

APRM

AFRICAN PEER REVIEW MECHANISM



Republic of Mauritius



COUNTRY REVIEW REPORT NO. 13
July 2010



FOREWORD

The home-grown African initiative for advancing the basic values of democracy and governance, as a prerequisite for sustainable economic growth and development on the continent, was launched almost a decade ago. The African Peer Review Mechanism (APRM) has since grown from one success to another.

It gives me great pleasure to present the APRM Country Review Report and the National Programme of Action of the Republic of Mauritius. This is the thirteenth report in the series and the tenth that has been accomplished under my stewardship as Chairperson of the APR Forum.

Mauritius has established itself as an enduring democracy in Africa. Elections have been held regularly and effectively with wide acceptance of the outcomes. Pluralistic participation and diversity of ideologies ensure the institutionalization of a culture of democratic and constitutional governance as well as political stability in the country. In this regard, Mauritius stands out as a beacon in the Continent.

The economy of Mauritius has blossomed, culminating in over 40 years of average annual economic growth rate of more than 5%. Subsequently, the country responded to challenges inherent in the discarding of trade preferences by diversifying its economy and positioned itself as a gateway for investment in Africa. The APRM process offers Mauritius the opportunity to enhance these achievements.

Nevertheless, there are still some challenges to be overcome, as indicated in the Report. Mauritius is striving to manage diversity, democratize the economy, define its vision for the future, fight corruption, empower women and eradicate the remaining pockets of poverty. An affirmed political will of Mauritius' authorities and concerted efforts on the part of all stakeholders across the country are needed to address the constraints of building the strong and emerging Mauritius of tomorrow.

I call upon Mauritius and development partners to study this Report carefully and contribute to the implementation of the National Programme of Action. The APR Forum will nourish interest in the implementation process through the review of Annual Progress Reports thereon.

I would like to thank the Government and People of Mauritius and my Peers in the APR Forum for their determination and commitment that have enabled us to arrive at this stage of implementation of the Mechanism as a whole.

I extend the same gratitude to the APR Panel of Eminent Persons and the APRM Secretariat for dedicating relentless expertise and time in preparing this highly insightful report.



Meles Zenawi
Chairperson of the APR Forum

**COUNTRIES PARTICIPATING IN THE AFRICAN PEER REVIEW
MECHANISM (APRM) AND THE AFRICAN PEER REVIEW
(APR) PANEL OF EMINENT PERSONS**

APRM participating countries

The countries participating in the APRM as of 7 July 2010 are the following:

Algeria, Angola, Benin, Burkina Faso, Cameroon, Republic of Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, São Tomé & Príncipe, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Uganda and Zambia.

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The APR Panel would also like to express its gratitude to the APRM National Focal Point, Dr the Honourable Arvin Boolell, minister of foreign affairs, regional integration and international trade (MoFARIIT), and his team, supervised by His Excellency Ambassador Patrice Curé, as well as to the other members of the government of Mauritius who made themselves available for in-depth consultations with the Country Review Mission (CRM). Through their energetic intervention, members of the CRM were able to meet the speaker of the Parliament, the chief justice, the National Human Rights Commission (NHRC), the auditor general, the head of the Independent Commission Against Corruption (ICAC), 12 ministers and their close working partners.

The National Economic and Social Council (NESC), led by Mr Mohamed Vayid, facilitated the CRM's assessment of the country by carrying out the selfassessment exercise with diligence, meticulousness, skill and determination. The APR Panel would like to take this opportunity to express its warm appreciation and acknowledgment of, and towards, this institution.

This report is the fruit of several months' dedicated effort by a team of toplevel African experts who worked patiently and relentlessly, under the guidance of Professor Mohammed Seghir Babès, the leading member of the APR Panel, and the direction of the APR Panel, with the APR Secretariat providing technical support. The team, comprising individuals from 12 African states, included Mr Abdul Aziz Jalloh, Mr Donatien Bihute, Mr Mbaya J Kankwenda, Mr Ijuka Kabumba, Ms Sylvie Kinigi, Mr David Abdulai, Mr Dawit Makonnen, Ms Laura Nyirinkindi, Mrs Souad Abdennebi, Mrs Houda Mejri, Ms Chantal Uwimana, Mr Najib Mohammed Harabi, Mr Mahmoud Ben Romdhane, Mr Mouloud Tehami, Mr Siphosa Malunga, Mr Moise Nembot, Mr Dalmar Jama and Ms Atany Kagnaguine, and the APR Panel is profoundly appreciative of the team's contribution to the review process.

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Finally, the APR Panel would like to express its gratitude to all those who worked in the background to facilitate the translation, revision and improvement of the initial draft, and the eventual production of the final product you now hold in your hands. Their dedication and the time they devoted to the report are greatly appreciated.

MAP OF MAURITIUS



Source: CSAR



COUNTRY FACT SHEET

Geographic location	The Republic of Mauritius is located in the Indian Ocean about 890 km off the east coast of Madagascar.
Surface area	Land: 2,040 km ² (Mauritius, Rodrigues, Agalega, Carriacou, Chagos Archipelago and Tromelin)
Population (1 July 2008)	1,260,565
Capital	Port Louis
Population by Geographical District (1 July 2008)*	Port Louis (129,874) Pamplemousses (135,394) Riviere du Rempart (107,683) Flacq (138,194) Grand Port (114,436) Savanne (70,147) Plaines Wilhems (381,394) Moka (80,596) Black River (73,277) Island of Rodrigues (37,570)
Land use (Percentage in 2005)	Agriculture: 43 per cent, including sugar cane at 39 per cent Built-up areas: 25 per cent Roads: 2 per cent Others: 30 per cent
Climate	Maritime subtropical climate with temperatures ranging between 17 °C and 32 °C during summer (November to April), and 15 °C and 27°C during winter (May to October). The topography of Mauritius makes the central plateau cooler and more humid than other regions.
Independence	12 March 1968 (from the United Kingdom)
Legal system	Based on English common law and French civil law
Political governance	Westminster-type parliamentary system of government Head of state: The Right Honourable Sir Anerood Jugnauth, GCSK, KCMG, QC (President) Head of government: Dr The Honourable Navinchandra Ramgoolam (Prime Minister since July 2005, re-elected on May 5 2010) Elections: last held on May 5 2010

Source: CRM

*From Digest of Demographic Statistics, 2008 published by the CSO, Mauritius, from CSO mid-year estimate

SOCIAL AND ECONOMIC INDICATORS

ECONOMIC INDICATORS

General economic indicators	2005	2006	2007	2008	2009
Real gross domestic product (GDP) growth rate,* ⁵ calendar year (per cent)	2.3	5.1	5.52	5.02	2.74
GDP (at market prices),* ⁵ calendar year (Rs million)	185,348	206,328	235,5202	265,1992	277,2854
Gross national income (GNI) (at market prices)* ⁵ , calendar year (Rs million)	185,109	207,961	242,543	270,099	278,4854
GNI per capita (at market prices),* ⁵ calendar year (Rs)	148,857	165,972	192,3892	212,7012	218,0694
Inflation rate*, fiscal year ended June (per cent)	5.6	5.1	10.7	8.8	6.9
Inflation rate*, calendar year (per cent)	4.9	8.9	8.8	9.7	n.a.
Unemployment rate,* ⁸ calendar year (per cent)	9.6	9.1	8.5	7.2	8.14
Current account balance, fiscal year ended June (Rs million)	-6,321	-10,188	-17,415	-22,2323	-25,4513
Current account balance, calendar year (Rs million)	-9,570	-19,399	-13,248	-27,6333	n.a.
Overall balance of payments ⁶ , fiscal year ended June (Rs million)	-3,133	-3,019	6,603	9,110	2,4844
Overall balance of payments ⁶ , calendar year (Rs million)	-4,888	-4,573	13,880	4,624	n.a.
Net international reserves ⁹ , end June (Rs million)	65,805	64,740	83,499	83,946	97,802
Total imports (cif),* ⁷ fiscal year ended June (Rs million)	84,324	101,148	117,797	130,6712	123,3423
Total exports (free on board, or fob),* ⁷ fiscal year ended June (Rs million)	57,857	64,082	72,840	67,6732	66,8893
Government recurrent revenue,** [@] fiscal year ended June (Rs million)	35,192	38,509	41,818	52,744	62,2162
Government recurrent expenditure,** [@] fiscal year ended June (Rs million)	38,042	41,915	44,122	48,423	64,8232
Ratio of budget deficit to GDP at market prices,** [@] fiscal year ended June (per cent)	-5	-5.3	-4.3	-3.3	-3.02
External debt: central government,** ⁸ end June (Rs million)	9,232	8,535	13,452	12,451	17,666
Foreign Direct Investment in Mauritius,**** calendar year (Rs million)	2,807	7,222	11,514	11,419	8,942

Source: Bank of Mauritius (BoM), Statistics Division. <http://bom.intnet.mu>: Selected Economic Indicators. Date of Publication 21 December 2009. Accessed 20 May 2010.

Key	
¹ Excluding Agalega and St Brandon	⁸ Data derived from the Continuous Multi-Purpose Household Survey.
² Revised	⁹ Prior to June 2005, include the net foreign assets of 11 former category 1 banks. With effect from June 2005, include the net foreign assets of banks, adjusted for transactions of global business licence (GBL) holders.
³ Provisional	@ As from fiscal year 2008-09, the figures have been compiled using the IMF's GFS Manual 2001.
⁴ Forecast	^ Data is based on the methodology of the IMF's Depository Corporations Survey framework.
⁵ The national accounts data are based on the 2002 Census of Economic Activities.	n.a. not available
⁶ Valuation changes are excluded from reserve assets transactions.	* Source: Central Statistics Office (CSO), Government of Mauritius.
⁷ Data on imports and exports include transactions through the Mauritius Freeport.	** Source: Ministry of Finance and Economic Empowerment (MOFEE).
	*** Source: Ministry of Tourism, Leisure and External Communications.
	**** Source: Tableau de Bord, CSO of Government of Mauritius. Dashboard. http://www.gov.mu/potal/site/cso . Accessed 13 Nov 2009 for FDI data for 2005 and 20 May 2010 for FDI data for 2006-2009.

SOCIAL AND ECONOMIC INDICATORS

General social indicators	Period	Unit	2006	2007	2008	2009 ^a
Total population ¹	Mid-year	No.	1,252,698	1,260,403	1,268,565	1,275,034
• Female	Mid-year	Percentage	50.6	50.6	50.6	50.7
• Urban	Mid-year	Percentage	42.1	42.0	41.9	n.a.
Life expectancy at birth						
• Male		No. of years	69.1	69.2	69.3	n.a.
• Female		No. of years	75.9	76.1	76.1	n.a.
Age composition of population						
• Under 15 years	Mid-year	Percentage	23.9	23.3	22.8	n.a.
• 15–59 years	Mid-year	Percentage	66.4	66.7	66.9	n.a.
• 60–64 years	Mid-year	Percentage	3.1	3.3	3.5	n.a.
• 65 years and over	Mid-year	Percentage	6.6	6.7	6.8	n.a.
Dependency ratio	Mid-year	Per 1,000 persons	440.3	430.2	419.4	n.a.
Sex ratio	Mid-year	Men per 100 women	97.8	97.7	97.6	97.4
Population growth rate	Year	Percentage	0.66	0.65	0.56	0.51
Crude birth rate	Year	No. per 1,000 persons	14.1	13.5	12.9	12.7
Crude death rate	Year	No. per 1,000 persons	7.3	6.7	7.1	7.1
Marriage rate	Year	No. per 1,000 persons	18.3	18.3	17.7	17.5
Infant mortality rate	Year	Per 1,000 live births	14.1	15.3	14.4	14.6

General social indicators	Period	Unit	2006	2007	2008	2009 ^a
Under-five mortality rate	Year	Per 1,000 live births	16.9	17.1	16.6	n.a.
Maternal mortality rate	Year	Per 1,000 live births	0.17	0.36	0.37	n.a.
Total fertility rate	Year	Births per woman	1.7	1.66	1.58	n.a.
Population per doctor	Year	No.	897	876	877	n.a.
Population per hospital bed	Year	No.	292	297	299	n.a.
Crime rate ²	Year	Per 1,000 persons	4.7	5.4	5.1	n.a.
Drug offence rate ³	Year	Per 1,000 persons	3.1	3.5	3.3	n.a.
All-offence rate	Year	Per 1,000 persons	151.8	153.7	140.4	n.a.
Mobile cellular telephone subscriber	As at year end	Per 1,000 persons	614.8	734.3	812.3	804.4
Total Internet subscribers	As at year end	Per 1,000 persons	114.2	131.3	156.8	223.8
Total final energy consumption equivalent	Year	Kiloton of oil	876.3	857.5	841.6b	n.a.
Mean annual rainfall	Year	Millimetres	1,914	1,954	2,382	n.a.
Forest land as a percentage of total land area	Year	Percentage	25.4	25.3	25.3	n.a.

Education	Period	Unit	2006	2007	2008	2009 ^a
Public spending on education as a percentage of GDP	Year ending June	As at end of June	3.6	3.2	3.1	3.89
Gross primary enrolment ratio						
• Total	Year	Percentage	102	101	101	101
• Male	Year	Percentage	102	101	101	100
• Female	Year	Percentage	101	101	101	101
Secondary enrolment ratio⁴						
• Total	Year	Percentage	75	74	74	73
• Male	Year	Percentage	73	72	71	71
• Female	Year	Percentage	77	77	76	76
Pupil-teacher ratio						
• Primary	Year	No.	29	28	29	29
• Secondary	Year	No.	16	16	16	15
Tertiary enrolment ⁵	Year	No.	16,773	18,224	18,466	21,569
• Male	Year	Percentage	47.1	42.1	42.2	n.a.
• Female	Year	Percentage	52.9	57.9	57.8	n.a.

Representation of women in the executive, parliament and the judiciary (2008)	Men	Women	Total	Percentage of Women
Judges (Chief Judge/Sr. puisne judge/all other judges)	8	5	13	38.46
Magistrates (Intermediate Court/Sr. District/District)	16	25	41	60.98
Permanent Secretaries (2007)	18	9	27	33.33
Ministers (May 2010)	22	3	25	12.00
Members of Parliament	58	12	70	17.14

Labour force participation rates and unit cost	Period	Unit	2006	2007	2008	2009 ^a
Labour force (including foreigners)						
Both sexes	Year	000's	565.1	570.5	583.4	587.3
Male	Year	Percentage	63.7	64.1	63.5	63.2
Female	Year	Percentage	36.3	35.9	36.5	36.8
Activity rate ⁶						
Total	Year	Percentage	59.7	58.9	59.2	59.1
Male	Year	Percentage	77.7	77.2	76.6	76.1
Female	Year	Percentage	42.2	41.2	42.4	42.6
Unemployment rate ⁷						
Total	Year	Percentage	9.1	8.5	7.2	7.3
Male	Year	Percentage	5.5	5.3	4.1	4.4
Female	Year	Percentage	15.5	14.4	12.7	12.3
Employment by sector						
Percentage primary	Year	Percentage	9.4	9.1	8.7	n.a.
Percentage secondary	Year	Percentage	33.4	33.4	32.7	n.a.
Percentage tertiary	Year	Percentage	57.2	57.5	58.6	n.a.
Unit labour cost (Rs)						
• Change over previous year						n.a.
• Economy		Percentage	3	6.3	8.6	3.9
• Manufacturing		Percentage	-0.7	11.2	10.0	0.7
• Export processing zone (EPZ)		Percentage	-2.0	5.4	3.4	4.8

Industry	Period	Unit	2006	2007	2008	2009 ^a
Growth of 'sugar' sector	Year	Percentage	-2.9	-13.6	3.7	21.1
Growth of EPZ/export-oriented enterprise (EOE)⁸	Year	Percentage	4.6	8.0	3.6	-0.8
Investment in EPZ/EOE	Year	Rs million	2,245	4,301	2,164	1,107
EPZ/EOE exports	Year	Rs billion	33.6	37.8	34.9	n.a.
EPZ/EOE exports as a percentage of total exports of merchandise goods	Year	Percentage	45.4	54.2	51.3	n.a.

Tourism	Period	Unit	2006	2007	2008	2009 ^a	2010 ^a
Tourist arrivals	Year	No.	788,276	906,971	930,456	871,356	915,000
Growth of 'hotels and restaurants' sector	Year	Percentage	3.5	14.0	2.7	-5.3	5.1
Tourist arrivals increase over previous year		Percentage	3.6	15.1	2.6	-6.4	5.0
Gross earnings from tourism	Year	Rs million	31,942	40,687	41,213	35,693	40,150
Gross earnings per tourist	Year	Rs	40,521	44,860	44,293	40,963	43,880

Exchange and interest rates	Period	Unit	2006	2007	2008	2009 ^a
USD (Average of buying and selling)	Year	Rs	31.15	31.37	28.36	31.94
Euro (Average of buying and selling)	Year	Rs	39.51	42.92	41.61	44.52
Pound sterling (Average of buying and selling)	Year	Rs	57.83	62.86	52.73	50.07
Bank rate*	As at end June	Percentage	7.3	10.98	7.45	4.76
Prime lending rate*	As at end June	Percentage	9.20–10.25	10.70–11.75	10.15–11.50	8.05–9.00
Interest rates on savings*	As at end June	Percentage	5.70–6.27	7.20–7.60	6.25–7.25	4.00–4.75

Stock market data	Period	Unit	2006	2007	2008	2009 ^a
Market indices						
• Stock Exchange of Mauritius (SEM) (7 March 1998=100)	As at end December		264.41	477.4	267.22	360.75
• Benchmark All-Share Index of the Stock Exchange of Mauritius (SEMDEX) (5 July 1989=100)	As at end December		1,204.46	1,852.21	1,182.74	1,660.87
• Total Return Index of the Stock Exchange of Mauritius (SEMTRI) (5 July 1989=100)	As at end December		3,060.71	4,868.61	3,233.74	4,712.70
Market capitalisation	As at end December	Rs billion	117	173.1	109.3	151.2
Market capitalisation as a percentage of GDP	Year	Percentage	56.7	73.5	41.3	55.0
Annual turnover	Year	Rs million	5,992.20	11,825.50	10,473.7	n.a.

Source: *Tableau de Bord, CSO of Government of Mauritius. Dashboard.* <http://www.gov.mu/portall/site/cso>. Accessed 20 May 2010.

Key	
^a Forecast	⁵ Source: CSO. Annual Survey in Public-Funded Tertiary Institutions.
^b Revised	⁶ Ratio of Mauritian labour force to that of Mauritian population aged 16 and above
¹ Mid-year population, excluding Agalega & St Brandon	⁷ Ratio of unemployed to that of Mauritian labour force
² Figures exclude drug-related offences	⁸ EOE's include enterprises formerly operating with Export Enterprise Certificates
³ Offences under Dangerous Drug Act of 2000 and Psychotropic Substances Act of 1974	⁹ Budget estimates
⁴ Academic & prevocational	* Figures as at end of June
	n.a. not available

Millennium Development Goals (MDG) Status		
1	Eradicate extreme poverty and hunger	The proportion of the population living below the poverty line is less than 1%.
2	Achieve universal primary education	The proportion of children enrolled at level 1 who reach level 5 has increased and is now almost 100%.
3	Promote gender equality and empower women	The proportion of girls in the three levels of education is higher than that of boys. Proportion of women occupying paid employment in non-agricultural sector is still relatively low, about 35% - 37%.
4	Reduce child mortality	Indicators are encouraging and improving. Child mortality rate dropped from 30%, while that of infant-child mortality registered a remarkable fall of 27% between 1990 and 2006 to 14.1 per 1000 live births.
5	Improve maternal health	MDG on maternal mortality has been attained due to a reduction of 75% in the rate from 1990 to 2006. Deliveries supervised by health personnel are near 100%.
6	Combat HIV/AIDS and malaria	Mauritius has a low prevalence rate for HIV/AIDS. As of May 2010, 3938 people were living with HIV/AIDS. However, the rate of new infections is high, due to transmission through drug use. Mauritius may be considered a risk-free zone for malaria with a zero mortality rate
7	Ensure environmental sustainability	Access to potable water and primary health care is close to 100% in both rural and urban areas and nearly 9/10th of the population own their houses.
8	Develop a global partnership for development	Situation of unemployment, particularly among youth and women needs to improve. For ICT: mobile phone use increased to 804.4 per 1000 in 2009. Internet connectivity improved from 114.2 per 1000 in 2006 to 223.8 per 1000 in 2009.

Source: CRM

ACRONYMS AND ABBREVIATIONS

ACP	African Caribbean and Pacific
ADB	African Development Bank
AIDS	acquired immune deficiency syndrome
APR	African Peer Review
APRM	African Peer Review Mechanism
AU	African Union
BCA	Bid Committee Act
BIOT	British Indian Ocean Territory
BLS	best-loser system
BOI	Board of Investment
BoM	Bank of Mauritius
BPO	business process outsourcing
CDE	Committee for Democratisation of the Economy
CEB	Central Electricity Board
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEO	chief executive officer
CFL	compact fluorescent lamp
CIB	Complaints Investigation Bureau
cif	cost, insurance and freight
COMESA	Common Market for Eastern and Southern Africa
CP	commissioner of police
CPB	Central Procurement Board
CPE	Certificate of Primary Education
CPED	Corruption Prevention and Education Division
CPI	consumer price index
CPR	Corruption Prevention Reviews
CPU	Child Protection Unit
CRM	Country Review Mission
CSAR	Country Self-Assessment Report
CS-DRMS	Commonwealth Secretariat Debt Recording Management System
CSO	Central Statistics Office
CSR	corporate social responsibility
CSSDCA	Conference on Security, Stability, Development and Cooperation in Africa

CWA	Central Water Authority
DBM	Development Bank of Mauritius
DEM	Development and Enterprise Market
DFSC	Disciplined Forces Service Commission
DPP	director of public prosecutions
ECOSOCC	Economic, Social and Cultural Council (of the AU)
EIB	European Investment Bank
EISA	Electoral Institute of Southern Africa
EM	Enterprise Mauritius
EMS	Efficient Management System
EOE	export-oriented enterprise
EP	Empowerment Programme
EPA	Environment Protection Act
EPZ	export processing zone
ERB	Employment Rights Bill
ESC	Electoral Supervisory Commission
EU	European Union
FDI	foreign direct investment
FIAMLA	Financial Intelligence and Anti-Money Laundering Act (2002)
FIU	Financial Intelligence Unit
fob	free on board
FPTP	first past the post
FRA	Financial Reporting Act
FRC	Financial Reporting Council
FSAP	Financial Sector Assessment Programme
FSC	Financial Services Commission
GBC	global business companies
GBL	global business licence
GDDS	General Data Dissemination System
GDP	gross domestic product
GNI	gross national income
GSBL	Graduate School of Business Leadership (of UNISA)
HDI	Human Development Index
HIV	human immunodeficiency virus
HRDC	Human Resource Development Council
HSBC	Hong Kong and Shanghai Banking Corporation
HSGIC	Heads of State and Government Implementation Committee

IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAC	Independent Commission Against Corruption
ICREDES	Congolese Institute for Development Research and Strategic Studies
ICT	information and communication technology
ICTA	Information and Communication Technologies Authority
ICU	Internal Control Unit
IFAC	International Federation of Accountants
IFAD	International Fund for Agricultural Development
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
INTOSAI	International Organization of Supreme Audit Institutions
IOC	Indian Ocean Commission
IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
IPA	Information Technology Promotion Agency
IPCC	Independent Police Complaints Commission
IRA	Industrial Relations Act
ISA	International Standards on Auditing
ISO	International Organization for Standardization
ITES	Information Technology-Enabled Services
IVTB	Industrial and Vocational Training Board
JEC	Joint Economic Council
JLSC	Judicial and Legal Service Commission
LGSC	Local Government Service Commission
MACOSS	Mauritius Council of Social Service
MACSS	Mauritian Automated Clearing and Settlement System
MBC	Mauritius Broadcasting Corporation
MCB	Mauritius Commercial Bank
MCCI	Mauritius Chamber of Commerce and Industry
MCIB	Mauritius Credit Information Bureau
MCSAR	Ministry of Civil Service and Administrative Reforms
MCT	Mauritius Container Terminal
MDG	Millennium Development Goal
MECHR	Ministry of Education, Culture and Human Resources
MES	Mauritius Examination Syndicate

MEF	Mauritius Employers' Federation
MFA	Multi-Fibre Agreement
MHC	Mauritius Housing Corporation
MHL	Ministry of Housing and Lands
MICR	Magnetic Ink Character Recognition
MID	<i>Mauritius Ile Durable</i>
MIoD	Mauritius Institute of Directors
MIPA	Mauritius Institute of Professional Accountants
MIPAM	Mauritius Institute of Public Administration and Management
MLIRE	Ministry of Labour, Industrial Relations and Employment
MLP	Mauritius Labour Party
MMM	<i>Mouvement Militant Mauricien</i>
MoFARIIT	Ministry of Foreign Affairs, Regional Integration and International Trade
MOFEE	Ministry of Finance and Economic Empowerment
MoHQL	Ministry of Health and Quality of Life
MoU	Memorandum of Understanding
MP	member of Parliament
MPC	Monetary Policy Committee
MPF	Mauritius Police Force
MR	<i>Mouvement Républicain</i>
MRA	Mauritius Revenue Authority
MREPU	Ministry of Renewable Energy and Public Utilities
MSM	<i>Mouvement Socialiste Mauricien</i>
MSMM	<i>Mouvement Socialiste Militant Mauricien</i>
MT	Mauritius Telecom
MTEF	Medium-Term Expenditure Framework
MWRCDFW	Ministry of Women's Rights, Child Development and Family Welfare
NAO	National Audit Office
NBDTI	nonbank deposit-taking institution
NCB	National Computer Board
NCC	National Children's Council
NCCG	National Committee on Corporate Governance
NCRD	National Council for the Rehabilitation of Disabled Persons
NCW	National Council of Women
NCWCE	National Council of Women Chief Executives
NEA	New Economic Agenda

NEF	National Empowerment Foundation and Fund
NEPAD	New Partnership for Africa's Development
NESC	National Economic and Social Council
NGO	nongovernmental organisation
NHDC	National Housing Development Company
NHRC	National Human Rights Commission
NPC	National Wage Council
NPF	National Pension Fund
NPM	New Public Management
NPoA	National Programme of Action
NRB	National Remuneration Board
NRPT	National Residential Property Tax
NSC	National Coordinating Structure
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
ORC	Operational Review Committee
OSCI	Objectives, Standards, Criteria and Indicators (of the APRM)
PAC	Public Accounts Committee
PB	Programme Budget
PBA	Programme-Budget Approach
PBB	programme-based budgeting
PEFA	Public Expenditure and Financial Accountability
PET	polyethylene terephthalate
PMO	Prime Minister's Office
PMS	Performance Management System
PMSD	<i>Parti Mauricien Social Démocrate</i>
PMXD	<i>Parti Mauricien Xavier-Luc Duval</i>
PoA	<i>Protocol D'Accord</i>
POCA	Prevention of Corruption Act
PPA	Participatory Poverty Assessment
PPO	Procurement Policy Office
PPP	purchasing power parity
PRB	Pay Research Bureau
PRSP	Poverty Reduction Strategy Paper
PSC	Public Service Commission
PSM	<i>Parti Socialiste Mauricien</i>
RBA	Regional Bureau for Africa

RBB	results-based budgeting
RDI	Relative Development Index
ROSC	Report on the Observance of Standards and Codes
Rs	Mauritian rupees
SADC	Southern African Development Community
SBM	State Bank of Mauritius
SC	Steering Committee
SDDS	Special Data Dissemination Standard
SEC	Stock Exchange Commission
SEHDA	Small Enterprise and Handicraft Development Authority
SEM	Stock Exchange of Mauritius
SEMDEX	Benchmark All-Share Index of the Stock Exchange of Mauritius
SEMTRI	Total Return Index of the Stock Exchange of Mauritius
SME	small and medium enterprises
SOE	state-owned enterprise
TFSIVG	Trust Fund for the Social Integration of Vulnerable Groups
ToR	term of reference
TWG	technical working group
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCAC	United Nations Convention against Corruption
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNISA	University of South Africa
USA	United States of America
USD	United States dollar
VAT	value-added tax
WEI	World Education Indicators
WFE	World Federation of Exchanges
WHO	World Health Organization
WIN	Women in Network
WIP	Women in Politics
WIPO	World Intellectual Property Organization
WMA	Wastewater Management Authority
ZEP	Zone d'Education Prioritaire

EXECUTIVE SUMMARY

1. THE AFRICAN PEER REVIEW MECHANISM (APRM) PROCESS IN MAURITIUS

- 1.1 Mauritius signed the Memorandum of Understanding (MoU) for accession to the APRM on 9 March 2003. This committed Mauritius to observing the principles of democracy, socioeconomic development and good political, economic and corporate governance, as labelled in the AU declaration, and to being reviewed by its African peers periodically.
- 1.2 Vested with the responsibility of conducting the process, the National Economic and Social Council (NESC) established a national secretariat as its National Coordinating Structure (NSC) and Steering Committee (SC). It comprises one representative each from the Ministry of Foreign Affairs, Regional Integration and International Trade (MoFARIIT), the Prime Minister's Office (PMO), the Ministry of Finance and Economic Empowerment (MOFEE), the NESC, trade unions and the Joint Economic Council (JEC). The self-assessment exercise was launched in June 2004. However, the process was delayed for two years. It was revitalised in June 2007, when a private consultancy firm, Ernst and Young, was engaged through an open bid to facilitate the exercise.
- 1.3 Mauritius submitted its Country Self-Assessment Report (CSAR) and its accompanying National Programme of Action (NPoA) to the African Peer Review (APR) Secretariat in May 2009. The government then decided to invite the APR Panel to send a review mission in July 2009 so that it could present the report on Mauritius at the January 2010 APR Forum of Heads of State and Government.
- 1.4 Between 15 and 31 July 2009, Professor Mohammed Seghir Babès, a member of the APR Panel of Eminent Persons, led a mission comprising 19 African experts from 12 AU member states selected for their competence and experience in the various thematic areas of governance covered by the APRM. The main objectives of the mission were to:
 - Consult extensively with all stakeholders so as to deepen and complete the CSAR.
 - Evaluate the country's draft NPoA and make appropriate proposals.

- Ensure, as far as possible, that the self-assessment process that Mauritius conducted was technically sound, credible and free of any political manipulation.
 - Reach consensus with the stakeholders on the remaining issues and challenges, and make recommendations that would improve governance in the country.
- 1.5 In the course of its Mission, the Country Review Mission (CRM) met all the stakeholders involved in the APRM process in Mauritius. These included the President of the Republic, the Prime Minister, the Leader of the Opposition, the cabinet, representatives of the legislature and the judiciary, faith-based organisations, parastatal companies, decentralised communities, political parties, employers of labour and private sector organisations, civil society, trade unions, youth and women's organisations, and the physically challenged. The team also interacted with the media.

2. HISTORICAL PERSPECTIVE AND CHALLENGES AHEAD

- 1.6 Mauritius was unknown and uninhabited for centuries. Some Arab sailors visited the island during the Middle Ages. By 1500, the island was identified on maps as 'Dina Arobi'. The first European known to have visited Mauritius was Domingo Fernandez Pereira, a Portuguese sailor who landed on the island in about 1511. Early Portuguese maps called the island 'Cirne'.

The Dutch (1598–1710)

- 1.7 In 1598, Dutch naval warships arrived at Mauritius and the island was there-upon named after Prince Maurice Van Nassau of Holland. The Dutch established a settlement there in 1638 that lasted for 20 years. They are credited with introducing sugar cane, domesticated animals and deer to the island. The Dutch left Mauritius in 1710.

The French (1715–1810)

- 1.8 The French East India Company administered the island between 1715 and 1767. It renamed Mauritius the 'Isle de France'. A Frenchman, La Bourdonnais, founded the city of Port Louis in 1715 as a naval base and shipbuilding centre. The French government ruled Mauritius directly between 1767 and 1810, except for a brief period of self-rule at the time of the French Revolution.

- 1.9 France used Mauritius as a base for raids on British commercial ships during the Napoleonic Wars. The British responded by capturing Rodrigues Island in 1809 and Mauritius in December 1810. The Treaty of Paris (1814) ceded Mauritius to Britain along with the Seychelles and Rodrigues Island. Britain renamed the island 'Mauritius' and guaranteed respect for the traditions, language and customs of its inhabitants.

The British (1810–1968)

- 1.10 Britain introduced rapid social and economic changes. It abolished slavery in 1835, and Mauritian planters received 2 million pounds sterling in compensation for losing their slaves, who had been forcibly brought from Africa and Madagascar during French rule. The planters then hired indentured labourers from India to work on their sugar cane plantations. Mauritius exported its sugar to Britain. A small number of Chinese traders also moved to Mauritius during this period.

The franchise and the road to independence

- 1.11 As the date for independence approached, constitutional conferences were held in 1955 and 1957. A ministerial system of governance was also introduced. Universal suffrage followed and elections were held for the first time on 9 March 1959, although the country was still a British colony. Two more constitutional conferences were held in 1961 and 1965. After the last preindependence elections in 1967, Mauritius adopted a new constitution on 12 March 1968. The country's independence from Britain was proclaimed on the same day.

The slave trade and the emergence of the Creole community

- 1.12 Slaves accompanied the first French settlers to Mauritius in 1721. Many of them came from Madagascar and the East African coastal region along the Mozambique and Swahili coasts in the late 18th Century. A small number of slaves also came from India, Guinea, Malaysia and Indonesia. By the time of the British conquest of Mauritius in 1810, the local slave population had increased to 63,281. Slaves accounted for between 75 per cent and 85 per cent of the Mauritian population between the 1730s and the 1820s.

- 1.13 The French established sugar cane plantations in 1721. However, Mauritius only became a major sugar producer and exporter under British rule and after Britain's repeal of the preferential tariff for West Indian sugar in 1825. The area under cultivation more than doubled from 25,000 to 51,000 arpents¹ in the five years after 1825. Many slaves were forced to work in the sugar plantations. However, the needs of the planters began to exceed the supply of slave labour by the 1820s. Furthermore, because of the outright ban on slavery in 1835, planters had to look elsewhere for labourers. Seventy-five indentured labourers from India arrived in 1834, ahead of an immigration boom from India that led to the arrival of 451,000 labourers and their families by 1910. By 1862, immigrants from India made up 62 per cent of the island's population. This proportion increased gradually to 68 per cent by 1971. A small number of Chinese traders also moved to Mauritius during the 19th Century.
- 1.14 The Mauritian population of African descent, including Madagascar, is often referred to as the 'Creole population' or as 'Creoles'. The ancestors of the Mauritian Creoles were slaves haphazardly brought to Mauritius from different parts of Africa. Their original social structure was hardly maintained. As a result, the Creoles inherited no common language, kinship structure or other collective cultural traditions from the home regions. The Mauritian slaves created Creole, a new language based loosely on French, which most in Mauritius now speak along with French and English.

The current situation and its challenges

- 1.15 The economic history of Mauritius spans the four decades since the country's independence. It can be divided into three periods. During the immediate post-colonial period, the legacy of a single-crop economy, dominated by the sugar industry and cane plantations, was continued. It was also characterised by the first attempts at diversifying the economy by implementing an import-substitution strategy in the late 1960s and early 1970s. The outward-looking, export-oriented strategy of the 1970s characterised the second period. It was spearheaded by the sugar and textile industries on the one hand and by tourism on the other. They were the major driving forces for launching and sustaining economic growth. The vital role played by preferential trade access to EU markets for Mauritian sugar and textiles is undeniable and was one of the main drivers of the export-led strategy. New sectors were promoted during the 1990s. They included financial services. The third period started during the

present decade with the crisis in respect of Mauritius's export-led growth strategy that began with the end of preferential access to EU markets. The country is now beginning a new era of diversifying into a knowledge-based economy.

- 1.16 A single-crop economy handicapped Mauritius when it became independent. It relied too heavily on sugar exports. It also had a high population growth rate and unemployment. World sugar prices were at a record low, labour unrest was rife and high tax rates contributed to a dismal economic climate. Personal taxes and surcharges sometimes reached 92 per cent.
- 1.17 The Mauritian economy blossomed initially. It depended mostly on preferential prices and terms of trade for the island's sugar and textile sectors. An average annual growth rate of more than 5 per cent was maintained for 45 years. However, the European Union (EU) did away with preferential tariffs for Mauritian clothing and textile exports and terminated its Sugar Protocol in 2005. This affected Mauritian sugar exports to Europe. Unemployment rates began to rise and economic growth was slow. Mauritian foreign debt remained high. The Mauritian government responded by simplifying certain taxes and eliminating others, and by removing red tape and bureaucratic obstacles (such as the large number of licences required to start new businesses). It also reduced many tariffs or removed them completely.
- 1.18 The current Mauritian economy and political environment are strong. However, the country still faces a number of challenges. They include the following:
- Much of the food and energy that the country uses is imported. Recent food and energy inflation on world markets has consequently had a negative effect on Mauritius.
 - The economy is concentrated in the hands of a few groups. Descendants of French settlers still control much of the economy, despite a recent initiative taken by the government to 'democratise the economy'.
 - There is no real competition in many business sectors, although the government has recently established a competition commission to better control anticompetitive practices.
 - The Creole community is underrepresented among the political and economic elites of Mauritius.

3. DEMOCRACY AND POLITICAL GOVERNANCE

- 1.19 **Standards and codes.** Mauritius has signed and/or ratified more than 30 international standards and codes and about 20 regional instruments. Examples of the former include: (i) the Charter of the United Nations (UN) (adhered to in 1968); (ii) the Universal Declaration of Human Rights (adopted and proclaimed on 10 December 1948); (iii) the International Covenant on Civil and Political Rights (1966) (acceded to on 12 December 1973); and (iv) the International Covenant on Economic, Social and Cultural Rights (acceded to on 12 December 1973). Examples of the regional instruments include: (i) the Constitutive Act of the AU (ratified in April 2001); (ii) the African Charter on Human and People's Rights (1990) (ratified in June 2002); (iii) the AU Convention on Preventing and Combating Corruption (signed on 6 July 2004); and (iv) the Durban Declaration on Principles Governing Democratic Elections in Africa (2002), adopted by the AU Summit in July 2002.
- 1.20 However, many of the signed standards and codes are yet to be domesticated. For example, Mauritius has not yet ratified the AU Convention on Preventing and Combating Corruption. It is clearly necessary for Mauritius to ratify and domesticate the various conventions more rapidly.
- 1.21 **Preventing and reducing intrastate and interstate conflicts.** Mauritians come from diverse ethnic and religious backgrounds. They are descendants of immigrants mainly from India, China, parts of Africa and Madagascar, and France. The CSAR quotes the 1972 population census. This states that 51.5 per cent of the Mauritian people at that time were Hindu, 16.6 per cent Muslim, and 2.7 per cent Sino-Mauritian, and lists 29.2 per cent as the 'general population' (of African, European or mixed descent). These figures had not changed much by July 2009. Moreover, a 1982 constitutional amendment bars the recording of ethnicity during census counts.
- 1.22 Mauritius's diverse population is both an opportunity and a challenge. Mauritius has, so far, managed it carefully to ensure democracy, political stability and good governance. Mauritius has done so using several tools. First, is its electoral system, which is a combination of a first-past-the-post (FPTP, 62 seats) and best-loser system (BLS, eight seats) for its National Assembly to avoid a winner-takes-all situation. Second, it has a constitution that guarantees nondiscrimination on any grounds, like ethnicity or religion. Finally, Mauritius passed the

Equal Opportunities Act in 2008. This ensures equal opportunities for all Mauritians, although it was not in force by July 2009. However, the country needs to address perceptions that the Creole population is marginalised. This is seen in various ways. They include the fact that most Creoles live in absolute poverty and in poorly developed Rodrigues, compared with the main island, and that the Mauritian government has not done enough to change this. Although it was impossible to determine the exact level of the inequality in opportunities for Creoles, the CRM's visit to Rodrigues Island gave a very useful insight into the relatively poorer conditions of the mostly Creole population that inhabits the island. The government needs to continue to manage internal conflicts well. It should therefore consider abolishing the 'general population' category so that Mauritians can freely state the ethnic group to which they belong.

- 1.23 Mauritius has never been in conflict with any of its neighbours since independence. However, this should not lead to complacency. The potential for conflict is always present.
- 1.24 **Promoting constitutional democracy, periodic political competition, freedom of choice, the rule of law, citizens' rights, the supremacy of the constitution, national security, and law and order.** Mauritius has successfully established very strong democratic credentials on the African continent and globally. It is a multiparty parliamentary democracy designed after that in Britain. It has held nine general elections since 1968. A smooth transfer of power followed each election. Two issues need to be urgently addressed: political party funding and the type of electoral system (First past the post (FPTP) or proportional representation) it should adopt.
- 1.25 Concerns about national unity and law and order revolve round the police and its true character and role. According to the CSAR, the Mauritius Police Force (MPF) must enforce the law fairly, prevent crime and protect the community with integrity and sound judgement. The MPF has four main 'lines' of service: the land police force, air wing surveillance delivered by the Helicopter Squadron, a paramilitary wing provided by the Special Mobile Force, and a naval wing provided by the National Coast Guard. In addition, there are six other lines (divisions or units). They include the Passport and Immigration Unit. The Disciplined Forces Service Commission (DFSC) and the Complaints Investigation Bureau (CIB) perform the oversight function of the force.

- 1.26 The Special Mobile Force of the MPF acts in a similar role to an army, the Helicopter Squadron acts as the air force and the National Coast Guard as the navy. The designation 'Mauritius Police Force' does not convey the reality. The civilian wing (the ordinary police force in other countries) and the military wing (called 'the armed forces of land, air and sea' in other countries) make up the force.
- 1.27 **Promoting and protecting economic, social and cultural rights as enshrined in African and international human rights instruments.** Mauritius acceded to the International Covenant on Economic, Social and Cultural Rights in 1973. The country has established institutions responsible for guaranteeing the rights of citizens. They include the National Human Rights Commission (NHRC, which has a Sexual Discrimination Control Division), the Office of the Ombudsperson, the Office of the Ombudsperson for Children, the Truth and Justice Commission, and the Human Rights Centre.
- 1.28 However, some more improvements are needed. In particular, Mauritius should consider amending the constitution to include economic, social and cultural rights (like access to water, education and health). Mauritians already enjoy these rights. Mauritius therefore needs to increase legal protection, amend the Child Protection Act to improve the protection of children's rights, and clarify issues about the mentoring system and the placement of children with their next of kin.
- 1.29 **The separation of powers, including protecting the independence of the judiciary and the legislature.** The 1968 constitution has not changed much, except for establishing a republic in 1992. The constitution emphasises 'equal opportunity' and not 'affirmative action'. Section 16 (subsection 3) guarantees Mauritians protection from discrimination based on race, caste, place of origin, political opinions, colour, creed or sex. The constitution implies 'separate powers', but does not state this. One must read the various parts of the constitution, including the manner of appointing and removing judges, to appreciate it.
- 1.30 Sections 81 to 83 of the constitution describe the hierarchy of courts in Mauritius. The highest court in the country is the Judicial Committee of the Privy Council of the United Kingdom. The Supreme Court is subordinate to this committee. Its judges (although different from those who decide cases when they are argued in the Supreme Court) also serve in the Court of Criminal Appeal and the Court of Civil

- Appeal. Below these are the intermediate courts. District courts are the lowest courts. Appeals to the Judicial Committee of the Privy Council of the United Kingdom were apparently introduced to assure communities (especially the small minorities) that they have judicial protection. The arrangement is satisfactory on the surface. It does suggest, however subtly, that British rule continues. It is also costly.
- 1.31 There is some confusion about the dual function of the Supreme Court. It sometimes sits to hear appeals from lower courts. This is not a challenge. At other times, it sits as an appeal court to hear appeals against decisions that one of its colleagues has made. However, its judges are the same – except for the judge who heard the case that is being appealed. For 'people in the know' (especially the lawyers and judges), this is not an issue. For people outside the legal profession, on the other hand, there is the perception that this arrangement breeds bias in favour of the judge who made the contested decision and against the appellant. Mauritius established the Presidential Commission as far back as 1997 as part of its judicial reform. It examines and reports on the structure and operation of the judicial system and legal professions. Lord Mackay of Clashfern (whose report is known as the Mackay Report of 1998) chaired the commission. It made a series of recommendations about making the justice system more efficient so that it can accomplish its purpose better by serving the people. Mauritius has implemented several of these recommendations. However, it has not implemented the one calling for the reorganisation of the Supreme Court into two sections – a court of appeal and a high court.
- 1.32 **Accountability, efficiency and effectiveness of public officers and civil servants.** The Ministry of Civil Service and Administrative Reforms (MCSAR) controls the 'traditional' Mauritian civil service. It has about 50,000 employees. The larger public service – which includes the 'traditional' civil service, local governments and parastatals – has about 80,000 employees at various grades. The service has been true to its vision of "creating a modern and efficient public service to ensure good governance and achieve excellence in the delivery of public services". It remains politically neutral. It has faithfully served nine governments and, since 1968, has played its role of assisting elected governments to develop policies and to implement them.
- 1.33 The civil service has introduced a number of measures to improve public services. They include introducing quality management and customer care, setting standards for service delivery, securing

International Organization for Standardization (ISO) certification, developing a citizens' charter and a code of ethics, introducing the annual Public Service Excellence Award, and popularising e-government. A palpable weakness, which Mauritius must address urgently, is disregard for the reports of the director of audit (the auditor general in some countries). The report for the year ended 30 June 2008 gives the impression that some ministries and departments are inefficient and lethargic, and that they underrate audits in general, and internal audits and quality service (that effective internal audits ensure) in particular.

- 1.34 **Fighting corruption in politics.** Mauritius has fought hard against corruption, especially since the 1990s. It has passed appropriate laws, like the Prevention of Corruption Act (POCA) of 2002, and established equally appropriate institutions like the Independent Commission Against Corruption (ICAC). However, it needs to amend POCA to establish a body to supervise the investigative work of ICAC and extend the applicability of the law to everyone (private individuals, election candidates and advisers).
- 1.35 **Promoting and protecting the rights of women.** Mauritius has progressed in protecting women's rights. It established a ministry to handle women's matters in 1982. The ministry went through several changes in name and mandate. It was finally called the Ministry of Women's Rights, Child Development and Family Welfare (MWRCDFW) in July 2009. The ministry works with other institutions like the National Council of Women (NCW) and the National Women Entrepreneurs' Council. The country has also signed various conventions that promote and protect women's rights.
- 1.36 However, Mauritian women still face challenges, particularly domestic violence, despite existing laws meant to protect women. Some Mauritians say that the laws will not eradicate domestic violence. There are still stereotypes about inequality between the sexes in Mauritian society. In fact, Mauritius must support the laws with sensitisation and education programmes about women's rights at all levels from primary schools to tertiary institutions. The government must introduce a number of measures to promote and protect women's rights. It needs to ratify the various international, regional and subregional instruments for women's rights and provide the ministry with funds and personnel so that it can do its work better. It also needs to make marital rape a criminal offence.

- 1.37 **Promoting and protecting the rights of children and young people.** Mauritius acceded to the Convention on the Rights of the Child on 26 July 1990. The country has also established a legal and institutional system for promoting and protecting the Mauritian child. This includes the Ombudsman for Children Act of 2003.
- 1.38 Nevertheless, Mauritius still has a number of child-related problems. They include early marriage, the sexual exploitation of children, sexual violence, child prostitution, drug use and addiction, and general juvenile delinquency. Mauritius needs to take a number of measures to protect the rights of children and young people. They include: (i) intensifying efforts to eradicate violence against children in families and in society generally; (ii) stemming child prostitution; (iii) conducting research about the causes of child delinquency; and (iv) adhering to the provisions of the Convention on the Rights of the Child.
- 1.39 **Promoting and protecting the rights of vulnerable groups, including internally displaced and disabled people.** Mauritius has taken steps to promote and protect the rights of vulnerable groups, including internally displaced and disabled persons.
- 1.40 The Senior Citizens Council Act of 1985 ensures the protection of elderly people via a council. It is a corporate body that falls under the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions. The Trust Fund for Disabled Persons Act of 1988 protects disabled people. It established a vocational training fund for disabled people. The Disabled Persons Training and Employment Act of 1996 includes a section on antidiscrimination. It is now an offence for employers to discriminate against disabled persons when they recruit employees, when they determine or allocate wages, salaries or pensions, or in any other employment-related matter. There are approximately 35,000 migrant workers in Mauritius. Most of them work in the export processing zone (EPZ). The Ministry of Labour, Industrial Relations and Employment (MLIRE) (Employment Division, Migrant Unit) looks after the interests of these workers. The Employment Rights Act of August 2008 (which came into force in 2009), the Employment Relations Act of 2008 and 30 regulations for each sector are the labour laws that protect these workers and their nonmigrant comrades.
- 1.41 The Chagossians are another vulnerable group. Britain administered Chagos Archipelago as a dependency of Mauritius between 1810

and 1965. Britain excised the Chagos Archipelago in 1965 and formed the British Indian Ocean Territory (BIOT) together with other islands under the Seychelles. The Seychelles recovered the other three islands that had formed BIOT when it became independent in 1976. The government of Mauritius has consistently claimed sovereignty over the Chagos Archipelago.

4. ECONOMIC GOVERNANCE AND MANAGEMENT

- 1.42 Mauritius is a small island with few natural resources. It therefore relies heavily on its human resources. This most important asset has helped Mauritius to overcome its natural handicaps and transform its people into additional assets for the country's economic development. Mauritius has developed into a diversified economy. Its annual growth rates have averaged between 5 and 6 per cent since independence. With a per capita income of more than USD6,700 in 2009, Mauritius has become an upper middle-income country. Good economic governance and management have been pivotal in Mauritius's success over the last three decades. It has used its resources well and its successes with regard to socioeconomic development are obvious.
- 1.43 The country is now facing new challenges that need the attention of the government and other stakeholders if the country is to enjoy further success. They include: (i) coping with the changing global economic environment, which requires addressing issues concerning sustaining the growth pattern, and vulnerability to external shocks; (ii) defining and implementing the Mauritius of tomorrow, based on a clear vision of its future and its image, and which needs to be converted into coherent operational strategies aimed at achieving much-needed structural change; (iii) consolidating the economic achievements and their social effects while rethinking and exploring new avenues for diversifying the economy and improving national and regional economic integration; (iv) sustaining high economic growth which is characterised by social, geographic and regional equity; (v) transforming natural handicaps by building on geographical advantages; and (vi) continuously building and mobilising the capacity required for the Mauritius of tomorrow.
- 1.44 Mauritius has addressed these challenges through its economic governance and management system. The sections that follow analyse the ways in which the country has addressed these challenges. They also highlight its achievements and make some recommendations to assist Mauritius in the future.

- 1.45 **Standards and codes.** Mauritius has complied with and ratified most of the international and regional agreements and conventions. However, there are some notable exceptions, like the AU Convention on Preventing and Combating Corruption. On the other hand, Mauritius has yet to ratify a number of signed conventions. They include the Southern African Development Community (SADC) MoU on Macroeconomic Convergence. Apart from the fact that Mauritius has not ratified, signed or complied with some of the economic governance and management standards and codes, one of its most important failures is its poor domestication of conventions and agreements. Based on its analysis and findings, the APR Panel makes some recommendations about domesticating and disseminating standards and codes that Mauritius has complied with and ratified. They include: (i) implementing the recommendations of the National Audit Office (NAO); (ii) implementing the recommendations of ICAC and its evaluation mission partners [the EU, the World Bank and the International Monetary Fund (IMF)] on complying with standards and codes; and (iii) building capacity to improve the effectiveness of the relevant national institutions.
- 1.46 **Promoting macroeconomic policies that support sustainable development.** The APR Panel recognises Mauritius's tremendous efforts and successful achievements. They include a sustained average economic growth of between 5 and 6 per cent for the last two to three decades, and significant improvement in the living conditions of the Mauritian people. The APR Panel commends the country for this remarkable transition from a poor and 'desperate' country – according to some commentators – to a vibrant, upper middle-income country in three decades.
- 1.47 With the end of the preferential treatment of Mauritian sugar and textile exports and its easy access to the European Community market, which were the two main drivers of national economic growth, the country had to rethink its growth policy in order to tackle its structural crisis and some unfavourable developments. These include balance of payments, terms of trade, recurrent budget deficits and inflation. The government chose a knowledge-based economy, information and communication technology (ICT) and business process outsourcing (BPO) as its new driving forces to become a duty free island, regional centre and world service hub. This led to important economic reforms that had a threefold strategy. These were to change the business climate, simplify the fiscal system, and open the economy to foreign direct investment (FDI) and foreign competencies. There is no

carefully expressed vision of the Mauritius of tomorrow that captures this pragmatic approach. This vision should include structural changes and operational strategies. Some officials recognise that there is a gap in strategic thinking and planning. Assisting businesses, to enable them to adjust to international markets, seems to be one of the major objectives of economic governance and management, and particularly of macroeconomic policies.

- 1.48 The 'very good' FDI trend in Mauritius should be analysed thoroughly. Export-oriented growth in a free market, which heavy foreign investment supports, may have negative consequences because it is vulnerable and runs the risk of allocating huge resources to salvage export-oriented enterprises (EOEs). It may be better to concentrate on building an integrated economy. Furthermore, there are chronic budget, savings and investment deficits. Mauritius must therefore address the crucial issues of whether the fundamentals of a 'business-led state' will coexist with those of a welfare state, and whether such a macroeconomic policy is sustainable.
- 1.49 The debt issue deserves attention from the government and other stakeholders because of the consequences of high public debt. It is 65.8 per cent of gross domestic product (GDP) and 30.3 per cent of government revenue. Seventeen per cent of public expenditure goes to reducing debt. The debt structure is an important element of domestic debt. This situation may affect development and business prospects negatively.
- 1.50 Economic democratisation is the cornerstone of the Mauritian development philosophy. Some might see it as a good approach. However, an analysis of the achievements of this philosophy raises doubts about its effectiveness. One cannot get a clear understanding of the socioeconomic forces that underpin the democratisation of the economy, and its Empowerment Programme (EP), without acknowledging the socioeconomic and political fabric of Mauritian society and the chemistry between the ethnic, political and economic dynamics that have led to the 'business-led' approach.
- 1.51 Based on its analysis and findings, the APR Panel makes several recommendations aimed at filling the gap in strategic thinking and planning and defining structural changes that Mauritius should make to build the Mauritius of tomorrow. These include: (i) operational strategies to achieve the changes that will ensure high, sustained and inclusive economic growth; (ii) addressing the sustainability

of a business-led development approach, as opposed to that of a welfare state, in an open and external market-oriented economy; (iii) developing instruments and models for macroeconomic forecasting, regularly updating parameters and basic coefficients; and (iv) making the models more dynamic.

- 1.52 **Implementing sound, transparent and predictable economic policies.** The programme that the president of the republic presented to Parliament in 2004 reflected the desire to promote a new model of economic democratisation. Given the economic crisis, the government decided to accelerate the adoption of the reforms and initiate relevant policies within the framework of the 2006 to 2010 multiannual programme, particularly in public finance and tax administration. The objective was to reduce the budget deficit and maintain public debt at a sustainable level, and to ensure sound and transparent management. The most important reform was to provide the government with relevant budget programming and management tools. These included the Medium-Term Expenditure Framework (MTEF) and programme-based budgeting (PBB) in order to promote the efficiency and performance of budget management.
- 1.53 The government began developing sectoral policies to meet the challenges of the economic crisis, transform the structure of the economy and reconcile social justice with growth. The APR Panel congratulates the government on the efforts it made to acquire these indispensable tools for promoting economic governance. Some sectors have developed strategies, policies and action plans. However, the absence of clear methodologies reflects poor coordination and limited interest in these tools in the process of programming and budgeting for government operations. Finally, including these operations in the MTEF and PBB will cause problems.
- 1.54 Furthermore, the quality of, and coherence between, macroeconomic policies and the strategies and plans that the sectors developed without involving the social stakeholders effectively, as well as the poor mastery of these tools, remain major challenges to ensuring their relevance and efficiency. There are no macroeconomic projections or logical links with sectoral strategies. This will not guarantee that the economic policies will be predictable or that they will be managed efficiently and transparently.

- 1.55 Another major challenge to economic governance is the management of parastatal enterprises. The government feels that these entities continue to play a regulatory role in the labour market and that they contribute to safeguarding social cohesion. However, it becomes a problem in a completely liberal economy where the private sector is the main driver of sustainable growth. The public sector debt (of Rs122.9 million) will always create risk because of the weight of the debt of parastatal enterprises (Rs31.5 million).
- 1.56 The APR Panel recommends the following: (i) providing the government with a coherent macroeconomic framework that is based on economic projections and that is consistent with the political agenda; (ii) developing sectoral policies and operational programmes that clearly show priorities, sequencing and implications; (iii) promoting the effective participation of stakeholders, including trade unions and grassroots groups, in developing economic and social policies in order to promote a more responsible partnership for implementing and evaluating them; and (iv) reforming the parastatal enterprises sector.
- 1.57 **Promoting sound public financial management.** The government has begun to reform the legal and institutional framework in order to: (i) improve efficiency and transparency in public finance; (ii) ensure that PBB is better coordinated from the time macroeconomic projections are made to the time the budget is prepared; and (iii) coordinate the implementation of the MTEF and PBB. However, Mauritius is still developing these tools in isolation, and the government should consolidate these reforms to ensure that there is effective articulation and overall coherence between these tools. The government adopted the MTEF in 2003 and PBB in 2006. This showed that the government apparently wanted to improve its capacity for managing and monitoring financial management. The government only implemented the MTEF in 2006. The Public Expenditure and Financial Accountability (PEFA) report emphasised that the 2005/2006 and 2006/2007 budgets did not reflect PBB, because the sectoral strategies were not yet in place.
- 1.58 There are still considerable weaknesses in implementing the tools effectively. They include differences in how well the tools have been mastered, and the fact that the sector ministries do not have monitoring mechanisms. Furthermore, the MTEF and its related budgets should be based on economic policies that reflect the goals of the state at both macroeconomic and sectoral levels if they are to

- be efficient and effective. In addition, the programme budget is still prepared without considering the sector strategies. It therefore does not reflect sector costs. The quality of the MTEF and PBB suffers from an absence of modelling methods that help to tie the budget to the macroeconomic projections.
- 1.59 Mauritius began new and more rigorous reforms in 2006. They aimed particularly at increasing revenue and reducing current and extrabudgetary expenditure. They were directed mainly at: (i) fiscal and customs administration; (ii) debt management; (iii) public resource management; (iv) internal audits of accounting operations; (v) external control, which relies mainly on Parliament and the NAO; (vi) public sector procurement; and (vii) decentralisation. Institutional and methodological weaknesses reduce the efficiency and effectiveness of these reforms. Productivity and the efficiency of public spending remain concerns.
- 1.60 The APR Panel recommends the authorities to : (i) address these weaknesses in order to develop coherent macroeconomic and sectoral policies and strategies; (ii) prepare MTEFs and PBBs to promote credible budget management; (iii) review the accounting and internal control methodologies and manuals in order to adapt them to the requirements of PBB; (iv) reform parastatal enterprises quickly; (v) strengthen Parliament's capacity to analyse and control the budget; and (vi) make public expenditure more productive.
- 1.61 **Combating corruption and money laundering.** There is no doubt that there are corruption and money laundering in Mauritius. However, opinions differ about the size of the problem and about how it is developing. The World Bank and Transparency International studies confirm it. The CRM learnt on several occasions that corruption is a serious problem in the country. Most stakeholders believe that corruption is particularly prevalent among ministers, politicians and high-level civil servants, and that it has trickled down to lower levels. The perception is widespread that 'big fish' and well-connected people are immune to prosecution. In addition to the Customs Department, the police and the National Transport Authority, stakeholders say that corruption is widespread when contracts are awarded under the capital budget through collusion between government officials, contractors and suppliers.
- 1.62 ICAC, the most important agency involved in the fight against corruption, publishes an annual report. The 2007/2008 report shows that the number

of cases increased significantly from the previous year, including the number of cases reported by individuals willing to be identified. However, there are doubts about ICAC's effectiveness, because it fails to prosecute highly placed and well-connected individuals suspected of corruption. There is also no formal institutional arrangement that enables the authorities to act on ICAC's findings and recommendations. Parliament has failed to follow up on the reports from ICAC energetically. This raises serious questions about its capacity and effectiveness to control the management of public finances. The party that controls the executive also controls Parliament. The APR Panel therefore believes that Parliament's failure to take effective measures to discuss the ICAC reports reflects the lukewarm commitment of political leaders to fighting corruption.

- 1.63 The sources of money laundering are drug money, money from gambling and tax evasion. There seems to be little money laundering by people based in Mauritius. Reports of significant money laundering from India seem to be un-founded, although many companies use the offshore financial centre in Mauritius to channel investments to India.
- 1.64 The Financial Intelligence Unit (FIU) is responsible for fighting money laundering. Its annual report for 2008 shows that the institution is not performing its mandate as well as it should. Nevertheless, the problems in fighting corruption and money laundering lie more in implementing the existing laws and regulations than in the laws themselves.
- 1.65 The APR Panel believes that the measures that the authorities in Mauritius should take include: (i) strengthening efforts to convince key stakeholders and the public that the government is serious about fighting corruption and that nobody is immune from prosecution; (ii) ensuring that ICAC conducts surveys on corruption more frequently than once every six years; (iii) reconsidering the requirement that ICAC may only prosecute corruption cases with the approval of the director of public prosecutions (DPP); and (iv) establishing a mechanism at the highest level of government and in Parliament to follow up on the implementation of the recommendations contained in ICAC annual reports.
- 1.66 **Promoting regional integration.** Trade volumes between Mauritius and both the SADC and the Common Market for Eastern and Southern Africa (CO-MESA) are low, and trade is concentrated in a few countries. South Africa, Madagascar and the Seychelles are by far Mauritius's most important trading partners in Africa. Consequently,

one major challenge facing Mauritius is how to increase trade with African countries in a balanced and diversified manner.

- 1.67 Mauritius is very committed to economic cooperation in Africa at both subregional and regional levels. This commitment to economic cooperation with African countries, especially those in southern and eastern Africa, is particularly strong among government officials and officials of the JEC. The council harnesses nine major business groups in the country. It represents the interests of the principal entrepreneurs. This commitment flows from the fundamental characteristics of Mauritius. These are that it is a small island with a population of about 1.3 million and few natural resources. It also has a small domestic market where production is concentrated in a few areas. Mauritius's strategy of achieving sustainable development by diversifying production into new areas, like financial and consulting services and information technology, therefore means that it must have access to foreign markets, particularly those in neighbouring countries in eastern and southern Africa. Economic interests and calculations are the main drivers of Mauritius's commitment to close ties with eastern and southern Africa and with Africa in general.
- 1.68 The population's level of support for subregional and regional economic co-operation is uncertain. The CRM learnt that many Mauritians consider themselves Asian rather than African because of their historical origins, culture, language and religion.
- 1.69 Mauritius wants to be a bridge between Asia and Africa. The country has close economic, cultural and historical links with Asian countries, especially India and China. However, it does not see any incompatibility between its openness to Asia and Africa. The reason for this is that the authorities see regional integration as part of a more effective and beneficial integration with the global economy. The authorities, stakeholders and the public will have to start considering seriously how Mauritius will reconcile its membership of several regional organisations with its commitment to regional integration in Africa.
- 1.70 The APR Panel suggests that the Mauritian authorities and other stakeholders should: (i) increase efforts to promote stronger political, social and cultural ties with Africa by facilitating movement; (ii) strengthen the social and cultural interaction between Mauritius and the rest of Africa; and (iii) actively support efforts at rationalisation among the SADC, COMESA and the East African community.

5. CORPORATE GOVERNANCE

- 1.71 Mauritius has ratified and adopted a significant number of standards and codes. They include the Minimum Age Convention, the Worst Forms of Child Labour Convention, the Declaration on Control of Illicit Drug Trafficking and Abuse in Africa, and the Treaty Establishing the African Economic Community. However, a major challenge facing Mauritius is implementing and enforcing these standards and codes, as well as their related laws, because of a lack of capacity at the lower levels to support top-level decisions. The country has not implemented the recommendations of the World Bank Reports on the Observance of Standards and Codes (ROSCs). Another challenge, which devolves to the Financial Reporting Council (FRC), is to ensure that the codes of corporate governance in the country are effectively enforced. Their enforcement is rather lax at present.
- 1.72 Mauritius relies on trade to grow its economy. It has therefore introduced excellent measures to promote economic and business activities. Its policies are business-friendly and the World Bank's 2008 Doing Business Survey rates Mauritius as the best sub-Saharan African country on the ease of doing business. Mauritius has consequently succeeded in attracting significant FDI. The country's Business Facilitation Act of 2006 is the legal framework that provides clear guidelines for starting and operating businesses in Mauritius. The Board of Investment (BOI) is the agency responsible for promoting and facilitating investment in the country. Despite the country's probusiness environment, family-owned companies dominate the Mauritian market. This poses significant challenges to corporate governance. There are many instances, for example, where senior managers are also major shareholders or are related to them.
- 1.73 Corporate social responsibility (CSR) is important in today's business environment. The Mauritian authorities are becoming increasingly aware of the importance of CSR and the effect it could have on their efforts to make Mauritius the primary business destination in Africa. The government is therefore revising its laws to make them current, to improve CSR practices, and to highlight environmental and labour concerns in the country. However, the CRM observed that there is no legal framework to regulate CSR. There is adequate provision for protecting the environment in Mauritius. The Environment Protection Act (EPA) of 2008 provides adequately for environmental protection in the country. However, it cannot be emphasised enough that the trade

unions in the country see the new revision of legal codes as employer-friendly and therefore hostile to the employee. They also mention the Public Gathering Act, a code that the government reportedly uses to prevent trade unions from going on strike.

- 1.74 The Mauritian government deserves praise for its efforts to promote codes of good business ethics to regulate the corporate sector. The government passed the Code of Ethics for Public Officers in 2000. It sets the standards required of public sector officials when they carry out their duties. The code also presents the principles and guidelines that aim to instil a high standard of good behaviour in the public sector. The country also has a Code of Corporate Governance that applies to large private companies. According to this code, Mauritian companies should consider and address issues about ethical practices that are relevant to their particular environments and circumstances. The CRM discovered that Mauritius has the necessary written codes, but that enforcing them in practice is a challenge. The APR Panel recommended that the Mauritian authorities consider enforcing and implementing the country's codes as the priority for improving the business climate in a competitive global business environment where countries are competing for FDI.
- 1.75 The Companies Act of 2001 protects shareholder rights in Mauritius. The act states that each company must give its shareholders, on request, a statement that specifies the class of shares that they hold in the company. The act also lists shareholder obligations and liabilities, and provides for the rights of minority shareholders.
- 1.76 The Consumer Protection Act of 1991, the Fair Trading Act of 1979, the Price Control Act of 1998 and the Hire Purchase and Credit Sales Act of 1964 protect consumers in Mauritius. The government is currently revising all these instruments. Despite the protection the acts give to shareholders and stakeholders in the country, companies can still block the transfer of shares by giving notice of refusal within 28 days. The CRM also learnt that shareholder meetings can proceed even if there is an accidental failure to notify a shareholder. Finally, whereas the Companies Act of 2001 protects small shareholders, the CRM learnt that small shareholders cannot actually influence the decisions that the boards of private sector companies make. This makes it difficult for shareholders to defend their rights. The Mauritian authorities should consider new measures to protect shareholder rights, particularly those of small shareholders. The Mauritian corporate governance framework should treat minority

and foreign shareholders equally. All shareholders should have the same voting rights. The authorities should also consider studying the Sarbanes-Oxley Act of 2002 to improve public company governance in the country.

- 1.77 The Code of Corporate Governance and the Companies Act of 2001 list the roles and responsibilities of boards of directors of companies in the country. However, many companies are family-owned and senior managers are often board members. The CRM also learnt that the directors of most of the government parastatals were political appointees, rather than professionals appointed for their competence. This therefore raises doubts about their competence and objectivity. The same directors may sit on numerous boards of listed companies. This concentration of board membership in a few hands affects their independence and decision making. The Mauritian authorities should consider making the Code of Corporate Governance compulsory rather than voluntary. The Financial Services Commission (FSC) told the CRM that the government is considering doing so. The authorities should also consider providing the newly established Mauritius Institute of Directors (MIoD) with adequate resources to enable it to offer training on corporate governance to new and current members of public and private sector boards. They should also consider limiting the number of boards on which one person can sit.
- 1.78 In summary, despite the challenges that Mauritius faces in entrenching good corporate governance in the country, its efforts so far are laudable, even though corporate governance is a fairly new concept in the country. Corporate governance is important to the authorities' plans to attract FDI in order to grow the national economy. It is therefore one of the driving forces behind the government's efforts to do so. The revisions to the laws that support this effort and the business climate are also laudable. The authorities should therefore seriously consider enforcing the new and updated laws and codes.

6. SOCIOECONOMIC DEVELOPMENT

- 1.79 Mauritius has achieved sustained growth since independence. This has enabled the country to achieve the status of an upper middle-income country, develop a resolute social policy to eradicate extreme poverty, and build a welfare state. It protects vulnerable social groups, and the people have free access to health and education at all levels (from preprimary to higher education). There is a basic pension benefit for the elderly, disabled persons, widows and orphans. There are also

income support programmes, free public transport and subsidised consumer products.

- 1.80 Apart from universal and free access to public services and universal social protection, there is a contributory social protection scheme. It has covered retirement, occupational accidents and unemployment since February 2009.
- 1.81 Mauritius made these achievements possible through its firm collective will to transcend the difficulties inherent in an island that is far from the hubs of global production and consumption, limited in its land area and population, and endowed with few natural resources.
- 1.82 The country has gradually acquired human and institutional capacity. This has enabled it to develop a vision for planning its economic and social development, ensure the diversification of its economic base, promote its autonomy, and establish a resilient economy.
- 1.83 Mauritius is determined to develop by mobilising its own resources. It therefore searched for, and found, international support to deal with the exogenous shocks caused by the termination of the multifibre accords and the abandonment of the commercial preferences for sugar. It embarked on the greatest investment programme in its history.
- 1.84 Relatively high public debt characterises Mauritius's domestic finances and short-term commitments dominate them. The government developed a strategy to manage these internal finances. The government based its strategy on reducing their total volume rapidly and restructuring them in order to reduce short-term risks. The country's debt-servicing commitment to external finances seems moderate, and foreign exchange reserves offer reasonable security. The recently introduced budget management relies on rules that limit current expenditure, and on implementing programmes and achieving specific objectives in a triennial framework that the MOFEE coordinates.
- 1.85 Mauritius's progress in managing its budget rigorously must, however, be seen in terms of its longer-term vision. It should use this vision as the basis for all sectoral economic, social and other plans. They should all have the same time frames. Similarly, it should see infrastructure development within a medium- to long-term planning framework for land use and integrate it with the long-term vision and the broader sectoral economic and social plans.

- 1.86 With regard to reducing poverty, Mauritius is no longer suffering from extreme poverty. However, relative poverty persists. Furthermore, Mauritius has not really reduced the number of poor households in the past 15 years, despite various forms of aid and subsidies. The welfare state has benefited the poor and the less poor without distinction, although its efficiency has not been proved. Obviously, Mauritius needs a targeted aid and support policy in poverty-stricken areas such as strengthening the free-education policy by providing lunches for all schoolchildren younger than 16, and providing school materials for primary school children.
- 1.87 Contributory social protection covers occupational accidents, disability and retirement. Mauritius extended this protection to unemployment in February 2009. The benefits for retirement and unemployment seem to be small. Retirement benefits make up one-third of average incomes after 40 years of contributions at the rate of 9 per cent, and half of average incomes for contributions of 13.5 per cent. Unemployment benefits are only paid for a maximum of one year. The rates are 90 per cent of the salary for the first quarter, 60 per cent for the second quarter and 30 per cent for the remaining two quarters. Mauritius urgently needs to review social protection to ensure better coverage. It should present all possible scenarios for contributions, benefits and sustainability to stakeholders for discussion.
- 1.88 Statistical data indicates some stability in income distribution for the last 20 years. However, the Gini Concentration Index shows that it has deteriorated during the past five years. The Gini Concentration Index increased from 0.371 to 0.388. The share of revenue paid to the richest 20 per cent of people increased from 44 per cent to 45.6 per cent. The share paid to the poorest 20 per cent declined from 6.4 per cent to 6.1 per cent. The percentage of households with an income equal to half the median income increased from 13.1 to 14. Two bodies implement the salary policy. The National Wage Council (NPC, or National Tripartite Forum, which comprises representatives of trade unions, employers and the government) deals with annual compensation, while the Pay Research Bureau (PRB) deals with the increases that should be granted every five years in the public sector. Annual increments were generally low throughout the past eight years. They only compensated partly for inflation, while the five-year increments (those of 2003 and 2008) were very high. The wage rate index increased from 109.7 to 128.2 in all sectors between the second and third quarters of 2008. It rose from 103.3 to 136.2 in the public service. Despite these increments, Mauritius has maintained the purchasing

power of salaries. The productivity gains do not seem to have benefited the employees, because inflation is high. Mauritius needs another wage policy that is less erratic. It also needs to review salaries every year to protect the Mauritian economy from macroeconomic shocks and prevent salary frustrations. Social dialogue and a new social model – which considers competitiveness, the security of employees and their right to decent work – will be the key to general welfare, social peace and the successful integration of Mauritius with the world economy.

- 1.89 With regard to education, the enrolment rates in all cycles (from preprimary to higher education) are high and impressive for a developing country like Mauritius. Education is free and compulsory up to the age of 16. Of all the challenges faced by the country, three seem to be particularly important. The first is the thousands of school dropouts at the end of the primary school-leaving certificate examination. The second is the extra lessons that exclude schoolchildren from low- and medium-income families because they cannot afford the tuition fees. These private lessons are capturing the interest of many teachers at the expense of public school education. The third challenge is higher education, whose quality and resources are obviously inadequate. A rapidly increasing number of Mauritians pursue their studies abroad. Their numbers now exceed 10,000. A very low proportion returns to the country, creating a real brain drain.
- 1.90 Access to health care is universal and free in the public health institutions. They have adequate equipment and staff on the whole. Mauritius has made remarkable progress at all levels of the health sector. The country's maternal and infant mortality rates are among the lowest in the developing world. However, the situation with regard to the human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) is an exception. The number of cases detected each year (more than 500) is not declining, despite the aggressive policy the country developed to combat this scourge. On the other hand, increasing demand confronts the public health institutions and they are noticeably saturated. Mauritians are increasingly turning away from public health. According to the last World Health Organization (WHO) World Report, private health spending in Mauritius is 51.1 per cent of total health expenditure. In fact, public health spending in Mauritius is very moderate. It makes up only 1.9 per cent of the country's GDP. In contrast, it is nearly double that in other upper middle-income countries. Government's

budget supports this burden. There are no contributions to cover the risks of illness in the Mauritian social protection system. Mauritius needs to mobilise significantly more resources to ensure that public health care is sustainable.

- 1.91 Mauritius's social policy, its sustainability, and its capacity to eradicate poverty meet the basic needs of the education and health services. They protect the people against illness, unemployment and old age. However, Mauritius needs to reflect on its entire social system, which it built by accumulating benefits. The sources of inefficiency are numerous and there are many key challenges. However, the problems are not yet acute. This is the most appropriate time to tackle, discuss and resolve them.
- 1.92 The state is very involved in delivering potable water, proper sanitation, energy, ICTs, housing and land. Public enterprises deliver most of these services and provide them at affordable costs. The rates of access are quite high. Access to telecommunications and the Internet is the highest in Africa. With regard to access to housing, nearly 90 per cent of the houses are privately owned. The state has introduced different ways of providing plots of land and houses at affordable prices, or even free of charge, to poor families. The state has also made provision for housing credit facilities and subsidies to low-income households. The state grants subsidies to all, without distinction. This creates a problem, because there is no monitoring of the enterprises in charge of public services. Mauritius needs a targeted policy here. It also needs to introduce incentives to increase access to new ICTs and to personal computers.
- 1.93 The state has done much to ensure gender equality. It has strengthened the institutional and legal framework to promote the rights of women and achieve gender equality. It has signed or ratified all the international codes and standards on gender equality and their protocols. It amended the constitution in 1995 to make sexual discrimination illegal, and passed national legislation to increase the protection of women in several areas. It established a number of institutions to promote gender equality. They include the MWRCDFW and the NWC.
- 1.94 The situation of Mauritian women is contradictory when it comes to access to different services or levels of responsibility. With regard to education, the enrolment rate for girls is equal to, or higher than, that for boys, and girls have a significantly higher rate of success. With regard to health, there is good cover for maternal and infant health.

- 1.95 There are gender inequalities at several levels in the economic sector – like access to work and to positions of responsibility. Salaries and incomes for equivalent work are also unequal. There are also inequalities in politics. These are that: (i) women have a very low rate of participation in general elections (barely 8.8 per cent of the candidates are women); (ii) only 12 of the 70 parliamentarians (17.1 per cent) and only 6.4 per cent of municipal councillors are women; (iii) no women are members of top trade union management at the national level; and (iv) only two of the 20 ministers are women. Finally, violence against women is rampant, despite the laws that make domestic violence a crime. Sexual harassment also persists, particularly in the workplace.
- 1.96 Mauritius must continue to improve its policies if it is to make progress in achieving gender equality. This means that it must meet the commitment of SADC members (including Mauritius) to the 30 per cent quota of women in the different structures of power (government, Parliament and political parties). It must provide more resources to the ministry responsible for women's rights and organisations. It must highlight the gender dimension in all areas and in all statistics. Political, labour and associated organisations should take the lead in implementing the 30 per cent quota and integrating the gender dimension with their activities.
- 1.97 The government involves all stakeholders when developing policies and in order to promote participation in development at all levels. The government consults the NESC mainly in the prebudget discussions. The most important ministries, trade unions and employers, the Regional Assembly of Rodrigues, and civil society organisations for the youth, women and the elderly are represented on the NESC. It plays an important and acknowledged role in promoting dialogue and national consensus about major socioeconomic issues and development programmes. The government consults civil society organisations about developing and implementing various national plans and programmes. However, they are not structured, have few resources and lack the capacity to make proposals. In contrast, the private sector is well organised and structured and has very strong intellectual capacity. The JEC and the Mauritius Chamber of Commerce and Industry (MCCI) are representative bodies of employers. They are privileged partners of the government and Parliament. They participate in labour-related consultations and often take the initiative in major issues. Trade union confederations are also participants in major consultations. They also sit on the NESC and

many other bodies. As stated earlier, some Mauritian trade unions believe that the social reforms of the past few years have been more favourable to employers than to employees. The criticisms about them are the measures the government recently introduced to the legislation. These are reducing lay-off notice from three months to one month, restricting the right to strike and demonstrate, as well as the sanctions imposed on certain union leaders for exercising their right to demonstrate peacefully. There were also criticisms about the government's refusal to speak to trade union representatives. They have not had a meeting with the prime minister for a year and a half. The minister of finance and economic empowerment has also reportedly refused to reply to mail that union representatives have sent to him. The result of all this is that the purchasing power of employees has deteriorated. Employers and government officials are highly critical of the unions. They see the unions as opponents that are seriously out of touch with the requirements of changing times – competitiveness and globalisation. The weaknesses in dialogue are quite real, and Mauritius has no alternative but to establish a fertile partnership with the central stakeholders – the trade unions, employers and the government.

7. CROSSCUTTING ISSUES

1.98 The following are the crosscutting issues that emerged from the report:

- Rodrigues Island.
- Corruption.
- Managing diversity.
- Poverty.

Rodrigues Island

1.99 **Absence of key institutions of governance in Rodrigues.** A number of key government bodies that are present in Mauritius are missing in Rodrigues, most noticeably the Independent Commission Against Corruption (ICAC) and the National Human Rights Commission (NHRC). The CRM was informed that there is only one magistrate in Rodrigues, which means that there are numerous cases pending as well as a case backlog.

1.100 **Autonomy.** The leadership of Rodrigues remarked that the constitutional provisions regarding the autonomy of Rodrigues

should be abided by. The island has a higher status than the districts or municipalities of Mauritius, and should enjoy fiscal autonomy as well. The leadership strongly recommended that the stipulations of the Rodrigues Regional Assembly Act 39 of 2001 be strictly followed. The lack of operational and fiscal autonomy is limiting the ability of Rodrigues to enhance capacity on the island or to boost its economy. Some projects that should be implemented are not; this is because the budget is cut by the government and priorities are not met.

1.101 The CRM was informed that each district's local government is allocated Rs50 million, an amount that Rodrigues also receives, despite its semiautonomous status. The Regional Assemblies Act states that the chief commissioner and the prime minister may discuss issues such as this, but this has not happened. The feeling among the people of Rodrigues who were consulted by the CRM is that matters relating to the island should be dealt with at the level of the Prime Minister's Office (PMO) and not as a local government issue. The stakeholders suggested that, if a minister specifically in charge of Rodrigues were to be appointed, this would be beneficial to the island, since parliamentarians do not have time to look after the people and concerns of Rodrigues.

1.102 **Capacity Constraints and Cultural Constraints.** Rodrigues is plagued by high unemployment rates and low education incidence. The island has a young population, yet the capacities, skills and quality of education remain deficient, and the private sector remains underdeveloped. In addition, access to education is a problem owing to lack of finances to buy scholastic materials and to meet other educational needs. The question of priorities and culture also comes into play, since aspects of Rodriguan culture negatively affect or impede attendance at school. Consumerism and the debt trap have entrenched many Rodriguans in poverty and people lack the requisite information about, or exposure to, the type of financial advice that would help them to make wise choices.

Corruption

1.103 Despite the good image that Mauritius enjoys at the international level as one of the least corrupt countries in Africa, there is a broad consensus at the national level that corruption still affects a number of key democratic institutions (meaning political parties, Parliament, the judiciary, and the executive) as well as key institutions in the socioeconomic sector. Previous studies on corruption in Mauritius,

and various discussions with a range of stakeholders, informed the CRM of the persistence of corruption in the Mauritius Police Force (MPF), the Customs Department of the Mauritius Revenue Authority (MRA), and the National Transport Authority.

- 1.104 Since the adoption of the Prevention of Corruption Act (POCA) in 2002, the fight against corruption has taken a new turn, since this law applies to all civil servants and individuals invested with public authority (ministers, MPs, members of constitutional commissions, etc.). POCA provided for the creation of ICAC, which is currently the main player in the anticorruption drive. The legislature also plays an important role via its Public Accounts Committee (PAC), which monitors the effectiveness of the management of public finances. In addition, MPs have the power to question the relevance and/or transparency of the activities of the Central Executive. In recent years, the combined efforts of ICAC and the judiciary have led to judicial proceedings being instituted against ministers accused of acts of corruption. Commonly the most likely occasion for corrupt practices, during the interface between the public and the private sectors, is in the awarding of public contracts. However, POCA's scope for intervention is very limited in respect of corruption in the private sector. While the state's focus is on corruption in the public sector, the private sector's ability to defeat this scourge depends solely on voluntary initiatives that seek to develop tools of good governance.
- 1.105 The absence of a legal framework covering the financial activities of political parties as well as the corrupt behaviour of certain candidates are both elements that damage the very foundation of the Mauritian integrity system. Corruption in the realm of political finance generally takes many forms, ranging from vote-buying and the use of illicit funds to the sale of appointments and the abuse of state resources. As the source of much of the money that funds political corruption, the corporate sector has a vital role to play in ending this abuse of power. In Mauritius, the private sector has taken the lead in promoting ethical standards and in calling on all those who wish to donate to political parties to record in their accounts the amounts given and the beneficiaries nominated. However, because political parties are not obliged to publish their accounts or to say how much they receive from the private sector, it is difficult to talk meaningfully about transparency in the financing of political parties in Mauritius.

- 1.106 Another challenge facing the government is the need to close the legal loopholes affecting the issue of corruption. Some of these loopholes include the following: the fact that ICAC hasn't the power to undertake prosecutions without the approval of the director of public prosecutions (DPP); the need for more effective protection of whistle-blowers in order to encourage them to step forward; a lack of political finance regulations; and the need for the approval of the principal/owner before prosecution of corruption in the private sector can commence.
- 1.107 As in many African countries, as well as in other areas of governance in Mauritius, a major challenge in the fight against corruption is ineffective implementation owing to limited capacity. Claims have been made that the prosecution or investigation of alleged cases of corruption is sometimes prevented owing to high-level political intervention, especially when such allegations are levelled against senior officials and well-placed individuals. This perception undermines the credibility of the entire exercise, and the government should take energetic efforts to eliminate it.

Managing diversity

- 1.108 Cultural, ethnic, racial and religious diversity is a characteristic of Mauritius. When effectively managed, diversity enriches a country's social fabric and heritage through the peaceful and vibrant coexistence of its different peoples. Experience from many countries in Africa and elsewhere shows that, in order for diversity to be a positive force in a country, it must be effectively and carefully managed through deliberate state policies aimed at expanding and ensuring equal opportunities for all groups that are part of the diverse whole. Failure to do so invariably leads to inequalities in social, economic and political status and the stratification of society on racial, ethnic, religious and other bases. These inequalities then breed resentment and deep-seated grievances, which may erupt in violent conduct of one sort or another.
- 1.109 In recent times, Mauritius has been able to successfully avoid any negative manifestations of its diversity. This is not, however, a sufficient enough reason for the country to become complacent, especially since the main indicators of diversity assuming negative connotations are increasingly present in Mauritian society. These indicators include the exclusion of particular ethnic or religious groups from political, social and economic opportunities on the one hand, and, on the other,

the domination of these sectors by other ethnic and religious groups. Furthermore, diversity can only be seen as positive when the different social groups do not just coexist but also intermingle, intermarry and, in essence, see themselves as one whole comprised of different parts. This does not appear to be the case in Mauritius, as noted by the CSAR and confirmed by the CRM. The different groups in Mauritian society live in religious, ethnic and racial enclaves. Intermingling is limited. Intermarrying is even more unlikely. Some ethnic groups are hardly to be seen in the political sphere, except in a restricted capacity, and they are unequally represented at all levels of the civil service. Most importantly, one ethnic group (the Afro-Mauritian Creoles) lags behind all others in terms of human development indicators, which explains this group's enduring sense of grievance as well as its feelings of injustice and exclusion.

- 1.110 If Mauritius is to arrest the negative permutations of its diversity, the country will need to systematically address the issue through well-thought-out policies that foster the development of a truly equal society, in addition to building and instilling a sense of national identity that transcends ethnic, racial and religious barriers. As the CSAR noted, and as the CRM learnt, there have been some good and successful national policies aimed at enhancing equal access to political opportunities, mainly through the best-loser system (BLS). Furthermore, the country's constitutional endorsement of non-discrimination and the equal opportunities legislation it has enacted are regarded as positive developments. However, these efforts have failed to meet expectations when it comes to the implementation of measures that can transform the lives of those regarded as socially, politically and economically marginalised. Mauritius needs to build and inculcate a sense of being Mauritian that transcends ethnic, religious and racial barriers.

Poverty

- 1.111 Fall in the Incidence of Extreme Poverty. The first United Nations (UN) Millennium Development Goal (MDG) is to eradicate extreme poverty and hunger in the world. The target is to halve the proportion of people living on less than USD1 a day by the year 2015. The USD1 a day poverty line is more relevant to least developed countries, where there is extreme poverty. If we take the USD2 a day and the USD4 a day poverty lines, which are more relevant to middle-income countries such as Mauritius, the proportion of poor people has decreased over time. In the 1996-1997, 2832 households were living in on less than

USD 2 per day, constituting 1.03 per cent of all households in the country. This number had fallen to 2237 households in 2006-2007 at 0.67 per cent of all households. Using the USD 4 a day poverty line, the number of poor households decreased from 36,307 in 1996-1997 at 13.23 per cent to 31,933 households in 2006-2007 at 9.55 per cent of all households.

- 1.112 Relative Poverty. Mauritius has developed a Relative Development Index (RDI) of each administrative area using data from the most recent Housing and Population Census survey in the year 2000. The RDI measures the relative development of municipal wards and village council areas. It is used for identifying priority areas for the implementation of poverty-alleviation programmes, based on 12 variables that encompass housing and living conditions, literacy and education, as well as employment. Le Morne, the island of Rodrigues and Baie du Cap were thus identified as the least developed areas, while Quatre Bornes and Beau Bassin/Rose Hill were the most developed areas. Even though growth in Mauritius is acknowledged by the CRM, the RDI shows that there are still pockets of relative poverty in the country. The Government Programme for 2010-2015² has identified 229 pockets of poverty across the country. The Mauritian authorities should consider addressing these pockets of poverty with the effective implementation of well-constructed socioeconomic policies. Policies should also be put in place to help those losing their jobs in the textile industry owing to external factors. Equally important, the authorities should consider implementing policies that will address an increasing gap between the rich and poor in the country.

8. GOOD AND BEST PRACTICES

- 1.113 The following are the Good and Best Practices identified in the report:
- Public Service Excellence Award.
 - The role and powers of the ombudsperson for children.
 - The Migrant Unit of the MLIRE.
 - The treatment of senior citizens in Mauritius.
 - Financing the budget deficit in Mauritius.
 - Public-private sector partnerships.

Public Service Excellence Award

1.114 This Award was introduced by the Ministry of Civil Service and Administrative Reforms in 2006, following the announcement of its introduction by the current Prime Minister soon after the start of his first term of office in 2005. It is now a much-awaited, yearly event in which public organizations aspire to participate. It has successfully contributed to promote the spirit of innovation, continual improvement and excellence within the Civil Service. The award aims to recognise excellence and the spirit of innovation and to highlight their importance in developing a quality public service. Ministries, departments, units or divisions that have adopted innovative ways to meet the challenges that face them daily are given the award. A trophy and a cash prize (of Rs100000 are given at the award ceremony along with individual prizes of Rs50,000.

The role and powers of the ombudsperson for children

1.115 The Ombudsman for Children Act of 2003 established the position of om-budsperson for children in 2003. The ombudsperson represents and defends all Mauritian children in Mauritius, Rodrigues and Agaléga, and even those who are abroad. He/she also represents and defends foreign children on Mauritian territory.

1.116 To open an investigation, any adult or minor can contact the ombudsperson for children. That person must report the facts about any child victim. The om-budsperson for children guarantees the confidentiality of their information. The ombudsperson for children may also initiate an investigation as soon as he or she hears about a violation.

1.117 The ombudsperson for children must submit a report every year to the president of the republic, who, in turn, sends it to the National Assembly.

The Migrant Unit of the MLIRE.

1.118 The Migrant Unit of the MLIRE has powerful regulatory oversight functions designed to protect the rights of workers. The unit inspects the workplaces of migrant workers to ascertain whether employers comply with local laws. More than 700 inspections took place in 2008. In terms of the Employment Relations Act of 2008, the unit vets the employment contracts of migrant workers

before they are recruited. The unit also conducts follow-up inspections to ensure compliance and refers outstanding matters to the Industrial Court or to other authorities. The office is open 24 hours a day. Due to a large number of Chinese migrant workers, a full-time translator of Chinese languages is employed at the office to assist in translation. The Unit requires employers to sign contracts that stipulate the benefits that employers must provide to migrant workers. Mandated information includes the hours of work, meal breaks, payment for overtime work, leave entitlements, protective equipment, gratuities, insurance cover, living conditions and costs of repatriation on termination of contracts or burial expenses in cases of death.

The treatment of senior citizens in Mauritius.

1.119 Before 2005, senior citizens were exempted from paying at least half the transport fare on public transport systems. An electoral promise by the government introduced free transport for the elderly, the disabled and students after September 2005. Senior citizens do not pay airport tax.

1.120 In addition, medical domiciliary visits for those who are 90 years and older are guaranteed. Those who are bedridden from 75 years onwards and need extra help get a carer's allowance in addition to the universal pension. The elderly who live alone and pay rent receive an additional monthly allowance of Rs1,250. All poor elders get additional income support. They receive Rs150,115 a month for the purchase of foodstuffs. Indigent senior citizens get free wheelchairs, hearing aids and burial expenses. The Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions maintains the elderly, who cannot afford housing, in homes for the elderly.

Financing the budget deficit in Mauritius.

1.121 Mauritius is one of the few African countries that have succeeded, since 2004, in making budget deficit financing the instrument that regulates the money market. The government now covers its funding needs through the money market by issuing treasury bills and bonds and interest-bearing instruments.

1.122 As part of the definition of the budget policy, the government estimates its borrowing requirements to promote the issuance of

government securities. However, it does not interfere in the market. Treasury bills issued in the market in 2005/2006 and 2006/2007 stimulated the mobilisation of domestic savings and an increase in foreign investments because of favourable interest rates.

- 1.123 The Bank of Mauritius manages government securities to achieve its mission of administering monetary policy and advising government. The BoM's Monetary Policy committee (MPC) was established in March 2007 to ensure that the capital market was transparent and efficient and to develop monetary policy. The committee enables the BoM and the government to monitor market trends regularly, to intervene in the market in order to mobilise necessary resources for the government, to ensure that liquidity is properly managed, and to regulate interest rates. The committee meets at least once every quarter or whenever it is necessary. The committee publishes its decisions directly.

Public-private sector partnerships.

- 1.124 Mauritius is a country with effective and efficient public-private sector partnerships. The economic success of the country flows from these excellent partnerships and is led by the private sector. The government consults with members of the private sector on an as-needed basis to promote their interests through mechanisms such as the Joint Economic Council (JEC) where matters of policy development and implementation are discussed. The JEC comprises nine business associations representing large enterprises that control about 90 per cent of Mauritian business and contribute close to 80 per cent of investments in the country.

9. CONCLUSION

- 1.125 The country in general, and the authorities in particular, are responsible for building on the country's assets and overcoming the obstacles to governance and socioeconomic development. This is a legitimate and realistic ambition, and the country must mobilise all stakeholders to achieve it. Mauritius needs a strong political will to address the challenges and constraints and to build on the country's strengths through a consensual approach to negotiations that involve all stakeholders of Mauritian society – government, political parties, the private sector, trade unions and civil society organisations. This will be the basis for building a strong and emerging Mauritius of tomorrow.

- 1.126 The stakes and challenges confronting present-day Mauritius call for firm agreement about its most essential objective. This is to lay the foundations for a modern and solid economy as well as a conscious and responsible Mauritian and African citizenship.

Chapter 1



The APRM and its Implementation in Mauritius

CHAPTER ONE

1. INTRODUCTION: THE AFRICAN PEER REVIEW MECHANISM (APRM) AND ITS IMPLEMENTATION IN MAURITIUS

“The mandate of the African Peer Review Mechanism is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The APRM is the mutually agreed instrument for self-monitoring by the participating member governments.”

NEPAD/HSGIC/03-2003/APRM/MOU/Annex II

1.1 The APRM and its implementation

1. During the Inaugural Summit of the African Union (AU), held in Durban, South Africa, in July 2002, the New Partnership for Africa’s Development (NEPAD) Implementation Committee adopted the Declaration on Democracy, Political, Economic and Corporate Governance. In a bid to improve the quality of governance in Africa, the Sixth Summit of the Heads of State and Government Implementation Committee (HSGIC) of NEPAD, held in March 2003, in Abuja, Nigeria, endorsed the Durban Declaration and adopted the Memorandum of Understanding (MoU) of the APRM. Subsequently, the main documents outlining the core principles, processes and objectives of the APRM, including the APRM Base Document, the Document on Organisation and Processes (the O & P Document) of the APRM, as well as the Document on Objectives, Standards, Criteria and Indicators of the APRM (the OSCI document), were also adopted by the heads of state.
2. Member states of the AU may voluntarily accede to the APRM, a mechanism for self-evaluation by Africans for Africans. The main objective of the APRM is to ensure that the policies and practices of participating states conform to the values, codes and standards of political, economic and corporate governance and socioeconomic development contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The ultimate goal is, therefore, to encourage participating states to adopt policies, standards and practices that lead to political stability, high economic growth, sustainable development, and accelerated subregional and continental integration. The APRM intends to achieve this goal by sharing the

experiences of successful and best practices as well as by consolidating them. Thereafter, it hopes to build competence by identifying the deficiencies in, and assessing the requisites for, capacity building.

Box 1.1: APRM activity report

Widely proclaimed as the jewel in NEPAD's crown, the APRM is a unique exercise intended to facilitate the exchange of information and best practices among peers. It is based on mutual trust and confidence in the process. It is also a commitment to African governance for Africans and serves as a tool for implementing the codes and standards enshrined in the Declaration on Democracy, Political, Economic and Corporate Governance, and for achieving socioeconomic development.

National ownership and leadership by participating countries are essential to the effectiveness of such a process. This includes leadership as practised in other existing national processes, such as the Poverty Reduction Strategy Papers (PRSPs), the Medium-Term Expenditure Framework (MTEF), the National Human Rights Action Plans, strategies for the Millennium Development Goals (MDGs), ongoing institutional reforms and other poverty reduction strategies, as well as other relevant governance and socioeconomic development strategies, programmes and projects.

Twenty-nine member countries of the AU have thus far voluntarily acceded to the APRM. Algeria, Burkina Faso, Cameroon, the Republic of Congo, Ethiopia, Gabon, Ghana, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda were the first 15 countries to accede. Benin and Egypt signed the MoU at the AU Extraordinary Summit held in Sirte, Libya, in February 2004. In July 2004, five other countries – Angola, Lesotho, Malawi, Sierra Leone and Tanzania – acceded during the AU Summit held in Addis Ababa, Ethiopia. Later, two more countries – Sudan and Zambia – acceded during the African Peer Review (APR) Forum Summit in Khartoum, Sudan, in January 2006. São Tomé & Príncipe signed the MoU during the NEPAD Implementation Committee meeting held in Addis Ababa in January 2007, and Djibouti acceded during the Forum Summit held in Accra, Ghana, in July 2007. Mauritania signed the MoU to accede to the APRM in January 2008, in Addis Ababa; the country was subsequently suspended from the membership after the unconstitutional change of power in the country, but was recently restored after the sanction was lifted by the AU. Togo became the 29th member of the APRM by signing the MoU in June 2008, in Sharm El Sheikh, Egypt. Cape Verde has been formally accepted as a member by the APR Forum, but has not yet signed the MoU.

Ghana, Kenya, Mauritius and Rwanda were the first countries in which reviews were launched (in 2004). So far, peer reviews have been carried out in a further 12 countries: Ghana, Rwanda, Kenya, South Africa, Algeria, Benin, Uganda, Burkina Faso, Nigeria, Mali, Mozambique and Lesotho. These countries were peer-reviewed at the APR Forum Summits in Khartoum, Banjul, Accra, Addis Ababa, Sharm El Sheikh, Cotonou and Sirte.

3. So far, 29 member countries of the AU have voluntarily acceded to the APRM. Accession signifies the commitment of the signatory to be periodically peer-reviewed, to be guided by the agreed mechanisms, and to commit itself to achieving good political, economic and corporate governance and socioeconomic development in its National Programme of Action (NPoA).
4. The APRM process comprises five successive phases. These phases are defined in the APRM Base Document and are described briefly below.
5. **Phase one** is a preparatory phase, both at the level of the APR Secretariat and at national level. Under the direction of the APR Panel, the Secretariat forwards a questionnaire, covering the four focus areas of the APRM, to the country to be reviewed. With the assistance, if necessary, of the APR Secretariat and/or relevant partner institutions, the country uses the questionnaire to conduct a self-assessment exercise. After completing the self-assessment, the country formulates a preliminary NPoA that builds on existing policies, programmes and projects. Both the Country Self-Assessment Report (CSAR) and the preliminary NPoA are then submitted to the APR Secretariat. At the same time, the APR Secretariat develops a background document on the country. This document is drafted on the basis of documentary research and on recent and relevant information obtained regarding the state of governance and development in the country. It covers the four focus areas.
6. **Phase two** is the country review visit. Under the direction of the APR Panel, the Country Review Mission (CRM) visits the country concerned. Its priority is to add to the CSAR by holding as many consultations as possible with government officials, political parties, parliamentarians, representatives of civil society organisations, the media, academia, trade unions, and business and professional bodies. The CRM's main objectives are to:
 - Learn about the different stakeholders' perspectives on governance in the country.
 - Clarify the challenges identified in the documents on issues not addressed in the country's preliminary NPoA.
 - Build consensus on how such issues could be addressed.

7. It is important to note that the country plays a mainly facilitative role during the visit, in order to ensure that the CRM can carry out its review efficiently. The CRM has full access to all sources of information and to the different stakeholders, as provided for in the MoU on the Technical Assessment Mission and on the CSAR signed by the country under review and the APRM.
8. During **phase three**, the report of the CRM is drafted. It is based on the CSAR, the background documents, and questions prepared by the APR Secretariat, and on information obtained from both official and unofficial sources during the wide-ranging consultations held with stakeholders during the review visit.
9. The draft report:
 - Considers the applicable political, economic, corporate governance and socioeconomic development commitments made in the preliminary NPoA.
 - Identifies any remaining weaknesses.
 - Recommends further actions to be included in the final NPoA.
10. The draft report is first examined by the APR Panel, its official author. It should be clear about the specific actions to be taken in cases where major issues have been identified. The draft report is initially discussed with the government concerned in order to ensure accuracy of information. This, therefore, is an opportunity for the government to react to the CRM's findings and to formulate its own views on the weaknesses that have been identified and which must be corrected. The government's responses should be appended to the CRM's report on its findings and to the recommendations made in the draft report by the APR Panel, together with the NPoA finalised by the country.
11. **Phase four** begins when the CRM's final report and the country's final NPoA are sent to the APR Secretariat and the APR Panel. The APR Panel then submits these to the APR Forum of participating heads of state, and to the government under review for consideration and for the formulation of actions deemed necessary in accordance with the forum's mandate. If the country shows a willingness to rectify the identified shortcomings, participating governments should provide whatever assistance they can, as well as urge donor governments and agencies to assist the country under review.

