



# Annual Report on Performance

Fiscal Year 2015-2016



Ministry of Finance & Economic Development

## **About this Report**

This is the Annual Report on Performance of the Ministry of Finance & Economic Development for the financial year 2015/16 following amendments made to the Finance and Audit Act in March 2015. The report has been prepared according to guidelines issued by this Ministry.

The report is a mechanism of accountability in relation to resources provided by the National Assembly and services delivered thereon. It also provides information for our stakeholders and the public at large.

The Ministry is committed to maintaining accountability and transparency in its activities and continually improving its reporting.

## **Guide to this Report**

### **Part I: About the Ministry/Department**

Part I sets out the vision, mission, overview of the Ministry/Department, its roles and functions as well as its organizational structure.

### **Part II: Achievements & Challenges**

Part II describes mainly the major achievements, status on the achievements of budget measures and a review of how the Ministry/Department has performed during the previous year including the additional internal Key Performance Indicators that it has set for each of its Delivery Units. This section also provides the actions and system put in place in relation to risk management, citizen oriented initiatives and good governance practice.

### **Part III: Financial Performance**

Part III provides the financial highlights for the previous year and an overview discussion of significant changes in financial results. It also includes statements of revenue and expenditure.

### **Part IV: Way Forward**

Part IV provides a situational analysis of the environment in which the Ministry/Department operates and which impacts on its service delivery. It also includes the strategic directions to realize the Ministry's vision, objectives and desired outcomes.

The annexes provide additional information on Departments and Statutory Bodies/Agencies under the purview of the Ministry.

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## Vision and Mission

### Our Vision

A model organization that promotes economic development, good governance, and social progress for all Mauritians through accountable, efficient, equitable and sustainable management of public finances; and that effectively markets Mauritius as a reputable financial centre and successfully attracts higher levels of investment.

### Our Mission

- To formulate and implement sound macroeconomic and fiscal policies to ensure sustainable economic and social development of the country and improve standard of living.
- To ensure adequate allocation of funds and optimise revenue mobilisation, while providing the right incentives for economic growth and social development.

## Statement from Minister



*I am pleased to present the Annual Report for the Ministry of Finance and Economic Development for the fiscal year 2015/16. In March 2015, an amendment was made to the Finance and Audit Act requiring all Government ministries to submit an Annual Report on their performance at the end of every fiscal year. The aim was to strengthen governance, transparency and accountability and enhance our public financial management system.*

*The economic performance of Mauritius in the fiscal year 2015/16 has been an honorable one, considering the unfavourable and challenging international economic setting.*

*The world economy grew at the lower than expected rates of 3.2 percent in 2015 and 3.1 percent in 2016, according to the IMF's World Economic Outlook. The initial growth forecast was 3.8 percent for 2015 and 3.7 percent in 2016.*

*Our economy has performed honorably with a growth rate of 3.1 percent in 2015/16. The inflation rate was significantly down to 0.9 percent— one of the lowest in several decades. The good economic performance also resulted in the unemployment rate going down to 7.4 percent for the quarter ending June 2016, from 7.8 percent for the same period in 2015.*

*The overall Balance of Payments was in surplus of Rs 27 billion for 2015/16 and the country's foreign currency reserves amounted to Rs 169 billion at end June 2016, compared to Rs 140 billion a year earlier and good for 8.5 months of imports.*

*We have also managed to keep the budget deficit at the manageable level of 3.5 percent of GDP.*

*The Ministry of Finance and Economic Development implemented a series of reforms in the area of Ease of Doing Business and accompanied the Budget Speech with a Supplement on the economy along with annexures for greater transparency.*

*Reform initiatives taken by the Ministry have enabled Mauritius to maintain its leading position in terms of Ease of Doing Business in Africa. It is noteworthy that the World Bank 'Doing Business Report 2016' ranked Mauritius 32nd out of 189 countries. Mauritius was also ranked 13th worldwide as per Paying Taxes 2015 in the Doing Business Report 2016, 15th in the 2016 Index of Economic Freedom of the Heritage Foundation and 1st out of 46 countries in the Sub-Saharan African region.*

*I thank and congratulate all the staff of the Ministry of Finance and Economic Development for the commendable performance of the ministry in a year fraught with challenges and hope they will continue their work with the same dedication and even more enthusiasm.*

**The Hon Pravind Kumar JUGNAUTH**

*Prime Minister, Minister of Home Affairs, External Communications and National Development Unit,  
Minister of Finance and Economic Development*

## Financial Secretary's Statement



*The year 2015-16 witnessed the change in the fiscal year back to ending on 30<sup>th</sup> June rather than on 31<sup>st</sup> December. There was also a shift from Programme-Based to Performance-Based Budgeting.*

*A number of amendments were brought to the Finance and Audit Act with a view to strengthening public financial management, accountability, transparency and fiscal discipline. The amendments included, inter-alia, the simplification of the process of annual appropriation of budgetary resources, the introduction of an Annual Report on Performance by Ministries/Departments, and an enabling clause to empower the Minister to issue financial instructions in respect of 'virement' of funds from one item of expenditure to another item of expenditure subject to such limitations and conditions as may be specified. The principle of Carry Over was also introduced.*

*The Mauritius e Registry Project (MeRP) has been implemented at the Registrar-General's Department to enable stakeholders to submit their documents, effect payment and receive the registered document online. Moreover, the Government e-Procurement System (e-PS) was launched in 2016 enabling all public bodies and suppliers to electronically conduct procurement proceedings from invitation up to opening of bids and to the award phase. Furthermore, the Build Operate Transfer Projects Bill was passed and came into effect in April 2016 with a view to encouraging the active participation of the private sector in the financing of public infrastructure projects.*

*I attribute these achievements to the strategic direction of the Ministers responsible for the Finance portfolio during the year 2015/16, and wish to express my thoughtful appreciation for their unflinching support.*

*I also seize the opportunity to extend my warmest and sincere appreciation to the staff of the Ministry for their continued efforts, commitment and dedication to the public service.*

*Dharam Dev Manraj, G.O.S.K  
Financial Secretary, Ministry of Finance and Economic Development*

## Roles and Functions of the Ministry of Finance and Economic Development

**THE MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT (MOFED) IS RESPONSIBLE FOR FORMULATING THE ECONOMIC DEVELOPMENT POLICIES AND FOR THE ECONOMIC MANAGEMENT OF THE AFFAIRS OF GOVERNMENT SO AS TO ACHIEVE FASTER AND SUSTAINABLE ECONOMIC DEVELOPMENT.**

MOFED is also responsible for the financial soundness of Government's economic policy and for the proper control of revenue and expenditure. The Financial Secretary as Supervising Officer of MOFED has the responsibility to ensure that the functions of MOFED are carried out economically, efficiently and effectively and its objectives duly achieved.

