UN capacity assessment: Undertake a baseline assessment of the UN's current capacity to leverage the UN policy advisory, project implementation and coordination roles; and
2. A UN Comparative Advantage assessment: analyze the UNCT's Comparative Advantage to the country's development agenda in relation to all development actors in the country.

All deliverables shall be submitted in draft form for comments and then in final format. Draft documents should be complete and not in schematic form. The documents shall be in English language. The government will endeavour to provide comments on the reports.

## **E. INSTITUTIONAL ARRANGEMENT**

The consultant shall work in close collaboration with the RC Office, the UNCT members and relevant national stakeholders.

The RCO office will make the necessary arrangements for the consultations meetings, if necessary.

All draft and final reports shall be addressed to the UN office of the Resident Coordinator for Mauritius and Seychelles.

## **F. DURATION OF THE WORK**

The consultant will be engaged under a short-term individual/institutional contract, and the whole assignment will be for no more than 20 working days from 06 December 2017 to 16 February 2018.

The expected date of start of the contract is 06 December 2017.

## **G. DUTY STATION**

The contractor's duty station will be home-based, with possible travel to Mauritius.

## **H. QUALIFICATIONS AND EXPERIENCE OF THE SUCCESSFUL INDIVIDUAL CONTRACTOR**

### **1. Qualifications:**

- Advanced university degree (Masters and equivalent) in development studies, economics, socio-economics, international relations or related field;
- 10 years of relevant professional experience in developing countries, especially in SIDs and/or Indian Ocean countries;
- Previous experience in conducting CCAs is an advantage;
- Excellent written and spoken English.

### **2. Competencies:**

- Experience and knowledge of the UN system and UN common country programming processes, including previous involvement in CCA/UNDAF formulation and review;
- Excellent knowledge of Mauritius's development challenges
- Excellent understanding of development vulnerabilities and challenges in MIC/SIDS, including those linked to climate change;
- Outstanding research methods and writing skills;
- Ability to deliver high quality report in a very short period of time;
- Familiarity with participatory methods of data gathering, the UN four Programming Principles: ((i) Human rights, gender equality and women's empowerment, (ii) Sustainable development and resilience, (iii) Leave no one behind and (iv) Accountability;
- Familiarity with the new UNDAF preparation guidance, especially the development of the CCA process, is an advantage.

## **I. SCOPE OF PRICE PROPOSAL AND SCHEDULE OF PAYMENTS**

Financial proposals must be “all inclusive”<sup>258</sup> and expressed in a lump-sum for the total duration of the contract based on UNDP salary rules and regulations. The lump sum is fixed regardless of changes in the cost components.

Payment will be made based upon successful completion of the deliverables as per terms below:

1. Thirty per cent (30%) after the submission of the first draft CCA
2. Thirty per cent (30%) after the submission of the second draft of the CCA
3. Forty per cent (40%) after the submission of the final CCA

## J. RECOMMENDED PRESENTATION OF OFFER

Interested parties must submit the following documentation:

1. Personal History Form (P11) or personal CV, indicating all past experience from similar projects.
2. Letter of Confirmation of Interest and financial proposal that indicates the all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided. If an Offeror is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.
3. A detailed technical proposal in accordance with the scope of work, methodology, expected outputs and deliverables provided for herein.

Proposals should be clearly marked “Formulation of a Common Country Analysis for the Republic of Mauritius” and should be submitted via email to [jobs.mu@undp.org](mailto:jobs.mu@undp.org) no later than Monday 04 December 2017.

## K. CRITERIA FOR SELECTION OF THE BEST OFFER

The award of the contract will be made to the Individual Consultant whose offer has been evaluated using the “Combined Scoring Method” and determined as:

- Responsive/compliant/acceptable
- Having a minimum of 70 points out of 100 for the technical evaluation to be considered for the Financial Evaluation

The selection will be based on a Combined Scoring method – where the technical proposal will be 70% and combined with the price offer which will be weighted 30%.

### Required expertise and Submission evaluation

All submissions will be assessed against the following criteria:

<b>Technical evaluation</b>	<b>Score</b>
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<sup>258</sup>The term “all inclusive” implies all cost ( professional fees, travel costs, living allowances etc)

Education of the consultant	Advanced university degree (Masters and equivalent) in development studies, economics, socio-economics, international relations or related field;	<b>10</b>
Proposed methodology	A clear methodology on how this project will be conducted <i>(i) Understanding of TOR</i> <i>(ii) Compliance with project schedule</i> <i>(iii) Coverage of required tasks</i> <i>(iv) Technical approach</i> <i>(v) Deliverables</i>	<b>30</b>  <i>5</i> <i>5</i> <i>5</i> <i>10</i> <i>5</i>
Specific Technical Expertise	Technical experience: <ul style="list-style-type: none"> <li>• Experience and knowledge of the UN system and UN common country programming processes, including previous involvement in CCA/UNDAF formulation and review;</li> <li>• Excellent understanding of development vulnerabilities and challenges in MIC/SIDS, including those linked to climate change;</li> <li>• Familiarity with participatory methods of data gathering, the UN four Programming Principles: ((i) Human rights, gender equality and women's empowerment, (ii) Sustainable development and resilience, (iii) Leave no one behind and (iv) Accountability;</li> <li>• Familiarity with the new UNDAF preparation guidance, especially the development of the CCA process, is an advantage.</li> </ul>	<b>20</b>  <i>5</i>  <i>5</i>  <i>5</i>  <i>5</i>
Work Experience	10 years of relevant professional experience in developing countries, especially in SIDs and/or Indian Ocean countries; Experience in analysis and reporting on socio-economic issues, development needs and UN strategies to support national development agendas	<b>15</b>  <b>15</b>
Communication skills	<ul style="list-style-type: none"> <li>• Strong interpersonal skills, team working skills and excellent communication skills</li> <li>• Written and verbal skills in written English</li> </ul>	<b>5</b>  <b>5</b>
	Total technical score	<b>100 (70%)</b>
<b>Financial evaluation</b>		
Value for money	The value that UNDP Mauritius will receive from the service provider	<b>30%</b>

Only the best candidates will be contacted for the next stage.

## L. Annexes

Annex A - Letter of confirmation of interest and availability and Submission of financial proposal

Annex B - P11

Annex C - IC Contract Template

Annex D - UNDP GCC IC

**M. Approval**

This TOR is approved by:

Signature \_\_\_\_\_

Name and Designation D. Ram-Gopal, UN Coordination Analyst

Date of Signing 29 November 2017