12. **Phase five** is the final phase of the APRM process. Six months after the report has been considered by the heads of state and government of the participating member countries, the report is formally and publicly tabled in key regional and subregional structures. These include the regional economic community to which the country belongs, the Pan-African Parliament, the African Commission on Human and Peoples' Rights, the Peace and Security Council, and the Economic, Social and Cultural Council (ECOSOCC) of the AU.
 13. The timeline for these processes may vary considerably, depending on the country being reviewed and its specific characteristics. The anticipated duration of each peer review from phase one to the end of phase four is between six and nine months.
 14. This report marks the third phase of the APRM process in Mauritius. It presents the findings of the CRM to Mauritius, as well as the APR Panel's recommendations.
- 1.2 The implementation of the APRM process in Mauritius**
15. Mauritius signed the MoU on 9 March 2003, indicating to its people and the international community that its political leaders were committed to observing the principles of democracy, socioeconomic development and good political, economic and corporate governance through periodic reviews by its African peers.
 16. After acceding to the APRM, the prime minister immediately vested the implementation of the APRM process in Mauritius in the National Economic and Social Council (NESC) of 23 members, and designated the Ministry of Foreign Affairs, Regional Integration and International Trade (MoFARIIT) to be the APR Focal Point. The NESC then established a National Secretariat for the National Coordinating Structure (NSC), and a Steering Committee (SC) comprising one representative from each of the following: MoFARIIT, the Prime Minister's Office (PMO), the Ministry of Finance and Economic Empowerment (MOFEE), the NESC, trade union organisations, and the Joint Economic Council (JEC). The main responsibilities of the SC are the monitoring and evaluating of the work of the Research Institution, with a view to alleviating administrative constraints, advising on administrative and financial issues relating to the APRM process, and keeping the funding partners of the APRM process informed of progress. The Country Support Mission launching the self-assessment exercise was fielded in June 2004.

17. Due to the soaring of energy prices and the sudden drop in sugar prices, priority was given to the struggle to overcome these combined shocks, and the APRM process stalled for several years. It was revitalised in June 2007. Through an open-bid process, a private consultancy firm, Ernst & Young, was hired to conduct the self-assessment exercise. The mission of Ernst & Young in Mauritius was to:
- Popularise the principles, processes, objectives and actions of the APRM in terms of their adoption by the different stakeholders in the development process.
 - Sensitise national opinion on the issues and challenges of the APRM.
 - Organise broad-based consultations with various stakeholders through workshops and focus-group discussions.
 - Carry out a comprehensive survey with all main stakeholders in the country in a way that reflects the four broad focus areas.
 - Conduct an analysis of all information gathered with a view to making a diagnosis of situations on a sectoral basis.
 - Make recommendations which follow as natural conclusions of the situations.
 - Prepare a preliminary NPoA by liaising with government ministries.
 - Advise on the successful completion of the final report.
18. The sensitisation activities resumed in June 2007, although the first draft of the self-assessment report was not ready until the end of April 2009. The NPoA that accompanied the self-assessment was not costed and the CRM requested that the APR Focal Point do this before submitting the programme to the APR Panel.
19. The APR Panel was delighted that the government of Mauritius was determined to continue and reaffirm the country's commitment to make itself available for assessment by its African peers. The government subsequently decided to invite the APR Panel to dispatch a CRM in July 2009, in order to present the report on Mauritius at the January 2010 Forum. This mission was publicly announced during the Summit of the Heads of State and Government, held in Sirte, Libya, in June 2009.
- 1.3 The CRM**
20. The Mauritius CRM was conducted by Professor Mohammed Seghir Babès, a member of the APR Panel of Eminent Persons, from 15 to 31 July 2009. Mauritius thus became the 13th country to be reviewed.

More importantly, it was the first island country in sub-Saharan Africa to be assessed. This was a new experience that will definitely interest other countries which are experiencing the same realities elsewhere on the continent.

21. The CRM comprised 19 African experts from 12 AU member states, who were selected by virtue of their competence and experience in the field of governance in the different focus areas covered by the APRM. They were:

For the APR Panel and the APR Secretariat:

22. Professor Mohammed Seghir Babès, head of the CRM and member of the APR Panel of Eminent Persons; Mr Moise Nembot, coordinator: democracy and political governance and coordinator of the CRM of Mauritius; Mr Dalmar Jama, research analyst: corporate governance; and Ms Atany Kagnaguine, APR Panel support officer.

For partner institutions:

23. Mrs Souad Abdennebi, regional adviser for the promotion of women's rights at the United Nations Economic Commission for Africa (UNECA); Mrs Houda Mejri, communication officer in charge of gender issues at UNECA; Mr Donatien Bihute, former vice president of the African Development Bank (ADB) and international consultant representing the ADB; Ms Sylvie Kinigi, international consultant representing the ADB; Mr Dawit Makonnen, international consultant representing the ADB; and Mr Siphosa Malunga, governance practice leader for Southern and Eastern Africa, representing the United Nations Development Programme (UNDP).

For independent experts at the APR Secretariat:

24. *Democracy and political governance:* Mr Ijuka Kabumba, international consultant and associate professor of public administration and political sociology at Nkumba University; Ms Laura Nyirinkindi, international consultant and international human rights lawyer; and Ms Chantal Uwimana, international consultant and public administration specialist.
25. *Economic governance and management:* Mr Mbaya J Kankwenda, international consultant, executive director of the Congolese Institute for Development Research and Strategic Studies (ICREDES) and former resident representative of the UNDP; and Mr Abdul Aziz

Jalloh, international consultant and former director of the West Africa regional office of UNECA.

26. *Corporate governance:* Mr David Abdulai, chief executive officer (CEO) of the University of South Africa (UNISA) Graduate School of Business Leadership (GSBL); and Mr Najib Mohammed Harabi, professor of business administration at the University of Applied Sciences of Northwestern Switzerland.
27. *Socioeconomic development:* Mr Mahmoud Ben Romdhane, former professor of economics at the University of Tunis and international consultant; and Mr Mouloud Tehami, associate professor of economics at the University of Oran.
28. In accordance with the APRM mandate, the CRM further investigated and authenticated the results of the self-assessment performed by the NESC on efforts made by Mauritius in the field of governance. In more concrete terms, the CRM:
 - Held extensive consultations with all stakeholders in order to deepen and complete the self-assessment report.
 - Evaluated the draft NPoA submitted by the country and made appropriate proposals.
 - Ensured that, as far as was possible, the self-assessment process carried out by Mauritius was technically satisfactory, credible and devoid of any political manipulation.
 - Established a consensus with the stakeholders on the remaining issues and challenges and made recommendations likely to improve governance in the country.
29. Hence, the CRM met with all actors involved in the APRM process in Mauritius, particularly the president of the republic, the prime minister, the leader of the opposition, members of government, the legislature, the judiciary, faith-based organisations, parastatals, decentralised communities, political parties, employer and private sector organisations, civil society, trade unions, youth movements, women's organisations, and groups of disadvantaged persons, and held a press conference with the media.

1.4 Activities conducted during the CRM

30. The work of the CRM began with the CRM being granted an audience with the leader of the opposition. This was followed by the official

launch of the CRM during a ceremony attended by the minister of foreign affairs, regional integration and international trade, members of government, representatives from civil society and the private sector, the accredited diplomats based in Mauritius, and the development partners. The APRM delegation met with the prime minister and the president of the republic after the launch ceremony.

31. The CRM conducted its work in several stages. The first stage was undertaken in Port Louis, the capital and main city of Mauritius, where most government departments and diplomatic missions are located. The second stage took place in Rodrigues, the 10th district of Mauritius, where the CRM met with the chief commissioner and members of the council of Rodrigues. The third stage was in Grand Bay, where the CRM held most of its forums.
32. In Port Louis, the CRM met first with the APR Focal Point and the NESC to discuss the self-assessment report. Then, during the first few days, it met with all stakeholders, including representatives from civil society and the private sector, initially at a plenary session and then in working groups. The CRM afterwards met with institutions of the Republic of Mauritius: the speaker of Parliament, the chief justice, the head of the National Commission for Human Rights, the auditor general, the head of the Independent Commission Against Corruption (ICAC), the entire NESC, and the JEC. The CRM also met with a total of 12 ministers and their close working partners.
33. During the second stage, the CRM visited Rodrigues. It met the Executive Council of Rodrigues, headed by the chief commissioner. A stakeholders' forum was held, first in a plenary session, then in working groups, and then once more in a plenary session to present and validate the reports of the working groups. One of the memorable moments of this CRM was the interaction with a group of stakeholders from Rivière Banane. The people of Rivière Banane, who are mostly women who lived off fishing, were forbidden to fish in the lagoon and instead became farmers and livestock growers.
34. The fourth and final stage took the CRM to Port Louis, where it had the opportunity to interact for the second time with the minister of foreign affairs, regional integration and international trade, and his team. During this meeting, the review team presented the main provisional results of the consultations, highlighting the great achievements of Mauritius and the challenges identified in the review. The team

leader emphasised that the people of Mauritius should be committed to developing a robust NPoA for implementing the recommendations of the APRM CRM.

35. At the end of the CRM, a press conference was held, attended by the national and international media. The team leader highlighted the objectives of the CRM and the activities undertaken, and insisted on the implementation of the NPoA.
36. The outcome of this intensive work is organised as follows. This introductory chapter is followed by the presentation, in chapter 2, of some historical landmarks. Chapters 3 to 6 present the findings of the CRM in the four focus areas of the APRM: democracy and political governance; economic governance and management; corporate governance; and socioeconomic development. Each of these four chapters begins with an analysis of the situation in Mauritius concerning the signing and ratification of the codes and standards contained in the APRM methodology. The analysis of each objective opens with a brief summary of the country's self-assessment report on the particular objective. This is followed by a presentation of the findings that emerged from the meetings between the CRM and stakeholders at both national and levels, and then by a section outlining the conclusions of the assessment mission. The conclusions are based on documentary research and on meetings with stakeholders at both national and district levels. The analysis ends with the APR Panel's recommendations regarding those issues of governance that are considered to be important for the completion of measures that the authorities themselves are already taking, or intend to take, following the self-assessment exercise. Since one of the objectives of the APRM is to foster better practices on the continent, the best practices of Mauritius are mentioned. There are also information boxes illustrating aspects of governance specific to Mauritius that deserve to be highlighted.
37. Chapter 7 presents an analysis of crosscutting issues concerning two or more focus areas that require general action, while chapter 8 is devoted to constraints and general prospects.

Chapter 2



Historical Context and Current Challenges

CHAPTER TWO

2. HISTORICAL CONTEXT AND CURRENT CHALLENGES

38. This chapter provides a summary account of Mauritius's history (section 2.1) and of its current situation (section 2.2), and as such serves as an analytical backdrop to the Country Review Report. Section 2.1 traces the historical development of the country from the Late Middle Ages onwards, providing a brief overview of the island's transition from colonised territory to independent republic. Section 2.2 considers the country's current situation, and looks at some of the challenges it faces in the areas of political governance, economic governance, corporate governance and socioeconomic development.

2.1 Historical overview ^{3,4}

Early history

39. The island of Mauritius lay undiscovered for centuries, the earliest-known visitors being Arab sailors who landed there some time towards the end of the Early Middle Ages. By 1500, the island appeared on maps as 'Dina Arobi' – an Arabic name. The Portuguese sailor, Domingo Fernandez Pereira, was probably the first European to set foot on the island, arriving around 1511. Early Portuguese maps identify the island as Cirne or Ilha do Cirne (Island of the Swan), a possible allusion to the presence of the dodo, which inhabited the island in large numbers at that time. In 1512, another Portuguese sailor visited Mauritius, namely Don Pedro Mascarenhas, after whom the Mascarene Islands – Mauritius, Réunion and Rodrigues – are named. However, neither the Arabs nor the Portuguese settled on the island; the first to do so were the Dutch, at the end of the 16th Century.

The Dutch (1598–1710)

40. In 1598, Dutch naval warships arrived in Mauritius and the island was there-upon named after Prince Maurice van Nassau of Holland. In 1638, the Dutch established a small colony on the island, which lasted for 20 years. A second attempted settlement in 1664 proved unsuccessful and the Dutch left the island for good in 1710. The Dutch are credited with introducing domesticated animals, deer and, most significantly, sugar cane – a crop that would come to dominate the island's economic fortunes.

The French (1715–1810)

41. From 1715 to 1767, the island was under the administration of the *Compagnie des Indes orientales* (French East India Company). It was the French, and more particularly the island's governor, Bertrand-François Mahé de La Bourdonnais, who first made the 'Isle de France' (as it had been rechristened) economically viable. La Bourdonnais ruled as governor from 1735 to 1746 on behalf of the *Compagnie des Indes orientales* and positioned the island as a base from which French possessions in India could be supported. In 1735, La Bourdonnais founded Port Louis as a naval base and a shipbuilding centre. From 1721 onwards, as well as sugar cane production, slavery became an integral part of Mauritian life. However, sugar did not become an important export crop until the beginning of the 19th Century.
42. In 1767, the *Compagnie des Indes orientales* ceded political control of Mauritius to the French Crown. From 1767 until 1810, the French government directly ruled Mauritius, except, that is, for a brief period of self-rule at the time of the French Revolution (1789–1799). The colony's first royal comptroller, Pierre Poivre (1767–1772), encouraged the settlers to produce tropical products such as cotton, spices and indigo. However, owing to competition from other producers, the lure of more commercial activities at sea, and the damaging effects of visiting cyclones, these early attempts at plantation agriculture failed.

Box 2.1: Slavery in Mauritius

Slaves accompanied the first French settlers to Mauritius in 1721. Many of the slaves originated from Madagascar and the East African coastal region along the Mozambique and Swahili coasts in the late 18th Century. A small number of slaves also came from India, Guinea, Malaya and Indonesia. The historian J-M Filliot has estimated that, between 1670 and 1810, for both Mauritius and the nearby island of Réunion where slavery started at the earlier date of 1670, 160,000 slaves were forcibly landed, with 45 per cent coming from Madagascar, 40 per cent from Mozambique and East Africa, 13 per cent from India, and 2 per cent from Guinea⁵. In Mauritius alone, the local slave population grew from 648 people in 1735 to approximately 8,000 in the 1750s, 33,832 in 1787, and 49,080 in 1797. It should be noted that the local Franco-Mauritian population ignored the 1793 French National Assembly decree that banned slavery in the French colonial empire. Indeed, by the time of the British conquest of Mauritius in 1810, the local slave population had increased to 63,281. Slaves accounted for between 75 per cent and 85 per cent of the Mauritian population from the 1730s to the 1820s.

Source: Allen, RB. 1999. *Slaves, Freedmen and Indentured Laborers in Colonial Mauritius*. Cambridge: Cambridge University Press.

43. From its base in Mauritius, France utilised the island's port as a base from which to launch attacks upon passing British vessels. French government fleets attacked the British in India, and French privateers assailed British shipping during the many wars of the period: the War of the Austrian Succession, the Seven Years' War, and the War of American Independence. Sea battles between the two nations extended beyond these episodes of formal aggression, however, and were in fact a common occurrence during the generally hostile atmosphere that characterised Franco-British relations throughout the French Revolution and the Napoleonic Era. Mauritius also produced foodstuffs and supplies for French forces sailing to India.
44. French rule ended with Britain's capture of Rodrigues Island, in 1809, and Mauritius, in December 1810. Under the Treaty of Paris of 1814, Mauritius was ceded to Britain, along with the Seychelles and Rodrigues. The island was renamed Mauritius, with the British guaranteeing respect for the traditions, language, laws and customs of the Franco-Mauritian inhabitants.

The British (1810–1968)⁶

45. During the era of French rule, slaves had been forcibly brought to the island, the majority coming from Africa, in particular, Madagascar. Many of these Africans were put to work as labourers on the sugar plantations. In 1807, Britain abolished slave trading in the British Empire, but the illegal importation of slaves nevertheless continued. The practice became so widespread that, in 1828, a Commission of Eastern Inquiry, tasked with investigating the issue, concluded that negligence on the part of civil authorities had indeed allowed the unlawful commerce in human beings to continue. It has been estimated that at least 30,000 slaves were illegally brought to Mauritius in the period from 1811 to the early 1820s⁷. The actual abolition of the practice of slavery in Mauritius took place only in 1835, when Mauritian planters received 2 million pounds sterling in compensation for the loss of their slaves.⁸

6- Allen, RB. 1999. *Slaves, Freedmen and Indentured Laborers in Colonial Mauritius*. Cambridge: Cambridge University Press.

7- *Ibid*, p 15.

8- Government of Mauritius website, www.gov.mu.

Box 2.2: Sugar plantations, the end of the slave era, and indentured servants

Sugar cane plantations had been established in 1721 by the French, although for much of the 18th Century production levels failed to meet the island's needs. The sugar produced was used to meet the shipping industry's demand for an alcoholic drink called 'arack'. The number of sugar plantations grew slowly, and, by 1810, 9,000 to 10,000 arpents were under sugar cultivation. It was only under British rule and the repeal by Britain in 1825 of the preferential tariff for West Indian sugar that Mauritius became a major sugar producer and exporter, with the area under cultivation more than doubling from 25,000 to 51,000 arpents in the five years after 1825.

In addition to the tens of thousands of slaves already in Mauritius, more than 30,000 were illegally landed in Mauritius in the 1820s. Many were constrained to work in the sugar plantations, where the need for slave labour was beginning to outstrip its supply. Furthermore, as a consequence of the outright ban on slavery in 1835, planters were forced to look elsewhere for labourers, especially after many of the newly emancipated slaves disregarded the new 'Act of Abolition' law that provided planters with access to their labour as 'apprentices' for a maximum additional six years, by purchasing their liberty before the end of the apprenticeship period.

The British had sought an alternative supply of labour for the Mauritian colony as early as 1816. In 1816 and 1817, 500 Indian convicts were brought to Mauritius to work on building roads, and this number had grown to at least 1,017 by 1828. Mauritian sugar planters sent agents as far afield as China, Ethiopia, Madagascar and Singapore to look for labour. In the end, the planters opted for Indian indentured labourers, owing to their prior experience of living with a local free Indian population of artisans and craftsmen in Mauritius, as well as the need to avoid the appearance of importing labour illegally from Madagascar, among other considerations. The decision was also made because India was under a British administration, whose policy at the time favoured Indian emigration as a means of relieving the subcontinent's overpopulation concerns. As a consequence, 75 indentured labourers arrived in 1834, heading an immigration boom that led to 451,000 landing by the end of the immigration period in 1910. More than 294,000 of these labourers stayed on beyond the end of the indenture phase. By 1862, the immigrant population comprised 62 per cent of the island's population. A small number of Chinese traders also moved to Mauritius during this period.

Source: Allen, RB. 1999. *Slaves, Freedmen and Indentured Laborers in Colonial Mauritius*. Cambridge: Cambridge University Press.

The voting franchise and the road to independence

46. The British established a Council of Government in 1825, the members of which were nominated by the governor. By 1886, however, the council also included 10 elected representatives, although only wealthy, land-owning individuals were allowed to vote. The franchise was extended in 1933, and, by 1948, all literate adults were allowed to vote. A newly formed Legislative Council replaced the Council of Government. The Legislative Council of 1948 comprised 34 members: 19 elected members, 12 members nominated by the governor of Mauritius, and three ex-officio members.

47. Constitutional conferences were held in 1955 and 1957, after which a ministerial system of governance was introduced. On 9 March 1959, the first elections to be based on universal suffrage were held. The constitutional conferences of 1961 and 1965 led the country further down the road to independence. Following the general elections of 1967, a new constitution was adopted on 12 March 1968. The country's independence was proclaimed on the same day. Until 1992, the year in which Mauritius became a republic, the island was headed by a governor general representing the British Crown.
48. The preindependence and postindependence periods in Mauritius were marked by increasing tension and sporadic outbreaks of largely ethnic-based violence. Clashes between the Creole and Hindu communities had been evidenced as early as May 1965, in Trois Boutiques, a village in Souillac, in the southern region of Mauritius. Shortly before attaining independence in 1968, fighting occurred between the Muslim and Creole communities in the nation's capital, Port Louis.
49. Democracy in postindependence Mauritius got off to a rocky start. In December 1971, a state of emergency was declared under the Public Order Act. This was an emergency measure designed to curb the rising unrest in the country, which was attributed to the activities of the Mouvement Militant Mauricien (MMM). Political parties and trade unions had some of their activities curtailed and several leaders of the MMM, including Paul Bérenger, were arrested. The first elections of the postindependence era were scheduled to occur five years after the (preindependence) elections of 1967. Through constitutional amendments, however, the election date was extended to 1976. It was not until 25 November 1976 that political meetings were allowed and elections held.
50. Successive elections have been held regularly since 1976, with smooth transitions to power. Initially, the two major parties in Mauritius were the Mauritius Labour Party (MLP) and the *Parti Mauricien Social Démocrate* (PMSD). The first prime minister of Mauritius, in 1968, was Sir Seewoosagur Ramgoolam, who was the MLP leader. In addition to the MLP, two other political parties have dominated the political scene: the above-mentioned MMM and, as a result of a split within the MMM, the *Mouvement Socialiste Mauricien* (MSM). Coalitions and alliances distinguish Mauritian politics, as different parties recognise the value of such strategies as a means of leveraging administrative and executive power for themselves. As noted in the Country Self-

Assessment Report (CSAR), the following coalition governments have been formed since independence:

- In the 1976 elections, the MLP (which won 37.9 per cent of the votes) formed a coalition with the PMSD (which won 16.20 per cent of the votes) and so acquired a majority in the National Assembly.
- In the 1982 elections, the MMM formed a coalition with the *Parti Socialiste Mauricien* (PSM), acquiring all 60 seats in the National Assembly.
- In 1983, a rift in the ruling MMM/PSM coalition resulted in a group of MMM members (led by Paul Bérenger) leaving the government. Those MMM parliamentary representatives who stayed, as well as the members of Parliament (MPs) of the PSM, formed the above-mentioned MSM. Subsequently, the MSM, the MLP and the PMSD formed a coalition called The Alliance, which secured comfortable majorities in the elections of 1983 and 1987.
- In the 1991 elections, the MSM formed a coalition with the MMM and won 56.3 per cent of the votes.
- In the 1995 elections, a new partnership was forged between the MLP and the MMM, which won the full complement of seats (60) in the National Assembly.
- In the 2000 elections, the MMM formed a coalition with the MSM, winning 52 per cent of the votes. In 2003, Paul Bérenger became the first Franco-Mauritian and non-Hindu prime minister, serving as premier for the final two years of the coalition's five-year term. The two parties had previously agreed that Anerood Jugnauth, the leader of the MSM, would serve as prime minister for the first three years only, at which point he would step aside and let Bérenger take over.
- In the 2005 elections, the MLP joined forces with the *Parti Mauricien Xa-vier-Luc Duval* (PMXD), the *Mouvement Socialiste Militant Mauricien* (MSMM), the *Mouvement Républicain* (MR) and the Les Verts Fraternelles (The Greens) to form the *Alliance Sociale*, which was voted into power with an overwhelming majority.

Box 2.3: Mauritius: Consolidating democracy

Mauritius has established itself as an enduring democracy in Africa. Since independence, the country has successfully staged nine elections. These have been held at regular intervals and, in each case, the outcome has been broadly accepted by the general public. Mauritius's pluralistic democracy means that a diversity of ideologies is represented at national, district and local level. This has ensured the institutionalisation of a culture of democratic and constitutional governance in the country, as well as political stability. In this regard, Mauritius stands out as a beacon on the continent.

Mauritius is one of the more unique African countries in terms of the ethnic, religious and racial diversity of its inhabitants. The population's ancestors hail from three continents: Africa, Asia and Europe. Despite the obvious complexities such mixed-heritage relations present, the country's various leaders have made a concerted effort to accommodate differences and to manage the diversity of interests, perspectives, concerns and agendas in such a way that conflict is avoided.

*The Creole population*⁹

51. The Mauritian population of African descent, including those whose ancestors came from Madagascar, is often referred to as the 'Creole population' or, more typically, 'the Creoles'. Originally from East Africa (principally Malawi, Mozambique, Tanzania and Zambia), the first Africans to arrive on the island were brought to work as slaves for the ruling European elite. The disparate groups were regarded as an undifferentiated mass by their masters, who organised their new labour force in a completely haphazard manner, paying no attention to the differing cultural, ethnic, religious or social qualities that distinguished one group from another. As a result, it became impossible for the Malawians, Mozambicans, Tanzanians and Zambians to maintain the family and kinship structures, cultural practices and language(s) of their mother countries. Without a common language to unify them, the Mauritian slaves created a new one, loosely based on the French language, which became known as 'Creole'. Indeed, an early form of the Creole language was already in existence in 1772, as described by the author and traveller, Bernardin de St Pierre, in her book *Voyage à L'Île de France*, where the patois spoken by the slaves is noted. The slaves were converted to Roman Christianity, and the vast majority of the modern-day Creole population is Catholic. However, the Creole population has also preserved and maintained some of the religious practices and beliefs of Africa, and so too its art forms, including dance and music, for example 'Séga' music.

Rodrigues Island¹⁰

52. Rodrigues is named after a Portuguese navigator, Diogo Rodrigues, who visited the island in 1528. The Dutch settlers in Mauritius used to visit the island whenever fresh food supplies were needed. Later, towards the end of the 17th Century, a group of Huguenots led by Francois Leguat attempted to set up a community on the island, but left after only two years' occupation.
53. From 1735, the French governor of Mauritius, La Bourdonnais, sent detachments of men to Rodrigues to gather fresh meat for the supply of French ships as well as for the Mauritian islanders.
54. By the end of the 19th Century, about 3,000 people were living in Rodrigues, with most of the population descended from freed slaves and European colonists. The island has continued to function as a supplier of food to Mauritius. There has been minimal industrial development, although in recent years tourism has become a major activity.
55. The island of Rodrigues, with a population of 37,499 as of December 2007, is one of the four main inhabited islands that comprise the Republic of Mauritius. The other three islands are Mauritius, with a population of 1.227 million in December 2007, and Agalaga and St Brandon, with a combined population of 289 people in December 2007.
56. Rodrigues is the second major island of the Republic and is administered as the 10th district of Mauritius. However, in 2002, the island was granted a degree of autonomy through the creation of the Rodrigues Council and the appointment of a chief commissioner to oversee the administration of internal affairs.

2.2 The economic context^{11, 12}

57. At independence, Mauritius was handicapped by a monocrop economy that was overly reliant on sugar exports, by increasing population growth and by severe unemployment. World sugar prices were at a record low, while labour unrest was high. These factors, combined with the high tax rate regime, contributed to a dismal economic climate, with personal taxes, including surcharges, reaching 92 per cent.

58. In the 1970s, the government of Mauritius acted to bolster the faltering economy. It did so by opening up the tourism sector and by passing the Export Processing Zone Act. In 1974 and 1975, the sugar price rose and the ACP/EU Sugar Protocol was signed. The signatories were 19 African Caribbean and Pacific (ACP) countries and the European Union (EU) and the effect was to create an increased demand for the sugar of the ACP nations. Mauritius, a member state of the ACP, benefited from these developments and its sugar industry boomed. Mauritius also started a textile industry in the 1970s which, together with sugar and tourism, grew to dominate the business sector in the last quarter of the 20th Century.

Box 2.4: Mauritius: The challenge of reinvention

The blossoming of the Mauritian economy from independence onwards depended in large part on price and trade preferences for the island's sugar and textile sectors. This led to over 40 years of average annual economic growth of more than 5 per cent. In 2005, however, Mauritius was faced with the discarding of trade preferences for clothing and textile exports and a gradual phasing out of the EU's Sugar Protocol. As a result, unemployment rose, growth slowed down, and foreign debt increased. Furthermore, another mainstay of the economy, the export processing zone (EPZ) sector, was in recession, with output down by 30 per cent and a loss of approximately one-third of its workforce.

The Mauritian government responded to these challenges by simplifying and eliminating taxes, removing red tape and bureaucratic blockages (such as the proliferation of licences required to start a new business), and lowering or completely removing tariffs. The government and the private sector worked closely together in nurturing Mauritian business. As a result, Mauritius has in recent years become more economically diversified. The tourism industry has grown rapidly (there are now over 100 hotels on the island) and an offshore banking industry has also developed – Mauritius now hosts more than 18 banks. The country has also developed as a gateway for investment into Africa. China, for example, has selected Mauritius as one of five special development zones in Africa and has earmarked over USD700 million in capital investments for exports to the rest of Africa.

Sources: (1) *The Economist*. 16 October 2008. *Beyond Beaches and Palm Trees*. Viewed 13 August 2009 at www.economist.com. (2) *Financial Times*. 12 March 2008. *FT Special Report*. Viewed 13 August 2009 at www.ft.com.

2.3 Conclusion: The strengths and challenges for Mauritius

59. The challenges for Mauritius are both political and economic. In the political context, they include the need for maintaining social justice and peace among the constituent Mauritian communities; electoral reform; regulation of the financing of elections and political parties; and the promotion of the rights of women.

10 - History of Rodrigues. <http://quatre-bornes.info/>. Viewed 19 August 2009.

11 - *The Economist*. 16 October 2008. *Beyond Beaches and Palm Trees*. Viewed 13 August 2009 at www.economist.com.

12 - Currimjee, B. 10 March 2008. *A Prophetic Adventure, édition spéciale - 40 ans d'indépendance*, L'Express.

Diversity and social peace

60. Religious and ethnic diversity, cultural interaction, and community cohabitation are areas where communal tension is manifest. The building of a national identity based on notions of patriotism seems to have been overwhelmed by an overemphasis on sectarianism, which is heightened during elections. The nation's component social groups remain in religious and sociocultural divides.

Electoral reform

61. The electoral system in Mauritius has raised concerns about the propensity to promote democratic participation and inclusion in the context of the diversity and complexity of the ethno-religious and social landscape. Past elections have shown a tendency towards a large imbalance or disparity between the share of votes cast and the number of seats secured by political parties in the National Assembly, leading to disproportionality.

Financing of political parties

62. The electoral law of Mauritius, while regulating the funds that candidates can expend, does not have verification mechanisms to check excesses in the funds used by political parties. Opacity in regard to access to funds and sources of funding for election campaigns increases perceptions of political corruption. It is not part of common practice within political parties in Mauritius to hold detailed financial reports on funds, and very few party members seem to be informed as regards their party's financial status. Concerns have also been raised over the use of money and other favours in politics. There is an ongoing debate, both in Parliament and in the media, on the reform of the electoral system and on the introduction of public funding of political parties.

Promotion of the rights of women

63. The Mauritian constitution prohibits any form of discrimination based on gender. Having subscribed to the provisions of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Mauritius has taken further action to promote and protect the rights of women by passing a Sexual Discrimination Act (2002), and by setting up a Ministry of Women's Rights, Child Development and Family Welfare (MWRCDFW). Despite these efforts, women's

participation in political and governmental affairs, as well as public employment, is still very low, and domestic violence is rife.

64. Mauritius faces challenges in the economic environment, including:
- An overreliance upon imported food and energy – a problem made worse by the recent levels of inflation in the food and energy sectors of world markets.
 - An overconcentration of much of the economy – that is, the descendants of French settlers still control large sections of the economy despite a recent government initiative to 'democratise the economy'.
 - The absence of true competition in many business sectors – although the government has recently created the Competition Commission to better police anticompetitive practices.
 - The absence of the Creole community from the economic (and political) elite of Mauritius.

Chapter 3



Democracy and Political Governance

CHAPTER THREE

3. DEMOCRACY AND POLITICAL GOVERNANCE

3.1 Introduction: Challenges to democracy and political governance

65. Democracy and political governance are very important. They are necessary for successful economic, corporate and socioeconomic governance. This is so because they deal with fundamental issues, questions and problems about the very existence of the state. Governance issues need to be rigorously identified, listed, categorised, analysed and addressed effectively and efficiently, preferably proactively, otherwise the very existence of the state is likely to be threatened and the lives of its citizens affected or disorganised, as has been seen in weak and/or failed states in and outside Africa.
66. The tasks of building and maintaining democracy (including good political governance) are not easy. This is true even for the most developed or stable countries. It is also a continuous process. Indeed, it is untrue to say that there are countries that are too stable or mature (because they are 'old' democracies) to be politically shaken or, worse, forced to collapse. All countries, despite their past and present strengths and credentials, are therefore exposed to political risks. It is consequently necessary for a country to identify its major strengths, challenges and risks in order to decide what it needs to be aware of as it moves along the path to democracy and good governance.
67. This introductory note gives a background to democracy and political governance in Mauritius. Mauritius can proudly claim to be democratic and well governed. However, it has its challenges and faces some risks.
68. Mauritius's greatest strength is her people. Most of the 1.3 million Mauritians are immigrants from Africa (Madagascar and Mozambique), China, France and India. They immigrated, or found themselves in the country, for various reasons and in different circumstances. Many, for example, came to Mauritius from India as labourers. Others (the Africans, found mostly in Rodrigues) found themselves in the country against their will – as slaves. Yet others (French and English) were conquerors or rulers. In time, the former labourers (Mauritians of Indian origin) became rulers or masters, especially after 1968, although economic

power remained in the hands of a small minority, and still does, namely in the hands of the former rulers.

69. The country's population is therefore very diverse in race, language, religion, culture, country of origin, and economic and political systems. It is also very varied, to some extent, in its levels of development, especially in the main island of Mauritius and the island of Rodrigues.
70. These circumstances give the context in which Mauritius exercises democracy and political governance. Mauritius is small, in land mass and size of population. Nevertheless, Mauritius can rightly claim to be big socially, economically and politically. Mauritius is certainly important, sophisticated and complex.
71. The best example of its importance, complexity and sophistication is its language policy. Although there are languages like Hindi, Tamil and Urdu, which are the languages of the ruling elite (Hindu-Muslim), most Mauritians speak Creole. This is paradoxical, because Creole is the main language of a minority of mostly ex-slaves, although many Mauritians speak and identify with the Creole language. Creole literature is also not as developed as English and French. The next most spoken language, even in offices, is French. Nevertheless, the medium of instruction is English. English is also the language of the courts (although they also use French). The country publishes its laws in English. Mauritius is silent on what its official language (or languages) is. However, section 49 of the constitution states that the "official language of the Assembly shall be English but any member may address the chair in French". Section 33(d) states that one of the four qualifications for membership of the National Assembly is that one "is able to speak and, unless incapacitated by blindness or other physical cause, to read the English language with a degree of proficiency sufficient to enable him to take an active part in the proceedings of the Assembly". For all practical purposes, therefore, English is the de facto official language of the country, although the law does not state this. It is to the credit of Mauritius that the government and its people are able to handle this linguistic ambiguity, which, from the point of view of public policy, seems to be deliberate and does not threaten democracy.
72. Mauritius has been largely peaceful despite its heterogeneity and occasional internal conflicts, like those that occurred in 1964, 1968 and 1999. The people and their leaders have managed to deal with their diversity. This is a great strength and the country should

continue to build on it as it moves into the future. Furthermore, since independence in 1968, Mauritius has never experienced any conflict with any of its neighbours.

73. Mauritius has a multiparty and parliamentary democracy similar to the British one. It has held nine general elections since 1968. A smooth transfer of power followed each of them. The electoral system is truly competitive, something that has helped to maintain peace, harmony and economic prosperity. This shows what a country can achieve if it allows its political parties to be genuinely competitive, despite the real difficulties associated with pluralism.
74. The country has signed, and subsequently ratified, most international conventions. Sections 3 to 16 of its constitution provide for various rights. There are institutions like the National Human Rights Commission (NHRC) and the Office of the Ombudsperson that provide the framework for promoting and protecting rights.
75. Another major strength of the Mauritian governance system is the constitution of 1968. It provides for the separation of powers between the legislature, the executive and the judiciary without paralysing the operations of government. It guarantees equality before the law and outlaws discrimination of any kind. Despite occasional amendments here and there, which are justified because the supreme law and subordinate laws need to be responsive to changing times, the 1968 constitution has stood the test of time.
76. The director of audit has repeatedly pointed out over the years, with little response or success, that there are weaknesses in internal auditing. Nevertheless, the Mauritian civil service is generally good. This is important because of the key role that the civil service plays in the governance of a country. The civil service has faithfully served the various governments and cooperated actively with the private sector in implementing the policies of the government. That is good for democracy. However, cooperation with the private sector has to be monitored carefully so that the civil service does not hide its inefficiencies or surrender its duty to serve the democratically elected leaders, which the private sector cannot do.
77. One of the greatest threats to democracy today is actual or potential corruption. Fighting corruption is not easy anywhere in the world. Mauritius has fought hard against corruption, especially since the 1990s, by passing appropriate laws like the Prevention of Corruption

Act (POCA) of 2002 and by establishing equally appropriate institutions like the Independent Commission Against Corruption (ICAC). The challenge of these bodies is to ensure that they do not target the small people while the more powerful ones continue with their corrupt dealings.

78. Despite its successes, the country faces additional challenges, problems and risks.
79. It might be necessary, for example, to resolve the problem of the official language, or languages, and to reflect the solution in an amended constitution rather than to continue with the current linguistic ambiguity. There is also the issue of coalition governments. These can help the democratic cause by preventing potential conflict and/or reducing existing tension. However, it seems that coalition politics is beginning to cause some disquiet. This is because each of the three main parties has been either the ruling party or the official opposition since independence. These coalitions are increasingly seen as a sort of 'club'. Parties or persons outside it are excluded and have no hope of 'getting in'. Democracy requires that the Mauritians themselves answer the question of whether the situation is good for democracy.
80. The country's constitution does not currently provide for specific economic, social and cultural rights like access to water, education and health. Citizens nevertheless enjoy them. It would be appropriate, therefore, if the country's constitution included them.
81. Democracy is good, but it is a complex system of government. In addition, it sometimes appears contradictory. Citizens, for example, do not want discrimination. Some want special consideration. This is euphemistically called affirmative action. The problem is that affirmative action can create real or apparent inequality, which is undemocratic. Therefore, the challenge is to ensure or guarantee equality before the law and to outlaw all discrimination on the one hand, and to assist marginalised or disadvantaged groups, like women, the people of Rodrigues and disabled people, on the other. Could measures meant to assist one section of society unwittingly and practically be unfair to other members of the same society? What consequences could this have for democracy?
82. There are other challenges. First, it is necessary to decide whether it is necessary for final appeals to go to the Judicial Committee of the Privy Council of the United Kingdom. Without this reform, appeals

to this committee will remain the preserve of the rich. It is necessary for the civil service to pay more attention to the reports of the director of audit (the auditor general), since it appears that these are ignored. Mauritius has done very well in looking after the weaker members of its society, like the elderly and disabled people, and continues to do so. However, it faces a challenge with regard to women, who are not well represented in Parliament, councils or the Cabinet. Part of the explanation is that there are few women candidates. In addition, despite the Equal Opportunities Act of 2008 – yet to come into effect – the plight of most women is not likely to change significantly soon. This is because affirmative action is not considered appropriate as it opposes the principle of nondiscrimination. Mauritians will continue to face this issue as Mauritius pursues democracy. Mauritius cannot realistically answer these and similar questions immediately. Despite its success in handling diversity, for example, it might be necessary to amend the constitution so that it describes the people who are currently part of the 'general population' (those of African, European or mixed descent, but mostly Creole and French) in less discriminatory terms.

83. In the meantime, it is necessary for all people, especially those who consider themselves disadvantaged, and their leaders – particularly the elected ones – to take advantage of the government's offer of free education at all levels. It includes, to some extent, tertiary education. This 'offer' might have weaknesses and limitations, like no lunch or assistance to buy school materials. However, it is not worthless. The parents or guardians should take advantage of it by sending their children or wards to school to acquire some knowledge, skills and positive attitudes. Leaders should also take advantage of it by encouraging the people to send their children to school. Government, in turn, should continue to provide this type of education and explore ways of improving its availability and quality. Providing education (by government) and taking advantage of it (by parents or guardians, their children or wards and their leaders), might be one of the best ways of promoting and protecting democracy and good governance and its various aspects like free and fair elections and people's rights.

3.2 Standards and codes

i. *Summary of the Country Self-Assessment Report (CSAR)*

Box 3.1: Standards and codes

Mauritius has signed and/or ratified the following international instruments and standards:

- The Charter of the United Nations (UN), adhered to in 1968.
- The Universal Declaration of Human Rights, adopted and proclaimed on 10 December 1948.
- The International Covenant on Civil and Political Rights (1966), acceded to on 12 December 1973.
- The International Covenant on Economic, Social and Cultural Rights, acceded to on 12 December 1973.
- The Optional Protocol to the International Covenant on Civil and Political Rights, acceded to on 12 December 1973.
- The Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms (RES 53/144), adopted by the UN General Assembly without a vote on 9 December 1998.
- The Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, acceded to on 9 December 1992.
- The International Convention on the Elimination of All Forms of Racial Discrimination, acceded to on 30 May 1972.
- The Convention on the Political Rights of Women, acceded to on 18 July 1969.
- The Convention on the Elimination of All Forms of Discrimination against Women (CE-DAW), acceded to on 9 July 1984.
- The Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), signed on 11 November 2001 and ratified on 31 October 2008.
- The Declaration on the Elimination of Violence against Women, adopted without a vote by the UN General Assembly on 20 December 1993.
- The Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief, proclaimed by the UN General Assembly on 25 November 1981.
- The Declaration on Fundamental Principles concerning the Contribution of the Mass Media to Strengthening Peace and International Understanding, to the Promotion of Human Rights and to Countering Racism, Apartheid and Incitement to War, proclaimed unanimously by the United Nations Educational, Scientific and Cultural Organization (UNESCO) on 28 November 1978.
- UN General Assembly Resolution 1325 on Women in Conflict, voted unanimously by UNESCO on 31 October 2000.
- The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities, adopted without a vote by the Commission on Human Rights on 23 April 2003.
- The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (not signed).
- The Convention on the Rights of the Child, acceded to on 26 July 1990.
- The Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict, signed on 11 November 2001, but not ratified.
- The Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, signed on 11 November 2001, but not ratified.
- The Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, acceded to on 21 June 2005.

- The Protocol to Prevent, Eliminate and Punish Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organized Crime, acceded to on 24 September 2003.
- The Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, adopted without vote by the UN General Assembly on 29 November 1985.
- The Convention relating to the Status of Refugees – succeeded from United Kingdom 25 October 1956.
- The Protocol relating to the Status of Refugees – not signed or ratified.
- The Declaration on the Rights of Disabled Persons, proclaimed by General Assembly Resolution 3447 on 9 December 1975.
- The Geneva Convention relative to the Protection of Civilian Persons in Time of War, acceded to on 18 August 1970.
- The Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (not signed).
- The Declaration on Social and Legal Principles relating to the Protection and Welfare of Children, with Special Reference to Foster Placement and Adoption Nationally and Internationally, adopted without a vote by the UN General Assembly on 3 December 1986.
- The Declaration on the Protection of All Persons from being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, adopted by General Assembly Resolution 3452 of 9 December 1975.

Mauritius has signed and/or ratified the following regional instruments and standards:

- The Constitutive Act of the African Union (AU), ratified in April 2001.
- The African Charter on Human and People's Rights (1990), ratified in June 2002.
- The Grand Bay (Mauritius) Declaration and Plan of Action for the Promotion and Protection of Human Rights (1999), adopted in April 1999.
- The Durban Declaration on Principles Governing Democratic Elections in Africa (2002), adopted by the AU Summit in July 2002.
- The AU Convention on Preventing and Combating Corruption, signed on 6 July 2004.
- The AU Peace and Security Protocol, ratified on 16 June 2003.
- The African Charter on the Rights and Welfare of the Child (1990), ratified on 14 February 1992.
- The African Platform on the Rights to Education (1999).
- The Organisation of African Unity (OAU) Convention Governing the Specific Aspects of Refugee Problems in Africa, signed on 10 September 1969.
- The Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (2003), signed on 29 January 2005.
- The Cairo Declaration on the Establishment, within the OAU, of a Mechanism for Conflict Prevention, Management and Resolution (1993), adopted in June 1993.
- The Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) Solemn Declaration (2000), adopted by the OAU Summit in July 2000.
- The Declaration on Framework for an OAU Response to Unconstitutional Changes of Governments (2000), adopted by the OAU Summit on 12 July 2000.
- The Decision on Unconstitutional Changes of Governments in Africa (2000), adopted by the OAU Assembly on 12 July 2000.
- The Declaration on Control of Illicit Drug Trafficking and Abuse in Africa, adopted by the AU Summit on 8 July 2002.

- The New Partnership for Africa's Development (NEPAD) Framework Documents.
- The African Youth Charter, acceded to on 8 February 2008.
- The African Charter on Democracy, Elections and Governance, signed on 14 December 2007.

Source: Ministry of Foreign Affairs, Regional Integration and International Trade (MoFARIIT).

ii. Findings of the Country Review Mission (CRM)

84. The CRM established that Mauritius has signed or ratified the following standards and codes and that it has taken the follow-up actions described.

Table 3.1: Core international human rights instruments

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
International Covenant on Civil and Political Rights		12 December 1973	The next periodic report is due in 2010.
Optional Protocol to the International Covenant on Civil and Political Rights		12 December 1973	
International Covenant on Economic, Social and Cultural Rights		12 December 1973	Mauritius submitted the combined second, third and fourth reports under the International Covenant on Economic, Social and Cultural Rights in February 2008. The Committee on Economic, Social and Cultural Rights has tentatively scheduled the combined report for consideration at its 44th Session in May 2010 in Geneva.
International Convention on the Elimination of All Forms of Racial Discrimination		30 May 1972	The committee considered the 13th and 14th periodic reports of Mauritius, submitted as one document, on 31 July and 1 August 2000. The Office of the Attorney General is working on the next report, which will be ready in 2009.

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)		9 July 1984	The committee considered the combined third, fourth and fifth periodic reports of Mauritius on 11 August 2006. The committee invited Mauritius to submit its sixth periodic report, which was due in 2005, and its seventh periodic report, which is due in 2009, in a combined report in 2009. Action initiated by the Ministry of Women's Rights, Child Development and Family Welfare (MWRCDFW) for preparing the sixth and seventh periodic reports. Mauritius is to submit the report this year.
Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women	11 November 2001	31 October 2008	
Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment		9 December 1992	The committee considered the second periodic report of Mauritius on 28 and 29 April and 3 May 1999.
Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment		21 June 2005	The subcommittee on the Prevention of Torture visited Mauritius in October 2007. Mauritius submitted its response to the report of the subcommittee in December 2008.
Convention on the Rights of the Child		26 July 1990	The reservation regarding article 22 (children seeking refugee status) was withdrawn on 4 June 2008. The ombudsperson for children has established a committee to assist in implementing the recommendations of the Committee on the Rights of the Child. Mauritius will have to present its third, fourth and fifth reports in respect of the UN Convention on the Rights of the Child by 2011.

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography	11 November 2001		
Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	11 November 2001	12 February 2009	
Convention on the Rights of Persons with Disabilities	25 September 2007		Mauritius has entered a reservation regarding article 11 on situations of risk and humanitarian emergencies. Mauritius needs to take a number of legal and institutional measures to implement fully the provisions of the convention, which are closely linked to human rights issues. According to the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions, Mauritius will be in a better position to ratify the Convention and the Optional Protocol now that it has promulgated the Equal Opportunities Act and elaborated the National Plan of Action on Disability.
Optional Protocol to the Convention on the Rights of Persons with Disabilities	25 September 2007		
International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families			

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
International Convention for the Protection of All Persons from Enforced Disappearance			
Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty			The government has taken a firm stand on the retention of the Death Penalty Act on the statute book. The act, in practice, has the same effect as deleting the implied reference to the death penalty in the constitution.

Source: CRM

Table 3.2: Other multilateral treaties

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
UN Convention against Transnational Organized Crime	12 December 2000	18 April 2003	Implementing the convention and its protocols is the responsibility of the Prime Minister's Office (PMO).
Protocol to Prevent, Eliminate and Punish Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organized Crime		24 September 2003	Implementing the convention and its protocols is the responsibility of the PMO. The National Assembly passed the Combating of Trafficking in Persons Act in April 2009.
The Hague Convention on the Civil Aspects of International Child Abduction		23 March 1993	The ombudsperson for children and the MWRCDFW are working on a list of countries whose accession to the convention Mauritius should accept.

Source: CRM

Table 3.3: Regional human rights instruments

Treaty	Date of signature by Mauritius	Date of ratification or accession by Mauritius	Remarks
African Charter on Human and People's Rights	27 February 1992	19 June 1992	
African Charter on the Rights and Welfare of the Child	7 November 1991	14 February 1992	Mauritius has been asked to submit a fresh report that considers the guidelines of the African Committee of Experts on the Rights and Welfare of the Child and the requirements of the African Charter on the Rights and Welfare of the Child.
Protocol to the African Charter on Human and People's Rights on the Establishment of an African Court on Human and People's Rights	9 June 1998	3 March 2003	
Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa	29 January 2005		

Source: CRM

Table 3.4: International humanitarian laws and standards signed by Mauritius

Instrument	Date signed, acceded to or succeeded	Domestic legislation enacted
The four Geneva Conventions and their Protocols	Succeeded on 18 August 1970.	Geneva Conventions Act of 1970
The 1977 Protocols I and II	Acceded to on 22 March 1982.	Geneva Conventions Amendment Act of 2003

Instrument	Date signed, acceded to or succeeded	Domestic legislation enacted
Convention on the Prohibition of the Development and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (the Biological and Toxin Weapons Convention)	Signed on 10 April 1972. Ratified on 7 August 1972.	Biological and Toxin Weapons Convention Act of 2004
Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (the Chemical Weapons Convention)	Ratified on 9 February 1993.	Chemical Weapons Convention Act of 2003
The Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (and the following four protocols serving as supplements to the Convention)	Acceded to on 6 May 1996.	Mauritius is considering a draft bill.
The 1980 Protocol on Non-Detectable Fragments (Protocol I)	Acceded to on 6 May 1996.	Mauritius is considering a draft bill.
The 1980 Protocol on Prohibitions and Restrictions on the Use of Mines, Booby-Traps and Other Devices (Protocol II)	Acceded to on 6 May 1996.	Mauritius is considering a draft bill.
The 1980 Protocol on Prohibitions or Restrictions on the Use of Incendiary Weapons (Protocol III)	Acceded to on 6 May 1996.	Mauritius is considering a draft bill.
The 1995 Protocol on Blinding Laser Weapons (Protocol IV)	Acceded to on 6 May 1996.	Mauritius is considering a draft bill.
The Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction	Acceded to on 24 December 2002.	Anti-Personnel Mines (Prohibition) Act of 2001
The 1998 Rome Statute of the International Criminal Court	Signed in June 1998. Ratified on 5 March 2002.	Draft bill being finalised.
The 2000 Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	Signed on 11 November 2001. Ratified on 12 February 2006.	Mauritius is considering a draft amendment bill.
The Convention for the Protection of Cultural Property in the Event of Armed Conflict	Ratified on 22 December 2006.	Mauritius is considering a draft amendment bill.

Source: CRM

85. Mauritius has signed major conventions on humanitarian laws and standards and is developing domestic laws.
86. The CRM learnt that, in some instances, the government would not ratify a convention before it has developed a domestic law on the substance of the convention. This is what happened with the Convention on the Rights of Persons with Disabilities (see the comments in the table above). Another illustration is the AU Convention on Preventing and Combating Corruption that Mauritius signed on 6 July 2004, but has not yet ratified. In this particular case, the CRM learned that Mauritius would only ratify the convention when it has amended the domestic law on private corruption, funding political parties and confiscating instruments of corruption. Since developing laws is a time-consuming process, it is possible that Mauritius will not pass laws to give effect to specific conventions quickly enough. This means that there are gaps in implementing conventions, because Mauritius has not ratified conventions that it has signed.
87. Mauritius has made the commendable move to abolish the death penalty through the Death Penalty Act. However, the constitution does not reflect this. The supreme law of the land should entrench this important right to prevent any future annulment of the act.
88. The CRM also observed that there are delays in submitting reports to the UN and AU oversight bodies on specific conventions and charters in several cases. This means that Mauritius submits several outstanding reports in one combined report. The untimely submission of reports limits the ability of the oversight mechanisms to recommend current norms and standards to protect and promote human rights in time.
89. The Convention on the Protection of the Rights of All Migrant Workers and Members of their Families is important because of the large number of migrant workers in Mauritius. The country should sign and ratify it to ensure that it protects this category of persons fully. Mauritius has taken important steps to develop an enabling regulatory and oversight framework for migrant workers in the country. It should also consolidate these measures by applying the human rights standards contained in the convention.
90. Mauritius has ratified the Convention on Economic, Social and Cultural Rights, but has not domesticated these rights in the constitution or any other law. It is important that Mauritius guarantees these rights, which Mauritians are already enjoying, through enabling laws and recognises them as fundamental legal and human rights.

iii. Recommendations

91. The African Peer Review (APR) Panel recommends that the government:
- Signs and ratifies outstanding conventions and domesticates them as quickly as possible. *[Government and MoFARIIT]*
 - Submits progress reports to international oversight bodies on the respective treaties in time and adheres to set timelines, and that civil society monitors the reports to ensure that they reflect the realities of the country. *[MoFARIIT and civil society]*
 - Guarantees economic, social and cultural rights through the constitution and other enabling laws. *[Government, National Economic and Social Council (NESC) and NHRC]*
 - Ratifies the Convention on the Rights of Persons with Disabilities and the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families as soon as possible. *[Government]*

3.3 Assessment of performance on African Peer Review Mechanism (APRM) objectives

Objective 1: Reduce intrastate and interstate conflicts

i. Summary of the CSAR

Intrastate conflicts

92. The CSAR notes that Mauritius has a number of ethnic and religious groups. It cites the 1972 population census, according to which 51.5 per cent of the Mauritian people were Hindu, 16.6 per cent Muslim, and 2.7 per cent Sino-Mauritian, with 29.2 per cent falling into what Mauritius calls the 'general population' (people of African, European or mixed descent). It says that the island of Rodrigues had a population of approximately 37,000 who were predominately Afro-Mauritians and fell into the general population category of the constitution. A constitutional amendment in 1982 barred the recording of ethnicity during census counts.
93. The CSAR notes that the ethnic and religious diversity of Mauritius presents a challenge for the country. It calls for special attention in managing relations between the different components of the population. The country has experienced occasional periods of internal conflict and tension in previous years. For example, there

were violent clashes in 1964 between Hindu and Creole communities in southern Mauritius. Creole fears of Hindu domination caused these after the victory of the Mauritius Labour Party (MLP) under Seewoosagur Ramgoolam. There were violent clashes between Muslim and Creole communities in the capital, Port Louis, in 1968, just six weeks before independence. They left 25 people dead. Riots broke out in 1999 and continued for three days throughout the island after a Creole singer died in police custody. The protesters (largely Creole) believed that a police beating caused the death and saw it as further evidence of injustice against the Creole people in Mauritius. The riots disrupted economic activity in Mauritius. The police and the Special Mobile Force had to stop them.

94. According to the CSAR, there are various causes of internal tension in Mauritius. They include the perception by minorities (in particular, the Afro-Mauritian Creoles) that Hindus dominate the senior civil service. The Afro-Mauritian Creole community also believes that Hindus dominate politics and exclude them from political power.
95. The CSAR identifies various national measures involving state and nonstate stakeholders that aim to manage diversity, address ethnic and religious tensions, and improve cultural interaction in Mauritius. First, sections 3 to 16 of the Mauritian constitution guarantee and protect the fundamental rights and freedoms of all citizens. However, the CSAR recognises that the constitution does not always distinguish between religious practices and cultural practices, and that it sometimes confuses religion with culture. Secondly, the CSAR notes that the constitution provides for the fair representation of ethnic minorities, at the parliamentary level, via a best-loser system (BLS) as a way of ensuring access to political power by minorities. The BLS assigns eight seats to nonelected candidates based on their ethno-religious affiliations in order to allow a fair and adequate representation of each community in Parliament. The Electoral Supervisory Commission (ESC) allocates the eight seats using a mechanism prescribed by section 31(2) and the first schedule of the constitution. The latter states that the ESC should appoint the eight 'best losers' to ensure that the officially recognised ethnic groups are adequately represented without changing the existing balance of power between the elected representatives. Thirdly, the CSAR observes that the government of Mauritius has always seen the equal and fair representation of the different religious groups as essential to the wellbeing of the country.

96. The government established the Ministry of Arts and Culture [which is now the Ministry of Education, Culture and Human Resources (MECHR)] to improve cultural interaction and manage diversity. It is responsible for promoting cultural interaction between different cultural groups and does so by sponsoring cultural programmes. Some of the objectives of the MECHR are to:
- Preserve and foster cultural values at both individual and collective levels.
 - Promote cultural interaction between different cultural groups, in the country and abroad, to promote mutual understanding and enrichment.
 - Upgrade, strengthen and extend the existing cultural infrastructure, and establish new structures.
 - Support associations of artists and individuals involved in artistic and cultural activities.
 - Organise cultural activities for the public.
 - Encourage the development of a dynamic arts and culture sector.
97. The CSAR also notes that the government has provided for the allocation of subsidies to different religious bodies, to promote and protect religion and culture, in the national budget.
98. The Council of Religions was formed following the World Peace Summit in 2000. It comprises religious leaders from the five major religions: the Bahai faith, Buddhism, Christianity, Hinduism and Islam. Its main objective is to improve cooperation between the religious and spiritual communities in Mauritius so that they can understand one another better. The CSAR notes that the Council is important for managing religious diversity and fostering a culture of religious tolerance.

Interstate conflicts

99. The CSAR notes that one of the reasons for Mauritius's success is that the country has never experienced conflict with any of its neighbours since independence. The CSAR further notes that Mauritius fosters good political and cultural relations with its neighbours.

ii. Findings of the CRM

Intrastate conflict

100. Mauritius, a country of about 1,260,000 inhabitants according to the figures of the Central Statistics Office (CSO) for July 2008, has people from diverse ethnic and religious origins. Mauritians are the descendants of immigrants from India, China, parts of Africa, Madagascar and France mainly. Its ethnic composition was Indo-Hindu (51 per cent), Indo-Muslim (about 17 per cent), Chinese (3 per cent), and 'the general population' of African, European or mixed descent (29 per cent) at the end of 2000. Section 31(2) of the constitution and section 3(4) of the first schedule of the constitution refer to four communities in the country. These sections state: "[T]he population of Mauritius shall be regarded as including a Hindu community, a Muslim community and a Sino-Mauritian community; and ... the General Population." The definition of 'general population' given in section 3(4) of the first schedule is: "every person who does not appear, from his way of life, to belong to one or other of those 3 communities".
101. The CRM recognises that the diversity of its population presents Mauritius with both opportunities and challenges. Mauritius must manage it carefully to ensure political stability and extend opportunities to all citizens. The constitution guarantees equal treatment and nondiscrimination to every Mauritian citizen. The BLS also increases political participation and opportunity for minority ethnic groups. While there is an ongoing national debate about the appropriateness of the system in the context of a broader political reform debate, the CRM learnt that there is general consensus that it is necessary to ensure that ethnic minorities participate in politics and that the BLS is achieving this objective. There are proposals to retain the BLS while introducing a proportional representation system to complement the current first-past-the-post (FPTP) system.
102. Mauritius has been able to develop and maintain political stability and peaceful coexistence between the different sections of its society successfully despite its diverse population. The CRM found that this success is the result of a combination of several factors. First, the electoral system will prevent the unintended consequences of a majoritarian or winner-takes-all system that means that ethnic minorities never enjoy electoral success. Secondly, the Mauritian constitution forbids discrimination on any ethnic, religious or other grounds. Persons who think that their rights have been infringed can appeal to the Supreme Court for redress. In addition, the country now has the Equal Opportunities Act of 2008. Its aim is to achieve equal opportunity for all Mauritians, although it was not in force by July

2009. Thirdly, the CRM learnt that Mauritius approaches its diversity pragmatically and tolerantly. The government has the Ministry of Education, Culture and Human Resources (MECHR) which fosters cultural interaction and understanding between the diverse groups in society, despite criticisms. These are that the ministry has not developed any effective educational programmes to unite Mauritians in general, and the youth in particular, around a common national goal and that the ministry has few initiatives intended to promote understanding.
103. The CRM noted that, apart from government-led measures, Mauritius has the interdenominational Council of Religions. It aims to promote religious tolerance and spiritual understanding. The religious diversity of Mauritius – with its Hindus, Muslims and Christians – requires policies and measures to ensure that Mauritius manages religious tensions effectively, and builds its ability to manage conflict sustainably throughout society. The CRM acknowledges that the Council of Religions is vitally important for managing the religious diversity in the country. However, the CRM noted that a significant weakness of the council is its limited focus on religious issues. The CRM also noted that, despite its critical role, the council was underresourced and required increased support from the government.
104. The CRM learnt, from the CSAR, meetings with various stakeholders and a visit to the island of Rodrigues, that there is considerable inequality in the country. The Creoles are among its major victims. This inequality manifests itself in various ways. High numbers of Creoles are poor, suffer from high levels of unemployment and have low levels of education. They are also poorly represented in senior positions in the civil service and the private sector. In addition, Rodrigues, where Creoles are in the majority, is generally poorly developed.
105. The CSAR does not provide data to determine the extent of this inequality. The government consequently does not have reliable data about the extent to which various ethnicities enjoy equal access to opportunity. This significantly limits its ability to act appropriately. The CRM acknowledged the 1982 amendment to the constitution. This prohibited collecting census information about ethnicity. The CRM noted that, in the absence of disaggregated ethnic data, it is not easy for the government to address inequalities across different groups or to assess how effectively it is implementing the Equal Opportunities Act of 2008 for specific ethnic groups.

Language

106. The CSAR does not address language in its discussion of cultural interaction in Mauritius. It is, nevertheless, important and could cause conflict. The CRM discovered the following about the language and related issues.
107. More than 65 per cent of its population of about 1.3 million are of Asian origin (Indian and Chinese). Mauritians speak Creole most often, followed by French and English. Most Mauritians therefore speak Creole, although it is not as developed, in terms of literature, as English and French are. The CSAR even points out that Mauritian Creole “is now considered the native tongue of the country and is spoken by the majority of Mauritians”. The government is now developing a policy about using Creole.
108. The medium of instruction in Mauritius is English. Officials use either English or French in offices. The languages used in Rodrigues are English, French and Creole.
109. The CRM learnt that government policy promotes the use of different languages. The government encourages using the languages of the environment (the languages, like Bhojpuri or Creole, which people in a given area or location understand) as facilitative and support languages. Schools in the country teach about 15 languages. Consequently, students are taught in oriental languages (according to their preferences or cultural/religious backgrounds) from the primary level. They choose from Hindi, Tamil, Urdu, and others. Teachers at the lower primary level use Creole. A Mauritian sign language is being developed. In the meantime, news on TV is being ‘signed’ to help deaf citizens.
110. Laws are published by the government in English, although the civil code is in French. While the government is silent on official languages, section 49 of the country’s constitution states that the “official language of the Assembly shall be in English but any member may address the chair in French”. Section 33(d) states that one of the four qualifications for membership of the National Assembly is that one “is able to speak and, unless incapacitated by blindness or other physical cause, to read the English language with a degree of proficiency sufficient to enable him to take an active part in the proceedings of the Assembly”.

111. The CRM concluded that English is the de facto official language of the country although it is not the official or de jure language of the country.

Interstate conflicts

112. The CSAR is largely silent on interstate conflicts. The heading and contents of objective 1, which is to “reduce intrastate and interstate conflicts”, reflects this silence. Only the introduction covers interstate conflicts and, even then, gives them only three lines. The silence is surprising. The CSAR should have reviewed interstate conflicts as thoroughly as it reviews the intrastate ones.
113. Conflict can have happened in the past, be actual (active) or latent (potential). Mauritius might not have had conflict with other states in the past. She might not be experiencing any conflict now. Indeed, there might be little chance of conflict arising. However, the potential is always there and Mauritius needs to identify and analyse it in the context of national security. There tends to be interaction between internal and external forces. International tensions, however minimal or latent, could explode into external conflict at a time and in a manner that were not imagined in the past. The political stability that Mauritius enjoyed for a long time, even decades before, does not always guarantee future stability. This report says more about this issue in objective 2.

iii. Recommendations

114. The APR Panel recommends that:
- The government considers abolishing the ‘general population’ category so that Mauritians can state freely which ethnic group they belong to. *[Government]*
 - The government expands its free education policy by giving lunch to all children below 16, giving school materials to primary school children and extending tutoring to all children. *[Government]*
 - The MECHR develops and coordinates effective civic education programmes to establish national identity. *[Government]*
 - The government urgently considers amending the country’s constitution so that it clarifies the ambiguities about the official languages of the country and indicates where they must be used – in Parliament, in courts of law and in official correspondence. *[Government]*

Objective 2: Promote constitutional democracy and the rule of law

i. Summary of the CSAR

Constitutional democracy

115. The CSAR notes that Mauritius is a multiparty democracy based on that of the Westminster parliamentary model. The 1968 constitution, with its subsequent amendments, is the supreme law in Mauritius. It separates the powers of the legislature (the National Assembly), the executive (the government) and the judiciary.
116. The National Assembly is a unicameral (one-chamber) parliament. It comprises 62 directly elected members and eight members appointed according to the BLS to represent underrepresented communities. Section 57(2) of the constitution provides for a five-year parliamentary term, which sections 57(3) and (4) may extend in exceptional cases.
117. The party or coalition with the majority in the National Assembly elects the prime minister and the president appoints him or her. The constitution also provides for the appointment of the president, who is the head of state. The president is elected for a five-year term following a motion moved by the prime minister and supported by a majority of members in the National Assembly. The constitution provides for a leader of the opposition, who is chosen from those members of the National Assembly who have sufficient support from opposition parties. The president appoints the leader of the opposition.

Periodic electoral competition

118. Mauritius has had nine general elections since independence in 1968. A smooth transfer of power followed each. Mauritius achieves political representation, at both national and local government levels, through a fully competitive electoral process based on universal adult suffrage.
119. FPTP is the basis of the electoral system. It provides for the election of 62 members to the National Assembly. Each of the 20 constituencies on the island of Mauritius returns three members of Parliament (MPs). The island of Rodrigues returns two MPs. Mauritius introduced the BLS in 1968. The CSAR notes that there are perceptions that the BLS is unrepresentative and unconstitutional because it discriminates according to ethnicity. The FPTP system has also been criticised

because the winner-takes-all system results in skewed representation: the winner of most votes gains all the power in the constituency. Critics of the system have proposed that proportional representation would balance power and ensure that the actual number of seats won would correspond to the actual number of votes cast.

Electoral campaign practices (code of conduct)

120. The CSAR observes that legislative and institutional safeguards regulate the conduct of elections in Mauritius to ensure that the process is credible and transparent and enables voters to express their free will and choice during elections. Nevertheless, the 2005 general elections led to the election of an MP being contested on the grounds of *trafic d'influence*. This is the pressure, coercion or influence that one person exerts on another to influence the latter in order to derive benefits from him or her that he or she would not have had under normal circumstances. The CSAR notes that there are widespread perceptions that *trafic d'influence* has affected previous elections in Mauritius and that Mauritius should develop a code of conduct to prevent it from happening.

Managing and supervising elections

121. Two key electoral bodies manage and monitor the electoral system. They are the electoral commissioner, whose office works closely with the ESC, and the Electoral Boundaries Commission. The constitution of Mauritius specifies the roles and responsibilities of these three independent bodies.
122. The electoral commissioner is responsible for preparing the electoral register and the conduct of elections. He or she works under the supervision of the ESC. Section 40(3) of the constitution assures the independence of the electoral commissioner. It states: "[The] Electoral Commissioner shall not be subject to the direction or control of any other person or authority." In addition, the Judicial and Legal Service Commission (JLSC) appoints the electoral commissioner to ensure his or her independence. The ESC is the constitutionally mandated body that supervises the registration of voters for electing members of the National Assembly and the conduct of elections.

The role of political parties

123. The CSAR notes that, while the electoral process is regulated, there is no regulation of political parties in Mauritius – except for the

registration of political parties and candidates for elections. Political parties in Mauritius depend largely on donations, especially for their election campaigns. Each party has its own methods for managing and distributing campaign funds. There is no law to control political party financing. The level of campaign spending by candidates is regulated and a ceiling imposed on how much candidates may spend in an electoral campaign. However, there is currently no independent verification of compliance with these limits.

124. The Commission on Constitutional and Electoral Reform, established in late 2001, addressed political party funding. Justice Albie Sachs, of the Constitutional Court of South Africa, chaired the commission. It published its report (known as the Sachs Report) in 2002. The Commission highlighted the need to review the funding of political parties and for a mechanism to monitor the expenditure of candidates, which suitable legislation should cover. Consistent with its terms of reference, the commission also developed and proposed the draft Public Funding of Political Parties Bill. Its key features include establishing structures and mechanisms for the registration and financial accountability of political parties, a Political Activities Public Financing Fund, and mechanisms aimed at restricting campaign expenses.

Women in politics

125. The CSAR highlights the rather limited participation of women in politics – a serious challenge for Mauritius. The report states that the 2005 election showed only a slight improvement in the participation of women candidates. It notes that, while political parties deployed more women candidates than in previous general elections, only 59 (8.8 per cent) of the 664 candidates were women. Mauritius is still far from achieving the 50 per cent female gender representation required by the 1997 Southern African Development Community (SADC) Declaration on Gender and Development.

Decentralisation and popular participation

126. The CSAR notes that there are municipal, district and village councils. The Local Government Act of 2003 refers to them as local authorities. There were five municipalities and four district councils. All local authorities fall under the Ministry of Local Government, Rodrigues and Outer Islands. Unfortunately, despite the decentralisation that the Local Government Act of 2003 brought, local authorities remain

largely dependent on the grants that the central government provides. The central government grants are essential for the local authorities to finance the services and amenities in their respective regions. They include: (i) providing street lighting; (ii) constructing and maintaining roads; (iii) maintaining drains and public spaces; (iv) providing and maintaining bus shelters and traffic centres; and (v) organising sports and cultural activities.

127. With regard to political participation at the local level, all council members are elected by general poll and are regulated by the Local Government Act of 2003. The functions of the local authorities, as defined by section 41 of the Local Government Act of 2003, are wide-ranging. They include maintaining local infrastructure and attending to the welfare of villages and towns. Major responsibilities range from cleaning and lighting roads to removing household, industrial, commercial and agricultural waste. Supremacy of the constitution, the rule of law and the Bill of Rights
128. The CSAR notes that the constitution of Mauritius is the supreme law of the country. Objective 4 says more about this. The country has ratified human rights conventions on civil and political rights as well as economic, social and cultural rights. Objective 3 discusses them at length.

National security, law and order

129. The CSAR points out that an efficient and independent national security service is crucial for any country. In Mauritius, the security service is entrusted to the Mauritius Police Force (MPF). The MPF must uphold the law fairly, prevent crime and protect the community with integrity and sound judgement. A commissioner of police (CP) heads the MPF in terms of section 71 of the constitution. The Disciplined Forces Service Commission (DFSC), after consulting the prime minister, appoints the CP.
130. The Police Act of 1974 regulates the MPF. It should be read together with sections 71, 90 and 91 of the constitution, the MPF Instruction Book and the Law Enforcement Code of Ethics.
131. The MPF has four main 'lines of services'. These are the Land Police Force, Air Wing Surveillance (delivered by the Helicopter Squadron), a paramilitary wing provided by the Special Mobile Force and a naval wing provided by the National Coast Guard. There are six other lines

(divisions or units). They include the Passport and Immigration Unit. The DFSC and the Complaints Investigation Bureau (CIB) guarantee the oversight function of the MPF.

132. There are two criticisms of the MPF. The first is the abuse of detainees and suspects and that there is corruption. The second is that people die while in detention – victims numbered at least 47 between 1979 and 2006.
133. The CSAR notes that Mauritius faces some problems about law and order. The numbers of bank and street robberies, attacks on tourists, incidents in nightclubs, and sexual offences against children are increasing. There has also been a surge in domestic violence.

ii. *Findings of the CRM*

Constitutional democracy

134. The CRM recognises that Mauritius has successfully built up very strong democratic credentials on the continent and globally.
135. The CRM learnt that there are several reasons (positive and negative) for this success. The CRM noted that the effect of coalition politics meant that, at all times since independence, one of the three main parties, the *Mouvement Militant Mauricien* (MMM), the MLP or the *Parti Mauricien Social Démocrate* (PMSD), was in power or was the official opposition. The constitution guarantees and recognises the position of the leader of the opposition. He or she is involved in making key decisions in the country. This significantly reduces the chances of political parties contesting electoral losses. The CRM learnt, in its discussions, that coalitions are formed before elections. This determines the results of elections beforehand. More importantly, the CRM noted that coalition politics meant that only the three main parties are able to dominate politics. This excludes emerging parties. The CRM learnt in its discussions that many people think that the political system no longer serves the country. Many felt that the country needs a new system. This will allow the democratic environment to extend beyond the longstanding coalitions, seen by some as a ‘club’ in which any party or person not affiliated to one of the three parties is excluded and has no hope of ‘getting in’.

Political party reform

136. Two issues are important here: political party funding and which electoral system (FPTP or proportional representation) the country should adopt. Mauritius had not acted on either issue by July 2009.

The roles of ethnicity and religion in politics

137. The CRM noted that Mauritius’s diversity is both an asset to, and a challenge for, the country. Two undesirable trends related to the country’s diversity have emerged. These are that politics is being organised along ethnic and religious lines on the one hand and that ethnicity and religion are being politicised on the other. The imperative to win votes meant that religion, ethnicity and politics became fused. The winner-takes-all electoral system encourages candidates to mobilise political support along ethnic and religious lines. Constituency demographics, with different religious and ethnic groups living in enclaves, exacerbates the problem. The CRM discovered that, while government and society understand the undesirable relationship between ethnicity, religion and politics clearly, the country is doing little to address the problem.

Electoral campaign practices (code of conduct)

138. The CRM noted that the court decision in the case of Raj Direvium Nagaya Ringadoo (petitioner) v Ashok Kumar Jugnauth (respondent) recognises that the ESC needs to develop and implement a code of conduct for elections in order to eliminate bribery and other forms of undue influence. The CRM also noted that the ESC has not done so. The CRM was unable to meet the ESC to verify the status of a code of conduct, although it asked for a meeting.

Local government and decentralisation

139. Rural and urban authorities have equal status in Mauritius. There are five municipalities and four district councils. Each district council has 36 village councils. Each council has a mandate for five years. Elected councillors choose a mayor annually. The local government acts of 1989 and 2003 prescribe the functions of village councils and give details about these forums.
140. Local government in Mauritius has had several successes. The Mauritians, for example, are fully aware of their rights. People pay taxes to municipalities and consequently demand their rights. They include

the right to basic services like refuse collection, drainage and road works, environmental care, preprimary schools, and parking spaces. Each local authority has established a citizens' advice bureau, with a desk officer, to receive complaints. Each bureau must process them favourably within a fixed period. These agencies seem to be working very well. They receive and handle complaints and get feedback from the media on how they are performing. Mauritius has introduced programme-based budgeting (PBB) to all government programmes in order to ensure accountability and good governance. It also uses the Performance Management System in local governments. Local governments allow people and nongovernmental organisations (NGOs) to participate. Village councils work with NGOs. Their elected representatives, in turn, channel their concerns to the councils. There is continuous consultation with NGOs in council meetings, which are open to the public. Radio stations and newspapers hear the concerns of residents and channel them to the councils. There are no designated representatives or fixed quotas on councils for, say, disabled persons, the youth or women. However, the councils allocate grants and budgets to organisations that support these vulnerable groups.

141. However, local governments face challenges. The powers of local authorities are limited, despite the provisions of the law. An example is that important sources of funding are channelled through other authorities instead of through local authorities. Local authorities lack funds to fulfil the mandates assigned to them under the local government law. The central ministries are doing work that, in principle, they should have devolved. The credit always goes to the national government. Local authorities lack legal advisers and have to hire them for some aspects of their work.

Women in politics

142. The CRM notes that an effective democratic state is one where all citizens are able to participate fully in the social, economic and political spheres of society. The role of women in politics – particularly as candidates and political decision makers – is an additional and important litmus test on the extent to which a country is truly democratic. Unfortunately, the reputation of Mauritius as a leading democratic country is somewhat tainted by the country's remarkably low levels of participation of women as candidates and decision makers in politics. Table 3.5 summarises the distribution of women candidates across parties for the 2005 general elections. 664 candidates competed for 62 seats in Parliament (which includes four seats allocated to the four 'best losers'.)

Table 3.5: Allocation of women candidates by political parties in the 2005 elections

Party	No. of women candidates	Percentage of total
Mouvement Militant Mauricien (MMM) or Mouvement Socialiste Mauricien (MSM) or Parti Mauricien Social Démocrate (PMSD)	10	17
Alliance Sociale	6	10
Lalit	14	24
Other parties	20	34
Independents	9	15
Total	59 (of 664 candidates)	100

Source: Electoral Institute of Southern Africa (EISA). *Election Update 2005*.

143. Mauritius is still far from achieving the 50 per cent female gender representation required by the SADC Declaration on Gender and Development (of 1997 and updated in 2005). However, the CRM learnt that Mauritius has not signed this declaration and is therefore not bound to follow it.

Supremacy of the constitution, the rule of law and the Bill of Rights

144. The CRM notes that its respect for the supremacy of the constitution and the independent functioning of national democratic institutions has earned Mauritius a good reputation as one of the truly democratic states in the world. Mauritius fully respects the constitutional provisions about democratic institutions.

National security, law and order

145. These remarks should be read together with what the CRM said at the end of the findings under objective 1 on interstate conflict. Here, the CRM will make two remarks – one on the police and the other on the army.
146. There is one interesting finding about the work of the police. This is that, in a number of cases of alleged police brutality, where the NHRC decided that there were elements of police brutality or breach of human rights, the government has compensated the families of the victims without waiting for the outcomes of civil proceedings.

147. On the surface, Mauritius has no army. However, the reality seems to be different. The country is well secured. The Special Mobile Force acts as the army, the Helicopter Squadron as the air force and the National Coast Guard as the navy. It could also be said that, given her ethnic and religious composition, and in case of an attack by a foreign army, Mauritius would most probably count on assistance from India and her kith and kin.
148. At any rate, the designation 'Mauritius Police Force' is misleading. The civilian wing (called the ordinary police force in other countries) and the military wing (called the armed forces in other countries) make up the force.

iii. Recommendations

149. The APR Panel recommends that Mauritius:
- Reviews the current FPTP system in order to introduce an element of proportional representation, or mixed proportional representation and FPTP, as the Sachs Report proposed; and reviews the BLS and introduces an alternative system that will ensure that minorities are adequately represented in the National Assembly. *[Government]*
 - Reviews the political system to broaden the participation of stakeholders other than the traditional parties. *[Government]*
 - Reviews its policies on the participation of women in politics to comply with its obligations in term of the SADC Declaration on Gender and Development. *[Government]*
 - Establishes and implements a code of conduct, with clear guidelines for political parties and candidates on prohibited practices of bribery, undue influence and coercion that may constitute *trafic d'influence*. *[Government]*
 - Enacts legislation to regulate political parties and ensures that it addresses the registration of political parties, accountability and political party funding in order to provide for the public funding of parties, addresses the monitoring of political party finances, and limits campaign-related expenditure. *[Government]*

Objective 3: Promote and protect economic, social and cultural rights, and civil and political rights

i. Summary of the CSAR

150. According to the CSAR, Mauritius has made steady progress in protecting human rights. It has done so by ratifying major human rights instruments¹³ and by establishing relevant institutions like the NHRC, the Office of the Ombudsperson for Children, and the Office of the Ombudsperson. Mauritius acceded to the International Covenant on Civil and Political Rights as well as to the International Covenant on Economic, Social and Cultural Rights in 1973.
151. Chapter II of the constitution establishes the legal framework for protecting human rights. It defines all the fundamental rights and freedoms of the individual. These rights have been drawn from the Universal Declaration of Human Rights and, in some cases, replicate the stand of the European Convention for the Protection of Human Rights and Fundamental Freedoms. According to the CSAR, the 'recent' enactment of a number of acts has reinforced the legislative framework for protecting and promoting human rights. They are the Sexual Discrimination Act of 2002, the Ombudsman for Children Act of 2003, the Criminal Code Act of 2003, which amended section 78 on torture by public officials, and the Protection of Elderly Persons Act of 2005.
152. The NHRC, the ombudsperson and the ombudsperson for children are the key institutions responsible for protecting and promoting human rights.
153. The NHRC was established in 2001. It comprises three members appointed by the president on the prime minister's advice. The commission deals with complaints about breaches of human rights against ministers, government departments and parastatal bodies. However, it does not have the authority to investigate disputes in the private sector. Furthermore, the NHRC has no power to investigate complaints about economic, social and cultural rights, like the right to work, the right to an adequate standard of living, the right to education, the right to health services, and the right to social security. Other laws protect these rights. They are the Education Act, the Social Aid Act and the National Pensions Act. Other measures fall under the Mauritian welfare state system.
154. The president appoints the ombudsperson after consulting the prime minister, the leader of the opposition and the heads of the political parties represented in Parliament. Sections 96 to 102 of the constitution and the Ombudsman Act of 1969 define the roles of the ombudsperson. These are to investigate complaints against government institutions

and to address issues arising from maladministration in the public sector, including local authorities. In cases of noncompliance with the ombudsperson's recommendations, the constitution allows the ombudsperson to refer them to the highest authorities, including the PMO and Parliament.

155. The Ombudsman for Children Act of 2003 was a significant step in protecting children's rights, because it established the Office of the Ombudsperson for Children. This is an independent and qualified office that ensures that public bodies, private authorities, individuals, and associations of individuals consider the rights, needs and interests of children fully. It is also responsible for promoting the rights and best interests of children and for ensuring compliance with the Convention on the Rights of the Child.

Human rights reports

156. The CSAR recognises that Mauritius generally respects the human rights of its citizens. However, the CSAR emphasises some important issues contained in NHRC reports. The NHRC reports the following human rights abuses regularly: (i) police torture and abuse of suspects and detainees; (ii) unfair prosecution, police corruption, ill-treatment and deaths in custody and prisons; and (iii) violence and discrimination against women.
157. The CSAR notes that the lack of institutional capacity and the absence of an independent appeal body are severe limitations to the investigative system in Mauritius. It expects that establishing an Independent Police Complaints Commission (IPCC) will increase the number of complaints dealt with effectively.
158. The NHRC 2007 report shows that there are many cases of sexual discrimination in the workplace. This discrimination also occurs in the political sphere, because the participation of women remains inadequate.
159. Despite the enactment of the Protection from Domestic Violence Act of 1997, the number of cases of domestic violence remains high.

Right of access to welfare

160. The CSAR deals with the rights to education, health and housing as well as the rights of employees.

Education

161. Successive governments since independence have consistently promoted universal access to education. Education is currently compulsory up to the age of 16. In the public sector, education is free at primary, secondary and post-secondary levels, and minimal fees are payable at the tertiary level. According to the CSAR, there are large disparities in the performance of children, despite progress in democratising education. There is a positive correlation between these disparities and the level of development in regions. The government therefore recently introduced remedial measures to facilitate access for all. These include free transport for all students at primary and secondary schools and the Zone d'Education Prioritaire (ZEP) for disadvantaged students. The ZEP offers facilities to needy students and mobilises all resources in a specific zone to raise the standards of achievement.

Health

162. Mauritians enjoy free health services within the broad framework of the welfare state, which were introduced in 1950. In a bid to ensure better access to a quality healthcare system and reduce the demand on the main general hospitals, the government decentralised the system by establishing primary health centres all over the country. Where appropriate, the government regularly collaborates with the private sector to provide services lacking in the public sector. It offers professional learning programmes in each region to keep the health workforce up to date and review the efficacy of current practices. The Mauritius Institute of Health coordinates education and training programmes with other institutions like the University of Mauritius.

Housing

163. The Ministry of Housing and Lands has a housing programme that aims to provide 'a shelter for all'. The government tries to collaborate with the private sector by encouraging its involvement in providing social housing for low-income groups or classes of citizens to achieve this goal. The Housing Division is primarily responsible for developing strategies and policies for the housing sector. The National Housing Development Company (NHDC) is currently responsible for implementing government-sponsored housing.

Rights of employees

164. The Ministry of Labour, Industrial Relations and Employment (MLIRE) has established various institutions to ensure that employers and employees operate within the regulatory framework. The Industrial Relations Act (IRA) of 1974 established the National Remuneration Board (NRB) to set minimum wages and other working conditions. The IRA introduced fundamental changes by institutionalising the industrial relations system and recognising trade unions. The Pay Research Bureau (PRB) is responsible for reviewing pay levels and conditions of service in the public sector every five years. It also conducts research into remuneration and conditions of employment to keep abreast of developments and trends in Mauritius and abroad.
165. Prepared in 2007 to replace the IRA, the Employment Relations Bill¹⁴ aims to consolidate and improve the fundamental rights of workers, collective bargaining and the processes for resolving labour disputes. The bill provides a framework for registration, cancellation and membership of trade unions. Its main changes are the framework and basis for strike action, minimum requirements for registering with trade unions, and the number of employees required to form a trade union.
166. The Employment Rights Act amends and strengthens the Labour Act of 1975 on matters related to computing severance allowances and overtime and the number of permissible sick and local leave days.

Access to the judiciary

167. The Mauritian judicial system comprises the Supreme Court, the Intermediate Court, the Industrial Court, the Bail and Remand Court, the Court of Rodrigues and 12 district courts (including three in Port Louis). People who earn less than Rs5,000 a month and who are not worth Rs7,500 benefit from a legal aid system. They must apply to the relevant court stating the cause of action or ground of defence or appeal, or the nature of the extrajudicial matter.

ii. Findings of the CRM

168. Mauritius acceded to the International Covenant on Economic, Social and Cultural Rights in 1973. The CRM commends Mauritius for establishing institutions responsible for guaranteeing the rights of citizens. These include the NHRC (which has a Sexual Discrimination Control Division), the Office of the Ombudsperson, the Office of the

Ombudsperson for Children, the Truth and Justice Commission and the Human Rights Centre.

Legal framework for protecting human rights

169. The CRM noted the recent progress in the legislative framework for human rights in Mauritius. However, despite the fact that Mauritius is party to the International Covenant on Economic, Social and Cultural Rights, the country has not domesticated its provisions. Discussions with stakeholders revealed that the main reason for not doing so is that the state fears making them justiciable by including them in the constitution. While recognising the efforts made by Mauritius to assure economic, social and cultural rights through its welfare state system, the CRM recommends that the country guarantees these rights in law.
170. New legislative measures, like the HIV/AIDS Act of 2006, the Imprisonment for Civil Debt (Abolition) Act of 2006, and the Borrower Protection Act of 2007 all encourage the promotion of human rights in Mauritius.

Promoting and protecting human rights

171. The NHRC 2008 report recommends that Mauritius reviews and consolidates the constitution to introduce, among others, a safeguard for economic and social rights. The NHRC report states: "...cultural rights are adequately protected through the guarantee of freedom of expression, freedom to establish schools of religious denomination, freedom of religion as well as protection from discrimination. What are missing are the rights to health services, education, social welfare benefits and housing..."
172. The Equal Opportunities Act of 2008 consolidated economic and social rights in that every citizen will enjoy equal treatment without considering his or her status.
173. The CRM noted that the NHRC recognises corruption as a violation of human rights, because it diverts resources away from economic and social rights.
174. The Office of the Ombudsperson is a constitutional body. The constitution was amended in 2003 to extend the functions of the ombudsperson to cover central and local administrations (including Rodrigues). The extended powers of the ombudsperson became

effective on 24 April 2006¹⁵. Since then, the ombuds-person makes two working trips to Rodrigues every year, making it easy for citizens living in Rodrigues to access the services of the ombudsperson directly. Citizens have become gradually more aware of their rights and more willing to defend them. The CRM believes that two trips per year are not enough for the people of Rodrigues, given their geographic isolation and low literacy rate. They make it difficult for them to submit written complaints.

175. The CRM noted that the ombudsperson has gone beyond his or her formal mandate on occasions and has investigated, on his or her own initiative, cases related to rights, like the right to access water, which the constitution does not recognise yet. This supports the view that the constitution should include economic, social and cultural rights in order to ensure that they are protected regardless of the goodwill of the office holder.
176. The Ombudsperson for Children Act of 2003 is a very commendable legal instrument. It confers strong powers and wide-ranging functions on the ombuds-person. The act allows the ombudsperson to investigate complaints made to him or her.
177. After hearing the minister of women's rights, child development and family welfare, and after considering reports that the ombudsperson and NGOs submitted, the UN Committee on the Rights of the Child noted in 2007 that there had been "insufficient facilities for the rehabilitation of child victims of abuse and inadequate research on critical areas concerning children". Based on discussions with different stakeholders, the CRM noted the need for more qualitative studies on issues relevant to the rights of the child.
178. The Child Protection Act of 1994 has been improved over the years and is a good law. However, it needs amending to include issues about the mentoring system and placing children with their next of kin. The CRM noted that the ombudsperson for children has made recommendations to amend the Child Protection Act, but progress is rather slow.
179. The 2007/2008 report of the Office of the Ombudsperson for Children notes that the international community will celebrate the 20th anniversary of the Convention on the Rights of the Child on 20 November 2009. This is an opportunity for Mauritius to consolidate efforts to comply fully with the convention. An amended

children's act, for example, would be a considerable step towards children's rights.

Reports on human rights

180. The APR Panel commends the participatory process Mauritius used and the comprehensive reports it submitted to the UN and AU. However, it noted repeated delays in submitting reports. For instance, it was only in 2008 that Mauritius submitted its second, third, fourth and fifth combined reports on the African Charter on Human and People's Rights. More regular and timely reports will enable the relevant treaty bodies to make recommendations in line with new developments in human rights.

Rights of access to welfare

181. The APR Panel welcomes Mauritius's considerable efforts aimed at ensuring universal education. The recent establishment of the ZEP would help to reduce school dropouts. However, the CRM learnt that the high level of school drop-outs (35 per cent) is not attributable solely to the poor (in economic terms) environment in which students live. More than one stakeholder has highlighted the language of tuition as a possible reason for children dropping out of school. The NHRC and the Office of the Ombudsperson have recommended using Creole as a medium of instruction, at least in the early stages of primary education. The CRM learned, during discussions with the MECHR, about an ongoing pilot project by the Catholic mission on developing written Creole. This is an opportunity to develop and formalise the Creole language. The ministry is awaiting the results of the pilot project to assess the benefits of introducing Creole as a fully fledged language of instruction. In the meantime, the ministry is encouraging teachers to use Creole as the language to support French and English. The APR Panel believes that Mauritius needs an in-depth assessment to ensure that introducing Creole to the education system does not lead to more students from poor backgrounds being marginalised.
182. Mauritius has put health at the heart of its socioeconomic development agenda. Mauritius has promoted access to health as a fundamental human right by guaranteeing free access to public health services. The government's priority is to provide universal, accessible and efficient health services with proper emphasis on the concept of 'customer care', as it promised in its 2005 to 2010 programme. It also promised to develop a patient charter that sets out patients' rights

to information and quality care. The APR Panel encourages the state to consolidate and extend this achievement and new initiatives by including the right to health in the constitution, as the NHRC has recommended.

183. The APR Panel commends Mauritius for facilitating access to decent housing by people with lower incomes through various programmes of subsidies and infrastructure fees, and encourages it to consolidate its programme and ensure that vulnerable groups enjoy its benefits. The CRM learned, during discussions with stakeholders, that 85 per cent of Mauritians own a house. This is a very impressive achievement, although the CRM could not verify it. However, it is imperative that Mauritius makes even more efforts to ensure that it meets the needs of the remaining 15 per cent in the near future to avoid their feeling marginalised.

Rights of employees

184. The regulatory and institutional framework for protecting and promoting the rights of employees has improved over the years. In particular, the two bills on employment became acts in 2008. However, in meetings with stakeholders, the CRM learned that, in practice, trade union freedom has reduced over time. This infringes the unions' legitimate right to conduct their activities. In the past, trade unions have had to present their complaints to the International Labour Organization (ILO) Committee on Freedom of Association. It presented its most recent case in 2007 after the government decided to lay criminal charges against the leaders of the trade union movement who participated in a peaceful demonstration. The CRM sensed some resentment about the Public Gathering Act, because it states that the CP must give permission for public gatherings.
185. The CRM noted that national labour laws cover export processing zone (EPZ) workers. However, there are some EPZ-specific labour laws that condone longer working hours, including providing for 10 hours a week of mandatory overtime at a higher rate than that for regular working hours. Some employers also set up work councils. This effectively prevents unions from organising at enterprise level. As a result, only about 10 per cent of EPZ workers belong to unions.
186. The CRM noted with concern that stakeholders described the working and living conditions of migrant workers as 'inhuman'. The official position is that migrant workers may form or join a trade union of

their choice. Besides, a Special Migrant Workers Unit was established in 1999 to protect the rights of migrant workers in compliance with national laws. However, foreign workers who participate in strikes risk deportation. This is a strong deterrent to joining unions.

Access to the judiciary

187. The free legal aid system is a very positive initiative that helps to ensure that the poor have access to justice. Mauritius spends about Rs2.5 million on legal aid, mostly for matrimonial cases. Discussions with legal practitioners showed that beneficiaries do not appreciate legal aid, because it is free. They were contemplating a token fee that would ensure that the practitioners only assist in serious cases. Mauritius should consider this proposal, but arrange to assist those who cannot afford to pay the token fee.
188. Stakeholders referred to delays in courts. This means that it may take three to four years before important criminal cases reach trial. Stakeholders also pointed out that it is imperative that this problem is dealt with so that detainees do not have to wait unduly long before being tried. Mauritius has established a criminal division of the Supreme Court in the meantime. This should expedite the delivery of justice in criminal matters.

iii. Recommendations

189. The APR Panel recommends that Mauritius:
- Considers amending the constitution to include economic, social and cultural rights like access to water, education and health. [*Government and Parliament*]
 - Consolidates and increases its efforts to provide training, to law enforcement and judicial officers, on various aspects of human rights. [*The judiciary, the University of Mauritius and the NHRC*]
 - Considers introducing the fundamental principles of human rights to school programmes and extends education about these rights to all citizens. [*MECHR, nonstate stakeholders active in the education sector and human rights organisations*]
 - Amends the Child Protection Act to improve the protection of children's rights and to clarify issues about the mentoring system and the placement of children with their next of kin. [*Government, Parliament, the NHRC and nonstate stakeholders working in child protection*]

Objective 4: Uphold the separation of powers, including the protection of the independence of the judiciary

i. Summary of the CSAR

190. The CSAR contains an introduction and five other parts. These are:
- Constitutional provisions.
 - The judicial system.
 - A note on judicial reform.
 - Analysis of the responses to questions about the judiciary.
 - Proposals (essentially recommendations) related to the objective.
191. The CSAR devotes only two short paragraphs each to the legislature and the executive. The rest of the report, including recommendations, is on the judiciary.

Constitutional provisions

192. The CSAR points out that Mauritius has a written constitution, based on the British parliamentary system, it accepted at independence in 1968. It provides for separate powers and for the legislature, the executive and the judiciary to operate independently. The constitution proclaims that Mauritius is a democratic state. It provides for: (i) an elected National Assembly; (ii) a legislature, which exercises its powers under the authority of Parliament; (iii) an executive body that implements the policies of the government; (iv) an independent judiciary, which applies and enforces the laws of Mauritius impartially; (v) a CP; and (vi) government departments supervised by permanent secretaries.
193. The National Assembly comprises 70 members, of whom 62 are elected directly in 21 constituencies.
194. The majority party or alliance forms the government. Its leader becomes the prime minister and it selects members of the Cabinet from elected members of the National Assembly. Only the attorney general may be appointed to the executive from outside the National Assembly. The opposition party, or the alliance with most support, becomes the official opposition. The president appoints the leader of the opposition from this party or alliance. Members of the National Assembly select its speaker and deputy speaker. The CSAR notes that the functions of the National Assembly include passing laws, controlling finance and examining the actions of the government.

195. The CSAR points out that section 58 of the constitution vests the executive authority of Mauritius in the president. The prime minister and cabinet ministers exercise executive power. The president appoints the prime minister, deputy prime minister and ministers from members of the National Assembly. The president consults the prime minister when appointing ministers.
196. The CSAR notes that section 1 of the constitution provides for separate powers. The manner in which judges are appointed (section 77) and their security of tenure (section 78) also reflect this separation. The government in power may not set aside the rulings of judges. Judges, in turn, may not pass laws or develop new legal principles and promulgate them through judgments. However, they must determine legal principles if there are no specific legal provisions that do so. They may also strike down unconstitutional laws.

The judicial system, judicial reform and related matters

197. The CSAR describes the judicial structure and the appointment and review authorities. It notes that the Judicial Committee of the Privy Council of the United Kingdom is the final appeal for the overseas territories of the United Kingdom, crown dependencies and for those Commonwealth countries that have retained the right of appeal to the queen of England or, in the case of republics, to the Judicial Committee. The Supreme Court is subordinate to the Judicial Committee. It has a dual role: it hears cases from lower courts and acts as the Court of Civil Appeal and the Court of Criminal Appeal. The CSAR also describes the functions of the offices of the attorney general, the solicitor general, the director of public prosecutions (DPP), the JLSC and the Law Reform Commission.
198. The CSAR's note on 'judicial reform' deals with the Presidential Commission. The Presidential Commission Act of 1997 established the commission to examine and report on the structure and operations of the judicial system and legal professions of Mauritius. Lord Mackay of Clashfern (whose report is called the Mackay Report of 1998) chaired the commission. The commission made a series of recommendations about making the justice system more efficient so that it can achieve its purpose better by serving the people. One of these recommendations was that the Supreme Court be reorganised into two sections: a court of appeal section and a high court section. The latter is subdivided into five divisions: the constitutional and administrative division, the commercial division, the civil division, the criminal division and the family division.

199. The CSAR has a section on analysing responses to questions that deal with the performance of the judiciary. These responses showed that: (i) cases take too long to be resolved and that victims have to bear the costs of the lengthy process, “which brings about frustration and strife”; (ii) there are insufficient judges, which leads to a backlog of undecided cases; and (iii) lawyers charge excessive fees for their services.
200. The CSAR makes 10 proposals related to the objective. They include: (i) increasing the number of tribunals and courts to deal with greater numbers of cases; (ii) increasing the number of judges and magistrates; (iii) providing all magistrates and judges with opportunities for continuous training and professional development; (iv) reviewing the basis for providing legal aid; and (v) implementing the Mackay Report.

ii. Findings of the CRM

The constitution, including the principle of separate powers

201. The fact that the CSAR devotes only two short paragraphs to each of the legislature and the executive was explained by pointing out that objective 2 deals with the two arms of government at length under constitutional democracy and related matters. The CRM found this explanation helpful.
202. The basics of the constitution have remained unchanged since independence (1968), except for the establishment of a republic in 1992. This ended the period during which the queen of England was the head of state in Mauritius, represented by the governor general. The constitution has nine chapters and 122 sections (referred to as articles in some countries where sections are reserved for acts of Parliament). Chapter IV (which deals with the president and vice president, as members of the executive, in sections 28 to 30A) and Chapter VI (which deals with the executive in sections 58 to 75) both deal with the executive. The impression this creates is that the president and vice president are not members of the executive. However, section 58(1) clearly states that the “executive authority of Mauritius is vested in the President”.
203. The constitution emphasises ‘equal opportunity’ rather than ‘affirmative action’. Section 16(3) guarantees Mauritians protection from discrimination based on race, caste, place of origin, political opinion, colour, creed or sex. Affirmative action would contradict this

section. However, the constitution recognises that equal opportunity is necessary. The Equal Opportunities Act of 2008 was therefore enacted. Its purposes were to: (i) promote equal opportunity between persons; (ii) prohibit discrimination based on status; (iii) establish an equal opportunities division in the NHRC and an equal opportunities tribunal to hear and determine complaints referred to it by the equal opportunities division; (iv) carry out other functions specified in section 35 of the act; and (v) provide for related matters. Mauritius had not implemented the act by July 2009.

204. The constitution implies rather than states that powers are separated. To appreciate the concept, one has to read the various parts of the constitution, including those that deal with the manner of appointing and removing judges. The CRM learnt that Mauritius has a vibrant press. However, whoever feels aggrieved by what the press says or writes is free to go to court and seek redress. Nevertheless, the concept of separate powers faces at least two challenges about the legislation for sentencing and section 28(2) on the appointment of the president.
205. The legislature currently tends to specify the sentences to be imposed when a law is broken. The feeling is that this interferes with the principle of separate powers. The function of the legislature is to develop laws (which should prescribe the minimum and maximum sentences), but not to prescribe sentences, which is the prerogative of the judiciary. The courts should use their discretion to decide on sentences.
206. Section 28(2)(a)(i) poses a possible challenge. It states that the president “shall be elected by the Assembly on a motion made by the Prime Minister and supported by the votes of a majority of all members of the Assembly”. The concern is whether this section contradicts the principle of separate powers. However, it was pointed out that the people elect the prime minister. He or she may therefore propose to the representatives of the people (of whom 62 of 70 are elected directly and eight indirectly in terms of the first schedule, which amplifies section 31[2]) who should be the president of the republic. It was further pointed out that, in Britain, the people do not elect the queen, but the country remains a democracy. At any rate, once he or she is elected, the Mauritian president acts on his or her own and is the ‘prime minister’s man or woman’. Former President Cassam Uteem is an example. He resigned on 15 February 2002 after refusing to sign the Prevention of Terrorism Bill (No. 1 of 2002). The reason he gave in his letter was “compelling circumstances”. Despite these reservations about, and safeguards against, the arbitrary removal of the president,

section 28(2)(a) could make the head of the executive indebted to the legislature. This would threaten the principle of separate powers. However, the officials and other persons the CRM interviewed did not see this issue as a challenge.

The judicial system, the legal system and the judicial hierarchy

207. On the judicial system, it was ascertained that, presently, the appointment of judges of the Supreme Court involves: (i) only the president, after consulting the prime minister (chief justice – section 77[1]); (ii) the president, on the advice of the chief justice (senior puisne judge – section 77 [2]); and (iii) the president in accordance with the advice of the JLSC (puisne judges – section 77[3]). Parliament is not involved at all in the appointments. The role of the JLSC is minor.
208. It is important to understand the Mauritius legal system and the hierarchy of the judiciary, which the CSAR does not describe fully. The legal system fuses the French and British legal systems or traditions and reflects the country's history. The Dutch ruled the archipelago between 1598 and 1710. The Dutch did not leave much to the island in the legal field, apart from some Roman law and Latin phrases. The French ruled Mauritius for about 100 years between 1715 and 1810 when the British (1810–1968) invaded the island. In the Treaty of Versailles, which marked the French capitulation, it was agreed that the French living on the island would retain their culture, language, religion and law. This is the reason for the immense influence of French law – based on the Napoleonic Code – on the island. French law is the basis of Mauritian civil and criminal law. However, the English introduced commercial law, judicial review and procedure. The courts therefore operate on common law principles. The CRM learnt that the official language of the courts is English, although litigants can also use French.
209. Sections 81 to 83 of the constitution describe the court hierarchy in Mauritius. The Judicial Committee of the Privy Council of the United Kingdom is the highest court of the country. Section 81(1) of the constitution mentions only the “Judicial Committee” and does not include “of the Privy Council of the United Kingdom”. The CRM wonders why this phrase is omitted. More importantly, the CRM was interested to find out whether the appeal to the Judicial Committee of the Privy Council of the United Kingdom presents a challenge. The reply was that the arrangement was appropriate, and that most Mauritians want it to continue. This is because it reassures the communities (small minorities) that they have judicial protection.