The key functions of MOFED are defined as follows:

- formulate Government economic reform strategy and coordinate its implementation;
- develop macro fiscal framework and formulate fiscal policy;
- prepare the annual Budget Estimates in collaboration with Ministries/Departments;



- develop and prepare, in consultation with other Departments, a Public Sector Investment Programme (PSIP);
- provide support, through Sector Ministry Support Team (SMST), to Ministries / Departments in the formulation of their strategic plan, preparation, planning, execution and monitoring of their Performance Based Estimates;
- manage public sector debt with a view to minimizing cost, consistent with a prudent level of risk and develop active debt management strategies which also aim at supporting the development of a well-functioning market for government securities;
- coordinate with the Bank of Mauritius (BOM) and the Financial Services Commission (FSC) to regularly review and ensure the soundness and stability of the financial system;

- develop cooperation with international financial institutions and mobilise financial resources and technical assistance;



- develop the framework for the sound management of public finances and ensure implementation within set rules;
- ensure the preparation of the annual accounts of Government;
- oversee, through the parent Ministry, performance of parastatal bodies and compliance with legal financial requirements;
- monitor the performance of Mauritius Revenue Authority (MRA) and other major revenue collecting Departments; and
- maintain an updated Financial Management Kit and issue financial instructions to regulate financial procedures in Government.

# Senior Management Team

| Title/Directorate  | Contact Details  |
|--|--|
| <b>Financial Secretary</b>   | <b>Mr. Dharam Dev MANRAJ, G.O.S.K</b><br>Phone : (230) 201- 2331<br>Fax : (230) 211-0096<br>Email : <a href="mailto:fssecretariat@govmu.org">fssecretariat@govmu.org</a>   |
| <b>Deputy Financial Secretary</b><br><i>Budget Strategy &amp; Management Directorate</i> | <b>Mr. Patrick YIP WANG WING. C.S.K</b><br>Phone : (230) 201-1260<br>Fax : (230) 210-6107<br>Email : <a href="mailto:pyip@mail.gov.mu">pyip@mail.gov.mu</a>                |
| <b>Deputy Financial Secretary</b><br><i>Business Development Directorate</i>             | <b>Mr. Radhakrishna CHELLAPERMAI</b><br>Phone : (230) 201-1149<br>Fax : (230) 201-3842<br>Email : <a href="mailto:rchellapermai@mail.gov.mu">rchellapermai@mail.gov.mu</a> |
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| <b>Director (Economic &amp; Finance)</b>   | <b>Mr. A. ACHARUZ</b><br>Phone: (230) 201-1308<br>Fax: (230) 201-3658<br>Email: <a href="mailto:aacharuz@govmu.org">aacharuz@govmu.org</a>                                 |

## DIRECTORATE

## TASKS

### ECONOMIC RESEARCH & SUSTAINABILITY

- **Macro-fiscal Risk**
- **Monitoring & Evaluation**
- **Public Debt Management**
- **Economic Analysis and Research**

### PUBLIC FINANCIAL MANAGEMENT & BUDGET ISSUES

- **HR Budgeting**
- **Budget Expenditure Management**
- **Public Financial Management**
- **Medium Term Fiscal Framework & PSIP**

### INCLUSIVE DEVELOPMENT

- **SMST Social Protection**
- **SMST Housing & Health**
- **SMST Regional & Local Government**
- **SMST Family, Youth & Culture**

### TAX ISSUES & POLICIES

- **Direct Taxation**
- **Indirect Taxation**
- **SMST Security & Justice**

### INCREASING COMPETITIVENESS & GROWTH

- **Investment & Business Facilitation**
- **SMST Industry & Commerce**
- **SMST ICT & Innovation**
- **SMST Agro-Industry & Ocean Economy**

### PUBLIC INFRASTRUCTURE & SUSTAINABLE

- **SMST Infrastructure, SMST Environment**
- **SMST Public Utilities**
- **SMST External Communication & Innovative Financing**

### DEVELOPMENT CO- OPERATION & AFRICA STRATEGY

- **Africa Strategy**
- **Development Cooperation**
- **SMST Foreign Affairs & International Trade & Tourism**

### FINANCIAL SECTOR & MANPOWER DEVELOPMENT

- **SMST Financial Services**
- **SMST Manpower & Capacity Building**

## Objectives of the Ministry of Finance and Economic Development

The objectives of MOFED are to maintain macroeconomic stability and achieve fiscal sustainability and to steer the economy towards a path of high investment and high employment by developing new pillars to facilitate growth and employment geared through knowledge and innovation.

## Departments and Other Bodies falling under MOFED

MOFED has ten Departments/bodies falling under its purview and are as follows:

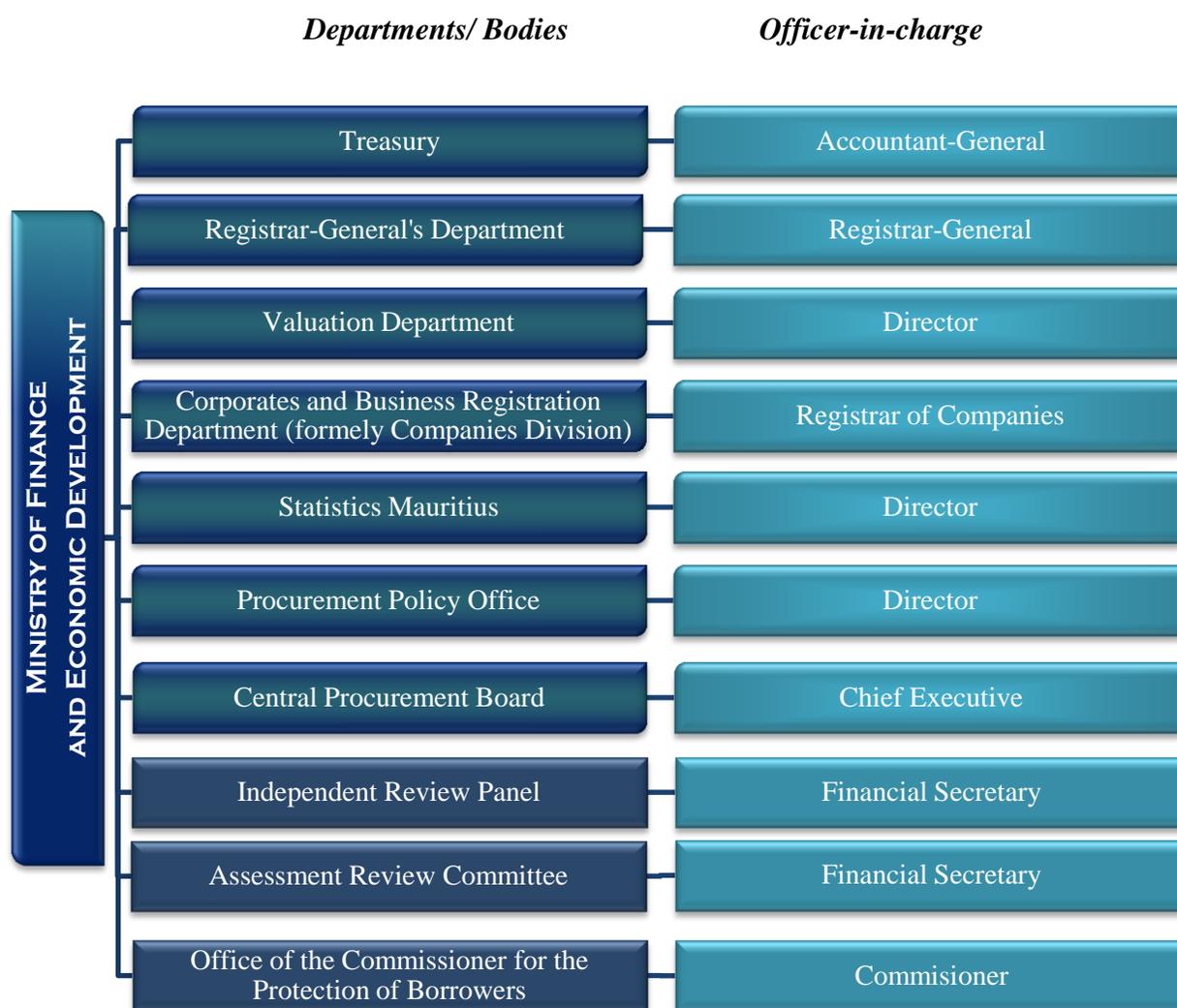


Figure 1. Departments and bodies falling under MOFED

The Financial Secretary is also responsible for the overall administration of its various Cadres and Divisions as well as for the general supervision of the departments falling under the aegis of MOFED.

Key Responsibilities of the Departments/Bodies falling under the purview of MOFED are described at Annex I

**TREASURY**  
**Prepare financial statements of Government**  
**Monitor cash flows**  
**Manage the dispensing of public service benefits**

**REGISTRAR - GENERAL DEPARTMENT**  
**Registering information :**  
**Land ownership and obligations**  
**Deeds and documents**

**VALUATION DEPARTMENT**  
**Tendering professional valuation advice**

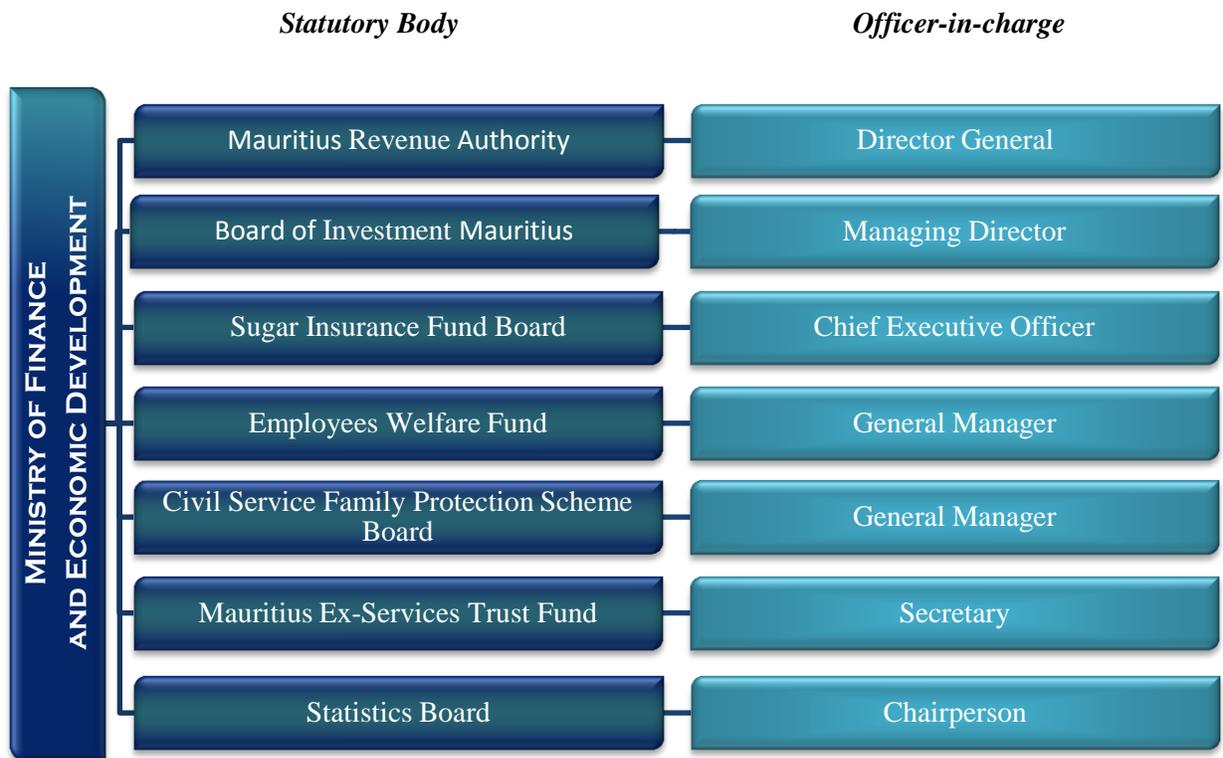
**CORPORATES AND BUSINESS REGISTRATION DEPARTMENT**  
**Incorporation, registration and striking-off of companies**  
**Registration of Businesses**

**STATISTICS MAURITIUS**  
**Central depository for all statistics**  
**Collection, compilation, analysis and dissemination of official statistics**

**PROCUREMENT POLICY OFFICE**  
**Promote economy, efficiency, effectiveness, transparency, fairness and accountability in public procurement**

## Statutory Bodies falling under MOFED

MOFED has also seven (7) Statutory Bodies under its jurisdiction and are listed below. These Bodies operate as autonomous entities under the umbrella of the Ministry and have their own goals and objectives. They are seen as the Executive arm of the Ministry to support and promote Government’s vision & mission and to implement its policies. Each Statutory Body is managed by a Board of Directors, appointed by the Government, which sets the policies and directions of its operations. The Board appoints the Chief Executive under different types of denomination, according to the Act, who may be a Director General, a Managing Director, a Chief Executive Officer, a General Manager, a Secretary and who is responsible for the day-to-day management of the organisation.



*Figure 2. Statutory Bodies falling under MOFED*

Key Responsibilities of the statutory bodies falling under MOFED are described at Annex II.

## About Our People

The Financial Secretary is the technical and administrative head of MOFED. He is assisted in his functions and duties by two Deputy Financial Secretaries, the Permanent Secretary and officers from the various cadres and classes namely: Analyst Cadre, Administrative Cadre, Human Resources Management Cadre, Financial Operations Cadre, Procurement and Supply cadre, Internal Control Cadre as well as officers belonging to the general services grades. He is also responsible for the overall administration and general supervision of the divisions and departments falling under the *aegis* of the Ministry as listed above.