210. On the surface, the arrangement is satisfactory. However, it has elements that present a challenge. First, the arrangement raises a fundamental political question of whether communities lack faith in their national institutions and feel safer when protected by an external ‘power’. If so, they need to be persuaded that they are safe and that they can get justice under Mauritius’s own national institutions without recourse to the legal institutions of a former colonial power. They also need to know that it is costly and that, although justice is priceless, they might as well get what they can locally than continue looking to Britain for legal redress. This does not mean, of course, that Mauritians should not sometimes appeal to the relevant supranational legal systems in their region (like the SADC and the Common Market for Eastern and Southern Africa, or COMESA), on the continent (like the African Human Rights Court) and elsewhere. One could even argue that the arrangement shows that British rule continues, however subtly. In effect, the judicial hierarchy of the country still looks to the former colonial power. More worrying, it is bound to remind those citizens who are more partial to French traditions that “they were defeated”.
211. This could breed future instability and damage democracy and good governance, although the threat might seem insignificant. Secondly, appealing to external and distant institutions is costly. Furthermore, the CRM learnt that the government of Mauritius invited five law lords of the Judicial Committee of the Privy Council of the United Kingdom to hold a one-week session in September 2008 to hear pending appeals of the Supreme Court of Mauritius. It was not clear whether this was intended to be a permanent arrangement of this court. If it is, then it raises the question of how litigants of modest means could file final appeals if they were all to go to London. It also raises the question of whether appeals to the Privy Council risk becoming, in practice, a preserve of the rich. Were this to happen, then the rule of law, democracy itself and general good governance would suffer. The Supreme Court is subordinate to the Judicial Committee. Its judges also serve on the civil and criminal appeals divisions of the Supreme Court. However, its judges are different from those who would have decided cases when they were being argued in the Supreme Court. Intermediate courts are subordinate to the Supreme Court. District courts are the lowest courts.
212. The present hierarchy poses at least three challenges. The first challenge is the organisation and functions of the Supreme Court. They are rather confusing. Yet, they should be very clear. The dual function of the court causes the confusion. The court sometimes hears

appeals from lower courts. This does not pose a challenge. Secondly, sometimes the court sits as an appeal court to hear an appeal about a decision made by one of their colleagues. However, the judges are the same persons – except the judge who heard the case that is being appealed. The CRM learnt that, for ‘people in the know’, especially the lawyers and judges, this is not an issue. There is no bias. Indeed, the judges can be very severe with one of their own. Nevertheless, for people outside the legal profession, there is a perception that this arrangement breeds bias in favour of the judge who made the original decision and against the appellant. The second challenge is that the structure offers few opportunities, locally, for appeal. The third challenge is that the hierarchy is too flat to offer a career to judicial officers.

Judicial reform

213. The CRM learnt that Mauritius is gradually implementing some of the recommendations the Mackay Commission made.
214. The government decided in February 2008 to establish a separate Office of the DPP. It would be separate from the Office of the Attorney General and have its own budget and staff. The measure became effective on 1 July 2009. It reduced the time spent on remand from between six and seven years to a maximum of 22 months. The legal aid project was due to start in October 2009. It increased the number of judges from nine in 2005 to 18 in July 2009. It expanded physical infrastructure by renting a building near the present Court of Appeal for administrative work and for extra space to hear cases.
215. The government introduced a number of measures to implement the recommendation to increase the number of Supreme Court divisions to five. The government:
- Established a criminal division in 2008 and appointed two judges to it to clear the backlog. However, it reduced the number to one in 2009 when the backlog reduced.
 - Activated a family division on 7 January 2009.
 - Activated a commercial division, also in January 2009.
216. Only two divisions have yet to be established. These are the constitutional and administrative division, and the civil division. The Supreme Court also needs to be divided into a court of appeal and a high court.

217. In addition, stakeholders indicated that Mauritius needs a judicial education institute to manage the continuing education of magistrates. Newly recruited magistrates would go to this institute for initial training and orientation before starting their duties. The feeling was that newly recruited officials should not begin their duties without this training. They would go to the same institution for refresher courses.
218. The CRM noted that the Law Reform Commission Act (Act 26 of 2005) established the Law Reform Commission. Section 4(1) specifies its functions. They are to:
- Review the laws of Mauritius regularly and systematically.
 - Make recommendations for reforming and developing the laws of Mauritius.
 - Advise the attorney general on how to make laws as understandable and accessible as possible.
219. Section 4(3) states that the commission must prepare and submit to the attorney general, at least once a year, a programme for reviewing specified aspects of the laws of Mauritius in order to reform or develop them. Section 6(1) of the act allows the attorney general to ask the commission at any time to examine any aspect of the law of Mauritius. The commission must then review that aspect of the law and report to the attorney general with recommendations. The CRM welcomes this act and the commission it established. The commission should be able to follow up reforms already suggested and propose others that need reforming in order to improve the legal and judicial systems in the country.

The role of Parliament in appointing ministers

220. Parliament plays no role in appointing ministers. This is a possible challenge to good political governance. It means that the legislative branch does not check the executive branch of government adequately. However, the CRM noted that this is not an issue in the country.

iii. Recommendations

221. The APR Panel recommends that:
- The legislature confines itself to prescribing minimum and maximum sentences (the legislative function) without specifying

the exact lengths of sentences (a function of the judiciary) in order to respect the principle of separate powers. [Parliament]

- The government reviews the arrangement whereby appeals go to the Judicial Committee of the Privy Council of the United Kingdom. [Government]
- The government reviews the hierarchy of courts by:
 - o Ensuring that poor litigants are supported financially if appeals continue to be referred to the Judicial Committee of the Privy Council of the United Kingdom.
 - o Ensuring that the Supreme Court, which hears civil and criminal appeals, becomes the highest court in the land and that the chief justice heads it.
 - o Ensuring that a deputy chief justice heads the Court of Appeal, which also hears civil and criminal law appeals.
 - o Ensuring that: (i) the High Court is expanded to include the five divisions that the Mackay Commission recommended; (ii) these divisions deal with constitutional and administrative law, commercial law, civil law, criminal law and family law; (iii) the Industrial Court, as a sixth, but separate and specialised, division is formed at this level; (iv) Industrial Court appeals go to the Court of Appeal; and (v) high court judges head these courts. (The government had created the five divisions by July 2009, but as parts of the Supreme Court).
 - o Establishing chief magistrates' courts to replace intermediary courts.
 - o Establishing magistrates' courts to replace district courts. [Government]
- The judiciary establishes a judicial education institute to manage the ongoing education of magistrates, including the initial training and orientation of newly appointed magistrates. [Judiciary]

Objective 5: Ensure the accountability, efficiency and effectiveness of civil servants and other public office holders

i. Summary of the CSAR

222. The CSAR emphasises that a dynamic, efficient and accountable civil service is essential for promoting the economic and social wellbeing of any country and its citizens. In addition to an introduction, the CSAR covers:
- The civil service.
 - Recruiting and promoting civil servants.
 - Public sector reforms.
 - Oversight mechanisms for the civil service.
 - Current reforms in the civil service.
 - Recommendations to achieve the objective.
223. The CSAR notes that the 'civil service' is the permanent administrative mechanism of the government. The main functions of the civil service are to: (i) assist government to develop public policy; (ii) support ministers in their missions; (iii) implement policy efficiently and effectively; and (iv) provide quality service. The Mauritian civil service has 22 ministries and 53 departments. It has 50,900 members.
224. The CSAR then deals with recruiting and promoting civil servants. It gives details of the roles of the Public Service Commission (PSC), the DFSC and the Local Government Service Commission (LGSC). It describes how they are appointed and describes their objectives, points out that they may delegate their powers of appointment, and describes appeals to these commissions. The CSAR also reports on its analysis of responses from stakeholders on various aspects of the three commissions. The following points are significant: 48 per cent of respondents felt that the promotion process in the public service is not transparent or based on merit, while 46 per cent thought that the process of awarding incentives, like bursaries and specialised training, is not transparent. Although there are no statistics, respondents believed that there is too much political interference in recruiting and promoting, although there are clear rules and regulations for the processes. They expressed regret that systematic political interference has caused civil servants to become frustrated, unhappy and demoralised. This has meant that services to the public are below standard. The respondents gave an example of a recent case where the court invalidated the appointment of four deputy rectors because the PSC's procedures and regulations were not followed.
225. However, the CSAR notes that the secretary of the PSC and the DFSC has pointed out that the appropriate mechanisms – like prior approval of selection panels, monitoring of the recruitment process by the

commission, and approval of the final list of candidates – were in place to ensure that recruiting happens transparently. He has also pointed out that there will always be errors of judgement in a delegated system. The practice of delegating authority, with the high number of recruits in the public service on the one hand and the limited resources available to the PSC on the other, will prevail, as it is impossible for the PSC to recruit for all positions in the civil service directly.

226. With regard to public sector reforms, the CSAR notes that the Ministry of Civil Service and Administrative Reforms (MCSAR) is responsible for developing and coordinating policies that regulate employment in the civil service. The ministry's primary function is to manage staffing, salaries, planning and the training of public officers. Its main objectives are to develop a performance-oriented culture in the public service and to develop innovative and improved methods to deliver quality public services. Examples of the major reforms that it has introduced are: (i) quality-management initiatives (like introducing a code of ethics, adopting International Organization for Standardization (ISO) certification, adopting a citizens' and customers' charter, and introducing work-improvement teams); (ii) encouraging creativity and innovation through a staff suggestion scheme; and (iii) inculcating a culture of quality in the civil service. Future reforms will include strengthening the strategic budgeting process and introducing PBB in all ministries.
227. With regard to oversight mechanisms for the civil service, the CSAR briefly describes the roles of the director of the National Audit Office (NAO), which section 110 of the constitution provides for, and the Public Accounts Committee (PAC) of Parliament, which conducts closed hearings. With regard to current reforms in the civil service, the CSAR notes that the intention is to emphasise results or outputs more. This would lead to greater productivity.
228. The CSAR makes several recommendations to achieve the objective. They include reassessing the existing mechanism that allows the PSC to delegate its power of appointment to responsible officers.

ii. *Findings of the CRM*

Size and nature of the Mauritian public service

229. The 'traditional' Mauritian civil service, which the MCSAR controls, has about 50,000 employees. The larger public service – the traditional civil service together with local governments and parastatals – has

some 80,000 employees at various grades. Its vision is to “create a modern and efficient Public Service, ensure good governance and achieve excellence in the delivery of public services”. Its mission is to “be a driver, catalyst and facilitator for the development of effective and efficient human resources in the Civil Service, [and] to spearhead administrative reforms to enable the delivery of timely and quality public services”. Its core values are “integrity, innovativeness, quality, teamwork and timeliness”. The civil service is politically neutral. Since 1968, therefore, it has faithfully served nine governments and played its role of assisting the elected government to develop policies and implement them. The relationship between elected officials and appointed ones has generally been cordial, despite occasional clashes of personality. It deals with these, again behind the scenes, because every party knows its limits. Ministers who are MPs (all of them except, occasionally, the attorney general) have constituency clerks, whom the state pays, to assist them with their constituency work. Ministers also give up their full-time jobs. However, their colleagues who are not ministers are free to continue with their professions.

230. Such is the quality of the work of the Mauritian civil service that parents and guardians prefer public schools to private ones. The civil service has proved a breeding ground for the talent that the private sector needs. There are internal rules that are flexible to allow easy entry and exit. The civil service awards one salary increment to employees who get higher qualifications to encourage training and self-improvement.

Some strengths of the public service

231. The strong private sector seems to support the civil service. Indeed, the overwhelming perception is that the private sector leads and the public sector follows in Mauritius. The CRM learnt that civil servants are seen as arrogant in many countries, while those in Mauritius are seen differently. There is a harmonious working relationship between civil servants and managers in the private sector. The civil service consults the private sector about new laws and budget proposals. It seems, in fact, that the government accepts between 50 and 60 per cent of the advice that the private sector gives and that the government and the private sector develop policy jointly. One of the reasons for this is, apparently, that the government draws on the capacity of the skilled men and women with brilliant ideas in the private sector. The partnership is positive, because the public and the private sectors see themselves as citizens of the same country and therefore as partners

in development as well as in developing and implementing policy. This partnership should not harm democracy and good governance, because it will not prevent the Cabinet and the National Assembly from making decisions, policies and laws.

232. Recruiting and promoting civil servants in the country is based on merit and the constitution affirms that all Mauritians are equal. Consequently, there is no discrimination based on gender, ethnicity or any other grounds. The CRM did not find any evidence of political interference in recruiting or promoting civil servants. Furthermore, it has been expensive and time consuming to appeal against decisions of the PSC. This is because aggrieved civil servants had to appeal to the Supreme Court. This is no longer the case, thanks to the establishment of the Public Bodies Appeals Tribunal, which started operating in mid-2009. Its method of operating is less formal, more expeditious and less costly. A retired senior judge chairs the body. There is also provision for judicial review if one is dissatisfied with the decisions of the new body.
233. It was emphasised that all persons who are recruited are already qualified. The implication is that they therefore do not need much postrecruitment training. In addition, the former Mauritius Institute of Public Administration and Management (MIPAM) and the State Informatics Centre were transformed into the University of Technology of Mauritius. There is, therefore, no dedicated institution that does inservice and postrecruitment training for the Mauritian civil service. Those wishing to get formal qualifications study at universities and there are scholarships for postgraduate training. The MCSAR handles other forms of training. The conditions of service include training. It lasts two to three weeks and is tailor-made to suit the needs of employees. It includes customer care, a culture of quality, ethical standards, and training in the country's code of ethics. This was first published in 2000, was revised in 2006, and was due for another revised edition in August 2009. Training sometimes involves partnering with the private sector and, in some cases, foreign experts are hired to conduct it. Other ministries do their own training and all of them are required to have training committees to conduct it. In addition, they use distance learning and e-learning considerably. Mauritius is planning a civil service college to handle the training.
234. However, the director of audit does not appreciate these training efforts. The audit report for the year that ended on 30 June 2009 states that the approach to training in the civil service is fragmented

and that the training efforts exist for their "own sake". Training is not needs-driven or aimed at acquiring new skills or behaviour-supporting skills. There are no strategic plans and therefore the training does not link to specific strategies, challenges or problems in organisations. The NAO found no evidence of procedures for reviews or follow-up actions to ensure that the training was effective, to determine whether a different training methodology would have been more effective, to determine whether trainees apply their learning in the workplace, or to determine whether course content matches the training objectives of organisations. The report even mentioned that there were barriers to trainees applying their training.

Some reforms in the public service

235. The CSAR creates the impression that the public sector reforms differ from civil service reforms. In actual fact, the CSAR is referring to the civil service reforms already introduced at the time of the self-assessment and those due to be introduced. The Administrative Reforms Division of the MCSAR is responsible for introducing, developing and managing the reforms. The most significant current changes or reforms in the civil service have been the introduction of PBB and the Performance Management System (PMS). Both systems focus on improving performance and service delivery.
236. Chapters 4 and 5 deal with PBB. Therefore, this chapter will not comment on it further. Instead, this chapter will include a word on the PMS. It is not new. It can be described as a more sophisticated version of 'usual' staff performance evaluations or appraisals. It emphasises specifying, at the beginning of the year, the key tasks that employees must perform during the appraisal period and the key indicators of the appraisal. There is a midterm review of progress or performance so that difficulties can be dealt with without waiting for the end of the appraisal period. The system assists the civil service to distinguish good performers from others in order to arrange appropriate training for the latter. Mauritius hoped to assess 40 per cent of the civil service by December 2009, and to assess the entire service by December 2010.
237. There are activities intended to achieve reform in the public sector. They include quality management, customer care, setting standards for service delivery, getting ISO certification, developing a citizens' charter and a code of ethics, as well as introducing the annual Public Service Excellence Award. An example of setting standards

for service delivery is supplying new or renewed passports within seven days of citizens applying for them, if this is promised. The undertaking is displayed, where the service is delivered, for all to see. Then there is e-government. This essentially applies information and communication technology (ICT) to government operations. Citizens could access as many as 67 services, including scholarships and licences, online by July 2009. The problem citizens encountered was insufficient infrastructure, like Internet kiosks. This prevented the public from accessing the online services. However, the e-government initiatives of the Mauritian government could marginalise the poor and uneducated members of Mauritian society further. The CRM wishes to note that the various methods or reforms are similar to those associated with New Public Management (NPM). This is essentially an attempt to apply the methods and procedures of business and economics to civil services. Some of these methods might work well in both the public and private sectors. However, others might not because of the weaknesses in the public sector, which is pervaded by politics, legal considerations and concerns about issues like national cohesion and security. For example, it might not make sense, from a cost-benefit perspective, to build a public university in Rodrigues or to ensure that the undersea cable passes alongside the island. From a political perspective, however, it might be prudent to give the island these facilities.

Best practice 3.1: Public Service Excellence Award

This Award was introduced by the Ministry of Civil Service and Administrative Reforms in 2006, following the announcement of its introduction by Prime Minister Dr The Hon Navinchandra RAMGOOLAM soon after the start of his first term of office in 2005. It is now a much awaited, yearly event in which public organizations aspire to participate. It has successfully contributed to promote the spirit of innovation, continual improvement and excellence within the Civil Service. The award has the following objectives, judging criteria, and rewards:

Objectives

The award aims to:

- Recognise excellence and the spirit of innovation and to highlight their importance in developing a quality public service.
- Reward ministries, departments, units or divisions that have adopted innovative ways to meet the challenges that face them daily.
- Promote a performance-oriented, responsive, customer-centred and accountable public service.

Judging criteria

It has a five-point assessment criterion that adds up to 100 per cent.

(i) The first is strategic planning and objectives (10 per cent). Here, the question is: Does the ministry, department, unit or division have a:

- Vision statement?
- Mission statement?
- Specific objectives?
- A customer or citizens' charter?
- A system for maintaining or promoting ethical values or standards?

(ii) The second is leadership and team spirit (20 per cent). Here, the questions are:

- Is there commitment and leadership in top management?
- Are the organisation's communication process and information flow effective?
- Does team spirit and teamwork prevail?
- Are staff morale and commitment high?

(iii) Effectiveness and efficiency (30 per cent). Here, the questions are:

- Are goals achieved within set periods?
- Are goals consistent with established quality standards?
- Are outputs compatible with expected outcomes?
- Are resources used effectively?

(iv) Customer focus (20 per cent). Here, the questions are:

- Is there a clearly expressed vision for total quality service and for continuous improvement?
- Are customers treated with courtesy, consideration and fairness?
- Are customers given reliable and timely services?
- Is there an effective feedback mechanism that heeds and acts on the views of customers?

(v) Innovation and improvement (20 per cent). Here, the questions are:

- Are innovative ideas introduced to improve systems or service delivery?
- How effectively are these converted into practice?
- Is modern technology used to improve systems or service delivery?

Awards or rewards for winners. The winning ministries, departments, units or divisions will:

- Be recognised for their outstanding achievements.
- Enjoy publicity that will establish their reputations as proven providers of exemplary services.
- Be awarded a trophy and a cash prize (of Rs100,000) at the award ceremony.

NB: It allows for individual prizes of Rs50,000.

238. The CRM learnt that the two systems are beginning to change the way in which the civil service is managed. Both systems will require a shift in the mindset of civil servants. This shift, in turn, will have important implications for training and development.

Oversight mechanisms for the civil service: the PAC of Parliament and the NAO

239. The oversight mechanisms for the civil service revolve round two main bodies: the PAC of Parliament and the NAO.
240. The PAC conducts hearings in camera. This is a tradition that started before independence. It applies to all select committees of the National Assembly. This is a great surprise from an accountability perspective. It is true that certain accounts of governments might need examining in camera. It is also true that the PAC eventually makes its reports public and that the chairperson of the PAC is a member of the opposition. However, one would expect in a democracy that closed meetings would be rare and concern only certain forms of expenditure, especially those on national defence. Examining all accounts behind closed doors will not promote good governance. Doing so will reduce the 'public' nature of these accounts and will not promote transparency. However, the criticisms by the director of audit are more worrying. They suggest that the PAC is not as assertive and effective as it should be. Some comments on these criticisms follow immediately below.
241. This review will refer extensively to the report of the director of the NAO (called the auditor general in some countries) on the "Accounts of the Republic of Mauritius for the Year Ended 30 June 2008" to increase understanding of the oversight role this office plays. The relevant parts are the introduction and chapter 4 (pp 13 to 16), called "Review of the Recommendations Made in My Annual Audit Report, 2006-07". Section 4.3 deals with internal audits. The director noted, contrary to what was reported for the previous year (2006/2007) about improvements in internal auditing, that the "situation had deteriorated" in 2007/2008. This gives the impression that some ministries and departments underrate audits generally and internal audits and quality assurance (guaranteed through effective internal audits) in particular. The four examples below illustrate this.
242. The director stated in his introduction that the NAO had existed for 40 years and had fulfilled its mandate every year throughout that period. However, from the comments heard from various sources and the letters and correspondence received at the office, both signed and anonymous, it transpired that many stakeholders were unaware of the mandate, role, duties and powers of the director of audit. According to the report, "many civil servants are ignorant as

well", and quite a number of them (and the number was growing), including high officials, have refused for some time to give his officers the information, records and other documents needed for auditing purposes. Some of them provided the information after considerable delay and offered lame excuses for the delay. There are also cases where it was only after the office had completed the audit and the audit staff had left the site that the director of audit was informed "that the information was supposedly now available". Towards the end of his introduction, the director notes that some high officials in the civil service do not even bother to read his reports!

243. Secondly, in section 4.2 (on accountability and reporting), the director stated that he had noted in the 2007/2008 report that 272 certified financial statements had not been put before the National Assembly. Quite a number of these financial statements had, in fact, already been submitted to the parent ministries. However, they had not taken any action to enable the minister to put these financial statements before the National Assembly.
244. Thirdly, ministries and departments were conducting internal audits badly. The director of audit reported that, contrary to what the 2006/2007 report noted about improvements in internal auditing, the situation had deteriorated in 2007/2008. He noted that, with the exception of a few ministries or departments, the problems reported since 2003 were recurring. He listed these as:
- Lack of involvement or interest in the work of Internal Control Units (ICUs) by accounting officers.
 - Lack of supervision and control over ICU staff.
 - Managers denying responsibility for internal audits.
 - No real reviews of the plans, work and reports of ICUs.
 - Accounting officers 'blind' signing of the internal audit charter.
 - Limited auditing of the accounts of ministries.
 - Lack of adequate staff.
 - Poor standards of auditing.
 - ICUs conducting audits of accounts that NAO staff have already audited.
 - Inadequate training in modern internal auditing.
 - The MECHR has started to shift its role from that of 'firefighting', i.e. attending to minor problems that arise now and then in schools and colleges, to a more proactive role such as the establishment of the Primary School Renewal Project.

245. Fourthly, the director referred to audit committees. Five ministries and departments originally established these in June 2006 and then another five ministries and departments did so. However, the committees faced certain constraints a year later. These included lack of commitment by accounting officers. They therefore did not function as well as expected. He referred to his earlier recommendations to ensure the effectiveness of these committees. His recommendations were that: (i) retired and experienced senior public officers be enlisted; (ii) one person from outside the public sector be appointed to each committee; and (iii) each member of a committee be paid at least a sitting allowance. He noted that his recommendations to the Ministry of Finance and Economic Empowerment (MOFEE) were not considered. He added: "In fact, it seems that the Ministry does not believe in Audit Committees and therefore is paying only lip service to this important function. The situation has worsened: There was no Audit Committee at the MOFEE."
246. As in the case of the PAC, the impression that one gets is that the NAO is not as effective as it should be and that ministries and departments currently feel that they can ignore its work, including its recommendations.

Other challenges to the Mauritian public service

247. There were four further criticisms of the Mauritian civil service. These are that it is administrative and not developmental, lacks skills in certain areas, has an unattractive pay structure, and is unable to manage diversity.
248. The service tends to be administrative rather than developmental. Consequently, it tends to be bureaucratic at times. In other words, the civil service has an attitude problem. It is not keen on change and is reluctant to adapt. Perhaps the very nature of the civil service, with its security of tenure that makes officials rather complacent, causes this. To address this weakness, the MCSAR has tried to modernise the service through a number of initiatives.
249. The service suffers from a shortage of skills, especially among the technical staff. There are, for example, increasingly fewer experienced health and occupational safety officers, engineers and architects. Those who used to be there have left for greener pastures. Initially, there was an internal brain drain, with officials moving from the civil service to the private sector. Now, there is an externally oriented brain

- drain – officers leave for better-paid jobs abroad. The country has tried to respond to this challenge by training young officers quickly so that they can take on the responsibilities of those who leave.
250. The pay structure, especially at the top, is not very attractive compared with that in the private sector. As a result, the best people are not attracted into the civil service. The civil service has limited room for manoeuvre, given that there is a public, but independent, body. This is the PRB. It should not be confused with the NRB, which is empowered to determine the minimum wage for the country. It publishes a salary review report every five years. It published its most recent one in August 2008. There will perhaps always be a gap in remuneration between the public and private sectors in favour of the private sector, because the two services differ in nature. However, civil services all over the world must review and revise upwards the remuneration of their employees periodically so that this gap does not become unacceptably wide. A very wide gap would harm the morale of civil servants, reduce productivity and cause some of its best people to leave the service.
251. Managing diversity is a challenge. About 60 per cent of the Mauritian people are of Indian origin. Most of them had parents with foresight who sent them to school. This means they had majorities in a number of institutions, including the civil service. It is worth mentioning the people of Rodrigues here. Most of them did not go to school and they therefore do not have the qualifications for jobs advertised. Consequently, they do not apply for these jobs and find themselves underrepresented in the civil service.

iii. Recommendations

252. The APR Panel recommends that:
- The government continues to consult the private sector when developing policy. *[Government]*
 - The government makes special efforts to improve the general literacy of the people. This will allow them to learn about ICT and, subsequently, to access online services. *[Government]*
 - The MCSAR be careful about applying private sector methods, because not all of them suit the public service. *[MCSAR]*
 - The MCSAR establishes the proposed civil service college as soon as possible to handle postrecruitment and in-service training. *[MCSAR]*

- The PAC and the prime minister take urgent steps to ensure that ministries and departments take audits seriously. *[PAC and PMO]*
- The MCSAR ensures that the gap between the remuneration of employees in the private sector and that of those in the public service generally, and the civil service in particular, does not become unacceptably wide. *[MCSAR]*
- The political and civic leaders of Rodrigues persuade and support parents to send their children to, and keep them at, school or college so that they acquire the skills needed to enable them to compete for the jobs that become available in the civil service from time to time. *[Political and civic leaders]*

Objective 6: Fight corruption in the political sphere

i. Summary of the CSAR

There is corruption in Mauritius, but not at the level found in other African countries

253. Various international institutions (like the World Bank¹⁶, the Mo Ibrahim Foundation¹⁷ and Transparency International¹⁸) rank Mauritius as the best-run and the least corrupt country in Africa. However, according to national surveys carried out by Taylor Sofres Nelson (1999) and by StraConsult (2002 and 2004), Mauritians identify corruption as one of the three most serious problems in the country. In the 2004 nationwide perception survey on corruption, which ICAC commissioned, 20.1 per cent of respondents saw corruption as the country's most important problem, followed by unemployment (17.0 per cent) and drugs (16.8 per cent).
254. Stakeholders think that both petty and grand forms of corruption have increased. Consequently, 90 per cent of respondents believe that ICAC should make a greater effort to combat the vice. It is revealing to note that one in three respondents (32.8 per cent) with no formal education feel that "some people are above the laws however adequate they are". Indeed, they think that ministers (50.3 per cent) and MPs (42.8 per cent) are very corrupt. Respondents believe that the Customs Department, the police, the National Transport Authority and banks are very corrupt. Rodriguans rank the police as the most corrupt institution, followed by the Ministry of Fisheries (now the Ministry of Agro-industry and Fisheries) and the Ministry of Housing and Lands.

Anticorruption legislation

255. Conscious of the negative effect of corruption on the country's development, Mauritius has enacted or reviewed a number of laws to combat corruption and money laundering in Mauritius. They include: (i) the Companies Act of 2001; (ii) POCA of 2002; (iii) the Financial Intelligence and Anti-Money Laundering Act (FIAMLA) of 2002; (iv) the Mutual Assistance in Criminal and Related Matters Act of 2003; (v) the Banking Act of 2004; (vi) the Financial Reporting Act (FRA) of 2005; and (vii) the Public Procurement Act of 2006.
256. In addition, Mauritius has been a party to the UN Convention against Corruption (UNCAC) since 2004. It also acceded to the UN Convention against Transnational Organized Crime and the SADC Protocol against Corruption in 2003. Mauritius has also signed, although it is yet to ratify, the AU Convention on Preventing and Combating Corruption.
257. According to the CSAR, POCA is the main legislative instrument for fighting corruption. POCA provides for:
- Preventing corruption and fraud by identifying new corruption offences and punishing them with severe penalties.
 - Establishing ICAC, which has the power to detect and investigate corruption offences, investigate money-laundering offences and improve public awareness of corruption.
 - Restraining, and confiscating the proceeds of, corruption and money laundering.
 - Mutual assistance in fighting corruption and money laundering.
258. POCA established the following oversight institutions and mechanisms:
- A parliamentary committee that monitors ICAC and reports to the National Assembly.
 - An annual declaration, made by members of the board and officers of ICAC to this parliamentary committee, of their assets and liabilities and those of their spouses, children and grandchildren.
 - An annual report of the commission's activities and audited accounts submitted to this parliamentary committee.

16 - World Bank. *Doing Business 2007 Survey*.

17 - Mo Ibrahim Foundation's *Index of Governance*, published in 2007.

18 - Transparency International's *Corruption Perceptions Index*, published every year since 1993. Mauritius was first ranked in 2001.

259. The Financial Intelligence Unit (FIU) and ICAC were established after FIAMLA and POCA were enacted.
260. ICAC has developed a strategy to build integrity in Mauritius and Rodrigues. Its objectives are to:
- Create a corruption-free Mauritius.
 - Create public awareness and intolerance of corruption.
 - Improve governance in the public and private sectors.
 - Develop responsible citizens and an ethical workforce.
 - Make corruption a high-risk and low-gain activity.
261. ICAC is currently implementing a three-year action plan for 2006 to 2009. This outlines the strategies to achieve the country's objectives of preventing corruption that are consistent with regional and international requirements and focus on building integrity in the nation as well as on improving the credibility of institutions. The commission aims to reinforce a culture of integrity and to build greater trust in public institutions through prevention and education programmes.
262. The National Assembly adopted the Public Procurement Act in 2006. It repealed and replaced the Central Tender Board Act of 2000. The act established the Central Procurement Board (CPB) to foster new and transparent public procurement procedures and to supervise, or monitor, all forms of procurement by public bodies. The CPB is responsible for developing policies and issuing directives for the operation of a transparent and efficient public procurement system. The Public Procurement Act enables an actual or potential bidder to challenge the procurement proceedings of a public body, at any stage, and to ask the chief executive officer (CEO) of the public body to consider complaints and, where appropriate, take remedial action.

Funding political parties

263. Despite the numerous efforts Mauritius has made to counter corruption in the public and private sectors, the CSAR emphasises that a regulatory framework for funding political parties is necessary. The Sachs Commission, the select committee, which reviewed the Sachs Report, the code of ethics of the Joint Economic Council (JEC) and a number of trade unions all seek to promote the transparency and accountability of political parties. Consequently, they all emphasise that it is necessary to regulate the financing of political parties. While the JEC's code of ethics invites all companies that make donations to political parties

to declare the amounts in their books, political parties do not keep detailed financial statements and only very few members know about their party's financial status.

264. Despite the blatant lack of transparency about the finances of political parties and the numerous allegations made against politicians, the CSAR notes that the only case that has been prosecuted is that of Ringadoo v Jugnauth. However, the case is more about electoral bribery than the financing of political parties.

ii. Findings of the CRM

265. The CRM noted that Mauritius has progressively tried since the 1990s to strengthen the fight against corruption by passing legislation. Adopting POCA in 2002 was a milestone in the fight against corruption in the country. POCA applies to all civil servants and people who have public authority (MPs, ministers and the members of various constitutional bodies). ICAC, created after the enactment of POCA, is responsible for investigating acts that violate the law. This commission is also responsible for preventing corruption by educating the public and civil servants about the provisions of the law. It also assesses the administrative procedures implemented in the public sector to make them more transparent and effective in the fight against corruption. Finally, it helps to carry out research on corruption. Besides its anticorruption activities, ICAC is responsible for drafting reports that FIAMLA requires on money laundering activities and the financing of terrorist activities linked to corruption. It works with FIU to do so. The role of FIU is to gather, analyse and submit, to the investigative authorities, the financial information relevant to suspected cases of money laundering and the financing of terrorist activities.
266. POCA and ICAC are undeniably important legal and institutional tools in the fight against corruption. However, the CRM noted some loopholes that may threaten their complete effectiveness.

Limitations of POCA

267. One important loophole is the lack of clarity in the definition of corruption in Mauritian law. POCA¹⁹ attempts to define an act of corruption and corruption offences. However, it may be useful to use the more comprehensive definition of corruption contained in UNCAC²⁰.

268. A second loophole is the different ways it treats the public and private sectors as regards the commission of acts of corruption. The law does allow people in the private sector to be prosecuted. However, it defines 'officer' as a private intermediary committing an act of corruption against the wishes of his or her superior. The acts criminalised by this law are therefore extremely limited compared with those that apply to civil servants. Besides, acts are no longer offences if they are committed with the agreement of a superior.
269. Thirdly, POCA does not specify clearly how it will protect whistle-blowers. ICAC staff saw this as a weakness, because it leads to witnesses refusing to testify in court, although they cooperated fully during investigations.
270. Furthermore, stakeholders do not see the opaque funding of political parties as corruption, because it does not involve 'public officers'. The candidates are not yet elected, so they do not have public authority. In addition, stakeholders regret that the law does not cover some managers in key posts, especially international consultants in ministries.

Limitations of ICAC

271. By law, ICAC is an independent body. It must therefore "act in a manner that is independent, impartial, and fair and serves the public interest". Consequently, ICAC accounts for its actions only to the parliamentary committee that oversees the administrative aspect of its work and not the relevance of investigating particular cases. This committee comprises five members appointed by the prime minister and four by the leader of the opposition. The CRM appreciates the safeguards that have been put in place to limit the possibility of ICAC falling under the influence of politicians. However, the absence of any oversight over the appropriateness of pursuing certain investigations is a serious loophole in balancing ICAC's powers. This loophole appeared after POCA was amended in 2005. This ended the activities of the Operational Review Committee (ORC). This committee was responsible for monitoring the investigative work of ICAC and therefore acted as an external counterweight.
272. Another weakness is that the commission does not have the power to arrest suspects. It must therefore call on the CP to make formal arrests. ICAC also may not access the bank accounts of suspects without permission from the judiciary. ICAC certainly does reduce

abuse, like victimisation. However, it is clear that, without the help of the police and the judiciary, ICAC would not be able to conduct and/or complete its investigations.

Progress made with the funding of political parties

273. The CRM noted that Mauritius has made significant progress in increasing transparency regarding the funding of political parties. Stakeholders stated, during meetings, that funding political parties is no longer a problem for the parties. Instead, it became a public question and citizens want clear answers to it. It is encouraging that the Sachs Commission and the select committee have made clear and precise proposals for reform.
274. The recent case of electoral corruption, in which the Supreme Court declared invalid the July 2005 election of a prominent winning candidate, has sent a strong signal to the political elites that election malpractices will not go unpunished any longer. This was the first time this has happened in the legal and political history of the country. Many stakeholders saw this case as significant progress.
275. The private sector, through the JEC's code of ethics and the code on good governance, decided to publish the total amounts given to political parties and to use cheques rather than cash during elections. Various stakeholders saw this decision as a very positive development in promoting transparency in the financing of political parties.
276. However, these positive moves cannot hide the fact that Mauritius needs to take further steps in order to address the problem fully.
277. The CRM noted that, despite public debates, the laudable initiatives the private sector has taken and the clear recommendations the Sachs Commission made, political parties have yet to reach consensus on which reforms to implement. It is imperative that reforms are made soon if political parties are to break down the public's current impression that the entire political arena is corrupt and that the highest levels are setting a bad example.

POCA and civil servants

278. Civil servants are subject to POCA when it comes to corruption. In addition to the provisions of POCA, the minister of civil affairs and administrative reforms – now called the minister of the civil

service and administrative reforms – published a civil servant’s code of conduct²¹ in 2000. It lists general principles for ethics and responsibility that civil servants must comply with in carrying out their work. It reaffirms the political impartiality that every Mauritian civil servant must observe.

279. Specific paragraphs of the code of ethics describe the expected behaviour of civil servants with regard to corruption:

- Civil servants cannot use their positions to further their private interests. They must not ask for or accept gifts or favours that may influence their activities.
- They must declare their interests (like partnerships or shares) in any company that could lead to conflicts of interest.
- They cannot publicly give opinions about the actions of the government or state their own political views. They must not seek to influence the government by divulging information to which they have access by virtue of their position.
- They must ensure that public money is spent effectively and for just ends. They must also not waste public funds.
- Except with the approval of their direct superior, they cannot hold two positions concurrently if these are likely to lead to a conflict of interest.

280. Civil servants are currently not obliged to declare their assets. ICAC investigates if a complaint of corruption is made against a civil servant. The civil servant remains in public office and receives a salary until the matter is concluded, because he or she is presumed to be innocent. The civil servant is dismissed if convicted and his or her appeal is rejected. He or she must also serve the sentences courts impose.

A concluding note on the fight against corruption in the public sector

281. Over the years, the state has shown clearly that it intends to deal with those public sector institutions that are most affected by corruption by reviewing their procedures and the way they operate. Anticorruption measures are already in place at the Mauritius Revenue Authority²² (MRA) and at the National Transport Authority. The Business Facilitation Act also tries to reduce the risk of corruption by accelerating and clarifying the procedures for awarding licences and permits. Its aim is to avoid having to pay ‘speed money’ to accelerate procedures.

282. The Public Procurement Act has reformed public contracting procedures. It is another demonstration of the state’s willingness to make state functions more transparent and to prevent practices that distort public contracting procedures. This act, together with POCA, FIAMLA and the civil servant code of conduct shows that the state (independent of the government) intends attacking the problem of corruption and promoting greater transparency by reforming several sectors at the same time. The state can strengthen this resolve to increase transparency in its functions even further.

283. The role of the media (and indeed that of civil society in general) as watchdogs is very limited without legislation on access to information. This gives the impression that the state has much to hide. Parliament has yet to debate the Freedom of Information Bill that the government announced in its programme for 2005 to 2010.

iii. Recommendations

284. The APR Panel recommends that Mauritius:

- Establishes a legal framework for the financial activities and functioning of political parties and adopts a system for funding political parties. [*Political parties and Parliament*]
- Introduces freedom-of-information legislation to facilitate access to public information. [*Government and media organisations*]
- Extends the requirements for declaring assets to civil servants who hold key posts in the public contracting system. [*Government and Parliament*]
- Strengthens the judicial system by providing the required resources (human, financial, and specialist training) in order to combat corruption more effectively. [*Government and development partners*]
- Amends POCA of 2002 to ensure that a body to supervise the investigative work of ICAC is established, and makes this law applicable to everyone, including private individuals, election candidates and advisers. [*Government and Parliament*]

Objective 7: Promote and protect the rights of women

i. Summary of the CSAR

285. According to the CSAR, the set of legal and institutional measures, which the state introduced many years ago, has helped to promote the legal and

judicial status of women. The country also ratified **CEDAW** as far back as 1984. **Section 3 of the constitution** of Mauritius states that all citizens are equal and that their basic rights and freedoms must be respected. Mauritius amended its constitution in 1995 to make discrimination based on sex illegal.

286. Major amendments have been made to the **Napoleonic Code** since 1981. These have improved the status of women. A woman currently has the right to choose her profession, establish a business, open bank accounts, and apply for loans without the authorisation of her husband. She may also choose the matrimonial regime she wants.
287. Couples also share responsibility for managing the family. They have the same rights, obligations and responsibilities. They share parental authority. The welfare of the child is paramount when it comes to making decisions about his or her welfare.
288. Mauritius also passed the **Sexual Discrimination Act** in 2002. It eliminates all forms of discrimination against women. This law led to the establishment of the Division on Sexual Discrimination within the NHRC.
289. Mauritius passed a **law against domestic violence** in 1997 and amended it in 2004. It protects the victims of domestic violence. The CSAR observes that, despite this act, the number of cases of domestic violence that corroborating nongovernmental sources have reported is very high.
290. The **Sexual Offences Act**, which came into force in 2003, aims to enforce sanctions against sexual abuse. The intermediate tribunal can therefore impose prison sentences of 20 years on any person convicted of rape.
291. With regard to policies developed for promoting gender equality and the empowerment of women, the CSAR mentions the triennial programme on “capacity building to ensure equality between the man and the woman and empowerment of the woman”. The **MWRCDFW** launched this programme in August 2005 with the United Nations Development Programme (UNDP) and the International Labour Organization (ILO).
292. Several institutions try to promote the participation of women in society and protect their rights. They include the **National Council of**

Women (NCW). It has operated under the aegis of the **MWRCDFW** since 1985 to: (i) establish and maintain effective communication with women and women’s organisations; (ii) ensure that they are coordinated and help to implement and evaluate government policies on the needs of the woman; and (iii) advise and assist women to create associations for promoting literacy, dressmaking and other activities.

293. The **National Council of Women Chief Executives (NCWCE)** is a parastatal organisation that the National Council of Women Chief Executives Act of 1999 established. It aims to (i) promote the development and growth of women executives; (ii) provide them with an appropriate framework, a favourable business environment, and a set of incentives to improve the competitiveness of enterprises; and (iii) promote the economic independence of women.
294. The Protection of Human Rights Act of 1998 established the **NHRC** in 2001. The act against sex-based discrimination strengthened it in 2002. It led to the establishment of the Sexual Discrimination Control Division within the NHRC. The NHRC publishes a report every year. This uses a situation analysis to make recommendations for promoting human rights in Mauritius. The Sexual Discrimination Control Division of the NHRC received 161 complaints in 2007. They included 12 about gender-based discrimination, 11 about sexual harassment, 14 about moral harassment and 24 about general discrimination.²³ Many complaints were about sexual discrimination by employers. The NHRC also observed that few women work in the private sector or occupy posts of responsibility and that the wage difference between men and women is still considerable. According to the 2007 report of the NHRC, women made up only 25 per cent of the total number of executive directors of the 44 parastatal institutions and only 12 of these institutions appoint women as chairpersons of boards.

Representation of women in Parliament

295. The CSAR notes that there was a very slight improvement in the level of participation of female candidates in the 2005 elections. Even if the political parties fielded more candidates than in previous general elections, only 59 (or 8.8 per cent) of the 664 candidates were women. This is a very small percentage of the total. With such a small number of candidates, Mauritius is far from achieving the 30 per cent required by the SADC Declaration on Gender and Development of 1997.

ii. Findings of the CRM

296. The CRM noted the progress made in promoting women's rights at the legal and institutional levels in Mauritius. The government established a ministry responsible for these rights in 1982. After several changes in name and mandate, the ministry became the **MWRCDFW** in September 2000. Other institutions, like the NCW and NCWCE, support the ministry.
297. Mauritius has also subscribed to CEDAW, the Solemn Declaration (by the Heads of State and Government of Member States of the AU) on Gender Equality in Africa and the SADC Declaration on Gender and Development. She has also signed, but not ratified, the Optional Protocol to CEDAW and the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa. Mauritius has still to ratify the SADC Protocol on Gender and Development.
298. The CRM noted the numerous efforts Mauritius has made to promote women's rights. They include: (i) amending section 16 of the constitution in order to ban sexual discrimination in 1995; (ii) passing a law on sex-based discrimination in 2002; (iii) amending the Protection from Domestic Violence Act in 2004 and 2007; and (iv) passing the Equal Opportunities Act in 2008. The latter was not in force in July 2009.
299. To promote and protect these rights further, the MWRCDFW developed, with the support of the UNDP, a national framework for integrating gender with development policies. It is also an action plan. This framework aims at guiding sectoral departments to develop their gender policies, action plans and performance indicators, and to monitor and evaluate them.
300. The CRM also noted the efforts the country has made to strengthen the social and economic rights of women. They include primary, secondary and higher education and healthcare (including family planning) services that Mauritius offers free of charge to the entire population.
301. The CRM noted the progress the country has made to promote the status of women. However, it observed some weaknesses at the constitutional, legislative and institutional levels. These include women's participation in political life, access to decision-making positions and domestic violence. These are among the concerns

- Mauritius should address. Although Mauritius subscribed to CEDAW in 1984, the country has not incorporated all its provisions in national law. It therefore cannot invoke these provisions in Mauritian courts. Mauritius has a dualist legal system. It requires that the country incorporates international law in national law. Furthermore, it retained the derogation regarding the banning of discrimination in section 16(4)(c) of the constitution on personal status, adoption, marriage, divorce, burial and inheritance. This disregards articles 2 and 16 of CEDAW. However, Mauritius did amend the civil code. This gave special status to Muslim citizens. In the same vein, it established the Muslim Family Council. This council has the mandate to maintain a register of all marriages and all divorces in order to conform to the Muslim faith. The CRM observed that this special treatment, much as the ethnic and cultural diversity of the country can justify it, does not promote equality in treatment of the citizens of different faiths before the law. It is more of an obstacle to ensuring gender equality as advocated in international and regional human rights instruments.
302. The CRM noted that violence against women, particularly domestic violence, remains a serious problem. The government is aware of this and introduced several measures to address the problem. Statistics on violence, which the MWRCDFW cited in its 2005 national report to CEDAW, show progress in the fight against this plague that disturbs, destabilises and destroys families.
303. Stakeholders mentioned that the violence continues despite the 2004 and 2007 amendments to the 1997 law. Stakeholders say that this very important law cannot eradicate the phenomenon on its own. The stereotypes associated with gender inequalities are still alive within the society. Various measures to sensitise and educate people about women's rights and gender issues must accompany the law. The state should introduce the measures at all levels, including primary schools, higher education institutions, adult education institutions, as well as professional bodies (the police, the judiciary and the parajudicial corps). It is also necessary to improve prevention and increase the number of homes for the women victims of violence and their children. Women also mentioned obstacles like economic dependency on their partners. This prevents them from reporting the cases of violence that their partners commit.
304. Stakeholders also mentioned marital rape, which is not regarded as an offence. This is both a human rights issue and a key factor in spreading the human immunodeficiency virus (HIV) and the acquired immune

deficiency syndrome (AIDS) in the country. The CRM heard that the courts reject complaints about rape that the victims make because of the slowness of the justice system. Quite often, courts examine these cases long after women report them. According to media reports, pregnant women who choose abortion after a rape are more severely punished than are the perpetrators of the rape cases. Courts always regard abortion as a criminal offence. They never consider the circumstances that led to the abortion (like rape, incest and even threats to the life of the mother).

305. Stakeholders also reported problems associated with prostitution. The CRM also heard that, despite the absence of statistics, prostitution seems to be increasing, particularly at the moment when retrenchments are increasing because of the economic crisis. Sexual tourism also contributes to the problem.

Right to employment and to fair and favourable working conditions

306. The CRM welcomes the Equal Opportunities Act of 2008, although it was not in force by July 2009. After interviewing some stakeholders, the CRM felt that there was still a lot to do to ensure that rights are effectively protected. The country needs to change its attitude. Many managers, for example, prefer to recruit men, because women take maternity leave.
307. With regard to violence in the workplace, some stakeholders told the CRM that victims do not report many cases of sexual harassment in the workplace – women victims do not complain, as they fear losing their jobs.

Right to participate in public and political life

308. The CRM noted the trends in the country's development in different areas. However, it noticed that women, who make up 52 per cent of the country's population, are poorly represented in many sectors of political and public life and in decision-making positions. They include Parliament and the private sector. However, the proportion of seats that women hold in Parliament increased from 5.7 per cent in 2004 to 17.1 per cent in 2008.
309. Stakeholders told the CRM that, although many women and men support parity, Mauritius does not comply with the SADC Protocol on Gender and Development. Furthermore, Mauritius has not

introduced the affirmative action measures that would increase the proportion of women who participate in decision making and political life, particularly Parliament, to 50 per cent.

310. The current electoral system is also one of the reasons for the poor representation of women. Stakeholders thought that the electoral system was unfair because of the imbalance between the percentages of votes and the number of MPs elected at the end of the elections. They demanded electoral reform that would introduce some proportional representation and quotas.
311. The current constitutional and legislative provisions will not promote gender equality. The patriarchal nature of Mauritian society continues to determine the roles of men and women in public and private life. The difficulties that women experience in reconciling professional, family and domestic responsibilities remain. They also lack support and encouragement if they want to participate in politics. All of these factors prevent women from contributing effectively to democratic governance in Mauritius. Add to them the nature of the multicultural political system of the country. Electoral competition in Mauritius is intense. Religious and sociocultural associations, which men dominate, sponsor political candidates. They therefore concentrate all their efforts on men. Although the situation is more or less common to many countries, it does marginalise female candidates.²⁴
312. Women realise that ethnic lobbying is more powerful than gender lobbying in the Mauritian political system. Consequently, a number of women have decided to join forces in an association called Women in Politics (WIP). This is an initiative of Women in Network (WIN). The women work together to ensure that they are better represented in political parties and have equitable representation in Parliament and local entities.
313. At the institutional level, the CRM noted the legal and practical efforts and actions that the MWRCDFW has taken to promote and improve the situation of women, despite the limited financial and human resources at its disposal.

24 - Ramtohul, R. 9 January 2008. *Analysing the Gender Dimension of Multicultural Politics: The Case of Mauritius*. Paper presented at the annual meeting of the Southern Political Science Association, Hotel Intercontinental, New Orleans, LA. 2009-05-23 http://www.allacademic.com/meta/p228582_index.html.

iii. Recommendations

314. The APR Panel recommends that Parliament:

- Ratifies international, regional and subregional instruments that promote women's rights.
- Encourages greater numbers of women in decision making positions by introducing quotas in order to conform to international, regional and subregional instruments.

The APR Panel recommends that the executive:

- Strengthens the MWRCDFW by providing it with adequate human and financial resources.
- Intensifies efforts to sensitise people about violence against women, particularly within families.
- Increases its efforts to change the stereotyped roles of women and men by sensitising and educating the public.
- Integrates education for women's rights, teaching law and the training of judges, lawyers and public prosecutors in order to inculcate a culture that favours gender equality and nondiscrimination.

Objective 8: Promote and protect the rights of children and young persons

i. Summary of the CSAR

315. The country has adopted several measures aimed at protecting the child. They include promulgating the **Child Protection Act** in 1994. Its objective is to protect children against all forms of abuse. The country implemented it in June 1995. Mauritius harmonised this national law with the UN Convention on the Rights of the Child.
316. The **ombudsperson for children** must ensure that public agencies, private authorities, individuals and associations consider fully the rights, needs and interests of children, promote the rights and superior interests of children, and try to respect the Convention on the Rights of the Child.
317. Mauritius amended the **Napoleonic Code** in 1999 in order to allow a child to contact a court to ascertain the basis for a case in which he or she is implicated. Another amendment aims at restricting the rights of parents who use the resources of the family unjustifiably and put

the life of the child at risk. A father or a mother may not use his or her property or that of the child without the consent of the spouse.

318. Mauritius promulgated the **Criminal Code (Amendment) Act** on 22 May 1998. It provides for sanctions against parents if they, for example: (i) abandon the family home for more than two months; (ii) treat their children badly; (iii) set their children bad examples; (iv) conduct themselves obviously badly; (v) fail to care for their children; (vi) harm the health, security or morality of their minor children seriously; (vii) attack minors of younger than 16 or their own children with physical or mental disabilities.
319. Mauritius promulgated the **Child Protection Act** (various provisions in annexure 3) on 22 May 1998. It extended the definition of the term 'wrong' in the Child Protection Act to include sexual violence. A magistrate may now issue an emergency protection order when he or she has valid reasons for thinking that a child is, or runs the risk of, suffering any form of sexual abuse.
320. Any person who has intercourse with a given person, with or without his or her consent, commits an offence. A 'given person' is a child irrespective of age, or a person with physical or mental disability, who lives under the same roof as the accused or who is the child of the partner of the accused. Any person who commits an indecent act, even with consent and without violence, commits an offence.
321. Mauritius has also adopted texts aimed at protecting children in different circumstances. It amended the **Cinematography Act** to cover sanctions that can be imposed on a person who admits a minor person to an exhibition, or a proposed exhibition, of a cinematographic film that violates a condition imposed by the Censure Committee provided for in law. It amended the **Registration of Associations Act** to cover the admission of a minor boy or girl, with the written authorisation of his or her tutor, as a member of a registered association.
322. Mauritius promulgated the **Protection from Domestic Violence Act** (annexure 7) in May 1997. The objective of the act is to protect spouses and children against domestic violence.
323. Mauritius amended the **Pretrial Release of Delinquents Act** to guarantee that, when the police arrest a person younger than 18, they take all necessary measures to inform the parents or tutor of the child and/or indicate where they can see the child. It amended the

Juvenile Delinquents Act to restrict the circulation of reports on all actions taken by juvenile courts. It amended the **Divorces and Legal Separation Act** to compel courts to ask for the views of children older than 10 who are able to judge in any case in which they have an interest. It amended the **Police Act** to prevent permits for employing minors in the security or protection services being issued.

324. Mauritius established several institutions to protect the rights of children. It established the **National Children's Council (NCC)** in 1990 to ensure that the government and NGOs strive together for the welfare of children. It should coordinate the activities of organisations working for the welfare of children. It reviewed the work of the council in 1998 to make it more dynamic and sensitive to the needs of children and to guarantee that children participate. Section 3 of the National Children's Council Act (Act 5 of 2003) created the present NCC. It repeals the previous National Children's Council Act. The NCC is responsible for promoting the Convention on the Rights of the Child through sensitisation, information, education and communication campaigns.
325. Section 3(1) of the Adoption Act (Act 21 of 1987) created the **National Adoption Council**. The National Adoption Council, which deals with issues of adoption and follow-up of children adopted by foreigners, falls under the MWRCDFW. It ensures that the adoption of a Mauritian child by a foreigner will only be approved after all other possibilities of adoption in the country have been explored.
326. Mauritius established the **Child Development Unit and the Child Protection Unit (CPU)** in 1995 and decentralised them to five different regions. The mission of the CPU is to enforce the Child Protection Act and implement child development policies and programmes. It offers a 24-hour service through free toll lines to children at risk. It also offers free legal counsel and psychological counselling to children. Mauritius established the CPU as a pilot to provide multidisciplinary and integrated services in cases where children are exploited.
327. The government established a number of **Clubs for Children and Recreational Centres** across the island to comply with article 31 of the Convention on the Rights of the Child. The clubs offer children opportunities to participate fully in cultural, artistic, recreational and leisure activities. The government is reviewing the objectives of the clubs to ensure that children are involved in making decisions.

ii. *Findings of the CRM*

328. Mauritius, which subscribed to the Convention on the Rights of the Child in July 1990, has established a legislative and institutional system for promoting and protecting Mauritian children. The laws mentioned above testify to that. The same applies to institutions it established to implement government policies. They include the MWRCDFW and the ombudsperson for children.
329. The MWRCDFW has addressed the development of children aged between birth and 18, especially the aspects that other ministries do not address, since 1991. Its mission is to develop a coherent and coordinated action programme that conforms to the recommendations of the Convention on the Rights of the Child. This ministry, despite a highly reduced budget, makes considerable efforts to protect Mauritian children. It established the Child Development Unit in 1995 to do so. The mandate of this unit, which has been decentralised to the six regions of the island, is to implement the Child Protection Act as well as policies and programmes for developing children. The unit works closely with the police and offers services on a 24-hour basis, through telephone lines, to children at risk as well as free legal and psychological assistance to them. It has established social support systems for children in distress. In addition, joint mobile teams of the MWRCDFW and the Minors' Protection Brigade have been carrying out patrols since 2008 at several points on the island to ensure that children, pupils and students do not abandon their studies for other illicit activities and to protect them from delinquency. Children carry out these illicit activities at bus stations, in commercial areas, amusement parks and gardens, and at beaches. The MWRCDFW also has a policy to control sexual abuse and child prostitution.
330. The CRM sees the establishment of an independent ombudsperson for children in 2003 as a major leap forward in safeguarding children. The ombudsperson is responsible for ensuring that the government, private authorities, individuals and associations consider the rights, needs and interests of children fully. The CRM appreciates the efforts that Mauritius is making to promote and protect the rights of children (see chapter 6 on socioeconomic development). However, the CRM learnt, from interacting with stakeholders and reading articles in the press and on websites, that there are problems that Mauritius needs to address. They include inequality in the education system, violence against children, commercial sexual exploitation of children, as well as juvenile delinquency and its treatment.

331. The CRM learnt that Mauritius had invested massively in its education system to redress the inequalities between its ethnically diverse people. However, even though there is free education for all, Mauritius is unfortunately far from producing an adequate number of properly educated and trained young people. Mauritian schools suffer from high dropout rates, high illiteracy, a shortage of teaching and learning materials, and an inadequate supply of suitably trained teachers. The Situation Analysis of Women and Children Report, produced by the MWRCDFW in 2003, revealed that one of the most serious problems of the education system is the failure rate in the Certificate of Primary Education (CPE) examination. The failure rate has been about 60 per cent for the past 10 years and, in some deprived regions, as high as between 60 and 70 per cent. Educational inequalities have very deep causes in the wider socioeconomic and historical inequalities that persist in the country. It is necessary to consider abandoning the CPE, reinforcing the (ZEP) and introducing Creole at the primary school level.
332. Stakeholders also raised the issue of the sexual exploitation of children. The CRM was concerned about the great number of child victims of abuse and the impunity that perpetrators enjoy. According to a 2003 study that the University of Mauritius conducted²⁵, the commercial sexual exploitation of children is well organised in the country. Powerful criminal networks, helped by intermediaries like taxi drivers, caretakers of bungalows and pensionnat (boarding schools), staff from hotels, bars and nightclubs, relatives of the children, and some influential members of society, perpetrate it.
333. Child victims come from all regions and ethnic groups. It is estimated that around 2,600 girls below the age of 18 are currently exploited through commercial sex. The Save the Children Foundation Report on Mauritius (<http://www.scf.org.in/resources/image/MAURITIUS.pdf>) indicates that children generally become prostitutes between the ages of 10 and 17. The average age is 13.
334. Mauritius passed the Child Protection Act in 1994 to address the issue of the commercial sexual exploitation of children. It amended the act in 2005 to prohibit child trafficking explicitly. However, analysts are criticising the legal provisions for child prostitution, because they are not comprehensive and because the standards set in international law are unclear. They call for more revisions. Current laws forbid causing, inciting or allowing a child to engage in prostitution. They also forbid procuring, enticing, exploiting or facilitating child prostitution. The definition of prostitution is nevertheless vague and unclear. It may

- be that certain sexual acts with children are not criminalised. None of these laws bans using a child in sexual activities for payment or any other form of remuneration according to the definition in the Optional Protocol (which Mauritius should ratify as an initial step). In addition, the Child Protection Act and the Criminal Code overlap and have varying punishments for acts similar to prostituting a child. Mauritius should integrate these provisions with a law that defines child prostitution fully and prohibits it in order to comply with international standards.²⁶
335. Stakeholders raised the absence of comprehensive units, with specialised personnel, to care for the recovery, rehabilitation and reintegration of abused children, as well as the lack of alternative homes for children. The CRM also noted that Mauritius had not done enough to provide children with alternative ways of making livelihoods or to rehabilitate and reintegrate them fully into society.
336. The CRM was also concerned about the frequent cases of violence, especially sexual violence, and neglect where children are the victims. It was also worried that drug abuse is widespread among some of them, despite the sensitisation and prevention campaigns that government services and civil society have conducted. Stakeholders were troubled about the dangers that the Internet and mobile phones pose for children. They were particularly concerned about pornographic sites, harassment, abuse and other threats. The CRM learnt that a bill aimed at protecting children from the dangers of the Internet was being finalised. The bill is one of the recommendations of the Child Safety Online Action Plan. Four institutions have decided to combine their efforts to protect children from the dangers of the Internet by launching a television programme on Child Safety Online. They are the Ministry of Information and Communication Technology, the MWRCDFW, the MECHR, and the National Computer Board (NCB).
337. Child delinquency has doubled at several levels in the country over the past few years. Children aged 15 years or less have been involved in many cases of attack and theft. Stakeholders were worried about this increase in delinquency among young people. The changes in the country have certainly favoured the development of the Mauritian economy and improved the standard of living. However, they have also had a negative effect on families, especially the youth. With the accelerating pace of life, many active parents have very little time for their children. Some have blamed the education system, which places too much importance on performance and too little on

socialisation. The way the authorities deal with delinquency also poses a problem, because the young delinquents do not always benefit from the guarantees offered them by the Convention on the Rights of the Child. The stakeholders, especially in Rodrigues, drew the attention of the CRM to the lack of adequate structures and centres to cater for young delinquents and children in distress. Socioeducational measures that provide children with alternative ways of making livelihoods or that rehabilitate and reintegrate them into society are virtually nonexistent on the island. Young inmates are also imprisoned alongside adults. However, prison sentences, whether in Rodrigues or Mauritius, mean suffering and violence.

Good practice 3.2: The role and powers of the ombudsperson for children

The Ombudsman for Children Act of 2003 established the position of ombudsperson for children in 2003. The ombudsperson represents and defends all Mauritian children in Mauritius, Rodrigues and Agaléga, and even those who are abroad. He/she also represents and defends foreign children on Mauritian territory.

- He/she is independent and must promote the rights and interests of children. He/she ensures that every person, association or institution, in the public or private sector, respects the rights and interests of children.
- He/she listens to children to understand their concerns and expectations. He/she proposes, to the competent authorities, legal, political or other measures that can improve the condition of children.
- He/she investigates any violation of the rights of a child or any risk of a violation.
- He/she acts as ombudsperson or sends a report to any person or authority.
- He/she makes general proposals to the MWRCDFW.
- He/she does not intervene directly in trials, but can direct any child involved in a trial for aid, assistance and psychological or other support to the ministry.
- He/she should also promote the Convention on the Rights of the Child and respect for its clauses.

Investigations

To open an investigation, any adult or minor can contact the ombudsperson for children. That person must report the facts about any child victim. The ombudsperson for children guarantees the confidentiality of their information. The ombudsperson for children may also initiate an investigation as soon as he or she hears about a violation. He or she may then interrogate any person, including a civil servant, who can give information. He or she may also go to any place where a child is living either temporarily or permanently or in danger, like a foster home, a school, a day-care centre, a work or leisure place, a licensed beverage room, a charitable institution, a place of detention, a hospital or a clinic. He or she may ask the CP to order an investigation or to assist him or her to access any place where a child may be in danger.

Reports

The ombudsperson for children must submit a report every year to the president of the republic, who, in turn, sends it to the National Assembly. The ombudsperson for children may also submit occasional reports.

iii. Recommendations

338. The APR Panel recommends that Mauritius:

- Reforms the educational system and reinforces the ZEP – or any areas that need special education – to achieve equity and quality education. [MECHR]
- Intensifies efforts to eradicate violence against children in the family and society. [Government]
- Takes all necessary measures to put an end to the commercial sexual exploitation of children. [Government]
- Researches the causes of juvenile delinquency and complies with the provisions of the Convention on the Rights of the Child on the treatment of minor delinquents. [Government]

Objective 9: Promote and protect the rights of vulnerable groups, including the disabled, the poor, internally displaced persons and refugees

i. Summary of the CSAR

The legal and institutional framework for senior citizens and disabled people

339. The legal framework for senior citizens was established by the Senior Citizens Council Act of 1985, which created the Senior Citizen Council. The Council is now governed by the Senior Citizens Council Act 1995 (Act 5 of 1995). The Council is a corporate body under the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions. Senior citizens are now governed by the Senior Citizens Council Act 1995.

340. The Training and Employment of Disabled Persons Board takes care of persons with disabilities. It established a funding mechanism for the vocational training of disabled persons. The Training and Employment of Disabled Persons Act of 1996 includes a section on antidiscrimination. Therefore, it is now an offence for an employer to discriminate against disabled persons when advertising for employees, when determining

or allocating wages, salaries or pensions, and when determining other matters about employment. The act established a Board for Training and Employment of Disabled Persons to prevent discrimination against them.

341. The National Council for Rehabilitation of Disabled Persons Act of 1986 established the National Council for the Rehabilitation of Disabled Persons (NCRD). This is a parastatal body under the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions. The National Pensions Act of 1976 guarantees benefits to disabled people, while the Building (Accessibility to and Facilities for Disabled Persons) Regulations of 2005 (GN 118 of 2005) require that public buildings are accessible to disabled people.

The promotion and protection of the welfare of vulnerable groups

342. The Disability Unit of the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions is a focal point for the training and employment of disabled people. The unit liaises with governmental organisations and NGOs that provide a wide range of services to disabled children and adults in Mauritius.
343. There are other institutions that cater for the concerns and welfare of disabled people. They include:
- The Physically Handicapped Welfare Association. It provides vocational training in industrial sewing to persons with physical disabilities, runs a sheltered workshop where trainees with physical disabilities produce garments, uniforms and curtains, and does work subcontracted to it by Air Mauritius and other companies.
 - The Lois Lagesse Trust Fund. Its main objective is to educate, train and find employment for disabled people.
 - The Mauritius Union of the Blind. It runs a school for people with visual disabilities and prepares visually impaired children and adults for integration into society.
344. The Mauritius Mental Health Association, the Cypres Handicapped Association and the Association de Parents d'Enfants Inadaptés de l'Île Maurice cater for people with mental health disabilities. The Cypres Handicapped Association also organises leisure activities for its members. It is involved in handicraft products.

- The Society for the Welfare of the Deaf operates a school for children with hearing impairments.
- Established in 1991, the **Trust Fund for the Social Integration of Vulnerable Groups** operates under the MOFEE. It aims at assisting the most needy and vulnerable persons by financing community development projects and microcredit schemes. It also gives loans to needy students.
- Several other organisations offer training and employment-related services to people with all categories of disabilities. They include the United Skills Workers Cooperative Society Ltd, Craft Aid Ltd, the Flacq Disabled Centre and *Maison d'Entre-Aide* (self-help home), which is run and managed by disabled women. Members of the latter two organisations are involved in embroidery and garment making.

ii. Findings of the CRM

Persons with disabilities

345. The 2000 Population Census Report on Disability noted that there were 40,790 disabled people. This is an increase of 46.5 per cent in the number of disabled persons between 1990 and 2000.
346. The constitution protects disabled people. Sections 3 and 16 prevent discrimination, although it has no specific prohibition on discrimination because of disability. There is also no specific law on the rights of disabled people that outlines what their substantive civil, political, social, economic and cultural rights are. However, as the CSAR noted, the Training and Employment of Disabled Persons Act of 1996 protects their employment and social rights.
347. Disabled people have excellent social protection. They are eligible for the Basic Invalidity Pension. This is a pension for all invalids and for all persons who were 60 per cent disabled in the past six months. People with severe disabilities who require extra help get a carer's allowance. About 27,000 people with severe disabilities currently get this allowance. Social aid is also available in some instances. Disabled people are also entitled to free bus transport, and scholarships are sometimes earmarked specifically for disabled children.
348. The government is promoting the right of accessibility by disabled people through various enabling policies and laws. The CSAR noted, for example, that the Building Act requires that public buildings are built to make them accessible to disabled people.

349. Despite the establishment of the Training and Employment Board and enabling laws, the CRM learnt that disabled people are not well represented in the job market. The 2000 Population Census Report on Disability reported that there were 4,203 employed disabled persons in 2000. The activity rate of the disabled population was 12.3 per cent compared with 54.8 per cent for the total population. This shows that disabled people are facing challenges in the employment sector. While the measures to improve vocational training that the board is advancing are useful for building skills among disabled people and improving their chances of employment, a rights-based approach to eliminating discrimination and promoting the integration of disabled people in the workplace may yield better results.
350. The Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions has run several campaigns and sensitisation programmes to ensure that disabled people are employed in the private and public sectors. In the civil service, there is sometimes a deliberate effort to ensure that disabled people are employed, although there is no law that requires affirmative action for disabled people.
351. More disabled people work in the public sector than in the private one. This might be because of their low educational qualifications. The 2000 Population Census Report on Disability noted that disabled employees worked mainly in “manufacturing” (24.1 per cent), “community, social and personal services” (23.4 per cent) and the “wholesale and retail trade, restaurants and hotels” (16.5 per cent). The law requires any company in the private sector that employs more than 35 people to employ at least 3 per cent disabled people or face fines. There is a penalty for those who break the law. However, the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions explained that the government is unwilling to apply this quota, because employers may choose a fine rather than hire disabled people. Therefore, government has adopted a partnership approach through sensitisation and persuasion on this issue. However, there is no government mechanism to monitor compliance with the quota. The CRM believes that the soft approach the government uses does not protect the rights of disabled people looking for work. The fact that companies would rather pay the fine shows the inadequacy of the sanctions mechanism for noncompliance and suggests that incentives rather than sanctions may work better.

352. NGOs receive funds from the government to run special schools that cater for the needs of disabled children. According to the NHRC Annual Report of 2007, the government provides social security for societies involved in providing services for disabled people. Some of these, which the CSAR also mentions, include the Lois Lagesse Trust Fund (Rs2,050,000), the Society for the Welfare of the Deaf (Rs1,000,000), the Parents of Severely Disabled Children (Rs400,000), the Trust Fund for Specialised Medical Care (Rs102,000,000) and other charitable institutions (Rs45,900,000).
353. Disabled people in Mauritius are well integrated in the mainstream education sector. The MECHR noted that 1,475 children had been enrolled by May 2009. This is an increase from 1,305 in February 2008. The proportion of the disabled with no formal education (34.2 per cent) was significantly higher than that of the total population (8.7 per cent). Overall, only 65.4 per cent of disabled people were attending, or had attended, school compared with 90.7 per cent of the total population in 2000. The absence of school curricula and methodologies that are accessible to disabled learners may be a deterrent to disabled children.
354. The MECHR has made a policy decision to look after the policy needs of disabled children by adopting a policy of integration wherever possible. In order to improve access to quality education for disabled children, the ministry developed a policy strategy document in 2006. It focuses on an enabling institutional and regulatory framework. The ministry has a whole department of special needs education, but the country lacks capacity in this area. The ministry is looking to countries with expertise in the area to provide technical assistance and build capacity.
355. The MECHR has a twin-track approach of mainstreaming education for disabled learners and working with NGOs to provide special needs education. However, NGOs seem to have undertaken most of the interventions in special needs education. Education is the great leveller of opportunities and should be part of government policies for disabled people in order to broaden their options and ensure their inclusiveness. The government-sponsored schools, run by charitable organisations, are a commendable partnership, given that some of these institutions may have developed the necessary skills and competence over the years.

356. Despite all this protection, there seems to be a tendency towards a charity or welfare model, rather than a rights-based one, to meet the concerns and welfare of disabled people to ensure the equal inclusion of disabled people in mainstream society. Trends in the disability movement, as reflected in the Convention on the Rights of Persons with Disabilities, oblige governments to empower disabled people to overcome the barriers that they face. Their legal and human rights are therefore essential.

Migrant workers

357. Although migrant workers are referred to as foreign workers or guest workers in various sectors in Mauritius, they are also recognised as migrant workers. Therefore, the country celebrates 18 November as Migrants Day. Migrant workers are significant parts of the labour force in Mauritius, particularly in the textile, bakery, construction and hotel industries. There are approximately 35,000 migrant workers. Most of them work in the EPZ. The MLIRE (Employment Division, Migrant Unit) looks after the interests of migrant workers. However, trade unions reported that recruiting companies exploit many migrant workers. They pay high commissions to work in Mauritius. Once in the country, they face several socioeconomic challenges to their rights and welfare.
358. Labour laws apply to national and foreign workers. Migrant workers may also unionise and bargain for better working conditions.

Best practice 3.3: The Migrant Unit of the MLIRE

The Migrant Unit of the MLIRE has powerful regulatory oversight functions designed to protect the rights of workers. However, it lacks the capacity to ensure that workers are protected against exploitation.

The unit inspects the workplaces of migrant workers to ascertain whether employers comply with local laws. It did more than 700 inspections in 2008. In terms of the Employment Relations Act of 2008, the unit vets the employment contracts of migrant workers before they are recruited. It is a sine qua non before the workers leave their countries of origin. The workers should know their terms and conditions of employment before they come to Mauritius. The unit conducts follow-up inspections to ensure compliance. It refers outstanding matters to the Industrial Court or to other authorities.

Inspectors tell migrant workers about their rights and how they can contact the Migrant Unit. The office is open 24 hours a day. There is a full-time translator of Chinese languages to assist Chinese migrant workers.

Contracts of employment, which the unit requires employers to sign with employees, cover the benefits that employers must provide to migrant workers. These include information on the hours of work, meal breaks, payment for overtime work, leave entitlements, protective equipment, gratuities, insurance cover, living conditions and costs of repatriation on termination of contracts or burial expenses in cases of death.

359. Inspections of the Migrant Unit focus on the 29 designated sectors to ensure compliance. The Employment Rights Act of August 2008, which came into force in 2009, the Employment Relations Act of 2008, and 30 regulations for each sector are the labour laws for a specific sector. Examples are the regulations that determine working conditions in the EPZ, the construction sector and the baking sector.
360. Most of the complaints the Migrant Unit receives are about conditions of employment. Examples are air tickets for returning home before contracts expire, shortfalls in wages and lack of accommodation. The unit refers the complaints it receives about accommodation to the chief sanitary officer in the Ministry of Health and Quality of Life (MoHQL). The unit takes remedial action by convening meetings between employees and employers to resolve matters. The unit resolves 95 per cent of cases that disgruntled employees refer to the Ministry of Labour, Industrial Relations and Employment. The unit refers outstanding complaints to the Industrial Court. In addition to the cases referred to the Industrial Court, noncompliance by employer companies may mean that work permits are not renewed. The unit refers cases of illegal employment to the Employment Division for action. Illegal workers may be repatriated.

361. Trade unions in Mauritius have been active in informing migrant workers about their terms and conditions of employment. Despite this, and the important work the Migrant Unit does, migrant workers in Mauritius still face challenges of employer mistreatment and exploitation. In principle, migrant workers may form or join trade unions. However, employers still victimise migrant workers who unionise. They use the flimsiest reasons to get rid of them or to relocate them to distant areas.
362. Trade unions also noted that many migrant workers live as squatters in Mauritius. They have no access to water or other social amenities. The CRM learnt that, in some instances, as many as 20 migrant workers share a room and that employers window-dress how they live to deceive inspectors from the MLIRE. This conceals the hardships the migrant workers suffer. Press reports during the CRM highlighted a government policy that bars Bangladeshi men from working after 31 December 2009. Thereafter, only Bangladeshi women will be allowed to work in Mauritius. The CRM was unable to establish whether this was true from the Migrant Unit. However, a trade unionist told the CRM that some companies were terminating Bangladeshi men's contracts before this date.

The elderly

363. The laws and policies of Mauritius are very supportive of the needs and concerns of the elderly. Efforts have been made to provide at least basic financial and social security. These efforts include the National Pensions Act of 1976, the Senior Citizens Council Act of 1995, the Residential Care Homes Act of 2003, the Protection of Elderly Persons Act of 2005 and the National Policy on Aging of 2008.
364. Since 1976, all resident Mauritian citizens of 60 or older have been eligible to collect pensions. In terms of the National Pensions Act, all persons aged 60 and above get a basic retirement pension. They are revised every financial year. As of 1 July 2009, monthly pension entitlements were: (i) Rs2,945 for people aged between 60 and 90; (ii) Rs8,760 for those aged between 90 and 99; and (iii) Rs9,944 for centenarians. The Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions estimates that expenditure on social protection for the elderly is about 7.3 per cent of the national budget. According to the 2000 population census, 107,500 persons were 60 or older. Of these, 60,950 were women and 46,550 were men. Sixty per cent of the elderly women are widows compared with

13 per cent of elderly men. About 140,000 citizens currently benefit from the pension scheme. All the elderly need to do is present their national identity card and bank account number (where available) to the local office, which registers a claim that is sent automatically to the centralised benefits branch. The benefits branch makes bank payments, pays through the post office or pays by cheque.

Best practice 3.4: The treatment of senior citizens in Mauritius

Before 2005, senior citizens were exempted from paying at least half the transport fare on public transport systems. An electoral promise by the government introduced free transport for the elderly, the disabled and students after September 2005. Senior citizens do not pay airport tax.

In addition, medical domiciliary visits for those who are 90 years and older are guaranteed. Those who are bedridden from 75 years onwards and need extra help get a carer's allowance in addition to the universal pension. The elderly who live alone and pay rent receive an additional monthly allowance of Rs1,250. All poor elders get additional income support. They receive Rs150,115 a month for the purchase of foodstuffs. Indigent senior citizens get free wheelchairs, hearing aids and burial expenses. The Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions maintains the elderly, who cannot afford housing, in homes for the elderly.

365. The Senior Citizen Council heads about 600 associations for the elderly or senior citizens. According to the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions, there are a number of social centres where citizens participate in recreational activities. It plans to construct more of these centres. The government runs and funds 56 Social Welfare Centres and 16 Day Care Centres.
366. Stakeholders felt that the pension, especially for the elderly who receive only the universal pension, is becoming inadequate given inflation and the high cost of living at the time (July 2009). This was more problematic for elderly people living on their own and without extended family support. This was about 8 per cent, or 9,000 elderly persons, according to the 2000 population census. The CRM learnt that several elderly people faced with financial pressures are taking on jobs in the private sector in order to look after their families. According to the 2000 population census, 11 per cent of elderly people were employed, 25 per cent of the working elderly were engaged in elementary occupations, and another 24 per cent were working in the service or trade sectors. Several stakeholders also thought that the age for receiving bigger pensions should be reviewed so that, instead of giving more to those who reach the age of 90, these benefits begin to accrue at the age of 75.

Chagossians

Historical background

367. Britain administered Chagos Archipelago as a dependency of Mauritius from 1810 until 1965. In 1965, Britain excised the Chagos Archipelago and, together with other islands under the Seychelles, formed the British Indian Ocean Territory (BIOT). With independence in 1976, the Seychelles recovered the three islands that had formed BIOT. Subsequently, only the Chagos Archipelago constituted BIOT.
368. The government of Mauritius has consistently claimed sovereignty over the Chagos Archipelago. Britain reached an agreement with the United States of America (USA) in 1966. The USA could lease Diego Garcia for defence purposes until 2016. Consequently, the United Kingdom began to remove Chagossians from Diego Garcia in order to hand it over to the USA. The USA has had a military base in Diego Garcia since 1971. The USA used it in its war against Afghanistan and Iraq.
369. Chagossians were moved from their homeland to Mauritius and the Seychelles. They lost their personal belongings, livelihoods and sociocultural rights. They were given an ultimatum in 1971 to return to Mauritius, Peros Banhos or Salomon, more than 140 km away from Diego Garcia. Most of them chose the latter two. They were later uprooted from these islands and told to go to Mauritius or the Seychelles. Chagossians report that those who were not in Chagos at the time of the displacement were not allowed to return to Chagos, and that those who were on Chagos were removed against their will. Although Chagossians have dual citizenship, including that of Britain, they are still not allowed access to Chagos.
370. Chagossians received compensation packages of £650,000 in 1978 and £4 million in 1982. About Rs7,590 were given to each islander as compensation in 1982 by the British government to alleviate their plight. It was inadequate to address their needs.

Their status in Mauritius

371. The Chagossians arrived in Mauritius when unemployment was high. On arrival in Mauritius, they faced hardships with regard to accommodation, food, employment and other social amenities. There was no specific resettlement plan to cater for their needs. In some

cases, more than 25 people lived in one room. They remain largely unemployed. After being uprooted from Chagos, they were not trained for other forms of employment to allow them to adapt to the Mauritian economy. Stakeholders pointed out that the money economy is strange to Chagossians and that they could not cope well in the highly monetised Mauritius.

372. Chagossians have the same legal rights as Mauritians. However, they are severely disadvantaged socioculturally and economically because of their displacement. They are employed mostly in menial jobs as semiskilled or unskilled labourers. This locks them into the lower social circles and standards of living. Chagossian stakeholders reported a high rate of juvenile delinquency, drug abuse and prostitution among the Chagossian youth. Chagossians feel socially isolated, neglected and discriminated against as a social group. While all Mauritians have access to education and health, the Chagossians do not send their children to school, because they lack money for bus transport and school materials. The Chagossian population was estimated at between 2,000 and 2,500 when they arrived. Only about 715 Chagossians are still alive. Most of them are older than 60 and it is feared that this generation may disappear in 10 years.

Litigation concerning Chagos

373. The lease of Chagos ends in 2016. However, the American military has made significant investments in the island. This has led to fears that they will not return the island to the Chagossians. There has been a series of court cases over the years regarding the right of Chagossians to return to their land. They have had mixed results. Private Chagossian stakeholders have opened the cases. The Mauritius government, on the other hand, is following diplomatic channels to resolve the matter amicably.

iii. Recommendations

374. The APR Panel recommends that Mauritius:
- Adopts the Convention on the Rights of Persons with Disabilities and passes laws that reflect a rights-based approach in order to promote the rights of disabled people. *[Government]*
 - Develops appropriate policies and programmes for special needs education to cater for the needs of disabled learners to ensure that disabled people are integrated. *[MECHR and civil society]*

- Together with trade unions, reinforces the Migrant Unit of the MLIRE to boost its monitoring capacity – in terms of human and financial resources – in order to ensure proactive, thorough and heightened scrutiny of migrant workers. *[MLIRE and trade unions]*
- Continues its quest, through all appropriate channels, for the return of the Chagos Archipelago and protects and promotes the rights of Chagossians. *[Government, MoFARIIT and Chagossian civil society]*

Chapter 4



Economic Governance and Management

CHAPTER FOUR

4. ECONOMIC GOVERNANCE AND MANAGEMENT

4.1 Overview: Challenges to economic governance and management

375. **Mauritius is a small island with few natural resources. It relies mostly on its human resource base that has helped it to overcome its natural handicaps and to drive its development.** Mauritius has developed into a diversified economy with annual growth rates that have averaged between 5 per cent and 6 per cent since independence. With a per capita income of above USD 6,700 in 2009, Mauritius is an upper middle-income country.
376. The economic history of the country since independence can be divided into four phases. The first one is the immediate postcolonial period. During this period, the legacy of a single-crop economy, dominated by the sugar industry and cane plantations, was continued. It was also characterised by the first attempts at diversifying the economy by implementing an import-substitution strategy in the late 1960s and early 1970s. The second period was characterised by an outward-looking, export-oriented strategy in the 1970s. It was spearheaded by the sugar and textile industries on the one hand and by tourism on the other as the major driving forces for launching and sustaining economic growth. The vital role played by preferential trade access to European Union (EU) markets for Mauritian sugar and textiles is undeniable and was one of the main drivers of the export-led strategy. New sectors were promoted during the 1990s. They included financial services. The second period lasted for more than three decades. The third period started during this decade with the crisis in Mauritius's export-led growth strategy that began with the end of preferential access to EU markets. The country is now beginning a new era of diversifying into a knowledge-based economy.
377. Sound economic governance and management have been important drivers of Mauritius's success during the last three decades. Resources were well used and they led to major strides in socioeconomic development. However, the country is currently facing new challenges that require the attention of government and other stakeholders.
378. **The first one is the challenge of coping with the changing global environment. It requires addressing the issues of sustaining the**

country's growth patterns and overcoming its vulnerability to external shocks. As the Country Self-Assessment Report (CSAR) indicated, recent experience has shown that "Mauritius, being an increasingly open economy, has suffered the full blast of the effects of the dismantling of the Multi-Fibre Agreement (MFA), the drastic cut in the guaranteed price of sugar under the Sugar Protocol, and the gradual elimination of trade barriers in the wake of globalisation. For instance, the export processing zone (EPZ) sector has lost one-third of its workforce between 2000 and 2006. The annual growth rate ebbed to 2.3 per cent in 2005. In 2003, unemployment was above 10 per cent, its highest level since 1987, and inflation in 2006 was estimated at 8.9 per cent, the highest level since 1994. With the decision of the EU to reduce the price of imported sugar from Mauritius by 36 per cent over the period 2006 – 2009 (representing an estimated Rs4 billion – €103 million – of lost revenue annually), the increasing oil and energy prices and the ongoing food crisis ... the challenges currently facing Mauritius are daunting."

379. Some of these indicators have deteriorated with the international financial and economic crisis. They therefore emphasise that it is necessary to address this challenge.
380. **The second challenge facing Mauritius is its vision and image. Its vision is twofold: an open and market-led economy; and a knowledge-based and regional, if not world, service centre that will develop Mauritius into a duty free island. It is a beautiful vision, but it is not enough.** It is necessary to have a clear vision developed through a process of building national consensus. The vision must then be converted into coherent operational strategies and programmes that will address the necessary and clearly defined structural changes that the vision requires for it to be successfully implemented. This strategic longterm perspective is missing as a guiding principle.
381. **The third challenge is to maintain and consolidate the economic achievements and their social effects. The challenge can only be met by rethinking and implementing new ideas for diversifying the economy, so that it is less vulnerable, and by striving for more national and regional economic integration.** A related issue is to develop the essential capacity to promote, maintain and develop the knowledge-based economy continuously.
382. **The fourth set of issues and challenges is to recover and maintain high and sustained economic growth that is characterised by social,**

geographic and regional equity. The Country Review Mission (CRM) noted that Mauritius has achieved an average growth of more than 5 per cent over the last few decades. This is a remarkable feat. However, the current drastic decline in economic growth (see the economic indicators table on p x) shows that the people are losing whatever they gained socioeconomically. Moreover, there are wide social and geographic disparities in the way the national wealth is distributed. This leads to increasing social and geographical inequalities, especially in the case of Rodrigues Island. Planning the use of national land requires a strategy with several growth poles. They should be established so that their activities promote growth in the various regions and ensure that the national economic environment is integrated.

383. Increasing social and geographic inequalities are a latent source of conflict, as was experienced in 1999. This does not auger well for a country that thinks it has managed its sociocultural diversity well, unlike many other African states. Furthermore, the growth it should promote ought to be based on sectors that: (i) are potential growth areas capable of widening the country's economic base; (ii) involve most of the people; and (iii) can ensure sustainable growth.
384. The country needs to continue its economic reforms. It also needs to ensure that it undertakes them for business profit, to develop the country and to distribute its socioeconomic dividends widely among the people and districts.
385. A related challenge is the issue of sustainable energy. Mauritius needs to increase its reliance on renewable sources of energy and reduce its dependence on, and vulnerability to, imported energy sources with their volatile prices.
386. **The fifth challenge relates to the island nature of the country.** Mauritius is a small, isolated island. This impedes development to some extent. Mauritius, however, is located between Africa and Asia, is part of Southern Africa and is a member of several African economic groupings. Thus, its position should promote its development instead and offer opportunities to develop a transit economy and even to expand into a commercial crossroad.
387. **The sixth challenge is to build capacity continuously, especially the capacity to mobilise resources.** The country still depends considerably on foreign direct investment (FDI) for financial and

technical resources. Mauritius needs to develop institutional and individual capacity and then reinforce it aggressively if it is to build a knowledge-based economy. Mobilising human resources is crucial to ensuring that the people take ownership of the development process and commit themselves to building a sustainable human development economy. Attracting huge FDI continuously requires an appropriate development strategy. Mauritius, however, should not surrender its autonomy to make economic decisions.

388. Mauritius, no doubt, has been addressing these old and emerging challenges through its economic governance and management system. The sections that follow analyse the way the country has tackled, and continues to tackle, those challenges. They also analyse its achievements and make recommendations to assist Mauritius on the way forward.

4.2 Standards and codes

i. Summary of the CSAR

389. Mauritius has subscribed to, and ratified, several international standards and codes. Implementing them testifies that the government intends to promote good governance and transparent management of the economy. However, the CSAR provides inadequate information. This makes it impossible to analyse the country's level of commitment to implement and respect international norms and standards. The CSAR limits itself to a few codes Mauritius has signed or ratified within the framework of the African Union (AU) without indicating the measures Mauritius took to domesticate and enforce them.

390. Moreover, the CSAR provides no information on the following nine instruments:

- The Revised Code of Good Practices on Fiscal Transparency and the OECD Best Practices for Budget Transparency.
- The Guidelines for Public Debt Management.
- The International Standards in Auditing (ISA) and the International Accounting Standards (IAS).
- The Code of Good Practices on Transparency in Monetary and Financial Policies.
- The Core Principles for Systemically Important Payment Systems.
- The Core Principles for Effective Banking Supervision.
- The Core Principles for Securities and Insurance Supervision and Regulation.

- The treaties, conventions and protocols of the Southern African Development Community (SADC).
- The conventions and protocols of the Common Market for Eastern and Southern Africa (COMESA).

ii. Findings of the CRM

391. The CRM observed that some partners, like the EU, the International Monetary Fund (IMF) and the World Bank, have evaluated most of the standards and codes adopted for introducing good governance in the financial sector and in the area of public financial management.

Accounting and auditing standards

392. The International Accounting Standards Board (IASB) is the body responsible for developing accounting and auditing standards.

393. The CRM was informed that private- and state-owned enterprises (SOEs) have aligned their accounts to IAS and ISA in accordance with requirements. The country also aligned its accounting, control standards and practices to the standards of the International Organization of Supreme Audit Institutions (IN-TOSAI) and to the International Financial Reporting Standards (IFRS) issued by the International Federation of Accountants (IFAC) in 2007.

Table 4.1: Status of signature and ratification of standards and codes

Standards and codes	Signature or subscription	Ratification	Internalisation
Constitutive Act of the AU (2000)		April 2001	No date
New Partnership for Africa's Development (NEPAD) Framework Document (2001)	Automatic subscription since October 2001	Automatic subscription since October 2001	African Peer Review Mechanism (APRM) exercise
Revised Code of Good Practices on Fiscal Transparency and Best Practices for Budget Transparency	Public Expenditure and Financial Accountability (PEFA) Report of June 2007	PEFA report on Mauritius	
Guidelines for Public Debt Management	Public Debt Management Act, 2008		

Standards and codes	Signature or subscription	Ratification	Internalisation
ISA and IAS	Audit Act (Companies Act), 2001	Subscription to INTOSAI Code of Ethics and adoption of the IFRS	Review of the Financial Audit Manual in Application of International Standards
Code of Good Practices on Transparency in Monetary and Financial Policies	Evaluation of the Stability of the Financial Sector by the IMF, April 2007		Financial Sector Assessment Programme (FSAP) of Mauritius and the IMF
Core Principles for Systemically Important Payment Systems (2002)	Reports of the Bank of Mauritius (BoM)		The FSAP of Mauritius and the IMF
Core Principles for Effective Banking Supervision	Evaluation of the Stability of the Financial Sector by the IMF, April 2007		The FSAP of Mauritius and the IMF
Core Principles for Securities and Insurance Supervision and Regulation	Evaluation of the Stability of the Financial Sector by the IMF, April 2007		The FSAP of Mauritius and the IMF. Strengthening the controlling powers of the Financial Services Commission (FSC) by the law of 2007.
AU Convention on Preventing and Combating Corruption (2003), UN Convention against Corruption (UNCAC) (2003), and SADC Protocol against Corruption	Signing of the SADC Protocol on 14/08/2001	Ratification of the United Nations (UN) Convention on 14/02/2004 and of the SADC Protocol on 04/01/2002	Adoption of laws against corruption, money laundering and the financing of terrorism instituted by the Independent Commission Against Corruption (ICAC), the FSC and the Financial Intelligence Unit (FIU)
Declaration of the AU on Democracy, Political, Economic and Corporate Governance	Adopted on 08/07/2002		

Standards and codes	Signature or subscription	Ratification	Internalisation
Abuja Treaty establishing the African Economic Community (1991)		February 2002	
COMESA Treaty	Subscription on 05/11/1995		
SADC Memorandum of Understanding (MoU) on Co-operation in Taxation and Related Matters	Signed on 08/08/2002		
SADC MoU on Macroeconomic Convergence	Signed on 08/08/2002		
Treaties of the SADC and their amendment	Subscription on 28/08/1995 and amendment of the Treaty on 14/08/2001		Signing and ratification of several SADC protocols
SADC protocols on transport, communication, meteorology and energy	Signed on 24/08/1996	Ratified on 11/01/1996	
SADC Protocol on Trade, and its amendment	Signed on 24/08/1996.		
Amendment signed on 07/08/2000	29/10/2000		
SADC Finance and Investment Protocol	Signed on 18/08/2006	11/02/2009	

Source: CRM

The AU Convention on Preventing and Combating Corruption, UNCAC, and the SADC Protocol against Corruption

394. Mauritius has signed but not ratified the AU Convention on Preventing and Combating Corruption. However, it ratified UNCAC on 15 December 2004 and the SADC Protocol on 4 January 2002. The CRM was informed that the 2007 Transparency International Report on the indicators of perceived corruption ranked Mauritius as 53rd of 179 countries surveyed. Its performance improved to 41st and 42nd out of 180 countries in 2008 and 2009 respectively. The government

has taken measures to improve the legal and institutional framework to address corruption, thereby demonstrating its determination to combat corruption. It has introduced structures that enjoy management autonomy to stimulate transparency and curb impunity. They include the ombuds-person (mediator of the republic), the FIU of the National Audit Office (NAO) and ICAC.

395. However, the PEFA Report and an IMF report on the financial sector both identified organisational weaknesses and lack of capacity in monitoring the recommendations contained in their reports.
396. In the area of controlling and regulating public procurement, the CRM noted that the regulatory, technical and financial provisions are aligned with international standards and reflect COMESA guidelines. However, the PEFA Report highlighted the inadequate performance of the public procurement system, which the government pledged to correct.
397. A new law governing public procurement was adopted in July 2007. An autonomous Procurement Policy Office (PPO) and a Central Procurement Board (CPB) were established, as was an Independent Review Committee aimed at strengthening the capacity of the legal and institutional framework. These measures were intended to improve the poor management of public resources and to help ensure that national systems conform to international indicators and standards.

The COMESA Treaty, the SADC Treaty and related protocols

398. The information given to the CRM and gained during meetings with stakeholders confirmed that Mauritius has subscribed to the COMESA and the SADC treaties. It has also signed and ratified several protocols emanating from them. However, the government feels that these regional groups should be harmonised and even integrated into a single body to avoid duplication and to make regional integration efficient.
399. The CRM notes that Mauritius signed the SADC MoU, on the macroeconomic convergence criteria, on 8 August 2002. The criteria are the inflation rate in each member state, the ratio of budget deficit to gross domestic product (GDP), the public debt to GDP ratio, and the structure and balance of the current account. However, the MoU had not yet been ratified and nonobservance of the convergence criteria is not subject to sanctions. The country also signed the SADC Finance and Investment Protocol on 9 September 2009. It covers: (i) cooperating on investments; (ii) the macroeconomic convergence criteria; (iii)

common provisions for taxation and related areas; (iv) cooperating with, and coordinating, exchange control policies; (v) harmonising legal and operational frameworks; (vi) cooperation between central banks on payment systems and in modern communication technologies; (vii) cooperating in bank regulation and supervision; (viii) cooperating with nonbanking financial institutions; and (ix) cooperating in financial markets.

400. The CRM realised, at meetings with stakeholders, that economic interests largely dictate Mauritius's membership of regional economic organisations. The private and industrial sectors, whose main thrust is exporting goods and services, dominate these organisations. Regional integration can only be effective if it helps to create new opportunities to expand the market for Mauritian products. Consequently, the umbrella organisations of the private sector are involved in policy decisions within the framework of regional integration. These organisations are regularly informed about policy. However, these policy decisions are practically unknown to civil society and even less to the wider population, because they are not popularised when adopted.

Table 4.2: SADC macroeconomic convergence criteria

	Inflation rate	Budget deficit as a percentage of GDP	Public debt as a percentage of GDP	Current balance as a percentage of GDP	Real growth rate	Rate of covering reserves (months of imports)
Required standards	<10 per cent	<5 per cent	<6 per cent	<9 per cent	>7 per cent	>3 months
2007	8.8 per cent	4.3 per cent	55.8 per cent	5.6 per cent	5.5 per cent	5.2 months
2008	9.7 per cent	3.3 per cent	48.6 per cent	10.4 per cent	5.0 per cent	5.2 months

Source: CRM.

Good and best practices on fiscal and budget transparency

401. The standards and codes, developed by the IMF and the World Bank within the framework of the FSAP, are accepted internationally. They are divided into three groups: (i) data transparency, in terms of the Special Data Dissemination Standard (SDDS) of the IMF and its General Data Dissemination System (GDDS); (ii) budgetary transparency, in

terms of the Code of Good Practice on Fiscal Transparency; and (iii) transparency in monetary and financial policies.

402. With regard to the transparency of data, the CRM was informed that Mauritius had subscribed to the SDDS and the GDDS, approved by the IMF, in 2000. In analysing Mauritius's practices in these areas, the IMF acknowledges that the production of data generally respects the concepts, methodology and classification system of the IMF General Financial Statistics Manual. Their publication also meets the IMF requirements for the definitions and analytical framework. However, a few irregularities were observed about compliance with the rules. These should be corrected within the framework of an improvement programme supported by the IMF.
403. The PEFA Report acknowledges that the dissemination of statistical data on public finance via government websites, which are accessible to all users, is transparent and efficient. The CRM commends the government for the quality and availability of the statistical data. It enables various stakeholders to assess the effect of economic policies and to make their own decisions.
404. With regard to fiscal and budgetary transparency, the government conducted, with the help of the EU, a study called Assessment of the Performance of Public Financial Management in June 2007. It was based on the PEFA methodology recommended by the IMF and the World Bank. It was a detailed study of public financial management mechanisms, processes and institutions. The PEFA Report noted significant weaknesses in public financial management. They show lack of respect for international standards and good practice. The study made some recommendations about the reforms needed to improve the system of budgetary planning and execution. Mauritius consequently launched new results-based planning and budgeting tools. These are the Medium-Term Expenditure Framework (MTEF) and the Programme Budget (PB). It also introduced institutional reforms to strengthen the management of the public procurement system, internal controls and external audits of government operations.
405. However, the CRM notes that there is no fiscal and budgetary transparency yet, despite the recommended measures. Most of the measures are not sufficiently operational to allow the CRM to assess their effects on improving performance and transparency in managing the budget. Similarly, the government's commitment to promoting transparent management in areas like running and restructuring

parastatals has not yet been realised. Lastly, Parliament is weak in budgetary analysis and monitoring. The PEFA Report emphasises this and discussions between the CRM and stakeholders confirm it. The CRM can therefore not guarantee compliance with international standards and practices for budget transparency.

Guidelines for public debt management and sustainability

406. All the guidelines defined by the IMF and the World Bank, and developed at the request of the International Monetary and Financial Committee (IMFC), aim at improving the quality of managing public debt and at reducing the country's vulnerability to internal and external financial shocks. The CRM was informed of the measures that were introduced to comply with these guidelines. The CRM therefore congratulates the government on its commitment to managing its public debt and, particularly, its foreign debt.
407. The Ministry of Finance and Economic Empowerment (MOFEE) created the Public Debt Management Unit in 2004 to monitor and analyse the risks associated with the trends and effects of public debt. Using the framework of the 2006 budget, it adopted administrative measures aimed at improving the output of external debt and stabilising the public debt to GDP ratio.
408. Furthermore, the Public Debt Management Act was amended in 2008 to consolidate and modernise the mechanisms for managing public debt. It allows the minister of finance and economic empowerment to develop strategies and policies for managing public debt. This framework led to a national policy on public indebtedness and public debt management being adopted in January 2008 to help the country capitalise on the results achieved.
409. At the institutional level, a Public Debt Management Committee has been established. It comprises representatives of the Mauritius central bank (BoM), the Accountant General's Department and the Debt Management Unit of the MOFEE. The committee meets regularly to analyse the government's cash balance and borrowing needs.
410. Mauritius has also adopted a computerised system in order to acquire adequate tools to manage debt efficiently and transparently. This is the Commonwealth Secretariat Debt Recording Management System (CS-DRMS), designed to manage the external public debt of the Commonwealth.

Basic principles of systemically important payment systems

411. The basic principles of systemically important payment systems were established under the aegis of the Committee on Payment and Settlement Systems of the central banks of the G10 countries and the Bank for International Settlement based in Basel, Switzerland. They are intended to improve the security and efficiency of payment systems. The CSAR gave no information on whether Mauritius has subscribed to these principles.
412. The CRM observed that the BoM, in consultation with the other primary banks, launched a process of improving payment systems in 1966. It resulted in the creation, in 1967, of a clearing house called The Port Louis Automated Clearing House. This has helped to strengthen the infrastructure of the banking system, to clear cheques and other similar securities, to reduce costs and payment delays, and to improve the security of financial operations.
413. The BoM developed a real-time gross compensation system in 2000 to modernise payment systems for systemically important payments. It complies with the basic principles developed by the International Compensation Bank, based in Basel, Switzerland. It is the Mauritian Automated Clearing and Settlement System (MACSS). The BoM and the primary banks participating in the clearing house agreed to automate clearing operations in November 2002. They established standard cheques, recognised the use of Magnetic Ink Character Recognition (MICR) technology, and recognised electronic payment instruments through MACSS. The 2004 amendment to the Banking Act integrated the legal and regulatory requirements of this new system.
414. The operations cleared through this system have increased considerably in both volume and value.
415. The BoM, together with other primary banks and the Bankers' Association, launched a cheque exchange project to transfer cheques electronically in order to strengthen systemically important payment systems further. The project will help to improve the speed and efficiency of the clearing process.
416. The CRM recognises that Mauritius has made rapid progress in modernising its payment systems. This builds confidence in capital markets and in the financial system. It also improves the sector's

productivity and returns and stimulates investment growth. The CRM congratulates the government on these achievements and for the activities it introduced to disseminate information and to train stakeholders to ensure that they benefit from these innovations.

Basic principles for effective banking supervision

417. The Basel Committee on Banking Control has developed the basic principles for banking control. There are 25 and they cover: (i) prior conditions for efficient control; (ii) authorisation and ownership structure; (iii) prudential regulations and requirements; (iv) methods of permanent banking control; (v) requirements for information; (vi) institutional power of the prudential authorities; and (vii) cross-border banking activity.
418. The Mauritian Banking Act gives full banking control and supervisory powers to the central bank, namely the BoM. A joint mission from the IMF and the World Bank, within the framework of the FSAP, assessed levels of conformity with the 25 principles in February 2007. It highlighted the strengths and weaknesses of the bank in exercising its supervisory role, mechanisms and methods. This mission helped to identify areas for improvement and strategies to be implemented to ensure efficient performance.
419. The CRM learnt about the IMF's Evaluation of the Stability of the Financial Sector, conducted in December 2008. This report analysed the effect of the major reforms initiated since 2002 within the framework of the IMF's Assistance Programme. The programme intended to strengthen financial infrastructure. It acknowledged that the financial sector has developed rapidly. It also recognised the rapid progress that has been made following the review of the Banking Act in 2004, in: (i) supervision and regulation; and (ii) improvements in the profitability and capitalisation of the banking sector. However, it also emphasised that: (i) organisational and administrative weaknesses of supervisory institutions persist; (ii) there is weak capacity to evaluate risk; (iii) some banks have poor capacity to assess risk; (iv) there are risks associated with the high levels of short-term public domestic debt; and (v) there is no monetary policy analytical base to help anticipate problems with inflation. The CRM encourages the authorities to implement the report's specific recommendations that seek to ensure the credibility, efficiency and performance of banking and nonbanking intermediation, especially those dealing with strengthening the independence of the regulatory and supervisory institutions.

Essential principles for securities and insurance supervision and regulation

420. The International Association of Insurance Controllers spelt out these principles. They aim to: (i) protect investors; (ii) ensure equitable, efficient and transparent markets; and (iii) reduce systemic risks. The CRM noted that Mauritius has aligned itself to these principles after the Insurance Act review of 2005. The CSAR, however, does not mention it. The review of the legal framework intended to implement these principles.
421. The CRM noted the Financial Services Development Act of 2001, as amended by the Financial Services Act of 2007. It provides for the establishment of the FSC. It has extensive powers for regulating, controlling and supervising non-banking financial institutions and insurance establishments. This more modern and regulatory framework was the result of consultation and sensitisation among insurance establishments before its adoption to ensure transparency and efficiency in its implementation. Despite the considerable progress made since 2005, the report of the IMF mission on the stability of the financial sector identified some weaknesses. These included: (i) low skill levels of staff; (ii) the absence of a risk-prevention and risk-management system; (iii) poor controls, which focus more on conformity with rules than on the quality of internal controls and risk management. The CRM conducted interviews with stakeholders, collected information and noted the steps taken to correct these weaknesses. It observed particularly that skilled labour has been recruited from foreign markets and that an MoU between the FSC and the BoM has been signed.

iii. Recommendations

422. The African Peer Review (APR) Panel recommends that the government of Mauritius:
- Develops an efficient communication, sensitisation and information strategy for popularising norms and standards and that it uses resources accessible to the different social and economic stakeholders to do so. *[Parliament and government]*
 - Adopts measures to strengthen the capacity of (i) officials on the new budgeting and programming instruments, (ii) the bodies responsible for the internal and external control of public resources, (iii) unions and (iv) parliamentary officials in order to facilitate the implementation of the policies they enforce. *[Parliament and government]*

- Implements the recommendations contained in reports prepared by the NAO, ICAC and the FSC on corruption and money laundering and on respect for international norms and standards. *[Parliament and government]*
- Strengthens the capacity and independence of the regulatory and supervisory institutions. *[Government]*
- Implements the recommendations of the December 2008 mission for evaluating the stability of the financial sector in order to improve compliance with norms and standards, and those of the September 2008 report on money laundering and the fight against financing terrorism. *[Government]*

4.3 Assessment of performance on APRM objectives**Objective 1: Promote macroeconomic policies that support sustainable development****i. Summary of the CSAR**

423. The CSAR presents Mauritius's progress on this objective by reviewing: monetary policy and macroeconomic objectives; tax policy; savings and investment policy; wage policy; business facilitation; economic democratisation; environmental impact; and access to information. The CSAR presents government policies and related measures for each of them, presents an analysis of interviewees' responses and perceptions, and makes recommendations.
424. The CSAR covers wage policy, business facilitation, economic democratisation, environmental impact and access to information, although corporate governance and socioeconomic development usually deal with these areas. This section will summarise only the issues related to the macroeconomic policies that are aimed at supporting sustainable development in Mauritius.

Monetary policy and macroeconomic objectives

425. *Price stability and economic growth.* According to the CSAR, "after having slowed to 2.3 per cent in 2005, the economy rebounded in the following year, with a real growth rate of 5 per cent, and maintained this positive growth momentum with a real GDP growth rate of 5.4 per cent in 2007"²⁷. Three main sectors currently drive the Mauritian economy: construction, tourism and financial services. The latter enjoyed above-average growth of 7.5 per cent in 2007, while

construction and tourism registered double-digit growth. Following a contraction of nearly 40 per cent between 2002 and 2005, the textile sector recovered somewhat in 2006 and achieved growth of 8.5 per cent in 2007. The sugar sector, which was a mainstay of the economy, has been regressing for the past three years.²⁸ The sustained growth of the Mauritian economy has, however, been accompanied by high inflation. Inflation was about 6.8 per cent in 2006 (GDP deflator) and 7.9 per cent in 2007, while the consumer price index (CPI) peaked at 8.9 per cent in 2006. The CPI remained at 8.8 per cent in 2007.

426. *Exchange rate regime.* The country has abolished exchange controls and liberalised interest rates in the early 1990s. As part of its monetary policy, the BoM limits its market interventions and allows the free play of market forces. The BoM intervenes on the domestic foreign exchange market only to smooth out irregular fluctuations of the rupee. In addition, Mauritius's gross official international reserves rose from USD1.6 billion in December 2003 to USD1.8 billion at the end of December 2007. The Monetary Policy Committee (MPC), chaired by the governor of the BoM, defines the country's monetary policy stance.
427. *Balance of payments.* Provisional estimates for 2007 indicated that the overall balance of payments registered a surplus of Rs13.9 billion. However, the current account recorded a smaller deficit of 5.6 per cent of GDP in 2007 compared with 9.4 per cent in 2006 and 5.2 per cent in 2005. The deficit on the merchandise account increased significantly to Rs45.0 billion in 2007 because of increasing imports and declining exports, but surpluses on the services account offset this. In the capital and financial account, direct investment in 2007 recorded a net inflow of Rs8.8 billion, compared with Rs3 million in 2006, while portfolio investment recorded a net inflow of Rs647 million in 2007.
428. *Terms of trade.* Mauritius's ratio of export price index to import price index fell by 17 percentage points between 2003 and 2007. This indicates a decrease in the real purchasing power of local exports and a greater increase in import prices (about 54 per cent) compared with export prices (27 per cent).

Tax policy

429. The government has undertaken major fiscal reforms, including simplifying the income tax system. It reduced corporate and personal income tax rates from 30 per cent (top tax rates) to a single flat rate of

15 per cent over three years, effective from the 2007/2008 year. Despite this decline, the overall budget deficit for the 2007/2008 fiscal year, which amounted to close to Rs9 billion and represented 3.3 per cent of GDP, was contained within the critical 5 per cent of GDP mark, down from 4.3 per cent in 2006/2007 and 5.3 per cent in 2005/2006. It introduced a new National Residential Property Tax (NRPT). It has maintained value-added tax (VAT), currently its largest source of tax revenue, at 15 per cent. The government has also introduced reforms in other systems of taxes and duties. It is worth noting, however, that revenue as a percentage of GDP has been declining.

Savings and investment policy

430. Gross national savings plummeted from a high of 28.4 per cent of GDP in 2001 to 17 per cent in 2006. With the annual inflation rate at 8.9 per cent in 2006 and 8.8 per cent in 2007, the real after-tax interest rate on deposits has been negative for the past two years. This has prompted Mauritians to look for other savings instruments that earn higher returns, such as shares and mutual funds, rather than traditional saving accounts.
431. *Investment in the local market.* The Stock Exchange of Mauritius (SEM) lists 40 local companies from various sectors of the economy. Total market capital currently stands at Rs180 billion (USD6 billion).²⁹ Foreign investments, which accounted for Rs11.5 billion in 2007, sustain the market. Low liquidity, low volumes of transactions and overconcentrated trading activities on some listed blue-chip companies characterise the local stock market. Total turnover, as a ratio to free-float on the official market, is around 30 per cent, while the top 10 listed stocks account for more than 75 per cent of the total value traded. Despite this, savings avenues are still limited. The average Mauritian consequently tends to invest in government securities.
432. *BoM securities.* The BoM, as an agent of government, auctions treasury bills or notes weekly or monthly, depending on their maturities.
433. The CSAR also presents, without analysis, interviewees' responses to, or perceptions about, monetary and tax policy, savings and investments. It also makes recommendations for policy changes.
- ii. *Findings of the CRM*
434. The CRM concurs with the CSAR that Mauritius has made tremendous efforts to improve economic governance and management via a

number of policy initiatives and operational mechanisms. The partnership between the private sector and civil society reinforces the actions of the government and ensures social dialogue that promotes sound policy making in economic governance. Mauritius's progress regarding development has been appreciable and commendable, despite some challenges, for the last three decades.

435. Table 4.3 presents the sectoral contribution to GDP and some macroeconomic aggregates. The share of the sugar industry is declining. However, the share of the textile sector, after a drastic decline, is increasing. This makes it a major contributor to GDP in Mauritius, along with finance, construction and tourism. The Mauritian economy recovered between 2006 and 2008. It recorded a GDP of above 5 per cent (see the social and economic indicators table in the front part of this report), but it is expected to decline to 2.7 per cent in 2009.

Table 4.3: Real GDP indicators³⁰

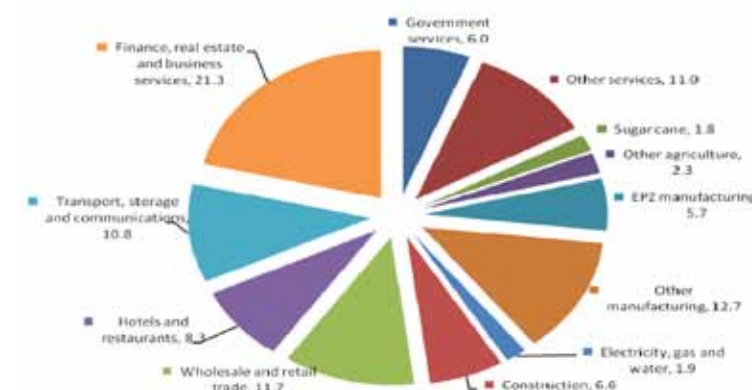
	Unit	2003	2004	2005	2006	2007
Overall growth rate	Percentage	4.4	4.8	2.3	5.0	5.4
Sectoral growth rate						
Sugar	Percentage	3.7	10.6	-9.2	-2.9	-13.6
Textiles	Percentage	-6.0	-7.2	-14.7	2.9	8.5
Construction	Percentage	10.2	0.5	-4.4	5.2	15.2
Hotels	Percentage	3.0	2.4	5.6	3.5	14.0
Finance	Percentage	11.7	4.3	5.4	7.0	7.5
Inflation (GDP deflator)	Percentage	5.0	5.7	4.0	6.8	7.9
Inflation rate (CPI)	Percentage	3.9	4.7	4.9	8.9	8.8
GDP per capita	USD	3,964	4,452	4,462	4,651	n.a.

Source: CSO. National Accounts March 2008, CPI 2007, Digest of Productivity and Competitiveness Statistics 2006.

436. Figure 4.1 illustrates the structure of Mauritius's economy in more detail. Although it shows only 2007, it does give a clear idea of the important roles that a few sectors play. Among them are: (i) finance, real estate and business services; (ii) other manufacturing; (iii) transport, storage and communications; and (iv) wholesale and retail

trade. These four sectors contribute more than 10 per cent each and some 57 per cent of GDP. The outputs of public and private services are more important than the production of goods in Mauritius's GDP structure. The structure has not changed significantly since 2007.

Figure 4.1: GDP by sector (2007)



Source: African Economic Outlook 2009 [based on Central Statistics Office (CSO) data].

437. The nature of the structural transformations that the government needs to make through macroeconomic policies, and their guiding vision, is crucial. Officials revealed their vision of a Mauritius of tomorrow as a duty free country with a knowledge-based economy that will evolve in a free and open market. Although they revealed this dream during consultations, there is no clearly stated vision of this kind. Some officials recognised, however, that there is a gap between strategic thinking and planning. Servicing businesses so that they can seize international opportunities seems to be the main and decisive line of thinking and of government action. Structural transformations are considered mostly piecemeal as responses to difficulties faced by private sector enterprises in isolated sectors to help them face the costs of their changes (covered by the taxpayer), thus helping them to become sufficiently competitive in international markets.
438. Servicing business seems to be one of the major objectives of economic governance and management in general and of macroeconomic policies

in particular. Self-adjustment to international shocks, opportunities and changes on international markets is certainly a good approach. However, it should be seen as part of a more proactive approach to developmental thinking and of a clearly expressed vision. This will allow new and emerging challenges to be clearly identified as important steps in developing appropriate strategies to tackle them.

439. The Mauritius 2020 Vision was the first cautious attempt to define a common vision of a Mauritius of tomorrow in order to convert it into operational strategies. It was developed in 1995. Nobody currently refers to it as an inspiring vision. The Mauritius Ile Durable (MID) Project is a new initiative, but is restricted to the energy sector, although it tries to link with other development sectors. According to official documents on the project and its senior officials, “[t]he main thrust of the Mauritius Ile Durable is to make Mauritius less dependent on fossil fuel, with a target of 65 per cent autonomy by the year 2028 through increased utilisation of renewable energy and a more efficient use of energy in general. (...) The project includes the setting up of an Eco Park and the organisation of a World Ecological Forum in Mauritius in 2011”. This is laudable, but far away from an overall vision of the Mauritius of tomorrow as a comprehensive guide.
440. The 2009 budget speech highlights government’s objectives for the medium term. These are to ride out the global crisis, save jobs, protect people and prepare for recovery. Once again, government’s pragmatism is a good approach. However, it remains a crisisled approach for self-adjustment to a changing international business environment. It lacks a long-term vision for such an approach. Instead of being a financial expression of plans and programmes for implementing a well-articulated vision, the budget and the budget speech have become government’s coordinating instrument for macroeconomic and development policy. Everybody has to be accommodated in it. However, it is known that, with the end of the preferential treatment (prices above market prices) of its sugar and textile exports and the easy access to the EU market that were the two major drivers of economic growth, Mauritius has to rethink its growth approach and policy. The loss was important: 36 per cent of the previous sugar price. It was then that the country decided to move to a knowledge-based economy, to promote information and communication technology (ICT) and to promote business process outsourcing (BPO) as the new driving sectors so that Mauritius could become a duty free island and a regional, if not world, service centre. The country’s economic governance relies on supporting the private

sector and numerous public enterprises (there are more than 160 parastatals and state-owned companies).

441. Coping with the crisis and moving toward a knowledge-based economy require an important economic reform programme. It includes three strategies that the government has defined: (i) changing the business climate; (ii) simplifying the fiscal system; and (iii) opening the economy to FDI and foreign expertise. It relies on four pillars according to the minister of finance and economic empowerment. These are to: (i) improve the business environment; (ii) improve business competitiveness; (iii) improve the management of parastatals; and (iv) widen the circle of opportunities, or democratise the economy. One would have expected that public enterprises would be at the forefront of economic reforms. However, this is not the case. The process of reforming public enterprises is very slow for several reasons, most of which are caused by the sociopolitical dynamics in the country. Reforming public enterprises is a politically sensitive issue. This is because of the unemployment problem and, more importantly, because the economic base is shrinking and there is potential to limit it politically. Discussions with some stakeholders and development partners confirmed the CRM’s views on the subject.
442. The CRM also thinks that, in striving to build a knowledge-based economy and global competitiveness, Mauritius should attempt to combine natural and acquired advantages. Developing necessary human resources becomes crucial. The country’s geographic position gives it a natural advantage for outsourcing business processes. Because of the time differences with Europe (its first export destination), North America and Asia, Mauritians can work up to 24 hours a day and liaise with different continents and partners at different times.
443. With regard to strategies for economic reform, attracting FDI and promoting competitive export-oriented business in particular will definitely have huge payoffs for the country. However, Mauritius needs to put safeguards in place. A major issue is its sustainability given Mauritius’s recent economic problems, which began even before the world’s financial and economic crisis did.
444. In terms of overall economic performance, the CRM acknowledges that Mauritius has made tremendous efforts and has achieved much. Despite minor discrepancies in data and statistics, there is broad agreement about its economic results. There has been sustained economic growth over the last three decades and the living conditions

of the Mauritian people have improved dramatically. Mauritius has undoubtedly transformed itself from a poor and 'desperate country', according to some observers, to a vibrant one with a medium-level Human Development Index (HDI).

445. There are nevertheless some weaknesses and the government is aware of them. The EU preferential policy toward Mauritius's sugar and textile exports, with prices above market prices, tended to boost its growth artificially. However, Mauritius managed its resources well and that is why the country deserves its praise. The end of the preferential policy, together with the huge increases in oil prices, caused a structural crisis in the Mauritian economy before the world financial and economic crisis hit. Macroeconomic policies could neither prevent nor avoid the structural crisis. The government is revising them through monetary and tax policies in order to mitigate the negative effects on export-oriented enterprises (EOEs), particularly in the sugar and textile sectors.
446. In their joint efforts to prevent the complete collapse of the sugar and other affected sectors (textile, tourism and FDI), the government and the private sector have been creative, especially with the diversification strategy. The sugar industry, for example, is becoming the cane economy or industry. Its sugar becomes only one of its by-products alongside energy, alcohol and others.
447. There are also some negative trends in the balance of payments, terms of trade and budget deficits. The recurrent budget deficit is one of the negative macro-economic effects of being a welfare state, while price increases in imported oil and food, among others, fuel inflation.
448. The CRM, however, commends the government for its approach to financing the budget deficit. Unlike what happens in several countries, where central banks create or issue money to finance budget deficits, thereby accelerating inflation, the government of Mauritius borrowed from the domestic market by issuing treasury bonds, bills and notes. The box below illustrates this as good practice.

Good practice 4.1: Financing the budget deficit in Mauritius

Mauritius is one of the few African countries that have succeeded, since 2004, in making budget deficit financing the instrument that regulates the money market. In fact, for over five years, the government has abandoned the money printing system to finance its cash flow requirements. It now covers its funding needs through the money market by issuing treasury bills and bonds and interest-bearing instruments.

The BoM manages government securities to achieve its mission of administering monetary policy and advising government. The 2004 Banking Act strengthened the BoM's role in order to ensure that the public debt strategy is implemented while considering its effect on developments in the money market on the one hand and macroeconomic indicators on the other. The MPC was established in March 2007 to ensure that the capital market was transparent and efficient and to develop monetary policy. The committee enables the BoM and the government to monitor market trends regularly, to intervene in the market in order to mobilise necessary resources for the government, to ensure that liquidity is properly managed, and to regulate interest rates. The committee meets at least once every quarter or whenever it is necessary. The committee publishes its decisions directly.

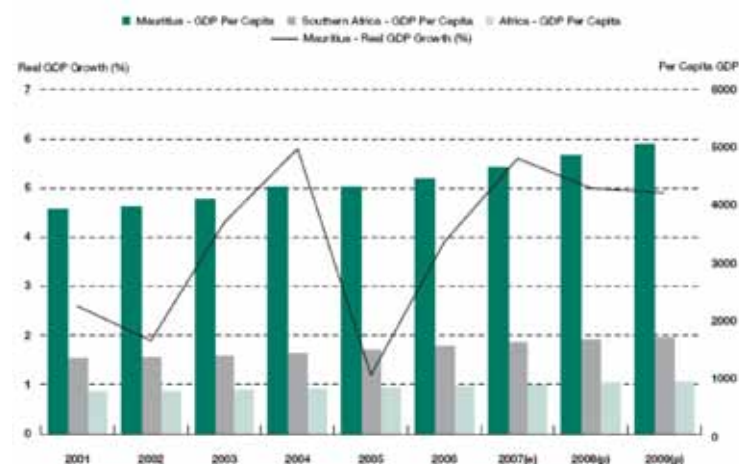
As part of the definition of the budget policy, the government estimates its borrowing requirements to promote the issuance of government securities. However, it does not interfere in the market. Treasury bills issued in the market in 2005/2006 and 2006/2007 stimulated the mobilisation of domestic savings and an increase in foreign investments because of favourable interest rates. The average interest rate increased to 12.75 per cent from 6.79 per cent in June 2006 and then dropped to 11.1 per cent in June 2007. At the same time, the government is implementing a policy to consolidate short-term domestic debt into medium- and long-term debt. Medium- and long-term securities account for a significant percentage of domestic public debt (60 per cent at the end of 2006/2007 and 66.7 per cent in 2007/2008). Deficit financing came exclusively from the internal and external nonbanking sectors in 2006/2007. The rapid rise in interest rates, however, resulted in an increase in debt service payments.

To avoid uncontrollable inflationary pressure, the BoM had to intervene in order to control interest rates. The MPC convened three meetings between January and June 2008 to reduce the base rate. This led to a drop in interest rates.

Source: CRM.

449. On the human and sustainable development side, a growing per capita GDP, implying an improving HDI, demonstrates Mauritius's performance. Figure 4.2 illustrates this. However, these average figures mask considerable inequalities that are increasing (see chapter 6 on pockets of absolute and relative poverty). In addition, the inflation rate remains somewhat high and seriously erodes the purchasing power of the average Mauritian.

Figure 4.2: Real GDP growth and per capita GDP



Source: African Economic Outlook 2008 (using IMF and CSO data).

450. One of the objectives of government macroeconomic policy is to assist, if not subsidise, EOE's. The expected gain in competitiveness may therefore erode social progress. The current approach of Mauritius, as a welfare state, has obviously had an effect on macroeconomic policy. One can therefore question the macroeconomic sustainability of the approach, particularly given the chronic budget deficit and its effect on savings and investment. The extent to which the fundamentals of a 'business-led state' will coexist with those of a welfare state and the sustainability of such a macroeconomic policy are crucial issues that the government must address.
451. The government is implementing tax reforms as part of its response to the new challenges the economy is facing. The government introduced the 15 per cent flat rate, and reduced and simplified duties. These are instruments intended mainly to attract FDI, to reduce the cost of doing business for EOE's and to increase their competitiveness in international markets. The government, during the meeting with the minister of finance and economic empowerment, confirmed that the flat tax rate is productive, since it has contributed to expanding the fiscal base and has reduced fiscal fraud.
452. The debt issue (see also objective 3 in this chapter) deserves the attention of the government and of other stakeholders because of the consequences of very high public debt. It represents 65.8 per cent of

GDP, and 17 per cent of public expenditure is required to service the debt. This amounts to 30.3 per cent of government revenue. The debt structure underlines an important share of domestic debt and this situation may affect development and business prospects negatively. The government has made tremendous progress in managing and reducing the burden of external public debt. However, domestic debt is still overwhelming. One may therefore question its sustainability and its negative effect on business – and even on some parastatals and state-owned companies.

453. An important issue needs to be emphasised. Mauritius has made it clear that economic democratisation, which means a better distribution of assets and income, and a wider circle of opportunity for everyone, is the cornerstone of its development philosophy. This is very commendable, because Mauritius cannot achieve sustainable human development without democratising the development process fully – including its political, economic and social dimensions. While economic democratisation is commendable in Mauritius, there are obvious limitations to its implementation via the economic Empowerment Programme (EP).
454. One needs a thorough understanding of the socioeconomic and political nature of Mauritian society and its dynamics if one is to understand the macroeconomic trends and policies and their effects on sustainable development, as well as the socioeconomic forces that underpin the philosophy of democratising the economy and the EP. The private sector contributes more than three-quarters of the economy. A few white Mauritian families, particularly those of French descent, own, or at least control, most companies. They are a small minority of the population. Most of the people are of Indian (mostly Hindu) origin. They control the country's politics. However, they lack a solid economic base, except that they control numerous parastatals and state-owned companies. This seems to inspire a type of complicity between the Hindu political elite and the white (Christian) economic elite.
455. This largely explains why active public-private partnerships, a 'business-based' or 'business-oriented' state model, and political and democratic stability, as components of the overall business environment, are accepted in Mauritius. Democratising the economy is, for the most part, a new way for the political elite to expand its economic base and to open it up to upper-level, middle-class groups of Indian descent, including Hindus, Tamils, Muslims and other

small and medium enterprise (SME) stakeholders. The real meaning of democratisation is to move from an economy controlled by a few Franco-Mauritian families to one in which economic power is shared with other segments of society, particularly those that control the political arena.

456. The Republic of Mauritius was a settlement colony. Labour was brought from Africa and Asia to work in white settlers' plantations and other businesses. The country has been functioning economically as a European economic enclave, located in Africa, with imported workers. The Mauritian economy has since evolved as part of the European economy. This partly explains the good relations between the EU and Mauritius and the sense that the country has closer links with Europe and Asia than with Africa. However, it is recognised that Mauritius is located geographically in Africa and that this has political implications for the country. Macroeconomic policies are also functions of this historical background in terms of traditional tax policies, support to export-oriented business, and so on.

iii. Recommendations

457. The APR Panel recommends that the government:
- Develops a comprehensive and consensual vision of the Mauritius of tomorrow that the country is building with the assistance of its development partners. *[Government and development planners]*
 - Operationalises the vision with all stakeholders to ensure high, sustained and inclusive economic growth. *[Government, private sector and civil society organisations]*
 - Addresses the sustainability of a business-led development model and the option of a welfare state in an open and external market-oriented economy. *[Government, private sector and civil society organisations]*
 - Redirects public investment policy to stimulate the emergence of multipolar growth centres in order to reduce regional disparities and to build an integrated national economy. *[Government and decentralised entities]*
 - Develops instruments and models for macroeconomic forecasting, regularly updates parameters and basic coefficients, and makes the models more dynamic. *[Government]*
 - Strengthens and widens the bases of the national economic environment to ensure greater solidity and resistance to unforeseeable external shocks. *[Government and private sector]*

Objective 2: Implement sound, transparent and predictable economic policies

i. Summary of the CSAR

458. The CSAR analyses economic policies based on: (i) descriptions of the processes of development, implementation and monitoring; (ii) the predictability of economic policies; and (iii) the level of participation and consultation in implementing policies. The CSAR does not examine the economic policies themselves. It does not scrutinise their existence, coherence or quality in relation to the ambitions of the government and aspirations of the people. It does not study the institutions that the government established and how it organised them. All of these are important if the economic policies are to be implemented efficiently and transparently.
459. With regard to promoting good governance in developing, implementing and monitoring economic policies, the CSAR feels that the efficiency and culture of good governance of public administration depends on modernising the system of public financial management. It limits its analysis to the reforms initiated in 2006. These were the introduction of the Efficient Management System (EMS) and the results-based Programme-Budget Approach (PBA). The report describes the main characteristics of these approaches, their performance criteria and the indicators that guide monitoring.
460. The CSAR also describes the reforms introduced in respect of fiscal administration. They include the measures taken in 2006 to simplify and consolidate the income tax system. These eased the administrative procedures for the Mauritius Revenue Authority (MRA), reduced taxation rates, introduced a property tax (the NRPT of 2007) and introduced a single tax on corporate incomes in July 2009. The objective of these reforms was to boost economic activities and to promote entrepreneurship.
461. The CSAR finally describes the measures adopted to strengthen the legal and institutional framework of public financial management. They include: (i) a review of the executive order on the Audit of Finances and the Financial Management Manual; (ii) the adoption, in 2006, of a new law on public procurement and the establishment of related operational structures; and (iii) the mechanisms established to facilitate communicating demands from the public to the authorities on the management and quality of public services.

462. The predictability of economic policies relies mainly on dialogue and consultation, between the government and the other actors, on policies and strategies. The CSAR therefore describes the consultative mechanisms that were organised, especially for preparing budgets. They include: (i) tripartite committees for negotiating salaries; (ii) the memorandum for preparing the budget; (iii) public/private sector joint committees; (iv) periodic meetings between private sector organisations and key ministries; and (v) regular meetings with social partners and civil society. This approach hopes to ensure ownership of the policies and to develop partnerships for implementing them. The CSAR does not analyse the quality of the planning tools, how they helped to make projections, or the objectives that were set and how they were to be achieved and monitored. It does not analyse their content or how they were intended to meet the aspirations of the people. It does not consider the economic factors coherently.

ii. Findings of the CRM

463. With regard to sound, transparent and predictable economic policies, the CRM commends the government for the New Economic Agenda (NEA). The government launched it in 2003 with the following objectives: (i) to increase competitiveness; (ii) to strengthen social development and social cohesion; and (iii) to preserve and protect the fragile environment of Mauritius. However, the government should have developed this new agenda, presented in the form of a vision, into strategies, policies and action plans. It should have introduced reforms for public finance to provide itself with adequate programming tools after adopting the MTEF. The agenda would have been relevant if it had been aimed at the conceptual development of the macroeconomic objectives and the policies developed by the NEA. The absence of these instruments for planning and piloting the Mauritian economy impedes the efficiency, transparency and predictability of the economic policies. It is a major challenge for the country.

464. The CRM noted, in discussions with stakeholders, that the government felt that the economy needed a structural transformation. In his address to Parliament in 2004, the president outlined the direction of a five-year government programme for 2005 to 2010. It reflected the desire to promote a new economic model of democratising Mauritius's economy to promote "a society where there are opportunities for all, a more inclusive society, a society characterised by equality before the law and respected by all public or private entities"³¹.

465. This programme became urgent with the world's economic and financial crisis. Its unfavourable effect on the economy of Mauritius threatened to aggravate the country's vulnerability and macroeconomic and social imbalances for the long term. The government decided to accelerate adopting reforms and appropriate policies within the framework of an ambitious multiannual programme for 2006 to 2010. The main objectives of the programme were to:

- Consolidate the financial management and efficiency of the public sector.
- Improve commercial competitiveness.
- Improve the investment climate.
- Democratise the economy based on participation, social inclusiveness and stability.

466. Promoting a stable macroeconomic framework proved indispensable for creating the bases of an environment conducive to investment and diversification of the economy. However, it will depend on implementing relevant reforms and policies for public finance.

467. The most important reform was to provide the government with relevant programming and budgetary management tools. The government decided to accelerate the establishment of the MTEF and to adopt the results-based PBA in order to promote the efficiency of budget management by aligning expenditure with national priorities.

468. Furthermore, the government reformed public administration in order to develop sector strategies and to facilitate their conversion into a programme budget. The CRM was informed that the MTEF now covers all sectors and guides the preparation of the 2008/2009 programme budget and congratulates the government for the progress made. However, the macroeconomic policies, sector strategies and plans lack quality and coherence. The government developed them without involving civil society effectively, as the CSAR emphasises. They therefore lack ownership and control. Consequently, they still present a major challenge that government must meet if it is to guarantee their relevance and efficiency. Similarly, the lack of macroeconomic projections and appropriate linkages with sector strategies does not guarantee that the economic policies will be predictable and efficient or that they will be managed transparently.

469. The government decided to make budget policy the key instrument of the NEA. It therefore adopted, within the framework of the 2006/2007 budget, strict rules to guide the policy on indebtedness. The golden rules were: (i) to limit acquiring debt only to cover investments rather than running costs; and (ii) to be rigorous in choosing and managing sustainable public investment in order gradually to reduce the public debt to GDP ratio in net value. The government took specific measures to identify, in the different sectors, ways to reduce costs and capital expenditure while preparing and controlling the budget. In particular, it introduced reforms to improve management capacity and the efficiency of the budget.
470. The budget helped to reverse the trend of increasing the budget deficit and debt, thanks to the 2 per cent cut in recurring expenditure. It exceeded the initial target of 0.5 per cent, thus testifying to the determination of the government to improve financial management (see table 4.4). Furthermore, debt contracted to 4.3 per cent of GDP and exceeded the level of capital expenditure (3.4 per cent of GDP).

Table 4.4: Public finance indicators³²

	2005/ 2006	2006/ 2007	2007/ 2008
Total deficit (including grants), as a percentage of GDP	-5.3	-4.2	-3.0
Public domestic debt, as a percentage of GDP	51.4	46.6	44.7
Public external debt, as a percentage of GDP	4.4	4.7	4.9
Outstanding public debt, as a percentage of GDP	57.9	55.7	48.6

Source: MOFEE.

471. The CRM also noted the significant reforms undertaken to improve the efficiency of fiscal administration. The most notable are: (i) reducing distortions and increasing the transparency of the tax code; (ii) abolishing tax exemptions and similar discretionary powers; and (iii) creating the autonomous MRA to manage revenues.
472. Other equally important reforms were introduced to consolidate the sound management of public finance and to promote the transparency and performance of all national economic policies. They were the reforms introduced in public procurement and for parastatal enterprises.

473. In order to **strengthen the pillars of commercial competitiveness**, the government reformed the business, legal, administrative and fiscal framework to render it more stringent, more flexible, more accessible and more equitable.
474. To stimulate the productivity of enterprises equitably, **the government restructured the legal and regulatory framework**. It eliminated the discrimination between free and nonfree zones, abolished additional tariffs substantially, reviewed tax credit on investments and simplified the regulatory procedures for granting authorisations and corporate authorisation permits.

Box 4.1: Global financial crisis and the Mauritian economy

Mauritius is a small island economy. It depends largely on the global economy for its growth. The financial crisis therefore affected it severely, particularly the textile and tourism sectors. These sectors account for about 15 per cent of the country's GDP and are facing falling export orders and tourist arrivals. The crisis also affected other export-oriented sectors and FDI. In the textile sector, the fall in orders has resulted in factories closing down and over 5,000 workers losing their jobs.

The banking sector in Mauritius has weathered the financial crisis so far. All the banks operating in Mauritius have shown considerable resilience in terms of capital adequacy, balance sheet growth and profitability, and in loan delinquencies. Banks in Mauritius had an estimated average capital adequacy ratio of 15.8 per cent at the end of December 2008. This is above the regulatory minimum of 10 per cent. The system has not experienced a serious liquidity crunch either. This can partly be explained by the independence of the system on large-scale interbank borrowings to fund its operations and because it is less reliant on external sources for increasing domestic assets. According to the BoM, the foreign funds used for domestic deployment were as low as 2 per cent. This provides insulation from the liquidity crunch in global financial markets. In general, the banks were not exposed to toxic assets like mortgage-backed securities. The insurance and nonbanking sectors were not affected directly by the crisis.

However, the financial crisis highlighted issues relevant to financial stability. The country may therefore consider developing new ways of strengthening its financial sector regulations to ensure stability. The CRM was also informed that the banking sector in the country has adopted an approach to implement Basel II. The country should also consider implementing Basel II fully.

A number of other issues should take precedence with regard to economic governance and management in Mauritius. These are: (i) diversification; (ii) economic reform measures; (iii) redefining the driving sectors for sustainable growth; and (iv) necessary structural transformations. All of these are needed to cope with the global financial and economic crisis and, more importantly, to achieve sustainable development and economic democratisation.

Source: MOFEE

475. The CRM congratulates the government on the structural reforms it introduced for the productive sectors of the economy. It emphasised particularly developing appropriate sector strategies and increased investments in promising sectors in order to improve business competitiveness. It also initiated the restructuring of the traditional sugar, textile and tourism sectors to reduce costs. Further, it established a legal and administrative framework favourable for offshore financial services. The construction of an ultramodern platform, cabled by optic fibre, stimulates FDI in the ICT sectors. The government also made major investments in fisheries, sea farming, transport, energy and environmental infrastructure.
476. An ambitious strategy for building capacity for highly qualified human resources has also been developed. This will accompany the development of the information technology and financial services sectors.
477. The CRM acknowledges the relevance of government's measures to improve the business climate. One of the key measures it adopted, within the framework of the 2006/2007 budget, was to ease the procedures for obtaining licences or permits for establishing or managing businesses. It did this by introducing a one-stop shop to register businesses and to convert the Board of Investment (BOI) into a facilitation and promotion body. Other measures for simplifying the administrative and regulatory procedures have been adopted in various areas.
478. The government has also adopted measures to improve labour productivity. It has developed strategies aimed at promoting university education and encouraging vocational training programmes, especially in areas that require scarce and specialised skills. Moreover, the government has created a regulatory and administrative framework favourable to qualified foreign staff. It adopted measures that encourage recruiting qualified staff from abroad, simplifying the procedures for employing qualified foreign workers and easing the procedures for issuing tourist visas. Finally, the government is considering measures to encourage the Mauritian Diaspora to return to work in the country.
479. The government should integrate these measures with a global process of liberalising the job market in order to consolidate flexibility and align salaries to productivity. The government also plans to modernise the management and administration of the land sector,

- especially at the level of the cadastral system and administration of land titles.
480. The government has finally developed policies and strategies to promote the **democratisation of the economy concept**. They are intended to safeguard social cohesion and promote inclusive participation and stability. The government developed them to protect the people against the effects of liberalisation and the structural transformation of the economy, while pursuing an aggressive strategy of reducing poverty and promoting equitable human development (see the CRM analysis under objective 1 above).
481. The government is already implementing most of these reforms, especially those in respect of public finance, and it has developed strategies for some sectors. However, in order to achieve its objectives, it must develop these strategies and action plans for those sectors identified as pillars for diversifying and reviving the economy and in the social and economic sectors that the people rely on for survival. Even in sectors where these policies are developed, it is necessary to integrate them with a more coherent global macroeconomic framework that will move the economy into the future, in an organised and well-coordinated manner, while involving all segments of the economy. The CRM therefore appreciates the efforts of the government aimed at involving all the social sectors in preparing the budget. Indeed, through organised structures, which represent the different components of society, the government shows that it wants to include other stakeholders in choosing policy priorities. However, the participative mechanisms described by the CSAR are limited to a few groups that do not represent communities or unions. It is important to note that, during the interactive meetings, grass-roots populations, trade unions and small enterprise associations pointed out that they are not always invited to these consultative forums on policies. Apex organisations, like the Joint Economic Council (JEC), are not always inclusive or transparent. Unless there is true representative participation, the expected results will not be achieved.
482. In the same vein, the CRM congratulates the government for establishing a modern communication infrastructure to facilitate the access of the public to information published on websites. During interactive sessions, the CRM was informed, however, that access to the information posted on websites is still very limited.

483. The main economic governance and management challenges have little in common. Furthermore, the macroeconomic and sector economic policies are not clearly developed. This means that resources were not effectively allocated to the different sectors in order to achieve the political objectives. The development of the MTEF and the PB should be improved in order to reflect accurately the financial objectives, the strategic directions of policies and macro-economic trends (instead of the opposite) in order to guarantee that they are efficient, transparent and predictable.
484. Another major economic governance challenge for public finance is the **management of parastatal enterprises**. There seem to be too many of them. The government thinks that these entities continue to play a regulatory role in the job market and safeguard social cohesion. However, the CRM believes that their role in development is no longer justified in an economy that seeks to consolidate the pillars of an increasingly liberal economy while encouraging the private sector to remain the key driving force of sustainable development. Public debt (Rs122.9 million) is thought to be a risk factor because of the weight of the debt of parastatal enterprises (Rs31,500 million), caused mainly by external debt. Table 4.5 shows that the government has tried to reduce the foreign debt of public companies – it dropped from Rs17,334 million in 2003 to Rs8,211 million in 2008.
485. Although the CRM is delighted by the government's efforts, it concurs with the CSAR analysis that the plethora of public companies, and lack of transparency in the appointment of their directors, does not improve the performance of their managers. It seems rather to suppress the spirit of competitiveness. This makes the impact of these entities on development mediocre.

Table 4.5: External debt (in millions of Rs)

End of June	Government	SOEs with government guarantees	State-owned enterprises (SOEs) without guarantees	Private sector	TOTAL
2003	9,074	10,017	7,317	2,271	28,679
2004	8,445	8,838	6,013	1,953	25,249
2005	9,232	8,032	5,326	2,170	24,760
2006	8,535	8,304	4,635	2,058	23,532
2007	13,452	7,419	3,601	1,562	26,033
2008	12,451	5,649	2,562	1,489	22,151

Note: Public external debt includes external investments in government bonds.

Source: MOFEE.

486. The CRM feels that it is necessary to initiate structural reforms in this sector to improve the coordination and control of the management of all public resources and, thereby, to facilitate the promotion of predictability and transparency of government policies in all public spheres.
487. The government has begun developing **sector policies** for certain sectors to meet the demands and challenges of the economic crisis. It has done so to convert its objective, of transforming the structure of the economy and reconciling social justice with growth, into action. The CRM congratulates the government for the efforts it has made to develop these tools to promote economic governance. However, analysis of the data collected about these strategies shows great differences in the product produced. Some sectors designed strategies, others developed policies and yet others devised action plans. The absence of uniformity shows that this kind of exercise is not coordinated. These instruments therefore have limited effect on the process of programming and of budgeting for government operations. Finally, including them in the MTEF and the PB will pose problems.
488. The government began developing a 2008/2011 strategy for ensuring **food security** in 2008 in order to find solutions to the problems of ongoing price increases in food products and possible food shortages.

These caused inflation and reduced the buying power of the people, especially among low-income groups. The strategy aims to:

- Mobilise water and land resources, inputs for production, human resources, and financial and technological resources in order to optimise local production for domestic consumption.
 - Promote the export of food surpluses to derive maximum profit through economies of scale.
 - Stimulate partnerships with countries in the region, like Madagascar and Mozambique and other countries, where there are still opportunities for producing food products and seafood for domestic and regional consumption.
 - Promote public and private joint ventures with the support of regional partners like India and China.
 - Begin a campaign to promote healthy food.
489. Implementing the strategy requires establishing a food security fund and a management committee comprising representatives of the public sector, the private sector and small farmers. The strategy should be developed into an action plan, using the PBA, to show ways and means of increasing food production locally and in the region. The strategy, which requires the allocation of an additional 2,000 acres of land for agricultural diversification, targets small farmers who are organised into associations.
490. The CRM was informed that various civil society groups were involved in the process of developing strategy. However, they did not participate in the programming and budgeting exercise. This will not ensure that implementation will reflect a partnership or the aspirations of the people.
491. With regard to biodiversity, there is a 10-year (for 2006 to 2015) action plan for Mauritius and Rodrigues. It should be organised into a three-year PB.
492. The action plan aims at:
- Developing viable and representative networks of protected areas.
 - Controlling the invasion of alien species.
 - Managing the key components of biodiversity.
 - Improving the identification of ecosystems, monitoring biodiversity, and developing mechanisms to facilitate sustainable use by promoting ecotourism and the efficient management of natural resources.

- Ensuring that modern biotechnology is efficiently applied by enforcing the legal provisions of the Cartagena Protocol on Biosafety.
493. Improving partnerships with beneficiaries is fundamental to implementing the strategy successfully and to managing and protecting biodiversity. It is therefore necessary to devise an institutional framework, which represents all key stakeholders equitably, for implementation and coordination.
494. The strategy for the forestry sector, developed in 2006, aims at protecting and consolidating the environment, biodiversity and the national heritage as well as promoting tourism and leisure activities.
495. The general objective is to develop a system to inform the public about managing and protecting forests and the basic role of the forestry sector in developing human welfare nationally. The strategy also aims to ensure that the country's forests and ecosystems are conserved and managed sustainably for present and future generations.
496. Particular attention will be paid to developing an information system in schools and among the grassroots population groups. The CRM supports this strategy, which, in turn, will strengthen partnerships with key stakeholders and beneficiaries for the protection and good management of forest resources. In addition, civil society should also be involved in the process of developing policies and programmes.
497. The government's strategy for modern communication technologies reflects its ambition to make this sector one of the pillars of the Mauritian economy alongside tourism, agriculture, exports and manufacture. The government's strategy is to make Mauritius a regional ICT hub.
498. The government should therefore promote a favourable environment via appropriate policies and an adequate legal and regulatory framework. It should also acquire a good ICT infrastructure and equipment in order to improve the quality of management and facilitate and encourage all ICT initiatives. Educational institutions should, as far as possible, produce results appropriate to the needs of the ICT industry in both quality and quantity. Other measures are recommended for encouraging the business community to acquire good quality ICTs to achieve high levels of efficiency and excellence. Levels of ICTs in the different sectors of economic activity should lead to a functional national ICT sector so that it exchanges

resources and abilities with the ICT export sectors and achieves optimal use of resources.

499. Mauritius would like to become a regional reference centre for promoting the ICT industry in sub-Saharan Africa. It hopes to do this through collaborative measures that will help to assist this industry and succeed in achieving economic progress in partner countries. However, the CRM believes that, to achieve its objectives, the strategy should be part and parcel of shared and harmonised regional integration policies that recommend partnerships.

iii. Recommendations

500. The APR Panel recommends that the government continues to pursue its stabilisation efforts by:
- Developing a coherent macroeconomic framework based on its economic projections that are consistent with its political objectives and its investments and on the factors that promote economic and social development. *[Government]*
 - Defining sector policies and operational action programmes that are consistent with its priorities and which are clear in their sequencing and cognisant of their implications. *[Government]*
 - Promoting the effective participation of the whole of civil society, including trade unions and the grassroots population, in the process of developing economic and social policies in order to promote a more responsible partnership in their implementation and evaluation. *[Government and civil society]*
 - Reforming parastatal enterprises to help them to clarify their objectives and roles and to transform them into real instruments for the government's strategies, and, consequently, to correct the distortions that they impose on the budget and which affect all operations of the state. *[Government]*

Objective 3: Promote sound public financial management

i. Summary of the CSAR

501. The CSAR analyses the procedures for preparing budgets, the origin of public resources, the composition of public expenditures, and the control institutions established to ensure transparent and efficient management of funds. The CSAR emphasises the management of SOEs particularly.

502. However, it does not analyse the institutional framework that guides actual management and its operations or the tools and mechanisms established to facilitate efficient management.
503. With regard to the procedures for preparing budgets, the CSAR mentions the two main budget management tools. These are the MTEF and the PBA. These were adopted in the context of the reforms initiated in 2003 for improving the efficiency of budget management, promoting financial productivity, improving the allocation of resources and improving the efficiency and quality of public services. The CSAR does not analyse the strengths and weaknesses of these tools, their effect on the quality of the policies they enforce, the capacity of administrators to implement them or the results achieved following their implementation.
504. With regard to resources, the CSAR mentions their composition without analysing them thoroughly. It highlights the legal reforms carried out to grant autonomy to the MRA. However, it does not analyse how well the MRA functions or how it collaborates with the other structures in financial administration.
505. Its analysis of public expenditure is also limited to descriptions. The report offers no analysis to help determine whether the expenditure mechanisms and policies help to achieve government objectives and increase the productivity of the expenditures.
506. The CSAR introduces the NAO, the main body for controlling the management of the national budget. However, the analysis does not mention other bodies like Parliament, the Public Procurement Unit and the FIU. All of these have roles to play to ensure that public resources are managed transparently. Besides, there is no critical analysis of the efficiency and output of the director of audit.
507. In its analysis of SOEs, the CSAR stresses their weight on public debt. However, it does not recall the objectives that led to their establishment or the results they achieved. The CSAR stigmatises the poor governance of these entities, since no transparent procedure was used to appoint their managers.
- #### ii. Findings of the CRM
508. Sound and transparent management of public finance depends on: (i) the relevance of the projections made on the basis of the economic

policies that are used to guide budget preparation; (ii) the quality of the public resource management and control tools; (iii) the organisational efficiency of the institutions responsible for implementing and monitoring the **government budget** (which should reflect efficient coordination of the resources available); and (iv) the mechanisms developed to involve civil society in developing budget priorities and in evaluating their results.

509. The preparation of the annual budget and its analysis by Parliament are privileged exercises in Mauritius. They help to demonstrate the relevance of the budget.
510. The CRM noted that the reforms and rigorous policy strategies were launched within the framework of the NEA. Their objectives are to improve the productivity of public finance, to help to reconcile the objectives of sustained economic growth and to establish the pillars of social justice.
511. The PEFA 2007 EU-led study analysed the reforms. The study highlighted the strong points and weaknesses of the programming and budgeting tools, budget development, management and control processes, as well as the institutions involved in implementing government policies.
512. With regard to the **reforms of the legal and institutional framework**, the CRM noted that the most important reform was to reorganise the public finance planning and management structures, particularly by centralising the two functions under the MOFEE. This reform aimed at ensuring the efficient coordination of the whole programming and budgeting process – from developing short-, medium- and long-term macroeconomic projections to preparing the budget itself. The reform laid the basis for an organised implementation of the process of developing the MTEF and the PBA. However, the instruments still exist in isolation and do not take into account the essential links between subordination and coherence. The government should strive to consolidate these reforms to ensure that the links between these tools are forged.
513. There were other measures to ensure that the legal and institutional framework was modernised. They include the review of the 2005 law on the Central Tender Board and the Public Financial Management and Control Manual. Another important measure was granting autonomy to two key institutions involved in public financial management: the

MRA, instituted in 2004, and the PPO, established in 2007, assisted by a tender board. The CRM appreciates these measures. They confirm that the government wants to improve bureaucratic sluggishness in order to promote the culture of output. They also aim at achieving greater discipline and accountability on the part of managers, who will be evaluated on results and who are obliged to report to the responsible authority and to Parliament and the director of audit. The reform is too new to evaluate its effect.

514. With regard to planning and budgeting tools, the CRM noted that the **MTEF** and the **PBA** had been adopted in 2003 and 2006 respectively. Both are intended to improve government's capacity for programming, managing and monitoring financial management. The government only made the MTEF effective in 2006. As the PEFA Report emphasised, the sector strategies did not exist at the time. Consequently, the 2005/2006 and 2006/2007 budgets did not reflect the PBA. During discussions with the MOFEE, the CRM learnt that the MTEF would in future cover all the sectors. It therefore commended the government for the effort made to base the development of the 2008/2009 budget on all sector MTEFs. However, effective implementation is still confronted by considerable challenges, including differences in the levels of mastery of these tools and the absence of monitoring mechanisms in the sector ministries. Moreover, to be efficient and functional, the MTEF and its resulting budget should be based on economic policies conceived to convert government's objectives at the macroeconomic and sector levels. The CRM observed that only a few sectors developed strategies that were inspired by the government's political priorities or used the manual that guides the development of the MTEF. Besides, the preparation of the PB is still isolated from the sector strategies and it does not reflect their costs. The absence of modelling methods to link the budget to macroeconomic projections also affects the quality of the MTEF and the PBA.
515. The CSAR presents the process of preparing the budget. The CRM noted the mechanism established to encourage significant participation by civil society. However, this participation is limited to civil service management staff (whose main objective is to defend their budget envelopes) and to private sector umbrella organisations, which represent large enterprises. Employee organisations, small enterprises and grass-roots population groups are rarely consulted. As long as this instrument does not reflect coherent policies developed with the active involvement of all stakeholders, including grass-roots population groups, it will be difficult for them to accept

the development strategies and use them as tools to guide their own activities. The analysis by Parliament also has some weaknesses. The budget document does not contain adequate analysis to enlighten Parliament on the policies and reforms that informed its preparation, or on the economic effects expected from its implementation. Consequently, even if it is accessible on the government's website, its difficult navigation makes it impossible for civil society members to use it as a reference to guide their own economic conduct.

516. The CRM commends the government for the efforts it has made to effect structural reforms since 2005, introduce fiscal discipline to public administration and restrict increases in spending.
517. The government introduced new and more rigorous reforms in 2006. They were accompanied by an aggressive campaign about the culture of performance in managing public funds and accountability. Indeed, the focus of these efforts was to reduce current spending and extrabudgetary costs.
518. Net expenditure and loans recorded a rapid increase of 19.3 per cent in 2008 (compared with a slight increase of 4.1 per cent in 2007), despite the commitment to contain them. In real terms, their ratio to GDP rose from 23.6 per cent in 2007 to 24.5 per cent in 2008. The highest increase is attributed to capital expenditure (64.3 per cent), which accounted for 19.4 per cent of total expenditure in 2008 compared with 13.9 per cent in 2007. This trend is a manifestation of the government's policy to increase expenditure on investments. Payments to service public debt also increased significantly (by 20.2 per cent) and reached 22.0 per cent of the total running costs against 20.1 per cent in the previous year. The trend also reflects the weight of servicing the debt of public companies that the state guarantees. Expenditure on grants and transfers recorded an increase of 10.1 per cent in 2008. This was higher than that registered in 2007 (5.1 per cent) and is steady at 42.8 per cent of the total running costs. Expenditure for buying goods and services showed a slight growth in nominal value (3.6 per cent) and a decrease in real value. Similar trends were noted for expenses on wages and salaries. They decreased from 27.8 per cent of the total running costs in 2007 to 26.2 per cent in 2008. Budgetary discipline, as preached by the MOFEE, was ignored in 2008. For this initiative to be sustainable and have tangible effects, it is important that it falls within the scope of wider public administration reform, including parastatals, in order to internalise respect for public property. With regard to parastatal enterprises, transfers made to them as extrabudgetary expenditures

are estimated at 33 per cent of total budget. The CRM was informed that the government was determined to carry out a profound reform in the sector, particularly by liquidating those enterprises that have no strategic importance to the state and the budget-eating enterprises that are inefficiently managed. However, the government seems to be delaying implementing these reforms, thus calling into question its desire to promote transparent management in this sector.

519. In the area of **tax and customs administration**, the government has initiated many reforms aimed at broadening the tax base, reducing tax evasion and increasing the productivity of the tax system since 2004. The greatest reform was the establishment, in 2004, of the MRA, which became operational in July 2006. It operates as an autonomous body under the authority of the MOFEE. The management autonomy granted to this institution aims at ensuring efficiency and transparent management. Many other measures have enhanced the reform. They have helped to increase the financial base by simplifying the tax system. This has reduced tax evasion, created the property tax, introduced tax deductions at source and virtually abolished tax exemptions. The reform also affected customs tariffs. It reduced customs taxes on raw materials and simplified the tariff system, reduced registration rates to three to cut transaction costs, and improved the efficiency of tax collection services. Taxes are now paid by electronic transfer.
520. The director of the MRA enjoys increased powers for administering tax in all areas except property tax. To improve its efficiency and the output resulting from the fiscal reforms, the MRA has organised several training sessions for taxpayers and staff on the 2006/2007 reforms, their objectives and the administrative and regulatory provisions adopted to facilitate their implementation so that they all can benefit from them. In addition, the explanatory notes on these reforms and their related procedures are accessible on the MRA website. The director may also organise press conferences about the legislation on duties and taxes under his or her jurisdiction.
521. It should be noted that an appeal system has been introduced to protect taxpayers even if no appeal is provided for against certain decisions and actions of the director. If a taxpayer is wronged in the assessment of the taxes due, he or she addresses his or her appeal first to the director of the MRA. If he or she is still not satisfied, he or she may write to the Assessment Review Committee, and then to the

Supreme Court. If the case is not settled at this level, the last resort is the Privy Council.

522. Finally, computerising financial administration has increased the speed of daily transfers of revenues to the Treasury and consolidated the efficiency of MRA services.
523. The CRM noted that reforms introduced for financial administration have helped to improve the administration of financial operations, to introduce a more progressive system and to broaden the tax base. These measures have also led to rapid increases in revenues, to reduced arrears, to reduced fraud cases and have increased the volume of business (see table 4.6). They also seem to have boosted the confidence of taxpayers.

Table 4.6: Total Treasury operations (in millions of Rs)

	2003–2004	2004–2005	2005–2006	2006–2007	2007–2008
1. Total revenues, including grants	33,657.8	36,050.2	39,219.6	42,168.8	53,221.6
a. Income tax		32,718.6	35,381.5	38,185.9	47,831.4
b. Other taxes		2,473.8	3,127.2	3,632.3	4,912.9
c. Dividends		413.8	221.7	28.7	23.2
d. Grants		444.0	489.2	321.9	454.1
2. Total expenditure and net loans	42,567.3	45,074.9	49,564.1	51,608.0	61,542.7
Current expenditure		38,042.3	41,915.3	44,122.3	48,423.3
Capital expenditure		6,344.8	6,959.9	7,110.9	11,682.3
Net loans		687.8	688.9	374.9	1,437.1
3. Budget deficit	-8,891.5	-9,024.7	-10,344.5	-9,439.2	-8,321.1
4. External financing (net)	-486.4	484.1	-1,149.1	4,465.2	-239.6
5. Domestic financing (net)	9,377.9	8,540.6	11,493.6	4,974.0	8,560.7
a. Bank financing	13,870.0	5,560.7	4,583.1	-5,816.2	10,656.3
b. Nonbank financing	-4,492.1	2,979.9	6,810.6	10,790.2	-2,095.6
Debt deficit ratio as a percentage of GDP at market prices	5.4	5.0	5.3	4.3	3.3

	2003–2004	2004–2005	2005–2006	2006–2007	2007–2008
Total revenues and grants as a percentage of GDP at market prices		19.9	20.0	19.2	21.2
Total expenditures and net loans as a percentage of GDP at market prices		24.9	25.3	23.5	24.5
Debt interest payments on total expenditures		18.9	17.5	20.1	22.0
Domestic debt interest payments on total expenditures		18.3	16.9	19.5	21.4

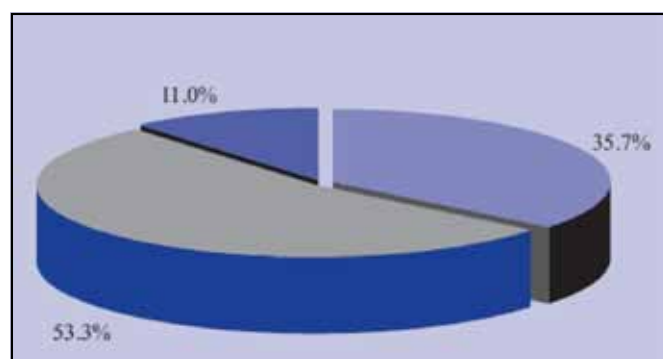
Source: MOFEE.

524. In fact, income and grants registered a rapid growth of 26.2 per cent in 2008 against a slight increase of 7.5 per cent in 2007. This is 21.2 per cent of GDP, compared with only 19.3 per cent in 2007. This increase is largely the result of income tax, which increased by 25.3 per cent, and taxes on goods and services that recorded a growth of 19.6 per cent.
525. With regard to **debt management**, the objectives of the reforms introduced by the government in 2006 were to consolidate the management of public finances and to promote rigour and prudence as the key principles underpinning public debt management. The government adopted a new law and strategic policy in 2008 to: (i) limit the acquisition of debt to investment transactions; and (ii) reduce gradually the ratio of the net value of public debt compared with GDP in order to reach a sustainable level. The strategy also seeks to correct the gaps identified by an IMF financial stability mission, whose report underscored the absence of an appropriate strategy, inadequate operational resources for the Public Debt Management Unit and lack of clarity about the relationship between the BoM and this unit.
526. The strategy gives clarity about the guidelines for managing foreign and domestic debt, including the debt of parastatals guaranteed by the government. It defines the performance indicators that must be used. By accumulating the entire public debt via the strategy, the government has strengthened the tools of fiscal discipline and those of macroeconomic policy.

527. Data published by the BoM indicate a gradual reduction in the relative value of public debt. Its ratio to GDP at current market prices decreased from 58.5 per cent in 2005 to 48.6 per cent in 2008, a reduction of over 7 per cent. This drop is a result of the domestic debt trend, where the ratio to GDP declined from 57.6 per cent in 2003 to 44.7 per cent in 2008. In 2008, this ratio dropped from 46.6 per cent to 44.7 per cent. It is important to note that efforts to consolidate short-term debt into medium- and long-term debt facilitated the reduction of short-term government securities by 21.3 per cent in 2007 and 16.2 per cent in 2008. The percentage of short-term securities, in the context of domestic public debt, therefore decreased from 40.2 per cent in 2007 to 33.3 per cent in 2008. On the other hand, medium- and long-term government securities increased to Rs73,275 million compared with Rs16,669.4 million in 2003. Their percentage, in terms of domestic debt, increased from 59.8 per cent to 66.7 per cent in 2008.

528. The ratio of foreign debt to GDP dropped from 6.1 per cent in 2003 to 4.9 per cent in 2008. In 2008, the ratio showed a slight growth, increasing from 4.7 per cent to 4.9 per cent. However, in face value, outstanding debt decreased from Rs13,453 million to Rs12,451 million from one year to the next. More specifically, parastatal debt decreased by Rs2,373 million, dropping from Rs11,149 million in 2007 to Rs8,776 million in 2008.

Figure 4.3: Percentages of public debt at the end of 2007



35.7% Short-term debt
53.3% Medium- and long-term debt
11.0% Total external debt

Source: BoM. Annual Reports for 2007 and 2008.

Table 4.7: Public debt (in Rs millions)

Outstanding debt at the end of June	2003	2004	2005	2006	2007	2008
1. Short-term bonds	74,138.3	68,332.5	58,731.8	55,474.9	43,632.6	36,561.4
a. Treasury bills	74,137.9	68,332.5	58,730.8	55,473.9	43,632.6	36,561.4
2. Medium- and long-term bonds	12,274.3	16,669.4	37,852.9	49,354.7	65,035.4	73,274.6
a. Government debt	11,408.0	13,803.1	15,765.0	17,705.8	19,231.3	20,772.7
b. Five-year government bonds	866.3	2,866.3	4,866.3	7,866.3	10,866.3	13,107.8
c. Treasury bills	-	-	17,221.6	23,782.7	34,937.8	39,393.7
3. Domestic public debt (1+2)	86,412.6	85,002.3	96,584.1	104,829.0	108,668.4	109,836.0
4. External debt	9,074.0	8,444.9	9,232.1	8,535.0	13,451.8	12,451.0
a. Drawings on foreign loans	8,549.7	8,320.4	8,882.0	8,528.1	10,373.4	11,236.1
b. External investments in government bonds	524.3	124.5	350.1	6.9	3,078.4	1,214.9
5. Public debt (3+4)	95,486.6	93,447.3	105,816.2	113,364.0	122,120.2	122,287.0
6. Public debt to GDP at market prices	63.7	56.3	58.5	57.9	55.7	48.6
Annual debt service						
7. Amortisation	1,987	2,109	2,597	3,383	3,352	2,584
a. Domestic	1,151	1,227	1,667	2,063	2,382	1,664
b. External	836	882	930	1,320	970	920
8. Interest	6,473	6,690	7,297	7,543	9,191	10,675
a. Domestic	6,273	6,472	7,069	7,262	8,616	10,355
b. External	200	218	228	281	267	321
9. Total debt service (7+8)	8,460	8,799	9,894	10,926	12,235	13,259

Source: BoM. Annual Reports for 2007 and 2008.

529. **Controlling the management of public resources** is vital for ensuring efficiency and transparency in public financial management. The CRM noted that the government had launched stringent measures in the 2006 budget to improve the administrative, legal and institutional framework for controlling public spending. However, many weaknesses persist.

530. With regard to **internal control** of accounting operations, the institutional mechanism is located in three main bodies: heads of internal control, the internal auditor general, and heads of audit units.
531. The government attached little importance to the internal control of expenditures for a long time. The PEFA Report emphasised this. However, the government has tried to improve the regulatory framework since 2004 and has adopted organisational measures to improve the efficiency of the control system.
532. The government established the Internal Control Framework in December 2000. It controls all public service accounting operations. However, it was only in 2005 that audit rules and a charter for auditors were introduced to strengthen and guide control operations. The PEFA Report, however, stresses that the preparation of reports and accounting operations were based on administrative and economic classifications that were in place prior to the introduction of the MTEF and, therefore, do not analyse results. It was therefore necessary to review the methodologies and manuals to adapt them to the PBA and to develop programmes for training staff in these new tools.
533. This led to the appointment of an internal auditor general and the establishment of internal audit committees for the different ministries in 2006. These measures have helped to strengthen the capacity of public accountants to adapt the operations to the new budgeting approach. They were also able to monitor internal audit operations better in order to comply with international rules and practices.
534. With the establishment of these internal audit committees, the audit units regularly forward the reports, which are submitted to them, to the head of the Internal Audit Framework and the MOFEE. These reports should also be made available to the external audit director at his or her request.
535. However, public accountants do not regularly implement the recommendations made in these reports.
536. The information that the CRM gathered shows that internal control is hampered by the inadequate resources provided for doing audits, incompetent auditors and the absence of procedural rules that comply with international standards. The PEFA Report made recommendations for improving the efficiency of internal audits. They included adopting a strategic internal audit plan that covers all

ministries, developing a procedural manual for auditors that conforms to international standards, and developing a comprehensive and consolidated annual report.

537. **External control** relies mainly on Parliament and the NAO. The CSAR only describes the role of the director of audit briefly. It does not analyse how he or she exercises his or her autonomy or the quality of the reports he or she prepares or how he or she follows up on these reports. The director of audit enjoys very extensive controlling powers over all government operations, decentralised entities and parastatal enterprises. The NAO has a staff of 115 accredited auditors and 75 accountants. To strengthen its operational capacity and improve the quality of its services, the NAO has revised the manual of procedures to bring it in line with the international norms and standards of INTOSAI Audit Standards and IFAC International Audit Standards. It has also developed a strategic plan for improving its performance.
538. The director of audit sends reports to the minister of finance and economic empowerment every year. They are then forwarded to Parliament within prescribed time frames, generally within four months of the public accounts statements. However, Parliament takes time to examine this report before submitting its views. Parliament sometimes implements the recommendations of the director of audit.
539. The minister of finance and economic empowerment, for example, created audit committees in 2006 to analyse the recommendations of internal and external audit reports to ensure that the recommendations are implemented. These recommendations led to a reform of parastatal enterprises being considered. After discussions with stakeholders, the CRM learned that the director of audit has a good reputation for rigour, transparency and efficiency.
540. With regard to the role of the National Assembly in analysing the budget law, prior to its adoption, the CRM identified some weaknesses. These are hampering the efficiency of this institution. Budget estimates were sent to Parliament without the sector MTEFs, which are supposed to guide the analysis, until 2007. Furthermore, the one-month deadline that Parliament has for the analysis is highly inadequate. To enable Parliament to play its role efficiently, it is important to send the sector MTEFs to it in time. This will give the Finance Committee enough time to analyse them, possibly consult citizens on the strategic decisions that will influence their lives, and be able to make relevant recommendations on the budget proposals.

541. In addition, the control of budget implementation is partial and inefficient. It relies entirely on the report of the director of audit. Parliament is not well equipped to control the operations of public services and agencies, because it does not receive the relevant information. Parliament can take up to two years to analyse the annual audit. This makes the analysis inefficient. The Finance Committee makes very few recommendations on this report. The period taken may even exceed two years in the case of extrabudgetary expenditures, as emphasised in the PEFA Report, given that parastatal institutions are not controlled.
542. Sound public financial management also depends on transparency and efficiency in **public procurement**, which should reflect international norms and standards.
543. The Financial Management Manual, the 1973 Finance and Audit Act and the Bid Committee Act (BCA), adopted in 2000, controlled government contracts until 2007.
544. The method the BCA followed was to publish bid announcements in local newspapers, on government websites, through individual invitations, at embassies and in international newspapers. The BCA controls the opening of bids and the awarding of contracts.
545. However, there are low levels of transparency in the system. This means that internal rules and procedures do not control public procurement for projects and programmes funded by international partners. They are subject to international rules that are very costly.
546. The director of audit also emphasised the inefficiency of the public procurement system in the 2005/2006 Annual Report. This means that public funds are badly managed.
547. The CRM learned that, within the framework of the reforms initiated in 2006 to improve public financial management, the government adopted a new public procurement law in July 2007 to strengthen the existing system and correct the shortcomings. This law established the CPB, defined the procurement policy, established the PPO to manage it and created the Independent Review Committee.
548. These measures helped to improve the regulatory procedures and transparency of the public procurement system to bring it in line with

international rules and practices. Today, this system even implements projects and programmes.

549. With regard to decentralisation, the administration of Mauritius is based on five municipalities and four district councils. Decentralisation is limited to certain areas because of the size of the island. The island of Rodrigues, however, is largely autonomous and certain financial and administrative responsibilities have been effectively transferred to it. Indeed, Rodrigues has an autonomous executive power and a Regional Assembly.
550. The CRM learned in discussions and from other information that the former system is the basis of the budgets allocated to the municipalities. This determines in advance a fixed envelope for each municipality. Reforms are necessary in order to adapt the new planning and budgeting tools to the decentralised entities. The participation of civil society in these exercises should also be encouraged.
551. Budgets for the island of Rodrigues are prepared using the same methodology as used for the central government. The ministry responsible for the island implements and controls it.

iii. Recommendations

552. The APR Panel recommends that the government:
- Develops coordinated and coherent macroeconomic and sector policies and strategies and ensures that they are clearly expressed by developing MTEFs and preparing the PB so that the budget is managed credibly. *[Government]*
 - Reviews the methodologies, and accounting and internal control manuals, to adapt them to the requirements of the results-based PBA. *[Government]*
 - Develops an appropriate training programme for civil servants regarding new programming and budgeting instruments. *[Government]*
 - Introduces reforms for parastatal enterprises quickly by promoting the principles of equity and efficiency and the limited regulatory role of a democratic state. *[Government]*

The APR Panel recommends that Parliament:

- Improves its capacity to analyse the budget, the operations of public services and the management of parastatals. *[Parliament]*

- Establishes mechanisms to facilitate the rapid analysis of audit reports and improves the monitoring of whether the recommendations of the executive are implemented. [Parliament]
- Accelerates the reform of parastatal enterprises, whose deficits and debts have started to weigh heavily on public funds, in order to improve the management of public resources. [Parliament]

Objective 4: Fight corruption and money laundering

i. Summary of the CSAR

553. This section on the fight against corruption and money laundering focuses on corruption and money laundering in public administration. The CSAR deals with corruption in the political sphere under democracy and good political governance (see chapter 3) and with corruption in state-owned and private enterprises under corporate governance (see chapter 5). This section focuses on the legislation adopted and the institutions established.
554. The major laws dealing with corruption and money laundering are POCA of 2002, the Financial Intelligence and Anti-Money Laundering Act (FIAMLA) of the same year and the Public Procurement Act of 2006. Other relevant laws are the Companies Act of 2001, the Mutual Assistance in Criminal and Related Matters Act of 2003 and the Banking Act of 2004.
555. In addition to defining corruption, the Prevention of Corruption Act, as amended in 2006, establishes ICAC. ICAC investigates cases of corruption and money laundering and increases public awareness about them. FIAMLA defines money laundering, labels it an offence, and establishes the FIU. The Public Procurement Act aims to promote transparency and accountability in public procurement by establishing the principles and procedures to be followed in the public procurement of goods, public works, consultancies and other services. The institutions established for this purpose are the PPO, which is responsible for policy making and monitoring, but has no role in conducting procurement activities or resolving procurement disputes, and the CPB.
556. The CSAR describes the composition of the board of ICAC (a director-general and two members); its four divisions (corruption investigation, corruption prevention and education, legal, and administration and finance); and the procedures it follows when

conducting investigations. According to the CSAR, ICAC may only investigate allegations of corruption. It has no power to arrest or prosecute offenders. This is the responsibility of the Mauritius Police Force (MPF) and the director of public prosecutions (DPP).

557. The CSAR does not cover the achievements and effectiveness of ICAC. However, the CSAR does summarise a survey on corruption conducted by ICAC in 2004 and the response to its questionnaires for the present CSAR. Some of the findings of the 2004 survey were that: (i) corruption is the most important problem facing Mauritius, followed by unemployment and drug use (this finding was apparently consistent with earlier surveys conducted in 1999 and 2002); (ii) high-level and petty corruption both increased in the previous two years; (iii) the Customs Department, the police and the National Transport Authority were considered to be the most corrupt institutions; (iv) ministers and politicians were said to be “very much” involved in corruption; and (v) corruption is likely to increase. Interestingly, though, nearly 84 per cent of the respondents stated that they had no direct experience of being asked for a bribe. Unfortunately, the next survey on corruption will be conducted only in 2010.
558. There are some serious limitations about using questionnaires when preparing the CSAR. Their findings can only suggest the views of some segments of the population in Mauritius. They are by no means representative. With this caveat in mind, a summary of the findings from the questionnaire of the CSAR on the work of ICAC follows:
- Corruption is a major threat to the economic and social wellbeing of the country.
 - ICAC still has to prove itself as a credible, competent and independent institution in the fight against corruption.
 - The long delay in handling complaints by ICAC serves as a major deterrent for citizens who wish to complain. Courts also take a long time to give verdicts.
 - ICAC is politically driven and there is hardly any tangible action against malpractices committed by politicians in power.
 - Political and other forms of interference affect investigations.
 - ICAC does not use its resources effectively.
559. There is therefore little credence in the laws and mechanisms to fight corruption.
560. The CSAR summarises the comments of the director-general and two board members of ICAC on the results of the questionnaire. Not

surprisingly, they disagree with all the views of the respondents. Among other things, they explain that the time taken to conduct investigations depends on the complexity of the case. They disagree that ICAC lacks sufficient and appropriately qualified staff. They also reject the accusation that ICAC is subject to political interference.

561. According to the CSAR, the PPO is staffed by a director and two independent people appointed by the president, on the advice of the prime minister, and after consulting with the leader of the opposition. The CPB comprises a chairperson, two vice-chairpersons and three other people. The president appoints all on the recommendation of the prime minister in consultation with the leader of the opposition. While the PPO is responsible for making policy and for monitoring, the CPB is responsible for awarding all major public contracts.
562. The CSAR does not address the effectiveness of the PPO and CPB in the fight against corruption. The CSAR notes the establishment of the ombudsperson mandated to investigate complaints against government institutions. The ombudsperson may initiate independent and impartial investigations following complaints from members of the public or when asked to by any minister or member of the National Assembly. The CSAR also mentions the code of ethics. This is designed to promote greater accountability and transparency as well as a sense of ethical conduct among public officials. Unfortunately, the CSAR does not assess the effectiveness of the ombudsperson or the code of ethics. Some of the responses to the questionnaire that touch on these issues are:
- Forty per cent of respondents are not aware of the role, responsibilities and authority of the ombudsperson.
 - Thirty-five per cent of the respondents believe the ombudsperson is ineffective, compared with 25 per cent who believe he or she is effective.
 - Fifty-four per cent of respondents stated that corruption is rampant in public administration and among civil servants, especially those in senior positions, who abuse their authority and resort to corrupt practices.
 - There is widespread political interference in public administration. External parties influence even the Public Service Commission (PSC), which is responsible for appointing civil servants on merit.
 - Corruption is prevalent when contracts are awarded, when licences, building permits or other official documents are issued, and when state lands are allocated.

ii. Findings of the CRM

563. The CRM made determined efforts to assess the levels of, and trends in, corruption. However, there is no hard evidence on this subject, because no survey of perceptions about it has been conducted after the 2004 survey. Reports from major institutions are also inconclusive.
564. In its 2006 evaluation of the investment climate in Mauritius, the World Bank listed corruption as one of the four major obstacles to investment in Mauritius. Thirty-seven per cent of the enterprises surveyed identified corruption as a serious problem. However, the World Bank noted that Mauritius is one of the best performers among developing countries. Fewer enterprises report that they have been asked for bribes than in comparable countries. The World Bank concluded that the reports of large-scale corruption might be relative rather than absolute. It also noted several major scandals about corruption in Mauritius at the time it conducted its survey.
565. Transparency International, in its 2008 Corruption Perceptions Index, based on a survey of 47 African countries, indicated that Mauritius was one of three countries (the others were Benin and Nigeria) whose Corruption Perceptions Index improved compared with that for the previous year. More important is the fact that Mauritius was one of three countries in the group (the others were Botswana and Cape Verde) that scored above the midpoint of 5 (Mauritius scored 5.5). Transparency International noted that the government has introduced a number of reforms of the MRA in order to increase transparency and integrity in the administration of customs functions. This was previously thought to be one of the three most corrupt institutions in the country (the others being law enforcement and the National Transport Authority). However, its refusal to allow an independent enquiry into allegations of high levels of corruption in this department does not bode well for the future fight against corruption in Mauritius.
566. The CRM heard on numerous occasions that corruption is a serious problem in the country. Reports came from high-level officials and politicians, the private sector, trade unions, civil society, academics and average citizens. Some people stated that corruption was at a high level, and getting worse. Others, however, indicated that the level of corruption has remained at the same level, or decreased slightly. Many thought that corruption is particularly prevalent among ministers, politicians and high-level civil servants and that this corruption has trickled down to lower levels. The perception is widespread that the 'big fish' and well-connected individuals are immune to prosecution

for corruption. In addition to the Customs Department, the police and the National Transport Authority, corruption is said to be widespread in awarding contracts under the capital budget and that there is collusion between officials, contractors and suppliers.

567. The CRM is convinced that the perception is prevalent among major stake-holders and the public that corruption is a serious problem in Mauritius, even if it is only relative and far less than in almost any other African country. The government should therefore take this problem seriously and endeavour to inform and sensitise the public on the level and trends in corruption and at the same time strengthen its efforts to fight corruption. ICAC may want to consider undertaking its survey on corruption every two or three years compared with every six years, as happens at present. In addition, the government must do everything possible to show that the 'big fish' and well-connected individuals are not immune to prosecution.
568. Money laundering seems to be less of a problem than corruption. Mauritius has adopted a number of laws and subscribed to a number of regional and international conventions on corruption and money laundering. Stakeholders in Mauritius generally believe that the current legal framework can deal with these problems.
569. The sources of money laundering are drug money, money from gambling and tax evasion. There seem to be little money laundering by individuals based in Mauritius. The laundering of drug money rarely came up during the CRM's visit. The CRM did not find any credible evidence that the laundering of drug money was significant or a major problem in the country.
570. Allegations of money laundering, especially from India and South Africa, seem to be far more serious. Investors from India and South Africa engage in what is called 'round tripping'. They establish investment companies in the financial centres in Mauritius and use these companies to invest in India and South Africa. There are several advantages for the companies involved. Among them are the fact that it is easy to start businesses in Mauritius and that taxes in Mauritius are much lower than in India and South Africa. These companies therefore avoid paying taxes in Mauritius, on the one hand, and also in India and South Africa on the other.
571. Officials in Mauritius insist that the current rules and regulations comply fully with international norms and standards for money laundering. They also point to the bilateral and regional agreements

that provide for cooperation against money laundering between Mauritius and its neighbours in Africa and in Asia. The Mauritian authorities minimise or dismiss the allegations that Mauritius is a platform for tax evasion and money laundering. The authorities regard the activities of these investors as 'fishing expeditions' to get financial information. They also feel that the investors resent Mauritius's policy and progress in developing a tax-free economy and are jealous of it. According to officials in Mauritius, they cooperate fully with neighbouring countries and give all the information requested when a credible case is made that Mauritius is being used to evade taxes and launder money from neighbouring countries. In addition, the Mauritian authorities point to the work of the FIU, which is described below, the cooperation between the FIU and similar institutions in African and other countries, and the efforts of the FIU to help establish and/or strengthen similar institutions that fight money laundering and tax evasion in neighbouring African countries.

572. The CRM believes that the authorities in Mauritius must take these allegations of tax evasion and money laundering more seriously, be more sensitive to the problems facing their neighbours, and make greater efforts to address the concerns of its neighbours that Mauritius is being used by people in neighbouring countries who are trying to evade taxes and launder money. However, this will not be easy given the goal of Mauritius to become a tax-free haven and the inevitable disparity in the level of taxes between it and its neighbours. However, it is an issue that officials could address within, for example, the framework provided by the SADC MoU on Macroeconomic Convergence (2002) and the SADC Finance and Investment Protocol (September 2007) that provides for, among other things, cooperation in investments and common provisions for taxation. Failing this, Mauritius may well encounter barriers to investment in neighbouring countries.
573. However, laws dealing with corruption in the private sector suffer from the requirement that a person may only be prosecuted with the cooperation and support of the principal or owner. Nonetheless, the CRM believes that the problems with the fight against corruption and money laundering lie more with implementing existing laws and regulations than with the laws themselves.
574. The most important agency in the fight against corruption is ICAC. ICAC was created as an autonomous institution answerable to no one. The prime minister appoints its director after consulting with the

leader of the opposition. It has four divisions: corruption investigation, corruption prevention and education, legal, and administration and finance. The activities of ICAC centre on four areas: (i) education, public sensitisation and awareness; (ii) preventing corruption via the recommendations it makes to various government agencies on what should be done to reduce the risk of corruption; (iii) preparing and disseminating information on best practice and anticorruption materials; and (iv) investigating cases of corruption. One shortcoming in its mandate is that it may only prosecute cases of corruption if it has the approval of the DPP. The authorities may want to revisit this restriction, as it gives the impression that the hands of ICAC are tied.

575. ICAC cooperates with a number of institutions that deal with corruption. The FIU focuses on money laundering. The NAO is responsible for external audits of public finances. The MRA collects all government revenues. The CPB manages government procurement. It also works with the MOFEE. The work of the FIU follows below, while chapter 3 and objective 3 in this chapter deal with the other institutions.
576. During the first few years of its existence, ICAC was plagued with a number of problems. These included a lack of trained staff, shortages of other capabilities and internal dissension. Even the present managers of ICAC acknowledge that, because of these constraints, ICAC was not effective during its early years. This negative assessment of ICAC persists among high-level officials.
577. ICAC started to launch energetic efforts to build its capacity, especially its human resources, in 2006. It now has a staff of 140 and an active training programme. Staff training happens twice a week. According to the director of ICAC, it was only after 2006 that the institution became truly operational.
578. ICAC publishes annual reports that describe its activities and assess its performance. The 2007/2008 report shows that the number of corruption cases reported to ICAC increased from 900 in 2006/2007 to 1,100 in 2007/2008. Significantly, the number of cases reported by individuals who were willing to be identified increased from 347 to 578 during the same period. Live investigations increased from 608 at the end of June 2007 to 702 at the end of June 2008. In 2006/2007, 36 cases were referred to the DPP. The DPP agreed to prosecute 23 of them. The comparable figures for 2007/2008 were 59 and 21 respectively. Other measures indicate increased activity over time by ICAC.

579. However, increased activity does not necessarily mean increased effectiveness. While the management of ICAC believes that it is carrying out its mandate effectively, most stakeholders and members of the public do not share this view. The main complaint against ICAC is that its investigations are very slow and rarely result in prosecutions and convictions. The attention of the CRM was frequently called to the failure of ICAC to prosecute and convict the 'big fish'. ICAC was also often accused of timidity and bias because of its failure to take action against some people for fear of being accused of ethnic or religious bias.
580. In its defence, ICAC pointed to a number of constraints. They include: (i) the time it takes to investigate cases; (ii) its inability to initiate prosecutions without the approval of the DPP; and (iii) the problem it has in getting credible evidence to justify prosecution and get convictions. Whistle-blowers often wish to remain anonymous, fail to appear in court to give evidence or change their testimony when they appear in court because of fear and intimidation.
581. In summary, the public expects ICAC to prosecute and convict corrupt people quickly, especially the 'big fish'. Its failure to do so is at the heart of the perception that it is ineffective and does not go after highly placed and well-connected people suspected of corruption. Whether the explanation and justification ICAC gives, as to why its rate of prosecution and conviction of people accused of corruption is low, has merit or not, corrective measures are necessary. Among them are greater authority to initiate prosecutions, better protection of whistle-blowers to encourage people to report and testify in corruption cases, and more resources to accelerate investigations of corruption. Another issue is sustaining the interest of the media and the public at large in matters of corruption. It would seem that, at present, the media and the public are only interested in corruption for short periods and when there are sensational cases. This may be because of cynicism about the outcomes of these cases. Whatever the reason, things need to change. It is only through sustained media coverage of these cases that the public will know what is being done and be empowered to hold the government accountable for the vigorous enforcement of the policy on corruption.
582. The CRM identified a major shortcoming in the functioning of ICAC. It has to do with following up on its recommendations. It would seem that there is no formal institutional arrangement for the appropriate authorities to consider reports of ICAC formally in order to act on its findings and recommendations.

583. When asked about this, the director of ICAC responded by stating that the legislation that established ICAC does not provide a mechanism to follow up on its reports. This is not a good explanation for failing to follow up, as any gap and shortcoming in the legislation could be corrected easily if there is the political will to do so. Consideration should therefore be given to creating a mechanism for discussing and following up the reports of ICAC. It could happen at the highest levels of government, like the Council of Ministers, a committee of Parliament or the full Parliament itself. All this requires is the necessary commitment, at the highest level, to strengthen ICAC and the fight against corruption. The fact that this step has not been taken leads the CRM to conclude that the perception among key stakeholders that corruption is prevalent and that the political authorities lack enthusiasm about the fight against corruption, especially in high places, has a great deal of credence.
584. The CRM believes that the fact that Parliament has failed to pursue the reports of ICAC energetically raises serious questions about its capacity and effectiveness in exercising control and oversight in the management of public finances. It should be noted that this shortcoming applies equally to the reports of the FSC and the FIU. The reports of the NAO are referred to the Public Accounts Committee (PAC) of Parliament. It then submits its reports to the speaker of the National Assembly. However, these reports are not debated by Parliament as a whole. At present, the reports of ICAC are tabled in Parliament. However, they are not referred to any parliamentary committee, such as the PAC, for detailed examination, nor are they discussed by Parliament as a whole. According to parliamentary rules, it is possible for Parliament to pass a motion to discuss the reports of ICAC, the FIU and the FSC, but the CRM learnt that this is extremely rare. Questions could also be asked about these reports during question time, during the general debate on the economic programme of the government at the opening of Parliament, during the debate on the budget, and when Parliament adjourns.
585. The CRM is not convinced that the existing arrangements for Parliament to oversee the reports of ICAC are adequate. The arguments by the speaker of the National Assembly that there are few standing committees in Parliament to examine these reports and that there are opportunities for members of Parliament (MPs) to raise questions about them, are not persuasive. Given that the party that controls the executive branch of government also controls Parliament, and that the executive is almost never defeated in Parliament, the CRM is left with the impression that Parliament's failure to take effective

- measures to discuss ICAC reports reflects the lack of commitment of political leaders to fight corruption.
586. However, it should be noted that ICAC is actively engaged in conducting Corruption Prevention Reviews (CPRs). These are in-depth studies of the systems and procedures of public institutions for identifying weaknesses that may create opportunities for corruption. ICAC conducted five CPRs in 2007/2008. ICAC sent them to the respective institutions. These involved: the Civil Status Division of the Prime Minister's Office (PMO); the tender for supplying tiles to the Ministry of Education, Culture and Human Resources (MECHR); the management of parent-teachers associations; the allocation of state lands in Rodrigues; and the issuing of building and land-use permits by local authorities. In addition, two draft CPRs, on integrity in the Construction Sector Wastewater Management Authority (WMA) and on improving controls in information technology operations in the public sector, were prepared and submitted. CPRs are being prepared that deal with: (i) the National Development Unit; (ii) the Ministry of Health and Quality of Life (MoHQL); (iii) the National Housing Development Company (NHDC); (iv) the Grande-Port Savanne District Council; (v) the Sugar Planters Mechanical Pool Corporation; (vi) the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions; (vii) the MPF; (viii) the Ministry of Agro-Industry and Fisheries; and (ix) the Commission for Agriculture, Natural Resources, Rehabilitation and Water Resources (Rodrigues). This is evidently a very important effort by ICAC, and its activities cover a number of important ministries and agencies.
587. ICAC tries to go beyond preparing and submitting CPRs. It also follows up to assess the implementation of its recommendations. It conducted six follow-up exercises in 2007/2008. These showed that, in most cases, the recommendations were not implemented. Thus, the implementation rate for their recommendations was: (i) 31 per cent for the Ministry of Industry, Science and Research, SMEs, commerce and cooperatives; (ii) 65 per cent for the Mauritius Duty Free Paradise; (iii) 8 per cent for the Ministry of Women's Rights, Child Development and Family Welfare (MWRCDFW); (iv) 38 per cent for the Ministry of Housing and Lands; (v) 36 per cent for the National Transport Authority; and (vi) 39 per cent for the Commission for Public Infrastructure and others in Rodrigues. The percentages for recommendations in the process of being implemented are 18 per cent, 28 per cent, 16 per cent, 29 per cent, 15 per cent and 14 per cent respectively. These percentages are on the low side, but they

do represent an initiative that other African countries may wish to emulate. However, to strengthen this effort, the authorities may wish to consider establishing an organ at the highest level of the government, like the PMO, responsible for monitoring the implementation of the recommendations contained in these CPRs. The National Assembly may also wish to consider overseeing the implementation of these recommendations.

588. The institution responsible for money laundering is the FIU. Banks, accountants, lawyers, real estate agents, foreign exchange dealers and jewellers must report all cases of suspicious financial transactions to the FIU. The FIU investigates these reports. The FIU then writes reports on credible allegations of money laundering to ICAC, the police, customs administration, the MRA and other appropriate bodies for further action. Breaches of regulatory rules and responsibility by banks and other financial institutions are also reported to the BoM, the FSC and other regulatory bodies. Another major responsibility of the FIU is to exchange intelligence and information on money laundering with other countries. The FIU publishes an annual report on its activities.
589. Given the nature of its activities, it is difficult to assess the achievements of the FIU. One measure that the FIU itself suggested and uses is the number of suspected transactions reported to it. The 2008 Annual Report shows that, according to this criterion, the FIU is not performing well. Cases reported to the FIU fell from 134 in 2007 to 103 in 2008. As the FIU itself notes, this level of reporting is rather low for an economy in which financial services account for about 12.5 per cent of GDP.
590. The loss of skilled and trained staff is a major problem facing the FIU. The institution progressed by increasing its human resources between 2002 and 2006. However, it then started losing qualified staff to the private sector that offered higher salaries and better terms and conditions of service. Steps were taken towards the end of 2008 to improve the salary structure of the FIU, but this has not fully addressed the challenge of recruiting and retaining qualified staff. This problem deserves the attention of the Mauritian authorities to make the FIU more effective.

iii. Recommendations

591. The APR Panel recommends that:
- Efforts should be strengthened to convince key stakeholders and the public that the government is serious about the fight against corruption and that no one is immune to prosecution for corruption. *[PMO and the media]*
 - ICAC should conduct surveys on corruption more frequently than once every six years, as is the case at present. *[ICAC]*
 - The requirement that ICAC can only prosecute corruption cases with the approval of the DPP should be reconsidered. *[ICAC and the DPP]*
 - Ways and means of increasing protection for whistle-blowers should be investigated. *[ICAC]*
 - Ways and means of accelerating the investigations conducted by ICAC should be explored. *[ICAC]*
 - A mechanism, at the highest level of government and in Parliament, to follow up on the implementation of the recommendations and findings contained in the annual reports of ICAC and its CPRs should be established. *[PMO and Parliament]*
 - The human resource capacity of the FIU should be strengthened. *[FIU]*
 - Cooperation with neighbouring countries, to deal with the problems of tax evasion and money laundering, should be reinforced. *[ICAC, the FIU and the Central Bank of Mauritius]*

Objective 5: Accelerate regional integration by harmonising monetary, trade and investment policy

i. Summary of the CSAR

592. The CSAR focuses on the two major regional groupings where Mauritius is a member. These are the SADC and COMESA. It also touches on Mauritius's interest in the regional integration of Africa as a whole and Mauritius as a link between Africa and Asia.
593. Mauritius's objective for participating in arrangements to promote subregional and regional integration are to improve its negotiating position on international trade forums, facilitate trade with partners, and improve integration with the multilateral trading system by liberalising trade.

594. The SADC plays a significant role in Mauritius's development strategy. The SADC encourages local and foreign investors to establish production, marketing and logistics operations in Mauritius to penetrate African markets, including opportunities for domestic enterprises to export to Southern and Eastern Africa at preferential rates. Membership of the SADC helps to diversify exports and markets and is compatible with the goal of transforming Mauritius into a duty free island.
595. The SADC lists five targets in the process of regional integration. These are: (i) a free trade area by 2008; (ii) a customs union by 2010; (iii) a common market by 2015; (iv) a monetary union by 2016; and (v) a currency and economic union by 2016. The CSAR identifies the obstacles faced by the SADC in achieving a free-trade area. One is to replace tariff barriers with nontariff ones.
596. Mauritius's trade with the SADC has increased significantly since 2000. However, Mauritius has a significant trade imbalance. Its exports to the SADC amounted to Rs6.2 billion, or 8 per cent of national exports, while its imports amounted to Rs10.5 billion, or 7.4 per cent of total imports, in 2007. Its exports were mainly to Madagascar and South Africa, while exports to the other SADC members were negligible. Eighty-five per cent of Mauritius's imports from the SADC came from South Africa. The trade imbalance with the SADC has had a negative influence on domestic producers, who have lost their domestic market share. The result is that Mauritius has resorted to protectionist measures on textiles and has imposed duties on some textiles from South Africa.
597. The responses to questions on membership of the SADC revealed that:
- Over half the respondents had no opinion about whether trade liberalisation should be accelerated. This suggests limited familiarity or interest in the SADC.
 - Twenty-six per cent of the respondents support accelerating the process of liberalising trade, compared with 17 per cent that oppose it.
 - Thirty-two per cent of the respondents oppose imposing residual tariffs on products from South Africa, while 23 per cent support such measures.
 - About one-third of respondents favour, and 17 per cent oppose, extending the one-year respite to local manufacturers before establishing the duty free regime.

598. Like the SADC, COMESA aims at creating an economic community in Eastern and Southern Africa. COMESA became a free-trade area in October 2000 and is moving towards establishing a customs union. A major obstacle in COMESA is to replace tariff barriers with nontariff ones. The SADC has a similar problem.
599. Mauritius has a trade surplus with COMESA, unlike its situation with regard to the SADC. Its exports in 2007 amounted to Rs5.1 billion, or 8 per cent of total exports, while its imports were valued at Rs3.9 billion, or 3.2 per cent of its total imports. Seventy-five per cent of its exports to COMESA went to Madagascar, while its imports were mainly from the Seychelles, Egypt and Madagascar. Its imports from Egypt have been a source of concern because of their negative effect on similar domestically produced goods. The two countries reached a bilateral agreement in 2002. Mauritius would reimpose tariffs on four imports from Egypt. The four years have elapsed, but the duties are still in effect.
600. The findings from the questionnaire on COMESA are that:
- Twenty-three per cent of respondents believe that Mauritius has a competitive disadvantage in COMESA because of low wages and large domestic markets in other COMESA countries.
 - Thirty-eight per cent feel that Mauritius can tap into profitable markets in COMESA.
 - Views are equally divided on the wisdom of imposing residual tariffs on imports from Egypt.
 - Sixty-five per cent of respondents did not answer the question about whether they supported the idea of COMESA becoming a customs union, while 20 per cent favoured the idea.
601. The CSAR notes that, over and above its interest in opening markets in the SADC and COMESA, Mauritius is interested in gaining access to the wider African market. The strategy is to attract FDI in order to set up production facilities in order to export to other African countries. This strategy is directed particularly at Asian investors and is an integral part of the goal of transforming Mauritius into a bridge between Africa and Asia. An example of this is the economic cooperation zone established by the Chinese group, Tianli, with a view to using Mauritius as a platform to penetrate the African market.
602. A specific reason for penetrating the African market was to establish Enterprise Mauritius (EM) in 2005. The EM is a joint effort between the government and the private sector. The government holds 60 per

cent of the shares while the Mauritius Chamber of Commerce and Industry (MCCI), the Mauritius Exporters Association and the JEC hold the remaining 40 per cent. The mandate of the EM is to promote the exports of goods and services and to support the development of enterprises in the industrial and service sectors, excluding tourism and the financial sector. An important activity of the EM is to organise trade fairs. One such fair, Mauritius for Africa, was held in 2007 to enable Mauritian manufacturers to exhibit their products to African importers.

603. In addition to promoting exports, Mauritius is interested in investing in African countries in areas like farming, manufacturing and services. Mauritians have invested in the cultivation of potatoes, chicken farming and seafood in Madagascar, a sugar factory in Mozambique, and banks in Madagascar, Mozambique and the Seychelles.
604. The major findings from the questionnaire are that:
- The EM is playing a significant role in assisting Mauritian enterprises to penetrate the African market and in providing them with valuable market information and intelligence.
 - Forty-nine per cent of respondents have a favourable opinion of Mauritian enterprises locating in Madagascar and Mozambique.
 - Fifty-two per cent believe Mauritius could play an important role in facilitating trade between Africa and Asia and 54 per cent believe that Mauritius could become an economic hub for the region.

ii. Findings of the CRM

605. The section on codes and standards at the beginning of this chapter notes that Mauritius signed the SADC Treaty in August 1995 and the COMESA Treaty in November of the same year. Since then it has signed, ratified and, in some cases, internalised a number of the resulting protocols and agreements of these two institutions. The finding of the CRM is that, on the whole, Mauritius has been diligent in meeting its obligations to these two organisations, except for the provisions on liberalising trade. As the CSAR noted, because of trade deficits with some countries, particularly South Africa and Egypt, Mauritius has resorted to nontrade barriers to limit imports from these countries. Table 4.8 gives data on Mauritius's trade with the SADC and COMESA.

Table 4.8: Trade between Mauritius, the SADC and the COMESA countries (thousands of Rs)

Outstanding debt at the end of June	2003	2004	2005	2006	2007	2008
1. Short-term bonds	74,138.3	68,332.5	58,731.8	55,474.9	43,632.6	36,561.4
a. Treasury bills	74,137.9	68,332.5	58,730.8	55,473.9	43,632.6	36,561.4
2. Medium- and long-term bonds	12,274.3	16,669.4	37,852.9	49,354.7	65,035.4	73,274.6
a. Government debt	11,408.0	13,803.1	15,765.0	17,705.8	19,231.3	20,772.7

Source: MOFEE, CSO. Issue Number 767, 5 June 2009, pp 28–29.

606. Table 4.8 shows that Mauritius had substantial trade deficits with the SADC in both 2007 and 2008. In contrast, Mauritius had trade surpluses with COMESA in 2007 and 2008. Imports from the SADC, as a percentage of total imports, were 8.7 per cent in 2007 and 9.4 per cent in 2008, while exports to the SADC during the same years were 8.8 per cent and 8.6 per cent respectively. In comparison, imports from COMESA, as a percentage of total imports, were 3.2 per cent in 2007 and 3.1 per cent in 2008. Exports to COMESA, as a percentage of total exports, were 7.3 per cent in 2007 and 7.3 per cent in 2008. Trade between Mauritius and both the SADC and COMESA is therefore rather low, especially in imports from COMESA.
607. Trade between Mauritius and other SADC members is concentrated in two countries: South Africa and Madagascar. Imports from South Africa and Madagascar amounted to 85 per cent and 5 per cent respectively of total imports from the SADC in 2007, while exports to these same two countries were 32 per cent and 63 per cent respectively. Imports from South Africa and Madagascar, as a percentage of imports from the SADC, were 86 per cent and 5 per cent respectively in 2008. Exports to South Africa and Madagascar, as a percentage of all exports to SADC, were 36 per cent and 60 per cent respectively in 2008.
608. Mauritius's trade with COMESA is more diversified. In 2007, its most important sources of imports from COMESA countries, as a percentage of total imports, were the Seychelles at 30 per cent, Egypt at 22 per cent, Madagascar at 14 per cent, Kenya at 11 per cent, Zambia at 10 per cent and Swaziland at 8 per cent. Imports from these same countries, in 2008, were 14 per cent, 24 per cent, 16 per cent, 26 per

cent, 6 per cent and 7 per cent respectively. Exports to COMESA are, in contrast, more concentrated. The main destination of Mauritius's exports to COMESA in 2007 was Madagascar (77 per cent), the Seychelles (12 per cent) and Kenya (5 per cent). The figures for 2008 were Madagascar (76 per cent), the Seychelles (15 per cent) and Kenya (5 per cent).

609. In summary, trade between Mauritius and both SADC and COMESA countries is low and concentrated in a few countries. South Africa, Madagascar and the Seychelles are by far its most important trading partners in Africa. A major challenge facing Mauritius is, therefore, how to increase trade with African countries in a balanced and diversified manner. Otherwise, even the economic incentive for promoting economic cooperation will reduce.
610. The CRM found strong support for the findings of the CSAR that Mauritius is highly committed to economic cooperation in Africa at subregional and regional levels. This commitment to economic cooperation with African countries, especially those in Southern and Eastern Africa, is particularly strong among government officials and officials of the JEC, which brings together nine major business groups in the country and represents the interests of key entrepreneurs. Officials of the Mauritius Council of Social Service (MACOSS), which represents 240 of the approximately 500 active civil society organisations (it is estimated that there are around 7,500 of these in Mauritius, which include sports, religious and cultural organisations), also seem to favour subregional and regional economic cooperation. However, given their membership, neither the JEC nor MACOSS can be considered representative of business interests or of broader civil society.
611. Support for regional and African economic cooperation therefore seems to come largely from officials, major businesses and social elites. This support derives from the fundamental characteristics of Mauritius, which are that Mauritius: (i) is a small island with a population of about 1.3 million; (ii) has limited natural resources; (iii) has production concentrated in a few areas; and (iv) has a narrow domestic market. Mauritius's strategy of promoting sustainable development by diversifying its economy into new areas, like financial and consulting services and information technology, therefore requires access to foreign markets, especially those in neighbouring countries in East and Southern Africa.

612. It is not clear how much support for subregional and regional economic cooperation comes from the general population, because there has been no survey of the attitudes of the public. However, in discussions with average citizens, the CRM got the distinct impression that many Mauritians consider themselves more Asian than African because of their historical origins, culture, language and religious practices.
613. The level of broad social support for economic cooperation is a factor of how much information the public has and how much attention major stakeholders give to it. The Ministry of Foreign Affairs, Regional Integration and International Trade (MoFARIIT) is responsible for regional economic cooperation and integration in Mauritius. The Regional Integration Council discusses the position that Mauritius will take on regional integration and international trade matters thoroughly in its meetings. This body represents all ministries, which also has representatives from the private sector and civil society. In addition, representatives of the national committees for the SADC and COMESA, on which all stakeholders (officials, the private sector and civil society) sit, also attend. The national committees brief all stakeholders on the decisions the SADC and COMESA take at each meeting. The media apparently covers these meetings.
614. It was clear to the CRM that efforts are made to inform and sensitise stakeholders and the public on matters of regional economic cooperation and international trade. However, the CRM thinks that the public is not particularly interested in, or informed about, these issues. The CSAR concludes that the low level of response to the question about accelerating the timetable for achieving free trade within the SADC suggests limited familiarity with the organisation. The explanation given to the CRM is that, except for the stakeholders directly affected and the concerned public, people are generally more interested in other issues like employment and the cost of living. Furthermore, this information is in English and French rather than in Creole, the vernacular language spoken and understood by all Mauritians. Limited familiarity with regional integration is likely to hinder broad social support for it and make things difficult for the authorities to make sacrifices to achieve this goal. It is, therefore, a challenge facing Mauritius and its commitment to regional integration.
615. The CRM got the distinct impression that economic interests and calculations largely drive Mauritius's commitment to close ties with Eastern and Southern Africa and with Africa in general. This confirms the conclusion of the CSAR, noted in paragraph two under

objective 5 of the CSAR, that Mauritius views its membership of regional groupings as a means to improve its negotiating position on international trade forums. Furthermore, in addition to promoting trade and cooperation, regional trade agreements are expected to facilitate integration with the multilateral system by sustaining trade liberalisation efforts. In summary, government leaders and entrepreneurs in Mauritius use the terms 'economic cooperation' and 'economic integration' interchangeably. There is abundant evidence that Mauritius is interested in economic cooperation with African countries. However, there is little evidence that this goes beyond 'economic cooperation', because 'economic integration' means a commitment to economic, political, social and cultural integration with the rest of Africa.