The technical arm of the Ministry consists of eight (8) directorates namely: (i) Economic Research and Sustainability; (ii) Public Financial Management and Budget Issues; (iii) Inclusive Development; (iv) Tax Issues and Policies; (v) Increasing Competitiveness and Growth; (vi) Public Infrastructure and Sustainable Development; (vii) Development Cooperation and International Affairs; (viii) Financial Sector and Manpower Development. The Organisation Structure of MOFED is presented at Figure 3. The Corporate Services are responsible for Parliamentary affairs, Boards and Committees and Budget Proposals; Office Operations and Facilities Management; Human matters and policy issues; financial operations, procurement and supply and Internal control, among others.

MOFED is also responsible to provide human resources to all Ministries to facilitate the smooth running of their core business in three main areas namely, Financial Operations, Procurement & Supply and Internal Control.

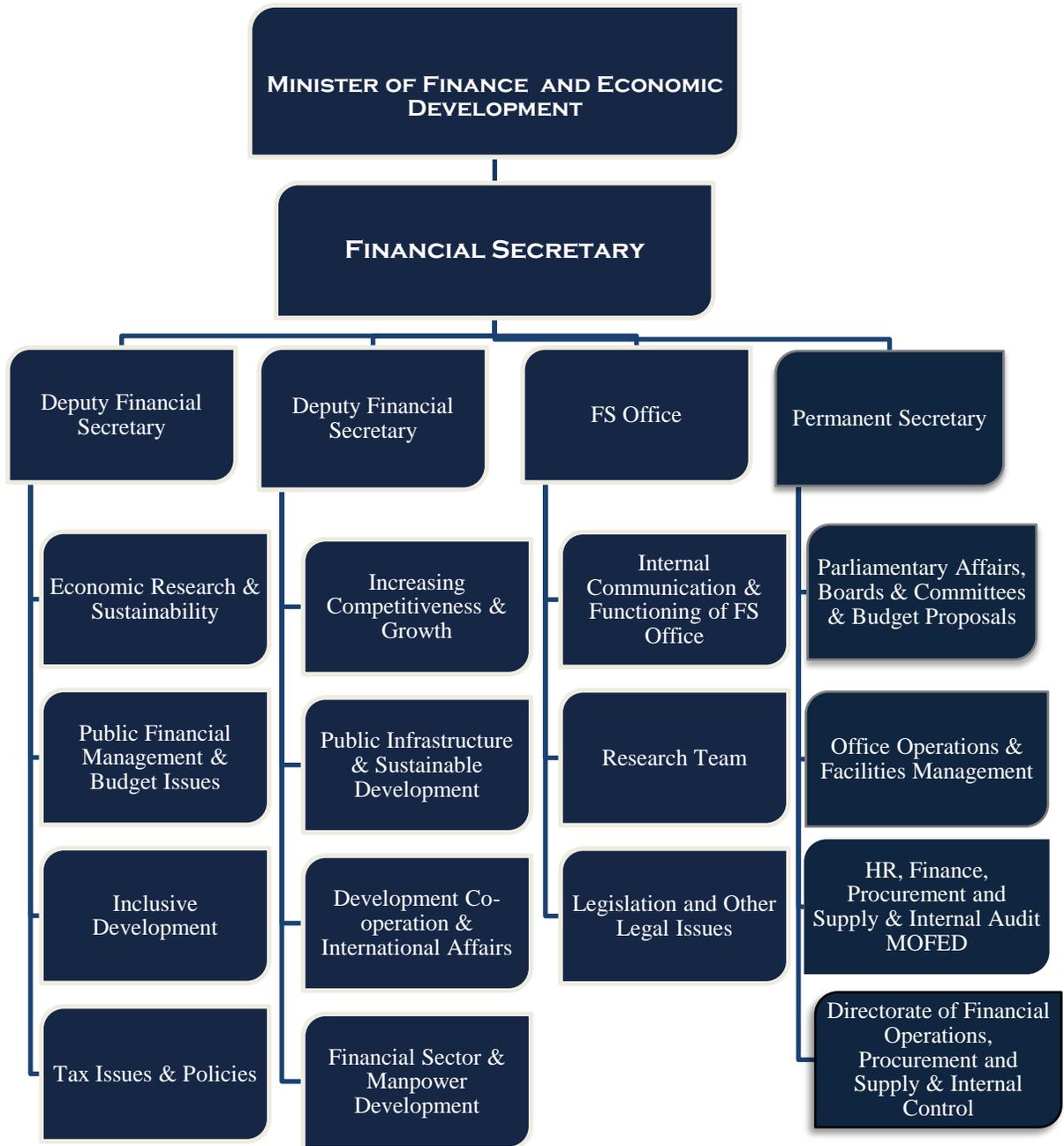


Figure 3. Organizational Structure of MOFED as at 30 June 2016

The human resources forming part of the technical and administration cadres which fall under the aegis of MOFED are shown in Table 1 below:

**Table 1. Number of Staff on MOFED establishment as at 30 June 2016**

| JOB TITLE                                   | NUMBER OF STAFFS |
|---|------------------|
| Financial Secretary                         | 1                |
| Deputy Financial Secretary                  | 2                |
| Director (Economic & Finance)               | 6                |
| Lead Analyst                                | 22               |
| Senior Analyst                              | 9                |
| Analyst/Senior Analyst                      | 98               |
| Finance Cadre*                              | 428              |
| Internal Control Cadre *                    | 65               |
| Procurement & Supply Cadre*                 | 380              |
| Administrative Cadre                        | 6                |
| HR Cadre                                    | 9                |
| General Services Staff                      | 155              |
| Assessment Review Committee Technical Cadre | 11               |
| Procurement Policy Office                   | 1                |
| Central Procurement Cadre                   | 9                |
| Advisers                                    | 7                |
| Contractual Officers                        | 18               |
| Service to Mauritius Programme Interns      | 20               |
| <b>Total</b>                                | <b>1247</b>      |

*\*Officers in the Finance, Internal Control and Procurement & Supply Cadres are out-posted in all Ministries and Departments to perform operational duties.*

## Major Achievements for Fiscal Year 2015-2016

## Mitigating the impact of the crisis on Mauritius

- In spite of the difficult international economic context, new policies and reform initiatives proposed by MOFED have enabled the country to achieve an honourable economic performance.
- Sound macroeconomic management by the Ministry led to improvement in key economic indicators.



- The country experienced a higher Gross Domestic Product growth rate of 3.4% in FY 2015-2016 as compared to 3.0% in FY 2014-2015. Inflation rate was very low at 0.9% as at June 2016, i.e., the lowest rate in more than 25 years. The unemployment rate was lower at 7.6% in 1st Quarter 2016 as against 8.7% in the corresponding quarter in 2015 and international reserves reached Rs 168.6 billion at end-June 2016, equivalent to 8.5 months of imports as against 7.1 months at end-June 2015.

## Enhancing competitiveness for growth and job creation

- Reform initiatives in the context of business facilitation taken by the Ministry contributed towards improving Mauritius' global ranking positions. The World Bank 'Doing Business Report 2016' ranked Mauritius 32nd out of 189 countries. Mauritius maintained its leading position in terms of Ease of Doing Business in Africa. Furthermore, Mauritius has improved its overall Doing Business distance to frontier marking (i.e. where it stands vis-à-vis the highest performance observed in the group of countries) from 74.39 in 2015 to 75.05 in 2016. Mauritius was also ranked 13th worldwide as per Paying Taxes 2015 in the Doing Business Report 2016.
- Mauritius was ranked 15th in the 2016 Index of Economic Freedom of the Heritage Foundation and 1st out of 46 countries in the Sub-Saharan African region. It was also ranked 46th overall and first in Africa in the Global Competitiveness Report 2015-2016.

## Improving public finance management and strategic planning

- In 2016, Moody's Investors Service maintained the Government of Mauritius bond rating at Baa1 with a stable outlook. The score with regard to Institutional Strength was upgraded from “High” to “Very High (-ve)” due to the high ranking of Mauritius under the Worldwide Governance Indicators as well as its record of providing policy predictability and macroeconomic stability.



- Updated medium term public debt management strategy benchmarks based on risk and cost analysis were released together with the 2015/2016 Budget documents.
- The risks as well as the costs of Government debt portfolio were reduced and debt affordability improved as evidenced by the following indicators:
  - Lengthening of the average time to maturity from 4.7 years at end 2014 to 5.1 years by end June 2016.
  - Increasing the time for re-fixing of interest rate from 3.2 years to 3.8 years during the same period.
  - Reduction in interest payment from 2.6% of GDP in 2014 to 2.4% in FY 2015/16 and
  - Reduction in interest payment as a ratio of Government revenue from 12.7% to 11.5%.

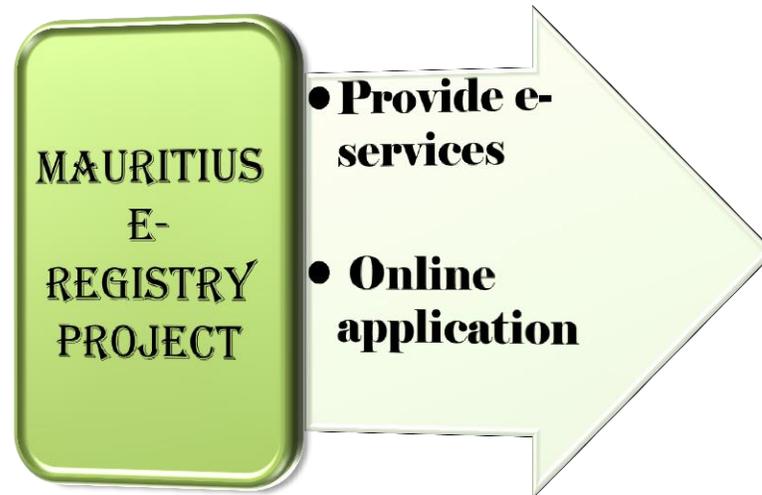
- Issuance of 20- year Government Bonds was started as from January 2016 to meet market demand.
- Issuance of benchmark instruments was continued to increase liquidity and support development of the secondary market for Government securities.
- Various amendments were made to the Finance and Audit Act to implement Government objectives which were announced in Government programme to strengthen public financial management, accountability, transparency and fiscal discipline. The amendments include:
  - the simplification of the process of annual appropriation of budgetary resources;
  - introduction of an Annual Report on Performance by Ministries/Departments;
  - enabling clause to empower the Minister to issue financial instructions i.r.o virement of funds from one item of expenditure to another item of expenditure subject to such limitations and conditions as may be specified; and
  - introduction of Carry-Over.
- Ongoing initiatives to improved Public Financial Management framework by issuing the Financial Instructions (FI) in respect of the following:-
  - **Virement**  
The FI provide simplified and consolidated virement rules.
  - **Write Off of Advances to Ministries/Departments**  
The FI provide the procedures for write off of advances which are considered to be irrecoverable.
  - **Adjustment Voucher**  
The FI provide simplified and standardized procedures for the use of adjustment vouchers by Ministries/Departments.

## Investment Scheme

- The ‘Smart City’ concept was introduced in Budget 2015-2016 and is meant to bring about a total revolution in the way we live, work and play. This would give a tremendous boost to the construction industry, create jobs and contribute not only to attain our growth objectives but also to the physical transformation of Mauritius. Board of Investment has issued letters of intent for two projects under ‘Smart City’ scheme.

## Enhancing Infrastructure Projects & Business and Citizen Facilitation

- The Mauritius e-Registry Project (MeRP) at the Registrar-General became operational to scale up to e-services to enable stakeholders to make application and submit their document, effect payment and receive the registered document online.



- Government e-Procurement System (e-PS) was launched which enables all public bodies and suppliers to electronically conduct procurement proceedings from invitation, opening of bids until the award of the contracts.
- The Build Operate Transfer Projects Bill was passed and came into effect in April 2016 with a view to encouraging the active participation of the private sector in the financing of our infrastructural needs. Accordingly, a BOT Project Unit has been set up at the PPO.
- The Challenge and Appeal process for public procurement has been reviewed for the Independent Review Panel to give its decision on an application for review within 30 days failing which the public body may award the contract.

### Other Achievement

- Some 40 NGOs benefitted from grants under Decentralised Cooperation Programme (DCP) and around 300 NGOs were empowered through training and awareness programme under DCP & CSR to support the poor and needy.

## Status on Implementation of Budget Measures

A number of measures were announced by the Minister of Finance in the Budget 2015-2016. Table below shows the status of the measures which pertain to MOFED.