616. Mauritius is a small island of about 1.3 million people, has a limited domestic market and has almost no natural resources. These facts explain why Mauritius is committed to economic cooperation with Africa. Its economic growth strategy, of relying on exporting textile and sugar at preferential rates to the EU and the United States of America (USA), has reached its limit. For sustainable development, Mauritius must broaden and diversify its economic base. As was described under objective 1 in this chapter, the economic strategy that Mauritius is following is to transform the country into a knowledge-based economy that will serve as a platform to export goods and services. The areas that should be emphasised are financial and consultancy services, information technology, developing health care centres to serve the subregion and the region, and creating 'centres of excellence' that will provide training for students from Eastern and Southern Africa as well as the rest of Africa. In addition, Mauritius is looking for markets for investments in financial and consultancy services, agriculture and manufacturing. To bring about this economic transformation, Mauritius needs access to markets in Southern and Eastern Africa, as well as the rest of Africa, for its services and investments, as these are the markets in which Mauritius is likely to be more competitive.
617. It should be noted, however, that Mauritius is exploring market opportunities beyond Africa. It is looking at Asia, especially India and China. This justifies its membership of the Indian Ocean Commission (IOC) and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), although the latter is more or less defunct. Mauritius also looks to the rest of the world. In summary, Mauritius is looking for trade and other economic opportunities wherever it can find them.

618. This does not mean that there are no political, social and cultural ties with the rest of Africa. Mauritius has been actively involved in trying to resolve political conflicts in Comoros and Madagascar and has participated in several election-monitoring activities of the AU. Mauritius has also opened its education and training centres to students and trainees from Africa. It should increase these efforts. In addition, Mauritius has sent trained staff to live and work in a number of African countries. A few Mauritians also have family ties in Africa. This makes sense for historical reasons and because, like every other country, Mauritius does not want to be isolated, especially from its closest neighbours.
619. Still, the balance tilts more towards the pursuit of economic interests. This is not surprising, as the vast majority of Mauritians trace their ancestry to India, China and Europe and have stronger cultural, social and linguistic ties with these countries. Mauritius is also far from the African mainland and the ocean separates it from the rest of the continent.
620. The authorities do not see the limited political, social and cultural ties with Africa as a problem. However, lessons from efforts to integrate regions in Africa and other parts of the world show that the focus on economic issues alone is a fragile base on which to build regional integration. Economic gains are not always forthcoming for all groups at all times. The CRM shares this view. A focus on purely economic calculations and gains often leads to acrimonious negotiations and disputes over the distribution of benefits and an unwillingness to make sacrifices for the long-term goal of integrating regions. Political, social and cultural ties and a sense of identity are therefore often necessary to sustain this process during difficult times.
621. It is important to note that some of its neighbours did not always perceive Mauritius as a welcome partner in the process of regional economic integration. Some of Mauritius's neighbours still have a lukewarm attitude towards it. Several factors account for this.
622. The Indian, white and Chinese communities of Mauritius hold most political and economic power in the country. Chapter 3 showed that people of African origin play a small role in these sectors. Furthermore, there were few links between Mauritius and its neighbours on the continent of Africa during the colonial period. This was because of the geographical distance between Mauritius and mainland Africa and the economic structure of Mauritius, which was oriented largely

towards Europe and South Africa. Furthermore, Britain did not try to develop the common services and links in education, transportation, finances and political administration, among others, with Mauritius and its colonies in Eastern Africa as it did with its colonies in Central and Southern Africa. Thus, while the political and intellectual elites in Eastern and Southern Africa knew, and had close ties with, their counterparts in neighbouring African countries, this was not the case with Mauritius and its neighbours in mainland Africa. In addition, while there was a significant degree of cooperation and coordination in the fight for independence between the countries of Eastern and Southern Africa, this was not the case with Mauritius and its neighbours on mainland Africa.

623. A particular source of mistrust between Mauritius and the rest of Africa was the relations between Africa and apartheid South Africa. Most African countries in East and Southern Africa were vocally, and in some cases actively, hostile to the apartheid regime in South Africa, with which they rejected any public and formal contacts. In contrast, Mauritius was largely silent in the fight against apartheid South Africa, with which it cultivated close economic ties. In fact, trade with, and investments from, apartheid South Africa contributed partly to the early and rapid economic growth of Mauritius. Many African countries resented the ties between Mauritius and apartheid South Africa. They saw the links as a betrayal of the African struggle for independence and dignity. Some of this resentment continues to colour the attitudes of some Eastern and Southern African countries towards Mauritius.
624. However, it must be noted that Mauritius has made considerable progress in gaining acceptance from other African countries. Its welcome in various African institutions, especially the AU, the SADC and COMESA, shows this. This is largely because of its active diplomacy and its economic success, which is seen as something worth emulating by many African countries.
625. One problem that may surface, if Mauritius does not handle it properly, is the imbalance in economic relations between the island and its African neighbours. Mauritius enjoys a healthy trade surplus with several of its neighbours. Mauritius is also actively engaged in expanding its exports and promoting its investments in several neighbouring countries, especially Mozambique and Madagascar. This may cause resentment, because other African countries see this as benefiting Mauritius largely and may affect relations between

Mauritius and the rest of Africa negatively. The authorities in Mauritius must be sensitive to this issue and try to ensure that its African neighbours perceive mutual economic benefits in the relations between them.

626. One feature in the approach to regional integration that impressed the CRM was the existence of structures and processes to coordinate policies and harmonise positions on regional integration by stakeholders. This happens in the Regional Integration Council, chaired by MoFARIIT. The participation of the private sector in this process is particularly noteworthy. It makes an input on all matters dealing with regional integration and trade and participates in all related meetings and negotiations. The CRM was told that the close symbiotic relationship between the government and the private sector is such that the government sometimes designates representatives of the private sector to negotiate with foreign partners on behalf of the country and the government. Other African countries may wish to emulate this practice.
627. The CRM thinks that a major challenge facing Mauritius is reconciling membership of the SADC and COMESA. Both organisations aim ultimately at forming an economic union. While there is a great deal of overlap in the membership between the two organisations, membership of the two is not identical. More importantly, the stages and timetable for creating an economic union are different, and so are specific provisions for trade liberalisation, external tariffs and economic convergence. There are, therefore, conflicts between the regional integration agendas of the two institutions and these will only become more acute as the integration process intensifies and accelerates.
628. The authorities in Mauritius and the leaders of the two organisations are aware of the possible differences between the two. As a result, they established a committee to look into rationalising and harmonising the integration programmes of the SADC, COMESA and the East African Community to which some members of the SADC and COMESA also belong. The Mauritian authorities are optimistic about the prospects for harmonisation and rationalisation between the SADC and COMESA. In case this optimism proves unfounded, the Mauritian authorities know that they will have to choose between the SADC and COMESA. The CRM believes that the Mauritian authorities would like to avoid having to make this choice, as they have major trading partners and economic interests in both organisations that they would like to retain. Still, such a choice may be inevitable, and

the sooner the authorities begin to think and plan for it, the better it will be for the country.

629. Another choice that Mauritius may have to face is between Africa and Asia. Mauritius aims to be a bridge between them. Mauritius has close economic, cultural and historical links with Asian countries, particularly India and China, and sees no incompatibility between its openness to Asia and Africa. In fact, while participating actively in the process of regional integration in Africa, Mauritius sees this as a step to better integration with the global economic system. It is in this spirit that Mauritius is a member of the IOC. Mauritius is also an observer in the Association of Portuguese-speaking Countries, is considering becoming a full member of this body, and is thinking about teaching Portuguese in its schools. The authorities do not see that it is necessary, now, for Mauritius to choose between Africa and its partners in the Indian Ocean, or between the various African regional organisations to which it belongs. The reason for this is that the authorities see regional integration as part of a more effective and beneficial integration with the global economy and because of the efforts to rationalise being made by the SADC, COMESA and the East African community. Nevertheless, this problem may manifest itself in the near future. How to reconcile membership in these organisations with its commitment to regional integration in Africa is a subject that the authorities, stakeholders and public may have to begin thinking about seriously.

iii. Recommendations

630. The APR Panel recommends that the Mauritian authorities and other stake-holders:
- Make more efforts to inform the public about Mauritius's participation in African efforts at regional integration and about the rationale for, and the actual and potential gains of, this engagement. *[MoFARIIT, the JEC, MA-COSS and the media]*
 - Endeavour to ensure that, in its economic relations with African countries, economic gains are distributed more or less equally. *[MoFARIIT]*
 - Strengthen the efforts to promote stronger political, social and cultural ties with Africa by facilitating movement and social and cultural interaction between Mauritius and Africa. *[MoFARIIT, MACOSS, the media and the University of Mauritius]*
 - Actively support efforts to rationalise by the SADC, COMESA and the East African community. *[MoFARIIT]*

Chapter 5



Corporate Governance

CHAPTER FIVE

5. CORPORATE GOVERNANCE

5.1 Introduction: Challenges for corporate governance

631. Corporate governance is about the processes and structures used in directing and managing businesses and institutions. The major objective of corporate governance is to ensure that shareholders and their interests are protected and that value is increased. Corporate governance also establishes the processes, structures and mechanisms needed to ensure that managers and boards are accountable.
632. Awareness about the importance of corporate governance and its contribution to economic growth and development is increasing in African countries today. Countries are realising that improving corporate governance is necessary for attracting foreign direct investment (FDI) for economic growth and developmental efforts. This is true for Mauritius as well.
633. Mauritius has made significant progress with establishing the measures needed to strengthen corporate governance in the country, particularly in the financial and banking sectors. In order to create a business environment that will facilitate trade and investment, the country did an audit of its institutions and regulatory frameworks. Mauritius also established the Corporate Affairs Division. It designs, improves and maintains policy on corporate affairs, including financial and nonfinancial reporting, among others. It also advises on policy matters. The Corporate Affairs Division must also develop and promote a supportive corporate environment and a good corporate culture in order to improve the business potential of the country. Furthermore, the Corporate Affairs Division must periodically establish sound monitoring parameters and mechanisms to reassess the international situation and the needs of the corporate sector in Mauritius.
634. Mauritius has diversified its economy since independence from one based on agriculture to a growing industrial, financial and tourist one. Annual growth has consistently been between 5 and 6 per cent. The Mauritian economy still relies on sugar and uses 90 per cent of agricultural land to produce sugar cane. Sugar accounts for about 15

per cent of the country's export earnings. The country's gross domestic product (GDP) is USD15.36 billion (2008 estimate), at purchasing power parity (PPP), and it has a population of about 1.3 million. Its per capita GDP is approximately USD12,100 (2008 estimate).

635. The country is stable. It is a parliamentary democracy and holds regular elections. Changes in government are peaceful and there is respect for the rule of law. Mauritius has the second-highest per capita income in sub-Saharan Africa. Its Human Development Index (HDI) is also higher than that of most countries in the region. Its 2009 index was 0.804, which ranks the country at 81 out of 182 in the survey. It falls in the 'high human development' group and is third in the region after Libya (ranked 55th at 0.847) and the Seychelles (ranked 57th at 0.845).
636. Tourism is the second-largest foreign exchange earner for Mauritius. The government has thus emphasised maintaining the island's upmarket profile as a tourist destination. This has helped the sector to register a growth of 13.5 per cent since 1998. Mauritius also has a vibrant manufacturing sector, dominated by the export processing zone (EPZ) industries, the largest gross and net foreign exchange earner for Mauritius. The EPZ sector exports mainly clothing and textiles. They account for 73.9 per cent of the country's total domestic exports. Agriculture, of which sugar is the main product, was once the backbone of the country's economy. It is now giving way to other sectors, but is still important to the country. Only 20 per cent of all total domestic export earnings now come from sugar exports.
637. The banking sector is equally important to the Mauritian economy. There are 18 banks in the country. The two largest are the Mauritius Commercial Bank (MCB) and the State Bank of Mauritius (SBM). These two control 70 per cent of the market, while the Hong Kong and Shanghai Banking Corporation (HSBC) and Barclays control 22 per cent. The Mauritian banking system is well capitalised and very profitable. The capital adequacy ratio is 13.1 per cent. This exceeds the regulatory minimum of 10 per cent. The return on the assets of this sector has consistently been above 2 per cent, and the return on equity has been 20 per cent for the last five years. The most important risk that the banking system in Mauritius faces is credit risk. Operational risk is also a concern. A substantial fraud of about USD30 million was detected in February 2003 and this justifies the concerns. The fraud went undetected for several years. It exposed weaknesses in the sector's internal audit and governance systems and its inadequate controls.

638. The insurance sector is another important one for the Mauritian economy. It is well developed and there are about 19 companies operating in Mauritius. It has a penetration rate of about 4.1 per cent (premia/GDP). Life insurance contributes 61 per cent to the business of this sector. Generous government tax incentives, together with favourable housing and pension financing, favour the insurance sector. All these sectors are important for Mauritius's growth and development in a highly competitive global economy. Improving its corporate governance environment will therefore go a long way to attract international investment to the country, increase FDI and improve economic growth and development.
639. The preceding paragraphs give an overview of the corporate governance situation in Mauritius. This report assesses the state of corporate governance in Mauritius. It also looks at the implementation of standards and codes, points out examples of best practice and makes recommendations.

5.2 Standards and codes

i. Summary of the CSAR

Adoption and ratification of international standards and codes

640. The Country Self-Assessment Report (CSAR) examines corporate governance in Mauritius, particularly how it implements and enforces standards, codes and laws. In doing so, the CSAR emphasises the close collaboration between the World Bank and the International Monetary Fund (IMF) in setting international standards for accounting and auditing and in establishing regular Reports on the Observance of Standards and Codes (ROSCs).
641. The CSAR addresses corporate governance by highlighting some of the reports produced by the Bretton Woods institutions on corporate governance in Mauritius. They group the reports into three themes: (i) corporate governance country assessment; (ii) accounting and auditing; and (iii) insolvency and creditor rights systems. The recommendations from these ROSCs led to Mauritius introducing major initiatives. They include adopting the Financial Reporting Act (FRA) of 2004, and establishing the Financial Reporting Council (FRC) and the National Committee on Corporate Governance (NCCG). The minister of finance and economic empowerment appoints their members. The Country Review Mission (CRM) expresses concern about their independence because of the way they are appointed.

642. The CSAR presents the main contents of the Code of Corporate Governance for Mauritius. The CSAR lists its governing bodies, covers a number of desktop surveys on compliance with the Code of Corporate Governance in the private sector and gives the views and comments of the chairperson of the NCCG on remuneration and appraisals of boards and directors.
643. The CSAR lists the institutions created by the Financial Reporting Act (FRA) of 2005. These are the Mauritius Institute of Directors (MIoD) and the Mauritius Institute of Professional Accountants (MIPA).
644. The CSAR describes the status of corporate governance in the public sector briefly. The establishment of audit committees at ministerial level and the guidelines for state-owned enterprises (SOEs) improved corporate governance.
645. The CSAR presents other initiatives aimed at improving corporate governance in the country. These include adhering to the Organisation for Economic Co-operation and Development (OECD) initiative as well as creating the Financial Action Task Force and the IMF Offshore Financial Centre Stability Programme.

Compliance with corporate governance codes

646. The CSAR notes that a major challenge in Mauritius is implementing and enforcing laws. It observes that, for issues like protecting creditors and recovering credit, the courts do not respond to the needs of the industry.
647. The CSAR observes that, while there is the Code of Corporate Governance for Mauritius, complying with it is not mandatory and companies can choose not to. The Companies Act of 2001 requires all except small companies in the private sector to comply with international standards on auditing.
648. Desktop research of the annual reports of 25 companies also revealed a high level of noncompliance with the code:
- Only 10 of the 25 complied with the code's recommendation to have a properly balanced board of directors.
 - Only one company mentioned an appraisal process for its board of directors.

649. The CSAR examined the critical areas around corporate governance in Mauritius. It mentions that the key issue is the burden that small and medium enterprises (SMEs) experience in complying with the International Financial Reporting Standards (IFRS) and the International Standards on Auditing (ISA). The CSAR quotes the opinion of an industry stakeholder that the firm-size threshold for mandatory compliance with the IFRS and ISA is lower than for many other jurisdictions.
650. In terms of the FRA of 2004, MIPA, the NCCG and the MIoD are required to file copies of their annual reports with the FRC within three months of the close of the act's financial year. The FRC then has to file its annual report within four months of the close of its financial year. None of these reports had been made public by the date of the CSAR final report.
651. The CSAR also offers some suggestions on how to improve corporate governance in the country. These include especially implementing all the recommendations of the World Bank Report on the ROSCs. The government should ensure that all the recommendations of this report are implemented. These are that:
- The FRC should aim at full compliance with the Code of Corporate Governance.
 - The NCCG should periodically review and reassess compliance with the Code of Corporate Governance.
 - The FRC and the Stock Exchange Commission (SEC) should explore ways of encouraging shareholder activism.
- ii. Findings of the CRM*
652. The CRM observed that Mauritius has acceded to, ratified and adopted the most significant international standards and codes listed in the African Peer Review Mechanism (APRM) framework. However, Mauritius faces a major challenge in implementing and enforcing laws because of the lack of capacity at lower levels to support top-level decisions.
653. The CRM observed that Mauritius has not yet implemented the recommendations of the World Bank Report on the ROSCs. The CRM also noted that the FRC has been lax in enforcing compliance with the Code of Corporate Governance. The CRM also learnt that the Financial Services Commission (FSC) has developed a new Risk-

Based Supervisory Framework to enforce good governance. The CRM learnt that this framework is compulsory for organisations. The challenge will be to enforce it.

654. Mauritius has also benchmarked itself against the OECD Principles of Corporate Governance. These include the protection of shareholders' rights; the equitable treatment of shareholders; the role of stakeholders in corporate governance; disclosure and transparency; and the responsibility of the board.

iii. Recommendations

655. The APR Panel recommends that the Mauritian authorities:
- Strengthen the enforcement of existing standards and codes on corporate governance. [*Ministry of Foreign Affairs, Regional Integration and International Trade (MoFARIIT), Ministry of Finance and Economic Empowerment (MOFEE) and the FSC*]
 - Implement all the recommendations of the World Bank Report on the ROSCs. [*MOFEE, the FRC and the FSC*]
 - Ensure full compliance with the Code of Corporate Governance. [*MOFEE, the FRC and the FSC*]
 - Explore the proper means to encourage shareholder activism. [*Stock Exchange of Mauritius (SEM) and the FRC*]
 - Enforce the FSC's new Risk-Based Supervisory Framework effectively. [*FSC*]

5.3 Assessment of performance on APRM objectives

Objective 1: Provide an enabling environment and effective regulatory framework for economic activities

656. This objective focuses on the existing legal and administrative measures that facilitate economic and business activities. The primary analysis under this objective aims to assess the authorities' effectiveness in regulating, monitoring and supervising financial institutions and other self-regulatory bodies like the stock exchange.

i. Summary of the CSAR

657. The CSAR discusses the legal and regulatory framework that controls economic activities in Mauritius. It points to the dual set of laws in the country (based on the French and British legal systems). Apart from the main regulatory codes for corporate practice, like

company law and the legislation for resolving commercial disputes, the country has also improved the regulations for businesses in the country by enacting laws that cover banking and finance, taxation, shipping, insolvency, property, litigation, insurance, textiles and the sugar industry.

658. According to the CSAR, Mauritius can attribute its economic success mainly to the strategies developed by successive governments to create and sustain economic diversification. This began with the implementation of an import-substitution strategy in the 1960s. The export-oriented strategy, which centred on the creation of the EPZ, has driven much of the subsequent growth of the local economy. This diversification strategy has also developed new financial growth sectors that focus on global business, insurance, securities, free port activities as well as the information and communication technology (ICT) sector. The business environment in Mauritius is characterised by openness and a probusiness, outward-looking policy. More recently, attention has been directed to marketing the country as an upmarket residential area by developing integrated resort schemes. These offer residency rights linked to home ownership.
659. Today, Mauritius is among the most competitive and successful economies in Africa and actively seeks and attracts FDI. In the World Bank's 2008 Doing Business Survey, Mauritius ranked 27 out of 178 countries. The bank rates Mauritius as the best sub-Saharan African state according to its ease of doing business. Despite such achievements, unemployment remains relatively high against a backdrop of high vacancy figures. These imply that skills are not matched to economic needs and that there is a serious shortage of skilled labour.
660. Mauritius is actively engaged in attracting foreign investment by removing some of the difficulties of doing business. The major reforms initiated in the 2006/2007 budget focused on the investment environment and included streamlining and simplifying investment rules, regulations and administrative procedures.
661. Mauritius has gradually improved the legal framework that regulates corporations in the country so that, today, there are laws to monitor companies operating in the country. The most important company law is the Companies Act of 2001. It applies to all companies, whether local or with a global business licence (GBL). The Companies Act requires companies to comply fully with the IFRS, the International Accounting Standards (IAS) and ISA.

662. More recently, Mauritius passed the Business Facilitation Act of 2006. It strengthens the existing legal framework for business operations in the country. The act aims to provide a new legal framework with comprehensive and clear guidelines for starting businesses. One of its main objectives is to enable small enterprises to start their business activities within a period of three working days of applying.
663. The Competition Bill has been the subject of much debate. Its objective is to establish a legal framework for reducing restrictive business practices in order to improve competition in Mauritius via measures designed to promote efficiency, adaptability and competitiveness in the economy. Its ultimate objective is to widen customer choice and enable consumers to buy goods and services at fairer and more competitive prices.
664. The Board of Investment (BOI) is the agency responsible for promoting and facilitating investment in the country. As Mauritius opens up to the world and transforms itself into a competitive global business economy, the BOI has made a personalised range of services, to attract international investment and talent to the country, available to the international business community.
665. The Financial Services Development Act of 2001 established the FSC as the regulator for the nonbanking financial services sector. The FSC licences, regulates and supervises nonbank financial institutions. They include institutions involved in insurance and pensions, capital market operations, leasing and credit finance, and global business activities.

ii. Findings of the CRM

The business environment

666. The CSAR discusses the business environment in Mauritius briefly without elaborating on the key indicators that are important for assessing the business environment. Family companies dominate the private sector in Mauritius. This has had significant implications for corporate governance. For instance, there are still companies where senior managers are also major shareholders or are related to major shareholders. From a governance perspective, this may lead to conflicts of interest between personal and corporate goals.

667. The government is trying to attract FDI to help develop the country while the private sector, for its part, is keen that foreign investors should invest in companies listed on the SEM. There will only be a significant inflow of foreign capital if companies in Mauritius practise good corporate governance. Apart from foreign capital, corporate Mauritius is also trying to attract investment from pension funds based in Mauritius. Good corporate governance will encourage the trustees of these funds to invest in equities listed on the Mauritian stock market. Despite these concerns, Mauritius is regarded as a country with very favourable business regulations in Africa.
668. Public-private partnerships are essential for the rapid growth, modernisation and industrialisation of Mauritius. These partnerships rely on mutual trust and cooperation, as well as a common vision that addresses the challenges facing the country and highlights the opportunities for developing the country in general and the private sector in particular (see box. 5.1).

Good practice 5.1: Public-private sector partnerships

Mauritius is a country with effective and efficient public-private sector partnerships. The economic success of the country flows from these excellent partnerships and is led by the private sector. The government consults with members of the private sector on an as needed basis to promote their interests. The private sector, on the other hand, is always ready to help the government in matters of policy development and implementation through the Joint Economic Council (JEC).

The JEC comprises nine business associations. They represent large enterprises that control about 90 per cent of its business and contribute to 79 per cent of its investments. The JEC is registered. It supports Mauritian leaders in their efforts to reinforce the rule of law and to respect the independence of the judiciary and private property.

The JEC thanks successive national leaders for their continuity in designing and implementing economic policies aimed at supporting the private sector. Its leaders appreciate the supportive business policy of successive Mauritian governments. Since independence 40 years ago, for example, there have been 9 general elections and each elected government has committed itself to building on the achievements of previous governments in supporting the private sector.

Source: CRM

Assessing the business environment

669. According to the World Bank's Doing Business Survey of 2009, Mauritius is 24th on the Ease of Doing Business Index. It progressed by four places since 2008. The report highlights Mauritius's sustained

commitment to improving its competitiveness through various regulatory reforms during the last five years. It describes Mauritius as the country with the most favourable business regulations in the African region. In 2007 and 2008, Mauritius introduced reforms to areas like starting businesses, registering property and getting credit.

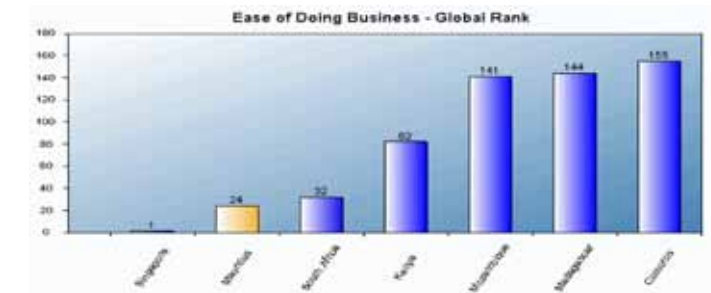
670. The BOI, together the Ministry of Finance and Economic Empowerment (MOFEE), established four technical working groups (TWGs) in 2007. They comprise key representatives from the public and the private sectors who work on areas where Mauritius ranked poorly. These were: (i) dealing with licences; (ii) registering property; (iii) getting credit; and (iv) enforcing contracts. The objective of each TWG was to make specific recommendations. Each would eventually be converted into administrative and policy reforms aimed at improving the investment climate in Mauritius. The Mauritius Chamber of Commerce and Industry (MCCI) chaired the TWG on enforcing contracts. Its recommendations included introducing specialised commercial courts, e-filing and e-courts, case management practices and commercial arbitration. Such a consultative approach from the government can contribute significantly to improving the ease of doing business in the country. The chamber anticipates working more closely with public authorities on similar initiatives.
671. The same report ranks Mauritius an impressive 24 out of 181 economies surveyed in the overall Ease of Doing Business Survey (see table 5.1 and figure 5.1).

Table 5.1: Mauritius's ranking in the Ease of Doing Business 2009 Survey

Category	Ranking
Ease of doing business (overall)	24
Starting a business	7
Dealing with construction permits	36
Employing workers	64
Registering property	127
Getting credit	84
Protecting investors	11
Paying taxes	11
Trading across borders	20
Enforcing contracts	76
Closing a business	70

Source: World Bank. Doing Business Survey 2009.

Figure 5.1: Mauritius – ease of doing business



Source: World Bank. Doing Business Survey 2009.

672. **Starting a business.** The first hurdles entrepreneurs face when they draw up business plans and try to implement them are the procedures they must follow to register new firms. Economies differ greatly in how they regulate the entry of new businesses. The process is straightforward and affordable in some. In others, the procedures are so burdensome that entrepreneurs sometimes resort to bribing officials in order to speed up the process. They may even decide to run their business informally.

Table 5.2: Starting a business in Mauritius

	Doing business 2007	Doing business 2008	Doing business 2009
Rank		8	7
Procedures (number)	6	6	5
Duration (days)	46	7	6

Source: World Bank. Doing Business Survey 2009.

673. Table 5.2 shows that there have been significant improvements in starting a business in Mauritius in the last three years. The number of days it takes to start a business, for example, reduced drastically from 46 days in 2007 to a mere six days in 2009.
674. According to the interaction the CRM had with stakeholders, participants also believe that the procedure for starting a business in Mauritius is very efficient – it takes a maximum of five working days to get a permit. The participants also felt that the relevant ministries are extremely helpful in processing permits for starting businesses.

675. **Registering property.** Formal property titles help to promote the transfer of land, encourage investment and give entrepreneurs access to formal markets. However, a large share of property in developing economies is not formally registered. Entrepreneurs may not use informal titles as security for getting loans. This limits the financing opportunities for businesses. Many governments have recognised this and have started extensive property titling programmes. However, bringing assets into the formal sector is only part of the story. The more difficult and costly it is to transfer property formally, the greater the chances that formalised titles will quickly become informal again. Eliminating unnecessary obstacles to registering and transferring property is therefore important for economic development.
676. As a result of efforts by the TWGs to improve the business environment, Mauritius’s ranking in registering property globally improved from 157 in the Doing Business Survey 2008 to 127 in 2009 (see table 5.3). However, registering property is still an area where Mauritius ranks very badly.

Table 5.3: Registering property in Mauritius

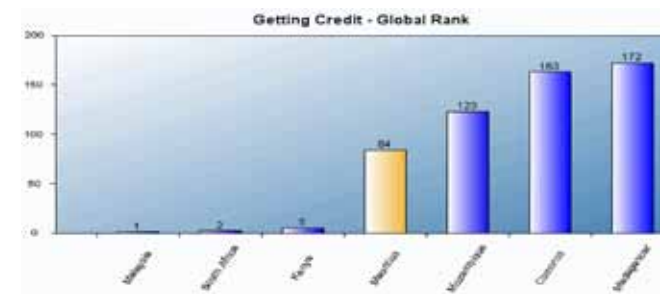
	Doing business 2007	Doing business 2008	Doing business 2009
Rank		157	127
Procedures (number)	6	6	4
Duration (days)	210	210	210

Source: World Bank. Doing Business Survey 2009.

677. According to the interaction the CRM had with stakeholders, registering property in Mauritius is a simple process and the duration (in days) it takes to register property is a maximum of 10 as opposed to the 210 days reported in the Doing Business Survey.
678. **Getting credit.** Firms consistently rate access to credit as among the greatest barriers to their operations and growth. The Doing Business Survey uses two sets of indicators of how well credit markets function: one is credit registries and the other is the legal rights of borrowers and lenders. Credit registries are institutions that collect and distribute credit information on borrowers. They can increase access to credit greatly. By sharing credit information, they help lenders to assess risk and allocate credit more efficiently.

679. Again, getting credit is the area where Mauritius ranks very badly after registering property in the Doing Business Survey (see figure 5.2). However, participants again felt that getting credit in Mauritius was not too difficult.

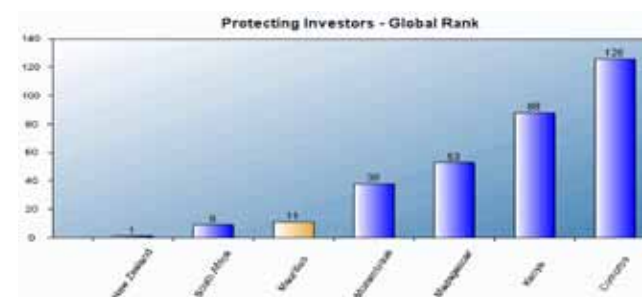
Figure 5.2: Ranking of Mauritius on ease of getting credit



Source: World Bank. Doing Business Survey 2009.

680. **Protecting investors.** Companies grow by raising capital, either through bank loans or by attracting equity investors. Selling shares allows companies to expand without having to provide collateral and repay bank loans. However, investors worry about their money and look for laws that protect them. **Mauritius ranks** an impressive 11 out of the 181 economies worldwide on this indicator. Figure 5.3 illustrates Mauritius’s ‘protecting investors’ index compared with best practice and those of selected countries.

Figure 5.3: Ranking of Mauritius in protecting investors



Source: World Bank. Doing Business Survey 2009.

681. **Enforcing contracts.** Businesses are more likely to engage with new borrowers or customers if contracts are enforced efficiently. The Doing Business Survey tracks the efficiency of the judicial system

in resolving commercial disputes by following the step-by-step evolution of commercial sale disputes before local courts. The survey collects the data by studying the codes of civil procedures and other court regulations, as well as through surveys completed by local litigation lawyers.

682. Enforcing contracts is another area in the Doing Business Survey where Mauritius performs poorly, alongside dealing with licences, registering property and getting credit (see table 5.4).

Table 5.4: Enforcing contracts in Mauritius

	Doing business 2007	Doing business 2008	Doing business 2009
Rank		73	76
Procedures (number)	37	37	37
Duration (days)	750	750	750

Source: World Bank. Doing Business Survey 2009.

683. Mauritius simplified transferring property by abolishing two procedures. It is no longer necessary to get a clearance certificate from the Wastewater Management Authority (WMA) or a tax clearance certificate for municipal taxes. Starting up is also easier. Names for new companies are now verified online. Getting credit may also be easier: after eliminating the minimum threshold for loan amounts, the Public Credit Registry of the Bank of Mauritius (BoM) now captures information on all credit extended by the financial system.

The BoM and the FSC Joint Coordination Committee

684. The CSAR does not address the governance dimensions of the BoM, the banking sector and other financial institutions very thoroughly. As financial institutions increasingly operate globally and diversify their business, it becomes important for supervisory bodies to oversee the safety and soundness of these institutions to ensure financial stability. The BoM has the leading supervisory responsibility for the banking and nonbanking deposit-taking sectors, with the exception of money changers and foreign exchange dealers. However, the FSC has the supervisory responsibility for the other segments of financial services.

685. The responsibilities of the two regulators overlap in the case of some institutions, like deposit-taking entities that are engaged in leasing. A few financial conglomerates also operate in the areas of jurisdiction of both the regulators. It is therefore very necessary to coordinate the two regulators in order to complement the supervision of individual licensed entities. This would contribute to a more accurate assessment of the risks to which financial institutions are exposed.
686. To address this need, a *Protocol D'Accord* (PoA), signed in July 2007 by the two regulators, established a formal mechanism for collaboration between the bank and the FSC. It provided, inter alia, for the establishment of a joint BoM/FSC Commission Coordinating Committee. The PoA also envisages that the parties will agree on the extent of their responsibilities and will harmonise their procedures with regard to the financial institutions that both institutions regulate. It is therefore a framework for cooperation between the BoM and the FSC, as they try to maintain a safe, efficient and stable financial system in Mauritius.

The banking sector

687. The banking sector is very important in the Mauritian economy. As was mentioned earlier, there are 18 banks in the country. The two largest are the MCB and the SBM. These two control 70 per cent of the market, while HSBC and Barclays control 22 per cent.
688. The banking system is well capitalised and highly profitable. It has a capital adequacy ratio of 13.1 per cent, which exceeds the regulatory minimum of 10 per cent. The return on assets of this sector has consistently been above 2 per cent for the last five years. Its return on equity is 20 per cent.
689. Credit and operational risks are the most important ones facing the banking system. A substantial fraud of about USD30 million was detected in February 2003. The fraud went undetected for several years. It exposed weaknesses in the sector's internal audit and governance systems and its inadequate controls.
690. According to the BoM's Financial Stability Report of February 2009, the banking sector has so far weathered the financial crisis successfully. All the banks operating in Mauritius have shown considerable resilience in terms of capital adequacy, balance sheet growth, profitability and loan delinquencies. The system has not

witnessed any serious liquidity crunch either. The independence of the system with regard to large-scale interbank borrowings to fund its operations partly explains this. The system is also less reliant on extra-territorial sources for building up its domestic assets. The foreign funds it used for domestic deployment were as low as 2 per cent, thus insulating it from the liquidity crunch in global financial markets. In general, the banks were not exposed to toxic assets like mortgage-backed securities.

The insurance sector

691. The insurance industry is an important part of the Mauritian economy. The FSC regulates and supervises it. Regulations require assets to be spread adequately. A large proportion of insurance assets is deployed locally. This sector is well developed and has about 21 companies operating in Mauritius. Its penetration rate is about 4.1 per cent (premia/GDP).
692. Life insurance contributes 61 per cent to the business of this sector. Generous government tax incentives, together with favourable housing and pension financing, favour the insurance sector. All these sectors are important for Mauritius's growth and development in a highly competitive global economy. The country's ability to improve its corporate governance environment will therefore go a long way to attracting international investment to the country, increasing FDI and improving economic growth and development.
693. The global financial crisis did not directly affect the insurance sector or other sectors of the financial system in Mauritius. However, vulnerability caused by reinsurers could cause concern. The fact that the global reinsurance industry has remained unaffected by the financial crisis suggests that this is not likely. The current global situation clearly shows that the crisis is deepening and continuing. This has possible ramifications for the real economy. It could affect the values of assets that the sector holds. This emphasises that the sector must be continually vigilant to ensure that it identifies all potential threats and minimises them in time.

Nonbank deposit-taking institutions (NBDTIs)

694. NBDTIs are also involved in financial intermediation. NBDTIs are companies that raise public deposits (other than demand deposits) to fund their activities. There were 13 NBDTIs on 31 December 2008. Eleven of them were in the leasing business. One of the remaining

two finances mortgages while the other grants personal loans to closed groups, particularly retired civil servants. NBDTIs have been insulated from the turmoil in financial markets. However, it has become necessary to monitor them closely in order to reduce the spill over effects of the downturn in the real economy caused by the global economic crisis. However, the regulatory requirements for NBDTIs have been strengthened to bring them in line with those of banks. This builds greater resilience in the system.

The SEM Ltd

695. The Stock Exchange Act of 1988 established the SEM of Mauritius, as a private limited company responsible for operating and promoting an efficient and regulated securities market in Mauritius, on 30 March 1989. The SEM became a public company on 6 October 2008. The SEM's operations, as well as its regulatory and technical framework, have been significantly overhauled over the years to reflect the ever-changing standards of the stock market environment worldwide. The SEM is now one of the leading exchanges in Africa and is a member of the World Federation of Exchanges (WFE).
696. The SEM operates two markets: the Official Market and the Development and Enterprise Market (DEM). The Official Market started operating in 1989 with five listed companies and a market capitalisation of nearly USD92 million. There are 40 companies currently listed on the Official Market with a market capitalisation of nearly USD3,894.54 million as at 30 June 2009. The DEM was launched on 4 August 2006. There are 49 companies currently listed on this market with a market capitalisation of nearly USD1,352.45 million as at 30 June 2009.
697. Parliament passed the new Securities Act of 2005 on March 2005. The act came into force in September 2008. Its main purpose is to ensure a fair, efficient and transparent securities market and, most important, to strike a balance between protecting investors and protecting the interests of the securities market.

SOEs

698. The state in Mauritius owns a number of enterprises. It exercises its ownership in two ways. Acts of Parliament regulate a number of parastatal enterprises like the Central Water Authority (CWA) and Central Electricity Board (CEB). Other enterprises operate as public limited liability companies. The government or other state-owned entities own the majority of shares in these entities. There are minority

private shareholders in a number of these companies. One company, where the government has effective control, is Air Mauritius. It is listed on the SEM. The government has indicated that it wants SOEs to practise good governance and follow the code. However, it will need to rethink the relationships between the boards of each of these SOEs and its ministries to do so.

699. The CRM supports the findings of the Doing Business Survey where they are consistent with what the CRM learnt in the meetings it held with the various stakeholders. However, this CRM report highlights the differences between its findings and those of the Doing Business Survey.

Corporate governance prospects in Mauritius

700. Mauritius faces certain challenges despite its efforts to improve corporate governance. The first is that of implementation and enforcement. The country has fallen short of enforcing its legal framework because of a lack of institutional capacity to ensure compliance. The second challenge to promoting good governance in Mauritius relates to the ownership structures of businesses in the country. Family-owned companies dominate most of them.

701. The SEM lists many of these family-owned companies because of an incentive and tax benefits scheme that the government introduced. These families and/or partnerships still own these companies despite these listings. Because most of these families hold vast interests, they have failed to yield satisfactory earnings. They therefore fail to release shareholder value. Mauritius's global business companies (GBCs) present another challenge. Most of them are not listed in Mauritius. These GBCs account for 4 per cent of the country's GDP. They benefit from the country's favourable tax and regulatory systems, but they lack transparency. This makes it difficult to determine whether the countries where these GBCs are listed are able to assess their compliance with OECD principles. Furthermore, the kinds of business that most of these GBCs engage in do not lend themselves to compliance with OECD principles.

iii. Recommendations

702. The APR Panel recommends that the government of Mauritius:
- Undertakes a major study on public enterprise and public sector reform and implements its recommendations to restructure

the management of these enterprises to ensure that they function efficiently. [MOFEE and the National Economic and Social Council (NESC)]

- Encourages family-owned enterprises to promote transparent and competitive recruitment practices that benefit other qualified persons. [JEC]
- Sets up a committee to oversee the implementation of the recommendations of the World Bank Report on the ROSC. [MOFEE]
- Aims at full compliance with the Code of Corporate Governance. [MOFEE and the FRC]
- Develops an effective regulatory framework, and clarifies the reporting framework, for SOEs. [MOFEE and the FRC]

Objective 2: Ensure that corporations act as good corporate citizens with regard to human rights, social responsibility and environmental sustainability

i. Summary of the CSAR

Workers' rights

703. The CSAR states that the government has reviewed most of the old laws that regulate workers' rights (the Labour Act of 1975, the Industrial Relations Act³³ (IRA) of 1973 and the Year-end Gratuity Act of 2001) to respond to current challenges in the marketplace better. The new Employment Rights Act and the Employment Relations Act codify the most important revisions. The Mauritius Employers' Federation (MEF) sees these acts as positive. However, the trade unions argue that the new laws relax the constraints on employers and expect that the two acts will lead to a significant regression in workers' rights.
704. The CSAR also observes that the government has dismantled the existing tri-partite structure for wage negotiations and replaced the Tripartite Committee by a National Wage Council (NPC). The trade unions have voiced their concern about this change. At present, the consumer price index (CPI) is the basis for wage increases. However, the government wants the new council to determine wage increases based on the capacity to pay and on productivity.
705. The CSAR refers to the Equal Opportunities Act. This establishes the Equal Opportunities Commission and the Equal Opportunities Tribunal. The main objective of this act is to promote equal opportunity

between persons of different sex, race, marital status, religion, origin and disability and to prohibit discrimination on those grounds, particularly in employment, education, accommodation and the provision of goods, services and facilities as well as in admission to private clubs.

706. The CSAR observes that there is no legal framework to regulate corporate social responsibility (CSR) of businesses in Mauritius. The private sector believes that “CSR is unfocused, ad hoc and unrelated to business operations and strategy ... more than 75 per cent of enterprises do not have a well-defined policy for CSR ... while less than 28 per cent have budget allocations for CSR ... and very few communicate or report on CSR”.
707. The CSAR also notes that the MEF believes that policy guidance from the government on CSR would be helpful. Furthermore, two-thirds of the respondents to the survey believe that the 2003 report on corporate governance should give specific measures and guidelines for improving the CSR activities of companies. The chairperson of the NCCG has acknowledged this and has stated that a subcommittee on CSR has been established and that CSR is on the agenda of the NCCG. The CRM should ensure that CSR is included in any new draft of the code.
708. The CSAR reports that most respondents pointed out that it may be appropriate to extend the special levy (the Empowerment Fund), currently applicable only to the hospitality and banking sectors, to other business sectors in Mauritius. This will create national solidarity concerning the less fortunate and the development of the country.

Environmental sustainability

709. The CSAR reports that the Environment Protection Act (EPA) of 15 July 2008³⁴ is the legislation that protects the environment in Mauritius. It also provides for the establishment of the National Environment Commission and the Police de L’Environnement. One very important objective of the new act is to provide for an environment protection fee levied on a number of firms, like hotels and boarding houses with more than four bedrooms, in order to raise funds to protect local environmental initiatives aimed at preventing and reducing pollution. The persons and organisations surveyed, on whether the environmental regulations are adequate, have expressed differing opinions. Most seem to think that they are inadequate for ensuring that companies comply with environmental regulations.

ii. Findings of the CRM

Employment practices

710. The Report on Corporate Governance³⁵ recognises that Mauritius has very diverse ethnic groups, religions and cultures. Mauritius therefore faces the challenge of equalising opportunity for this diverse spectrum of people. A number of prejudicial behaviour patterns are reported to have evolved in corporate Mauritius. The most important one is unfair employment practice in many economic sectors. For corporate Mauritius to play its full part in the economic and social development of the country, employment practices must be fair to all. Corporations need to address this in a code of ethics, an essential component of good governance.

Workers’ rights

711. The social partners have debated the new major acts for workers’ rights and bargaining powers robustly. The most controversial points are: (i) flexible working hours, especially when some industries demand that employees work on Sundays; (ii) the role of the Termination of Contract Board (a specialised court) when jobs are lost for economic reasons; and (iii) collective bargaining procedures and flexible employment remuneration. While the employers’ associations see the new laws as the beginnings of a modern and flexible framework for labour market regulations, the labour unions see them as a massive attack on workers’ rights.
712. It is expected that the new laws will help to move Mauritius to a new model in which economic stakeholders play more determining roles while the state facilitates. In other words, the new laws place much emphasis on the process of collective bargaining and negotiations. Furthermore, they adopt the flexicurity model for terminating agreements. ‘Flexicurity’ is the term used to describe a policy that encourages labour market and employment flexibility. In contrast to this new model, the old labour laws were based on the premise that minimum terms and conditions of employment are best determined by the state through regulations. At least 29 separate employment sectors adopted Remuneration Order Regulations. The state acted more as a regulator than as a facilitator in the old model.
713. In summary, the new legal developments that govern workers’ rights introduce more flexibility to labour markets, especially with regard

to work contracts, working hours and remuneration. They emphasise also that more collective bargaining is necessary.

714. Another new development regarding workers' rights is the establishment of a new institution: the National Tripartite Forum³⁶. This will examine all questions about, for example, remuneration and working conditions. Its exact role and governance structure are the subjects of discussions between trade unions, employers' associations and the government of Mauritius.
715. The CSAR does not mention whether employees are represented on the boards of directors of firms. Since employees play important roles in determining the long-term success and performance of corporations, it will be very useful to clarify this issue. Although performance-enhancing mechanisms for the participation of employees at all levels of the management hierarchy are crucial for modern firms, this form of employee participation at the board level does not exist in Mauritius.

CSR

716. The CSAR mentions CSR generally, but does not define the concept clearly. In APRM terminology, CSR is seen as a strategic business objective where businesses care for, and are more involved in, the communities in which they operate. CSR is therefore not philanthropy. A CSR survey, conducted by the MEF in 2007/2008 gives some interesting insights. They are summarised below.
717. Most of the firms surveyed (90.5 per cent) are convinced that the primary goal of business is profit and ensuring an adequate return for shareholders. However, they also share the view that "pursuing economic interests needs to be balanced with social and environmental responsibility".
718. Most of the firms surveyed (80 per cent) promote internal social initiatives like training, medical schemes, health and safety standards, leisure and recreational activities, and sponsorships in order to benefit their own employees. A smaller proportion (70 per cent) is also engaged in outside social activities. These are mostly donations and sponsorships for the wider community.
719. It is worth emphasising that many of the firms surveyed confuse 'social responsibility' with 'philanthropy'. They are two different things,

although both can improve the reputation of a company and bring social benefits to the community. Social responsibility, for example, could encompass corporate efforts to reduce emissions or energy usage in a company, while philanthropy relates to humanitarian, educational, scientific or other causes supported by the company.

720. CSR is an ad hoc activity in most firms. They do not integrate it with the company's business strategy and operations. It may work alongside – but not feed into – the business. Three-quarters of the respondents do not have any clearly defined policy on CSR, while few reported they allocate budgets to CSR activities regularly.
721. The overwhelming majority of firms recognise that they are not doing enough for CSR. They claim that insufficient information about how to get involved and insufficient financial and human resources are the main barriers to participation in CSR activities.
722. The Finance Act of 2009 contains a very important new development in CSR legislation. It introduces a mandatory CSR fund: "Every company shall, in every year, set up a CSR Fund equivalent to 2 per cent of its book profit derived during the preceding year to (a) implement an approved programme by the company; (b) implement an approved programme under the National Employment Foundation, or (c) support an approved NGO." It is obvious that implementing this law would yield benefits to some and bring costs to others. Questions about the ultimate winners and losers and the level of costs and benefits for the parties concerned can only be answered after the new law has been implemented for a few years. Nevertheless, the organisation of employers already sees the CSR fund as a new profit tax that goes against its own CSR fundamentals, as published in an MEF document. It defines CSR as "voluntary positive initiatives by businesses that look to go beyond legal compliance in a diverse range of social, economic and environmental areas".
723. In summary, in the light of its discussions with stakeholders and the Finance Act of 2009 that imposes the CSR Fund, the CRM expects business involvement in social activities to increase in the near future.

Environmental sustainability

724. The body of evidence available to the CRM suggests that Mauritius's achievements in maintaining a cleaner environment are unsatisfactory. The country is still battling to find proper ways of disposing of its

growing volume of solid waste that, until now, it continues to dump in the country's only landfill, at Mare Chicose, which is now almost full to choking point.

725. A wide variety of waste that can be recycled or reused to generate other valuable products is being dumped into the landfill. Plastic waste from industries or corporations is not biodegradable. Dumping them in the landfill is causing irreversible damage to the environment. The growing demand for electronic products with short life cycles and electrical products containing toxic materials adds to the ecological damage within and around the site.
726. In the light of this disturbing situation, the NESC decided in 2008 to conduct a study of the mechanisms used for managing solid waste. It has proposed new ideas that could help the authorities to develop new policies. The NESC made recommendations on ways to reduce waste, segregate solid waste at source and increase the efficiency of compositing and incineration projects.
727. It is too soon to assess the effect of the EPA 2008 on the environment and economy of Mauritius. However, the law has imposed an Environment Protection Fee on a number of firms, like hotels and boarding houses, whose performance the parties concerned are discussing. While representatives of firms and employers' associations see it as an additional tax burden that will increase their costs and reduce their competitiveness, other members of civil society complain about the lack of transparency concerning the amount and the actual use of the levied fee.
728. It is useful here to highlight some of the issues that the CSAR has either missed completely or addressed inadequately. The issues are:
- The role of environmental innovations that have increasingly been seen as major responses to environmental problems. The CRM is not aware of any major eco-innovations in Mauritius.
 - The absence of incentives as cheap ways of improving the quality of the environment. Subsidies for developing, using and diffusing green technologies have proved to be very effective in several countries. There are currently serious attempts in Mauritius – within the framework of the prime minister's *Maurice Ile Durable* (MID) vision – to encourage the use of solar water heaters and compact fluorescent lamps (CFLs) as sources of clean energy.³⁷

729. Taxation is an efficient way of punishing harmful environmental behaviour in Mauritius. The excise duty of Rs1.00 per polyethylene terephthalate (PET) bottle has been extended to aluminium cans used for soft and alcoholic drinks as from 23 May 2009. The proceeds will be credited to the MID Fund to encourage schemes to recycle aluminium cans. In addition, taxes on hybrid vehicles, excise duties, road tax and registration fees were reduced by half in 2008. These measures will be extended to electric cars according to the prime minister.
730. The introduction of a general carbon tax or the establishment of a CO₂-emission market are very effective components of modern environmental policies in many countries. None of these has been seriously discussed or introduced in Mauritius.

iii. Recommendations

731. The APR Panel recommends, in respect of CSR, that:
- Standard setters in Mauritius introduce quantifiable performance indicators to measure the effect that each CSR initiative has on society. This would facilitate rational discussions about this increasingly important issue and make useful comparisons between corporations and organisations easier. Some examples of these indicators are: (i) the number and nature of employee training or support programmes; and (ii) the number of promotions, retentions and losses of employees as percentages of the total number. Some examples of philanthropic and community investment projects are: (i) the amount of philanthropic investment (in cash or in kind); (ii) the amount of social investment (in loans, equity investments or guarantees); (iii) the number of community partnerships; and (iv) the level of volunteer commitment and activity. [*Ministry of Labour, Industrial Relations and Employment (MLIRE)*]
 - Government and national and international organisations, like the United Nations Development Programme (UNDP) and the United Nations Conference on Trade and Development (UNCTAD), help to increase awareness about CSR and its contributions to the economic and social development of corporations and their communities. [*MLIRE*]
 - Social responsibility issues, particularly fair competition and the environment, be regarded as important to each company and be discussed regularly with shareholders. [*MOFEE*]

The APR Panel recommends, in respect of employment rights, that fair employment practices be included in a revised code of ethics. [MLIRE]

The APR Panel recommends, in respect of workers' rights, that individual employees and their representative bodies be able to communicate their concerns about illegal or unethical practices freely to boards and that their rights not be compromised for doing so. [MLIRE]

The APR Panel recommends, in respect of environmental sustainability, that:

- The NESC recommendations on improving the environmental management of the public sector and private corporations be implemented. [Ministry of Environment and National Development Unit]
- Private and public sector organisations conduct and publish regular environmental reports on their business activities, including energy audits. This would increase awareness about the environmental issues that directly affect their business activities. [Ministry of Environment and National Development Unit]
- Private companies or corporations be urged to target projects that have positive effects on the environment. Companies should be encouraged to collaborate with local entities such as schools, district councils and municipalities to identify and implement environmental projects. [Ministry of Environment and National Development Unit]
- The use of solar water heaters and the domestic production of clean energy sources be encouraged. [Ministry of Industry, Science and Research]
- The possibilities of introducing a carbon tax or other effective economic instruments of environmental policy, like an emissions market, be explored. [MOFEE]

Objective 3: Promote the adoption of codes of good business ethics in achieving the objectives of corporations

i. Summary of the CSAR

732. The CSAR recognises that promoting good governance in the corporative sector means adopting norms and standards that will improve business ethics. Over the past few years, the public and the private sectors have both established codes of ethics in an attempt to regulate the corporative sector and to encourage transparency. This section describes the efforts made so far. The second part of this section highlights the main regulations intended to protect consumers.

Code of ethics – the public sector

733. The CSAR notes that the government of Mauritius is promoting best practice using ethical norms and standards. As a result, a Code of Ethics for Public Officers emerged in January 2000. The code specifies the standards expected from all public officers as they perform their duties. It lays down principles and guidelines aimed at instilling a high standard of conduct and behaviour in the public service, while at the same time recognising the rights and obligations of public officers.

734. The guiding values and principles of the Code of Ethics for Public Officers are:

- Integrity.
- Objectivity.
- Conscientiousness.
- Loyalty to the government of the day.

735. The code also outlines the responsibilities that public officers have towards ministers and the public in general. Public officers must deal with ministers to the best of their ability and with integrity, courtesy and respect. They must also treat members of the public diligently and fairly. The code also covers issues like political impartiality, accepting gifts and benefits, conflicts of interest, disclosure of information, outside employment and using public resources.

736. Adopting the code for public officials is seen to be the start of a transparent and impartial customer-focussed civil service geared to promoting good governance.

737. Furthermore, in aiming to build an ethical culture in the civil service further, the Ministry of Civil Service and Administrative Reforms (MCSAR) has developed, together with the Independent Commission Against Corruption (ICAC), an Ethics Online Corner on the government of Mauritius's portal. It provides easy access to everyone regarding ethics, ethical management, standards of conduct, preventing corruption and other best practices.

738. ICAC has also launched best practice guides on procurement and contract management. It is preparing other best practice guides and codes of conduct. They include a best practice guide for recruiting, codes of conduct for parastatal bodies, and an anticorruption charter for the public sector.

Code of ethics – the private sector

739. In addition, there are initiatives to encourage the private sector to adopt a code of ethics. For example, the MCCI, whose aim is to “serve and promote the interests of the business community in playing a leading role in the economic development of Mauritius”, adopted a code of ethics that it proposed to all its members in 2006.
740. In addition, the Code of Corporate Governance, published in October 2003, guides businesses in adopting codes of ethics. It suggests that codes of ethics should consider the circumstances in which companies operate and concentrate particularly on integrity and honesty. The main principles of the guidelines are that:
- Codes should be understandable and easily communicable to all.
 - Codes should refer to the laws and regulations relevant to the business’s activities.
 - Once adopted, businesses should monitor compliance with the codes to ensure ethical practice.

ii. Findings of the CRM

Effectiveness of regulatory oversight, including supervision by professional associations

741. Mauritius has established a number of legal and regulatory mechanisms aimed at fighting corruption, money laundering and insider trading. These include the Code of Corporate Governance, the Prevention of Corruption Act (POCA) of 2002 and the Financial Intelligence and Anti Money Laundering Act (FIAMLA) (with amendments dated June 2006). Thanks to the intervention of ICAC and the NCCG, a number of texts on codes of ethics have been issued for SOEs and private enterprises.

The Code of Corporate Governance

742. The Code of Corporate Governance applies to large private companies. It defines them as “individual companies or groups of companies with an annual turnover of Rs250 million and above”. Section 7 stipulates that, when adopting codes of ethics, companies should address issues about the ethical practices that are relevant to the particular circumstances of their businesses’ environment, including how they will apply their corporate values and the concepts of honesty and

integrity. Codes should define acceptable and unacceptable practice. They should be easy to communicate to all stakeholders, especially the company’s officers and employees who will rely on the codes to guide them in their dealings.

743. Codes of ethics should refer to the principles, norms and standards that companies want to promote and integrate with their corporate cultures as they conduct their activities. They should include internal relations, interactions and dealings with external stakeholders. In developing codes of ethics, companies should consider the specific circumstances and identify risk areas in the particular industries in which they operate. Where necessary, they should refer to relevant laws and regulations that apply to their activities and services. Companies should regularly monitor and evaluate compliance with established ethical principles and standards. Whenever necessary, they should reconsider the nature of their ethical relationships with stakeholders. Companies should promote awareness, both internally and externally, and emphasise the importance of adherence to exemplary standards of conduct and ethical practice.
744. According to the CSAR, the two institutions established to fight corruption and money laundering are ICAC, established in 2002, and the Financial Intelligence Unit (FIU), established by FIAMLA in the same year. The CSAR describes the mandate, structure and activities of ICAC in some depth, while it treats those of FIAMLA briefly. It does not assess or evaluate these two institutions. Nevertheless, despite their existence, there are still cases of corruption and money laundering in Mauritius.

Corruption as perceived by Mauritians

745. A national survey on corruption in Mauritius, funded by the UNDP in 2006, showed that interviewees believe that the government is the most corrupt (50.7 per cent), followed by municipalities (36.1 per cent) and the private sector (28.4 per cent).

Corruption as perceived by the Mauritian business community

746. According to a recent World Bank report, Mauritius is experiencing the lowest levels of corruption. Table 5.5 gives an overview of corruption as perceived by the Mauritian business community.³⁸

Table 5.5: Corruption as perceived by the private sector

	Mauritius	Region	All
Percentage of firms that expect to make informal payments to public officials (to get things done)	1.59	41.42	31.02
Percentage of firms expected to give gifts to get an operating licence	0.00	19.40	16.05
Percentage of firms expected to give gifts in meetings with tax officials	0.28	20.43	17.99
Percentage of firms expected to give gifts to secure a government contract	8.81	44.27	31.91
Percentage of firms that identify corruption as a major constraint	50.72	33.33	36.82

Source: World Bank. Enterprise Survey 2009.

747. Table 5.5 suggests that, even if Mauritius has the best score of all, the business community is still vigilant about corruption and has the highest levels of awareness about the danger of corruption as a constraint to doing business.
748. A recent report published by Transparency International on perceptions of corruption ranks Mauritius 41 worldwide and the second lowest in Africa after Botswana. It appears that the score the country got in 2008 (5.5) is an improvement over the score in 2004, when it was 4.1. The score dropped in 2009 to 5.4. This means that, although it still has a high rating, corruption in Mauritius is improving at a slow rate. The CRM thinks that, as the economic activities of the country expand and grow, its exposure to corruption³⁹ will also increase.
749. The low salaries of public officials, faced with extended families, social needs and solicitations, often drive corruption in many African countries. This does not seem to be the case in Mauritius, where the country has developed a comprehensive welfare system for the people. Mauritius should be an inspiration to other African countries.

Money laundering and insider trading

750. FIAMLA, with its amendments dated June 2006, defines money laundering offences and gives guidelines for tracking and punishing offences. The ICAC Annual Report (2007/2008) lists offences brought to courts. They include 39 charges of money laundering. This is 52 per cent of all cases.⁴⁰ Government's efforts to fight money laundering

include a recent condemnation of a senior manager of the MCB for laundering around Rs3.4 million.⁴¹ Recorded complaints (known or anonymous) totalled 65 in 2007/2008, compared with 51 in 2006/2007.⁴² This is an increase of 27 per cent.

751. Money laundering is often linked to drug trafficking and, because Mauritius is so open to business and the movement of persons, it is exposed to this particular criminal activity that is growing in Africa and elsewhere. The recent interception by the Anti-Drug Squad of a boat transporting cannabis⁴³ illustrates this. Although the CRM could not gather objectively verifiable data on insider trading, it was satisfied to note that the legislator tried to circumvent the danger by clarifying one of the sources of insider trading. This is conflict of interest. In fact, chapter 2.4 of the Code of Corporate Governance gives appropriate guidance aimed at preventing insider trading, because one director often sits on the board of many companies.
752. The CRM's investigations and its interviews with stakeholders show that the public and the private sectors have begun a number of initiatives to increase respect for the Code of Corporate Governance and to combat the corruption that involves collusion between business operators and public officials, particularly in the Customs Department.
753. The CRM acknowledges the government's efforts to establish numerous legal structures to support ethical business practice in the country. However, it is difficult to determine whether the private sector adheres to them. The CSAR proposes that, to achieve its ethical objectives, the MCSAR should monitor adherence to the code of ethics in the public sector and the Ministry of Consumer Protection and Citizens Charter should monitor compliance at all times. However, the CSAR does not give any detail about how to do this.
754. The CRM believes that, if the government and stakeholders are determined to fight money laundering, they should convert this shared commitment into action by way of the judicial system. However, as the government liberalises trade further and eases the movement of capital in and out of the country, crimes related to money laundering will become more and more difficult to track.

Lack of management transparency

755. Many stakeholders believe that, while corporate management in Mauritius appears satisfactory, there is little transparency in the way

senior staff are recruited. This is quite possible, considering that many private enterprises are small and/or family owned and not eager to recruit staff from outside the family circle. It is difficult to monitor and reinforce management transparency in a country where 65,203 (70 per cent) of the 92,388 SMEs registered in 2007 are small establishments.⁴⁴ This group comprises mainly family-owned enterprises that employ an average of 1.1 workers.

Success in the prosecution of cases of corruption, money laundering, insider trading and other forms of unethical practice, as well as the seriousness of penalties imposed (including blacklisting and suspension by professional associations)

756. ICAC admits that tapping phones is one of the most efficient ways of getting evidence quickly for investigating allegations of money laundering and corruption. Developed countries allow the practice, but Mauritians do not accept it. Completed ICAC investigations are forwarded to the director of public prosecutions (DPP) for action. However, ICAC recognises that investigations into corruption take too long for various technical reasons. These include the fact that there are about 52 different forms of corruption, each with different offences, and that the procedures for accessing banking details is time consuming. ICAC proposes amending the legal framework to make it more acceptable to the private sector.
757. The Report of the Select Committee on the Funding of Political Parties (by private companies and pressure groups)⁴⁵ admits that these organisations should be allowed to fund political parties if:
- There is adequate disclosure and a regulator has sufficient power to intervene where there are real risks that political parties are being funded for ulterior motives.
 - Open declarations are made in respect of donations of more than Rs100,000 nationally or of Rs10,000 in one constituency.
 - Shareholders fix a permissible amount for these donations.
758. The CRM believes that it is difficult for the regulatory body to know in advance the intention of an organisation that decides to fund a political party.
759. ICAC also stresses the challenges and constraints it faces in achieving its mission. These include overexposure to the media, shortages of adequate equipment and expertise, and insufficient investment in public education and awareness campaigns.

Box 5.1: ICAC

Of the many initiatives ICAC has taken to prevent mismanagement of funds by public corporations, one of the most recent is the Internal Audit Charter. This contains guidelines aimed at introducing a disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

ICAC is the body entrusted to investigate all types of corruption, money laundering and similar malpractices. Its board does not fall under the authority of a minister. The prime minister appoints its director-general in consultation with the leader of the opposition. ICAC was established on 1 June 2002.

ICAC's philosophy is to change the hearts and minds of everyone in the community through the three main elements of the national strategy contained in POCA. These are to:

- Enforce the law.
- Prevent corruption by removing opportunities for corruption from systems and procedures.
- Prevent corruption through public education and support.

ICAC may track corruption practices and bring suspected offenders to the judiciary, especially the DPP.

In addition to its primary role of investigating corruption and money laundering, ICAC has created a Corruption Prevention and Education Division (CPEd). Its functions include reducing the opportunities for corruption substantially, liaising with private sector organisations to establish anticorruption initiatives, conducting corruption prevention seminars, holding talks with officials, and helping organisations to develop their capacity to prevent corruption. ICAC has edited several practice guides for public and private managers on how to improve governance and to respect ethical rules.

ICAC has achieved much to sensitise all stakeholders about the need to fight corruption. It has also gained credibility and respect from the public and Mauritius's development and business partners.

760. The JEC also strongly supports respect for the code of ethics. The FRA entrenches the Code of Corporate Governance. The JEC has adopted a model code of conduct and has strongly recommended that each of its nine affiliate organisations adopt it. The JEC defines a code of conduct as "a comprehensive statement of the guiding principles of conduct by which a company expects its directors and employees to behave when carrying out their work to be more efficient".

Procurement of goods and services

761. Procuring goods and services often means that the administrators of public departments and private enterprises have to interact. ICAC has therefore issued the Best Practice Guide for Public Bodies.⁴⁶ Its aim is to advise them on the policies and procedures for procuring, selecting suppliers, quoting, evaluating tenders, inspecting and

receiving goods. ICAC's laudable initiative was intended to support the existing legislation on procuring goods and services and to reinforce the implementation of the prescriptions contained in the Procurement Act.

Capacity and appropriate skills for regulatory oversight

762. The CSAR does not deal sufficiently with all the areas in objective 3 that are prescribed by the APRM (to promote the adoption of ethical codes in business while pursuing company objectives). However, the chapter dealing with democracy and political governance covers some of the issues relevant to corruption and money laundering. Objective 4 of the chapter on economic governance and management also deals with them more thoroughly. Consequently, the analysis of corruption and money laundering is limited here to the private sector.

763. The CSAR does not list all legal texts that show the commitment of the country to fight corruption. They include:

- POCA of 2002.
- FIAMLA, with amendments dated June 2006.

764. The adoption of the code of ethics by many large professional associations, like the JEC and the MEF, shows the willingness of the private sector to introduce best practice to the way it does business. The MEF has issued the Code of Practice for Enterprises in Mauritius. It invites its members to agree to abide by its 19 tenets.

The role of the media and investigative journalism

765. The CSAR is also silent on the role of the media in monitoring unethical practices, in reinforcing correct ethical behaviour and in exposing corrupt activities and practices. The CSAR does not refer to good investigative journalism, especially in the large cases that have rocked key business institutions like the MCB. The CSAR mentions the MCB (p 260 and p 293) and the Air Mauritius/Rogers (p 293) cases briefly. A second matter that needs exploring is whistle-blower legislation and, if available, the judicial and employment track records of journalists and whistle-blowers who have used this protection

iii. Recommendations

766. The APR Panel recommends that:

- ICAC be provided with the necessary resources, financial and human, to enable it to track corruption and money laundering and to educate the public more efficiently. [*Prime minister and MOFEE*]
- ICAC be given the power to prosecute and that its areas of competence be clearly specified in order to avoid overlaps with other judicial bodies. [*Parliament and Ministry of Justice and Human Rights*]
- All private and public bodies be invited to include the code of ethics in their management guidelines. [*ICAC, the JEC and the MEF*]

Objective 4: Ensure that corporations treat all stakeholders (share-holders, employees, communities, suppliers and consumers) fairly and justly

i. Summary of the CSAR

Rights of shareholders

767. The CSAR notes that the Companies Act of 2001 safeguards shareholders' rights in Mauritius. The act defines a shareholder clearly. The Companies Act of 2001 then gives the rights of these shareholders under "Statement of Share-holders' Rights".

768. The Companies Act of 2001 clearly delineates shareholder rights. It states that every company must give its shareholders, on request, a statement that specifies the class and number of shares they hold in the company. It must also outline their obligations and liabilities, which are limited to the number of unpaid shares they hold, and any repayments of distributions the shareholders receive to the extent that the distributions are recoverable. In addition, it must specify any liability expressly provided for in the contribution of the company. Finally, it also deals with the powers of shareholders.

769. The act also outlines the rights of minority shareholders. If minority share-holders, for example, want a company to buy their shares, they can request it to do so through a special resolution. In addition, if a company wants to buy their shares and they do not agree to do so, they can vote against the resolution. The act also gives the company a 14-day period to buy the shareholder's shares at a fair and reasonable price. Boards of directors and shareholders can turn to the Code de Procedure Civile to arbitrate if disputes arise.

770. There are virtually no shareholder associations in Mauritius. However, the CRM was told that they do exist. The CRM was able to locate, and interact with, only one active association. This was the Air Mauritius Limited Small Shareholders Association. It seemed to be the only active shareholder grouping. This could explain why there is a lack of shareholder activism in the country. It will therefore be difficult even to contemplate talking about a code of conduct for these associations to ensure their ethical conduct at this stage.

Rights of stakeholders

771. Corporate stakeholders are all parties directly affected by the activities, or who are interested in the wellbeing, of a firm or corporation. They include employees, customers, suppliers, creditors, financiers, the communities in which these firms or corporations operate or are located, governments, competitors and society in general.
772. The CSAR says nothing about stakeholders' rights. This could be because the Code of Corporate Governance does not provide for stakeholder rights. The chairperson of the NCCG observed that this was an omission. However, the Report on Corporate Governance for Mauritius by the Ministry of Industry, Science and Research defines stakeholders in the country. Sadly, it is rather silent about their rights. Stakeholders are now more important than ever and their rights are being increased internationally after the Enron, Worldcom and Tyco debacles. The absence of provisions for stakeholder rights in Mauritius is worrisome because of family-ownership structures and control of companies, as well as the effect of industries like textiles, sugar, tourism and ICT on the environment and on communities on the island. Stakeholder rights are particularly important in the light of the serious fraud that took place in February 2003, where the MCB lost USD30 million. If the bank were to have collapsed, the effect on stakeholders, particularly small depositors, could have been devastating.

Consumer protection

773. The CSAR states that consumers are adequately protected in Mauritius. Some of the laws developed to protect their rights include the Consumer Protection Act of 1991, the Fair Trading Act of 1979, the Price Control Act of 1998 and the Hire Purchase and Credit Sales Act of 1964. The CRM was informed that all of these acts are being reviewed. The government has established a Ministry of Consumer Protection and

Citizens Charter to protect consumer rights. It does this by enforcing existing consumer protection legislation and by educating consumers about their rights. However, the CRM was told that there are still pirated products in Mauritian markets.

774. The CSAR also reports that there are two leading consumer associations in Mauritius. They educate and inform consumers about their rights, and protect consumers and their rights. These two consumer associations are: the *Institut pour la Protection des Consommateurs* and the *Association des Consommateurs de l'Île Maurice*. These local consumer organisations also engage in sensitisation campaigns, training courses and workshops for their members.

ii. Findings of the CRM

Rights of shareholders

775. The current corporate governance framework in Mauritius provides for the protection of shareholder rights under the Companies Act of 2001. The act protects the basic rights of shareholders. However, the CRM was informed by stakeholders that, under Mauritian law, a company can block the transfer of shares by giving notice of its refusal within 28 days. There is also a rule in Mauritius that permits shareholder meetings to proceed even if shareholders were accidentally not notified about them. This rule definitely needs review. The CRM was also informed that boards, and not shareholders, decide to distribute dividends. Stakeholders told the CRM that private shareholder agreements are not made public, even though the Companies Act requires it. Finally, high effective tax rates were imposed on stock options. Mauritius has recently lowered its tax rate across the board to 15 per cent. Hopefully, this will support the efforts of companies willing to issue stock options as a way of aligning manager and shareholder interests. It must be mentioned that the CRM was told that stock options were not popular with companies or employees in Mauritius.

776. **Minority shareholders.** The Companies Act of 2001 protects minority shareholders in Mauritius. However, stakeholders informed the CRM that minority shareholders are unable to influence the decisions that the boards of private sector companies make. They are, therefore, not able to defend their rights. The CRM was also told that some minority shareholders do not know their rights and that some even do not attend meetings. This apathy could be because of the hopelessness some of

them might feel about influencing board decisions. The Companies Act, for example, requires a quorum at meetings to protect the rights of minority shareholders. However, a company's constitution can override the requirement.

777. **Insider trading.** The 1988 Stock Exchange Act prohibits insider trading in Mauritius. The Securities Act of 2005 has replaced it in order to plug loopholes. The Securities Act of 2005 prohibits insider trading and prescribes punitive measures. Stakeholders informed the CRM that they know of no one who has been convicted of insider trading. However, the CRM did not find any provisions that specifically prohibit abusive self-dealing. Related-party transactions are relevant to Mauritius, because a small number of shareholders control the largest companies in the country. Most stakeholders say that the Mauritian stock market is limited to a privileged group of people and corporate investors. These, they claim, wield enough power to manipulate share prices to their advantage.
778. **Conflict of interest.** The Companies Act of 2001 spells out instances of conflict of interest for shareholders and directors of companies. Directors, for example, may not compete with their companies or become directors or officers of competing companies unless their own companies approve. In cases where directors are interested in transactions to which their companies are party, they must disclose this interest. Furthermore, they must disclose the nature, extent and monetary value of the interest. They must also register all these interests with company secretaries. They could face prosecution if breaches of the appropriate laws occur.
779. **Capacity building for directors and shareholders.** The CRM was informed that the MIOD has finally been established in Mauritius to train directors and shareholders and to familiarise them with their fiduciary duties and responsibilities. It is important that this training covers situations that can lead to conflicts of interest, particularly cross-shareholdings. It should also establish a qualification criterion for directors and endeavour to improve their skills in all aspects of corporate governance.
780. **GBL companies.** GBL companies are important components of the Mauritian economy. They contribute about 4 per cent to the country's GDP. GBLs fall into two categories: GBL1 and GBL2. There are no minimum requirements for establishing a GBL in Mauritius. The FSC, which supervises GBLs, told the CRM that they now require

GBLs, which are financial services providers, to have minimum capital requirements. Further, GBL2s have no reporting requirements and they are not subject to any taxes. However, GBL1 companies are subject to Mauritian taxes. Previously, it was difficult to determine whether they are corporate governance compliant. The CRM was told that, as part of the FSC's new Risk-Based Supervisory Framework, corporate governance is now a requirement of the companies it supervises. The CRM was also told that one of the huge challenges the financial services regulator faces is capacity and that staff turnover in the sector was high because of the scarcity of skills in the sector.

Rights of stakeholders

781. **Consumer protection.** The CSAR reports that laws, like the Consumer Protection Act of 1991, the Fair Trading Act of 1979 and the Hire Purchase and Credit Sales Act of 1964, protect consumers adequately in Mauritius. The Mauritian government even has units within the Ministry of Consumer Protection and Citizens Charter to protect consumers. It does so by enforcing existing consumer protection laws. However, stakeholders said that there were indeed consumer protection laws in place, but that enforcement was lenient. The CRM was also informed that there were few enforcement officers.
782. **Employees.** The Mauritian government has just replaced some of its outdated labour laws. For example, the Employment Rights Act 33 of 2008 has just replaced the Labour Act 50 of 1975. It became operational in February 2009. Similarly, the Employment Relations Act 32 of 2008 has replaced the IRA 67 of 1973. The latter governed employment relationships in Mauritius and served as the country's benchmark. The former emphasises the processes for collective bargaining and the framework for conducting these processes.
783. However, stakeholders informed the CRM that there were indeed laws in Mauritius to protect employee rights, but that they are not enforced. Furthermore, the laws that are enforced, are not enforced effectively. They also noted that the employment laws were employer-friendly and employee-hostile. For example, there is no minimum wage or minimum wage act to protect employees from exploitation. Trade unions in the country have also complained about the challenge they face with the Public Gathering Act that forbids them to demonstrate and which contravenes the relevant International Labour Organization (ILO) convention. Trade unions also refute the assertion made by public officials that there is a cordial relationship

with trade unions in the country and that this is the reason why there are no strikes. The CRM was told that the Public Gathering Act is the reason why there are no strikes. The CRM was also told that trade unions are sidelined and not consulted when effective decisions are being made. Most stakeholders told the CRM that the challenge really lies with the private sector, where the laws are employer-friendly. The laws have contributed to the erosion of employee rights in Mauritius, especially in the private sector.

784. **Suppliers and creditors.** The CSAR does not touch on creditors' rights. The Companies Act of 2001 also does not deal with insolvencies. However, the CRM was told that a new insolvency act was being introduced. The Securities Act of 2005 also touches on the issue vaguely. However, discussions between the CRM and stakeholders indicated that they believe that the Public Procurement Guidelines, the Contract Law, the Companies Act and the Corporate Governance Framework all provide reasonably well for the equitable and fair treatment of suppliers and creditors and are consistent with prudent commercial practice. Generally, stakeholders claim that Mauritius respects creditor rights. For example, ICAC has published a guideline, Procurement of Goods and Services: Best Practice Guide for Public Bodies, as well as Contract Works: Best Practice Guide for Public Bodies, but these are geared mostly to guarding against corruption.
785. Stakeholders suggested, in their meetings with the CRM, that the government should pass legislation to deal with insolvencies. This will ensure that all suppliers and creditors are subject to the same terms and conditions regarding supply, delivery and payments terms. This will go a long way to resolving disputes with creditors. They also suggested that, even in cases where corporations are winding up payments to the same class of creditors, payments should be made equitably. Stakeholders also hoped that the new insolvency act they told the CRM about would address these issues. They also told the CRM that there are no centralised credit bureaus in Mauritius for individual consumers. However, they informed the CRM about the Mauritius Credit Information Bureau (MCIB) that the BoM owns. The Bank of Mauritius Act of 2004 governs its operations. The CRM noted that the MCIB dealt mostly with medium to large businesses.
786. **Government.** The participants at the various discussions and meetings with the CRM did not regard the government as an important stakeholder. The government of Mauritius is a shareholder, directly or indirectly, in several parastatals or strategic corporations

in the country. There are over 100 of these. Most of these parastatals do not fall under the Companies Act of 2001. Consequently, they can circumvent the stringent reporting rules of the act as well as some international standards and norms. The government guarantees the public debt, which includes domestic debt, of these parastatals with money from the national budget. Stakeholders informed the CRM that political appointees staff these parastatals and, therefore, they question their competence. Governance of these parastatals should be more important.

787. **Competitors.** Fair competition between businesses in any country is the basis for creativity and innovation that leads to sustainable growth and the development of enterprises. However, it must be pointed out that healthy competition operates within the framework of sound business ethics, compliance with applicable legislation and application of the same laws to all enterprises in the same category or sector within a country. The CSAR refers to the Mauritius Competition Act of 2007. It aims at eliminating restrictive business practices in order to improve competition in the country. Unfortunately, there are protective nexus or collusion cartels which are determined to protect domestic traditional businesses from competing with other local businesses. The Competition Act also provides for an independent Competition Commission. The CRM learnt that the Competition Commission has started operations.
788. **Intellectual property rights.** Mauritius's strategy is to diversify its economy and to move to a knowledge-based economy. It has established a cybercity and GBL companies contribute about 4 per cent to its GDP. However, it is surprising that there has been very little progress with establishing the necessary structures and up-to-date laws to protect intellectual property rights. The Copyright Act of 1997, for example, is the only act in the country that provides for this. It protects the work of Mauritian citizens, the citizens of countries that are parties to the Berne Convention and works published in Mauritius within 30 days after publication in another country. The problem is that the act is dated and does not cover new developments in the knowledge and digital era. The CRM learnt that the government is drafting an amendment to the Copyright Act of 1997 with the assistance of the World Intellectual Property Organization (WIPO). Currently, a division in MoFARIIT deals with issues around intellectual property rights.

iii. Recommendations

789. The APR Panel recommends, in respect of **rights of shareholders**, that:

- The government (i) improves basic shareholder rights by imposing a quorum requirement; (ii) introduces cumulative voting; (iii) allows shareholders to approve the distribution of dividends; (iv) requires a 76 per cent majority to authorise shares not yet authorised for the sale of 50 per cent or more of companies; (v) removes the provision that permits annual general meetings to proceed if shareholders are accidentally not notified about them; (vi) considers prohibiting certain types of abusive self-dealing; and (vii) clarifies listing rules that deal with shareholder approvals for related-party transactions. [SEM, the MOFEE and Parliament]

The APR Panel recommends, in respect of the **rights of minority shareholders**, that:

- (i) minority shareholders and foreign shareholders be treated equally in terms of the Mauritian corporate governance framework; (ii) all shareholders in a class have the same voting rights; (iii) the sections of the Companies Act that permit classes of stock, that do not conform to the one-share, one-vote principle, to be issued, be amended; and (iv) efforts be made to educate minority shareholders about their rights. [SEM, MIOD and JEC]
- Mauritius authorities (i) study the Sarbanes-Oxley Act of 2002 in order to improve public company governance and reporting requirements; and (ii) develop a code to protect stakeholder rights. [Parliament, SEM, FSC and MOFEE]
- Mauritius authorities (i) establish a centralised credit bureau for individuals; (ii) develop codes to deal with creditor rights and personal insolvencies; and (iii) establish debtor counselling service to help those who find themselves deeply in debt. [Parliament, MOFEE, FSC and Ministry of Consumer Protection and Citizens Charter]
- Mauritius authorities (i) establish the Mauritian Intellectual Property Rights Commission; and (ii) draft a bill to deal with pirated and counterfeit goods. [Parliament, Ministry of Business, Enterprise and Cooperatives, Ministry of Consumer Protection and Citizens Charter and JEC]

Objective 5: Provide for the accountability of corporations, directors and officers

i. Summary of the CSAR

Responsibilities of boards of directors

790. The CSAR describes the responsibilities of boards of directors and offers an overview of accounting and auditing standards in Mauritius. It also deals with the monitoring mechanisms established to ensure compliance by business leaders, boards of directors and auditors. However, according to the CSAR, 88 per cent of respondents to a survey on the private sector, 57 per cent of respondents from the trade unions and 51 per cent of respondents from academia express their doubts about the professional competence of the directors appointed to Mauritian parastatals. They ascribe this to the fact that most of them are political appointees and that their appointments are based solely on their political affiliations. This compromises their objectivity and performance.
791. The CSAR notes that there is widespread recognition that the appointments of directors in SOEs are based on political considerations, as is the case with parastatals. This leads to questionable decisions and claims of political bias in business decisions. The survey respondents also believe that directors often do not have the necessary technical expertise or qualifications for the positions they hold.
792. The CSAR points out that there are problems in private sector organisations as well. First, directorships in the private sector are concentrated within a narrow group of people. Some directors sit on numerous boards of listed companies. This concentration of board members in a few hands has a great effect on the independence of the decision-making processes. This compromises the good governance of the companies concerned.
793. The CSAR also mentions the concerns expressed by members of the public about the independence of auditors in the country. The reasons behind this perception are, first, that some auditors (and auditing firms) in the country are associated with the companies of some of their clients. Secondly, financial scandals, like those of the MCB and Air Mauritius, have fuelled that perception.

Reporting guidelines for corporations

794. According to the Companies Act of 2001, all public and private sector organisations have to use IAS and ISA in their financial statements and reports. Small companies with a turnover of Rs10 million or less do not have to comply with this obligation. An evaluation of corporations in Mauritius reveals that there is little concern about these international standards. There is, however, concern about the difficulties of applying them to reporting and auditing. In principle, auditors are supposed to abide by the rules, standards and ethical guidelines of the professional bodies to which they belong. Unfortunately, oversight of these rules is rather poor. When they are breached, the violations are often not reported. When they are reported, the professional body is not willing to sanction the offenders, especially when there are no formal reporting channels.
795. The CSAR observes that some highly publicised corporate financial irregularities have raised doubts about the quality of financial statements and auditor independence. These doubts have also been raised because of public financial scandals like the MCB and Air Mauritius/Rogers cases.
796. The CSAR also sees the accountability of parastatals and other SOEs as an issue. It reports that the director of audit has observed that the law needs reinforcing to ensure that parastatals are accountable and that there are sanctions for not submitting annual reports. The CSAR provides a comprehensive and relevant list of actions required to improve accountability in corporations.

Disclosure and transparency

797. The CSAR reports that the Companies Act of 2001, the FRA of 2004, the Code of Corporate Governance and the Listing Rules issued by the SEC determine the requirements for disclosing financial and nonfinancial information by corporations in the private sector. Specific rules and regulations from other regulatory bodies for specific sectors include the FSC and BoM guidelines for financial statements.

ii. Findings of the CRM**Responsibilities of boards of directors**

798. The responsibilities of boards of directors are particularly important in Mauritius, because the ownership of assets is highly concentrated and most of the companies are owned by families. Their responsibilities have not been adequately addressed. High concentrations of ownership are associated with highly active majority shareholders in the management of companies, especially in the appointment of board members, so that minority shareholders seldom contest control. Minority shareholders never contest control if the largest shareholders hold more than 50 per cent of voting rights.
799. The performance of Mauritian boards of directors is uneven. The CRM pointed out that some board members are appointed because of their networks and connections with majority shareholders rather than their qualifications. This increases the likelihood that appointed directors lack the required technical competence and independence. This could negatively affect their ability to oversee the key functions and management of the companies for which they are responsible. Some of these key functions include: (i) reviewing and guiding corporate strategies, major plans of action, risk policies, annual budgets and business plans; (ii) setting performance targets; (iii) monitoring implementation and corporate performance and overseeing major capital expenditure, acquisitions and divestitures; (iv) selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning; (v) reviewing key executive and board remuneration and ensuring a formal and transparent process of nominating board members; (vi) monitoring and managing potential conflicts of interest between managers, board members and shareholders, including misusing corporate assets and abuse in related-party transactions; (vii) ensuring the integrity of the corporations' accounting and financial reporting systems, including independent audits, and that there are appropriate systems of control, particularly systems for monitoring risk, financial controls and compliance with the law; (viii) monitoring the effectiveness of governance practices and making necessary changes; and (ix) overseeing disclosures and communications.
800. Some board members represent shareholders who are in direct control. This consequently diminishes their ability to oversee the actions of the controlling shareholders and prevents them from protecting the legitimate interests of minority shareholders. Minority shareholders and other investors may be confronted with breaches of their property rights, contract violations, transfer pricing, self-dealing and asset stripping. This contravenes the Companies Act of

2001 and other international standards of corporate governance that place the legal responsibility for protecting minority shareholders on boards of directors.

801. The CRM also observed that boards of directors in the public sector and in private enterprises in Mauritius comprise mostly males. Women are virtually not represented, at least not on the boards of the largest 100 companies in Mauritius.

Reporting guidelines for corporations

802. The CSAR has addressed important issues about the accounting and auditing professions in the public and private sectors of Mauritius, especially the lack of regulation, independence, and the quantity and quality of accountants and auditors. It is, however, necessary to reinforce the following points:

- With regard to audits in the public sector, the National Audit Office (NAO) has a mandate to examine the accounts of ministries and departments, local authorities, several statutory bodies and public-interest entities. However, it is itself a government entity. The prime minister nominates the director, the MOFEE sanctions its budget and the Public Service Commission (PSC) appoints its personnel. This raises doubts about its independence. Parliament has rarely discussed and examined its annual report seriously. This indicates little political interest in the relevance of this important document.
- Some very important public-interest entities, including 40 statutory bodies, did not want to comply with the requirements of the FRA of 2004. They therefore solicited the support of the FRC. The latter supported them and amended the FRA to exclude most statutory bodies from the list in the schedule of the act.⁴⁷ This behaviour suggests that they will not adopt good standards of auditing.
- Accounting and auditing in the public sector use the same standards as in the private sector. In addition, parastatals and other SOEs have had to comply with the regulations of the FRA. However, the Finance Act of 2008/2009 has only just introduced this mandatory compliance.

803. With regard to the private sector, the CRM observed that private auditing firms regulate themselves. Accountants and auditors are members of the MIPA and normally comply with its standards and rules.

804. The auditing services industry is highly concentrated. A few large firms control the market and can therefore charge higher than average fees. In addition, these firms consult for the same clients as they audit for. This could result in conflicts of interest.

805. With regard to auditing in banks, the BoM is responsible for overseeing banks, leasing companies and other deposit-based financial institutions. Auditors working on its behalf must first have licences and then pass an additional test (a kind of background check conducted using a standardised questionnaire) designed and administered by BoM officials. The CRM has realised how seriously the central bank takes its responsibility of choosing auditors.

Disclosure and transparency

806. The Code of Corporate Governance sets the framework for disclosure and communication of annual reports, corporate governance reports and funding (political and charity). The Mauritius branch of Ernst and Young conducted a desktop survey to determine whether the private sector complies with the requirements of the Code of Corporate Governance. This survey revealed that there was a relatively high level of nondisclosure in annual reports, a contravention of most provisions of the code.
807. The Ernst and Young study showed that noncompliance, or nondisclosure, occurred in the areas that follow.
808. Composition of boards. The composition of boards showed only some compliance with the recommendations of the code. It recommends that there should be at least two executive directors, two independent directors and nonexecutive directors. However, the survey showed that there was full compliance with section 2.55 of the code, which states that the chairpersons of boards may not be the chief executive officers (CEOs) of the companies.
809. Remuneration of directors. Fifteen of the 25 companies surveyed disclosed the remuneration of individual directors, as is recommended by section 2.8.2 of the code. The remaining companies either disclosed the directors' total remuneration, which is also a requirement of the Companies Act of 2001, or did not make any disclosure at all in their corporate governance reports.

810. Board and director appraisal. Only one company mentioned that the appraisal process for the board and its directors complies with section 2.10 of the code.
811. Board committees. Section 3.5 of the code specifies that “all companies should, at a minimum, have an audit committee and a corporate governance committee”.
812. Audit committee and corporate governance committees. The review of the 20 companies with audit committees revealed that:
- The chairpersons were independent nonexecutive directors (a recommendation of section 3.9.1 of the code) in only 10 of the 20 companies. In one case, the chairperson was an executive director. The remaining companies gave no information.
 - The chairpersons of boards were also members of audit committees in four of the 20 companies with audit committees. This contravenes section 3.9.1 of the code.
 - Audit committees comprised only nonexecutive directors in 11 cases. This is in line with recommended best practice.
 - Of the 16 companies with corporate governance committees, only three complied with the best practice recommendation that independent non-executive directors chair corporate governance committees. In two cases, nonindependent directors chaired the committees. The remaining companies disclosed no information.
 - Seven of 16 companies comply with the guideline that corporate governance committees should have a majority of nonexecutive directors as members.
813. The World Bank Report on the ROSC has also found some noncompliance among listed firms regarding using the international and national requirements for disclosing and communicating financial and nonfinancial information.
814. The CRM reveals that the private sector can finance political parties in Mauritius, but needs to disclose this. This does not always happen in practice.
815. The FRC may make corporate governance a regulatory requirement for public-interest entities [see section 72(3)] and make it compulsory for auditors to report on whether corporate disclosure is consistent with the requirements of the code [see section 39(3)]. However, these requirements are not yet in force.

iii. Recommendations

817. The APR Panel recommends, in respect of the responsibilities of boards of directors, that:
- The key standards of the Code of Corporate Governance be made mandatory, although they are currently voluntary. This is because the CRM observed lack of compliance with the code and consulted with the parties concerned. [NCCG]
 - The FRC, the SEM and the Registrar of Companies pool their efforts to ensure more representation of small shareholders on the boards of private companies. [FRC]
 - The MIOD plays a bigger role in continuously offering training courses to new board members and upgrades the skills of the incumbents. [MIOD]
 - Incumbent members of boards and controlling shareholders show that they are adhering to the spirit, and not just the letter, of the relevant standards of the Code of Corporate Governance. [FRC]
 - Boards of directors include members who are nonresidents of Mauritius to enlarge the pool of potential directors in quantitative and qualitative terms, because the number of qualified directors in Mauritius is limited. [NCCG]
 - The government (i) pursues public sector reform, as currently discussed with the World Bank; (ii) reviews the efficiency and corporate governance structures of parastatals and other SOEs; and (iii) applies the principles of good governance to the appointment of directors of parastatals and other SOEs. [MOFEE]

The APR Panel recommends, in respect of reporting guidelines for corporations, that:

- The FRC, as the monitoring and enforcing institution for developing and implementing sound financial reporting and accounting standards, improves its capacity for the short term. [FRC]
- The government (i) develops a framework to regulate, monitor and sanction the accounting and auditing industry when it violates existing standards and rules; (ii) establishes a public accounting oversight board; (iii) requires all accountants and public accounting firms to register with this board and supply it with information; (iv) makes the board responsible for setting standards for accounting, auditing, quality control, ethics and independence in preparing audit reports for public companies; (v) enables the

board to impose penalties and broaden the sanctions for corporate and criminal fraud; and (vi) enables the board to increase the independence of firms that audit the financial statements of public companies. [MOFEE and FRC]

The APR Panel recommends, in respect of disclosure and transparency, that:

- The disclosure and communication requirements for annual reports, corporate governance reports and funding, as stipulated in the Code of Corporate Governance, be made mandatory. [MOFEE and FRC]

Chapter 6



Socioeconomic Development

CHAPTER SIX

6. SOCIOECONOMIC DEVELOPMENT

6.1 Introduction: Challenges to socioeconomic development

818. Willpower has enabled Mauritius to rise above handicaps that might otherwise be considered overwhelming. These are: (i) its geographical isolation and the considerable distance that separates it from production and consumption centres; (ii) its small size; (iii) its lack of natural resources; (iv) the high transaction costs of cooperating with the rest of the world; and (v) the difficulties it has in achieving economies of scale.
819. Mauritius has a diversified economic base today. There is some ethnic, religious and social cohesion and Mauritius has developed precious human capital. It is working toward a new stage in its development aimed at making Mauritius a business, banking and information and communication technology (ICT) centre. It has established a real welfare state, which ensures universal access to education and health, grants noncontributory pension allowances to needy citizens, and subsidises basic products. There are still challenges that Mauritius must meet quickly and with determination.
820. The first is the challenge of the need for social cohesion amidst ethnicity and competition. Social cohesion implies that Mauritius should develop a more determined policy to ensure that poverty is eradicated, that improvements in education are sustainable and significant, that there is health and social protection, and that the different ethnic and religious segments of society, particularly the disadvantaged, are integrated economically and socially. It is therefore necessary for Mauritius to reflect on, and debate, the harmonisation of the social system, to improve its impact and to ensure that those who have the resources contribute to it.
821. It is also necessary that employees, who comprise most of the labour force, benefit more from the fruits of growth and get more involved in the country's development at all levels from the national to the most decentralised. Involvement means participating in the process of making decisions. It also means helping to resolve challenges at all levels. The trade unions are central to this, and Mauritius must acknowledge their role.

822. The second challenge is the status of women. Mauritius has made considerable progress at the legislative level and in access to education to improve it. It must now move quickly to ensure that they have access to positions of responsibility on political and economic decision-making bodies in both the private sector and in civil society.
823. Mauritius has great potential and countless opportunities because of its exceptional living environment, its highly positive image in the international community, its neighbours and African partners, its quality of human capital, and its highly regarded Diaspora in major world centres. It has made great progress in finance, business and new technologies.
824. These opportunities and potential are likely to set Mauritius on a path to a higher level of development. It needs financial rigour, but it must base this on a vision and collective desire. Mauritius must attach as much importance to efficiency as it does to integration and cohesion.

6.2 Standards and codes

i. *Summary of the Country Self-Assessment Report (CSAR)*

825. The CSAR does not deal substantively with standards and codes. In fact, it refers to them in passing. It cites the international laws to which Mauritius has acceded under objective 5, which deals with gender equality. They include ratifying the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1985. The CSAR emphasises that this international convention: (i) guarantees all women the right to work; (ii) guarantees all women the freedom to choose a profession; (iii) guarantees equal employment opportunities; (iv) applies the same selection criteria to women as to men for employment and promotion and all the benefits thereof; (v) guarantees job security, professional stability, vocational training, social security, equal remuneration and equal treatment to women; and (vi) guarantees other rights to women.
826. By signing this convention, Mauritius committed itself to implementing a series of measures aimed at eliminating all forms of discrimination against women. They are, in particular:
- Including the gender equality principle in the legal system, abolishing all discriminatory laws and adopting appropriate laws that prohibit discrimination against women.

- Creating tribunals and other public institutions to ensure that women are effectively protected against discrimination.
- Eliminating all acts of discrimination against women by individuals, organisations or companies.

ii. *Findings of the Country Review Mission (CRM)*

827. The CRM notes, from its own investigations and documentary research, that Mauritius has made significant progress in signing and ratifying international and regional treaties and conventions.
828. In order to establish a legal and institutional foothold in socioeconomic development that complies with international and regional conventions, Mauritius signed or ratified the following conventions:
- The Constitutive Act of the African Union (AU), ratified on 13 April 2001.
 - The African Charter on Human and People's Rights, ratified on 19 June 2002.
 - The African Charter on the Rights and Welfare of the Child, ratified on 14 February 1992.
 - The African Platform on the Rights to Education (1999).
 - The Organisation of African Unity (OAU) Convention Governing the Specific Aspects of Refugee Problems in Africa (1969).
 - The Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (2003).
 - The Declaration on the Framework for an OAU Response to Unconstitutional Changes of Government (2000), adopted during the OAU Summit of 12 July 2000.
 - The Declaration and Plan of Action on Control of Illicit Drug Trafficking and Abuse in Africa (2002), adopted during AU Summit of 8 July 2002.
 - The New Partnership for Africa's Development (NEPAD) Framework Documents.
829. Mauritius has also acceded to the following international treaties:
- The International Covenant on Civil and Political Rights, acceded to or ratified on 12 December 1972.
 - The International Covenant on Economic, Social and Cultural Rights (acceded to or ratified on the same date).
 - CEDAW (9 July 1984).
 - The Optional Protocol to CEDAW (31 October 2008).
 - The Convention on the Rights of the Child (26 July 1990).

830. Soon after gaining its independence on 2 December 1969, Mauritius ratified a number of conventions of the International Labour Organization (ILO) on labour law. They include:

- The Unemployment Convention, 1919 (No. 2).
- The Unemployment Indemnity (Shipwreck) Convention, 1920 (No. 8).
- The Right of Association (Agriculture) Convention, 1921 (No. 11).
- The Workmen's Compensation (Agriculture) Convention, 1921 (No. 12).
- The Weekly Rest (Industry) Convention, 1921 (No. 14).
- The Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16).
- The Workmen's Compensation (Accidents) Convention, 1925 (No. 17).
- The Forced Labour Convention, 1930 (No. 29).
- The Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32).
- The Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934 (No. 42).
- The Certification of Able Seamen Convention, 1946 (No. 74).
- The Labour Inspection Convention, 1947 (No. 81) (Protocol of 1995 to the Labour Inspection Convention, 1947).
- The Contracts of Employment (Indigenous Workers) Convention, 1947 (No. 86) (Shelved).
- The Labour Clauses (Public Contracts) Convention, 1949 (No. 94).
- The Migration for Employment Convention (revised), 1949 (No. 97).
- The Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
- The Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99).
- The Abolition of Forced Labour Convention, 1957 (No. 105).
- The Seafarers' Identity Documents Convention, 1958 (No. 108).

831. After a break of over 20 years, Mauritius began adopting texts again and subsequently adopted:

- The Minimum Age Convention, 1973 (No. 138), ratified on 30 July 1990.
- The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), ratified on 14 June 1994.

- The Labour Statistics Convention, 1985 (No. 160), ratified on the same date.
- The Part-Time Work Convention, 1994 (No. 175), ratified on 14 June 1996.
- The Equal Remuneration Convention, 1951 (No. 100), ratified on 18 December 2002.
- The Discrimination (Employment and Occupation) Convention, 1958 (No. 111), ratified on the same date.
- The Dock Work Convention, 1973 (No. 137), ratified on 3 March 2003.
- The Labour Administration Convention, 1978 (No. 150), ratified on 5 April 2004, and the Workers with Family Responsibilities Convention, 1981 (No. 156), which was ratified on the same date.
- The Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), ratified on 9 June 2004.
- The Employment Service Convention, 1948 (No. 88), ratified on 3 September 2004.
- The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), ratified on 1 April 2005.

832. The CRM could not get information on the degree to which these international instruments have been popularised with stakeholders and the public.

iii. Recommendations

833. The African Peer Review (APR) Panel recommends that:

- The international commitments that Mauritius has made be disseminated to, and popularised with, all stakeholders who are likely to benefit from them. [*Government and civil society*]
- All ratified international legal agreements be consolidated in national laws. [*Government*]

6.3 Assessment of performance on African Peer Review Mechanism (APRM) objectives

Objective 1: Promote self-reliance in development and build capacity for self-sustaining development

i. Summary of the CSAR

834. Self-reliance in the socioeconomic sector is the capacity to achieve a certain level of autonomy while taking responsibility for managing

one's own economic and social development policies and programmes in order to ensure the sustainable welfare of the people. This level of autonomy requires human and institutional capacities capable of conceiving, implementing, monitoring and evaluating development strategies and policies in all sectors and at national, regional and local levels.

835. In order to achieve the required level of autonomy, a country also needs to look at its capacity to take responsibility for funding its development policies, programmes and actions without using external aid excessively or putting itself into debt.
836. At a more structural and fundamental level, a country must look to its capacity to diversify its economic facilities and extend its sources of growth and exports to reduce the risks associated with exogenous shocks and generate jobs in order to achieve self-reliance in the economic and social sector. What measures did the government then take to promote its integration with other countries in the region and to diversify its agricultural production?
837. The CSAR does not cover all of these issues under this objective. It does deal with them partially or fully in other chapters, but this report presents them here.

Capacity to develop and implement development strategies and policies

838. Mauritius developed a five-year economic and social development plan between the time of its independence and 1993. It developed a reference document, Vision 2020, in 1996 after an extensive process of consultation. More recently, it designed a 2007 to 2025 Energy Strategy. However, Mauritius abandoned its practice of developing national development plans when it became clear that it did not have a strong mechanism to link the policies, plans and budgets to a medium-term framework. The government started to implement a Medium-Term Expenditure Framework (MTEF) in 2003 with the support of the World Bank.
839. The MTEF is a rationalisation technique for preparing, executing and monitoring budgets. It has two objectives: (i) to improve overall budget control; and (ii) to use budget resources more efficiently in order to implement the government's priority programmes. The main instrument for the first of these two objectives is the medium-term budget framework. This projects budget aggregates (income,

expenditure and deficit) based on macroeconomic estimates and the general budget objectives of the government. It achieves the second objective, to ensure that it uses its resources more efficiently, through results-based budgeting (RBB).