**Table2. Budget Measures pertaining to MOFED**

| Budget Measure  | Status  |
|---|---|
| Smart Cities  | <ul style="list-style-type: none"> <li><input type="checkbox"/> Smart City Scheme Regulations gazetted on 18 June 2015.</li> <li><input type="checkbox"/> Letter of Comfort issued to 11 projects (Mon Tresor Omnicane, Cap Tamarin, Royal Saint Louis, Mauritius Yihai Garden, Island Summer Roche Noires, Mont Choisy, Trianon, St Felix, Medine, Jinfei and Moka/ENL)</li> <li><input type="checkbox"/> Letter of Intent issued to Mon Tresor Omnicane and Cap Tamarin projects.</li> </ul>  |
| Launching of the Small and Medium Enterprises Bank (SME Bank) to provide seed capital to entrepreneurs without any need for personal guarantee. | <ul style="list-style-type: none"> <li><input type="checkbox"/> SME Bank is a Business Unit of MauBank (merger of MPCB and NCB)</li> <li><input type="checkbox"/> Maubank was launched on 17 Sep 2015 and was operational as from 4 January 2016.</li> <li><input type="checkbox"/> 10 SME banking branches were operational (incl one in Rodrigues)</li> <li><input type="checkbox"/> MauBank Ltd has introduced a special financing scheme for enterprises - the MauBank SME Financing Scheme, that offers loans at 3.4% interest rate (repo rate less 1%) to finance up to 90% of project value (no personal guarantee required), and a grant of up to Rs10,000 for the conduct of a feasibility study of proposed project.</li> </ul> |
| Fiscal incentives for SME Development   | <ul style="list-style-type: none"> <li><input type="checkbox"/> Holders of the SME Development Scheme Certificate are eligible to incentives and facilities, namely:- <ul style="list-style-type: none"> <li>▪ Income Tax holiday for the first 8 years and other tax concessions;</li> <li>▪ a Special Grant for training, consultancy, financial management, feasibility study and technical assistance. The grant will be 10% of the project value up to a maximum of Rs 150,000; and</li> <li>▪ business support solutions from MyBiz and fast-track mechanism for obtaining permits and licences.</li> </ul> </li> </ul>   |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>❑ Holders of the SME development certificate are eligible for loans at 3.4% interest rate (repo rate less 1%) to finance up to 90% of project value with a moratorium of two years. No personal guarantee is required.</li> </ul>  |
| <p>Property Development Scheme (Restructuring the IRS/RES)</p>   | <ul style="list-style-type: none"> <li>❑ Regulations (Investment Promotion (Property Development Scheme) Regulations 2015) gazetted on 18 June; key change included is the condition that 25% of residential properties in a project under the scheme must be reserved for Mauritians or members of the Mauritian diaspora.</li> <li>❑ Communique issued to all IRS and RES companies on the transitional provisions.</li> <li>❑ As at end July 2016, 25 project proposals received; PDS Certificate issued to 2 projects out of the 17 projects issued with Letter of approval.</li> </ul> <p>The 17 projects represent a total investment of around Rs 15.4 billion and over 3,000 jobs expected to be created.</p>   |
| <p>Empower the Fast Track Committee to expedite the approval process and facilitate the implementation of major investment projects.</p> | <ul style="list-style-type: none"> <li>❑ Investment Promotion Act (Section 18d) amended through the Finance Act 2015 to empower the Fast Track Committee to expedite the approval process and facilitate the implementation of major investment projects.</li> <li>❑ 14 meetings held by the Fast track Committee as at June 2016 which examined 60 projects in various sectors (Smart Cities, hotel industry, education, manufacturing, fishing, aquaculture, agro-industry, renewable energy, logistics and distribution and production of bio-fertilisers.)</li> <li>❑ With respect to projects which have been facilitated in the FTC, 14 projects are already in operation and some 1000 direct jobs have been created and 43 projects are in pre-implementation phase.</li> </ul> |
| <p>Abolishment of 70 permits and licenses that have become obsolete, and irrelevant.</p>   | <ul style="list-style-type: none"> <li>❑ Actions taken to:- <ul style="list-style-type: none"> <li>▪ review list of controlled items,</li> <li>▪ review activities requiring permit/license and</li> <li>▪ streamline licensing and renewal process thru amendment of Tourism Authority Act, Regulations under M/Commerce and Local Govt Regulations (for elimination of Building and Land Use Permit for home based trades)</li> </ul> </li> <li>❑ Streamlining of the licensing process is on-going.</li> </ul>   |

To redefine the role of the Mauritius Africa Fund which will concentrate on the development of Special Economic Zones (SEZ) in various African countries.

### **Madagascar**

- ❑ MoU signed on 11 March 2016 between the Government of Mauritius and the Malagasy Republic. The MOU provides for the establishment of a Bilateral Committee to work on, inter alia, the finalisation of the site for the SEZs, a detailed Framework Agreement for the implementation of the project and the feasibility studies for the SEZ.
- ❑ The Bilateral Committee consisting of 5 members from each side, was convened via conference call to discuss the way forward with regards to the preparation of a master plan for the development of the 80ha allocated to Mauritius within the larger 400ha Ehoala Park.

### **Ghana**

- ❑ An MOU was signed in June 2015 providing the general framework for the setting up of a Special Purpose Vehicle in Ghana, to implement and manage the project. A detailed Framework Agreement was signed during the visit of the President of Ghana to Mauritius in August 2015. Other Agreements and MoUs signed; agreement on visa exemption, and MOUs on standardisation (for elimination of tariff barriers) and tertiary education and research.
- ❑ Future steps are contingent on the Ministry of Finance of Ghana, Ministry for Communications and the Attorney General's Office jointly taking the Framework Agreement to Parliament in Ghana.
- ❑ In May 2016 the Govt of Ghana has pledged its continued commitment to the SEZ project.

### **Senegal**

- ❑ Development over 50 hectares within the new international airport area comprising a cargo village and light industries: Shareholders' Agreement between FONSI and MAF has been signed.
- ❑ The SPV, 'Societe des Infrastructures d'Affaires Atlantic S.A.' has been incorporated. A mission to Senegal was conducted from 23 to 26 April 2016 to hold the constitutive assembly and the first Board meeting of SIAA. The Board of SIAA is being expanded through the designation of additional non-executive Board directors.
- ❑ Ministry of Finance of Senegal has proposed an alternate site at Diarniadio; site proposed plan is awaited.

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| <p>The Board of Investment will be posting 8 Trade and Investment Managers in strategic cities around the world, that include Beijing, Geneva, Pretoria, London, Moscow, Mumbai, New York, and Paris. They will be based in our embassies.</p>           | <p><b>Status of BOI Offices in three strategic cities</b></p> <ul style="list-style-type: none"> <li>❑ BOI Office in Paris, France: The BOI Office was launched on 23 June 2015.</li> <li>❑ BOI Office in New Delhi, India: The Office was launched on 30 October 2015.</li> <li>❑ MFA has proposed to restyle the Trade and Investment managers as Trade and Investment Counsellors, which would form part of embassy's staff.</li> <li>❑ BOI Office in Johannesburg, South Africa:<br/>Following the recruitment exercise conducted in 2015, the first two selected candidates declined offer for personal reasons. In order to staff the RSA Economic and Trade office, the Board of BOI approved the posting a Senior Investment Executive at BOI, for a period of one year, on secondment basis.<br/>MFA is taking over appointment of Trade and Investment Counsellors in other strategic cities.</li> </ul> |
| <p>Develop a new concept to allow for institutions that are contributing to CSR to take under their wings the unsustainable pockets of poverty in our country; the concept of 'parrainage'.</p>  | <ul style="list-style-type: none"> <li>❑ An amount of Rs 100 M disbursed as a one off grant from Government to Lovebridge Ltd, to kick-start the national parrainage project. MOU signed between MOFED and Lovebridge in June 2016.</li> <li>❑ 25 staff &amp; social workers have been recruited and are undergoing training. 46 families (220 people) are benefiting from Lovebridge; some 200 families are expected to benefit by December 2016 and 500 families by December 2017 covering some 2,500 people.</li> </ul>   |
| <p>The second leg of the Marshall Plan is to revisit the structure of the Corporate Social Responsibility (CSR) system to make it more effective; Companies will be free to allocate the 2 per cent of CSR according to their own set of priorities.</p> | <p>CSR Framework is being reviewed in line with implementation of Marshall Plan against Poverty in context of Budget 2016/17</p>   |
| <p>Setting up an Office of Ombudsperson on Financial Institutions.</p>   | <ul style="list-style-type: none"> <li>❑ A consultative document had been prepared for the setting up of an Office of the Ombudsperson for Financial Services and was submitted to the Bank of Mauritius and the Financial Services Commission for their views. Following comments received, a revised draft Bill has been prepared and forwarded to stakeholders for further comments.</li> </ul>   |

Setting up of a special committee to examine the Report of the Commission of Enquiry on Sale by Levy for expediting the implementation of its recommendations.

- ❑ Committee set up under MoFED in October 2015, comprising relevant stakeholders namely Ministries concerned, Office of the Commissioner for Protection of Borrowers and other institutions such as Mauritius Bankers' Assn & Consumer Protection Assn, to examine the Report of the Commission of Enquiry
- ❑ The “Report of the Commission of Inquiry on Processes/Practices for Granting of Loans Secured on Immoveable Property and Sale by Levy” has been made public in May 2016. Communique issued on 9 May seeking views and suggestions from the public; views/proposals received are being examined.
- ❑ Bank of Mauritius has proposed setting up of an Asset Management Company, whose main objective would be to acquire, in a phased manner, the non-performing loans which have been secured both by residential and commercial properties. Consultations ongoing.

All contracts will be allocated after full and transparent tender procedures. The Public Procurement Act will be amended accordingly.

The Central Procurement Board will be restructured and it will have more staff in order to expedite the allocation of contracts in a more transparent manner.

- ❑ An Inter-Ministerial Committee under chair of VPM and Minister of Public Utilities was set up to look into ways of improving the procurement system and procedures, including reviewing procurement regulations, power and role of the CPB, reinforcing capacity at the PPO, CPB and IRP, as well as proposing measures to improve evaluation of bids.
- ❑ The PPO requested inputs from 90 public bodies on proposed amendments to be made to the Public Procurement Framework; proposals received from public bodies were analysed.
- ❑ Report & recommendations of the SubCommittee chaired by the Director PPO submitted to Chair of Ministerial Committee. Report includes a number of measures which have already been implemented as well as proposes amendments in procurement legislation /regulations, to be considered in next Budget.
- ❑ The Build Operate Transfer Projects Act proclaimed on 5 April 2016. The Bill provides for a legal framework for the execution of public sector projects to be undertaken under BOT agreements. The Bill also provides for the setting up of a BOT Projects Unit within PPO and for BOT agreements to be laid

|   |  |
|---|--|
|   | <p>before the National Assembly. A BOT Guidance Manual will be finalised by end of July 2016. WRT staffing requirements of the unit, action taken to hire technical staff.</p> <ul style="list-style-type: none"> <li>❑ Measures implemented include launch of e-procurement system and regulation on e-procurement and IRP to give its determination within 30 days of filing of case.</li> </ul>   |
| <p>An exceptionally bold package of incentives to attract the Mauritian diaspora back, whole scheme to be managed by BOI. An exemption from income tax for a full period of ten years on all income including worldwide income.</p> | <ul style="list-style-type: none"> <li>❑ Regulations gazetted on 3 October 2015</li> <li>❑ A dedicated website for the Mauritian Diaspora is operational (as from early October); <a href="http://www.diaspora.mu">www.diaspora.mu</a></li> <li>❑ An online platform for submission of applications is operational</li> <li>❑ The Scheme is administered and managed by BOI. A Mauritian Diaspora Technical Committee has been set up by the Board of BOI to assess applications for registration under the scheme based on approved eligibility criteria</li> <li>❑ 89 applications have been received under the Mauritius Diaspora Scheme as at 30 June 2016. Out of 61 applications which have been assessed by the Technical Committee, 43 have been approved/granted the Diaspora member status, remaining applications have been either deferred or rejected. Out of the 43 approved applicants, 28 are Professionals while 15 are self-employed.</li> </ul> |

## Status on Implementation of Key Actions – 2015/2016

Table 3 below shows the status of the Key Actions and the Key Performance Indicators (KPIs) pertaining to MOFED which were included in the Budget 2015/2016.

**Table 3. Status of Key Actions and KPIs**

| Key Action  | Key Performance Indicator  | Target (as per Budget Estimates) | Status   |
|---|--|----------------------------------|--|
| Deepening the Performance Based Budgeting framework through introduction of annual reporting on performance by Ministries and Departments and implementation of e-budgeting to modernise the budget preparation, monitoring | Implementation of e-budgeting                                      | Jun-16                           | Preparation of 2016/17 Budget was carried out on the e-budget system (in parallel with the manual system). Guidelines on annual report on performance by Ministries issued in November 2016. Training on performance monitoring on E-budget system carried out from September to October 2016. |
| Improving coordination of monetary and fiscal policies and maintain budget deficit below 3.7% of GDP.   | Budget deficit as a percentage of GDP                              | < 3.7%                           | 3.5%   |
| Reducing outstanding arrears of revenue by at least 15%.  | Reduction in outstanding arrears of revenue collected by MRA       | ≥15%                             | 8%   |
| Modernisation of the property taxation system and legislation and introduction of a Property Valuation Bill to promote transparency and good governance   | Introduction of a Property Valuation Bill in the National Assembly | Jun-16                           | Draft bill prepared<br>Proposed date of introduction in National Assembly: March 2017  |
| Promoting Mauritius to attract higher levels of foreign direct investment to reach Rs 12 billion and foreign investment from non-traditional markets to reach 28% of FDI (actual 2014: 23%).                                | Foreign Direct Investment (billion)                                | 12                               | Rs 12.9 bn for 2015/16. It should be noted that this figure is a preliminary estimate and will be supplemented by additional information to be obtained from the Foreign Assets and Liabilities Survey (FALS) being carried out by the Bank of Mauritius and the FSC.                          |
|   | FDI from non-traditional market as a percentage of total FDI       | 28%                              | 24.7 %. Figure will be revised on the basis of results of the FALS.  |

## Other Internal Developed KPI's

Table 4 below provides status for financial instructions that were issued in 2015/2016.

**Table 4. Other Internally developed KPI's**

| Key Action                              | Key Performance Indicator  | Status                |
|---|--|-----------------------|
| Modernising Public Financial Management | Financial Instructions–<br>Write Off of Advances                 | Issued in Oct 2015    |
|   | Financial Instructions–<br>Adjustment Voucher                    | Issued in Nov<br>2015 |
|   | Financial Instructions –<br>Carry-Over of Capital<br>Expenditure | Issued in Jun 2016    |

## Risk Management, Citizen Oriented Initiatives & Good Governance

The system of internal control at MOFED is designed to provide reasonable assurance regarding:

- the effectiveness and efficiency of operations in the Department;
- safeguard of assets and data of the Department;
- reliability of financial and non-financial reporting;
- prevention of fraud and irregularities; and
- compliance with applicable laws, regulations and instructions as well as policies and established procedures.