840. Until recently, ministries negotiated for their annual funds by submitting annual budgets to the Ministry of Finance and Economic Empowerment (MOFEE). They detailed the costs of the inputs of all their agencies, but did not refer to their corresponding returns. In the framework of RBB, the basis for allocating funds extends from inputs to published returns and acknowledged production. Each ministry must prepare a triennial RBB that prioritises its expenditure and the services it offers.
841. RBB embodies the three budget rules that the present government applied to its two previous budgets. These are the Golden Rule, which limits government borrowings to funding investments, the Sustainable Rule, which ensures that the gross public credit to gross domestic product (GDP) ratio declines, and the Constant Expenditure Rule, which requires that total expenditure should remain constant after adjusting for inflation.
842. At the same time that the government emphasised budget planning, some sectors introduced the measures that follow.

Diversifying economic facilities

843. Mauritius depends largely on imported petroleum products to meet its energy needs. However, it is possible to develop local and renewable sources of energy, such as biomass, hydroelectric, wave, solar and wind energy. With the rising cost of energy and volatile oil prices, the government has developed a 2007 to 2025 policy for the energy sector. The objective is to extend the country's energy base by reducing its dependence on imported energy and limiting its greenhouse emissions.

International cooperation and support partners

844. While it follows a self-development strategy, Mauritius nevertheless maintains strong ties with its support partners. These include the United Nations Development Programme (UNDP), which is particularly involved in building capacity to promote gender equality, the European Union (EU), the French Development Agency, the African Development Bank (ADB) and the European Investment Bank

(EIB), which is supporting Mauritius in its transition to a competitive economy and in the development of its social sectors.

845. The CSAR has proposed the following:

- That the government strengthens local industries so that they can adapt to the highly competitive markets and production centres that result from globalisation.
- That Enterprise Mauritius (EM) and the Small Enterprise and Handicraft Development Authority (SEHDA) combine their efforts to help local companies to make the most of opportunities in the region and look for new markets.
- That regional organisations, like the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), accelerate the elimination of all obstacles to intraregional trade.
- That the SADC, COMESA and the Indian Ocean Commission (IOC) promote the free movement of capital and other resources within the region further.

ii. *Findings of the CRM*

846. Since its independence, Mauritius has been advancing its sustainable development programme (it has had an average annual growth of 6 per cent for the past three decades) in a difficult environment. This environment is characterised by geographical isolation, high transportation costs and a low human dimension. These severely constrain economies of scale. Its capacity to develop and implement development strategies by diversifying its economy rapidly made these achievements possible.

Development strategies and diversification policies

847. Its vision and political will enabled the country to move from being only a sugar cane producer to an industrial and tourist economy and, quite recently, to a financial and service-based economy. Sugar production, which contributed nearly 20 per cent to the country's GDP in the mid-1970s, now contributed only 1.8 per cent in 2007. Tourism, initially insignificant, accounts for 10 per cent of GDP in recent times, while the textile sector, virtually nonexistent in the days following independence, exceeded 10 per cent of GDP during the 1990s. Dismantling the Multi-Fibre Agreements (MFAs) forced GDP to decline. However, the new ICTs and financial services have created new avenues for economic growth.

848. During the past three decades, successive governments have implemented policies aimed at diversifying the economy. The first phase of economic diversification began by implementing an import-substitution strategy in the 1960s. The development of an externally oriented strategy completed it in the 1970s. This strategy focused on exports conducted within the framework of the law on export processing zones (EPZs) and on developing tourism. Agriculture, manufacturing and tourism became the main development sectors of the economy during the 1970s and 1980s.

849. The vital role played by the preferential access of Mauritian sugar and textiles to the EU market was one of the main components of the export-oriented strategy. The performance of the export sector was the main driver of growth. Real annual GDP reached an average of between 5 and 6 per cent between 1976 and 1990.

850. Tourism experienced a boost during the 1980s. The number of tourists increased from 115,080 in 1980 to 291,500 in 1990, an average annual growth of 10 per cent. Gross revenue from tourism, only Rs0.36 billion in 1980, increased to Rs3.5 billion in 1990.

851. The diversification strategy was intensified in the 1990s, with the development of the financial sector, following the arrival of new growth sectors based mainly on businesses, insurance, securities and port activities as well as the new ICT sector.

852. After less than 40 years of independence, Mauritius, which was classified among the poorest countries with an average per capita income of about USD260, was classified among the top medium-income countries with an average per capita income of USD6,431, or USD11,643 in PPP, in 2006.⁴⁸

853. Agriculture remained in the background of this vast drive to diversify. Sugar cane cultivation had been its main activity. It had used 72,000 hectares of a useful agricultural area of 87,000 hectares (or nearly nine-tenths of the total) and a few major landowners still control it. Mauritius has not concentrated on producing food. It continues to face a huge food bill, which amounted to Rs15.4 billion in 2008 (excluding imports of fish and by-products). This is nearly 12 per cent of all its imports. In an environment characterised by constant food deficits and high agricultural prices, Mauritius has not made any significant progress in diversifying its agricultural production to ensure food security.

854. Sustained efforts and development programmes, which Mauritius planned, controlled and conducted rationally, resulted in its classification as an upper medium-income country after about 40 years of independence. Mauritius developed and implemented comprehensive development plans until the middle of the 1990s. These helped the country to include its different projects and activities within an integrated framework and a global vision. Mauritius developed Vision 2020: A National Long-term Perspective Study in the middle of the same decade through a wide process of consultation initiated by two successive governments (1994 to 1997). Vision 2020 moves the economic development of Mauritius from a labour-intensive and poorly paid economy to a knowledge economy where exports flow from highly skilled labour.

Development institutions

855. Mauritius has competent administrators and highly qualified managers. It has institutions and human resources capable of developing, implementing, monitoring and evaluating development strategies and policies for all sectors and at national, regional and local levels. They can also convert them into appropriate budgets quickly.

856. There have been some remarkable sectoral achievements in Mauritius. The 2025 Energy Policy and the 2020 Education Development Strategy, which are being developed, are some of them. However, its rigorous management of projects and expenditure have not been accompanied by improvements to its medium- and long-term strategic vision or to its sector policies.

857. Financial and budget planning, within a triennial framework, seem to have replaced the planning of development and medium-term sector policies. Two financial rules were introduced between 2006 and 2008. They limit current expenditure and public debt. Programme-based budgeting (PBB), the Performance Management System (PMS) and the MTEF were introduced between 2006 and 2009.

Financial autonomy

858. Mauritius has virtually received no development aid since the beginning of the 1990s. Its budget relies almost entirely on its own resources. However, external debt has risen significantly in recent years, in response to the requests of the Mauritian government, as the country faced the dismantling of the MFAs and as trade preferences

for sugar were gradually abandoned. Abolishing these two could, according to the World Bank, cost between 8 and 9 per cent of GDP, 20 per cent of export earnings and 40 per cent of the public revenues of Mauritius. To deal with this and the shock of the world financial and economic crisis, as well as to encourage major investments for 2009 to 2013, the authorities benefited from a loan to support their development policies. The World Bank, the European Community, the ADB and the French Development Agency funded the loan jointly. This support, which amounted to USD157.4 million in 2008, reached USD397.4 million in 2009 and will reach USD230 million in both 2010 and 2011. Consequently, the share of external debt should increase from less than 1 per cent to between 5 and 6 per cent in the future. It is associated with a particular economic situation that should virtually disappear after 2013.

859. This financial assistance takes the form of budgetary support under the PBB coordinating mechanism that Mauritius is harmonising.

860. Mauritius has partly contained public sector and external debt. The current administration intends to reduce and manage them strategically. Public debt as recently as the 2004-2005 fiscal year amounted to more than 70 per cent of GDP⁴⁹, but has since fallen to about 48.6 per cent in the 2007-2008 fiscal year. About one-tenth of this is owed to external and nine-tenths to domestic sources. This domestic public debt is mainly short-term. That is why it was necessary to develop and implement a strategy for managing debt.

Box 6.1: Debt management strategy

This debt management strategy is intended to be the primary policy tool for managing public sector debt. The strategy sets the objectives for managing government and public sector debt portfolios.

The strategy also sets benchmarks for controlling risk and the medium-term targets for the composition, currency mix, interest rate mix, maturity profile and relative size of public sector debt as required by section 9(2) of the Public Debt Management Act of 2008.

The ceiling for 2008 is 60 per cent of GDP. Mauritius intends to reduce it to 50 per cent of GDP by the end of December 2013.

Section 9(1) of the act sets the strategic objectives for managing debt in Mauritius. These are:

- To meet the borrowing needs of government in a manner that avoids market disruption.
- To reduce the cost of the debt portfolio within an acceptable level of risk.
- To support the development of a functional market for government securities.

861. Mauritius's servicing of its public and private external debt (or its reimbursement against exporting goods and services) remains moderate. It stood at between 6.5 and 7 per cent (in percent of exports of goods and services) recently compared with 9.7 per cent in 2000/2001.
862. Finally, Mauritius is financially autonomous. It has considerable foreign exchange reserves that cover more than seven months of imports. This puts the country in a comfortable position.

Resilience to shocks

863. All of these achievements and policies enabled Mauritius to resist the shock of the economic and financial crisis for the most part. Some sectors (particularly the textile and tourism sectors) did suffer significant setbacks. However, others (especially the ICT and financial sectors) progressed rapidly. This allowed Mauritius to anticipate a growth of about 2 per cent for 2009 and to register a decline in its unemployment rate.⁵⁰ As the prime minister emphasised in his address to the National Assembly, Mauritius has had to overcome six combined shocks: (i) soaring energy prices; (ii) the sudden rise in food prices on the international market; (iii) the world food crisis; (iv) the sudden drop (36 per cent) in sugar prices; (v) the international economic crisis; and (vi) the financial crisis. The Economist Intelligence Unit has just classified Mauritius as one of the group of seven countries where the risk of social unrest, caused by the global financial crisis, is lowest.

Preparations for the future

864. The Mauritian authorities intend to make further progress by beginning, in the midst of the global economic crisis, a vast public investment programme. It will be the most important in the country's history. They plan to build megain-frastructural facilities (a port, an airport and major highways), develop its human capital, assist enterprises and create jobs in order to make Mauritius a regional hub for financial and professional services.

Box 6.2: Investments planned for 2009–2013

Mauritius estimates that its public sector investment programme for 2009 to 2013 will cost Rs119 billion. It will spend Rs7.9 billion of the total project costs on continuing projects up to the end of June 2009. It plans investment activities that exceed Rs20 billion for 2010 and 2011, while it expects to spend an average of Rs14.8 billion in each of the two subsequent years. The projected investment, particularly for 2010 and 2011, reflects the challenging objectives that the government specified for the additional stimulus package in December 2008 in response to the global economic downturn. The focus is on accelerating investment in the infrastructure sector. Based on existing and new projects, the government predicts that public sector investment will decline in 2012 and 2013. This is mainly because it intends to complete a number of approved major infrastructure projects before the end of 2011.

The sectoral breakdown of the public sector investment programme for 2009 to 2013 shows that the investment strategy for the next five years is geared to developing economic infrastructure. It will spend 50 per cent of the budget for the whole public sector investment programme. This is consistent with government's objective to expand and modernise physical infrastructure, which is fundamental for addressing supply-side constraints to growth. There is agreement that infrastructure deficits impose additional costs, limit economic development and affect the competitiveness of the economic sectors negatively. The wheels of growth, therefore, require well-oiled infrastructure in every segment of the economy. Mauritius envisages an ambitious programme of infrastructural investment, worth Rs58 billion, for 2009 to 2013 to remedy the infrastructural deficiencies in major sectors like road, port, airport and energy sectors. This will create a more conducive environment for business development and better opportunities for private sector participation. It will also enable the government to move towards a 'green' island as envisaged in the Mauritius Ile Durable (MID) programme. The MID's investment activities will focus on reducing the dependence on fossil fuels through an optimal mixture of energy sources. This will include renewable energy projects and integrated solid-waste management projects for recycling industrial, commercial and green wastes. A wind farm, with a capacity of between 25 and 40MW at Bigara, and a 20MW waste-to-energy plant at Chaumiere will be parts of the MID programme. The government will also continue to invest in developing waste water infrastructure and protecting the environment. With the completion of the first phase of the National Sewerage Programme, 50 per cent of the population will be connected to the public sewer by 2013.

To ensure reliable supplies of electricity, major projects in the energy sector will include extending a 2.5MW power station at Pointe Monnier, installing two wind turbines of 275kW capacity each at Grenade Rodrigues and building two new diesel units of 15MW capacity each at Fort Victoria Power Station.

Investing in the road transport sector will address the chronic traffic congestion, which is costing government around Rs3 billion annually. The government will develop a viable road infrastructure programme to facilitate access, mobility and road safety across the country through short-, medium- and long-term projects. It will consider an alternative modes of transport system in order to provide a modernised, reliable, affordable and attractive public transport system.

With regard to the port sector, the government will emphasise expanding port capacity to meet the growing demand in port trade in order to make Port Louis Harbour a major transshipment hub. It will gear its investment activities at the port to extending the Mauritius Container Terminal (MCT), constructing a cruise terminal and completing the flood wall at the MCT. It will extend the quay at the MCT to a length of 710m and deepen the basin to 16m in order to maximise the yard area and increase container capacity.

The government will upgrade airport facilities in order to handle increased passenger and aircraft movement and freight volumes. Major investments are expected for implementing phase II of the Passenger Terminal Building, extending the Parallel Taxiway, upgrading the existing runway and constructing a second emergency runway.

The government will continue to improve the infrastructure for providing social services in Mauritius. It will build the new Jeetoo Hospital in order to modernise health services and increase capacity. It will also renovate and modernise Flacq Hospital. It will establish a neuro-spinal block and a new operating theatre at the Victoria Hospital.

Infrastructural development in the education sector will aim at completing the construction of new state secondary schools and at renovating existing secondary schools. It also plans a medium-term renovation programme for the primary education sector.

Source: MOFEE. July 2009. *Public Sector Investment Programme 2009–2013*.

865. This huge investment programme is an integral part of an investment plan. It will be reviewed quarterly, keeping in mind, according to the Public Sector Investment Programme, “resource availability, the status of project preparation and implementation capacity”. The MOFEE, together with the ministries and departments or institutions concerned, developed the 2009 to 2013 programme.

The way forward

866. Finally, Vision 2020, developed about 15 years ago, is outdated for several reasons. At the time of its development, the ICT revolution had not yet happened, the EPZs were expanding rapidly and the prices of food products were stagnant, if not declining. The food crisis was unheard of. The price of energy was low. Global warming was just a theory and not a concern. All the upheavals that occurred since then have had an immense effect on Mauritius and on how it promotes itself in the world. It is necessary to give these issues a new perspective. Finally, a national framework for planning land use and other sectoral strategies is necessary.

iii. Recommendations

867. The APR Panel recommends that the government:

- Develops a strategy and policy for agricultural diversification that prioritises food security in Mauritius. [Government]
- Includes development actions and budgets in the framework of integrated plans and therefore develops:

- o A new long-term vision that takes into account the changes and new challenges facing the country. [Government]
- o A national medium-term economic and social development plan, sector strategies and policies. [Government]
- o A national framework for planning land use that integrates the vision of medium- to long-term economic and social development plans, regional development plans and infrastructural plans. [Government]

Objective 2: Accelerate socioeconomic development in order to achieve sustainable development and eradicate poverty

i. Summary of the CSAR

868. The CSAR gives its analysis and recommendations for this objective in this section. However, it covers some issues, like social security and programmes for integrating vulnerable groups under objective 1. It deals with others, like the welfare state, under objective 3. This summary combines all of these.

The welfare state

869. Unlike many African states, which subscribed to structural adjustment policies during the 1980s, Mauritius resisted pressure to reduce social spending. Instead, it adopted social policies based on universal and free access to education, health and the subsidisation of basic food products. The welfare state of Mauritius offers free medical care, free education and noncontributory old age benefits to all citizens, as well as the most targeted forms of social aid in the form of social welfare, moderate rent, subsidised housing and subsidies on products like rice and flour.

Contributory and noncontributory social benefits

870. Social benefits and allowances can be classified into contributory and noncon-tributory allowances. The government funds noncontributory benefits fully and pays them to Mauritian citizens in certain circumstances. These contributions comprise:

- Basic pensions paid to elderly and disabled persons, widows and orphans.
- Benefits like social aid, food aid, unemployment benefits, and allowances to cover funeral expenses for cyclone victims.

The government pays these benefits to low-income earners and as assistance to unemployed people.

- Allowances to inmates and relief assistance to Mauritians, or on their behalf, who live in government-subsidised institutions (particularly old age homes, health-care units and orphanages), unless they benefit from basic pensions or social aid.

871. The government pays contributory benefits only to persons, or on their behalf, who contributed to the NPF. The benefits include pensions for old and disabled persons, widows and orphans, in addition to the benefits paid out for industrial accidents. The allowances paid vary depending on the amount paid to the NPF by insured employees. The government guarantees a minimal contributory pension to persons who pay marginal contributions.

Other development programmes

872. There are two other programmes. First, there is the Trust Fund for the Social Integration of Vulnerable Groups (TFSIVG), established in 1999. Its main objectives include funding small community development programmes and microprojects, financial support for needy students and support in kind for constructing houses for the poor.

873. The government launched the Empowerment Programme (EP) in 2006. The government designed it to provide training and loans to vulnerable sections of the population, including the unemployed (like workers in the women's clothing industry after the termination of the MFAs), small businesspersons and candidates for social housing.

874. The income support programme, introduced during the 2006/2007 fiscal year, targets the 25,000 families on the list of the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions. These are persons eligible for social aid. Social security employees are responsible for conducting a survey to determine whether a family is eligible for social aid, in which case it receives a monthly allowance of Rs340 (or USD12) for a family of four.

Income distribution

875. Available indicators show that income distribution has deteriorated since 1995. The Gini Coefficient increased from 0.387 in 1996/1997 to 0.389 in 2006/2007. The share of the total income paid to the poorest 20 per cent of households declined from 5.9 per cent to 5.1 per cent,

while that paid to the richest 20 per cent of households increased from 45.2 per cent to 45.7 per cent.

Poverty

876. The World Bank defines the extreme poverty line as USD1.08 PPP per person per day. Less than 1 per cent of Mauritians live below this line. Relative poverty in Mauritius corresponds to half of the median income. Using this definition, there was no significant change in the situation between 1996/1997 and 2001/2002. The proportion of poor households was 7.7 per cent in 2001/2002 compared with 8.7 per cent in 1996/1997. The proportion of poor people was 7.8 per cent compared with 8.2 per cent in 1996/1997. The absolute number of households living below the relative poverty line remained virtually the same: 23,700 in 2001/2002 compared with 23,800 in 1996/1997.

Implementation of the Millennium Development Goals (MDGs)

877. Mauritius's progress in achieving the eight MDGs is generally encouraging.

878. **Objective 1: Eradicate extreme poverty and hunger.** The proportion of people living below the poverty line is less than 1 per cent. There are no statistics for the proportion of people suffering from hunger or for the indirect indicators of the percentage of underweight children and percentage of malnourished people.

879. **Objective 2: Achieve universal primary education.** The proportion of children enrolled at level 1 who reach level 5 has increased and is now close to 100 per cent.

880. **Objective 3: Promote gender equality and empower women.** The proportion of girls at the three levels of education is higher than that of boys. However, other indicators, like the proportion of women in paid employment in the nonagricultural sector, are still relatively low at between 35 and 37 per cent. With regard to the representation of men and women in the National Assembly, Mauritius has a long way to go to achieve the 30 per cent target, set by the relevant SADC Declaration, for women on political and decision-making bodies.

881. **Objective 4: Reduce child mortality.** The indicators are encouraging and keep improving. The child mortality rate dropped from 30 per cent, while that of infant-child mortality showed a remarkable

- decline of 27 per cent between 1990 and 2006. Besides, the antimeasles vaccine coverage rate increased by 21 per cent, from 76.1 per cent to 92.4 per cent.
882. **Objective 5: Improve maternal health.** Mauritius has reached target 6 for maternal mortality thanks to a reduction of 75 per cent in the mortality rate during the same period. In addition, the number of deliveries supervised by qualified health personnel (that is, doctors and nurses or midwives) in hospitals and private clinics has improved considerably. It is close to 100 per cent.
883. **Objective 6: Combat HIV/AIDS and malaria.** The situation in Mauritius seems to be quite good, according to the CSAR. However, it does emphasise that condom use, as a contraceptive or as a method of preventing the human immunodeficiency virus (HIV), the acquired immune deficiency syndrome (AIDS) and other sexually transmitted diseases, is low. Malaria has been completely eradicated in Mauritius.
884. Mauritius is a risk-free malaria zone. The number of deaths caused by malaria is zero.
885. **Objective 7: Ensure environmental sustainability.** Access to potable water and to primary health care is close to 100 per cent in both rural and urban areas. Nearly nine-tenths of people own their houses.
886. **Objective 8: Develop a global partnership for development.** Mauritius's performance in achieving this objective has worsened, especially for women. This is true for the development and implementation of strategies to create productive and decent jobs for the youth. It is also true for the unemployment situation, particularly among the youth. Performance is variable in access to new technologies for information and communication. The penetration rate for mobile phones has increased significantly. The number of subscribers was 614.8 for every 1000 inhabitants in 2006, increasing to 804.4 per 1000 in 2009. With regard to access to computers and the Internet, Mauritius is improving its level of connectivity. There were 223.8 subscribers to the Internet for every 1000 people in 2009, a marked improvement from 114.2 per 1000 in 2006.
887. The CSAR makes a number of recommendations. It proposes improving the coordination and cohesion of programmes intended for the poor in order to fight poverty. With regard to retirement plans, it proposes to sponsor an in-depth study on the basic retirement plan

in order to define its strategy for the ageing population clearly. With regard to salary policy, it proposes the introduction of a minimum salary and more favourable salary compensations for people earning low salaries as well as a review of the mechanism for appointing members of the National Wage Council (NPC) to make the institution more autonomous, independent and transparent.

ii. *Findings of the CRM*

888. This section discusses the findings on the acceleration and sustainability of socioeconomic development.

Accelerating socioeconomic development

889. With regard to accelerating socioeconomic development, Mauritius has registered, since the beginning of 2000, a significant slowdown in its growth rate. It averaged about 4.0 per cent between 2001 and 2009, compared with more than 5.5 per cent in the 1990s. The significant decline in the textile and sugar sectors is one of the reasons for this. The Mauritian public authorities therefore developed and started implementing a highly ambitious investment plan for 2009 to 2013, intended to improve the basic infrastructure and prepare for new development sectors. The objective of this plan is to move to a new stage where the economy of Mauritius is no longer based on the labour-intensive sugar and textile sectors staffed by unqualified workers. Instead, the objective is to move to higher-level services that use qualified workers and, therefore, generate strong growth.

Sustainable development

890. The objective of the sustainable development plan is to ensure the sustainable development of the country. The emphasis is on *île verte*, *Maurice*, *Ile Durable*. These are concepts that should be analysed in detail and organised into several components. They are also part of the investment plan that was launched by a set of energy production projects that hoped to ensure that energy comes from renewable sources. The international financial community was approached. It pledged to contribute to this plan. It should enable Mauritius to absorb the effects of the shocks of terminating the MFAs and the preferences in the sugar sector as well as the recent economic and financial crisis and to build a new economy.

Welfare state

891. Noncontributory social benefits. The state grants benefits to all. They include free public transport for all students and senior citizens as well as subsidies on basic food products.
892. Contributory social benefits. The state provides special protection. It covered the main risks by introducing the unemployment benefit in February 2009.
893. Retirement benefits. The current retirement scheme enables those who contributed 9 per cent of their incomes for 40 full years to receive a retirement benefit equal to one-third of their updated average monthly incomes after the age of 60 years. Those who contributed 13.5 per cent receive 50 per cent of their updated average monthly incomes.
894. The APR Panel questions the adequacy of the current retirement plan. Even though the real retirement benefit includes basic noncontributory and contributory pensions, the change in income is considerable for a large portion of people who change from the status of employed workers to that of retirees. This is why, in accordance with Section 38 A of the National Pensions Act, the next actuarial review (which is due in June 2010) should examine different assumptions, including various retirement schemes enabling employees who have contributed for 40 full years to receive a retirement benefit equal to 70 per cent to 75 per cent of their updated average monthly income from the age of 60 years and from the age of 65 years.
895. The Government Actuary's Department has just published a report on the Mauritian pension fund. It shows that the current pension scheme will continue to generate surpluses until 2045. The fairness of these surpluses must be questioned if retirees receive such modest benefits.

Box 6.3: The financial situation of the Mauritian Pension Fund: Projections of expenditure and revenue until 2040

Current expenditure on contributory pensions is still relatively modest. The projected increase in contributory pension expenditure, in constant price terms, reflects the increasing number of people over pensionable age and the increasing maturity of the scheme. This second factor is partly caused by the increase in the projected number of pensioners relative to the population and partly to the increase in the average number of pension points accrued at retirement. Pensions at retirement, expressed in constant price terms, also increase because of the effect of growth in real earnings.

The income from contributions is currently much greater than the combined expenditure on contributory pensions, industrial injury pensions and administration costs. Estimates for the next 10 years show that substantial amounts of excess income will be available for investment, although the amounts will gradually decline. Estimates also show that, by 2020, the expenditure on benefits and administration costs will exceed the income from contributions. Thereafter, as the expenditure on pensions continues to increase at a faster rate than the income from contributions, the expenditure on pensions and administration costs will exceed the income from contributions by an increasing margin. Investment income and/or the proceeds from the sale of assets must meet this shortfall.

The fund amounted to about Rs38 billion in June 2005. This is more than 60 times the annual level of expenditure on contributory and industrial injury pensions. Projections show that the fund balance will have increased to over Rs88 billion in constant 2004/2005 price terms by 2025 and to more than Rs150 billion by 2045. This is about 29 times more than the annual expenditure on contributory and industrial injury pensions. This projected increase in the fund's assets for the next 40 years is because the combined income from contributions and investments will exceed the expenditure on benefits and administration costs for each year in the projection period.

896. These huge surpluses are based on retirement at age 60. The surpluses will increase considerably if this age is increased to 65.

Unemployment benefits

897. The unemployment benefit was introduced in 2009. The state pays benefits for a maximum of one year. The amount of the benefit is 90 per cent of the salary of the first quarter, 60 per cent of the second quarter and 30 per cent of the last two quarters.

Policy on distribution and industrial relations

898. The key element of the distribution policy is the wage policy, because salaries and wages are the main source of revenue. They amount to nearly 70 per cent of national revenue.
899. Mauritius has made great progress in social protection and promoting welfare, as well as in social dialogue. However, the trade unions

have recently felt that the social reforms are favourable to employers and opposed to the interests of employees. The criticisms levelled against these reforms are a set of measures recently introduced in the legislation. They are reducing the notice period from three months to one month, restrictions to the right to strike and the right to demonstrate, as well as the sanctions imposed on certain union leaders for exercising their legitimate right to demonstrate peacefully. The criticisms are also about the government's refusal to engage in dialogue. There has been no meeting with the prime minister for a year and a half and the minister of finance and economic empowerment has refused to reply to mails the trade unions have sent to him. The consequences of the measure are that the buying power of employees has deteriorated. The establishment of the independent NPC in 2007 was to have changed the way tripartite negotiations on salary compensation, which the trade unions fiercely criticised, are conducted. However, the NPC has not delegated representatives to serve on it.

900. Employers and officials are also highly critical of the unions, which they often see as the opposition or as a hindrance that is seriously out of touch with the competitiveness and globalisation that comes with changing times.
901. On examination, the wage policy has caused macroeconomic shocks and frustrations. Two bodies are responsible for it. These are the NPC (or tripartite forum comprising representatives of the unions, employers and the government), which is responsible for annual compensations, and the Pay Research Bureau (PRB), which is responsible for the salary increments that should accrue every five years to the public sector. The annual increments were low and compensated only partly for inflation over the past eight years, while the five-year increments for 2003 and 2008 were very high. During the third quarter of 2008, for example, the wage rate index increased by 18.5 points. It went from 109.7 to 128.2 points (or 16.9 per cent). They were much higher in the public sector (33.9 points or 32.8 per cent).

Table 6.1: Compared variations in the wage rate and inflation rate (2000 was the base year with a real wage rate of 100)

Year	Nominal wage rate	Inflation rate	Real wage rate
2000	100.0	100.0	100.0
2001	105.0	106.3	98.8
2002	109.9	111.7	98.4
2003	122.7	116.1	105.7
2004	130.4	122.6	106.4
2005	136.9	128.8	106.3
2006	142.1	142.6	99.6
2007	148.2	155.2	95.5
2008	168.8	165.9	101.8

Source: Central Statistics Office (CSO). 17 April 2009. The base period was September 2000 for 2000 to 2006. After that, the base period was September 2006.

902. The base of the statistical series was September 2000 until September 2006. Since then, the base has been September 2006. To keep the same series, the two series were combined. The inflation rate was that of the financial year and not the calendar year.
903. With these compensations, the real wage rate index will maintain the 2000 level. It may exceed it a little, but the improvements in productivity will only partly affect the standards of living of employees.
904. The absence of dialogue is a real concern. Mauritius's only solution is to establish a fruitful partnership between the trade unions, employers and the government.
905. It needs a social model that acknowledges the different interests. It also needs a compromise. This will benefit the growth and development of the whole country, subject to concessions to, and mutual benefits for, the social stakeholders. A few countries – especially the Nordic countries – have successfully implemented such a model, and Mauritius could draw inspiration from it.

Box 6.4: Flexicurity: Operating procedure

What is flexicurity?

Flexicurity is an integrated strategy aimed at simultaneously improving flexibility and security in the job market.

Flexibility, on the one hand, refers to the succeeding changes ('transitions') in life: (i) between education and the world of work; (ii) between jobs; (iii) between unemployment and inactivity; and (iv) between work and retirement. It does not mean that one should allow more freedom to enterprises to recruit or dismiss staff or that fixed-term contracts belong to the past. It means facilitating the progress of workers towards better jobs, promoting 'upward mobility' and developing talents fully. Flexibility also means organising labour. This will help to meet new production needs, to master new and necessary skills, and to facilitate the reconciliation of professional and private responsibilities quickly and efficiently. Security, on the other hand, means more than keeping one's job. It means giving people the necessary skills to enable them to progress in their professional lives and helping them to find new jobs. It also means giving them appropriate unemployment benefits to facilitate change. Finally, it includes training opportunities for all workers (particularly unskilled and older workers).

This approach, therefore, enables enterprises and workers to take full advantage of both flexibility and security. It means better organised labour, the upward mobility that results from developing skills and investing in profitable training for enterprises, and workers who can adapt to and accept change.

The components of flexicurity

The CRM and member states, relying on their experience and several analyses, have arrived at a consensus according to which flexicurity policies may be developed and implemented through four policy components:

- Flexibility and protection of contractual provisions (from the perspective of both employers and workers) within the framework of the right to work, collective agreements and organisation of modern labour.
- Global and lifelong learning strategies to ensure that workers, particularly the most vulnerable, are able to adapt to change and take up permanent employment.
- Efficient, active labour market policies that allow individuals to face rapid changes, reduce periods of unemployment and facilitate the transition to new jobs.
- Modern social security systems, which provide aid and adequate incomes, encourage employment and facilitate mobility on the labour market. This presupposes a wide range of social protection benefits (unemployment benefits, pensions and health care) that allow people to reconcile their work with their private lives and family responsibilities like raising children.

Source: Commission of European Communities. 20 June 2007. *Towards Common Flexicurity Principles: More and Better Quality Jobs by Combining Flexibility and Security*. Brussels.

Poverty

906. Mauritius has no extreme poverty line. It has a relative poverty line equal to half of the median income. It also has a Relative Development Index (RDI) for identifying the priority areas of poverty reduction programmes.
907. The CSAR emphasises that there are virtually no Mauritians living below the World Bank absolute poverty line of USD1 per person Participatory Poverty Assessment (PPA) per day. This line applies to the least developed countries. For a country like Mauritius, the most appropriate line would be between USD2 and USD4 PPA per person per day. The CSO gave the CRM the relevant statistics:

Table 6.2: Poverty rate based on different poverty lines⁵¹

	1996/1997	2001/2002	2006/2007
USD2 a day per person			
Number of households below the poverty line	2,832	2,434	2,237
Proportion of households below the poverty line	1.03	0.79	0.67
Proportion of persons below the poverty line	1.43	1.13	1.09
USD4 a day per person			
Number of households below the poverty line	36,307	33,534	31,933
Proportion of households below the poverty line	13.23	10.93	9.55
Proportion of persons below the poverty line	16.96	14.13	12.78

Source: Central Statistics Office (CSO)

908. The general trend, irrespective of the poverty line used, is the relatively slow reduction in the proportion and number of poor people, especially in the past five years.
909. An analysis of the situation using the RDI is only possible for 1990 to 2000. It shows a significant improvement, because the proportion of people living in areas with an RDI of more than 0.700 increased from 20.6 per cent in 1990 to 73.6 per cent in 2000. One should wait for the results of the next general population census to determine the trends that emerge during the 2000 decade.

51 - USD1 is USD1.08 in terms of 1993 PPP estimates. This was equivalent to about Rs9.4 in 1996/1997, Rs12.50 in 2001/2002 and Rs16.70 in 2006/2007. USD4 was equivalent to about Rs37.4 in 1996/1997, Rs49.9 in 2001/2002 and Rs44.8 in 2006/2007. It should be noted that the PPP differs from the exchange rate. The PPP is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with USD1 in the United States of America (USA).

iii. Recommendations

910. The APR Panel recommends that the government:

- Develops and implements a targeted poverty eradication policy based on assistance in cash and kind intended for households or persons identified as 'poor'. [Government]
- Organises a national consultation, together with the unions and the private sector, about the ways and means of ensuring sustainable social benefits that are more effective and more efficient against unemployment and old age risks. [Government]
- Develops and implements a wage policy based on a fair distribution of the fruits of growth. [Government]
- Initiates dialogue with the trade unions and the private sector in order to develop a new social model that balances the competitiveness (flexibility) of enterprises with the security of employees and their right to decent work. [Government]

The APR Panel recommends that the trade unions and the private sector begin frank dialogue and make clear commitments to:

- A social compromise that facilitates the successful integration of Mauritius into the world economy and balances competitiveness (flexibility) with the security of employees and their right to decent work. [Government]
- An annual review of salaries based on a fair sharing of the fruits of growth. [Government]
- A reform of the social protection system that is focused on efficient coverage of unemployment and old age risks and a distribution that facilitates the sustainability of this coverage. [Government]

Objective 3: Strengthen policies, delivery mechanisms and outcomes in key social development areas, including education for all, and HIV and AIDS and other communicable diseases

*i. Summary of the CSAR**Health*

911. The greatest achievements of the Mauritian health system include improving life expectancy, child and maternal health, control of infectious diseases, as well as the population control programme. Life expectancy at birth for the entire population is currently 72.7 years.

This is close to an average increase of 10 years in life expectancy since independence. The infant mortality rate (the number of deaths of children aged younger than one year old per 100 births) fell from 27.3 in 1986 to 14.1 in 2006.

Public health sector

912. Medical consultations and care are free in all hospitals and health centres. The healthcare system is organised into three levels: primary, secondary and tertiary. The primary level provides basic health care and is organised around a network of health centres, medical clinics, dental clinics and the external consulting services of hospitals. The present network comprises two medical clinics, 23 regional health centres and 103 community health centres.

913. The secondary level consists of district and regional healthcare services, two district hospitals and five regional hospitals. They provide primary health care and emergency services. They also supervise satellite and community regional health centres. The services they provide cover accidents and emergencies, general medicine, general and specialised surgery, gynaecology and obstetrical services, orthopaedics and traumatology, paediatrics and intensive care.

914. The tertiary level provides high-technology health care. It comprises four specialised hospitals, with a total capacity of 980 beds (including 803 beds at the psychiatric hospital), and a cardiography centre in a 53-bed institute offering multidisciplinary specialised services in heart surgery, invasive cardiology and neurosurgery.

Private health sector

915. The private sector plays an important role in the health services. There are two types of private health services: (i) private clinics for dental care and private clinics with beds for admission; and (ii) facilities for tests, consultations and diagnosis – mainly radiology and clinical pathology – as well as operating and child-delivery theatres. There are currently 13 clinics with hospital services that, apart from kidney dialysis, perform heart surgery and other services.

Morbidity

916. **HIV and AIDS.** There are 3,938⁵² people currently living with the virus in Mauritius and the prevalence rate among the adult population is estimated at 1.8 per cent. There has been growing concern about the rapid spread of the epidemic in recent years, mainly because of the exchange of contaminated syringes between prisoners and drug addicts.
917. The government has developed a multisector national strategic framework on HIV and AIDS for 2007 to 2011. Its objectives are to identify the main constraints and to get the necessary commitment to achieve the MDGs, specifically to halt and begin to reverse the spread of the epidemic by 2015. The government has intensified its methods of curbing the threat of infections associated with HIV and AIDS by launching a programme on exchanging syringes (exchanging one contaminated syringe for a clean one) so that the virus is no longer transmitted through this method. To create a favourable institutional and legal framework for implementing the programme, the government promulgated the HIV/AIDS Act in 2006. Finally, with the support of the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the World Health Organization (WHO), the government recently introduced a programme for treating drug addiction with methadone.
918. **Noncommunicable diseases.** Today, the greatest health risks are noncommunicable diseases, which account for more than 80 per cent of serious diseases. The most recent study on noncommunicable diseases, conducted in 2004, shows that the prevalence rate of noncommunicable diseases, through diseases like diabetes and hypertension, has increased during the past 10 years.
919. The government has tackled these problems through a series of measures. They include:
- Sensitisation campaigns.
 - Organising full medical tests, including dental tests for primary school children and secondary school students.
 - Programmes for testing for noncommunicable diseases in regional health centres and places of work.
 - Establishing the Mauritian Health Institute and the Belle Rive Medical School. They offer training courses to specialised medical staff in rare disciplines, particularly ophthalmology and

- anaesthesia, as well as the ongoing project with the University of Bordeaux for training cardiologists.
- Establishing a steering committee on biomedical research and technological innovation, under the aegis of the prime minister, to develop a white paper that presents proposals on developing a national service framework for diabetes, metabolic syndromes and other chronic diseases.
 - Parliament's adoption of a new regulation on tobacco and alcohol consumption in public places in order to protect nonsmokers and discourage using these products.
920. The surveys conducted with stakeholders show that most of the persons interviewed think that the quality of health services needs to be improved considerably. Hospitals should raise their standards in terms of staff, infrastructure and drugs. New and sophisticated equipment should be acquired. More hospitals and dispensaries should be built in both rural and urban areas. Some stakeholders complain about the inadequacy of care, the shortage of qualified medical staff, poor treatment from doctors and midwives, and even that doctors and midwives do not attend to their patients, except when it comes to their pockets.

Education

921. The 2005 Education Act increased the age for compulsory schooling from 12 to 16 years. The gross enrolment rate was 95 per cent for nurseries, 102 per cent for primary schools and 69 per cent for secondary schools in 2006. The ratios for girls were 95 per cent, 101 per cent and 72 per cent respectively.
922. In higher education, total enrolment in publicly funded institutions (such as tertiary education institutions and others), private providers/distance education providers and overseas institutions amounted to 33,230 students in 2006. This is the equivalent of a third of the population aged between 20 and 24 years engaged in part-time, full-time or distance education studies. The government is in the process of creating the Open University of Mauritius to conform to the policy of democratising and extending access to higher education.

923. Reforms at the preprimary, primary and secondary levels are aimed as follows:
- There has been an abolition of ranking/classification at the Certificate of Primary Education (CPE) level, this being substituted by a grading system which allows entry into national and regional colleges, depending on the grades obtained.
 - Generally, education has been made compulsory up to the age of 16, i.e. 11 years worth of free compulsory education is being provided.
 - Adopting the principle of regionalisation at the secondary education level and constructing schools of equal standing in all regions.
 - Eliminating the distribution of pupils by levels in schools.
 - Promoting science and technology in the education system.
 - Equipping children with useful skills for society and the world of work.
924. Although Mauritius has managed to maintain its free education policy at the primary and secondary levels, there are a number of problems and challenges. There are serious problems of inequality, which are manifested in inadequate regional and ethnic performance. Although the state has created a vast network of primary and secondary institutions throughout the nation, there are important differences in the level of standards. These differences are glaring in the secondary education sector, where a small number of institutions, considered as 'lead establishments', attract students from all the regions. More specifically, the CPE flies in the face of the 'Education for All' concept. It prioritises academic performance and neglects the emotional and psychological development of the child. The government has approved programmes, which in the long term should lead to the abolition of the CPE, but it has implemented very few recommendations since. Another stormy debate is about introducing the mother tongue as a medium of instruction in primary schools.
925. Successive governments attempted to raise the level of performance of the most inefficient schools. They called the first initiative the 'project schools', now called *Zone d'Éducation Prioritaire* (ZEP). The ZEP project is an integrated strategy that aims to address failure rates in the CPE examination, improve the performance of disadvantaged children in the weak establishments, improve infrastructural facilities and the environment, and eliminate exclusions, poverty and discrimination from schools.

926. At the end of its analysis, the CSAR recommends that the government:
- Improves the quality of equipment in public health structures and reduces the staff shortages; relaunches the sensitisation campaigns on HIV and AIDS, and includes schools in the campaign; increases the penalties for drug trafficking; and enforces the ban on smoking in public places.
 - Emphasises cultural activities more in teaching programmes from the primary level; increases the capacity of universities to accept students; and introduces on-the-job training for teachers.
- ii. *Findings of the CRM*
927. The CRM thinks that the CSAR has addressed the basic social sectors clearly, particularly education and health, and that Mauritius has made considerable progress in these areas. The country is in the process of finalising its 2009/2020 strategy for education after a participatory process and very rich national debates. However, the strategy for the health sector has been delayed. It has developed a 2015 strategy, organised around the MDGs, for maternal and child care. Unfortunately, this is not the case with the other sectors. It is necessary to harmonise sectoral strategies (including their time frames) and integrate them with a comprehensive plan.
928. The state has eradicated communicable diseases, although HIV and AIDS still cause concern. Current maternal and infant mortality rates are among the lowest in developing countries. With regard to noncommunicable diseases, which are now the main causes of death, it has developed sensitisation, prevention and treatment programmes.
929. Universal and free access to health care is one of the major characteristics of the public health system in Mauritius. It meets the needs of the people quite well, but it is faced by ever-increasing demand and suffers from market saturation. The queues for consultations are getting longer and there are sometimes considerable delays before patients can undergo serious surgery. The quality of treatment is sometimes poor, even in those cases that are less critical.
930. Mauritians are increasingly using private health facilities. According to the WHO, private health spending is 51.1 per cent of total health expenditure in Mauritius. The extremely rapid development of structures and private clinics during these past years is certainly an illustration of an entrepreneurial dynamism and a demand for high-

level comforts. It is also the expression of dissatisfaction with public health services. In reality, public health expenditure is moderate. It is only 1.9 per cent of GDP, whereas the average is between 3 and 3.5 per cent of GDP in the upper middle-income countries to which Mauritius belongs. Per capita public health expenditure was USD97 and USD114 PPP in 2006, compared with USD254 and USD389 respectively in the group of upper middle-income countries.

Table 6.3: An international comparative perspective of health expenditure in

	Total health expenditure as a percentage of GDP	
Mauritius	3.9	
Low-income countries	4.3	
Low middle-income countries	4.5	
Upper middle-income countries	6.3	
High-income countries	11.2	
Public health spending per inhabitant in USD	At the average exchange rate	At PPP
Mauritius	97	114
Low-income countries	13	21
Low middle-income countries	42	78
Upper middle-income countries	254	389
High-income countries	1,608	2,335

Source: WHO World Health Statistics 2009.

931. The trend is that health expenditure will increase because of the increase in noncommunicable diseases, the risk factors inherent in old age, environmental changes and changes in the lifestyles of people.
932. The public health system is under real tension. It clearly needs considerable financial resources to meet the increasing needs of the people. While it is admirable that Mauritius is able to provide free health care, the shortage of resources poses a real constraint to the quality of health care.
933. HIV and AIDS also remains a concern given that a number of new cases have been detected recently.

Table 6.4: Annual number of new cases of HIV and AIDS detected among Mauritians

Year	Number
2001	55
2002	98
2003	225
2004	525
2005	921
2006	542
2007	546
2008	538

Source: Government of Mauritius

934. The main causes of infection (more than four-fifths) since 2003 are the use of intravenous drugs. Controlling drug addiction and the exchange of syringes among drug addicts has not yet helped to curb, or at least reduce, the phenomenon.
935. With regard to education, the gross enrolment rates achieved at all levels from primary education to higher education are impressive. In 2008, the rates were 94 per cent for preprimary education, 101 per cent for primary education, 74 per cent for secondary education (academic and prevocational training) and 41.4 per cent for higher education. Education is a key value in Mauritian society. It seems to be the cornerstone of social mobility. Right from the primary level, parents organise private tuition for their children so that they can feature among prizewinners and get into the most prestigious colleges. Failing to complete academic studies is often given as the reason for poverty.
936. Education is free at all levels and the government has spent, on average, between 3.2 per cent and 3.3 per cent of GDP on education in recent years. Organisation for Economic Co-operation and Development (OECD) countries spend an average of 5.9 per cent of GDP on education. Of this, 5.2 per cent comes from the state and 0.7 per cent from the private sector or households. Of the 19 developing countries that participated in the World Education Indicators (WEI) evaluation, the average is 4.8 per cent, of which 4 per cent comes from the state.

937. Still in the area of education, Mauritius distinguishes itself by an excellent cost effectiveness, discounting the fact that the rigorous quality indicators are absent in Mauritius.

Table 6.5: Education expenditures of Mauritius in an international comparative

Level	Mauritius	OECD average	WEI average
Preprimary	1.7	18	9
Primary	9.2	29	13
Secondary	19.6	26	16
Tertiary	17.9 to 27.0*	43	58

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO). 2006. *Education Counts. Benchmarking Progress in 19 WEI Countries. World Education Indicators 2006.*

*A range (and not a specific percentage) is given, since the statistical data provided cover a section called 'other ministries' in education expenditure without indicating the level to which they correspond. Depending on whether the contribution is allocated totally to higher education or is entirely devoted to other levels of teaching, the percentage changes. It is 17.9 per cent of GDP if the expenditures of the other ministries are entirely devoted to the other levels and 27 per cent if they are wholly devoted to higher education.

938. As the table shows, education expenditure in Mauritius is low compared with the OECD countries and with the other developing countries (WEI). Secondary education is an exception. Mauritius spends more than the average as per the World Economic Indicators (WEI) countries but clearly less than the OECD countries.
939. The difference is most visible in higher education, where public expenditure per student in public institutions is, at best, only 27 per cent of per capita GDP. This proportion is more than double in the WEI countries. It is 43 per cent in OECD countries.
940. It is, however, clear that interruptions to education before the age of 16 and the low level of higher education are disquieting.
941. The CPE examination, which has had an average success rate of around 65 per cent in recent years, does not augur well for young people who want to pursue secondary education. Some of them may pursue vocational training, but this is not the case for a great number.
942. Private tuition is becoming increasingly common in primary and secondary education, particularly among high- and even middle-

income earners. Teachers give these private classes outside public institutions and charge high rates. They are a source of social discrimination at two levels. They are not accessible to pupils from low- and even average-income families on the one hand, and, on the other, the priority that a considerable number of teachers give to the parallel classes they give affects the quality of public teaching.

943. Higher education seems to have few resources and the quality is average. An increasing number of young Mauritians therefore pursue higher education abroad. The number of Mauritians who studied abroad increased from 2,423 in 2000 to 11,248 in 2008. The number therefore increased by 464 per cent. The number of those who pursued their higher education studies in Mauritius increased, during the same period, from 14,312 to 27,375, an increase of only 191 per cent. Students studying abroad tend to study mainly in the United Kingdom (2,608 students), Australia (2,422 students), France and Reunion (1,928 students) and India (1,239 students).
944. There have been no surveys on how many students return to Mauritius. However, it is clear that only a small minority come back to settle in Mauritius. This brain drain is very harmful. Mauritius's ambition to become a financial and ICT hub will only materialise when the country succeeds in establishing even better quality education at the tertiary level and manages to retain and encourage its highly qualified professionals, presently based abroad, to return home.

iii. Recommendations

945. The APR Panel recommends, in respect of education, that the government, together with the private sector and civil society:
- Strengthens and diversifies the measures that will ensure respect for the principle of compulsory education until the age of 16. [Government, private sector and civil society]
 - Rapidly introduces reflective and visibility studies to improve the quality of higher education substantially and to make Mauritius a university centre that is a shining example to the African subregion and one that attracts the greatest world minds. [Government, private sector and civil society]

The APR Panel recommends, in respect of health, that the government, together with the private sector and civil society:

- Develops a policy to upgrade equipment, improve the conditions of employment and increase the number of medical and paramedical personnel in public institutions. *[Government, private sector and civil society]*
- Introduces social contributions, initially modest but increasing, that employees and employers make to the health insurance scheme. *[Government, private sector and civil society]*
- Analyses quickly why the fight against drug addiction, HIV and AIDS has not achieved the expected results and makes this objective a national priority. *[Government, private sector and civil society]*

Objective 4: Ensure affordable access to water, sanitation, energy, finance (including microfinance), markets, ICT, shelter and land for all citizens, especially the rural poor

i. Summary of the CSAR

946. The Central Water Authority (CWA), a public enterprise, ensures water supply in Mauritius. The last Population and Housing Census (in 2000) showed that 83.7 per cent of households had access to running water compared with 56 per cent in 1990. A survey conducted by the WHO in 2003 showed that 100 per cent of households had easy access to running and potable water in both urban and rural areas. On the other hand, the Wastewater Management Authority (WMA) ensures connection to the waste water system. However, not all households will be connected to the system before 2030.
947. The 2005 Electricity Act (Act 7 of 2005) ensures access to energy for all. The act grants a monopoly to the Central Electricity Board (CEB), a parastatal agency, for distributing and marketing electricity, even if this enterprise produces only 58 per cent of the country's energy needs. Independent producers provide the rest. Electricity charges per kilowatt are low, despite the rise in international oil prices and increases in the price of coal. These make up 75 per cent of the cost of producing electricity and cause the CEB to lose money. The CEB last increased the price of electricity in April 2008 and has not succeeded in balancing its accounts. The government does not seem willing, in a pre-electoral period, to run the risk of a further increase.
948. The government plans to open electricity production more to the private sector pending technological developments to allow the use of bagasse (a fibrous residue from sugar cane and sorghum). It hopes

to improve its technological capacity in order to guarantee electricity supply and maintain the prices at acceptable levels for businesses and the people. That is precisely the priority objective of the 2007 to 2025 Mauritius Ile Durable Project.

949. With regard to access to communication technologies, Mauritius currently has the highest communication density in Africa. In 2006, Mauritius had 284 subscribers to landline, 614 subscribers to mobile phones and 109 subscribers to the Internet per 1,000 inhabitants.⁵³ The Internet covered 90 per cent of the national territory and there were 250,000 Internet users. Nearly 20 per cent of households had access to a computer. Mauritius Telecom (MT) established the only fully digital network in an African country. The Information and Communication Technologies Authority (ICTA) governs the ICT sector. Its mission is to promote "affordable and adequate access to quality ICT services through a competition determined by the market and regulatory principles in a peaceful society of information and interconnected knowledge".
950. The government supports the promotion and development of ICTs. It actively encourages the emergence of a labour force that is familiar with information technology. Consequently, the Mauritian economy has diversified rapidly, thanks to the Information Technology-Enabled Services (ITES) that the Information Technology Promotion Agency (IPA) service companies and call centres dominate. Although the IPA represents half of the sector, call centres are the greatest sources of investment and are already major creators of jobs. The ITES also comprise software development companies, multimedia companies, takeover centres for disasters, and an online education centre. The Board of Investment (BOI) approved projects for ICTs and the media in 2006. They have a total investment of Rs794 million (including Rs681 million from foreign sources). These projects have generated 1,202 jobs. Foreign direct investment (FDI) in this sector, through the BOI, amounted to Rs418 million in 2007. The ITES employed 7,500 people and should increase the total number of employees to 10,000 by 2010.
951. According to the 2000 Population and Housing Census, 87 per cent of the people owned their homes compared with 76 per cent in 1990. It was estimated in 2008 that 90 per cent of the 330,000 households in the country own the houses they occupy. However, the problem of housing for low-income families persists. It is estimated that nearly 200,000 housing units need to be constructed by 2020. It is only at this

sustained rate of new constructions that households with monthly incomes of less than Rs10,000 could benefit from them. Without specific aid, households with modest incomes will continue to be excluded from real estate markets.

952. The government implemented a policy for low-cost housing with the national housing programme. The establishment of the National Housing Development Company (NHDC) favoured the economically disadvantaged groups mainly. Nearly 20,000 people sent housing applications to the NHDC in 2006 and 2007 alone. This is half of the applications submitted in the early 1990s. The NHDC aims to build nearly 1,000 houses each year in order to achieve the objectives of the government's housing programme. The objective of this programme is to provide a home or decent housing for every family.
953. The NHDC had already built more than 10,000 homes, for a total investment of Rs3.5 billion, by 2008. The homes should take into account the natural environment. Measures have been taken to ensure access to the sanitation network, drainage systems, electricity and water. The NHDC provides facilities through: grants of up to Rs60,000 for slab casts; grants of up to Rs60,000 for the purchase of construction materials for surface areas of up to 100 m²; or grants of up to Rs40,000 for surface areas of up to 50 m². It intends these homes for the most vulnerable people. They comprise a single room for a monthly rent of Rs900 and Rs1,200 respectively. It then hands the homes over to the inhabitants to continue the construction, depending on their financial resources. The current policy aims at providing decent, strong and adequate housing for each household, facilitating access to residential land and private property for all social classes, and creating appropriate infrastructure and services in all residential areas.
954. The main government initiatives are summarised below.
- The government has acquired between 2,000 and 3,000 hectares of land throughout the country, thanks to the EP. It will divide them into allotments of 60 height gauges and sell them at affordable prices to landless families with monthly incomes of Rs8,500 (USD300).
 - The government has a National Housing Fund with a budget of Rs500 million (USD17.5 million). The National Housing Fund will receive and manage 1,000 ha of land guaranteed by the Mauritian Association of Sugar Producers within the framework

of the Sugar Reform. It will improve the funding of housing by developing and supervising a programme of constructing new community houses. It will establish nearly 10 mixed-income communities on the 1,000 ha. It will build each community as an attractive village while taking into account new economies of energy and environmental norms. Each community will have bicycle tracks, pavements for pedestrians, large internal roads and appropriate parks and public places.

- The government has extended the integrated housing programme to Bambous, together with its education, empowerment and training components, to favour more low-income families. It implements this project together with nongovernmental organisations (NGOs) and the private sector.
- The government has offered Rs170 million (USD6 million) for the construction of 774 Firinga homes on 10 sites across the island for very low-income families. A total of 1,582 Firinga homes were constructed during the past three years. In addition, the TFSIVG will finance the construction of 1,100 additional homes in 229 poor areas after July 2008.
- The government has leased plots of public land of between 50 and 55 height gauges each, with all necessary infrastructural facilities, at an annual rate of Rs3,000 (USD105) for low-income families. Nearly 300 plots in different regions should be distributed between 2008 and 2009.
- The government has launched two housing-loan programmes. The first aims at assisting owners of affordable housing units to extend their homes gradually. The second intends to assist average-income couples who have just acquired their homes. The programme will rely on commercial banks to provide mortgages. To make the payments affordable, the mortgages will be spread over a period of 35 years. The Social Housing Fund will subsidise the initial monthly payments so that the couples do not pay more than 35 per cent of their total monthly incomes.

ii. Findings of the CRM

955. The CRM notes the direct involvement of the state in producing and distributing water and electricity as well as offering sanitation services. The main providers of these services are the CWA, the WMA, the Water Resource Unit, the CEB, the Energy Services Division and the Radiation Protection Authority. They are specialised public operators and fall under the Ministry of Renewable Energy and Public Utilities (MREPU).

956. According to the 2000 Population and Housing Census, 83.7 per cent of households had access to running water. This is a vast improvement from the 56 per cent of households in 1990. According to a survey conducted by the WHO in 2003, 100 per cent of households now have access to running and potable water (through private connections or public standpipes) in both rural and urban areas. Water supply is therefore regular, except in Rodrigues.
957. The domestic financial situation of the CWA, which has a structural deficit, is not yet affecting water production and distribution or the development of its systems. This situation, however, is not sustainable.
958. A specialised public water agency, the WMA, ensures the management of waste water. It was created within the framework of the Sewerage Master Plan in the early 1990s. There is a major delay in connecting households. Only 50 per cent of the population will be connected by 2010 and hardly more than 80 per cent will be connected by 2020. One will have to wait until 2030 to achieve 100 per cent connection of households.
959. Major efforts are still needed to accelerate the connection of a higher number of households to the waste water system. This is an unfortunate delay from the perspective of both the quality of life and the environment. Impending population increases and the rapid expansion of new industries will exacerbate the situation. If 200,000 new housing units were built, measures to improve waste water removal and treatment systems should be taken to maintain the current natural balances. Serious diseases like tuberculosis or typhoid may become more threatening if measures for improving sanitation in the living environment are not taken quickly.
960. Protecting the marine environment is important to public authorities, because they treat all the waste water evacuated into it. They also protect this environment from dumped solid effluents, whether industrial or domestic. Beneficiaries are required to pay a fee to access evacuation systems, but nothing shows that the public authorities make sure that the greatest users and polluters are precisely those who pay the highest fees.
961. Access to energy is ensured for all, although the state alone does not produce the energy consumed. The CEB, an agency supported by the state, has the monopoly for distributing electricity. This agency produces only 58 per cent of the country's total energy, while independent producers produce the rest. The public authorities try

to keep the cost of electricity per kilowatt relatively low. There was a small increase in energy prices in February 2008. However, the increase was inadequate given the balancing needs of the CEB and the government's reluctance to increase tariffs in a pre-electoral period. The study of alternative solutions to ensure the long-term access of all to energy and at a reasonable price is a challenge. The 2007 to 2025 study, *Maurice Ile Durable*, currently being formalised, should address it fully.

962. The results achieved by the government and all stakeholders to establish adequate ways of ensuring extensive and inexpensive access to communication systems, the Internet and information-processing facilities are encouraging.
963. The costs of public services are generally affordable to all, although transport and household items (like electricity, water and gas) are still expensive for households.
964. There have been some limitations to the offer of immediate housing for all, despite the considerable achievements made. The average price of each of the 10,000 houses the NHDC built in 18 years is still relatively low and affordable. The different housing-loan facilities and the assistance offered to low-income population groups do help.
965. The other state initiatives, aimed at helping households to acquire houses, are also interesting. They include: (i) acquiring nearly 3,000 ha of land and selling it in batches, at affordable prices, to families with incomes that do not exceed Rs8,500 per month; (ii) establishing the National Housing Fund with a budget of Rs500 million; (iii) launching credit schemes to assist homeowners to extend their homes; and (iv) subsidising couples with average incomes to buy houses. Another initiative was to reactivate the Housing Development Certificate to assist promoters to buy converted sugar farms.

iii. Recommendations

966. The APR Panel recommends that the public authorities:
- Develop differentiated rates for the different public services to ensure financial equilibrium and sustainability and to improve social equity. [Government]
 - Introduce taxes proportional to the costs of evacuating waste water and solid wastes to ensure respect for the polluter-payer principle. [Government]

- Introduce, in order to improve access to housing, a system to assist the small and medium enterprises (SMEs) that help to implement the different social housing programmes. [Government]
- Introduce tax reductions or subsidies for the purchase of computers and accessories and provide incentives to encourage their use. [Government]
- Encourage the exchange of land for tax and parafiscal benefits in order to provide small farmers and their families with land capital. [Government]

Objective 5: Progress towards gender equality in all critical areas, including equal access to education for all girls at all levels

i. Summary of the CSAR

967. The CSAR reviews thoroughly government's commitment to promoting gender equality in all its aspects. It also focuses on the current legal and institutional framework. It reviews all the measures the government has adopted to improve gender equality and to facilitate the participation of women in key areas of economic and social life, including the process of making decisions.
968. The CSAR also analyses responses to the questionnaires that the different groups completed on: (i) current laws to protect women's rights; (ii) the government's commitment to gender equality; (iii) the participation of women in public life; (iv) gender issues (like harassment and discrimination); (v) representation on decision-making bodies; (vi) obstacles impeding the professional development of women in the private sector; (vii) wage differences in the private sector; and (viii) promotion in the public and semipublic sector.
969. The CSAR notes that the constitution of Mauritius, which guarantees equal rights to all citizens, was amended in 1995 to make gender-based discrimination illegal. The Sexual Discrimination Act of 2002 abolished discrimination based on gender, civil status and pregnancy or family responsibility. It also made all forms of sexual harassment in the workplace, in academic institutions, in the supply of goods and services, in the accommodation and renting sector, and in the renting or sale of real estate illegal.
970. The Ministry of Women's Rights, Child Development and Family Welfare (MWRCDFW), created in 1982, was given the mandate to strive for the elimination of all forms of discrimination against women and to promote and manage the integration of a gender-

based approach in the development, implementation and control of policies, programmes, activities and budgets. Mauritius ratified CEDAW in 1985. This reaffirmed its commitment to women's rights and gender equality.

971. The CSAR observes that, by signing this agreement, Mauritius pledged to adopt a series of measures to eliminate all forms of discrimination against women. These include abolishing all discriminatory laws; adopting laws that ban discrimination against women; establishing tribunals and other public institutions to protect women against discrimination; and penalising acts of discrimination against women.
972. The country consolidated its progress to legalising gender equality when it launched its new Gender Policy in 2008. This reflects its vision for gender equality. It also engages all stakeholders and all sectors in trying to achieve this objective. The policy also calls for a strategic partnership between the state, organisations, the private sector, the media, political parties and civil society organisations to consolidate the resources allocated to promote the gender equality that development requires.
973. The CSAR analyses the results of the responses to the questionnaire. It notes that most of the people interviewed are satisfied that the laws promulgated to protect the rights of women (the Protection from Domestic Violence Act, the Equal Opportunities Act and the Gender and Discrimination Act) are appropriate. Discrimination, however, continues because many women are unaware of their rights and the various appeal mechanisms that they have. The CSAR notes that, despite the feeling of satisfaction they have about the actions of the government to support women (like solving their specific problems, sensitising them about their rights, and improving their skills via various programmes), many people think that the resources are inefficiently used and that most women ignore these programmes and do not benefit from them.
974. Women are underrepresented on political bodies and in decision-making structures. These include Parliament, local government and the executive. The CSAR notes that men dominate Parliament and make up 83 per cent of its representatives. They also dominate government, which has only two female ministers out of 20⁵⁴, and the corps of municipal councillors, where women make up only 6.4 per cent of the total. Mauritius is a member of the SADC and signed its Declaration on Gender and Development. However, it has not ratified

it yet and its representation of women, as specified in the declaration, remains below the 30 per cent quota.

975. The CSAR notes that there are still disparities that disadvantage women. These are:

- Insecurities in employment and pronounced salary differences in the private sector. In the agricultural sector, for example, there may be a difference of Rs1,000 between the salaries of men and women for the same number of hours spent in the plantations.
- Professional discrimination in many sectors where women's jobs are the most precarious, even if they have the same training as men.
- Persisting violence against women despite legislation that makes domestic violence a crime.
- Sexual, racial and moral harassment against women in the public, semi-public and private sectors remain relatively high. Often complaints about sexual harassment are ignored or are not reported by the victims because they fear reprisals or stigmatisation.

976. In conclusion, the CSAR recommends that the government enforces the current legislation on harassment and discrimination against women.

ii. *Findings of the CRM*

977. The state's efforts to promote women are remarkable. They cover different areas, including: (i) the institutional and legal framework; (ii) the fight against female poverty; (iii) promoting the health of women; (iv) access to education; (v) access to decision-making positions; (vi) access to employment and training; (vii) equality in salaries and incomes; and (viii) access to land, microcredit and capital.

The institutional and legal framework

978. The government has taken numerous measures to strengthen the institutional and legal framework, promote the rights of women and achieve gender equality. They include:

- Establishing the MWRCDFW in 1982 and finalising the National Action Plan for equality between men and women in 2005.
- Ratifying CEDAW in 1985 and the African Charter on Human and People's Rights in 1986.

- Amending the country's constitution in 1995 to make sexual discrimination illegal.
- Signing the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa in 2003.
- Adopting the Protection of Human Rights Act of 1998.
- Enforcing the law on gender-based discrimination by creating a division in the National Human Rights Commission (NHRC) to combat sexual discrimination.
- Establishing the National Council of Women (NCW) in 1985. It operates under the guidance of the MWRCDFW. It has 1,050 associations and five regional committees. Its primary role is to help to implement government policies and strategies that promote the rights and interests of women. The council currently manages an important adult education programme in a number of women's centres throughout the country.
- Increasing the number of women's centres in both urban and rural regions.
- Creating a National Women Entrepreneur Council (NWECC).
- Amending the Napoleonic Code, thus enabling women to choose their professions, set up businesses, open bank accounts and apply for loans without the authorisation of their husbands.
- Promulgating a set of laws aimed at protecting women and defending their rights. They include the Sex Discrimination Act of 2002 and the Sexual Offences (Miscellaneous Provisions) Act of 2003.
- Developing a National Gender Policy in 2004.
- Implementing the Gender and Development Project, funded by the UNDP, between 1999 and 2003. Its objective is to strengthen capacity in gender analysis at the national level and in developing and monitoring policies to ensure that the gender approach is integrated better.
- Launching, together with the UNDP and the ILO, a triennial programme on "capacity building for the promotion of gender equality and empowerment of women". This programme aims at creating a favourable environment for developing policies, laws and mechanisms that promote gender equality in the socioeconomic and political areas.
- Establishing a Women's Forum, comprising senior female executives, in 2004.
- Launching the second National Gender Policy Framework in 2008. The MWRCDFW, with the help of the UNDP, should make this operational.
- Promulgating an act to promote equal opportunities in work and professional promotion.

Combating female poverty

979. The state's efforts to assist poor women, through poverty reduction and social assistance programmes, are also remarkable. It has, for example:

- Launched the Women Empowerment Year, with the *Diferan Me Egal* slogan, in 2005. This affirmed gender equality and that it is necessary to improve and respect the economic and human rights of women.
- Established two specialised agencies to assist poor women. These were the TFSIVG and the Anou Diboute Ensam to facilitate their access to credit. The fund financed 42 community projects that target women in March 2003. This enabled 994 women to improve their living conditions. Furthermore, nearly 137 others benefited from 252 projects that the fund financed.
- Formed a subcommittee, responsible for assisting and training graduate and/or unemployed women, within the National Empowerment Foundation and Fund (NEF) created by the MOFEE. The fund works with the MWRCDFW to reduce the rate of female unemployment by 2010.
- Introduced a microcredit scheme (1998), similar to that of the Grameen Bank in Bangladesh. This has contributed a lot to the economic empowerment of a great number of women in the country and improved their living conditions.
- Developed and managed – with the help of the International Fund for Agricultural Development (IFAD) – the funding plans of incomegenerating enterprises for women with small incomes.

980. Despite these efforts, women remain the most vulnerable, either because they are in the most tenacious poverty pockets in the country or because they are the casualties of massive lay-offs. Of the 45,200 unemployed people, 16,100 are men and 29,100 are women. Although women make up only 36.8 per cent of the labour force, they make up 64.3 per cent of unemployed people. The rate of female unemployment is, therefore, 13.9 per cent compared with 4.5 per cent for men. This is three times greater. Job losses occurred mainly in the EPZs, which registered nearly 31,000 net job losses between 2001 and the first quarter of 2009. More than 26,000 of them (or more than four-fifths) affected women.

Health

981. The state's efforts to offer free and good-quality public health services have mainly benefited women. This is shown by the following achievements:

- Reducing the maternal mortality rate per 100,000 live births from 66 in 1996 to 20 in 2000 and to 17 in 2006; improving infant and maternal health; and reducing the infant mortality rate per 1,000 live births from 15.9 in 2000 to 14.4 in 2008.
- Increasing life expectancy so that the average Mauritian lives 10 years longer since independence.
- Reducing the fertility rate per woman from 1.9 between 2000 and 2006 to 1.67 in 2009. This was achieved mainly because contraceptive methods are being used more, and because women are enjoying their reproductive and sexual rights more and have a better understanding of their reproductive health.
- Implementing a great number of education and sensitisation programmes on reproductive and sexual health, assisted by the United Nations Population Fund (UNFPA), for women and for children in primary and secondary schools.
- Opening a number of Well Women's Clinics, together with the Mauritian Family Planning Association, in four regional centres throughout the country.

982. Additional efforts are, however, necessary to: (i) stop the rapid spread of HIV and AIDS among women, who are generally more vulnerable than men. By May 2010, it is estimated that 3938 people were living with the virus, after a sharp increase in the number of new cases of HIV and AIDS in the last decade (see Table 6.4 in Objective 3); (ii) intensify cancer testing, the third-highest cause of death in women (14 per cent); (iii) find a concerted solution to the problem of abortion (5,200 cases), which is banned by law; and (iv) assist women suffering from diseases associated with menopause and old age.

Access to education

983. The state's efforts to achieve free and compulsory education for all are remarkable. They benefit girls mainly. Girls and young women have no problem with access to school in Mauritius. In 2006, the gross enrolment rate in pre-primary education was 95 per cent for both girls and boys, 102 per cent in primary education (compared with 101 per cent for boys) and 72 per cent in secondary education (compared with 62 per cent for boys).

984. Target 4 of MDG goal 3 (to promote gender equality and empower women) is to eliminate gender disparities at all levels of education by 2015. The CRM emphasises that Mauritius is not far from achieving this target. It had an education rate of 88.7 for men and 81.5 for women in 2000. A summary of the progress follows:

- The gross enrolment rate for girls in primary education was equal to that of boys (101 per cent) in 2008. There were 3,651 women and 1,844 men teachers in the same year.
- The gross enrolment rate for girls in secondary education was 72 per cent compared with 65 per cent for boys in 2008. There were 4,199 women and 3,209 men teachers in the same year.
- Female students at the University of Mauritius numbered 3,863 compared with 3,507 male students in 2006/2007.

985. These trends towards feminising academic teaching change when it comes to vocational education. Here there are more male students and teachers. The number of male students in vocational secondary schools far exceeds that of female students: 5,336 compared with 3,159 in 2008. The same is true of polytechnics, where the number of male students enrolled is more than double that of female students (704 compared with 321) in 2008.

Access to decision-making positions

986. Mauritian women have started making progress in public and political life. However, they are still underrepresented, despite the country's constitution and laws that enshrine the principles of equality. However, progress is slow and irregular. The table below gives the relevant statistical data on the access of women to political decision-making positions.

Table 6.6: Representation of women in political positions (2008)

Function	Number of women	Total	Percentage of women
Ministers ⁵⁵	2	20	10
Secretary of state	0	3	0
Members of Parliament (MPs)	12	70	17.1
City councillors (urban areas)	16	126	12.7
City councillors (rural areas)	86	1,476	5.8

Source: CRM

987. It is in Parliament that the representation of women is most important. However, it is here that their numbers are very low and they make up only 17.1 per cent of the total number of MPs. Nevertheless, this is an improvement from only four females out of 66 MPs in 2000, and only five females out of 70 in 1990.

988. These low figures for political representation begin with the candidates that political parties propose. During the general elections held in 2005, they proposed only 59 women out of 664 candidates (8.8 per cent). The trends are similar in top government positions.

Table 6.7: Representation of women in top government positions

Position	2004	2004	2005	2005	2006	2006	2007	2007
	Men (M)	Women (W)	M	W	M	W	M	W
Permanent secretary	18	12	21	10	19	10	18	9
Director/manager	132	75	126	66	152	84	132	73
Ambassador	18	3	14	2	11	1	18	3

Source: CRM

989. Women constitute a third of the number of permanent secretaries and directors and one-seventh of the number of ambassadors. There has been no commitment to improve the representation of women during the past three years. The numbers of female permanent secretaries and managers have declined. Their numbers in the other top positions have remained steady or declined.

990. The situation of women in lower diplomatic positions varies. In 2008, there were 16 female second secretaries out of 40 (40 per cent), only four female first secretaries out of 23 (17.4 per cent) and no female minister counsellors (out of 6). The position of women also varies in the judicial system. They do not occupy any of the highest positions (chief judge, senior puisne judge, or president of the Industrial Court), but they constitute a very high proportion, or even a majority, at the other levels.

Table 6.8: Representation of women in the judicial system (2008)

	Men	Women	Total	Percentage of women
Chief judge	1	0	1	0.0
Senior puisne judge	1	0	1	0.0
Judges	6	5	11	45.5
President of the Industrial Court	1	0	1	0.0
Vice president of the Industrial Court	1	0	1	0.0
Vice president of the Intermediate Court	1	1	2	50.0
Magistrate in the Intermediate Court	1	5	6	83.3
Senior district magistrate	7	4	11	36.4
District magistrate	8	16	24	66.7
Chief registrar	1	0	1	0.0

Source: CRM

991. Women are not more numerous or better represented in the scientific professions. The situation is worse in the medical professions. In 2008, for example, Mauritius had only 300 women doctors out of 1,450 physicians registered with the Council of Mauritian Doctors. This is only 20 per cent (or one woman for every five men). Women may be opting out of these careers because of a lack of encouragement and family responsibilities. There are also few sustained political initiatives to orientate girls to scientific and medical studies and professions.
992. The CRM raised the issue of the modest participation of women in politics (in both government and Parliament) during its stay as well as their absence from the business world and civil society organisations. It was confirmed that there was a clear political will to improve this participation, but that it was necessary to back it with more concrete measures (like laws, capacity building, sensitisation and advocacy activities) and with closer monitoring so that it can be expressed more convincingly.
993. Other reasons advanced to explain the low participation of women in decision-making positions are their traditional 'timidity' and the ongoing sociocultural impediments, irrespective of their tribal group.

Their heavy family and domestic responsibilities as well as their inadequate material resources explain their reluctance to 'venture' into public and political life.

994. The state clearly has a key role to play in increasing the participation of women. However, women's organisations and the rest of civil society should also take some responsibility for sensitising, training and mobilising women in order to assist them to overcome the cultural barriers and to be more involved in the decision-making spheres (Parliament, ministerial positions and local government). In this regard, the MWRCDFW is making a huge effort, while the dynamic associative network, Women in Network (WIN), is doing a valuable job of training women leaders.

Access to employment and training

995. The efforts made to open the labour market to women and the various laws the government has promulgated to implement CEDAW and, thereby, to achieve equality between men and women, as enshrined in the constitution, are significant. The CRM notes that the Sexual Discrimination Act (2002), the National Remuneration Orders and the Equal Opportunities Act are among these laws. The country has also ratified Convention 111 of the ILO on nondiscrimination in employment. Therefore, because of these efforts and the need to grow the economy of the country, the female activity rate increased from 25 per cent in 1972, to 35.6 per cent in 2005 and to 42.9 per cent in 2009. However, unemployment is significantly higher among women and, according to a survey on time use (Time Use Survey), published in June 2005, the contribution of men to the national economy varies between 3.9 per cent and 6.6 per cent of GDP, while that of women varies between 11.3 per cent and 24.1 per cent. Moreover, women continue to be concentrated in low-skilled and poorly paid professions, even if they have the same level of training as men.
996. There is still professional segregation in many sectors and the glass-ceiling effect often prevents women from progressing professionally. A study conducted in 2003 shows that 30 per cent of women occupy relatively high posts in the public sector and only 5 per cent occupy similar posts in the 100 major enterprises in the private sector. According to the 2007 report of the NHRC, women constitute only 25 per cent of administrators in the 44 parastatal institutions and only 12 of these institutions have women as president. The Sexual

Discrimination Control Division of the NHRC received 52 complaints in recent years. They included six concerning sexual discrimination and seven concerning sexual harassment.

997. With regard to training, the MWRCDFW has undertaken different initiatives with other national and international partners. They aim at developing, recycling or varying the abilities of women to equip them better in their quest for employment and make them more competitive in the labour market. Consequently, 5,000 women benefited from various training cycles (in ICTs, home economics, dressmaking and the cottage industry) between 1986 and 2003. Training courses to develop female entrepreneurship were organised for 3,000 women between 2005 and 2009. It is, however, imperative that additional efforts are made to protect the thousands of women who have lost their jobs in the EPZs from further unemployment and insecurity.

Salaries and incomes

998. The state has made remarkable efforts to reduce the wage differences between men and women and to honour its commitment, in terms of Convention 100 of the ILO, to equal pay for equal work. However, significant wage differences between men and women persist, even if they are more pronounced in the public sector. The gap is about 13 per cent in administration and 25 per cent for legislators, senior executives and managers.
999. The average income of women in 2003 was Rs3,750 compared with Rs6,700 for men. In 2008, 72 per cent of employed women received salaries of more than Rs8,000. The private sector shows greater differences. The incomes of male middle-level executives exceed those of female middle-level executives by 50 per cent. Women who are more qualified often earn less than their male colleagues do.
1000. In addition, the National Remuneration Orders, which fix minimum salaries in the private sector, contain provisions that discriminate against women. These include the basic daily wage, which is higher for men. In the agricultural sector, the salary difference is Rs1,000 for the same number of hours worked. The wage differences between men and women are greater in rural areas (by 44 per cent) than in urban areas (by 28 per cent).

Access to land, microcredit and capital

1001. The same rules apply to women as to men when it comes to access to land and other properties. They may buy, sell and obtain leases, either in their own right or with the intervention or authorisation of the husband. The government recently transferred batches of 50 acres of land in four different regions of the island (North, South, East and West) to help women to set up their own small agricultural projects. The Food Security Fund is responsible for developing the batches and making them available to women.
1002. There are no restrictions placed on women for getting bank loans and there are various facilities available to them. However, when couples are married in community of property, the law requires that both the woman and the man get prior authorisation from the spouse.

Access to social services

1003. The state has introduced several measures to improve the efficiency of the social protection system and to assist certain social categories. Consequently, men and women have equal access to social services. In some cases, more women enjoy these services than men do.

iii. Recommendations

1004. The APR Panel recommends that government:
- Launches a national initiative to allow women to participate more fully in the different structures of power (government, Parliament, communes and political parties) and introduces the 30 per cent quota to ensure greater participation of women in decision-making processes as soon as possible.
 - Directs all relevant public institutions to include gender in their statistics and analyses.
 - Strengthens the newly created Female Condition Unit responsible for gender issues within the MWRCDFW by increasing its budget allocation substantially and increasing its capacity-building programmes so that it becomes a real advocacy body.

The APR Panel recommends that civil society:

- Improves the coordination between women's organisations in order to improve the efficiency of their activities and to acquire analysis and intervention capabilities to strive for gender equality at all levels.

Objective 6: Encourage broad-based participation in development*i. Summary of the CSAR*

1005. The CSAR stresses that the dynamism of Mauritian civil society is becoming an important driver of development in the country. All its components (associations, rural communities, women's and youth groups, minorities, marginalised groups, the media and the private sector) make civil society very influential.
1006. The country also has thousands of charitable organisations. Three hundred of them are the most active and have the most influence. They play a significant role by assisting in areas like education, promoting the conditions of women, health, protecting consumers, housing and security.
1007. The CSAR discusses the work of some bodies, particularly that of the Mauritian Council of Social Service (MACOSS). The council, which comprises 250 NGOs, was created in 1965 to serve as a coordinating body for all institutions to achieve sustainable community development. Its main areas are social education, poverty alleviation and disease control.
1008. A UNDP project has analysed MACOSS in order to understand the process of strengthening NGOs in Mauritius and how the government perceives them. Its main conclusion was that, given the social issues that they address, NGOs, including MACOSS, should change and restructure themselves. They should also develop a new legal framework and mobilise additional human and financial resources in order to improve their efficiency and ensure compliance with the requirements of transparency and good governance. The responses given by those interviewed reflect varying opinions of the efficiency, autonomy and impact of MACOSS, a pioneer civil society organisation.
1009. The CSAR also addresses the issue of minorities and marginalised groups. The government also does not pay them much attention, according to nearly half of the people interviewed. The responses suggest that the marginalisation of these minorities by the government, and the

absence of concrete actions to promote them, are the reasons that poverty persists in the country.

1010. The CSAR also mentions rural communities and their place in the national debate. Many members of the public think that these communities are too badly organised to participate in this debate. The CSAR also notes that these communities are unmotivated, because they are discouraged and because they think that their points of view will be ignored.
1011. With regard to the media, the CSAR presents a detailed overview on press freedom, the role of the media and their credibility in the eyes of the public as the watchdog of government's actions. The media have contributed to the promotion of democracy. The country has three main daily newspapers and about 20 weeklies at the moment. Stringent laws have been promulgated to regulate the press and punish those who abuse press freedom. However, press professionals want to protect themselves against any tightening of these laws. They have even threatened the government by establishing a selfregulatory system. The CSAR also notes that establishing the Independent Broadcasting Authority has partially liberalised the audiovisual network by authorising the privatisation of broadcasting channels (three private radio stations and local private television channels are expected).
1012. The CSAR emphasises that most of the people who answered the questionnaire favour regulating the press through a press council. This would bring together all stakeholders (unions, civil society, religious associations and NGOs). Besides, the Mauritian radio station was judged incapable of ensuring that it would cover the actual problems confronting Mauritians, unlike the private radio stations. The latter seem to enjoy popularity with the people, as they are seen to be innovative and dynamic.
1013. Trade unions represent another major group of stakeholders. They are now less dominant than they were in the early 1970s, a period marked by their achievements to improve the working conditions of labourers and respect for their rights.
1014. According to the CSAR, the main trade unions should combine in order to become more relevant to meet the new challenges posed by globalisation, liberalisation and social inequality. This fusion will be all the more beneficial because it will help to increase the bargaining power of the trade unions, which most of the respondents consider

weak. The CSAR suggests that their inability to influence government decisions and the little interest shown in them by the public authorities explain their weakness.

1015. There is a general feeling in Mauritius that the government does not consult when it makes important decisions. The social partners often think that the government does not consider their views and reflections before making decisions. It is very difficult to say whether these impressions exist because the public does not always take advantage of its opportunities to influence policies or because the government does not communicate with it. Failing to communicate will give the impression that the government disregards the positions that civil society takes.
1016. However, the system facilitates consultation with interested parties, be they professionals or citizens keen to express their opinions. For example, every time the government wants to pass a law in Parliament it invites the public to comment and express its views on the bill, which the government circulates beforehand. When an issue is controversial, Parliament does not promulgate it and refers it to a special committee for consideration.
1017. Preparing the budget is another occasion when the government consults with all the sectors. The minister of finance and economic empowerment consults with civil society representatives, union leaders and NGOs, among others, before doing so.
1018. A large proportion of the respondents (62 per cent) thought that the government consults adequately with all stakeholders (the private sector, trade unions and civil society) before it develops policies. Those who believe otherwise argue that the absence of adequate consultation creates policy errors and consequently wastes funds. They also felt that there should be more dialogue and meetings between the government and stakeholders.

ii. Findings of the CRM

1019. The stakeholders that the CRM consulted during its stay in the country comprised public authorities, national and regional assemblies, civil society organisations from all sectors, the media and the private sector. Their participation in the development process is an important indicator for judging the level of good governance in Mauritius.

1020. Based on the review the CRM carried out, and the discussions it held with the different stakeholders, the CRM noted with satisfaction a clear desire on the part of the government to use and enlarge the forums for consultation with all the parties involved in the development process. Mauritius is a real ethnic and cultural mosaic of Africans, Indians and Europeans striving to make consultation the cement for forging its national identity and making its diversity a development asset.
1021. The government is making real efforts to honour its commitment to the participatory and consultative process. Its subscription to various regional and international instruments affirms this commitment. They include: (i) the African Charter on Human and People's Rights that protects, among other things, the right of all to participate in development; (ii) the African Charter for Popular Participation in Development and Transformation; and (iii) the Programme of Action of the World Summit for Social Development.
1022. There are numerous mechanisms to ensure consultation and communication between the government and the different stakeholders involved in developing policies. However, many stakeholders think that these mechanisms should be better developed to facilitate a more structured commitment by the social stakeholders. There are several formal interactive mechanisms. They include:
- Tripartite negotiations on salaries.
 - Presentation of memoranda on the national budget each year. The minister of finance and economic development invites the people to make suggestions and proposals for the preparation of the national budget. Hence, sociocultural organisations, professional structures, NGOs and opinion leaders may participate in the exercise in order to express their views on current sociocultural issues and major national priorities. There is a period of five weeks for submitting the prebudget memoranda and for meetings and exchanges between the MOFEE and various business groups, trade unions and civil society organisations before the national budget is submitted and adopted.
 - Meetings of the joint committees of public-private sectors, consultation via the websites of the various ministries, and other informal mechanisms like chat groups; ad hoc meetings between private sector organisations and ministries for exchanging views on topical issues; and various joint economic activities.

1023. The public has easy access to the various ministries. The ministries, in turn, are open to the opinions and suggestions of the public. The CRM observes that the government communicates with several partners, albeit at different levels depending on their influence and importance. The various partners involved in these consultative processes are listed below.
1024. The National Economic and Social Council (NESC). The council, which became operational in April 2002, plays an important and acknowledged role in promoting national consensus among the different social partners, like civil society, and in promoting a permanent national dialogue. The NESC is an independent advisory body and is perceived today as a real think-tank. It is often asked to give its views on the major options open to the country for economic and social development and to make recommendations for consolidating economic integration and social harmony. Consequently, it may advise, or hold regular meetings with, the president, the prime minister and the leader of the opposition. Members of this council include the most important ministries, the Regional Assembly of Rodrigues, the most important central labour bodies in the country, employers, civil society organisations, youth organisations, women and the elderly.
1025. The prime minister chairs the annual NESC summit. The NESC uses the summit to invite a widely representative cross section of civil society in order to reach consensus on major socioeconomic development issues and programmes. The NESC has already advised the government on salary reviews, the review of the draft code on the participation of employees, the draft Financial Accountabilities Code, the draft Code of Corporate Governance and the Report on Development and Reform of the Health Sector. It has also conducted a series of studies on involving senior citizens with family, housing and transportation problems, on salary compensation mechanisms and on employment.
1026. Civil society comprises public-interest associations, grass-roots community organisations, federations and networks, NGOs, unions and central labour bodies, professional corporations, local development associations, academic institutions, cultural associations and religious leaders, among others. The CRM notes with interest that consultation with civil society, which the government is promoting, is efficiently organised around developing and implementing various national programmes. They include the National Programme on the Fight against Poverty and Exclusion, the National HIV/AIDS Control

- Action Plan, the National Health Policy and the National Human Resource Development Plan developed with the help of the unions. The government currently consults the unions on the ongoing reform of the pension scheme.
1027. The government usually consults civil society and all its components when preparing major national programmes. The government also consults civil society on a wide range of activities and initiatives. They include rural development, gender issues and the condition of women, the programme of assistance to minorities and marginalised groups, and the fight against social phenomena like drug abuse and prostitution. However, civil society is active more in the area of service provision and not enough in policy development and decision making.
1028. However, civil society institutions suffer terribly from inadequate material resources, poor organisational and structuring capacity, as well as weak managerial capacity. These weaknesses inhibit and reduce their ability to initiate a constructive dialogue with the government and to play a more dynamic role in implementing development policies and programmes. Nevertheless, the government acknowledges the efficiency of these organisations in offering services and thinks that they should be given greater support.
1029. The private sector is very powerful in Mauritius. Its main components are the Joint Economic Council (JEC) and the Mauritius Chamber of Commerce and Industry (MCCI). The private sector enjoys real autonomy and has considerable human resources (it employs nearly 75 per cent of the labour force and contributes 80 per cent to GDP). Consequently, it is the government's main partner in implementing its development strategies. It also makes a valuable contribution through its policy on corporate social responsibility.
1030. There is a tradition of well-structured dialogue between the government and employers. There are also mechanisms for consultation and for joint activities run through what Mauritius calls public-private partnerships. However, some sector representatives insisted that the government should allow more time for consultation, particularly while the budget is being prepared, before making major decisions. The government should also improve the efficiency of its state bodies so that the consultation and partnership between the public and the private sectors is more productive.
1031. Despite the high level of growth achieved by the country and the budget autonomy it has managed to reach and consolidate,

- Mauritius maintains solid relations with its development partners. These partners, especially the EU, support the implementation of its socioeconomic development policy by assisting it to finance its sustainable development programmes.
1032. Managing this aid and the funds injected into the national budget is the subject of constant consultations between the government and its development partners, as well as between the government and its social partners, through various consultative frameworks. They include joint commissions, meetings of experts, round-table conferences and open days.
1033. These consultative frameworks are effective and operate seriously and transparently. The only problem, from the views that stakeholders expressed, is the inadequate capacity available to the country to ensure that its different development partners regularly and expertly monitor these mechanisms.
1034. In summary, there is a relatively efficient culture of consultation in Mauritius. However, a number of mechanisms need to be reviewed and improved. The stakeholders involved in this process have different levels of influence. However, many question the efficiency and authenticity of the consultative process. Many see it as a mere formality, rather than as an institutionalised practice, and argue that the ideas and suggestions of the grass-roots groups are often ignored.
1035. The widely shared feeling is that the commitment of citizens to the development process has lost its vigour, compared with what it used to be in the 1970s, even if the public expresses itself freely through private radio stations and if the print media give more space to debates on various topics of public interest. Nevertheless, the official doors and corridors of power are usually open to all citizens who want to express their views, even if the general feeling is that the government rarely considers their views before making final decisions.
1036. There is a weak link in this consultative process. This is that the government does not give the necessary information about its different initiatives to citizens and the rest of society. It also does not communicate the decisions it makes at all levels of the development process (like the development of short- and medium-term policies and strategies, budget preparation, resource allocations, selection of target population groups, monitoring and evaluation processes, and so on).

1037. The government should make a conscious effort to ensure that all stakeholders play their roles in the country's development process. This will enable the government to manage the country's diversity better. It should also pay greater attention to the opinions of the minorities and marginalised groups so that it can integrate them better and avoid a situation where their political and social frustrations lead to excesses and tensions.
1038. There is a tradition of consultation to improve transparency and socioeconomic integration in Mauritius. It is making progress, but needs strengthening. The government should seize the opportunity to do so with more conviction and commitment, because governing also means sharing and delegating authority.

iii. Recommendations

1039. The APR Panel recommends that the government:
- Initiates a participative evaluation of the consultative process and the in-volvement of civil society in order to review the current situation and to improve these processes. *[Government]*
 - Initiates a participative evaluation of the capacity of civil society institutions and their systems of governance in order to provide them with the resources that would enable them to become real development partners. *[Government]*



Crosscutting Issues

CHAPTER SEVEN

7. CROSSCUTTING ISSUES

7.1 Overview

1040. The preceding chapters consisted of an appraisal of Mauritius's conformance with the African Peer Review Mechanism's (APRM) four thematic areas: democracy and political governance; economic governance and management; corporate governance; and socioeconomic development. The core aim of the African Union's (AU) governance agenda is to deepen the democratisation process on the continent, which is a cornerstone of growth and development in Africa. The above-mentioned thematic areas constitute such a core.
1041. The Panel's appraisal of Mauritius was informed by the Country Self-Assessment Report (CSAR), the country background report, issues papers prepared by the APRM Secretariat, secondary research, and materials provided by the Mauritian authorities and organisations in the country to the CRM, as well as by the numerous consultations with diverse organisations and people that were conducted during the mission period in the country. The Country Review Report on Mauritius has thus benefited from this exercise. In the process, it enabled the CRM to identify those areas where the country has progressed, as well as those where work is still needed in respect of the thematic areas.
1042. The goal of this chapter is therefore to highlight the major crosscutting issues in the overall country report that pertain to the thematic areas. The crosscutting issues identified by the CRM are those that it suggests need attention, but do not constitute a definitive list (or exploration) of all the crosscutting issues raised in the report.

Crosscutting issues

1043. The following crosscutting issues emerged from the report:
- Rodrigues Island.
 - Corruption.
 - Managing diversity.
 - Poverty.

7.2 Rodrigues Island

Background

1044. The island of Rodrigues has a population of about 38,000, of which 87 per cent are Creole (former slaves). The plight of the Rodriguans is typified by the people of Rivière Banane, a fishing village where, because the surrounding waters have been transformed into a marine park, the local people can no longer fish for a living. The residents the CRM interacted with (about 30 men and women) informed the team of the sense of powerlessness they felt when they discussed their situation with the Mauritian authorities. To the CRM, it was evident that poverty was widespread, particularly in the context of a relatively prosperous Mauritius.

Absence of key institutions of governance in Rodrigues

1045. A number of key government bodies that are present in Mauritius are missing in Rodrigues, most noticeably the Independent Commission Against Corruption (ICAC) and the National Human Rights Commission (NHRC). Rodrigues has a court with the jurisdiction of an Intermediate Court, which means that it has more powers than a district court. The CRM was informed that there is only one magistrate in Rodrigues, which means that there are numerous cases pending as well as a case backlog. The Supreme Court, based in Port Louis, sits periodically in Rodrigues, and thrice a year some judges from the court come to Rodrigues to hear cases. However, all lawyers are based in Mauritius and only travel to Rodrigues when the situation calls for it. The stakeholders also pointed out that, while the police are in charge of prosecutions, there is no mechanism to oversee them, and they are not controlled by any authority. Reports of rampant abuse of authority were received by the CRM.

1046. **Autonomy.** The leadership of Rodrigues remarked that the constitutional provisions regarding the autonomy of Rodrigues should be abided by. The island has a higher status than the districts or municipalities of Mauritius, and should enjoy fiscal autonomy as well. The leadership strongly recommended that the stipulations of the Rodrigues Regional Assembly Act 39 of 2001 be strictly followed.

1047. Some projects that should be implemented are not; this is because the budget is cut by the government and priorities are not met. An example of how budget allocations are constrained can be given here: from 2003–2006, the capital budget of Rodrigues was reduced

from Rs450 million to Rs250 million. This figure represents a share of less than 2 per cent of the capital budget of Mauritius. In the latest national budget speech, the biggest capital expenditure programme, valued at more than Rs27 billion, was for building a new airport on Mauritius and upgrading the island's public infrastructure, yet no funds were set aside for the improvement of public infrastructure in Rodrigues. The CRM was informed that each district's local government is allocated Rs50 million, an amount that Rodrigues also receives, despite its semiautonomous status. The Regional Assemblies Act states that the chief commissioner and the prime minister may discuss issues such as this, but this has not happened. The feeling among the people of Rodrigues who were consulted by the CRM is that matters relating to the island should be dealt with at the level of the Prime Minister's Office (PMO) and not as a local government issue. The stakeholders suggested that, if a minister specifically in charge of Rodrigues were to be appointed, this would be beneficial to the island, since parliamentarians do not have time to look after the people and concerns of Rodrigues.

1048. Lack of operational and fiscal autonomy is limiting the ability of Rodrigues to enhance capacity on the island or to boost its economy. For example, regulations covering the procurement of construction products and services allow preference to be given to domestic suppliers. However, it sometimes happens that when the leadership wants to assign tenders to locals in order to boost the local capacity, this is not accepted by the authorities. The Executive Council cannot change much in Rodrigues, for example it cannot even change the content or curriculum of its education system. It was also mentioned that, sometimes, the situation arose whereby a central government functionary, such as a permanent secretary, instructed the Rodrigues Parliament not to pass this or that motion. Furthermore, there are three members of Parliament (MPs) per constituency on Mauritius but only two on Rodrigues, which is felt to be unfair.

Capacity constraints

1049. Rodrigues is plagued by high unemployment rates and low education incidence. The island has a young population, yet the capacities, skills and quality of education remain deficient, and the private sector remains underdeveloped. Most of the curricula are poor in quality. In addition, access to education is a problem owing to lack of finances to buy scholastic materials and to meet other educational needs. Lack of parental assistance to go to school is a problem, simply because parents often cannot afford to provide for their children's education.

The question of priorities and culture also comes into play, since aspects of Rodriguan culture negatively affect or impede attendance at school. Misguided priorities among many children of school-going age cause them to focus on the wrong things, for example purchasing mobile phones rather than scholastic materials. Consumerism and the debt trap have entrenched many Rodriguans in poverty and people lack the requisite information about, or exposure to, the type of financial advice that would help them to make wise choices.

1050. Although free health care is provided for by the government, one needs to go to Mauritius when extensive care is needed, since there are no specialised hospitals in Rodrigues. Stakeholders observed that, where there was once slow-paced but equitably spread development, there is now greater social divisiveness in the region. Developments are more technical in nature and those individuals who can adapt forge ahead of those with few technical skills, such as planters and agriculturists. In the 1950s, Rodrigues was self-sufficient; however, since independence it has experienced minimal development and so become more dependant on Mauritius. Elderly citizens informed the CRM that, in the past, Rodrigues could cope if the Mauritian ship bringing goods to the island on a six-month basis failed to arrive, but that now, should the same thing occur, it would cause a crisis.
1051. Yet, it is equally important that the people of Rodrigues take a long, hard look at the criticisms levelled against them concerning their lifestyles and attitudes – in particular, their attitudes to work, morality and self-reliance. While the criticism and stereotyping might appear unfair, the rationale that underlies this negative perception needs to be examined objectively and, if found to be true, in howsoever small a way, to be urgently addressed. Mauritians in Rodrigues, and especially those of African origin, must wake up to the harsh realities of the modern world. In this connection, they need to totally embrace education – whatever the difficulties, such as having no lunch or scholastic materials – and family planning (so that they only have the number of children they can afford to look after).
1052. It is important that the government and policy makers in Mauritius consider taking on the issue of Rodrigues and its many challenges with much more seriousness than is currently the case. It should be looked at particularly from the vantage point of the numerous advantages that could accrue to Mauritius from a developing and prosperous Rodrigues. An undertaking of this nature will entail some costs, but the benefits would make the exercise worthwhile. The government

and policy makers in Mauritius should therefore see the challenge of tackling the daunting developmental issues in Rodrigues as part of an overall need to address development in the Republic of Mauritius more generally. It should not be seen as a zero-sum game option.

7.3 Corruption

1053. Despite the good image that Mauritius enjoys at the international level as one of the least corrupt countries in Africa, there is a broad consensus at the national level that corruption still affects a number of key democratic institutions (that is, political parties, Parliament, the judiciary, and the executive) as well as key institutions in the socioeconomic sector. Previous studies on corruption in Mauritius, and various discussions with a range of stakeholders, informed the CRM of the persistence of corruption in the Mauritius Police Force (MPF), the Customs Department of the Mauritius Revenue Authority (MRA), and the National Transport Authority.
1054. Since the adoption of the Prevention of Corruption Act (POCA) in 2002, the fight against corruption has taken a new turn, since this law applies to all civil servants and individuals invested with public authority (ministers, MPs, members of constitutional commissions, etc.). POCA provided for the creation of ICAC, which is currently the main player in the anticorruption drive. The legislature also plays an important role via its Public Accounts Committee (PAC), which monitors the effectiveness of the management of public finances. In addition, MPs have the power to question the relevance and/or transparency of the activities of the Central Executive. In recent years, the combined efforts of ICAC and the judiciary have led to judicial proceedings being instituted against ministers accused of acts of corruption. However, POCA's scope for intervention is very limited in respect of corruption in the private sector. While the state's focus is on corruption in the public sector, the private sector's ability to defeat this scourge depends solely on voluntary initiatives that seek to develop tools of good governance.
1055. Commonly the most likely occasion for corrupt practices, during the interface between the public and the private sectors, is in the awarding of public contracts. The Public Procurement Act of 2006 and its accompanying 2008 regulations provide for the simplification of procurement procedures and ensure that public funds are spent in a transparent, efficient and fair manner. In that respect, three independent bodies have been established under the above-mentioned act:

- The Procurement Policy Office (PPO), which is the engine for effective procurement reform in Mauritius.
 - The Central Procurement Board (CPB) (replacing the Central Tender Board), which now has responsibility for approving and awarding major contracts entered into by public bodies.
 - The Independent Review Committee, which considers applications for review from dissatisfied bidders or potential bidders.
1056. During an awareness session held by the Mauritius Chamber of Commerce and Industry (MCCI), in May 2009, participants made suggestions to further improve (including simplifying) the public procurement process. While it is still too early to assess the effectiveness of the public procurement procedures, it is encouraging to note that public bodies are requested to publish their annual procurement plans on their websites, along with regular updates informing suppliers of future projects. This is an important element, because it promotes transparency and helps reduce the opportunity for 'emergency procurement'. Indeed, assessments of anticorruption measures suggest that publishing information is indeed effective.
1057. Mauritius has promulgated a number of laws and established a number of institutions to combat the problems of corruption and money laundering. However, the absence of a legal framework covering the financial activities of political parties as well as the corrupt behaviour of certain candidates are both elements that damage the very foundation of the Mauritian integrity system.
1058. Corruption in the realm of political finance generally takes many forms, ranging from vote-buying and the use of illicit funds to the sale of appointments and the abuse of state resources. As the source of much of the money that funds political corruption, the corporate sector has a vital role to play in ending this abuse of power. In Mauritius, the private sector has taken the lead in promoting ethical standards and in calling on all those who wish to donate to political parties to record in their accounts the amounts given and the beneficiaries nominated. However, because political parties are not obliged to publish their accounts or to say how much they receive from the private sector, it is difficult to talk meaningfully about transparency in the financing of political parties in Mauritius. During the CRM's consultations with various stakeholders, the lack of an overall system to regulate political party financing was a subject that elicited strong reactions.

1059. In the absence of hard statistics or contemporary surveys on the incidence of corruption in Mauritius, it is impossible to determine if the prevalence of corruption has increased or decreased in recent years, or whether or not the forms of corruption and the institutions or groups most actively involved in corruption have changed. As a consequence, there is no consensus on the effectiveness of the laws adopted and the institutions created to wage war against corruption and money laundering. One of the most relevant findings on corruption in general is the conclusion of a study commissioned by ICAC, where it was reported that corruption is considered to be the country's biggest problem (20 per cent of respondents), ahead of unemployment and drugs. This information reveals the extent of the problem as well as the urgent need to confront it. Four major challenges face Mauritius in the continuing fight against corruption.

1. Perceptions and attitudes to corruption

1060. Only three major studies on perceptions of corruption in Mauritius have been conducted over the past 10 to 12 years. One of the conclusions emerging from these investigations is that corruption and favouritism are generally tolerated by Mauritians when these practices are likely to benefit the interviewee. People are quick to condemn corruption in general, but are less inclined to do so when it allows them to gain directly in some way. There is clearly a genuinely ambiguous attitude to corruption: 85 per cent of respondents in the 2004 study declared that they did not tolerate corruption in general, though at the same time a significant proportion confessed that they would agree to 'sell' their vote, or accept other advantages, in exchange for their support of a particular political candidate. Furthermore, 58 per cent of people interviewed in the same study claimed that they would report a case of corruption if they knew about it, yet 30 per cent feared that by doing so they would create difficulties for themselves.
1061. The state cannot win the fight against corruption on its own; it requires the full engagement and involvement of all Mauritians. It is thus important that education and awareness-raising programmes are used to promote a zero-tolerance attitude to corruption.

2. Perception versus reality: the need for comprehensive corruption research

1062. It is evident that, because of the lack of comprehensive research on corruption, there may be a major gap between perceptions and reality

regarding the existence and the incidence of corruption in various sectors. During the CRM's consultations with several stakeholders, the view emerged that Mauritians have a pessimistic attitude to corruption and its trends in the future, despite the many efforts of successive governments to tackle it. It is crucial to address this issue of negative perception. One way of doing so, in addition to adopting and exercising the corrective measures needed for those found guilty of corrupt behaviour, is to regularly conduct evidence-based research to measure the nature and levels of corruption. Mauritius could learn from the new methodologies and lines of research developed in other countries that aim to develop our understanding of corruption and to improve the methods used to measure it.

3. Strengthening the legal framework and the political will

1063. Another challenge facing the government is the need to close the legal loopholes affecting the issue of corruption. Some of these loopholes were identified in chapters 3, 4 and 5, and include the following: the fact that ICAC hasn't the power to undertake prosecutions without the approval of the director of public prosecutions (DPP); the need for more effective protection of whistle-blowers in order to encourage them to step forward; a lack of political finance regulations; and the need for the approval of the principal/owner before prosecution of corruption in the private sector can commence.
1064. As in many African countries, as well as in other areas of governance in Mauritius, a major challenge in the fight against corruption is ineffective implementation owing to limited capacity. In chapter 4, this shortcoming was discussed in relation to ICAC and the Financial Intelligence Unit (FIU). Failure to ensure that institutions such as these are given adequate resources will doom them to failure and generate cynicism about the government's actual degree of commitment to the anticorruption movement.
1065. It goes without saying that the fight against corruption cannot succeed without the government's full commitment. In the case of Mauritius, claims have been made that the prosecution or investigation of alleged cases of corruption is sometimes prevented owing to high-level political intervention, especially when such allegations are levelled against senior officials and well-placed individuals. This perception undermines the credibility of the entire exercise, and the government should take energetic efforts to eliminate it.

4. Domestication of international legal instruments

1066. With the entry into force of the United Nations Convention against Corruption (UNCAC) in 2005, and that of the AU Convention on Preventing and Combating Corruption in 2006, countries have two strong international legal instruments at hand to help them tighten up their anticorruption legal framework and overall strategies. Mauritius is party to UNCAC, although the country has signed but is yet to ratify the AU convention. Given the fact that a comprehensive strategy to fight corruption requires regional and international collaboration, it is imperative that all international instruments that have a bearing on this issue are ratified and domesticated.
1067. The Mauritian authorities have taken some steps towards stemming corruption in the country, though they may consider adopting further measures to accelerate the process, much as they have done already through the creation of ICAC and other similarly tasked bodies. Furthermore, the effective involvement of Mauritian civil society in the anticorruption drive may be deemed necessary, since the government cannot fight this battle alone.

7.4 Managing diversity

1068. Cultural, ethnic, racial and religious diversity is a common feature of many African countries. A positive manifestation of this diversity is that, when effectively managed, it enriches a country's social fabric and heritage through the peaceful and vibrant coexistence of its different peoples. When improperly managed, however, a negative perception of diversity emerges, since it is often a source of tension, instability and even violent conflict.
1069. Experience from many countries in Africa and elsewhere shows that, in order for diversity to be a positive force in a country, it must be effectively and carefully managed through deliberate state policies aimed at expanding and ensuring equal opportunities for all groups that are part of the diverse whole. Failure to do so invariably leads to inequalities in social, economic and political status and the stratification of society on racial, ethnic, religious and other bases. These inequalities then breed resentment and deep-seated grievances, which may erupt in violent conduct of one sort or another.
1070. Mauritius, as with various other African nations, has a diverse population (see the section on interstate and intrastate conflicts). In

general terms, Mauritians regard this diversity as one of the country's valuable assets, in that it provides the island with a rich cultural and religious heritage. While this is true, diversity – if not effectively managed – also poses a significant threat to the peaceful coexistence of the various groups in the country.

1071. It is clearly true that, in recent times, Mauritius has been able to successfully avoid any negative manifestations of its diversity. This is not, however, a sufficient enough reason for the country to become complacent, especially since the main indicators of diversity assuming negative connotations are increasingly present in Mauritian society. These indicators include the exclusion of particular ethnic or religious groups from political, social and economic opportunities on the one hand, and, on the other, the domination of these sectors by other ethnic and religious groups. Furthermore, diversity can only be seen as positive when the different social groups do not just coexist but also intermingle, intermarry and, in essence, see themselves as one whole comprised of different parts. This does not appear to be the case in Mauritius, as noted by the CSAR and confirmed by the CRM. The different groups in Mauritian society live in religious, ethnic and racial enclaves. Intermingling is limited. Intermarrying is even more unlikely. Some ethnic groups are hardly to be seen in the political sphere, except in a restricted capacity, and they are unequally represented at all levels of the civil service, while one particular ethnic and religious group (the Hindus) is perceived to dominate the economic sector of Mauritian society. Most importantly, one ethnic group (the Afro-Mauritian Creoles) lags behind all others in terms of human development indicators, which explains this group's enduring sense of grievance as well as its feelings of injustice and exclusion.
1072. If Mauritius is to arrest the negative permutations of its diversity, the country will need to systematically address the issue through well-thought-out policies that foster the development of a truly equal society, in addition to building and instilling a sense of national identity that transcends ethnic, racial and religious barriers. As the CSAR noted, and as the CRM learnt, there have been some good and successful national policies aimed at enhancing equal access to political opportunities, mainly through the best-loser system (BLS). Furthermore, the country's constitutional endorsement of nondiscrimination and the equal opportunities legislation it has enacted are regarded as positive developments. However, these efforts have failed to meet expectations when it comes to the implementation of measures that can transform the lives of those regarded as socially, politically and economically marginalised.

1073. In order to address this challenge, the country will need to seriously consider formulating and effectively implementing policies aimed at fully integrating groups that appear to have been 'left behind' into all sectors of society, including politics, the economy and social life, as well as promoting mutual understanding between Mauritius's different groups via the introduction of meaningful investment.

7.5 Poverty

1074. Mauritius does not have a national poverty line. However, it does have a relative poverty line, which is equivalent to half-median monthly household income. The country also has a Relative Development Index (RDI) for identifying priority areas for the implementation of poverty-alleviation programmes, based on 12 variables that encompass housing and living conditions, literacy and education, as well as employment. The RDI measures the relative development of municipal wards and village council areas.

1. Relative poverty

Half-median monthly household income

1075. A frequently used measure of relative poverty is based on the half-median household income. The median household income is the value that divides households into two equal-sized groups, one with income lower than the median, and the other with income higher than the median.
1076. Data from the 1996/1997, 2001/2002 and 2006/2007 household budget surveys indicate that the percentage of households having income below the half median decreased from 14.2 per cent in 1996/1997 to 13.1 per cent in 2001/2002, but increased to 14.3 per cent in 2006/2007 (see table 7.1).

Table 7.1: Half-median household income

	1996/1997	2001/2002	2006/2007
Half-median monthly household income (Rs)	3,935	5,575	7,320
Percentage of households below the half-median household income per adult equivalent	14.2	13.1	14.3

Source: Household Budget surveys 1996/1997, 2001/2002 and 2006/2007

1077. The above measure (table 7.1) considers that all households falling below the half median are in the low-income group, regardless of their size or the age of the household members. A refinement to the above measure of relative poverty would be to adjust for:

- Differences in household size and composition (in terms of adults and children) in order to cater for the different requirements of adults and children.
- Economies of scale.

1078. Using the adjusted half-median household income per adult equivalent as a cutoff line, the following results are obtained (see table 7.2).

Table 7.2: Adjusted half-median household income

	1996/1997	2001/2002	2006/2007
Half-median monthly household income (Rs)	2,004	2,804	3,821
Percentage of households below the half-median household income per adult equivalent	8.7	7.7	7.9

Source: Household Budget surveys 1996/1997, 2001/2002 and 2006/2007

1079. The proportion of relatively poor households decreased from 8.7 per cent in 1996/1997 to 7.7 per cent in 2001/2002, but increased to 7.9 per cent in 2006/2007. In absolute terms, the number of relatively poor households increased from 23,700 to 26,900 between 2001/2002 and 2006/2007.

1080. The proportion of poor persons (as distinct from households) increased from 7.8 per cent in 2001/2002 to 8.7 per cent in 2006/2007; the number rose from 93,200 to 106,100. The reason why the proportion of relatively poor persons is higher than the proportion of relatively poor households is due to the size of the households: poor households have a higher average number of persons.

1081. In fact, the trend of the relative poverty reflects the trend of the income distribution (see table 7.3).

Table 7.3: Selected estimates of household income – household budget surveys,

	1986/1987	1991/1992	1996/1997	2001/2002	2006/2007
Gini Coefficient	0.396	0.379	0.387	0.371	0.388
Percentage of total income going to:					
Lowest 20 per cent of households	5.6	6.4	5.9	6.4	6.1
Highest 20 per cent of households	44.2	43.5	46.2	44.0	45.6
Ratio of highest 20 per cent to lowest 20 per cent	7.9	6.8	7.8	6.9	7.4
Percentage of households with less than half-median monthly income	15.7	13.7	14.2	13.1	14.0

Source: Household Budget surveys, 1986/1987–2006/2007

2. Extreme poverty and poverty lines

1082. The first United Nations (UN) Millennium Development Goal (MDG) is to eradicate extreme poverty and hunger in the world. The target is to halve the proportion of people living on less than USD1 a day by the year 2015.

1083. Using such a poverty line (USD1 per person per day) and data from the last three household budget surveys, the proportion of poor people in Mauritius is estimated to be below 1 per cent.

1084. The USD1 a day poverty line is more relevant to least developed countries, where there is extreme poverty. If we take the USD2 a day and the USD4 a day poverty lines, which are more relevant to middle-income countries such as Mauritius, the proportion of poor people appears to be decreasing over time (see table 7.4).

Table 7.4: Poverty rate based on different poverty lines⁵⁶

	1996/1997	2001/2002	2006/2007
USD2 a day per person			
Number of households below poverty line	2,832	2,434	2,237
Percentage of households below poverty line	1.03	0.79	0.67

⁵⁶ - USD1 is equal to USD1.08 based on 1993 PPP estimates. This is equivalent to around Rs9.4 in 1996/1997, Rs12.50 in 2001/2002 and Rs16.70 in 2006/2007. USD4 is equivalent to approximately Rs37.4 in 1996/1997, Rs49.9 in 2001/2002 and Rs66.8 in 2006/2007. It is to be noted that the PPP is different from the exchange rate. The PPP is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with USD1 in the USA.

	1996/1997	2001/2002	2006/2007
Proportion of persons below poverty line	1.43	1.13	1.09
USD4 a day per person			
Number of households below poverty line	36,307	33,534	31,933
Proportion of households below poverty line	13.23	10.93	9.55
Proportion of persons below poverty line	16.96	14.13	12.78

Source: Central Statistics Office (CSO)

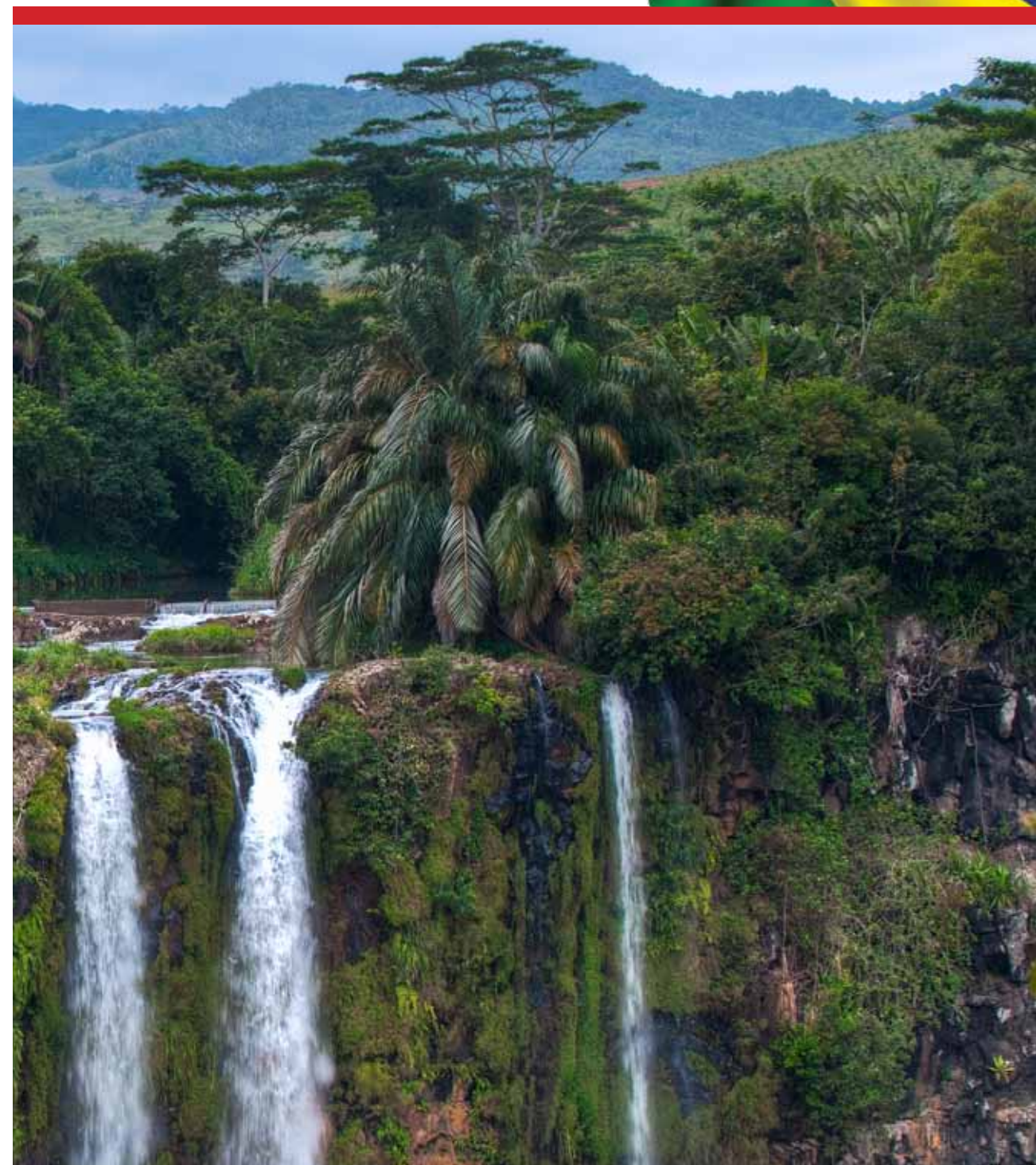
3. Human Development Index (HDI) of the UN

1085. The HDI is a comparative measure of human development for countries worldwide. It is computed by the UN and measures the average achievements of a country in three basic dimensions of human development, namely:

- A long and healthy life, as measured by life expectancy at birth.
- Knowledge, as measured by the adult literacy rate and the combined primary, secondary and tertiary enrolment ratio.
- A decent standard of living, as measured by Gross Domestic Product (GDP) per capita.

The index ranges between 0 (lowest level of human development) and 1 (highest level of human development).

1086. Based on data from the 2000 Housing and Population Census, the Central Statistics Office (CSO) built a map showing the RDI of each administrative area. Le Morne, the island of Rodrigues and Baie du Cap were the least developed areas, while Quatre Bornes and Beau Bassin/Rose Hill were the most developed areas. Even though growth in Mauritius is acknowledged by the CRM, there are still pockets of poverty in the country. The Mauritian authorities should consider addressing these pockets of poverty with the effective implementation of well-constructed socioeconomic policies. Policies should also be put in place to help those losing their jobs in the textile industry owing to external factors. Lastly, and of equal importance, the authorities should consider implementing policies that will address the increasing gap between the rich and poor in the country.



General Conclusion: Constraints and Perspectives

CHAPTER EIGHT

8. GENERAL CONCLUSION: CONSTRAINTS AND PERSPECTIVES

8.1 Introduction

1087. The country review exercise has highlighted both the strengths and weaknesses of the governance system in Mauritius. Consequently, the analysis under each objective ends with relevant recommendations for action. The commitment of the authorities, the institutional provisions and strategies that have been, or are being, put in place, and the natural and social assets of the country together open up prospects of hope. The African Peer Review (APR) Panel acknowledges the true value of all the determined efforts being made by the Mauritian authorities to meet the challenges of constructing an emerging economy, and the challenges presented by the need to implement the processes of sustainable human development and democratisation.

1088. However, it is the duty of the APR Panel to inform all Mauritians, and more particularly the Mauritian authorities, of the constraints or risks that may impede the implementation of the action plan and the country's economic, social and democratic objectives. Mauritius should address these constraints and risks with the aim of identifying lasting solutions to them; this, in turn, will allow the country to accomplish the development it seeks for the benefit, and with the participation, of all stakeholders. The leaders and stakeholders met by the Country Review Mission (CRM) articulated the genuine desire of each and every person to improve the efficiency of the governance system in all its various configurations. Such determination needs to be effectively translated into the elimination of the identified constraints, some of which could even constitute risks. This is why the APR Panel wishes to conclude this report with a brief analysis of the constraints and risks affecting implementation of the improved governance proposals, within the context of the island's future prospects and its existing asset base.

8.2 Constraints and risks

1089. Some of the significant constraints and risks include the following:

i. At the political level

- The chemistry that exists between the country's political, ethnic and economic driving forces tends towards complicity and self-protection. Most importantly, however, this insularity has seen a trend develop whereby a few families control the island's economic and democratic resources.
 - The control function of the state's responsible institutions and bodies is exercised inefficiently. This weakness creates in the mind of the general public a feeling that complicity and favouritism affect the relationships between and among the country's leaders, which, in turn, creates the problem areas of poor governance, lack of accountability and, especially, impunity of action at a senior level.
 - The dominance of the business-led or business-oriented governance system definitely facilitates a vibrant public-private partnership, but also presents the risk of 'state privatisation' and/or a poor defence of the public interest.
 - The weakness of civil society, and particularly its inadequate participation in the important areas of strategy and policy design and implementation, is evident.
 - Corrupt practices in the political and administrative systems are carried out with relative impunity. Although this appears a difficult problem to overcome, if it is not fully addressed it will continue to eat away, virus-like, at the country's system of governance. This threat also manifests itself at the level of economic constraints and risks.
 - The ethnic divides that separate the country's various social groups from one another are reinforced by, and coincide with, corresponding religious differences. Such division has created an inequitable distribution of social, economic and political opportunities, which has the potential to fuel further disruption and possibly an explosion of social discontent.
1090. Committed efforts have been made towards developing economic democratisation, the economic Empowerment Programme (EP), a strong, though not complicit, partnership with the private sector, and a welfare state. All of these policies and mitigating factors, and the forms they take, do not, however, deny the existence and reality of these constraints, which may, as a result of frustration or a fortuitous event, get out of hand and be transformed into some or other form of crisis. The APR Panel calls on the Mauritian people and its authorities not only to be merely vigilant, but also to provide appropriate responses and solutions to bring about the necessary change, particularly – but not only – in respect of the Mauritians of African origin.

ii. At the economic level

- Inequalities, including those that are increasing at the social level, constitute yet another constraint/risk – this despite sustained longterm growth of about 6 per cent. Tackling economic and social inequalities, and the identified pockets of poverty on the island, is important; left unaddressed, these problems may contribute to the development of a sense of social frustration, resentment and rancour at the sociopolitical level.
- Regional or geographical inequalities are also on the increase. For instance, the cumulative differences that exist between the main island of Mauritius and the smaller one of Rodrigues, or between slum and squatter areas and other areas, are obvious, although these differences are not necessarily well reflected in official statistics. This can lead to the development of a political perception of regional marginalisation and social exclusion of some segments of the country – segments that have an ethnocultural dimension.
- The Mauritian economy displays vulnerability because it is an export-based, open, market-led economy that is dependent upon international markets and foreign direct investment (FDI). This not only presents a challenge to the country and a call for the fruitful diversification of Mauritius's sources of sustainable and participative economic growth, but also suggests a serious risk for the future and the sustainability of the ambitious emerging economy in the country and in the region.
- The macroeconomic impact of having a welfare state operating within the context of a business-led economy presents a constraint/risk not only in terms of this system's sustainability, but also in terms of the role the state plays in assuming a share of the responsibility for the nation's economic situation. The state's role can be said to have been reduced to that of social tension regulator and guarantor for business.
- The combination of a chronic budget deficit, the welfare-state option and the weak control exercised by Parliament over parastatals and state-owned companies contributes to lower public expenditures, which, in turn, impacts negatively on socioeconomic development.
- There are natural and environmental constraints linked to the geographical situation of the Republic of Mauritius. These constraints should also be associated with the risk of a set of climatic changes, including that of global warming, with unpredictable consequences for the Mauritian economy, which may contribute to annihilating every development effort made by the country.

- Failure to develop a well-defined vision of the Mauritius of tomorrow puts at risk the safe navigation of the country into the future. Such a vision requires the identification of the structural changes needed and the subsequent operational strategies to be implemented.
 - Energy is an issue that represents a further constraint and possible future risk to the country's ambitioned, knowledge-based economy, mainly in terms of the economic implications it will have upon manufacturing, information and communication technology (ICT), outsourcing business and the required accompanying infrastructures.
 - The country's institutional capacity, in terms of its ability to provide the skills needed to match the requirements of the above-mentioned emerging knowledge-based economy, is a further issue. There is the possible risk of Mauritius becoming dependent on external sources for the supply of these skills.
 - The final constraint concerns the lack of attention paid to the necessary development of food production and sustainable agriculture. This contributes to Mauritius's increased dependency on imported foodstuffs, which has well-known consequences, both economic and social, for the island.
1091. The authorities are well aware of the majority of these constraints and risks and have deployed efforts to address them. These efforts, and the resultant progress they create, are expected to contribute to the mitigation of the said threats and their negative effect upon the economy. However, the business-led state may not provide the authorities with the full picture of these risks and their potential and actual impact on the future of the country. Given both the importance of, and the persistence of, these constraints, the APR Panel therefore wishes to call the country's attention, and more particularly the Mauritian authorities' attention, to these risks and constraints, and to stress the need to intensify existing efforts with unflinching determination, and to demonstrate the will to mobilise the population on a path of qualitative change.

iii. At the social and cultural level

1092. The country's historical background, along with its ethno-cultural differences and religious divide, makes Mauritius a multination country – a *mosaïque* of people of different cultures living on the same land, but who resist the need to come together as a single nation. In addition, there is no well-defined policy that addresses the possible risk that this situation poses to an emerging, knowledge-based

economy. The National Unity Committee established in 1999 is yet to yield results.

1093. The construction of Mauritius as an emerging, knowledge-based economy will require more than half the country's population, which constitutes women, as responsible partners and actors. Despite the progress and efforts made in this area, the fact remains that women, who represent the majority of the population, are still marginalised in the democratisation of development, particularly in decision-making bodies. This needs to be addressed in order to fight poverty efficiently, and to ensure high and sustained growth levels. Moreover, this constraint has a political dimension that should be taken into account: women represent the majority of voters. Their economic and political significance should therefore not be ignored or underestimated.
1094. Cultural constraints can also impede efforts and progress with regard to reforms designed to improve the different components of the governance system in Mauritius. This is apparent in the relationships between society and nature; in the conception of the relationships between men and women and in the sharing of duties and responsibilities between them; in the relationships between young people and adults; in the distribution of lands; in the relationships with the political authorities, particularly during elections; and in the ongoing modernisation processes and social changes.
1095. It appeared clearly to the APR Panel that the Mauritian authorities are fully aware of these constraints, threats and risks. The reforms undertaken at the legal and institutional levels, the sectoral and thematic strategies implemented at the economic level, as well as the institutionalisation of specific bodies to facilitate social dialogue within different segments of the nation, are among the major efforts taken by the government to manage, and even to anticipate, such constraints. This helps to reduce the constraints, even if the expected results cannot yet be guaranteed and even though the road ahead remains long.

8.3 Assets and prospects

1096. The constraints and risks identified, which cover all dimensions of the governance system, are numerous. Consideration has been given to the authorities' proven awareness of these constraints and threats and to the actions that they have undertaken, and continue to undertake, to overcome them, taking into account the authorities' capacities and the need for them to resolutely apply themselves to the task. But the

country's ability to address the various constraints and risks is also based on an assessment of the country's assets, despite the low level of its natural, and to some extent human, resources. It is useful to highlight some of these major assets that the country should build on and use to consolidate its progress towards an emerging economy in the southern region of the African continent.

1097. One of the major assets of Mauritius is its people and the confidence they have in their country's capacities. Their confidence and their resolute attachment to the republic – evident even during the Diaspora – constitute an important resource in the drive to achieve successful and sustainable economic growth and combat poverty. Some observers predicted that Mauritius would become a shrinking island. However, the island has not shrunk; instead it has built what is today an emerging economy in the world, relying on its own forces and capacities, including its ability to attract FDI. Mobilising these forces and capacities in a clear and coherent manner to build and consolidate an ambitious, knowledge-based economy and society, will certainly open up brilliant prospects for Mauritius.
1098. The legitimate ambition of the Mauritian leadership to change things, and to carry high the country's 'torch of development' in between Africa and Asia in an open and market-led economy, may be another asset when it comes to dealing with globalisation and regional integration processes. However, this ambition should really be translated into an enlightened vision – one which spearheads the transformations needed to achieve accelerated, high, equitable and sustained growth. Hence the need for a systemic approach articulating and federating the different sector policies, prior to their integration within a coherent financial framework.
1099. The privileged geographical position of Mauritius, located between the continents of Africa and Asia, is a further asset. The island's location means that, because of minimal time differences between Mauritius and the countries on the Asian and African continents, almost 24-hour communication links are possible during these countries' normal working hours. This facilitates the building of a transit economy between the two continents; it also means Mauritius can promote its commercial trade-route potential and the viability of its outsourcing businesses. The perception of Mauritius as an isolated island somewhere in the Indian Ocean shouldn't be a handicap; it should rather be seen as an asset that links the country to other nations and continents.

1100. Mauritius's landmass (including its water resources) covering more than 1.2 million square kilometres in area is large enough to constitute an economic asset. As such, it should be developed with the appropriate know-how in order to make it an asset that provides the basis for funding the construction of an emerging economy. This wealth also comprises the potential that lies in rainfed and irrigation agriculture, the lowlands, the potential zones for stockbreeding and, most importantly, the promotion of a huge fishing industry.
1101. The multinational nature of the country and the diversity of its cultural and historical background should not be the basis for differentiation. On the contrary, these factors should be viewed as an important asset, wealthy in itself, which can facilitate political, cultural, social and economic relationships with the peoples of other continents.
1102. Mauritius's population has developed a sense of entrepreneurship and business promotion that is also an asset in terms of the economic direction that the country is taking. Other socioeconomic assets comprise the country's membership of various regional economic and political groupings: the African Union (AU), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Commission (IOC), etc.
1103. It is, therefore, the responsibility of the country in general and of the authorities in particular to build on these assets and to overcome the obstacles presented by the major constraints to the country's development. This is a legitimate and realistic ambition in which everyone must believe, and for which all stakeholders must be mobilised. An affirmed political will to address challenges and constraints, and to build on the country's assets via a consensual approach that involves the participation of significant segments of Mauritian society, negotiated by all stakeholders – government, political parties, the private sector, trade unions, civil society organisations, and so on – should be the basis upon which to construct the strong and emerging Mauritius of tomorrow.
1104. The stakes and challenges confronting Mauritius today call for a strong consensus around the most essential objective: laying the foundations for a modern, solid economy and a conscious, responsible Mauritian and African citizenship.

ANNEXURE I

COMMENTS OF THE GOVERNMENT
OF MAURITIUS

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ACKNOWLEDGEMENT

The Government of the Republic of Mauritius would like to extend its appreciation to the APR Panel of Eminent Persons for producing the Country Review Report (CR) on Mauritius. The Country Review Mission (CRM), conducted by Professor Mohammed Seguir Babes, member of the APRM Panel of Eminent Persons and his team of experts in Mauritius from 15 to 31 July 2009, was a complex but a successful exercise despite time and logistics constraints.

The Country Review Team (CRT) held wide-ranging consultations with government officials, political parties, parliamentarians, representatives of civil society (including the mass media, academia, trade unions, business and professional bodies) during its visit to Mauritius and Rodrigues.

The Government has taken note of the findings of the Country Review Mission and the recommendations formulated by the APR Panel of Eminent Persons. In view of the broad range of issues covered and opinions expressed in the CR document, extensive consultations had to be engaged further with all Government stakeholders in order to ensure a pertinent analysis of the Country Review Report and put government policies, actions and responsibilities in their proper context.

To that effect, the Ministry of Foreign Affairs, Regional Integration and International Trade set up a High Level Coordinating and Drafting Committee (HLCDC) under the chairmanship of the Minister of Foreign Affairs, Regional Integration and International Trade, Dr. The Honourable Arvin Boolell, with the help of the Secretary for Foreign Affairs, Mr. Anand Neewoor and under the responsibility of the Special Representative of the Prime Minister to the APRM, Ambassador Patrice Cure. Each Ministry involved in the APRM process was requested to designate a Senior Official and a desk officer to assume responsibility for their respective Ministry's contribution.

The mandate of the HLCDC was to ensure a comprehensive compilation and proper drafting of the Government Response to the Country Report and its transmission to the APRM Panel for inclusion as an integral part of the CR which would be peer reviewed at the APR Forum to be held in the margins of the forthcoming AU Summit, July 2010 in Uganda.

To assist the HLCDC in this complex exercise, the Ministry of Foreign Affairs, Regional Integration and International Trade provided all government stakeholders with:

- (i) a summary of the CSAR, on 17 September 2009, drawing attention to sensitive issues, on which representatives of Ministries were asked to reflect;
- (ii) a thematic breakdown of the Country Review Report highlighting areas of concern and recommendations contained in the document.

The HLCDC held five meetings in all, starting with the briefing session of the 17th of September 2009, chaired by the Minister of Foreign Affairs, Regional Integration and International Trade, followed by four other working sessions after receipt of the CR from the APRM Secretariat on 09 December 2009.

From December 2009 to June 2010, a core task force was constituted at the Minister of Foreign Affairs, Regional Integration and International Trade under the responsibility of the Special Representative of the Prime Minister to the APRM and the Coordinator, Mr. Jevin Pillay Ponisamy, Second Secretary, to interact with every APRM desk officer and monitor the execution and progress of the exercise. In this task, the HLCDC was assisted by a team of dedicated students from the Political Science Faculty of the University of Mauritius.

The Panel will note that the Government's Response to the Country Review Report consists of comments and observations on major areas of agreement and divergence. It attempts to put in perspective pertinent government policies and measures. It also brings corrections to factual errors contained in the report. The comments on the Programme of Action (PoA) have been integrated in the overall Government Response.

Having gone through the APRM experience, the Government of Mauritius would like to commend the process as a genuine initiative created, owned and truly driven by Africans. If properly understood and applied, it should represent an invaluable tool for member states and the African Continent at large in addressing inherent governance problems constituting major obstacles for development.

In such spirit, the APRM is neither a scorecard nor a finger pointing exercise. Rather, it is designed to be inclusive and participatory. It provides an opportunity for all stakeholders in society to express their aspirations and devise solutions within their field of experience on how to progress and move the nation forward.

Mauritius is therefore fully committed at domestic and international levels to maximising the benefits of the APRM process whose importance is dully reflected in the Resolution on social dimensions on NEPAD, which

was adopted in February 2010 at the 48th Session of the Commission on Social Development held in New York. Through this Resolution, the United Nations Economic and Social Council (ECOSOC) urges those States that had not done so to join and strengthen the APRM process, a crucial element in the struggle for the eradication of poverty and sustainable development in Africa, with a particular relevance to the Millennium Development Goals.

SPECIAL NOTE ON THE CHAGOS ARCHIPELAGO ISSUE

(Comments on paragraphs. 1.41 and 367-374 of the APRM CRR on Mauritius)

1. Illegal Excision of the Chagos Archipelago from the Territory of Mauritius

The Chagos Archipelago, including Diego Garcia, was illegally excised by the United Kingdom from the territory of Mauritius prior to its independence, in violation of United Nations General Assembly Resolutions 1514 (XV) of 14 December 1960 and 2066 (XX) of 16 December 1965.

The Chagos Archipelago, including Diego Garcia, forms an integral part of the territory of Mauritius under both Mauritian law and international law. Mauritius does not recognize the so-called "British Indian Ocean Territory". It has also consistently pressed for the early and unconditional return of the Chagos Archipelago to Mauritius.

Successive British Governments have assured the Mauritian authorities that the Chagos Archipelago will be returned to Mauritius when it will no longer be needed for defence purposes. However, these assurances have always stopped short of providing a specific date for the effective return of the Chagos Archipelago to Mauritius.

The Government of Mauritius deplores the fact that it is still not in a position to exercise effective control over the Chagos Archipelago.

The African Union and the Non-Aligned Movement have consistently recognized the sovereignty of Mauritius over the Chagos Archipelago.

The African Union has taken the position that the Chagos Archipelago, including Diego Garcia, forms an integral part of the territory of Mauritius and has called upon the UK to put an end to its continued unlawful occupation of the Chagos Archipelago and to return it to Mauritius.

The Non-Aligned Movement to which members of the African Union belong has also taken the position that the Chagos Archipelago, including Diego Garcia, is an integral part of the territory of Mauritius and has called on the

UK to expedite the process with a view to enabling Mauritius to exercise its sovereignty over the Chagos Archipelago.

2. Lease Agreement between the UK and the US

The Chagos Archipelago is subject to a Lease Agreement between the UK and the US, which was concluded on 30 December 1966 in breach of the sovereignty rights of Mauritius over the Chagos Archipelago. Both the UK and the US have agreed that the Archipelago would be available to meet their defence needs for an initial period of 50 years until 2016.

Unless either the British or US Government gives notice of termination to the other by 2014, the Anglo-US Lease Agreement will automatically be renewed for a further period of 20 years.

Mauritius is opposed to the renewal of the Lease Agreement on its expiry in 2016 since the Lease Agreement was entered into in breach of its sovereignty rights over the Chagos Archipelago. It is also believed that the Agreement contains uncertain terms which would postpone for an indefinite period the return of the Chagos Archipelago to Mauritius.

3. Rights of Chagossians

The excision of the Chagos Archipelago from the territory of Mauritius also involved the shameful eviction of the inhabitants of the Chagos Archipelago at the time (“Chagossians”) from the Archipelago by the British authorities in total disregard of their human rights in order to pave the way for the establishment of a US military base in Diego Garcia. Most of the Chagossians were removed to Mauritius.

When the Chagossians were forcibly removed from the Chagos Archipelago in the late 1960s and early 1970s, Mauritius which had just obtained its independence was still at an early stage of its development and was confronted with a very difficult economic situation.

The Government of Mauritius has nevertheless endeavoured, within the means available to it, to facilitate the integration of the Chagossians into Mauritian society. The Government of Mauritius has, for instance, donated land in Baie du Tombeau (45 acres and 80 perches) and Pointe aux Sables (22 acres) to the Chagossians. 1202 adults received 40 toises each and 142 minors, 20 toises each.

In order to promote the welfare of Chagossians (also known as ‘Ilois’), the Ilois Welfare Fund was established under the Ilois Welfare Fund Act. The

objects of the Ilois Welfare Fund are, inter alia, to advance and promote the welfare of the members of the ‘Ilois’ community and their descendants in Mauritius, and develop programmes and projects for the total integration of the members of the ‘Ilois’ community and their descendants into the island of Mauritius. The following measures were undertaken by the Ilois Welfare Fund in favour of the Chagossians during financial year 2008/2009:

- (a) payment of funeral grants;
- (b) refund of examination fees to Chagossian children taking part in School

Certificate/Higher School Certificate examinations and payment of registration fees to Chagossian children attending the University of Mauritius;

- (c) Scholarship Programme for Forms I-VI children;
- (d) recreational activities for senior citizens at Pointe aux Sables Recreation Centre;
- (e) distribution of quilts to 300 senior citizens;
- (f) distribution of provisions to senior citizens;
- (g) Journée Chagossienne for Chagossians;
- (h) Christmas party;
- (i) end-of-year party;
- (j) sports activities;
- (k) medical check up; and
- (l) vaccination (anti-influenza) campaign.

Since the Chagossians are Mauritians, they enjoy the same rights as other Mauritian citizens, including access to free health services, free education, and free public transport for students, elderly persons and disabled persons.

The Government of Mauritius is concerned about the plight of the Chagossians and believes that they should not continue to be denied their right to return as Mauritian citizens to the Chagos Archipelago.

Following a proposal made by the Prime Minister of Mauritius to his British counterpart at their meeting in November 2005 at the Commonwealth Heads of Government Meeting in Malta, a group of Chagossians visited the Chagos Archipelago from 30 March to 10 April 2006. This visit was a joint undertaking between the Mauritian and UK Governments.

The “Groupe Réfugiés Chagos” and the “Comité Social des Chagossiens” fully support the sovereignty of Mauritius over the Chagos Archipelago.

4. Marine Protected Area

On 10 November 2009, the British authorities decided to launch global public consultations on their proposal for the creation of a marine protected area (“MPA”) in the waters of the Chagos Archipelago. On several occasions, the Government of Mauritius conveyed its strong opposition to such a project being undertaken unilaterally.

Nonetheless, the British Government unilaterally decided on 1 April 2010 to establish a marine protected area around the Chagos Archipelago which will include a full no-take marine reserve but will exclude Diego Garcia from its coverage.

The Government of Mauritius informed the British Government on 2 April 2010 that it strongly objects to the creation of the marine protected area and has decided not to recognize the existence of the MPA and will look into legal and all other options that may exist.

The creation of a marine protected area around the Chagos Archipelago is totally unacceptable to the Government of Mauritius as it not only infringes the sovereignty of Mauritius over the Archipelago, but would also prevent the eventual resettlement of the Chagossians who were forcibly removed from the Chagos Archipelago.

Chapter 3: Democracy and Political Governance

Standards and Codes

Ratification of Conventions by Mauritius

Before ratification of any convention that has been signed, Government ensures that it can be implemented domestically. In certain instances, this can be done administratively, whereas in other instances, it may be necessary to pass a new legislation. In such cases, ratification is done only after coming into force of the new legislation. It is considered that it would not be appropriate to go into the process of ratification of a Convention in the absence of an adequate legal framework for its implementation.

Outstanding Reports (International Organisations)

Mauritius is now up to date with its obligations in respect of reports to be submitted under specific Conventions and Charters. However, there are still the reports under the Convention against Racial Discrimination (CERD) yet

to be submitted. They are being consolidated in a single report and the said report is in the process of being finalized.

International Maritime Conventions and Protocols

Mauritius is also a member state of the International Maritime Organisation, the United Nations agency concerned with international maritime activities. To date, Mauritius has acceded to 17 International Maritime Conventions and Protocols. Please refer to list below.

No.	Convention	Date of Accession
1.	United Nations Convention on the Law of the Sea (UNCLOS)	10.12.82
2.	International Convention for the Safety of Life at Sea (SOLAS), 1974. Protocol of 1988 relating to the International Convention for the Safety of Life at Sea, 1974 (SOLAS PORT 1988)	01.02.88 17.03.03
3.	International Convention of Load Lines, 1966. Protocol of 1988 relating to the International Convention of Load Lines 1966 (LL PORT 1988)	13.08.88 17.03.03
4.	International Convention on Tonnage Measurement of ships (TONNAGE), 1969	13.08.88
5.	Convention on International Regulations for Preventing Collisions at Sea (COLREG), 1972	26.11.88
6.	Convention on facilitation of International Maritime Traffic (FAL), 1965	18.06.90
7.	International Convention on Standards of Training Certification and Watchkeeping for Seafarers (STCW), 1978	04.07.91
8.	The Convention of the International Maritime Satellite Organisation (INMARSAT), 1976	07.06.92

OBJECTIVE 1

To prevent and reduce intra and interstate conflict

(Page 81 – Page 87 of the CRR):

Law and Order: Social cohesion and the Equal Opportunities Act

The Government of Mauritius considers that there is no discrimination against any community constituting the component of the Mauritian society in its diversity. Every effort is made to address complaints of discrimination and provide mechanisms which ensure that there is no such discrimination in practice.

The Equal Opportunities Act (EOA), one of the finest legal instruments in Mauritius, prohibits discrimination on various grounds in various spheres of activities namely, employment, education the provision of accommodation, goods, services and other facilities, sports, the disposal of immovable property, companies, partnerships, “societies” or registered associations, admission to private clubs and premises open to members of the public.

The EOA will be further discussed throughout this government response, particularly as regards its other benefits to the population.

OBJECTIVE 2

To establish constitutional democracy, including political competition and the opportunity for freedom of choice, the declaration of human rights and the primacy of the Constitution.

(Page 88 – Page 96 of the CRR)

Primacy of the Constitution: Individual Rights

Section 16 of the Constitution is very important to Mauritius since it ensures that no individual is discriminated against on the grounds of race, colour, political opinion, creed, caste, sex or place of origin. However, the Equal Opportunities Act, which has already been passed by the National Assembly (and will soon be proclaimed), incorporates all the different grounds of discrimination covered under sections 3 and 16 of the Constitution as well as specific aspects such as age, pregnancy, mental and physical disability and sexual orientation in the areas already cited above. The Act also provides for the establishment of an Equal Opportunities Division with the National Human Rights Commission and an Equal Opportunities Tribunal.

The Electoral Supervisory Commission

The “**Electoral Supervisory Commission**”, an independent Commission set up under the Constitution, is currently working on a Model Code of Conduct for Political Parties. However, this is a sensitive issue requiring widespread consultations with all stakeholders involved so that maximum possible consensus be reached.

OBJECTIVE 3

To promote and protect Economic, Social and Cultural, Civil and Political rights such as those enshrined in all African and international human rights instruments

(Page 96 – Page 105 of the CRR)

Human Rights Reports

The CRM noted the repeated delays in submitting reports. Therefore, more regular and timely reports will enable the relevant treaty bodies to make recommendations in line with new developments in the human rights field.

Late submission of reports should not per se be viewed as a lack of commitment on the part of Mauritius. The fact remains that for the past years, the Attorney- General’s Office has also been involved at the same time in the preparation of periodic reports under various International Conventions such as the ICCPR, ICESR, CRC and most recently the Universal Periodic Review. Periodic reports under the CAT and CERD are currently being drafted. Preparation of these reports are resource intensive and time consuming exercises, considering the complexity and sophistication of Mauritian society.

Several recommendations were made by the “**National Human Rights Commission**” (NHRC) in its annual report for the year 2007, amongst which were those related to economic, social and cultural rights. One specific recommendation was that a future new Constitution should provide explicitly for the protection and promotion of economic, social and cultural rights.

OBJECTIVE 4

To achieve the separation of powers, including the protection of the independence of the Judiciary, and an effective Parliament

(Page 106 - Page 114 of the CRR)

Government is committed to far-reaching reforms of the justice sector with a view to improving the delivery of justice, in accordance with the recommendations made by the Presidential Commission chaired by Lord Mackay of Clashfern and also to facilitate the “ease of doing business” in Mauritius. Appropriate legislative changes are under consideration for the setting up of a separate Court of Appeal.

It is worth noting that, presently, the Supreme Court of Mauritius cumulates the Court of first instance, the Court of Appeal as well as exercises constitutional jurisdiction. Since January 2008, two Judges have been hearing criminal cases and two others have been hearing family law cases on a full-time basis with a view to clearing the backlog. As from January 2009, two Judges have also been hearing commercial cases on a full-time basis.

OBJECTIVE 5

To guarantee an efficient, capable, effective and accountable public service

(Page 114 – Page 126 of the CRR)

Concerning the “Recruitment and promotion of civil servants”, the CR gives details concerning the role of the Public Service Commission (PSC), the Disciplined Forces Service Commission (DFSC) and the Local Government Service Commission (LGSC). It describes their appointment and objectives; points out the fact that they can delegate their powers of appointment; and describes appeals to them.

The section also reports on the analysis made of responses from the stakeholders consulted on various aspects concerning the three Commissions. The following are noteworthy. Of the respondents, 48% felt that the promotion process in the public service is neither transparent nor based on meritocracy; 46% of them considered the process to award incentives, such as bursaries and specialized training, not to be transparent.

The respondents (no statistics given) believed that, although there are clear rules and regulations on the recruitment and promotion process, there is too much political interference. They regretted the fact that systematic political interference has resulted in civil servants being frustrated, unhappy and demoralized, leading to a substandard service provided to the general public. Among the cited examples by the respondents was the recent case, where the Court invalidated the appointment of four Deputy Rectors on the ground that the PSC’s procedures and regulations had not been complied with.

To that, the Government wishes to point out that the Public Service Commission, the Disciplined Forces Service Commission, the Disciplined Forces Service Commission and the Local Government Service Commission are independent bodies under specific sections of the Constitution.

According to the Report, the Ministry of Civil Service’s primary function is the overall management of the civil service with regard to staffing, salaries, planning as well as the training of public officers. Its main objectives are to

develop a performance-oriented culture in the public service and to devise innovative and improved methods to deliver quality public services. Examples of the major reforms that have been introduced are quality management initiatives (e.g., the introduction of a Code of Ethics, the adoption of ISO certification; the adoption of a Citizen’s charter/Customer’s Charter; and the introduction of Work improvement Teams); encouragement of creativity and innovation through a staff suggestion scheme; and the inculcation of a quality culture in the civil service. Future reforms will include strengthening the strategic budgeting process and introducing Programme Based Budgeting (PBB) across the ministries.

It should be noted that this is correct. The most significant current changes/reforms in the Civil Service have been the introduction of the Programme Based Budgeting (PBB) and the Performance Management System. Both systems focus on improving performance and service delivery. However, Work Improvement Teams are no longer being promoted and the PBB is mostly driven by the Ministry of Finance and Economic Empowerment.

The recruitment and promotion of civil servants in the country is based on merit. The exercise is conducted in conformity with the Constitution where all Mauritians are taken to be equal and where there is no discrimination based on gender, ethnicity. Political interference in recruitment and promotion is a matter of perception rather than reality. The enactment of the Equal Opportunities Act will also ensure transparency and good governance.

The Ministry of Civil Service and Administrative Reform handles other forms of training referred to. The training is built into the schemes of service, lasts from 2-3 days to several months, and is tailor made to suit the needs of the employee needing the training (such as those relating to customer care, the quality culture and ethical standards. This particular comment can be related to the issue of the Code of Ethics.

The CRM found out that Mauritius has the requisite written codes but their practical enforcement constitutes a challenge. The Panel recommended that the Mauritian authorities consider the issue of enforcing and implementing the country’s codes as an important priority for improving the business climate in a competitive global business environment where countries are competing for foreign direct investment.

The recommendation is of high interest and it should be mentioned that The “Code of Ethics for Public Officers” in its present comprehensive format was updated and published in April 2007 while the initial Code was published in 2000. The document is presently being updated and a new version is expected by May 2010.

Specific Remarks: Public Service Excellence Award

This Scheme was introduced by the Ministry of Civil Service and Administrative Reforms in 2006, following the announcement of its introduction by the Hon. Prime Minister on his coming into office in 2005. It is now a much-awaited, yearly event in which public organizations aspire to participate. It has successfully contributed to promote the spirit of innovation, continual improvement and excellence within the Civil Service.

OBJECTIVE 6

To combat corruption in the political arena

(Page 126 – Page 133 of the CRR)

Though the issue of Corruption is widely discussed under the Cross-Cutting issues part, it should be underlined that the issue of financing of political parties is being looked into in the wider context of the electoral reform process. This process is a long term one which requires intensive consultations with all stakeholders, including major political parties. The process has already been initiated and it will take some time before it is finalized.

Freedom of Information is already enshrined in our Constitution. The issue of corruption is sometimes associated with media influence in the political sphere. Nevertheless it needs to be pointed out that action has been initiated for the review of the media law in general in order to improve the actual system and reduce loopholes.

OBJECTIVE 7

To promote and protect the rights of Women

(Page 133 – Page 140 of the CRR)

Although there is no specific offence of marital rape, Section 249 of the Criminal Code criminalizes the offence of rape. However, some lawyers have pointed out that the possibility of prosecuting the offence of marital rape under this section of the Criminal Code is arguable. This would require a new line of case law to be developed by our Courts. It is to be noted that the Sexual Offences Bill which is presently being considered by a Select Committee of the National Assembly is actively studying the issue in question.

As it is mentioned in the Report, Mauritius has made progress in terms of protecting Women's rights. For instance, in 1982, it created a Ministry

to handle matters concerning Women. The Ministry underwent several changes in name and mandate. As at July 2009, the Ministry was known as the Ministry of Women's Rights, Child Development and Family Welfare.

The Ministry of Women's Rights, Child Development and Family Welfare collaborates with other institutions such as the **National Women's Council** (NWC) and the **National Women Entrepreneurs Council** (NVEC). The country is also a signatory to various conventions dealing with the promotion and protection of women's rights.

OBJECTIVE 8

To promote and protect the Rights of Children and Young Persons

(Page 140 – Page 147 of the CRR)

Reforms of the Educational System

The CRM proposed that Mauritius reforms its educational system and especially the reinforcement of the "Zone d'Education Prioritaire" (ZEP) for greater equity as well as quality education. In response, the Government of Mauritius wishes to point out that reforms have been ongoing in the system across the different levels. Towards the end of last year, Government approved the Education and Human Resource Strategy Plan 2008-2020. This Plan (which is available on the Ministry's website) places a strong emphasis on the five major pillars of educational transformation, namely, Access, Equity, Relevance, Quality and Achievement.

However, numerous initiatives and actions have already been started so as to respond to both the equity and quality needs.

As for the ZEP, considerable progress has been noted, including community involvement, strong private public partnership, the introduction of special programmes that aim at the overall development (and transform the self-image) of the learners. For example, the Certificate of Primary Education (CPE) 2009 results have seen qualitative improvement.

Specific Remarks: Child Labour

The Inspection and Enforcement Section of the Ministry of Labour, Industrial Relations & Employment monitors child employment in the course of regular inspection visits. Criminal proceedings are instituted against employers who are found to be employing children.

Specific Remarks: Brochure to help inform and advise tourists on the issue

The Government, in collaboration with AHRIM, Mauritius Tourism Promotion Authority (MTPA), Police du Tourisme, AIOM, Office of the Ombudsperson for Children, Brigade pour la Protection des Mineurs and Soroptimist have worked out on a brochure to help inform and advise our tourists and stakeholders of the industry more efficiently about common repudiation of CSEC.

As at date, 8,200 brochures have been distributed among stakeholders and the general public. In order to eradicate sexual exploitation of children in the tourism sector, the Government is currently working on an agreement to be signed on “accommodation” which comprises of hotels, guest houses and tourists residences so as to prohibit access of minors to any establishment unless accompanied by an authorised adult.

OBJECTIVE 9

To promote and protect the rights of Vulnerable groups, including refugees and Internally Displaced Persons

(Page 147 – Page 158 of the CRR)

The Vulnerable Groups: People with disabilities

As regards the recommendation concerning the development of appropriate “**Special Needs Education**” (SEN) policies and programmes to cater for the needs of learners with disabilities to ensure the integration of persons with disabilities (PWDs), it is important to point out that a SEN Strategy has already been developed since May 2006 and is currently being implemented. It should also be noted that NGOs are quite active in this field and they have developed the relevant expertise over the years. The Ministry of Education provides a Grant in Aid and, in some cases, the human resources as well.

The Vulnerable Groups: Migrant Workers

According to the Report, Trade unions have reported that many migrant workers are duped and exploited by recruiting companies and that they face many socio-economic challenges to their rights and welfare. It should be noted that the foreign Recruitment Agencies are outside the jurisdiction of Mauritius and the Mauritian authorities have no control over them.

In this context, Mauritius favours the conclusion of bilateral labour agreements with sourcing countries. For example a bilateral agreement on

temporary labour migration has been signed with the People’s Republic of China from where a large number of migrant workers come. Moreover, the Ministry of Labour, Industrial Relations & Employment ensures, as far as possible, that only reputable foreign-based recruitment agencies send migrant workers to Mauritius.

The Vulnerable Groups: Elderly

The laws and policies of Mauritius are very supportive of the needs and concerns of the elderly indeed. It should be added that some efforts, other than those listed in the CR, concern the Protection of Elderly Persons Act 2005 (not 2003) and the National Policy on Ageing 2008.

As for the treatment of senior citizens in Mauritius, more than 3000 related-cases have been reported in Mauritius and Rodrigues since the proclamation of the Protection of Elderly Persons Act 2005 on 01 September 2006. 90% of these cases have been dealt with through mediation, counselling and family counselling. 20 Elderly Watch have been set up in different regions in Mauritius and 4 in Rodrigues.

Moreover, the Ministry of Social Security has elaborated a National Policy on Ageing in 2008. The National Policy on Ageing is based on the Madrid International Plan of Action on Ageing 2002, with the following:

- (i) A Development Approach is adopted through the mainstreaming of older persons into international and national development plans and policies across all sectors;
- (ii) A life course Intergenerational Approach which advocates policy that stresses equity, reciprocity and inclusiveness of all age groups through policies on ageing; and
- (iii) A Gender Perspective to ageing. The Ministry also provides free anti-influenza vaccination to persons aged 60 and above to prevent complications due to influenza and to improve their quality of life. Preventive Health Care is also provided by the Medical Unit of the Ministry in 18 Health Clubs and Social Welfare Centres. The Ministry operates two Recreations Centres for Senior Citizens. The Centres provides residential hotel-type facilities to senior citizens at a highly subsidized price.

Persons aged 60 and above are also eligible to free travelling by bus to enable greater accessibility, participation and integration in the socio-economic mainstream. On attaining the age of 100, the centenarians receive a number of benefits in kind and in cash to enhance their quality of life.

The Ministry has also elaborated a Carers' Strategy. The main objectives are to:

1. create a pool of formal carers;
2. provide basic training to informal carers;
3. provide respite care services to informal carers; and
4. enable informal carers to balance employment needs with their care role in the family.

It should also be mentioned that for those who are 90 years and above or those who are bedridden from 75 years onwards, medical domiciliary visits are guaranteed on a monthly basis.

As the CRR clearly mentions, there are around 600 elderly/Senior Citizens Associations headed by the Senior Citizen Council. According to the Ministry of Social Security, there are exactly 56 Social Welfare Centres and 16 Day Care Centres where citizens participate in workshop, programme on health, talks on ageing issues as well as Healthy Lifestyle and Leisure activities and plans to construct more of such centres are underway. These are run and funded by government.

Chapter 4: Comments on Economic Governance and Management

(Page 161 - Page 234 of the CRR)

OBJECTIVE 1:

To promote macro-economic policies that support sustainable development

(Page 175 - Page 186 of the CRR)

The CRM recommended that Mauritius should "Articulate a comprehensive and consensual vision of the Mauritius of tomorrow the country is building with the assistance of its development partners."

In response, the Government wishes draw attention that it works towards the fulfilment of the vision spelt out in the Government Programme 2005-2010. To this effect, all educational policies are in line with the vision and the Ministry of Education closely collaborates with other Ministries on the issue. In fact, a document is currently being prepared on the achievements of the Ministry in terms of the identified Goals of the Government Programme.

Furthermore, with the Programme-Based Budgeting (PBB), clear targets and Key Performance Indicators (KPI) are being set for all actions. Collectively,

these show clearly how the vision of education is being implemented, the constraints identified and solutions provided.

The Ministry of Education, Culture and Human Resources has also prepared a strategy plan 2008-2020 to pave the way over the medium term to follow suit with the human resource needs of the economy.

The Central Statistics Office (CSO) has stated that the data contained therein, which fall under the responsibility of the CSO, have been checked and found to be correct. In addition, regarding its role with respect to the recommendations, it is mentioned that it is not the mandate of the CSO to look into these. However, the office will collaborate with all stakeholders and provide official statistics as and when required.

There is a specialised Unit in the Ministry of Finance and Economic Empowerment (MOFEE) that caters for the macro modelling. The Medium Term Economic projections are being done are part of the PBB document (PBB 2010, page xi)

OBJECTIVE 2:

To implement sound, transparent and predictable Government economic policies

(Page 187 - Page 198 of the CRR)

Mauritius has established a Protected Area Network of our mainland covering approx. 7569 ha. It includes two Forest Reserves, one bird sanctuary and 14 nature resource areas, two national parks and privately owned mountains and river reserves. At the global level, ecotourism is the fastest growing component of the tourism sector. Environmental degradation and loss of biodiversity is an issue affecting all regions of the world. Local, regional, international organizations, NGO's, local community Government organizations should work together for biodiversity conservation and ecosystem restoration.

In line with our policy of product diversification, it has been noticed that tourists sometimes request to have nature based experiences instead of the traditional beaches that Mauritius usually offer. Therefore, it is crucial to preserve and restore the forests natural environment and vegetation for both tourists and locals. The Ministry of Tourism, Leisure and External Communications is represented on the Local Project Appraisal Committee for the project. The responsibility for expanding coverage and strengthening

management effectiveness of the terrestrial protected area Network on the island of Mauritius has been entrusted to the Ministry of Agro Industry, Food Production and Security.

Specific Remarks:

The CRM was informed that various civil society groups were involved in strategy formulation process. However, the latter did not participate in the programming and budgeting exercise and this does not ensure that the implementation will reflect the partnership and aspirations of the population. However, it must be added that in the implementation process, representatives of the farming community grouped under NGO's are involved through participation at the level of Food Security Fund Committee.

OBJECTIVE 4:

To combat corruption and money laundering

(Page 212 - Page 223 of the CRR)

Though this objective has been widely discussed under the issue of Corruption (See Cross-Cutting Issues), it is to be noted that the CR depicts Corruption as a serious problem in the country. According to the CRM, in addition to the Customs, the Police and the National Transport Authority, Corruption is said to be widespread in the award of contracts under the Capital budget through collusion between Government Officials, contractors and suppliers. However, the report should have been more precise on the issue. For example, it does not state in which area corruption exists at the National Transport Authority.

OBJECTIVE 5:

To accelerate regional integration by participating in the harmonisation of monetary, trade and investment policies

(Page 223 - Page 234 of the CRR)

In response to the following recommendation: "Strengthen the efforts at promoting stronger political, social and cultural ties with Africa by facilitating movement and social and cultural integration between Mauritius and Africa", the Government of Mauritius wishes to convey that from an Educational perspective, Mauritius subscribes to the Second Decade of Education for Africa (SDEA) spelt out by the African Union and is actively involved in the COMEDAF discussions.

The SDEA is mainly concerned with higher education and is supportive of the need to contribute to the finalisation of the revised African Convention on the mutual recognition of degrees and qualifications in higher education.

This will facilitate the mobility of students and encourage more staff exchange as well. Mauritius is also supportive of the establishment of the Pan African University and is in the process of agreeing to work in a cluster on one of the 5 thematic areas for the Pan African University, namely, Space sciences.

Again, the Government is fully involved in all discussions on educational matters in the SADC region as well as with French and Portuguese-speaking Africa. In Education, Mauritius also actively participates in regional fora and organisations such as the CONFEMEN (in connection with activities of the "Agence de la Francophonie") and the ADEA.

The Government of Mauritius has signed agreements with Senegal, Mozambique, Seychelles and Zambia for providing scholarships to students from these countries, tenable at either the University of Mauritius or the University of Technology, Mauritius.

Chapter 5: Comments on Corporate Governance

(Page 237- Page 286 of the CRR).

OBJECTIVE 2:

Ensure that companies conduct themselves appropriately in terms of human rights, social responsibility and the durability of the environment

(Page 255 - Page 262 of the CRR).

Protection of Migrant Workers

Though the issue of Migrant Workers has already been discussed, it is **important to mention that the CRM has described the living and working conditions of some migrant workers as being "inhuman."** It is to be noted that employers are requested to submit health and fire clearances in relation to accommodation for expatriates when applying for work permits.

Foreign workers have the right to participate in a legal strike without any risk of deportation.

Moreover, there are 19 regional Labour Offices across the island where workers can report their grievances with a view to seeking redress.

Sustainability of the Environment

The Country Review Report (CR) and its Action Plan do not give a fair picture of environmental management in Mauritius. Government wishes to submit the following:-

Environmental Management is broad and cross-cutting, and includes issues like water, waste water, solid waste, biodiversity, land-use planning, coastal zone management, energy, transport, environmental education or climate change. It would have been appropriate for the CR to make reference to the National Environment Policy, the National Environment Strategies, the National Programme on Sustainable Consumption and Production (SCP), the National Biodiversity Strategy and Action Plan, the Long-Term Energy Strategy, amongst others which have been adopted by the Mauritian Government.

Substantial progress has been achieved by Mauritius as a Small Island Developing State (SIDS) in sustainably managing its environmental assets, despite inherent constraints and limitations such as scarce land resources, limited funding and capacity. Furthermore, as a SIDS, our environmental concerns are specific and have required adapted policies and responses.

Specific Remarks: Overall performance of Mauritius in Environmental Protection

The ranking of Mauritius in the Environmental Performance Index (EPI) Index bears testimony to the considerable progress achieved in the management of its environmental assets. Environmental experts at Yale and Columbia Universities released their bi-annual Environmental Performance Index (EPI) at the 2010 World Economic Forum. The Index ranks 163 nations according to their performance on 25 indicators that fall into 10 policy categories. In the last evaluation in 2008, Mauritius was ranked 59th. In 2010, Mauritius has been ranked 6th with an EPI score of 80.6. Mauritius is the first SIDS and first country in Africa in this 2010 ranking. We believe that this ranking gives due recognition to the individual and collaborative efforts made by Government, the private sector and the population at large to protect and sustainably manage our environmental assets.

OBJECTIVE 3:

Promote the adoption of ethical codes in business in pursuing company objectives

(Page 262 - Page 271 of the CRR)

This Objective has been dealt with throughout the document.

OBJECTIVE 5:

To provide for the accountability of enterprises, and of their managers, directors and executives

(Page 279 - Page 286 of the CRR).

The Corporate Governance Code is already mandatory. It operates on the principle of “apply or explain non-compliance” for PIE and SoE. Other companies are given the flexibility to comply voluntarily so as not to jeopardize their productivity. The turnover threshold or other criteria can be reviewed to push the entities to be subject to compulsory compliance. Another possibility would be to make some specific sections of the Code compulsory but their application to a larger number of entities would remain optional.

The Directors of the FRC, SEM, Registrar of Companies interact frequently and attend the working sessions or meeting relevant to the accounting, auditing, business industry and co-ordinate their efforts towards a common goal to ensure coherence among their individual actions to the benefit of the financial/ business sector. Team spirit prevails through the sharing of knowledge, practical problems encountered and abuse notified, and in solution generation.

Chapter 6: Comments on Socioeconomic Development

Standards and Codes

International Labour Conference

The CRM was unable to get information on the degree to which international instruments have been popularised among stakeholders and public opinion. Therefore, the Government wishes to add that on 23rd February 2006, the 94th International Labour Conference (Maritime) adopted the Maritime Labour Convention which consolidates and updates 68 existing Maritime Conventions (a number of which have been cited from Pg 290 – 291) and recommendations adopted since 1920.

At the end of the seminar, the participants agreed on an action plan which would lead to the eventual ratification of the convention.

OBJECTIVE 1:

To promote self-reliance in respect of development and the strengthening of capacities for self-sufficient development

(Page 293 - Page 303 of the CRR).

One of the recommendations made by the CRM concerns alternative modes of Transport System which should be considered to provide a modernised, reliable, affordable and attractive public transport system.

The Government is presently working on the implementation of a Bus Modernisation Programme at the cost of Rs 5 billion. Parsons Brinckerhoff Ltd has been selected to provide Consultancy Services for the Bus Modernisation Programme with the assistance of the World Bank and partly by Agence Française de Développement. The Bus Modernisation Programme has three components, namely:-

- (i) Institutional and Organisational Reform
- (ii) Route Development, Service Plan and Operational forecasting; and
- (iii) Bus Rapid Transit Planning and Design.

Specific Remarks: Pension age

Concerning the Basic Pension Plan System, Basic Retirement Pension is being paid as from age 60 years. However, retirement age is being increased both in the private sector and the public sector from 60 to 65 years over a ten-year period starting from August 2008

OBJECTIVE 2:

Accelerate socio-economic development to achieve sustainable development and eradication of poverty.

(Page 303 - Page 314 of the CRR).

Socio-Economic Development: Education

As regards the recommendation made by the Panel for the amendment of the Constitution to include economic, social and cultural rights (i.e. access to water, education, health, etc), it should be noted that the Education Act provides for compulsory education for all up to the age of 16 and education is now free and compulsory for all from the age of 5 to 16. At the University of Mauritius, education is also free for full-time undergraduate studies.

OBJECTIVE 3:

Strengthen the policies, distribution mechanisms and results in key areas of education, health and the fight against HIV/AIDS and other transmissible diseases.

(Page 314 - Page 324 of the CRR).

The CR reveals that in the area of education, there is a need:

- to strengthen and significantly diversify the measures for ensuring the respect of the principle of compulsory education up to the age of 16 years;
- to rapidly initiate a strategic reflection and visibility studies with a view to improving substantially the quality of higher education and making Mauritius a university centre shining forth on the African sub-region and attracting the greatest world competences.

The Government of Mauritius acknowledges that there is a major weakness in that there is no supervisory or monitoring mechanism that ensures all children go and remain in school up to the age of 16. At this stage, not all school leavers (especially in private secondary schools and from prevocational schools) can be or have been identified. This needs to be done soon through a policy decision so that the problem of dropouts from the system can be obviated.

On the other hand, quality audits of Publicly-funded Higher Education Institutions have become embedded in the system, with TEC assuming this responsibility. Efforts are under way by the latter institution as well to transform Mauritius into a Knowledge Hub.

As regards the health sector, the Report outlines that the greatest achievements of the Mauritian health system include the improvement of life expectancy, child and maternal health, control of infectious diseases, as well as the population control program. Life expectancy at birth for the entire population is currently 73.8 years, representing an average increase of 10 years in life expectancy since independence. Infant mortality rate (number of deaths of children aged below one year by hundred (100) of birth) fell from 27.3 in 1986 to 13.3 in 2009.

It should be added that sustainable investment in health since independence in 1968, through the provision of free health services to population, has paid rewarding dividends. With a healthy productive labour force, the Mauritian

economy continues to grow, despite the global challenges. Per capita income which was around US\$ 260 in 1968 has increased to US\$ 7000 in 2008.

Most endemic communicable diseases have been controlled. Indigenous cases of malaria, schistosomiasis, most vaccine preventable diseases and water borne diseases are now diseases of the past. Appropriate strategies have been successfully implemented to deal with emerging diseases such as dengue and A(H1N1).

Universal and free access in the public health structures

The interpretation of data regarding HIV/AIDS is incorrect. Mauritius is among the countries in the region with one of the lowest HIV prevalence of 1.8%. Though the number of new cases has not declined (it has been stabilized around 540 for the past 4 years), the number of newly detected cases is not an indicator to measure either the incidence or the prevalence of the HIV/AIDS epidemic.

These parameters are being calculated by specialized software for estimates regrouping different data such as number and prevalence of each of the most at risk populations and prevalence of HIV among the pregnant women. A decline in the number thus does not necessarily reflect a regress in the epidemic. PLWHA is a hidden population and through aggressive campaigns against stigma and discrimination and decentralization of HIV services (Testing and Treatment Centres), an increase in the number of newly detected cases is rather expected. With an HIV prevalence of 1.8% in Mauritius, the estimated number of infected people amounts to some 12 000 among whom only 4219 Mauritians have been detected as at December 2009.

The priority of the Government is (i) to detect a maximum of infected people so as to offer them antiretroviral therapy free of charge and (ii) to reduce the rate of transmission among Injecting Drug Users by scaling up harm reduction strategies such as Methadone Substitution Therapy and Needle Exchange Programme which have been set up since 2006 and (iii) continue with the ongoing aggressive sensitisation campaigns on HIV/AIDS.

The statement that Mauritians are increasingly inclined to turn away from public health is incorrect. About 95% of the population are treated in public hospitals. In 2009, more than 8.5 million attendances were recorded in our health institutions; 36,100 surgical interventions were undertaken; 3,000 cases of angiography and cardiac surgeries were performed, half a million x-ray examinations were carried out ; 330,000 patients attended dental treatment and some 7.6 million laboratory tests of more than 250 types were also conducted. On a daily basis, more than 22,000 persons attend the public health institutions. These figures speak for themselves.

For July-December 2009 budget, government expenditure on health as a % of GDP was 2.2%. For the present FY 2010, it is 2.7%. In absolute terms, the budget allocated to the Ministry of Health and Quality of Life has doubled since 2005 to reach Rupees 7.4 billion in 2010. For Singapore, Government expenditure on health as a percentage of GDP was only 1.1% in 2006.

Morbidity

It is not correct to say that the expansion of the private health sector is an expression of dissatisfaction with public health services. The expansion of the private health sector is in line with the policies of Government to develop the country into a medical hub and promote medical tourism and to promote public and private mix. Besides, the public hospitals catered for 2,872,321 cases, including 44,031 surgical intervention in 2008. During the same year the primary health care institutions catered for 3,922,545 outpatients cases. Per capita public health expenditure for FY 2010 is US Dollar 205 (at average exchange rate).

Specific Remarks: Drug Addiction

The control of both drug addiction and exchange of syringes among drug addicts has not helped to curb or at least reduce the phenomenon.

OBJECTIVE 4:

Ensure affordable access to all citizens especially the poor in rural areas to water, sanitation, energy, finance (including micro finance), markets, ICTs, housing and land.

(Page 324 - Page 330 of the CRR).

Affordable access to Housing and Land

The CRM pointed out that the problem of housing for low-income families persists. It is estimated that by 2020, nearly 200,000 housing units need to be constructed, but according to the estimates of the Central Statistical Office, 90% of the 330,000 households were owners of their houses in 2008, leaving 10% of 33,000 non-home owners. Therefore, the recommendation made to construct 200,000 housing units for low income families by 2020 is not justified.

As at 2010, the demand for a National Housing Development Company (NHDC) housing unit stands at around 25,000. In 2009, the NHDC delivered 533 low-cost housing units. The amount spent for the project was Rs 242M

and the construction of another batch of 550 low-cost units of a project cost of Rs 325M are under way and will be allocated to beneficiaries in 2011.

ICT Sector in Mauritius: Community Empowerment Programme

In order to transform Mauritius into an Information Society, the government through the Ministry of Information & Communication Technology has initiated the Community Empowerment Programme to enable the creation and sharing of information and knowledge for community development. This is a joint public-private partnership comprising Government, UNDP, Mauritius Telecom and Microsoft.

The CEP consist of a Community Web Portal, identifying the application and use of ICT for social development. It empowers the local community with ICT's skills and free internet access through multiple internet access points established in 93 post offices, 22 youth clubs and 15 women centres. This project will be extended in community centres as well as social welfare centres.

The main government initiatives are summarized as follows:

- (1) Following a Government/Mauritius Sugar Producers Association deal, 2000 Arpents of land will be transferred to the State, out of which 1000 Arpents will be devoted to the social housing programme
- (2) The land will be divided into plots of 60 toises for either "Sites and Services" project targeting household income earners of up to Rs. 16 000 (Approx. USD 535) monthly or for construction of housing units for those earning less than Rs. 10 000 (approx. USD 335) monthly;
- (3) Establishment of a Social Housing Development Fund with an initial budget of Rs. 500 million (approx USD 16.6 million) to manage the projects of the 1000 Arpents of land;
- (4) Extension of the integrated housing program at Bambous, accompanied by its education, empowerment and training components, in favour of more low-income families. This project is implemented in close collaboration with NGOs and the private sector;
- (5) Provision of onsite and offsite infrastructure to the tune of Rs. 170 million (approx. USD 5.65m) in regard to construction of 550 low-cost housing units over 11 sites across the island;
- (6) Leasing of fully serviced sites of around 60 toises to low income earners at an initial annual rate of Rs. 3000 (approx. USD 100). Some 242 plots will be delivered before end of 2010

OBJECTIVE 5:

Note progress made with regard to gender equality in all crucial areas, including education of daughters at all levels

(Page 330 - Page 342 of the CRR).

The CSAR recommended that in the light of the progress made in the area of gender equity, but also of persistent weaknesses, the Government should:

- launch a strong national initiative with a view to enhancing support for real political participation of women in the different structures of power (government, parliament, communes, political parties), and institute as soon as possible the 30% quota to effectively ensure greater participation of women in the decision-making process;
- direct all public institutions concerned to include the gender dimension in their statistics and their evaluation; and
- strengthen the newly-created Female Condition Unit in charge of gender issues within the Ministry of Women's Rights, by increasing substantially its budget allocation and multiplying the capacity-building programs so that it becomes a real advocacy body.

The civil society should intensify the coordination between women's organisations themselves with a view to enhancing the efficiency of their action and acquire means of analysis and intervention capacities to strive in favour of gender equality at all levels.

Furthermore, in 1995, Subsections (3) and (5) of Section 16 of the Constitution, were amended by deleting the words "colour or creed" wherever they appear and replacing them by the words "colour, creed or sex".

The Government of Mauritius wishes to add that the "**Sex Discrimination Division**", which is part of the NHRC, was set up under the **Sex Discrimination Act 2002** and is empowered to receive and enquire into any written complaint relating to alleged infringements of the Act. The Sex Discrimination Act 2002 which came into operation on 8 March 2003 is designed "to provide for the elimination of all forms of gender discrimination and sexual harassment in all relevant areas of public activity".

The Act prohibits discrimination in employment. No employer is allowed, in relation to recruitment, selection or employment, to discriminate on the grounds of sex, marital status, pregnancy or family responsibility.

Discrimination in education, accommodation, the disposal of property, companies and partnerships, clubs is strictly prohibited under the provisions of the Sex Discrimination Act.

Concerning violence at the workplace, the Report mentions that some of the stakeholders interviewed informed the CRM that quite a number of cases of sexual harassment at the workplace were not reported – because women victims do not complain out of fear of losing their jobs. Specific provisions have been included in the Employment Rights Act 2008 to the effect that no person shall harass, sexually or otherwise, a worker, in the course of or as a result of his work.

The Act also provides in Section 54 that any person who commits such an offence shall, on conviction, be liable to a fine not exceeding 75,000 rupees and to imprisonment for a term not exceeding two years.

A female worker is protected against unfair dismissal for reporting a case of sexual harassment against her employer, as specific provision has been made at Section 38 of the Employment Rights Act 2008 for protecting any worker who exercises any of the rights provided for in the Act, against termination of employment.

The Act also provides in Section 46 that where the Industrial Court finds that the employment of a worker has been terminated in contravention of Section 38, it may order that the worker be paid severance allowance at the rate of three months per year of service.

Moreover, workers are sensitized on the issue of workplace violence in the course of the ongoing workers' education programmes undertaken by the Ministry of Labour, Industrial Relations and Employment (MLIRE).

The Report also mentions that the National Remuneration Orders, fixing minimum salaries in the private sector, contain discriminatory provisions against women, notably the basic daily wage which is higher for men. In the agricultural sector, the salary difference is Rs 1,000 between a man and a woman for the same number of hours of work, and the wage differences between men and women are greater in rural areas (44%) than in urban areas (28%).

As an ongoing process, the National Remuneration Board while reviewing the various Remuneration Orders is ensuring that job appellation and classification are based on the principle of equal remuneration for work of equal value and that reference to category of worker with gender

connotation is removed and replaced by gender neutral terms. Presently, only 3 Remuneration Orders namely the Sugar Industry RO, Tea Industry RO and Salt Industry RO still contain gender-based classification and wage differential between men and women. However, it is to be noted that in such sectors of employment, the female worker is not required to perform the same type and amount of work as the male worker.

Specific Remarks:

Low level of Education in Rodrigues:

As regards Rodrigues island, despite support given to parents to send their children to, and keep them at, school/college so that they acquire the skills needed to enable them to compete for the jobs that will, from time to time, become available in the civil service, an overall lower level of academic performance has been noted in spite of provision of comparable educational facilities at pre-primary, primary and secondary levels

Strengthening of the protection of Children's rights

The concepts of Human Rights are already being taught in Political Science and other courses run by the University

Issue of internal audits

The Ministry of Education has started to shift its role from that of 'firefighting', i.e. attending to minor problems that arise now and then in schools and colleges to a more proactive one e.g. through the establishment of the Primary School Renewal Project (PSRP).

Problems and challenges to inequality in the education system

It cannot be said that "very few recommendations have since been implemented". The system provides equal opportunities to all students. This is backed by a high degree of equity in the system. However, other factors especially those relating to socio-economic status and also the fact that some students belong to underprivileged areas result in perceived inequality. Government, however, has been adopting positive discriminatory measures with a view to overcoming the problems arising therefrom. There is a panoply of measures that is being taken, including introduction of diagnostic assessment at Grade 3, remedial education, continuous assessment for Grades 3 and 4 ; ban on private tuition in schools for Grade 4 as from this year and its replacement by an Enhancement Programme that is pedagogically different from the existing approaches to learning - all of which will result in a review of the CPE as indicated in the 2008-2020 Strategy Plan and will also benefit those who feel private tuition as an economic burden.

As regards the Mother tongue issue, the mother tongue had to be reviewed in a dispassionate manner especially since languages have come to be associated with ethnicity.

Sensitisation campaigns on HIV/AIDS

This is incorporated in the curriculum as from Grade 5. Heads of secondary schools have all been sensitized. The new Secondary Curriculum Framework (launched on 21 January 2010) provides for its incorporation in new textbooks expected to be used as from January 2011.

Better job training

The University of Mauritius already has a Student Work Experience Programme (SWEP) to familiarize university students with the world of work. A new project was launched by the HRDC during the July-August 2007 holidays to provide short period placements for around 2-3 weeks to students of Lower VI as well as those following prevocational courses (PVE 3) - Training Centres. This project emphasizes the importance of out of classroom career related experiences for students and consolidate academic learning with practical work on the job.

Government strategies in different sectors

In October 2009, the country finalised its 2008-2020 Strategy Plan in the area of education and is expected to come up with a fully costed Implementation Plan with HR requirements by June 2010.

OBJECTIVE 6:**Encourage far-reaching participation of stakeholders in development at all levels**

(Page 342 - Page 349 of the CRR).

A focal forum for NGOs has been set up at the Ministry of Social Security & National Solidarity and Senior Citizens' Welfare to drive the process of consultation with all stakeholders, including civil society to monitor programmes and projects for the poor.

However, it is worth pointing out that the Government holds pre-budgetary consultations with the private sector, trade unions, Forces Vives, various groups and other stakeholders.

Maritime Labour Convention 2006

The Ministry of Public Infrastructure, Land Transport and Shipping (Land Transport and Shipping Division) in collaboration with the International Labour Organisation (ILO) organised a national seminar on the Maritime Labour Convention 2006 in Mauritius from 10th to 12th January 2007 with a view to familiarising stakeholders of the maritime sector with the requirements as well as the underlying implications of the new Convention

Chapter 7: Comments on Cross-Cutting Issues**Issue: Corruption**

(Page 357- Page 361 of the CRR)

The CRM in its examination of the efforts of the Government of Mauritius in eradicating corruption has highlighted a number of inadequacies and weaknesses.

Issues relating to corruption are found in four distinct chapters in the country review reports (CRR) mainly:

- democracy and political governance from pages 126 to 133;
- economic governance and management from pages 212 to 223;
- corporate governance from pages 265 to 271; and
- cross-cutting issues from pages 357 to 361.

As far as the chapter of democracy governance is concerned, the issue is discussed in objective 6: to combat corruption in political arena. It is worth noting here that the discussion is based on surveys of corruption and governance carried out between 1999 and 2004. Obviously at the time of carrying out the APRM in 2008, the context in Mauritius was completely different. In its concluding note at paragraphs 281 to 283 the CRR recognizes that much has been done both at government and institutional level to combat corruption.

As regard the chapter economic governance and management the issue is discussed in objective 4: to combat corruption and money laundering. It is worth noting here that the report is not accurate for instance at paragraph 556 it is stated that the ICAC does not has the power to prosecute, this is not correct as ICAC does has the power to prosecute. Again many points raised in this chapter are in conjuncture with the surveys carried out between 1999 and 2004.

In relation to corporate governance the issue is discussed in objective 3: promote the adoption of ethical codes in business in pursuing company objectives. It is worth noting here from paragraph 746 that it is evident from the survey carried out by the World Bank that in reality corruption is low in the country.

Again at paragraph 759 in box 5.1, it is mention that ICAC has no mandate to engage prosecution and this is incorrect.

In relation to cross-cutting issues the matter is discuss from paragraphs 1053 to 1067. The salient issues discuss here are about political funding and strengthening the legal framework.

Prevention of Corruption Act (POCA) and Legal Framework

One important loophole is the lack of clarity in the definition of corruption in Mauritian law. The POCA provides some interpretation of an act of corruption and corruption offences. Consequently it has been stated that there is little credence in the laws and mechanisms to fight against corruption. The sentiment was expressed that corruption is particularly prevalent among ministers, politicians and high level civil servants and that this corruption has trickled down to lower levels.

The perception is widespread that the “big fish” and well-connected individuals enjoy immunity from prosecution for corruption. In addition to Customs, the Police, and the National Transport Authority, corruption is said to be widespread in the award of contracts under the capital budget through collusion between government officials, contractors and suppliers.

Although Mauritius has ratified the United Nations Convention against Corruption on 15 December 2004 as well as the SADC Protocol on 4 January 2002, it has not fully incorporated it into its legal definition of corruption. In addition, Mauritius has not signed the (African Union) AU Convention on Prevention and Combating Corruption. In this vein, the CRM recommended that it may be useful to consider embracing the much more comprehensive definition of corruption contained in the UN Convention against Corruption.

The CRM further recommends implementing the recommendations of reports prepared by the National Audit Bureau, the ICAC, and the FSC on problems of corruption and money laundering, as well as on the respect of the international norms and standards by Parliament and Government. This will help reinforce co-operation with neighbouring countries in dealing with problems of tax evasion and money laundering as the ICAC, FIU and the Central Bank of Mauritius have put forward.

The Independent Commission Against Corruption (ICAC)

The CRM pointed out certain weaknesses in the operation of the ICAC, specifically concerning the lack of powers and cooperation from other government bodies that the ICAC enjoys. One shortcoming in the mandate given to ICAC is that it can only prosecute cases of corruption if it has the approval of the Director of Public Prosecutions (DPP). This is a restriction that the authorities may wish to revisit as it gives the impression of tying the hands of ICAC.

The CRM recommended reconsidering the requirement that ICAC can only undertake prosecution of corruption cases with the approval of the Director of Prosecution. In addition a number of key government bodies which are present in Mauritius are conspicuously absent in Rodrigues, notably the ICAC and Human Rights Commission.

However, the Commission does not have the power to arrest suspects; it must thus call the Police Commissioner to carry out formal arrests. In the same way, the ICAC does not have access to bank accounts of suspects without the cooperation of the judiciary. It is proposed that the organization be given the powers of prosecution while specifying the fields of its competence in order to avoid overlapping of powers with other judicial bodies (such as Parliament, Ministry of Justice).

The following offers some further remarks from the Independent Commission Against Corruption:

Findings of CRM

Issue: Limitation of PoCA

(Page 129, Paragraph 267, CRR)

One important loophole is the lack of clarity in the definition of corruption in Mauritian law. The POCA provides some interpretation of an act of corruption and corruption offences but it may be useful to consider embracing the much more comprehensive definition of corruption contained in the UN Convention against Corruption.

Remarks:

The legislator has incorporated in its domestic law all the major articles of the UN-CAC encompassing criminalisation of corruption. However the need for the law to be improved and enhanced is recognized and recommendations made by the ICAC to the Parliamentary Committee has been approved by the latter and has been sent to the Prime Minister’s Office for consultation since January 2008. Moreover, policies and strategies were formulated at the ICAC addressing all the articles that could be considered at the level at the ICAC.

Issue: Limitation of PoCA

(Page 130; Paragraph 269, CRR)

The POCA does not clearly set the way in which whistle blowers are to be protected. During discussion with the ICAC staff, it was seen as an issue as it leads to witnesses withdrawing from testifying in courts despite their full collaboration during the investigation process.

Remarks:

Protection of informers/witnesses is provided under Section 49 of the PoCA. Given the area of Mauritius and the proximity of individuals protection of witnesses has encompassed by the UNCAC remains very cumbersome in practice. The ICAC has put into place a witness monitoring scheme to diminish the risk for suspect to interfere with them. Moreover the POCA already provides as an offence against victimization of witnesses . Withdrawal of witnesses from testifying in court should not be assimilated with the notion of whistle blower protection.

Issue: Limitation of PoCA

(Page 130, Paragraph 270, CRR)

Stakeholders met during the CRM regret the fact that certain managers in key posts, notably international consultants in ministries, are not covered by the law.

Remarks:

Recommendation to bring amendment to the law to include foreign public official in the definition of public officer for the purposes of the POCA has already been approved by the Parliamentary Committee and has been sent to the Prime Minister's Office for consultation.

Summary of the CSAR

(Page 213, Paragraph 559, CRR)

There is little credence in the laws and mechanisms to fight against corruption.

Remarks:

It is obvious that those participating in the CSAR were not in presence of statistics concerning the achievements of the ICAC according to its mandate. For instance since the appointment of new commission members since 2006, more than 125 corruption and money laundering cases have been lodged before the Intermediate Court . 50 cases have already been disposed and some 28 individuals have been convicted in relation to some 50 charges. Prior to 2006 there were about 12 cases lodged before the Court and only 3 tried. It is worth noting that in 2006 the investigative division of the ICAC had only about 30 officers in post out of 80. The recruitment and capacity building of the new staff were effected between 2007 and 2008 , hence the results started to show at the end of 2008. As regard credibility, competence and independence of ICAC to fight corruption, given the political specificity of Mauritius and its size and given that very often certain people close to politicians or the politicians themselves are subject to investigation, it becomes very easy for certain group of people including politicians to spread rumours and vexatious connotations in an attempt to discredit the ICAC works. The facts regarding prosecution against politicians of the government of the day speaks for itself that there is no need to justify that there is no political interference on ICAC.

Findings of the CRM

(Page 217, Paragraph 574, CRR)

One shortcoming in the mandate given to ICAC is that it can only prosecute cases of corruption if it has the approval of the Director of Public Prosecutions (DPP). This is a restriction that the authorities may wish to revisit as it gives the impression of tying the hands of ICAC.

Remarks:

It is worth noting the powers of the DPP by virtue of article 72 of the Constitution, which guarantees his office independence in relation to prosecution of criminal cases. Given that Mauritius is a fully democratic state where the rule of law and the aspects of separation of powers are fully operational and visible, a prosecution by the ICAC without the consent of the DPP would undermine the hierarchy and the rule of law /separation of powers. Moreover the DPP in the present system would act as a safeguard against possible vexatious prosecution of the ICAC.

Findings of the CRM

Issue: Limitation of ICAC

(Page 130, Paragraph 271, CRR)

The absence of any external examination as far as the relevance of pursuing or not certain investigations is a serious loophole in terms of balancing the powers conferred to the ICAC. This loophole appeared after the POCA was amended in 2005 which resulted in the ending of the Operational Review Committee (ORC) activities. This Committee was responsible for monitoring the investigative work of the ICAC therefore acting as an external counterweight.

Remarks:

The termination of the functions of the Operational Review Committee does not, at any point, jeopardize the accountability and integrity of the investigation process. There is no discretionary power confers to the ICAC to pursue or not pursue an investigation. All alleged cases of corruption are documented and there is a full proof system against any tampering . In this process, not only transparency prevails as every detail is documented on file, but other officers of the Commission are involved besides members of the board. As a consequence, accountability mechanisms are in-built in the investigation process. With the computerization of the investigation process, transparency and accountability of this process will be more emphasized. It is worth noting that before the law was amended the Commissioner had to discuss his findings with the ORC members, which was very time-consuming and difficult to monitor in practice. Under the present system the role of the ORC is encompassed between the board members. Moreover the whole set of investigation file is sent to the DPP for his views and directives whether the recommendations of the ICAC are for prosecution or discontinuation. Therefore the perception that there is a loophole in term of balancing the powers of ICAC is not correct.

Issue: Limitation of ICAC

(Page 130, Paragraph 272, CRR)

The Commission does not have the power to arrest suspects, it must thus call the Police Commissioner to carry out formal arrest. In the same way, the ICAC does not have access to bank accounts of suspects without the cooperation of the judiciary.

Remarks of ICAC:

ICAC does have the powers of arrest in specific instances as provided under the law.

Findings of CRM

(Page 167, Paragraph 394, CRR)

Mauritius has not signed the (African Union) AU Convention on Prevention and Combating Corruption; however, the country ratified the United Nations Convention against Corruption on 15 December 2004 as well as the SADC Protocol on 4 January 2002.

Remarks:

Remarks should come from the PMO Office. We wish to point out that Mauritius is signatory to the AU Convention since 6th July 2004. Furthermore, policies and strategies were formulated and implemented at the ICAC addressing the articles of the Convention that could be considered at the level at the ICAC.

Findings of CRM

(Page 215, Paragraph 566, CRR)

The sentiment was expressed that corruption is particularly prevalent among ministers, politicians and high level civil servants and that this corruption has trickled down to lower levels. The perception is widespread that the “big fish” and well-connected individuals enjoy immunity from prosecution for corruption. In addition to customs, the police, and the National Transport Authority, corruption is said to be widespread in the award of contracts under the capital budget through collusion between government officials, contractors and suppliers.

Remarks:

All complaints received at ICAC are treated in the same manner and as per the procedures set under the Prevention of Corruption Act 2002. There is no different treatment for the so-called “Bid Fish”. Immunity from prosecution is provided according to legal provision and cannot be extended, in whatever manner, to those who are not eligible for same. As indicated above, all details of the complaints and progress made in the investigation are documented

on file and in the computerized system and officers of the commission who are investigating on such cases are fully aware on the progress made. As a consequence, not to prosecute an accused party is impossible.

Regarding corruption in the awards of contract, several studies have been conducted targeting institutions involved in high level public expenditure and necessary measures have been taken to plug-in opportunities for corruption during the different stages of the procurement process. Systemic corruption in the procurement process is therefore addressed. Collusions, which are secret actions between parties, are investigated upon complaints received. Moreover the definition of "big fish", as is normally understood internationally, is interpreted through manipulation to mean members of the government of the day, in Mauritius.

Findings of CRM

(Page 219; Paragraph 579, CRR)

The main complaint against the ICAC is that its investigations are very slow and rarely result in prosecution and conviction. The attention of the CRM was frequently called to the failure of ICAC to prosecute and convict the "big fish." The ICAC was also often accused of timidity and bias because of failure to take action against some individuals for fear of being accused of ethnic or religious bias.

Remarks:

The law provides tight timeframe for the submission of a report from the Director of investigation further to a complaint of alleged corruption offence is referred for his attention. However, depending on the complexity of the case, the evidence gathering process and the availability of the witnesses and lawyers, further investigations may take long. Close supervisory control and necessary audit trail is in place at the Investigation Division to ensure prompt action with the view to finalise the investigation the sooner possible.

Findings of CRM

(Page 219, Paragraph 582, CRR)

A major shortcoming in the functioning of ICAC identified by the CRM has to do with follow-up on its recommendations. It would seem that there is no formal institutional arrangement for the appropriate authorities to formally consider the report of the ICAC with a view to taking action on its findings and recommendations.

Remarks:

Institutional arrangement exists for the implementation of the recommendations contained in the Corruption Prevention Review reports though no legal provision is made to render implementation mandatory. Institutions provide ICAC with a detailed implementation schedule of the recommendations contained in the report and ICAC conduct systematic follow-up exercise every six months to verify implementation. An average of 65% of recommendations made have already been implemented and in the process of being implemented. Moreover recommendations to amend the law and make these implementations mandatory have been approved by the parliamentary Committee and have been sent to the PMO for consultation since 2008.

Findings of CRM

(Page 220, Paragraph 585, CRR)

The CRM is not convinced that existing arrangements for Parliament to exercise oversight over the Report of ICAC are adequate. The argument advanced by the Speaker of the Assembly that there are few standing committees in Parliament to examine this Report, and that there are opportunities for members of Parliament to raise questions about the Report, are not persuasive.

The CRM is left with the impression that the failure of Parliament to take effective measures to discuss the Report of ICAC is a reflection of the Luke-warm commitment of the political leaders to fight against corruption.

Remarks:

If the CRR means report submitted by the Parliamentary Committee to the National Assembly same can be discussed fully at the National Assembly. However taking into consideration section 61 of the POCA as regard the powers of the Parliamentary Committee, section 19 of the POCA as regards the establishment of the Commission, section 20 of the POCA as regards the functions and independence of Commission, the legislator has deem it necessary to safeguard the independence of the ICAC by empowering the Parliamentary Committee which sits every month in presence of the Director General of the ICAC and which acts as a select committee of the Parliament to oversee the functions and to evaluate the performance of the ICAC.

Cross-Cutting Issues

(Page 354, Paragraph 1045, CRR)

A number of key government bodies which are present in Mauritius are conspicuously absent in Rodrigues, notably the ICAC, Human Rights Commission.

Remarks:

A branch has been set up and is operational in Rodrigues since September 2007

ANNEXURE II

AFRICAN PEER REVIEW MECHANISM

PROGRAMME OF ACTION

Introduction

The Government of the Republic of Mauritius would like to extend its appreciation to the APR Panel of Eminent Persons and the Secretariat of the APRM for their precious collaboration in producing the Mauritius National Programme of Action (NPOA).

The Country National Programme of Action (NPOA) was elaborated after wide ranging consultations with all government stakeholders. The preliminary NPOA completed ahead of the Country Review Mission by the National Economic and Social Council (NESC), an apolitical body comprising eminent Mauritians from all sectors of society, was reinforced with the recommendations from the Panel's report, to produce this NPOA. Government representatives vetted a first draft of the NPOA in June 2010, and costed the final NPOA using a rigorous methodology.

The NPoA aims at adopting and implementing policies, standards and measures with a view to promoting high economic growth, sustainable development and the eradication of poverty.

The following Ministries were consulted during the drafting of the NPOA:

Prime Minister's Office

Ministry of Energy and Public Utilities

Ministry of Social Integration and Economic Empowerment

Ministry of Finance & Economic Development

*Ministry of Public Infrastructure, National Development Unit,
Land Transport and Shipping*

Ministry of Foreign Affairs, Regional Integration and International Trade

Ministry of Housing and Lands

Ministry of Gender Equality, Child Development and Family Welfare

Ministry of Tourism and Leisure

Ministry of Education and Human Resources

Ministry of Agro-Industry and Food Security

Ministry of Industry and Commerce

Ministry of Environment and Sustainable Development

Ministry of Tertiary Education, Science, Research and Technology

Ministry of Social Security, National Solidarity and Reform Institutions

Ministry of Local Government and Outer Islands

Ministry of Health and Quality of Life

Ministry of Arts and Culture

Ministry of Information and Communication Technology

Ministry of Fisheries and Rodrigues

Ministry of Civil Service and Administrative Reforms

Ministry of Labour, Industrial Relations and Employment

Attorney-General's Office

Ministry of Business, Enterprise, Cooperatives and Consumer Protection

This NPOA is comprised of the following sections:

- Introduction
- Methodology
- Strategic thrust of the NPOA
- Funding
- Monitoring and evaluation
- Major risks
- Conclusion

Methodological Approach

The Ministry of Foreign Affairs, Regional Integration and International Trade set up a High Level Coordinating and Drafting Committee (HLCDC) under the chairmanship of the Minister of Foreign Affairs, Regional Integration and International Trade, Dr. The Honourable Arvin Boolell, with the help of the Secretary for Foreign Affairs, Mr. Anand Neewoor and under the responsibility of the Special Representative of the Prime Minister to the APRM, Ambassador Patrice Cure. Each Ministry involved in the APRM process was requested to designate a Senior Official and a desk officer to assume responsibility for their respective Ministry's contribution.

The mandate of the HLCDC, from the Government of Mauritius, was to ensure a comprehensive compilation and proper drafting of the Government NPOA and its transmission to the APRM Panel for inclusion as an integral part of the Mauritius Country Report.

From December 2009 to June 2010, all government stakeholders were requested to submit technical information relating to issues falling under their purview. Prior to the compilation of submitted inputs, discussions and deliberations on sensitive issues were conducted to improve the quality of the NPoA.

The HLCDC met to for final discussion of operationalisation of recommendations from the Panel's report including elaboration of measurable indicators, costing and validation by the HLCDC in June 2010. The NPOA together with the final Government Comments was then submitted to the APR Panel.

Strategic Thrust of the NPOA

The current Government of Mauritius was re-elected on May 5 2010 with a clear mandate to pursue the democratization of the economy and the transformation of Mauritius into a society where equal opportunities are based on the values of Unity, Equity and Modernity. The Government Programme 2010-2015 outlined to Parliament on June 8 2010 is a blueprint for the realisation of this vision. The broad thrust of Government policy in the APRM governance themes and socioeconomic development includes pursuit of economic efficiency and social justice, which will underpin all Government actions. Government has undertaken to resolutely work towards strengthening national unity, entrenching democracy, promoting still higher norms of governance based on transparency and accountability in public affairs and ensuring that the population at large becomes stakeholders in national development.

The underlying theme of the Government Programme 2010-2015 is "Building our Future Together". Government is committed to making the children and youth of the country accomplished and proud heirs to the worthy legacy they will inherit, a nation united; a society more equitable, in a spirit that is forward looking and modern.

Actions to be taken in the APRM thematic areas over the period 2010-2015 include:

Considering amendments to be brought to the 1968 Constitution: a team of constitutional experts will be appointed to assess the application of the Constitution since 1968 and consider the appropriate constitutional reforms, including the reform of the electoral system.

Improve public sector management: reorganize the Management Audit Bureau into an Office of Public Sector Governance. It will have the responsibility to ensure that public sector management becomes more outcome-oriented, and is in line with best practices of governance, in particular those relating to transparency and accountability.

Law and Order: recruit at least 5,000 Police constables as part of the programme to improve security and reinforce law and order. The legal framework will be reviewed to combat criminality in general. Government will also adopt a new Police Act and a Police Procedures and Criminal Evidence Act, with Codes of Practice designed to regulate the conduct of persons entrusted with the duty of investigating offences.

Government will aim at simplifying and enhancing procedure for complaints and investigation against Police and an Independent Police Complaints Bureau will be set up for the purpose of investigating such complaints. Government has also reaffirmed its commitment to the fight against fraud and corruption. The public sector will be provided with an Anti-Corruption Framework to help build trust and confidence in public institutions. One of the main thrusts of the Government Programme will be the implementation of further measures to provide a stronger, more secure and stable society.

International instruments and conventions: commitment to fully adhere to them and the necessity to combat fraud and corruption.

Nation Building: introduction of the National Initiative for Civic Education (NICE) for students having completed their secondary education.

Energy and Water: reduce energy demand and improve the country's energy security. An Energy Efficiency Bill will be enacted to provide the framework for product labelling and importation of energy efficient equipment. Government will continue to encourage the use of renewable energy in order to reduce dependence on fossil fuels and decrease greenhouse gas emissions through the setting up of wind farms, hydropower stations, the use of land fill gas for energy production and the optimum utilization of solar energy.

In order to address the challenges facing the water sector, Government will develop a Master Plan for a more judicious use of water resources to cater for projected needs up to 2050. The Plan will review and update the legal and institutional aspects of the water sector, including water rights. A Water Resources Bill will be introduced.

Poverty: redouble efforts to combat poverty in all its forms while ensuring that the process of economic democratization reaches every section of our population. Government will organize an 'Assises de l'Intégration Sociale' to enlist the support of the civil society, the private sector and other development partners for the elaboration of a comprehensive and integrated action plan for the empowerment of vulnerable groups.

Employment and Workers: accelerate the democratization of the economy, thus further broadening the economic and business circle in the country. To this end, measures will also be taken to encourage direct participation of workers and other stakeholders in major economic activities including energy production, manufacturing, financial services, Information and Communication Technology and tourism. Government will also give due consideration to workers who produce the wealth of the nation. In this respect, the National Pay Council will be phased out and the tripartite mechanism will be reinstated as a permanent forum for discussions amongst the social partners with a view to better understanding and responding to the challenges that face the country.

Government will relentlessly pursue its policy of employment creation, protection of workers and the promotion of social dialogue. Innovative policies and practices to unlock opportunities for employment will be implemented. In this context, a post crisis National Employment Policy will be worked out with the assistance of the International Labour Office. Government will also ensure that decent work conditions prevail at the workplace. With regard to the employment of foreign workers, the Government will investigate the possibility of entering into bilateral labour co-operation agreements with other sourcing countries.

Finance (including Public finance management): continue promoting efficiency and effectiveness in by better planning and consolidating the implementation of Performance-Based Budgeting (PBB). Emphasis will be laid on better accountability and transparency. The scope of PBB will be extended to cover local authorities and statutory bodies. The emphasis will be on results in service delivery. Government will also introduce new legislation for Public Finance Management which will provide a comprehensive and modern legal framework, compatible with PBB.

To maintain Mauritius as a clean and credible financial services sector, Government is committed to adopting international norms and standards in banking, insurance, securities, corporate governance and anti-money laundering and to the implementation of the recommendations made under the IMF/World Bank Financial Sector Assessment Programme and those of the Financial Stability Board. Government will set up an Ombudsperson Office for the whole financial services sector, both banking and non-banking.

Vulnerable groups: to pursue the reforms relating to pensions, Private Occupational Pension Scheme legislation will be enacted including measures to better protect the purchasing power of pensioners. The free travel scheme for the elderly, the disabled and students, which became operational in 2005,

will be maintained. The mechanism for disbursement will be reviewed to ensure efficiency.

Government will maintain payment of Basic Pensions to all elderly persons, widows, orphans, and persons with disabilities. Government will review the social protection system to ensure that the most vulnerable groups of the society are provided with adequate protection. In that respect the Social Aid and other relevant legislations will be reviewed.

Sovereignty of Mauritius over the Chagos Archipelago: intensify the action to defend the right to effectively exercise sovereignty over the Chagos Archipelago and explore all options available to ensure its early return to Mauritius and the resettlement of the archipelago.

Regional Integration and Peace and Security: New export avenues in the region will be explored to take advantage of trade liberalization in COMESA and SADC and Government will continue to support initiatives aimed at preserving and promoting peace and security in particular in Africa and the Indian Ocean region, including addressing the issue of terrorism. Government will take steps to accelerate the process of regional integration. Government will also encourage cross-border initiatives in key sectors such as food security, climate change, infrastructure, ICT, renewable energy and marine resources development.

Food security: To increase our food self-sufficiency ratio, Government will introduce a Food Security Stimulus Package of Rs 2 billion to assist planters, breeders and fishermen to maximise local production.

Access to Housing: complete the construction of some 550 low cost housing units by February 2011 on 11 sites across the islands. 10,000 additional housing units will be constructed for lower and middle income groups. Some 1000 arpents of land to be made available within the context of the Government/MSPA deal will be used for the construction of the new housing units.

Gender Equality and Women's rights: sustain policies, programmes and projects from a gender perspective while extending technical assistance to all Ministries for the formulation of gender sectoral policies. Women Centres will be revamped into "one-stop shops", thereby promoting the concept of decentralized services. To boost women entrepreneurship, women will be trained and empowered in the informal sector for the setting up of home-based activities and micro enterprises. A Trading House will be set up at the seat of Enterprise Mauritius to provide a marketing showcase and an outlet

to them. A Documentation/Research Centre on Gender Issues will be set up. Additional Women/Empowerment Centres will also be constructed.

Government will sustain its policies for the promotion of family welfare and protection from domestic violence through the implementation of the National Action Plan to Combat Domestic Violence and the National Action Plan on the Family. Government will also set up an Institute for Women's Health to cater for the specific health and medical needs of women with state-of-the-art technology.

Education: With regard to Pre-school education, the existing grant scheme applicable to children aged 4 will be extended to cover 3 year olds. In line with internationally accepted best practices, Government will encourage the use of mother tongues to facilitate teaching and learning. Government will work towards the introduction of 'Mauritian Kreol' and 'bhojpuri' as optional subjects in schools. In this regard, existing research work will be supplemented and consolidated so as to develop an agreed standardised spelling and grammar. Equal consideration will be given to other languages used in Mauritius.

More equity and inclusiveness will be introduced into the current Laureate Scheme. Government will explore the possibility of awarding scholarships to a larger number of students. In order to improve access to upper secondary education, Government will establish new and innovative pathways for students who have successfully completed the O- level/School Certificate either in the academic or technical/vocational stream. The Special Needs Education Sector will also be restructured in order to ensure that no child is deprived of education on account of any form of impairment or disability.

Government will consolidate measures and actions to reduce the failure rate at the end of the primary cycle. Special pedagogical programmes will be introduced to enhance performance. Government is also committed to sustaining the digital revolution in education. The teaching and learning process as well as school management will be digitally assisted. Appropriate measures will also be taken for the provision of laptops and free internet access to needy students.

Tertiary Education: invest further in tertiary education through the physical expansion of existing institutions and the setting up of new "Campus Universitaires" in different parts of the Republic of Mauritius. In addition, in order to create a culture of higher learning in the country, the 24/7 concept will be extended to tertiary education. Government will pursue its policy to transform Mauritius into a Centre of Excellence in Higher Education in

the region. Government will reinforce steps to attract renowned Tertiary Educational Institutions through the provision of appropriate incentives and through bilateral and multilateral Mutual Recognition Agreements.

Intellectual Property: review the existing legal framework for intellectual property rights and establish a Mauritius Intellectual Property Office and a National Intellectual Property Council.

Health: continue investing massively in the acquisition of latest medical equipment including mammography machines, anaesthetic machines, new operating tables, new haemodialysis machines, endoscopy equipment as well as sophisticated MRI and CT scanners. Specialist services such as cardiology and neonatal intensive care will be extended to all regional hospitals. Neurosurgery and Spinal Surgery Units will be set up in the New Block at Victoria Hospital as well as an Endodontic Unit. The Cardiac Centre will be upgraded to operate as part of a Regional Institute of Cardiology that will be set up in Mauritius. Clinical Audit, which is a quality improvement process that upgrades patients care and outcomes, will be introduced within our health service. Ayurvedic services will be strengthened and extended to all health regions. A master plan aiming at upgrading and reinforcing primary health care services so as to decrease the workload in public hospitals will be implemented. The mediclinic concept will be used for strengthening the primary health care network.

HIV testing and counselling will be further decentralised in all Community Health Centres. The National Day Care Centres for the Immuno-Suppressed will be further decentralised to other regional hospitals so as to make HIV care, testing and antiretroviral treatment more accessible and to take these nearer to the homes of HIV patients. Measures will be taken to encourage Mauritians to go for HIV testing. Community testing will also be reinforced across the Island. Government will intensify measures to address the stigma and discrimination associated with HIV, using a Human Rights approach, with social mobilization at community level and regular behaviour-change communication campaigns. Treatment, care of, and support for infected persons will continue to be improved with regular updating of national protocols, thus strengthening the health response.

There will be better coherence between government Ministries, the private sector and NGOs so as to enhance harmonisation and alignment. The HIV and AIDS Act 2006 will be revisited to improve aspects regarding discrimination and stigmatisation. The Methadone Substitution Therapy Programme will be scaled up through the opening of new Day Care Centres in all regions. The Therapy will also be introduced in the Prisons. The Needle Exchange

Programme will be scaled up in high-risk areas and it is proposed to reach some 8000 injecting drug users by 2013.

National Unity: The National Unity Award to acknowledge the contribution of artists in the consolidation of National Unity will be given a new dimension and will incorporate an annual “Festival Mauricien” showcasing our multiculturalism. A “Conseil National de la Culture” will be set up for the promotion of intercultural dialogue. It will be an umbrella organization regrouping our Cultural Centres and Speaking Unions.

Rodrigues: Government will give special attention to the strengthening of the autonomous status of Rodrigues and will take further steps to ensure its full integration within the Republic of Mauritius. Government will hold consultations with the Rodrigues Regional Assembly (RRA) for the introduction of Local Government in Rodrigues. The RRA Act will be amended in line with the experience gained over the last seven years of operation under the decentralised system. Government will continue to modernise the infrastructure in Rodrigues and ensure further diversification of economic activities in the fields of Fisheries & Aquaculture, Agriculture and Tourism, including ecotourism. The following will be implemented, among others:

- construction of a new runway at Sir Gaetan Duval Airport
- connection of Rodrigues to Mauritius via the Fibre Optic Cable
- building of 1000 low cost housing units over the next five years
- construction of dams for water storage
- construction of a new secondary school
- development of the port area

Civil Service: Government will ensure that the Civil Service continues to re-engineer itself so as to respond effectively to new priorities and challenges, provide high quality advice and support to the Government and help deliver citizen-centred and world class public services. To this end, the Performance Management System will be reviewed to facilitate its applicability.

Government will also promote lifelong learning through the setting up of a modern Public Service Training Centre for excellence in order to keep public officers abreast of modern techniques of management and public administration. Government will however ensure that whilst the Civil Service evolves and adapts to changing times, the fundamental values of objectivity, integrity, impartiality and honesty that underpin the Service are protected, preserved and upheld at all times.

Judiciary: The Justice system in Mauritius has seen a major overhaul through the implementation of a substantial part of the Mackay Report 1997 as updated in 2006. Government intends to continue with those reforms. Legislation will be introduced to set up the Court of Appeal and the High Court. The simplification of court procedures will ensure that a greater number of people have access to the justice system. The institutional set up for the training of judges, magistrates and law officers will be reviewed and a fully fledged institute will be set up to provide for the continuous training of our judges, magistrates and law officers. The reforms in the judicial and legal sectors will be pursued to ensure that access to justice is and remains a reality and the Attorney General’s Office is equipped to provide independent and impartial legal advice to the Government.

Government will reinforce the Attorney General’s Office in terms of human, infrastructural and financial resources to equip it to better meet the future challenges and to more efficiently assist the Government in implementing its policies in the domestic, regional and international fields.

Business facilitation: SMEs will continue to be key drivers of the socio-economic development and democratization process started in 2005. Government will continue to promote and nurture their progress to make SMEs the number one job provider and increase their contribution to GDP in a substantial manner by 2015.

Government will, under the Mauritius Business Growth Scheme, support enterprise productivity and competitiveness in areas of skills and training, technology upgrading, standards and marketing.

Government will carry out an in-depth and complete review of all the legislations governing consumer protection and rights, with a view to bringing them in line with the new business environment prevailing and to make them readily understandable and accessible to the population.

Funding

For the Government of Mauritius to fully implement its National Programme of Action, it will have to rely on considerable investments over the period 2010-2015. The Ministry of Finance and Economic Development shall be called upon to take necessary measures to allow Mauritius to fully envisage the implementation of the recommendations contained in the NPoA. However, their implementation will be subjected to governmental priorities and policies.

Most important is that most of the ongoing programmes elaborated are already funded except for some programmes in the government agenda which are yet to be clearly defined and funded.

For example, concerning the poverty issue, Government, in its Programme, ascertained that it will redouble its efforts to combat poverty in all its forms while ensuring that the process of economic democratization reaches every section of our population. The National Empowerment Foundation will continue to provide dedicated support to specific vulnerable groups on a countrywide basis. Pending a reassessment of the level of poverty, the immediate area of intervention will be to extend assistance under the Eradication of Absolute Poverty Programme to the totality of families identified in 229 pockets of poverty across the country. Government will build greater synergy and coordination in poverty reduction strategies and programmes in order to achieve higher efficiency and effectiveness in the national drive against poverty. The main areas of interest and intervention will be in social housing, training and education, capacity building and employment, infrastructural development and provision of public utilities, and health and recreation.

Furthermore, to upgrade living conditions in those identified pockets of poverty, referred to above, Government will have to undertake an assessment of the infrastructural needs prior to a complex exercise of evaluation before implementation of the projects. This exercise still needs to be defined and costed.

The total cost of the NPoA is estimated at 3442.575 Million USD representing an average cost of 688.515 Million USD per annum. The distribution according to areas of concentration over the period of 2010 to 2015 is as follows:

- Political and Democratic Governance: 265.17 Million USD, representing 7.7% of the total cost;
- Economic Management Governance: 211.51 million USD representing 6.14% of the total cost;
- Corporate Governance: 103.475 Million USD representing 3% of the total cost;
- Socio-Economic Development: 2375.117 million USD representing 68 % of the total cost.
- An additional 487.3 Million USD are allocated to Cross-Cutting Issues, specifically dealing with the island of Rodrigues, Poverty, Corruption and Managing Diversity, accounting for 15.16% of the total cost.

Monitoring and Evaluation

The mandate of the High Level Coordinating and Drafting Committee (HLCDC), set up to ensure a the compilation and drafting of the Government response including the NPOA will have to extended to ensure the proper monitoring in relation to the implementation of the recommendations contained in the NPOA according to governmental and sectoral priorities. For this purpose the HLCDC will be restructured and strengthened to allow it to undertake the tasks entrusted to it concerning this exercise.

This entire exercise shall be conducted under the supervision of the Ministry of Foreign Affairs, Regional Integration and International Trade, in close collaboration with the Prime Minister's Office and the Ministry of Finance and Economic Development. Each **Senior Official and a desk officer**, from every ministry, shall be called upon to assume responsibility for their respective Ministry's contribution.

To ensure the validity and accuracy of the progress accomplished by Mauritius in the implementation of the NPOA, all submissions and progress reports would be subject to a thorough and extensive consultation and deliberation with every stakeholder involved in the exercise.

To lend empirical weight as to the progress of the government in bringing the recommendations to fruition, regular exercises such as the Household Budget Surveys and various other indigenous research activities conducted under the Central Statistics Office (CSO) will also be relied upon, guaranteeing that the vigilance of the government with regard to issues of concern highlighted continues long after the Peer Review is completed. The HLCDC will also have the discretion to carry out new initiatives to monitor the progress made by the **implementation agencies**, in collaboration with the various **stakeholders** according to the **implementation period** as outlined in the NPOA.

Strict vigilance regarding the **means of verification** on the part of the HLCDC will be exercised to guarantee that the **ongoing initiatives** in relation to the tasks outlined fulfil, if not surpass, the **expected output**.

Major risks

The implementation of the National Programme of Action and its success will depend largely on the capacity of the Government to resist major risks which Mauritius may be faced with. Mauritius as a small island developing state has always underlined the vulnerabilities inherent to its specificity as a small island developing state. The strengthening of the capacities of the

institution should play a vital role in decreasing such vulnerabilities that are more of economic than political in nature.

Some unforeseeable risks may result from climatic and environmental risks or even financial crisis but some others may concern the outgrowing scourge of piracy in the Indian Ocean.

- **Climatic change** coupled with other environmental issues such as natural calamities, sea-level rise, intense cyclones and global rise temperature may act as a major barrier to the successful implementation of the National Plan of Action. However, the Government of Mauritius is seriously committed to implement adaptation programmes to address the problem of climate change.
- As regards **financial crisis**, while the Mauritian economy has demonstrated its resilience against the global financial crisis, it is not immune to such external shocks. As an export-led economy exporting monthly to the US and Europe, a prolonged recession would eventually lead to lower demand for our products. Tourist arrivals from these countries are also hit by the economic slowdowns. In such an internationally bleak economic environment, it becomes easier to lose export markets and revenues than to regain them and this can definitely undermine the growth of our economy.

The situation is further aggravated by the current euro crisis since all of our imports are paid in US dollars (constantly appreciating) while our exports are being paid in euros (showing a downward trend).

- The **issue of piracy** in the Indian Ocean has also evolved into a serious and increasing threat to the interests of the countries in the region and to the international community in general.

While it was initially limited to the Gulf of Aden, piracy has gradually spilled over to the larger expanses of the Indian Ocean namely in the waters of the Seychelles principally in view of its highly lucrative nature of this nefarious activity. As at to-date, there is no report of any act of piracy on vessels calling at Port Louis Harbour or transiting in Mauritian waters. But the vastness of the Indian Ocean maritime zone inevitably leaves ships vulnerable in pirate-infested waters.

No country in the region can claim to be immune from piracy attacks despite the strength of their naval and security deployment. Today, the challenges posed by piracy are manifold. It would require enhanced security in the

Gulf of Aden region - a lane of strategic importance and significance to international shipping and trade, both east and west of the Suez Canal, which is used by some 22,000 vessels annually, carrying around 8% of the world's trade and including more than 12% of the total volume of oil transported by sea, as well as raw materials and finished goods.

Likewise this would demand the equal attention of all for the protection of seafarers, fishermen and passengers in the region deserves the attention of all. Similar emphasis would need to be placed on the delivery of humanitarian aid to Somalia through increased security of ships chartered by the World Food Programme. Factors relating to the increase in insurance premiums which adds to the costs of manufactured goods and oil from Asia and the Middle East and are being borne by consumers indiscriminately would have to be addressed.

The tourism industry has to be sustained so as to support the livelihood of citizens of the small island states of the Indian Ocean which depend largely on this essential economic pillar. There is a likelihood that the scourge of piracy would progress and effectively move towards other States of the region which are not yet directly affected. Hence the necessity for a regional initiative combined with the efforts of the international community against this persisting threat.

Conclusion

Despite regular initiatives regularly taken by the Mauritian Government to address sectoral problems and other related issues such as the eradication of poverty or the electoral reforms, some challenges are yet to be met, notably those of democratic and political governance.

To fully succeed in the above, the valuable guidelines contained in the NPoA will have to be used by all government stakeholders. Through the articulation and the proper enforcement of its vision and strategy as laid down in its programme, the Government of Mauritius is determined to meet its development goals.

Hence, difficulties associated with the coordination among stakeholders involved in the implementation of the NPoA will require careful attention Mauritius to fully implement its NPoA. The HLCDC will thus have to sustain involvement in the process and create better awareness in achieving more effective ownership of the process. This is why the Minister of Foreign Affairs, Regional Integration and International Trade, under the guidance of the Prime Minister, is personally piloting the participation of Mauritius in the APRM.

DEMOCRACY AND GOOD POLITICAL GOVERNANCE STANDARDS AND CODES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Conventions	Ratification of IMO and ILO Conventions	1. Finalisation of the revision of the laws and regulations concerned 2. Provide appropriate training to implement the Conventions	Laws and regulations in force.	Consult official websites of IMO and ILO for countries having ratified the Conventions		Ministry of Public Infrastructure, Land Transport, NDU and Shipping, Attorney General's Office and Ministry of Foreign Affairs	Private Shipping Companies, NGOs, Ministry of Fisheries, Ministry of Environment, Mauritius Ports Authority, Cargo Handling Corporation		Netting of pending regulations					2010-2011	Ratification and implementation of the pending international Conventions through drafting of domestic laws	45,000 USD (for consultancy services)	Mins of Public Infrastructure
National Unity	All stakeholders to strive towards clear demarcation between activities of political parties and social and religious organisations	Clear Demarcation between political parties and social /religious organisations	Code of conduct for interactions between political parties and religious organisations	Published code of conduct	Organisation of major religious festivals at the national level for unity and harmony. A Council of Religions meets monthly or more often if required under a rotating Chairperson.	Political Parties, Social / Religious Organisations.		Consultations	Consultations and Draft Code of Conduct	Published Code of Conduct					Increased national unity	50,000	PMO Office
	Concept of National Unity to rest more on higher principles rather than communities	Setting up of a Mauritian Cultural Centre.	Cultural Centre set up	Centre set up and operational	The law has been passed.	Political Parties, Social / Religious Organisations			Appoint Board. Set up office. Hire staff.	Start activities	Broaden activities	Broaden activities		2010-2014		500,000	PMO Office

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Create greater awareness of Mauritianism	To review Curriculum	1. Implemented revised primary curriculum 2. Implemented revised Secondary curriculum	1. Currently completing the revision of the primary curriculum and training of teachers. Piloting for all teachers and schools has started. 2. The Mauritius Institute of Education (MIE) has already started revising Form 1 material for secondary schools	MECHR	all schools	N/A	complete revision and training for primary curriculum	Rs 600 millions	start revision and training for secondary curriculum	Rs 600 millions	Rs 600 millions	Rs 600 millions	2009-2012	Create greater awareness of Mauritian Identity	93.8 million costs awaited	MECHR
	Achieve a totally free education policy except uniform and other materials.	The government to expand its free education policy through giving lunch to all children below 16, giving school materials to needy primary school children and extending tutoring to all children.	No. of children benefiting from these facilities.	Provision of textbooks, transport to all children at the primary and lower secondary levels.	Ministry of education	ministry of social security, ministry of social integration, MOFED, UNDP		Rs 600 millions	Rs 600 millions						Totally free education	93.8 million	ministry of education
	Achieve National Unity through Education	The MECHR to develop and coordinate effective civic education programmes to establish national identity.	Extension of civic education to all secondary schools	Primary schools have had civic education programmes since 2009.	Ministry of education	all schools, Parent teachers associations (PTAs), NGOs	all primary schools	Primary: 276, Secondary: 179	Primary: 276, Secondary: 178	Primary: 276, Secondary: 178	Secondary curriculum ready and rolled out to all secondary schools; Primary: 276, Secondary: 178	Primary: 276, Secondary: 178	Primary: 276, Secondary: 178	2010-2015	patiotic young citizens	800000	ministry of education

OBJECTIVE 2: TO ESTABLISH CONSTITUTIONAL DEMOCRACY, INCLUDING POLITICAL COMPETITION AND OPPORTUNITY FOR FREEDOM OF CHOICE, THE DECLARATION OF HUMAN RIGHTS AND THE PRIMACY OF THE CONSTITUTION

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Good Conduct and principles of democracy	Prevent use of government resources by outgoing government	To amend the code of conduct to include the conduct of officers during the pre-election period.	Amended code of ethics	Published code of ethics	Drafting of the Code of Ethics for Public Officers has already started at the Ministry of Civil Service and Administration.	MCSAR	Ministries / Departments	Existing Code of Ethics published in 2007.		Updating of the Code of Ethics for Public Officers			Revision of the Code of Ethics for Public Officers		More equitable and fair use of state resources before and during elections	100,000	Mins of Civil Service
Law and Order	Ensuring of independence of investigation of cases of malpractice by police force	Setting up of an Independent Police Complaints Commission	Drafting of the relevant legislation for the setting up of the police complaints authority		SLO								8 to 15 weeks	The new Bureau is expected to come into operation upon adoption of the appropriate legislative framework by end 2010	Reduction in malpractices	20000	
	Improve detention conditions and eliminate possibility of brutality in custody	Implementation of recommendations made by NHRC	Recommendations of the NHRC are already being implemented			PMO and commissioner of prisons							8 to 15 weeks		Reduction of risk of brutality in custody	20000	PMO

OBJECTIVE 3: PROMOTION AND PROTECTION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS AS ENSHRINED IN AFRICAN AND INTERNATIONAL HUMAN RIGHTS INSTRUMENTS

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Inter-national Reports	Mechanisms made available to assist workers in protecting their rights	1. Strengthen the training and enforcement capacities of the Ministry	1. No. of inspections of workplaces carried out; 2. % of complaints settled; 3. No. of training courses; and 4. No. of Participants	1. Inspections of workplaces carried out; 2. Settlement of complaints received; 3. Training courses conducted; and 4. Participation	An Enforcement Unit is operational. Another unit is responsible for education, information and communication purposes.	MLIRE	Trade Union, Employers and Employees	1,000 Inspections 60% of complaints settled 180 training courses conducted 5,400 workers covered	1,200 Inspections 65% of complaints settled 190 training courses conducted 5,500 workers covered	1,250 Inspections 68% of complaints settled 190 training courses conducted 6,000 workers covered	1,300 Inspections 69% of complaints settled 200 training courses conducted 6,100 workers covered	1,400 Inspections 70% of complaints settled 225 training courses conducted 6,200 workers covered	1,500 Inspections 75% of complaints settled 250 training courses conducted 6,500 workers covered	5 years	Well informed and trained workers	1.0 M US\$	Mins of labour
	Safeguard and promote the rights of workers in accordance with ILO conventions	1. Carry out study on ILO Conventions not yet ratified but which can be applicable in Mauritius	1. No. of studies carried out. 1. No. of training courses conducted; and 2. No. of participants	1. Studies carried out. 1. Training courses conducted; and 2. Participation	Government has already ratified 35 ILO Conventions	MLIRE	Trade Union, Employers and Employees	12%	18.8% (13/69)	Next General Elections to be held in 5 years	2010-2015	In line with SADC Declaration on Gender and Development	200,000 USD	5 years	Protection of workers' rights	Covered within budget above	Mins of labour
	To ensure an equal representation of men and women in the National Assembly	Political parties to review policies to include more women in politics to comply with its obligations in term of the SADC Declaration on Gender and Development.	% of women represented at the National Assembly	Central Statistics Office	The MGECDWF conducts self assertiveness and leadership courses at the levels of the women centres for women at grass root level to equip them with the necessary skills to enter politics and decision making instances.	All Political Parties and / or alliances	NGOs										

OBJECTIVE 4: UPHOLD THE SEPARATION OF POWER, INCLUDING THE PROTECTION OF THE INDEPENDENCE OF THE JUDICIARY AND OF AN EFFECTIVE LEGISLATURE

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Protection of independence of Judiciary and effective Legislature	Reform judicial system to address issues of unequal access to justice	Reform Judiciary in line with Mackay report	Family Div, Commercial Div created and Permanent Criminal Court.	Holds sittings daily	increase in number of cases disposed of; Reduction in backlog; reduction in time for disposal of cases;	PMO, Minister of Justice, National Assembly, Office of DPP, Judicial and Legal Service Commission	Litigants, lawyers and solicitors		An E-judiciary project (phase 1) concerning Commercial and Civil cases is being set up to facilitate data collection which will provide information on performance indicators in respect of service delivery	Same as previous column	Same as previous column	Same as previous column	Same as previous column	2010-2011	Improved administration of judicial system	510,000	AGO
	Improve infrastructure and recruit properly qualified and experienced personnel to improve system of justice	Build capacity through training and recruitment	Appointment of additional Judges. Renovation of Flacq District Court. Construction New Bambous District Court. Creation of Additional Court Rooms at New Court House. Training to Judges on Mediation and Competition Law provided in April 2010. International Judicial Conference on the theme of Enhancing the Justice System under the Rule of Law held in 2009.	5 Judges appointed in 2009. Flacq District Court renovated. Awaiting appointment of Contractor for New Bambous D. Court 5 additional Court Rooms created at New Court House, Land earmarked for New Moka District Court and Pamplemousses District Court.	Creation of Mediation Division. Setting up E-Judiciary. Creation of 4 additional posts for Judges.	PMO, Minister of Justice	National Assembly, Office of DPP, Judicial and Legal Service Commission	50% of judges trained	60%	70%	80%			2010-2015	Improved jus-tice system	50,000	AGO

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	A Judicial Education Institute be established to manage the continuing education of magistrates, including conducting initial training-cum-orientation for those newly recruited	<ul style="list-style-type: none"> Build framework Design programme 	Number of trainees	Policy decision confirmed by Chief Justice	brainstorming and feasibility study	Judiciary	Ministry of Justice; lawyer association	N/A		Number of trainees	Number of trainees	Number of trainees	Number of trainees	2010-2015	Improved justice system	11065000	AGO
	Improve the Judicial system	<ol style="list-style-type: none"> Drafting of Legislation -Setting up of a Court of Appeal and High Court (separate from the Supreme Court) Recruitment of judges and supporting staff Technology Training 	Number of judges recruited	Statistics from AGO	study of recommendations	Attorney general's office (AGO),	Lawyers association, partners	50% of judges recruited	60%	70%	80%	90%	2010-2015	efficient judicial system	3,040,000	AGO	
		Establishing Regional High Courts	Number of regional courts	Statistics from AGO	study		Lawyers association, partners	Study of courts to be established						2010-2015		1M USD	AGO
		Refurbishment of District Courts	Number of district courts refurbished	Statistics from AGO	study		Lawyers as-sociation, partners	Study of courts needing refurbishment						2010-2015		50,000	AGO

OBJECTIVE 5: TO GUARANTEE AN EFFICIENT, CAPABLE, EFFECTIVE AND ACCOUNTABLE PUBLIC SERVICE

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Public Office Accountability of PMS	MCSAR to ensure smooth implementation of PMS	Properly filled and monitored Performance Appraisal Forms	Filled in and monitored Performance Appraisal Form	Filled in Performance Appraisal Form	Implementation of PMS and PBB	MCSAR	Ministries / Departments	40%	100%	Review of PMS					Improved efficiency and accountability with greater transparency	100,000	Mins of Civil Service
	Enhance the general literacy of the population in the ICT sector	The government should make special efforts to improve the general literacy of the people. This will allow them to learn about ICT and, subsequently, to access online services.	1. No of Pcs sold 2. No of individuals who have access to internet	Statistics from Central Statistical Office	Loans at concessionary interest rates to individuals for the purchase of Pcs (2) Making Pc tools and internet more accessible in schools, colleges and public institutions. (3) Reduction in tariff for internet access (4) Providing high speed internet connections	Government	(1) Mauritius Telecom for providing access to internet (2) DBM for providing loans to individuals for the purchase of Pcs (3) National Computer Board, University of Mauritius, Technology Training Schools, IVTB etc for providing ICT training (4) Government and Private Institutions by providing ICT training and access to computers to their staff	No of Pc loans -2946 million	No of Pc loans -3100 million	No of Pc loans -3500 million	No of Pc loans -3700 million	No of Pc loans -3900 million	No of Pc loans -Rs 129.5 million		Drastically improve computer literacy (2) make more trained people available to work in firms operating in Cybercity, BPO centres etc (3) Increase transactions through internet marketing (4) increase use of ICT tools for access to public and other services thus decreasing the movement of people to centres, government institutions and banks	23,666,667	Mins. Of Information

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
			No. Of ISO certified ministries / departments No. Of projects implemented in ministries / departments No. Of critical service delivery organizations with streamlined procedures / processes No. Of projects Updating of the code No. of officers sensitized No. of officers having signed their performance appraisal forms Holding of the public service excellence award	No. Of ISO certified ministries / departments No. Of projects implemented in ministries / departments No. Of critical service delivery organizations with streamlined procedures / processes No. Of projects Updating of the code No. of officers sensitized No. of officers having signed their performance appraisal forms Holding of the public service excellence award	Facilitate ISO certification of additional ministries / departments Facilitate the up-grading and set-ting up of counter services in ministries / departments Facilitate the streamlining of processes / procedures at critical service delivery organizations Evaluation carried out through mystery shopping Revision of the code Sensitization on the code of ethics for public officers Implementation of performance management system in the civil service Organization of the public service excellence award	MCSAR	Ministries / departments	20 10 2 10 1000 40% 35			Operational in 2012		100 50 20 30 10000 100% 50	2010-2012	Improve the quality of public service	0.5 million USD Mins of Civil Service	
		MCSAR should establish the pro-posed civil service college as soon as possible to handle post recruitment and in-service training.	Public Service Training Centre for Excellence	An operational Public Service Training Centre for Excellence	Location identified and preliminary report drafted Ongoing Training Programmes co-ordinated by MCSAR	MCSAR	Ministries / Departments							2010-2012	Trained Human Resources	3 m Mins of Civil Service	
Improve Public sector and administrative reforms	1. No. of ISO certified Ministries / Departments		No. Of ISO certified ministries / departments	Facilitate ISO Certification of additional Ministries / Departments	MCSAR	Ministries / Departments	20	20	20	20	20	20		Improve the quality of public service	Total Cost 500,000 Mins of Civil Service		

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
			2. No. of projects implemented in ministries / departments	No. of projects implemented in ministries / departments	Facilitate the upgrading and setting up of counter services in Ministries / Departments			10	10	10	10	10					Mins of Civil Service
			3. No. of critical service delivery organisations with streamlined procedures / processes	No. of critical service delivery organisations with streamlined procedures / processes	Facilitate the streamlining of procedures at critical service delivery organisations		2	2	2	2	2	2					Mins of Civil Service
			4. No. of projects	No. of projects	Evaluation carried out through mystery shopping		5	5	5	5	5	5					Mins of Civil Service
			5. Updating of the Code	Updating of the Code	Revision of the code												Mins of Civil Service
			6. No. of officers sensitized	No. of officers sensitized	Sensitisation on the code of ethics for public officers		1000	2000	2000	2000	2000	2000	2000				Mins of Civil Service
			7. No. of officers having signed their performance appraisal forms	No. of officers having signed their performance appraisal forms	Implementation of Performance Management System in the Civil Service		0.4	1	1	1	1	1					Mins of Civil Service
			8. Holding of the public service excellence award	Holding of the public service excellence award	Organisation of the Public Service Excellence Award		PSEA held	PSEA held	PSEA held	PSEA held	PSEA held	PSEA held					Mins of Civil Service
	MCSAR should establish the proposed Public Service Training Centre for Excellence as soon as possible to handle post recruitment and in-service training.		Public Service Training Centre for Excellence	An operational Public Service Training Centre for Excellence	Location identified and preliminary report drafted Ongoing Training Programmes coordinated by MCSAR		Ministries / Departments							2010-2012	Trained Human Resources	3 m Mins of Civil Service	

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Fighting Corruption	Transparency as regards the financial activities and functioning of political parties and adoption of a system for funding political parties	Drafting of electoral laws and amendment of the Constitution	Law enacted by National Assembly	Law published	Debate at the national level	PMO <i>attorney general</i>	Parliament; ICAC, NGOs	Number of cases persecuted in 2008/09						2010-2015	transparent financing of political parties	100,000 USD	

OBJECTIVE 7: PROMOTION AND PROTECTION OF THE RIGHTS OF WOMEN

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Rights of Women	Rights of women more effectively articulated	Setting up of open prison for women	Infrastructure completed	PMO office	Brainstorming / consultation work in progress	PMO	Police Department; MGECDFW	none	Brainstorming / consultation work in progress	Brainstorming / consultation work in progress	Prison design	Prison design	Prison completed	2010-2015	Setting up of an Open Prison for women	2 Million	MGECDFW
	Recognition of unpaid work of women	To design a legal framework	Legal Framework in place	Govt Gazette. Proclamation by President of Republic.	Brainstorming / consultation work in progress	Min of Labour	AGO; MGECDFW	none	Brainstorming / consultation work in progress	Brainstorming / consultation work in progress	Draft Bill prepared	Enacted and Proclaimed law	Enacted and Proclaimed law	2010-2015	Unpaid Women' Work legally recognized	100,000	MGECDFW

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Promotion of Women's rights and status	Ratify International, regional and subregional instruments that promote women's rights	% of ratified international, regional and subregional instruments.	Consultation with the Ministry of Foreign Affairs	Mauritius has ratified several important inter-national human rights and in-struments such as the -Convention on the Elimination of all forms of Discrimination Against Violence (CEDAW), -Optional Pro-tocol on CE-DAW ; and has signed the: -SADC Decla-ration on Gender and Devel-opment. -African Charter on Human and People's Rights on the Rights of Women in Af-rica. Its ratifica-tion is in pro-gress, amongst others.	MGECDFW SLO Parliament	Min of Foreign Affairs	2	0	0	0	0	0	2010-2015	All relevant International, Regional and Subregional instruments ratified.	15,000	MGECDFW
		2) Encourage greater numbers of women in decision-making positions by introducing quotas in order to conform to international, regional and subregional instruments.	% of women sensitised in decision - making positions.	Statistics from CSO	Government has taken the commitment to increase the number of women in decision-making and political life. There is an on-going debate on electoral re-forms in the country and the issue of how to increase the representation of women is one of the concerns of all stakeholders.	Min Of Civil Service MGECDFW Parliament	NGOs	2000 persons	5,000 persons	7,000' persons	8,000' persons	10,000' persons	12,000' persons	2010-20145	Men and Women equally represented in decision making positions	200000	Mins of Gender Equality
	To strengthen the Ministry of Gender Equality, Child Development and Family Welfare	1) To provide the Ministry with adequate Financial Resources	% increase in budget allocated to the Ministry	National Budget	The budget of the Ministry has been reduced. Consequently the Gender Unit is working in partnership with other stakeholders as gender is a cross cutting issue.	MGECDFW	MOFEE	USD 5.0 Million	USD 4.2 Million	USD 9 Million	USD 10 Million	USD 10.5 Million	USD 11 Million	2010-2015	Increase in budget allocated to the Ministry	50 Million	Mins of Gender Equality

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	To ensure an equal representation of men and women in the National Assembly	Political parties to review policies to include more women in politics to comply with its obligations in term of the SADC Declaration on Gender & Development.	% of women represented at the National Assembly	Central Statistics Office	The MGECDFW conducts self assertiveness and leadership courses at the levels of the women centres for women at grass root level to equip them with the necessary skills to enter politics and decision making instances.	All Political Parties and / or alliances	NGOs	12%	18.8% (13/69)	Next General Elections to be held in 5 years			2010-2015	In line with SADC Declaration on Gender and Development	200,000	MGECDFW	
		Strengthen laws relating to harassment and discrimination against women	Drafting of a relevant legislation	Government Gazette	Parliamentary debate	National Assembly	MGECDFW	cases reported					2010-2015	respect for gender rights	2000	MGECDFW	
		2) To provide the Ministry with adequate training in matters of Gender Equality, Child Protection and Development and Family Welfare	% of officers trained	Ministry's Statistical Unit	Training programme for officials of the National Gender Mechanisms are conducted regularly to build their capacity to implement provisions stipulated in international, regional and subregional instruments.	Ministry of Civil Service	Government, NGOs	10% of officers trained	20%	30%	40%	60%	100%	2010-2015	Increase in the number of officers trained	50,000	MGECDFW
	Fight against violence against women	Intensify efforts to sensitise people about violence against women, particularly within families	Number of people reached	At the level of the Ministry's and NWC's records	Several pro-programmes have been imple-mented such as the:- • Marriage En-richment Pro-gramme; • Pre-Marital Counselling Pro-gramme; • Men as Part-ners Pro-gramme; and • Anger Man-agement Pro-gramme; and • Intergeneration Relationship Programme. • Empowering boys for gender equality	MGECDFW NWC	NGOs	2000 persons	5,000 persons	7,000' persons	8,000' persons	10,000' persons	12,000' persons	2010-2015	Increase in the number of people sensitized	100,000	MGECDFW

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Change the stereotyped roles of women and men	Increase efforts by sensitising and educating the public	Number of people reached	At the level of the Ministry's and NWC's records	This is the second phase of the above programme, (f) Engaging with Religious Bodies, the National Women's Council, the Local Government Authorities and other stakeholders in behaviour change programmes and the promotion of women's status.	MGCEDFW NWC	NGOs	2000 persons	5,000 persons	7,000 persons	8,000 persons	10,000 persons	12,000 persons	2010-2015	Increase in the number of people sensitized	100,000	MGCEDFW
	Institute a legal culture favourable to gender equality and non-discrimination	Integration of legal education for gender equality	Number of training and courses run	In consultation with Min of Education and SLO	Seminar on cases of domestic violence for enforcement officers to ensure that all authorities concerned are fully ready to enforce the PDVA once proclaimed.	MGCEDFW	SLO Min of Education MOH	4 training courses	4	5	5	5	5	2010-2015	Officers and Public at large trained	120,000	MGCEDFW

OBJECTIVE 8: PROMOTION AND PROTECTION OF THE RIGHTS OF CHILDREN AND YOUNG PERSONS

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Abuse of children	1) Provision of care to children victims of abuse	Drafting of the legislation	% of cases referred to Ministry where children victims of abuse / neglect have been provided with legal support wherever required.	statistics unit of the Ministry	Implementation of policies and programmes pertaining to the development, participation, protection and survival of children are ongoing. Adequate Social Support Systems are also in place to cater for the needs of children in distress.	MGCEDFW Ministry of Social Security NCC	NGOs	100%	100% targeted	100% targeted	100% targeted	100% targeted	100% targeted	2010-2015	Protection of the children in society.	(a) 200000	MGCEDFW
	2) children of Violence provided with support services for their integration into society		number of cases attended and services provided	statistics unit of the Ministry	A Child Protection Unit has been set up in collaboration with the Police Department to provide immediate assistance, as appropriate and protection to children, victims of abuse, especially sexual abuse. Infrastructural services such as shelter, drop in centres amongst others are available.	MGCEDFW Ministry of Social Security NWC	Police Department NGOs	291 number of cases	535 number of cases	660 number of cases	800 number of cases	500 number of cases	250 number of cases	2010-2015	Protection of the children in society.	(b) part of above budget	MGCEDFW
	to implement the child mentoring programme	Assign children to mentors	number of children placed in the mentoring programme	Ministry's Statistics Unit	The Child Mentoring programme has been set up. Selection of mentors is in process	MGCEDFW SLO	nonstate stakeholders working in child protection	100 children as baseline	150 children as baseline	200 children as baseline	250 children as baseline	300 children as baseline	300 children as baseline	2010-2015	all children in need and who are in a vulnerable situation are provided with all support services	200000 (recurrent budget)	MGCEDFW
		To reinsert children with biological next of kin	number of children placed / reinserted within biological next of kin	Ministry's Statistics Unit	all children cases reported at the are provided with all services required and protection	MGCEDFW	Min of Social Services	5 children	40 children	50 children	60 children	70 children	80 children	2010-2015	Children of Violence provided with support services for their reinsertion in society	400,000 (recurrent budget)	MGCEDFW

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Greater equity and quality education	Reforms the educational system and reinforces the ZEP - or any areas that need special education	number of children placed in mainstream of education, school, vocational training.	statistics unit of the Ministry	Children victims of abuse are reinstated in the mainstream of education.	MGECDFW	Min of Education	37 number of children	130 number of cases	150 number of cases	200 number of cases	100 number of cases	25 number of cases	2010-2015	decrease in the number of children drop outs,	200,000	MGECDFW
	Enhance efforts towards Child Welfare	1) Intensifying efforts to eradicate violence against children in the family and society 2) Takes all necessary measures to put an end to the commercial sexual exploitation of children 3) Research the causes of juvenile delinquency and complies with the provisions of the Convention on the Rights of the Child on the treatment of minor delinquents	number of cases attended and services provided number of children removed to a place of safety and placed alternative care identify the underlying causes of juvenile delinquency identify the underlying causes of juvenile delinquency	statistics unit of the Ministry Sociological studies Sociological studies	Several legal framework are in place and are being enforced to cater for children victims of all forms of violence and abuse. The Ministry is implementing a National Plan of Action for CSEC which provides specialized services to victims of commercial sexual exploitation Studies to be carried out	MGECDFW MGECDFW	NGOs Police Department NGOs Ministry of Social Security NGOs	291 number of cases 183 number of children	535 number of cases 200 number of children	660 number of cases 230 number of children	800 number of cases 250 number of children	500 number of cases 180 number of children	250 number of cases 90 number of children	2010-2015 2010-2015	decrease in the number cases decrease in the number cases	300,000 100,000	MGECDFW MGECDFW
					Studies to be carried out	MGECDFW	Ministry of Social Security NGOs	Project is in consultation phase							causes of juvenile delinquency identified and Strategy framework and Action plan devised	200,000	MGECDFW

OBJECTIVE 9: PROMOTION AND PROTECTION OF THE RIGHTS VULNERABLE GROUPS INCLUDING INTERNALLY DISPLACED PERSONS AND REFUGEES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Migrant Workers	Rights of migrant workers legalised and enforced	1. Implementation of existing legislation; and 2. Formulation and implementation of new legislation (namely Regulations for lodging accommodations)	1. No of inspections carried out; 2. No. complaints received; 3. % of complaints settled	Statistics from the MLIRE on inspections of workplaces and dormitories carried out; complaints received from migrant workers and complaints settled.	1. The Ministry is carrying out inspections to ensure that the rights of migrant workers which are already covered under the existing labour legislation as applicable to local workers are being complied with; and 2. An agreement has been signed with China regarding the terms and conditions of employment of Chinese workers 3. Presently con-sultations are being held with stakeholders in order to draft the Regulations on lodging accommodations.	MLIRE	Trade Union, Employers and Migrant Workers	1. 320 Inspections carried out; 2. 363 complaints received; and 3. 80% of complaints settled.	1. 400 Inspections; 2. N.A; and 3. 82% of complaints set-tled.	1. 450 Inspections; 2. N.A; and 3. 84% of complaints set-tled.	1. 500 Inspections; 2. N.A; and 3. 86% of complaints settled.	1. 550 Inspections; 2. N.A; and 3. 88% of complaints settled.	1. 600 Inspections; 2. N.A; and 3. 90% of complaints settled.	5 years	Protection of rights of all migrant workers	1.0M US\$	Min. Of Labour
	Rein-force the Migrant Unit (MU) of the MLIRE	To strengthen the monitoring capacity of the MU in terms of human and financial resources in order to ensure proactive, thorough and heightened scrutiny regarding migrant workers.	1. No. of staff recruited	Proposed additional recruitment: a. 1 Principle Labour & Industrial Relations Officers (LIROs); b. 3 Senior LIROs; c. 8 LIROs.	Request has been made for more re-sources (human and financial) to ensure greater and better monitoring capacity	MLIRE	MOFED, Employers, Trade Union and Migrant Workers	a. 1 Assistant Director; b. No Principle LIROs; c. 3 Senior LIROs; and d. 2 LIROs.	a. 1 Senior LIROs; and c. 2 LIROs.	a. 2 LIROs;	a. 2 LIROs;	a. 2 LIROs;	a. 2 LIROs;	3 years	Protection of rights of all migrant workers	Already covered under ob-jective 9	Min. Of Labour

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Persons with Disabilities	Better promote the rights of Persons with Disabilities	Adopt the Convention on the Rights of Persons with Disabilities and passes laws that reflect a rights-based approach.	Signing the Ratification of the UNCRPD Ratification of optional protocol Amendments of legislation which are discriminatory to disabled persons	1. increase in number of people who are aware of the UNCRPD and its provisions 2. increase of number of disabled people vindicating their rights	1. awareness campaigns 2. networking with employers 3. networking with architects with electoral commissions to make voting procedures more disabled-friendly 5. development of sign language training 6. review of legislation 7. inclusive education 8. networking with training institutions 9. networking with bus	Ministry of social security, national solidarity and reform institutions	1. Line ministries society 2. civil Employers federation 4. Mauritius as-sociation of architects 5. bus transport operators	1. signing of UNCRPD 2. launching of national plan of action on disability	1. implementation of short term measures contained in the plan of action 2. ratification of the UNCRPD							5 Million USD	Mins of Social Security
	Ensure the integration of People with Disabilities (PWDs)	Develops appropriate policies and programmes for special needs education to cater for the needs of disabled learners	Number of pupils enrolled in SEN Schools which are discriminatory to disabled persons	Visits to SEN Schools to certify attendance of pupils on fortnightly basis	Upgrading of resources of SEN Schools	The Ministry of Education Civil Society	The Ministry of Education Civil Society	M&EHR Min. of Social Security NGOs, NGO Trust Fund Macoss Min. of Social Integration & Economic Empowerment	2010 1500	2011 15030	2012 1540	2013 1555	2014 1575	2015 1600	Improved quality of life of children in SEN Schools	1.6 million	Mins of Education

ECONOMIC GOVERNANCE AND MANAGEMENT STANDARDS AND CODES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Develop strategies to make them accessible to different strata	Develop an efficient communication and information strategy for popularising norms and standards and that it uses resources accessible to the different social and economic stakeholders to do so	1. Media Coverage to populairse Codes through press articles or radio debates 2. Reducing / abolishing fees which hinder access to standards and codes 3. Creation of database to facilitate access to all laws, standards or codes through website	1. Quantity, quality and ease with which such information is available 2. Assessing Level of awareness of the public through surveys	Mauritius Government Portal already facilitate access to a large range of Acts, codes and Standards. Also access to internet is made affordable to the public at large by constantly reducing the tariff.	Parliament and government		Government Portal is accessible freely.	Adding additional Codes	Adding additional Codes	Adding additional Codes	Adding additional Codes	Adding additional Codes	2010-2015	Public being aware of standard of codes	1M	Mins. Of Finance
	Facilitate the implementation of policies	Adopt measures to strengthen the capacity of officials on implementation of the PMS (i) the new budgeting and programming instruments; (ii) the bodies responsible for the internal and external control of public resources; (iii) unions and (iv) parliamentary officials.	100 % implementation	PMS implemented and maintained	Implementation of PMS	MCSAR	Ministries / Departments	40%	100%	100%	100%	100%	100%	Fully implemented as from 2011 and maintained	Improved efficiency and accountability with greater transparency	30,000	Mins of Civil Service

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
		1. Enforce the Prevention of Corruption Act (POCA) and providing resources additional to detect corruption. 2. The setting up of an anticorruption framework in the Public sector to build trust and confidence in public institutions	1. Number of convictions of people guilty of economic crimes 2. The anti-corruption framework being initiated or implemented in the public sector	1. Courts and Police Records 2. Framework Documents (New Regulation)	1. ongoing investigations and adherence to international instruments and conventions.	ICAC, FSC					Budget of ICAC increased by 10%		Budget of ICAC increased by 15%	2010-2015	2M	PMO	
		1. Adopt international norms and standards and implementation of recommendations made by the IMF / World Bank 2. Financial Sector Assessment Programme and Financial Stability Board 2. Setting up of the Ombudsman Office	1. Amendments to existing laws for the financial sector 2. Ombudsman office being set up and operational	1. Relevant Laws of cases re-ported, and dealt with 2. Statistics considered for further improvement in the Financial Sector	1. Recommendations and observations of IMF / World Bank are considered for further improvement in the Financial Sector	FSC				60% of recommendations being implemented			75% of recommendations being implemented	2010-2015	1M	Min of finance	

OBJECTIVE 1: TO PROMOTE MACROECONOMIC POLICIES THAT SUPPORT SUSTAINABLE DEVELOPMENT

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Limit interference in operations of Central Bank	To set up a mechanism to synergize actions of Central Bank and Government and differentiate interaction.	Independence of the Central Bank	APRM Review	The Central Bank is given the maximum autonomy	Government BoM							Mechanism Reviewed	2010-2015	Greater autonomy for central bank	0.2 M	Min. Of Finance
Central Bank	Review mechanism for appointment of members of MPC	Introduce minimum requirements for qualification as member of MPC. Redefine the composition of the Monetary Policy Committee and criteria or recruitment	New Criteria being introduced	Cabinet Decisions	None	MOFEE BoM							Mechanism Reviewed	2010-2015	A more effective MPC	0.2M	Min. Of Finance
	Protect value of currency	Discourage the devaluation of currency, unless being last resort for economic stability	Exchange Rate	Exchange rate offered on the Market	Central Bank takes necessary measures independently	BoM							Allow market forces to determine the exchange rate	2010-2015	Higher value of local currency	1M	Min. Of Finance
Macro-economic policies	Improve facilities for entrepreneurship	Create necessary facilities under different schemes like the Mauritius Business Growth scheme to support enterprise in areas of skills, training, technology upgrading, standards and marketing.	No of Beneficiaries under the Schemes	Statistics Records from CSO and relevant Authorities	Different bodies and stakeholders have played their role fully to support budgetary measures to make SME the no 1 job provider in the	DBM BOI Mauritius Enterprise							Allow market forces to determine the exchange rate	2010-2015	Improved competitiveness on export markets	5M	Min. Of Finance

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Make securities more accessible to public	Review minimum threshold of bond multiples as well as the period of the securities.	Number of individuals investing in securities	Annual Report of Bank of Mauritius	Public advertisement being made	MOFEE BoM			Increase in 1st time customers by 5%	Increase in 1st time customers by 5%				2010-2015	Increased accessibility	0.1 M	Mins. Of Finance
	Reduce tax burden	Abolish tax on savings and National Residential Property tax. 2. Threshold for tax exemption being increased. 3. To make Mauritius a Duty free Island	1. No tax being charged 2. Threshold being increased 3. Realisation of the Duty free island	Cabinet Decisions, Budget Speech, Report of the MIRA	The tax rate charged is one of the lowest compared to other countries.	MOFEE		15% tax on savings	tax on saving reduced to 0%				Duty Free Island framework being ready	2010-2015	Encourage savings in deposits	5M	Mins of Finance
	Introduce industry specific salary compensation annually	The tripartite mechanism will be reinstated and the National Remuneration Board will consider the issues	Decision taken by tripartite mechanism and NRB	Government Gazette	The National Pay Council being the current institution to decide on salary compensation will be phased out and replaced by the tripartite mechanism	NPC MOFEE MLIRE	private sector, joint Economic Council	Number of industry specific salary compensation schemes introduced in 2008		Tripartite System re-introduced				2010-2014	Increased labour productivity and protection of purchasing power	0.1 M	Mins of labour
	Government to further facilitate ease of doing business	1. Streamlining support procedures 2. Modernise and Rationalise regulations and licensing	1. Days / response time within which a business can start or get a licence, or finance 2. No of new business registered	Economic Indicators / statistics	The BFA has already streamlined procedures to facilitate the start of a business. Other stakeholders also provide the platform for information, expertise, facilitate interaction between potential employers and employees, quick financing and identify markets and opportunities for specific competitive sectors and products	HRDC BOI Registrar of Companies	private sector, joint Economic Council	number of regulations and procedures rationalised and streamlined in 2008					New Amendments to laws	2010-2015	Enhanced business environment	0.1M	Mins. OF Finance

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Sustainable Development	Strengthen protection of environment	Reinforce legal requirements and enforce laws	1. No of Environmental Laws declared 2. No of contravention 3. No of prosecutions	Environmental statistics	Setting up of a prosecution division	Ministry of Environment and SD	M/ Health, MEPU, M/ Local Government, M/ Agriculture, M/ Fisheries, Port Master	1. 37 2. 6582 3. 0	1. 4 2. 6000 3. 5	1. 4 2. 5700 3. 5	1. 4 2. 5400 3. 4	1. 4 2. 5100 3. 4	1. 4 2. 4800 3. 4	5 years	Improved environmental quality	2.5 M	Mins of Environment
	Promote and foster Sustainable Tourism Development	Reinforce legal requirements and enforce laws	Accidents at sea Monitoring of Pleasure Craft activities	Decrease in number of accidents	Regulations under the Tourism Authority Act including: (i) Tourism (Issue of Pleasure Craft Licences) Regulations 2006 (ii) Tourism Authority (Carvasser Permit Fees) Regulations 2007 (iii) Tourism Authority (Operation of Jet Ski) Regulations 2007	Ministry of Tourism & Lei-sure	• Ministry of Housing & Lands • Ministry of Environment & Sustainable Development • Beach Authority • Ministry of Fisheries & Rodrigues	Yes	Yes						Environmentally sensitive development	1 M	Ministry of Tourism
	To promote sustainable aqua culture development	To strengthen regulatory framework.	Number of such farms operating under the legal framework and environmental parameters in accordance with EIA licensing	Monitoring and surveys	Implementation of international standards for good aquaculture production. 2 farms operational.	Ministry of Fisheries and Rodrigues	Fish business operators, Ministry of Environment, Ministry of Agroindustry and Food Security, PMO and BOI	2 farms established		1 additional farm	1 additional farm	2 additional farms	2 additional farms	5 years	Sustainable aquaculture Development	80 million US dollar	Mins of Fisheries & Rodrigues
Use of Solar Water Heaters	To reduce Energy Consumption	To encourage use of solar water heaters	Number of solar water heaters purchased	Return to be made by suppliers on the number of solar water sold following grant by DBM LTD	Launched in 2008	DBM LTD	Manufacturers and traders of solar water heaters	10,000	15,000,	25,000,	25,000,	25,000,		ongoing	100,000 house holders will purchase solar water heaters for domestic use	20 million	MIN of Foreign affairs

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stake holders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Resource Efficient and Cleaner Production Programme (RECP)	To reduce Green House Gas(GHG) emission in line with the policy of environmental sustainable development	To sensitise enterprises to adopt environment friendly, cleaner and energy efficient production technologies and inputs	Setting up of the RECP Centre	Number of audit interventions made in enterprises and agencies during sensitisation Programme	Workshop held in 2009 with the assistance of UNIDO and UNEP	Enterprise Mauritius	Enterprises and Agencies	Workshop held	Sensitisation and energy audit intervention	sensitisation and energy audit intervention	2011/12	2012/13	2013/14	2010-2015	500 Enterprises sensitised and audited	0.6 million	Min of Industry
Democratisation of Economy	Regulate emergence of monopolies	Policy adaptation to discourage monopolies and encourage SMEs	Number of Monopolies or business sector with no competitors	Cases reported to or identified by the Competition Commission	The Competition Commission has already been established for the purpose of fair competition. This newly established commission is a clear indication of the Government concern towards unfair competition. The Competition Act 2003 has been repealed and replaced by the Competition Act 2007.	MOFEE	Joint Economic Council, private sector	Number of SMEs created in 2008/09				Amendments to laws	Amendments to laws	2010-2015	Improve opportunities for SMEs	0.1M	MINS of finance
Access to information	Timely information	Publishing of up to date statistics	Number of regular economic and social indicators in line with international quality standards	Publication and circulation of statistical reports	The CSO has its own release calendar disclosed in advance	MOFEE	CSO, private sector	N/A	33	65	65	65	65	2010-2015		0.3M	MINS of finance

OBJECTIVE 4: TO FIGHT CORRUPTION AND MONEY LAUNDERING

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
CP to protect court witnesses	Possible amendment of law to protect court witnesses	law enacted	law enacted	Government Gazette	national debate	attorney general	lawyer's association; Ministry of Justice	N/A	implementation of the law		No. of witnesses protected	No. of witnesses protected	No. of witnesses protected	2010-2015	Encourage better delivery of Justice	30,000 USD	AGO

OBJECTIVE 5: TO PROMOTE REGIONAL INTEGRATION

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Regional integration	Strengthen local industries Integrate Mauritius regional economy, harmonise regional trade rules and enhance market access for local industries on regional markets	Trade liberalisation within SADC, COMESA	Level of integration reached	SADC FTA launched in 2008 COMESA Customs Union launched in 2009	Regular meetings and discussions are held.	Ministry of Industry, Science and Research Ministry of Foreign Affairs, Regional Integration & International Trade	COMESA-EAC-SADC Member States representatives of the public and private sectors		All inclu-sive FTA - COMESA	To complete SADC FTA process			Establish COMESA Customs Union	on going	Consolidation of local industry Enlarged markets for local industries		MIN of Foreign affairs

CORPORATE GOVERNANCE STANDARDS AND CODES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Strengthen the enforcement of existing standards and codes on corporate governance	Further equip enforcement bodies to increase their coverage and deepen their actions	1. Number of entities examined 2. Degree of non-compliance to the code on major components 3. Additional Resources provided to enforcement Bodies	1. Annual Re-port of FRC and FSC 2. Report of the NCCG	Enforcement bodies are constantly being strengthened both in terms of quantity and quality of staff and other resources. FSC has started a new programme of onsite inspections, during which officers from the FSC assess the corporate governance framework of the licensee since new law in 2007	Ministry of Foreign Affairs, Regional Integration and Trade (MoFARIT),	Ministry of Finance and Economic Empowerment (MOFEE) and the FSC--NCCG	No. enforced	No. enforced	No. enforced	No. enforced	No. enforced	No. enforced	2010-2015	Improved enforcement of codes	0.33 million	MINS OF FINANCE
	More attention to be given to the Code of Corporate Governance	1. Enforce the mandatory code where i.e. for Public Interest Entities and promote voluntary adoption where optional of the Office of Public Sector Governance	1. Number of entities adhering to the code and the extent of compliance 2. Office of Public Sector Governance being operational	Annual Re-ports of the FRC and FSC	1. The FRC require additional resources to increase the awareness and voluntary adoption of the code. 2. The National Committee on Code of Corporate Governance is working on a revised version of the Code.	FRC and the FSC , and Companies Division will monitor compliance	All Ministries	No. of companies respecting code	No. of companies respecting code	No. of companies respecting code	No. of companies respecting code	No. of companies respecting code	No. of companies respecting code	2010-2015	Improved adherence to Corporate Governance code	66,667	MINS OF FINANCE

OBJECTIVE 1: TO PROMOTE A FAVOURABLE ENVIRONMENT AND AN EFFICIENT REGULATORY FRAMEWORK FOR ECONOMIC ACTIVITY

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Government to ensure all recommendations of World Bank Report on the ROSC be implemented	Consider recommendations of World Bank and implement with or without adjustments	Indicators formulated by World Bank on the appreciation of action taken on their report	Feedback from world bank on the appreciation of action taken on their report	Government will continue to discuss and agree with World Bank on their conditions and recommendations of World Bank report on ROSC.	MOFEE, the FRC and the FSC	Private sector, JEC	No. of ROSC recommendations implemented	No. of ROSC recommendations implemented	No. of ROSC recommendations implemented	No. of ROSC recommendations implemented	No. of ROSC recommendations implemented	Fully implemented where agreed	2010-2015	Compliance with international best practices	50000	
Corporate Governance	NCCG to periodically review and re-assess compliance with codes of corporate governance	Conduct regular study and assessments of compliance	No of compliant companies.	FRC Report	2. The National Committee on Code of Corporate Governance is working on a revised version of the Code.	NCCG	Public & Private Sector	NA	NA	NA	NA	100% compliance	2010-2015	Compliance with international best practices	20000	M&E	
	FRC and SEM to explore proper means for encouraging shareholder activism	SEM to provide training on shareholders rights	Number of training session organised	Annual Report of the SEM	Simplified version of Companies Act 2001 is available	SEM FRC MOFEE	public and private companies	NA	5 sessions	NA	NA	12 sessions	2010-2015	Enhanced Shareholder activism	25000		

OBJECTIVE 2: ENSURE THAT COMPANIES CONDUCT THEMSELVES APPROPRIATELY IN TERMS OF HUMAN RIGHTS, SOCIAL RESPONSIBILITY AND THE DURABILITY OF THE ENVIRONMENT

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Employment rights	Fair employment practices	1. No. of inspections & enquiries carried out; 2. No. of complaints received; 3. % of complaints settled.	1. Inspections & enquiries carried out; 2. Complaints received; 3. Settlement of complaints.	Fair employment practices are already included in the code of Practice which has been incorporated in the Fourth Schedule to the Employment Relations Act 2008.	Trade Unions, Employers and Employees	MLIRE	Trade Unions, Employers and Employees	1,000 inspections 60% of complaints settled	1,200 inspections 65% of complaints settled	1,250 inspections 68% of complaints settled	1,300 inspections 69% of complaints settled	1,400 inspections 70% of complaints settled	1,500 inspections 75% of complaints settled	5 years	Offering of fair treatment to workers and promote better industrial peace	cost covered as in DFC objective 3	Min. Of Labour
Workers' rights	Creating greater awareness of worker's rights	1. No. of sensitisation campaign carried out; and 2. No. of training courses / workshops / seminars carried out; 3. No. of participants in legislation in respect of workers' rights.	Statistics from the MLIRE	Employees are already covered by Section 28(1)(e) of the Employment Rights Act 2008 which stipulates that: "An agreement shall not be terminated by an employer by reason of a worker's filing in good faith of a complaint or participating in proceedings against an employer involving alleged breach of any term and condition of employment". Training courses and sensitization campaigns, including workshops, seminars, TV educational programs, distribution of pamphlets, leaflets and posters have been carried out.	Trade Union, Employers and Employees	MLIRE	Trade Union, Employers and Employees	180 training courses conducted and 5,400 workers covered	190 training courses conducted and 6,000 workers covered	200 training courses conducted and 6,200 workers covered	225 training courses conducted and 6,500 workers covered	250 training courses conducted and 6,500 workers covered	5 years	Better protection of workers' rights	cost covered as in DFC objective 3	min. Of labour	
Environmental sustainability	Improve the environmental management of the public sector and private corporations	Implementation of the National Environment Policy and National Environmental Strategy	PBB indicators in the MOFED budget	PBB Private sector initiatives	All ministries Private sector	private sector, Joint Economic Council	private sector, Joint Economic Council	Revised regulations on industrial effluent, Mauritius Environment Outlook Report, Management Plan on HCFC Phase-out, Management of ESA's Policy	Revised Regulation on Hazardous wastes and Drinking water, Revised oil spill contingency plan,	GHG inventory, Guidelines for sustainable buildings, Legal framework for environmental sensitive areas	NA	NA	70 M	Improved environmental quality	Mins of Environment		

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Increase awareness about the environmental issues that directly affect business activities.	Private and public sector organisations should be encouraged to conduct and publish regular environmental reports on their business activities, including energy audits	1. No of officers trained 2. No of environmental reports prepared	Training register	1. Environmental Reporting in the Public Sector 2. Carbon Footprint Project by MEXA	1. Ministry of Environment and SD 2. MEXA	Private and Public Sector	Not yet initiated	10	1. 100 Officers trained 2. 65 Reports prepared	1. 35 Officers trained 2. 15 Reports prepared	1. 100 Officers trained 2. 65 Reports prepared	115 Reports prepared	5 years	Improved environmental performance in public and private sector	50000	Mins of Environment
	Protect the environment	Private companies or corporations be urged to target projects that have positive effects on the environment. Companies should be encouraged to collaborate with local entities such as schools, district councils and municipalities to identify and implement environmental projects	Projects implemented under the CSR Fund	MOFED Website	CSR		Private sector	2 % of profits					Ongoing				Mins of Environment
		The use of solar water heaters and the domestic production of clean energy sources be encouraged	To encourage use of solar water heaters	Number of solar water heaters purchased	Return to be made by suppliers on the number of solar water sold following grant by DBM LTD	DBM LTD	Manufacturers and traders of solar water heaters	10,000	15000,	25000,	25000,	25000,		ongoing	100,000 house holders will purchase solar water heaters for domestic use	20 million	Mins of Industry

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Resource Efficient and Cleaner Production (RECP) Programme	To reduce Green House Gas(GHG) emission in line with the policy of environmental sustainable development	To sensitise enterprises to adopt environment friendly, cleaner and energy efficient production technologies and inputs	Setting up of the RECP Centre	Number of audit interventions made in enterprises and agencies during sensitisation Programme	Workshop held in 2009 with assistance of UNIDO and UNEP	Enterprise Mauritius	Enterprises and Agencies	Workshop held	Sensitisation and energy audit intervention	sensitisation and energy audit intervention	sensitisation and energy audit intervention	setting up of the RECP Centre		5 years	Increased projects in environmental protection and renewable energy		Mins of Industry
							Public sector, Private Sector, NGOs, Population								500 Enterprises sensitised and audited	0.6 million	Mins of Industry

OBJECTIVE 3: PROMOTE THE ADOPTION OF ETHICAL CODES IN BUSINESS IN PURSUING COMPANY OBJECTIVES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Good business ethics	MCSAR to monitor adherence to Code of Ethics in the public sector	Devise mechanism to monitor and verify adherence. All private and public bodies be invited to include the code of ethics in their management guidelines	Reduction in the number of cases of misconduct	Reduction in the number of cases of misconduct	Sensitisation on the Code of Ethics	ICAC, MCSAR	Ministries / Departments							Ongoing	Compliance to Code of Ethics	20000	Mins of Civil service
	CPU of Ministry of Business, Enterprise, Cooperatives & Consumer Protection to monitor compliance with laws and regulations for consumer protection	Increase number of Inspectors to ensure consumer protection	6 vacancies will be filled shortly	Post advertised		Ministry of Business, Enterprise, Cooperatives & Consumer Protection	PSC	6	6	6					Enhanced consumer protection	US\$ 100 000	Ministry of Business, Enterprise, Cooperatives & Consumer Protection

OBJECTIVE 4: TO ENSURE THAT ENTERPRISES TREAT ALL THEIR PARTNERS IN A FAIR AND EQUITABLE MANNER

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Rights of shareholders	Improve rights of shareholders	1. To amend, consolidate and modernise the Companies Act . 2. To include the rights of shareholders in the Annual Reports	1. Revised Companies Act Published. 2. No of Annual Report which include rights of shareholders	Amendment to the Companies Act. 2. Number of compliant companies from Registrar of Companies	The Companies Division is monitoring current disclosures are made to the Accounts before filing.	Registrar of Companies	public and private companies	-	-	draft revised act			law enacted	2010-2015	revised law	10,000 (recurrent budget)	Min. Of Finance
Minority shareholders	Improve the rights of Minority shareholders	1. Amend the Companies Act to improve the rights of the Minority shareholders. 2. Efforts be made to educate minority shareholders about their rights. 3. Appointment of a representative of Minority shareholders on Board	1. Revised Companies Act Published. 2. Advertisement in the Media, internet etc 3. No of companies having representatives of minority shareholders on Board.	Amendment to the Companies Act.		SEM, Companies Division and JEC	public and private companies	-	-	draft revised act			law enacted	2010-2015	revised law	15,000 (recurrent budget)	
		Mauritius authorities to (i) establish a centralised credit bureau for individuals; (ii) develop codes to deal with creditor rights and personal insolvencies; and (iii) establish debtor counselling service to help those who find themselves deeply in debt.	Setting up of a price observatory	Transparency in pricing of products	1. Comparing prices by region 2. Evolution of prices 3. Providing information regionwise	Parliament, MOFEE, FSC and Ministry of Business, Enterprise, Cooperatives & Consumer Protection										US\$ 50 000	Mins of Business

OBJECTIVE 5: TO PROVIDE FOR THE ACCOUNTABILITY OF ENTERPRISES, AND OF THEIR MANAGERS, DIRECTORS AND EXECUTIVES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Accountability	Public and private sector organisations to comply with accounting and audit procedures	1. Enhance overall institutional capacity of the FRC to monitor compliance.	Amendment to the appropriate legislations.	Amended Acts	Final Accounts have to be audited before being filed to the Registrar of Companies.	All Ministries FRC MEF	public and private companies			draft revised act		law enacted	2010-2015	2010-2015	revised law	15,000 (recurrent budget)	MINS of finance
		2. Amendment to the Companies Act to include stiffer penalties for non-compliance to the accounting and audit procedures.															
	Pooling of efforts to promote small holders representation	Companies should be encouraged to include a representative of small shareholders on Board.	No of companies having representative of small shareholders on Board	List of companies at Registrar of Companies		FRC SEM RoC	public and private companies	N/A	start public lists for No of representatives	No of representatives	No of representatives	No of representatives	No of representatives	2010-2015	Better representation of small shareholders	5000	MINS of finance
	Clearly set date for submission of annual reports	The Finance and Audit Acts can be amended to provide penalties for non submission of annual reports on time.	No of non complying companies.	List of non complying companies.	The Finance and Audit Acts already include the latest date of submission of annual report. However penalties may need to be included.	MOFEE	All ministries	N/A	N/A	draft revised act	Submission to parliament	Review by parliament	law enacted	2010-2015	revised law	15,000 (recurrent budget)	Min. of finance

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stake holders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Responsibilities of boards of directors	Ensure better compliance with the Code of Corporate Governance	The key standards of the Code of Corporate Governance made mandatory.	No of non complying companies.	List of non complying companies.	As part of Good Governance, Companies are encouraged to comply with the Code of Corporate Governance.	NCCG	public and private companies	N/A		10% maximum non-compliance			1% noncompliance	2010-2015	improved compliance	10000	Min. of Finance
		2. All parties concerned should be consulted to have a comprehensive Code of Corporate Governance.															
Reporting guidelines for corporations	Improve the FRC	The objectives and scope of financial reporting Council need to be reviewed.	An Ad-hoc Committee / Task Force can be set up to review the activities of the Financial Reporting Council.	Work performed by the Committee.		FRC	Private sector, JEC	N/A	start activities	additional activities	additional activities	additional activities	additional activities	2010-2015	Improve performance	10000	Min. of Finance
		1. The Code of Corporate Governance be made mandatory and included in the annual report.	No of complying companies	List of companies.		MOFEE and FRC	public and private companies	N/A			10% maximum non-compliance			1% noncompliance	2010-2015	Improved compliance with Corporate Code and improved disclosures in annual reports	10000

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Ratification and Domestication of SED Standards and Codes	Transposition of international laws into our national laws	1. Ascertain International obligations entered into by Mauritius. 2. Ratification of International convention as a appropriate. 3. Drafting of legislation	number of international conventions ratified	Government Gazette	Sensitisation of ministries	attorney general	All ministries, CSO	Conventions ratified as of 2008	No. of codes domesticated	No. of codes domesticated	No. of codes domesticated	No. of codes domesticated	No. of codes domesticated	2010-2015	Ratification and Domestication of SED codes	30,000 USD	AGO

**OBJECTIVE 1: TO PROMOTE SELF-RELIANCE IN DEVELOPMENT
AND BUILD CAPACITY FOR SELF-SUSTAINING DEVELOPMENT**

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Capacity building	MoAIFPS with private sector to ensure promotion of agro industry projects among youth	Marshall Plan for engaging local entrepreneurs and businesses	Number of entrepreneurs who have been trained	Report submitted by AREU. Number of certificates delivered to trainees	1. Need Assessment already conducted. 1580 entrepreneurs have shown expressed interests. 2. Training programmes on several themes are ongoing. 3. Further accompanying measures are provided to set up an agro enterprise in collaboration with other in-situations.	MoAIFPS	1. Agricultural Research Extension Unit (AREU) 2. Mauritius Institute of Training (MITD) 3. Human Resource Development Council (HRDC) 4. Agro Enterprises	150	300	400	500	500	500	2009-2014	Greater selfsufficiency in production of agricultural commodities	Mins of AGRO-INDUSTRY	
increase efforts to engage youth in productive activities	Constant review and upgrading of appropriate support	No. Of Trainees Employment rate	Tracer Studies 6 months after graduation	Providing training at different levels National Certificate (NC) NC2 NC3 NC4 Diploma / Higher Diploma	MoE&HR MITD Private Sector NGOs National Empowerment Foundation	MoFEE EP MoE&HR MITD	2010 11,000 75%	2011 12,000 77%	2012 13,000 78%	2013 14,000 79%	2014 15,000 80%	2010-2015	Reduction of unemployment among youth	64.8 million	Mins of Education		
Public funds	Prioritise food security in Mauritius	Develop a strategy and policy for agricultural diversification	1. Local Production level 2. Import volume of some commodities like potato, onion, meat and milk 3. National Livestock census	Various schemes pertaining to financial facilities (grants and / or loans) available for small producers in order to boost up food crop and livestock production.* A full detail on food security is being enclosed in the floppy diskette.	1. Large and small farmers, 2. private agricultural institutions, 3. Research Institute, 4. Banks	Ministry of Agro Industry and Food Security	Not Applicable	50%	40%	30%	20%	15%	2009-2010	Decrease of some 10% in total food imports, currently representing 75% of net food consumption.	30 million	Mins of AGRO-INDUSTRY	

OBJECTIVE 2: TO ACCELERATE SOCIO-ECONOMIC DEVELOPMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT AND POVERTY ERADICATION

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Poverty eradication	Strengthen coordination and cohesion of programmes targeted towards the poor	Implementation of the Social Register of Mauritius database on the persons benefiting from the social programmes	Creation of the database / Devising harmonised policies using the database information	<ul style="list-style-type: none"> Setting up of the database Gathering and populating the database with the required targeted beneficiaries Providing access to the database to different stakeholders in the government for cohesive policy making and programme development 	<p>This Ministry has initiated with the project with help of the UNDP</p> <ul style="list-style-type: none"> to better target those beneficiaries, manage social programmes in an integrated way, better harmonise the criteria for the different social programmes run by different Ministries with a view to rationalise social assistance in Mauritius and to analyse cyclical and structural poverty reduction policies 	MOFEE Ministry of Social, UNDP Security NGOs	All Ministries with social programmes, UNDP and other such stakeholders	Initiate project with gathering of information through surveys	Finalisation of the software backbone and handling of the information	Populating the database with information from surveys and application at different levels / stakeholders	Opening access to other stakeholders for use	Opening access to other stakeholders for use	Opening access to other stakeholders for use	2008 to 2012	Eradication of poverty and empowerment of vulnerable groups	\$ 1 M	Mins of health and Social Security

OBJECTIVE 3: STRENGTHEN THE POLICIES, DISTRIBUTION MECHANISMS AND RESULTS IN KEY AREAS OF EDUCATION, HEALTH AND THE FIGHT AGAINST HIV/AIDS AND OTHER TRANSMISSIBLE DISEASES

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Strengthen policies and delivery mechanisms	Improve public Medical institutions	The Ministry already has a policy to regularly upgrade and replace biomedical equipment	No. of new equipment acquired	Equipment acquired as per priority list.	Purchase of state of the art equipment	Ministry of Health & Quality of Life	CPB (for tenders > 50 million Rs), HQ of MOHQL User Dept Biomedical Engineering Dept.	200 items	N/A	Rs 230 M	Rs 170 M	Rs 170 M	Rs 200 M	2010-2015	State of the art equipment in all public hospitals	26 million US dollar	Mins of health and q.life
		To continue the acquisition of new biomedical equipment for new projects / services at hospital and health care centres.	No. of new equipment acquired	Equipment acquired as per list.	1. Procurement for New Jeetoo Hospital 2. Plaine Verte Medi Clinic	MOHQL	CPB MOHQL User Dept Biomedical Engineering Dept	300 items to be acquired	N/A	13 million US dollar	7 million US dollar	5 million US dollar		2010/2011	Modern and hi-tech hospital operational MediClinic Operational	24 million	Mins of health and q.life
		Improvement of conditions of service of medical and paramedical staff.	Implementation of measures from the PRB report (5 - yearly report)	Assessment meetings relevant records on recruitment	Regular meetings with trade Unions Continuous training for better delivery of service	MOHQL	Ministry of Civil Service & Administrative Reforms, Trade Unions & others	Launch of project	75% of recommendations implemented	90% implementation	92%	98%	100%	5 years 2008 2013	Enhanced delivery of service and satisfied workforce	36 million US dollar	Mins of health and q.life
		Increasing the number of medical and paramedical personnel	This is ongoing. The number of posts for medical and paramedical staff is increasing to provide better services for example: - Medical Health Officers / Senior MHO from 387 in 2000 to 574 in 2010.	Filling of vacancies on establishment. In scarcity areas recruitment on contractual basis and seasonal. Training opportunities as well as scholarships are granted in scarcity specialties.		Foreign Partners MIH	5818 in post	5% increase	5% increase	5% increase				Enhanced delivery of health services	100 million US dollar	Mins of health and q.life	

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Compulsory Education	Strengthen and diversify the measures that will ensure respect for the principle of compulsory education until the age of 16.	No. of sensitisation programmes No. of alternative programmes	Programmes set up through MITD	Inter-institutional and interministerial linkages	Government, private sector and civil society	Other ministries							ongoing	100% attendance in study	200 million	Mins of education
	Improve the Education sector	Rapidly introduce reflective and visibility studies to improve the quality of higher education substantially and to make Mauritius a university centre that is a shining example to the African subregion and one that attracts the greatest world minds	No. Of Private TEIs, GTER, No. Of Foreign students	Tertiary education statistics	New measures set up at the ministry for enhanced visibility. A new campus for tertiary education is being set up. Setting up of a hall of residence	MoTESRT, TEC	MoTESRT, TEC, SLDC	Conceptual stage Final Planning stage	2011-2013: Infrastructure set up stage	2014-2015: New Campus Operational				2010-2015	New campus set up by 2014 to accommodate at least 8000 additional students	26.5 million	Mins of Tertiary education

OBJECTIVE 4: ENSURE AFFORDABLE ACCESS TO ALL CITIZENS ESPECIALLY THE POOR IN RURAL AREAS TO WATER, SANITATION, ENERGY, FINANCE (INCLUDING MICRO FINANCE), MARKETS, ICTS, HOUSING AND LAND

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Inadequate water supply	Address the problem of water shortages	(i) Increase in water storage capacity (ii) Reduction of Non-Revenue Water (iii) Water Education Campaign (iv) Rehabilitation of old water pipes	(i) No. of water storage structure constructed. (ii) Increased efficiency in CWA pipe networks. (iii) No. of CWA subscribers sensitized (iv) Increased efficiency of water pipes	i) Volume of additional water available (ii) Verification of monthly progress report (iii) CWA budget allocation (iv) contracts awarded	(i) Bidding documents under preparation and survey for land acquisition in progress (ii) Contract awarded for replacement of inefficient water meters. Repair works	Ministry of Energy and Public Utilities and CWA Water Authority	Government and CWA subscribers	(a) (i) Bagatelle dam: Contract for design awarded (b) Rivière des Anguilles Dam: Feasibility Study completed. (ii) Pilot zones established	(a) (i) Award of contract and construction works to start (b) Funding sought from ADB (ii) Project implemented on full scale basis in the North and the East	(i) (a) Significant part of project to be completed (b) Construction works to start (i) Project to be implemented in additional regions (ii) Project completed to be implemented in additional regions	(i) (a) Completion of construction works and co-mmissioning of dam (b) Significant part of project to be completed (i) Project to be implemented in additional regions	(i) (a) Completion of construction works and commissioning of dam.	(i) Dam construction works and commissioning of dam (a) Bagatelle Dam Dec 2010 to Dec 2013 (b) Rivière des Anguilles dam Jan 2012 to Dec 2014 (ii) on-going	Improved water supply	(i) (a) Bagatelle Dam USD 80 Million (b) Rivière des Anguilles dam USD 75 Million (ii) Non-Revenue Water USD 24 Million	Mins of Public Utilities	
		(iii) Water Education Campaign (iv) Rehabilitation of old water pipes	(iii) No. of CWA subscribers sensitized (iv) Increased efficiency of water pipes	(iii) Action plan on Water Education preparation under awarded for replacement of old pipes in selected regions. (iv) Contract awarded for replacement of old pipes in selected regions.	(iii) Draft Action Plan submitted for consideration and approval (iv) Pilot Action Plan established	Government and CWA subscribers	(ii) Preliminary works started in respect of Action Plan	(iii) Start of sensitisation programme (iv) Funding approved under Government Budget and MIDE Award of contract	(iii) Successful completion of programme (iv) Award of contract for works in other regions	(iii) Works in progress (iv) Works in progress	(iii) Works in progress (iv) Works in progress	(iii) Works in progress (iv) Works in progress	(iii) 2010-2011 (iv) 2010-2015		(ii) USD 50,000 (iv) USD 10 Million	Mins of Public Utilities	

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stake-holders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (USD)	M&E
	Tax on Waste	"Tax on Waste" not yet considered for solid waste. However, other forms of minimizing solid waste disposal cost like "Extended Producer Responsibility (EPR)" is being envisaged.	Amount of end-of-life goods /items recovered by producers	Ministry's website.	External Funding Agencies are being approached through the Steering Committee on Maurice Ile Durable for financing of a Feasibility Study on EPR	Ministry of Local Government & OI	Ministry of Local Government Environment, Customs Department, Producers.	A waste characterisation study for Electronic and Electrical wastes had undertaken by the Ministry of Local Government in collaboration with the University of Technology and funded by Mauritius Research Council.	Identification of funding sources for Feasibility Study for EPR	Conduct of Feasibility Study for EPR	Implementation of measures to support EPR for specific categories of products as recommended by Study Report (e.g. legal, fiscal, infrastructure etc.			Period will depend on Recommendations of Feasibility Study	Ensure commitment of all Stakeholders towards waste minimisation and reduction in cost of solid waste disposal	Awaiting consultations before considering cost associated with this project. Any international funding agency may be supportive of the project.	
Energy		1. To develop renewable a master plan for renewable energy. 2. Construction of La Nicoliere Feeder Canal Hydropower Project	Publication of Master Plan. 350 kW installed capacity Generation of 2GWh energy.	Ministry's website. Records of CEB on use of generated power on the grid.	The Consultant started working on the Masterplan on 17 May 2010. Action is on-going	Ministry of Energy and Public Utilities. Central Electricity Board.	Private sector Central Electricity Board Govt Private Sector Civil Society	Draft Field Work Report – 19 July 2010. Field Work Report – 04 August 2010. Draft Renewable Energy Development Plan – 15 Sept 2010. Draft Policy Matrix and Implementation Plan – 15 Sept 2010. Draft Final Report – 13 October 2010. Final Report – 27 October 2010.	Works ongoing	Commissioning of plant (late 2010)				2009-2010	Decrease dependence on imported fossil fuels. 35% of Re-newable en-ergy in the energy mix by 2025.	USD 308,200 funded by the World Bank and AFD.	Mins of Public Utilities
					Construction of hydropower plant started in 2009 and works are on-going.	Central Electricity Board.	Govt Private Sector Civil Society	Start of works	Works ongoing					2009-2010	Production of 2GWh of electricity from Renewable Energy	2 million USD	Mins of Public Utilities

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (USD)	M&E
					Preparation of documents of Request for Proposals.	Central Electricity Board / Private Promoter	Public at large.	RFP documents under preparation.	RFP will be launched in 2010.					2011-2013	Increase in electricity production from renewable energy sources.	70 million	Mins of Public Utilities
					Discussion stage.	Private Promoter	Public at large.		Negotiation with relevant authorities.						Increase in electricity production from renewable energy sources.	70 million	Mins of Public Utilities
					Project submitted to Govt for approval.	Central Electricity Board	Govt Private Sector Civil Society.		Work expected to start by end of 2010	com-pletion of works				2010-2011.	Production of electricity from Renewable sources of energy	2.2 million. USD	Mins of Public Utilities
					2 additional wind turbines to complement the 2 existing ones are installed at Grenade Rodrigues.	Central Electricity Board	Govt Private Sector Civil Society.		Two additional Wind turbines to be commissioned in September 2010.					mid 2009-end 2010	Production of electricity from Renewable sources of energy	2.5 million. USD	Mins of Public Utilities
					Mobilisation of capital Development of Master Plan for park.	Mauritius Land Based Oceanic Park Ltd.	Govt Private Sector.	Brain-storming and consultation with stakeholders	Work is expected to start by end 2010.	Opera-tions in 2012.				2010-2012	Saving on electricity for data centres.	210 Million	Mins of Public Utilities
					The Power Purchase Agreement being negotiated	Central Electricity Board	Public at large. Government.			Con-struction to start in 2011.				2011-2016	Decrease in green house gas emission.	4 Million USD	Mins of Public Utilities
ICT	Broaden availability of ICT facilities	Lowering of rates for ICT usage	Number of Pcs sold	Statistics from Central Statistical Office	Loans at concess-ional interest rate at DBM	MICT DBM	DBM, PC Dealers, Individuals, Schools & Colleges, University of Mauritius, University of Technology.	No of Pc loans - Rs 97.43 million	No of Pc loans - Rs 3100 - Rs 3300 - Rs 3500 million	No of Pc loans - Rs 115.5 million	No of Pc loans - Rs 129.5 million	No of Pc loans - Rs 136.5 million			Increased penetration of ICT usage	23,667 million	Mins of ICT

OBJECTIVE 5: NOTE PROGRESS MADE WITH REGARD TO GENDER EQUALITY IN ALL CRUCIAL AREAS, INCLUDING EDUCATION OF DAUGHTERS AT ALL LEVELS

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Gender equality	1) Provide effective protection for women against harassment and discrimination	Strengthen law related to harassment and discrimination against women	Bill passed in parliament.	Government Gazette	Attorney General's Office (AGO) has already prepared a Sexual Harassment Bill.	AGO	Sex Discrimination Division Min of Labour Min of Gender Equality CD&FW	none	Draft Bill prepared. Bill to be passed in 2010	none	none	none	none	2010	Legal framework in place to eliminate harassment	30,000 USD (from the recurrent budget)	Mins of Gender Equality
	2) Enforce provisions of Equal Opportunities Act	Proclamation	Act proclaimed by President of the Republic.	Government's Gazette	Act has been passed in December and needs to be proclaimed.	AGO	Police Department All Ministries, Govt Institutions, Public Sector	Act enacted	Act proclaimed and	none	none	none	none	2010	Equal Opportunities Act enforced	15,000 USD (from the recurrent budget)	AGO
	Sensitize Public Institutions in Gender Issues	to formulate sector specific gender policy, and to use gender disaggregated data for informed policy making	Number of sectoral strategies formulated in line with the National Gender Framework Policy	Number of sectoral strategies adopted	The National Gender Policy Framework (NGPF) calls upon each Ministry / department to formulate its sector specific gender policy, and to use gender disaggregated data for informed policy making.	MGECDFW Other Ministries	Other Ministries and Governmental institutions	4 Ministries	4 Ministries	4 Ministries	4 Ministries	4 Ministries	4 Ministries	2010-2015	Sectoral gender policy development and gender responsive programme based budgeting	50000 for 5 years (from recurrent budget)	Mins of Gender Equality

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
	Strengthen the newly created Female Condition Unit responsible for gender issues within the MGECDFW by increasing its budget allocation substantially and increasing its capacity-building programmes so that it becomes a real advocacy body. The NCM has extended technical assistance to Pilot Ministries identified to engender their programme based budgeting exercise. However, in line with the international shift towards gender and development, the Women's Unit of the MGECDFW has been restyled into a Gender Unit, and has adopted a rights based approach to development. Activities of the Gender Unit are presently two-folds, namely, women's empowerment and gender equality. A training programme for senior officers of the NCM has been conducted in November 2009 to build their capacity to implement human rights instruments in place for the promotion and protection of women's rights and gender equality, such as the CEDAW, the African Charter, SADC Protocol on gender and development amongst others.		Number of Capacity Building Programmes held.	Number of women trained on the increase	The budget of the NCM has been reduced. Consequently, the Gender Unit is working in partnership with other stakeholders as gender is a cutting issue.	MGECDFW National Women's Council (NWC) National Women Entrepreneurial Council (NWECC)	Women Associations Other Ministries NGOs Parastatal Bodies	2,000	7,000	##	##	##	10000'	2010-2015	Men and Women empowered socially, economically and politically		Mins of Gender Equality
	Better coordination between Women's Organisations and the MGECDFW	Improve the coordination between women's organisations and the Ministry to achieve gender equality at all levels.	Number of Capacity Building Programmes held.	Statistics Unit of the Ministry	capacity building programme conducted for senior Officers of the NCM, An action plan has been formulated. Actions include training of other Officers at the grass-root level on human rights instruments.	MGECDFW	National Women's Council civil society (NGOs and women's associations)	-	360 programmes run	600 programmes run	4000 programmes	6000 programmes	6500 programmes	2010-2015	Activities and actions planned implemented smoothly with enhanced coordination	300,000	Mins of Gender Equality

Issues	Objectives	Required Action	Monitorable Indicator	Means Of Verification	Ongoing Initiatives	Implementation Agency	Stakeholders	Baseline 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Implementation Period	Expected Output	Estimated Cost (Usd)	M&E
Rodrigues	Strengthening the autonomous status of Rodrigues and ensuring its full integration within the Republic of Mauritius	(i) to modernise the infrastructure in Rodrigues, (ii) to ensure further diversification of economic activities in the fields of Fisheries & Aquaculture, Agriculture and Tourism, including eco-tourism, (iii) reduction in unemployment rates and number of people living below the poverty line through the implementation of Projects that include: <ul style="list-style-type: none"> • construction of a new runway at Sir Caetan Duval Airport • connection of Rodrigues to Mauritius via the Fibre Optic Cable • building of 1000 low cost housing units over the next five years • construction of dams for water storage • construction of a new secondary school • development of the port area 	(i) Annual budget allocated to the Rodrigues Regional Assembly (RRA) (ii) Number of households below poverty line in Rodrigues; (iii) Unemployment rate / Number of Unemployed / Number of employment created annually in Rodrigues, (iv) Number of tourist arrivals in Rodrigues, (v) Local Production / exports of Rodrigues Island, (vi) Cost of living in Rodrigues Island (vii) number of infrastructural projects implemented	(i) Annual PBB budget of the RRA, (ii) Statistical data from the RRA, (iii) number of infrastructural projects implemented	(i) consultations between the RRA and the newly-elected Central Government for additional budget for the RRA, (ii) economic empowerment and business development measures implemented by the RRA, for example, tourism promotion (Rodrigues Special Package) and development, fisher's redeployment, agricultural development Under Food Security Fund), etc (iii) several social measures initiated by the RRA and including the Trust Fund for the Social Integration of Vulnerable Groups, the Empowerment Foundation, IFAD, etc	The Rodrigues Regional Assembly and its Commissions.	The business community, the local Village community, Ministries, the Trust Fund, the Empowerment Foundation	(i) RRA Annual Budget: USD 48.7 million (Rs 1461 Million), (ii) reduction in the number of unemployed households by 2% (iii) below poverty line, (ii) Unemployment	RRA Annual Budget: USD 50 million (Rs 1510 Million), (ii) reduction in the number of unemployed in the number of living poverty line by 10%.	RRA Annual Budget: USD 60 million (Rs 1510 Million), (ii) reduction in the number of unemployed by 2% (ii) reduction in the number of people living below the poverty line by 10%.			5 years	(i) The number of households below poverty line in Rodrigues to be reduced by at least 50% (ii) The unemployment rate to be below 8% (iv) Tourist arrivals in Rodrigues to be increased to 100,000 arrivals by year 2017 (v) Local production / exports of Rodrigues Island will be increased	USD 150 Million	MINS OF RO-DRIGUES AND FISHERIES	

ANNEXURE III

DRAFT PEER REVIEW
REPORT OF MAURITIUS

**REPORT OF THE COMMITTEE OF HEADS OF STATE AND
GOVERNMENT PARTICIPATING IN THE AFRICAN PEER REVIEW
MECHANISM AT THE 13th APR FORUM SUMMIT .**

***PEER REVIEW OF MAURITIUS
24 JULY 2010, KAMPALA, UGANDA***

1. The 13th Summit of the Committee of Heads of State and Government Participating in the African Peer Review Mechanism [APR Forum] was held on 24 July 2010 in Kampala, Uganda. The Summit was chaired by H.E. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and Chairperson of the APR Forum.
 2. The following Heads of State and Government attended the Summit:
 - (i) H.E. Abdelaziz Bouteflika, President of the Republic of Algeria
 - (ii) H.E. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia;
 - (iii) H.E. Pakalitha Mosisili, Prime Minister of the Kingdom of Lesotho;
 - (iv) H.E. Ramgoolam , Prime Minister of Mauritius;
 - (v) H.E. Goodluck Jonathan, President of the Republic of Nigeria;
 - (vi) H.E. Bernard Makuza, Prime Minister of Rwanda;
 - (vii) H.E. Jacob Zuma, President of the Republic of South Africa; and
 - (viii) H.E. Rupia Banda, President of the Republic of Zambia.
 3. The Heads of State and Government of Angola, Benin, Burkina Faso, Republic of Congo, Egypt, Kenya, Mali, Malawi, Mozambique, Senegal, Tanzania, Togo and Uganda were represented by Ministers and Senior Officials.
 4. The Members of the African Peer Review Mechanism Panel of Eminent Persons [APR Panel] present were Professor Adebayo Adedeji (Chairperson of the APR Panel) and Professor Mohamed Séghir Babès, Professor Amos Sawyer, Maitre Domitilla Mukantaganzwa, Barrister Akere Tabeng Muna, and Barrister Julienne Ondziel Gnelenga. Panel Member Ambassador Sitke Gibon Mwale was absent with apologies. Mr. Assefa Shifa, the Officer in charge of the APR Secretariat, was also in attendance.
- A. PEER REVIEW OF THE REPUBLIC OF MAURITIUS**
5. Professor Mohamed Babès, Lead Panel Member for the Review Process of Mauritius, presented the highlights of the Country Review Report of Mauritius. He noted the Historical Background of Mauritius, Good Governance Practices, Challenges of Governance in Mauritius and some Recommendations of the Panel. Prof. Babès emphasised that Mauritius is the first “Island State” of the AU to be peer-reviewed. It is a “rainbow nation” created through successive waves of migration of diverse peoples that bestowed a unique historical heritage on the country;
 6. As regards the Good Governance practices in Mauritius, Prof. Babès noted that:
 - the country’s sustainable and institutionalized democracy has fostered sustained growth in an increasingly diversified economy;
 - the Government of Mauritius has constantly renewed its poverty reduction efforts and has relatively succeeded in eradicating extreme poverty;
 - The country has made remarkable progress in the development of a knowledge-based economy and promoted a good contributive and redistributive universal social protection system;
 - Mauritius has also promoted foreign direct investment through the creation of an enabling business environment that ranks it among the most attractive countries for business on the African continent;
 - Mauritius has achieved high standards in its educational and health systems.
 7. The challenges underscored in the area of Governance include:
 - the need for a better management of diversity;
 - combating the existing pockets of poverty and opening the national economy to all the citizens of Mauritius;
 - promoting gender equity, eradicating corruption in the country, and upholding the principle of universal access to education and health, which are increasingly threatened by challenges posed by private institutions;
 - the impact of the “brain drain” reality in Mauritius - as not less than 10,000 students are studying abroad and many of them may never return home after their studies.

8. Under “Recommendations of the APR Panel’s Report”, the Government of Mauritius was called upon, among other perspectives, to consolidate democracy by implementing reforms in the electoral system, strengthening the legal framework and ratifying the African Union Convention on the Control and Prevention of Corruption.

B. RESPONSE BY H.E. NAVINCHANDRA RAMGOOLAM, PRIME MINISTER OF MAURITIUS

9. Prime Minister Ramgoolam expressed his delight to be at the peer review of his country. He observed that his delegation fully understands the responsibility and the privilege of undergoing this exercise as the thirteenth country to be peer reviewed. The Prime Minister assured his African brothers and sisters that Mauritius will consider what the APRM report recommends as part of the Presidential Programme [for 2010-2015].

10. Prime Minister Ramgoolam observed that the APRM has developed over the years into an essential tool for the promotion of good governance in Africa, and has meant a lot for Mauritius. The APRM has focussed on areas that Mauritius can improve upon. He noted that the APRM by its very nature is a complex and innovative process which probes into nearly all the facets of the Mauritius society, and is the result of a wide ranging consultative process with all the relevant stakeholders. Civil society at large, the public and the private sectors were given full opportunity to take part.

11. The Prime Minister thanked Professor Babès for the review and noted his endorsement of the main findings. He observed that the APRM exercise has already had a great impact on his country, particularly in the socio-political spheres. The recommendations will help improve business management in the public and private sectors and all the recognized stakeholders took part in the review process.

12. The Prime Minister noted that the review report is an appropriate tool for « social and economic introspection » and a useful instrument for Mauritian managers and decision-makers both in the public and private sectors to improve.

13. He disclosed that Government has started deep economic reforms to modernise the country, democratise the economy, liberalise trade and attract more investment to Mauritius. He observed that individuals from across Africa can today start a business in Mauritius with no barriers.

14. The Prime Minister indicated his Government’s view that economic efficiency has to go hand-in-hand with social justice. In consequence, the Government needs to combat discrimination and exclusion. The Government, as mentioned in the APRM Report, has done a lot to make sure that access to education is possible for all Mauritians. This now includes free transport for students.

15. The Prime Minister disclosed that a Trust Fund for Social Integration for vulnerable groups has now been created. Mauritius has also established priority education zones in poor areas where education levels of students are continually assessed and students living in these areas supported, so that they can attain the education levels of the rest of the population.

16. The Prime Minister stated that an Equal Opportunities Act has now been passed, and a new Ministry for Social Integration and Empowerment has been established with the mandate to eliminate all poverty in Mauritius, where as noted in the APRM report, there is no absolute poverty, but [relative] poverty can be defined differently as being experienced by approximately 8% of the population.

17. The Government is also taking a lot of care to ensure that Rodrigues Island is not left behind. Rodrigues has autonomy and also receives more money than the nine districts of Mauritius Island, which together receive Rs 450 million for their budgets yearly, against a budget of Rs 350 million for Rodrigues alone. Rodrigues also receives a lot of subsidies from the Government. The Government has also appointed a Minister in charge of Rodrigues and Fishing.

18. Prime Minister Ramgoolam noted that Mauritius is fighting hard against corruption and has put together an institutional and legal framework adopting the best international standards for financial practices.

19. He noted that there will soon be an International Centre for Arbitration in Mauritius and African countries will no longer have to go to Europe, America or elsewhere to file arbitrations.

20. Prime Minister Ramgoolam concluded his remarks by observing that the recovery of Chagos Archipelago is being addressed by his Government, which is considering the possibility of legal action. He appealed that Mauritius counts on the solidarity of African countries on this matter.

21. Prime Minister Ramgoolam thanked the APR Panel and expressed his gratitude to Professor Babès and the Team of African experts who worked with the Panel on the Mauritius Review Mission.

C. FORUM DISCUSSION

22. President Zuma of the Republic of South Africa congratulated the Government of Mauritius as well as the Lead Panel Member for the insightful country review report. He noted that Mauritius has a strong government and congratulated the country for its particularly good record of stable and dynamic democracy, and having achieved among the highest economic development records in Africa. He further noted that Mauritius has made progress in the area of women's rights, especially in legislation. He observed that South Africa wishes that this progressive legislation is translated into action through strong implementation and South Africa is willing to assist in that particular matter. He concluded by looking forward to the implementation of the programme of action.
23. The APR Forum commended Mauritius and the APR Panel for the outstanding review report. It acknowledged the Government's economic democratization programme as a laudable initiative and congratulated the Government of Mauritius on the high economic growth and democratic record achieved by the country.
24. The Chairperson of the APR Forum, Prime Minister Meles Zenawi stated that Mauritius has had spectacular success on governance, economic development and social development. In many ways this is comparable to the success stories in Asia. In terms of social welfare, extensive welfare arrangements have been made by authorities including universal access to health. The nation has developed high income economy which is clearly one of the highest on the continent. Therefore, the development of Mauritius is not only a story of success but a story of spectacular success, and the country is to be commended.
25. Prime Minister Meles Zenawi of Ethiopia observed that the management of diversity in Mauritius is a success insofar as people from different origins live together without conflict. However, Mauritius should be at the same time competitive, socially progressive and responsible.
26. Prime Minister Zenawi noted that the APR Panel's report noted that the country had three main groups including the Creole; people

- of South Asian origin and Europeans. The report notes there are cultural barriers, and [these should be bridged] to the extent of [the communities] living together in harmony.
27. There is the issue of whether an economy that is open and competitive can at the same time provide extensive social services. The Panel is not suggesting that there is an inherent contradiction – [the country can be both] pro-business as well as having very progressive social policies. While the suggestion of the Panel to look carefully at looking at [balancing the two] the Panel wants to encourage Mauritius but does not want Mauritius to choose. The Prime Minister noted that the APRM thinks Mauritius should have both at the same time and that is how the recommendation should be read.
28. Prime Minister Zenawi observed that the Mauritius agenda of democratisation of the economy is a very laudable goal, and was supported by the APR Panel with the three communities living side by side. He noted that the Panel had highlighted a very interesting point – which the progress that Mauritius has made in the last few decades needs to be looked at carefully since the future may not be as rosy. Some of the issues have been raised in a different context in the South Africa report including that the redistribution of wealth in an environment of [economic] growth is easier than in an environment of hardship.
29. Prime Minister Zenawi noted that, in his opinion, an advanced economy requires a state that has capability beyond that of present-day Mauritius. State capability should be able to stimulate the orientation of the private sector in the economic democratization process. He emphasized the importance of involving the people of Rodrigues in the Government's economic democratization programme.
30. On electoral reform, Prime Minister Zenawi opined that Mauritius should not feel obliged to adopt proportional representation, considering that any type of electoral system is good, provided that it helps to consolidate and promote democracy.
31. Mauritius' legislation on gender equity was noted and its full implementation for the betterment of the country as a whole was recommended.
32. Prime Minister Ramgoolam responded by noting that there was more and more intermarriage between the communities of Mauritius. Mauritius

is also looking at reform of the electoral system. However, there is no consensus on the reforms, as some people believe that a proportional representation (PR) system would lead to weaker governments. He further observed that for national reconciliation, Mauritius was following the example of South Africa. During his last official visit to the country, he had met with Archbishop Tutu, and the country had set up a Truth and Reconciliation Committee led by a South African, so that the country can face up to the reality of past events.

33. Prime Minister Zenawi agreed that there were some commonalities between South Africa and Mauritius, and that both were “rainbow nations”. PR systems had been criticized in the South Africa report, and it had been agreed that the PR system is as good as the constituency system.
34. The Peer Review of Mauritius was concluded with the Forum looking forward to an implementable Programme of Action.