The Financial Secretary is accordingly responsible to –

- exercise care, skill and diligence in identifying, assessing and monitoring risks;
- carry out, with the assistance of the Officer-in-Charge Internal Control (OIC Internal Control), a risk assessment exercise to identify areas where internal audit has to focus upon; and
- ensure the preparation of an Internal Audit Operational Plan.

The approach adopted by the Internal Audit Unit of MOFED is to identify areas of significant operational or financial risk. The process to manage those risks is as follows:

- A risk based approach is adopted to identify areas of high risk or problem areas.
- Audit resources are directed to high risk areas.
- During the audit assignments, risks are again reassessed and controls in place evaluated to assess its effectiveness.
- The attention of management is drawn on material weaknesses observed and recommendations for improvement are made.
- Follow up are conducted on a regular basis to ascertain status of actions initiated on all agreed recommendation in the action plan.

### **Audit Committee**

- There is an Audit Committee set up in MOFED. The responsibilities of the MOFED Audit Committee include, assisting the Financial Secretary in:
  - reviewing the internal audit scope;
  - monitoring and reviewing both the risk control and governance processes which have been established in the organization;
  - the coordination of all related units and other agencies, such as Inspection, Internal audit and external audit; and
  - overseeing the Ministry's financial statements and internal controls.

## Events Hosted by MOFED in 2015-2016

- Signature of Investment Promotion and Protection Agreements with Zambia and Sao Tome and Principe.
- Signature of Double Taxation Avoidance Agreements with the Kingdom of Morocco and negotiations on DTAA with Spain.
- Signature of MOU between
  - Mauritius and Ghana on 'Framework Agreement Technology and Business Park' : 26 August 2015.
  - Mauritius Africa Fund and Spindex Properties Limited : 24 November 2015
  - 'Le Fonds Souverain d'Investissements Strategiques SA' and Mauritius Africa Fund' : 30 July 2015
  - 'Accord Cadre' between Mauritius and Senegal 'Cooperation Economique, Financiere et Technique' : 30 July 2015
- Comité Economique de la commission Mixte Maurice Reunion : 9-11 September 2015
- Launching of MauBank Holdings : 17 September 2015
- Signature Ceremony
  - On-lending Agreement and Grant Agreement for the CHCL Project : 9 October 2015
  - Interest free loan agreement with China - 27 January 2016
  - Reimbursible Advisory Services agreement for the Water Sector - 18 February 2016
  - "Accord Cadre de Cooperation Economique Financiere et Technique with Côte D'Ivoire - 20 April 2016
- Public Expenditure and Financial Accountability (PEFA) Workshop at Henessy Park Hotel: 14 December 2015. The third PEFA Assessment was conducted in 2015 for Mauritius. This assessment was initiated and led by EU with the contribution of the World Bank, IMF and UNDP. An interactive stakeholder's workshop was organised to disseminate and discuss the findings and recommendations of the PEFA Assessment.
- Consultative meeting to assist stakeholders in identifying opportunities under AGOA - 15 February 2016.

## PART III – FINANCIAL PERFORMANCE

### Financial Highlights

As per the budget estimates, MOFED has 7 Votes under its control as follows:

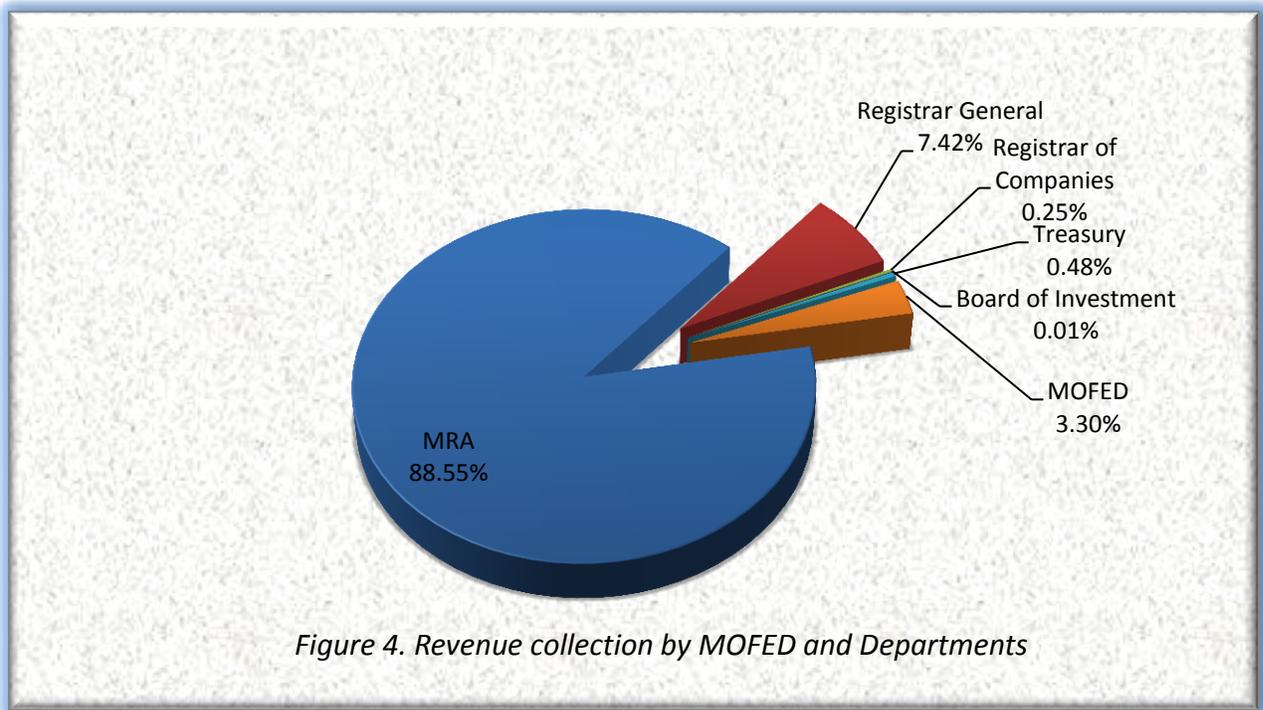
- 6-1 Finance and Economic Development (Ministry only)
- 6-2 Central procurement Board
- 6-3 The Treasury
- 6-4 Statistics Mauritius
- 6-5 Valuation Department
- 6-6 Corporate and Business Registration department
- 6-7 Registrar-General's Department

As such, appropriation of funds is made through the Votes.

Revenue collected by departments/agencies falling under the aegis of MOFED can be classified into two broad categories:-

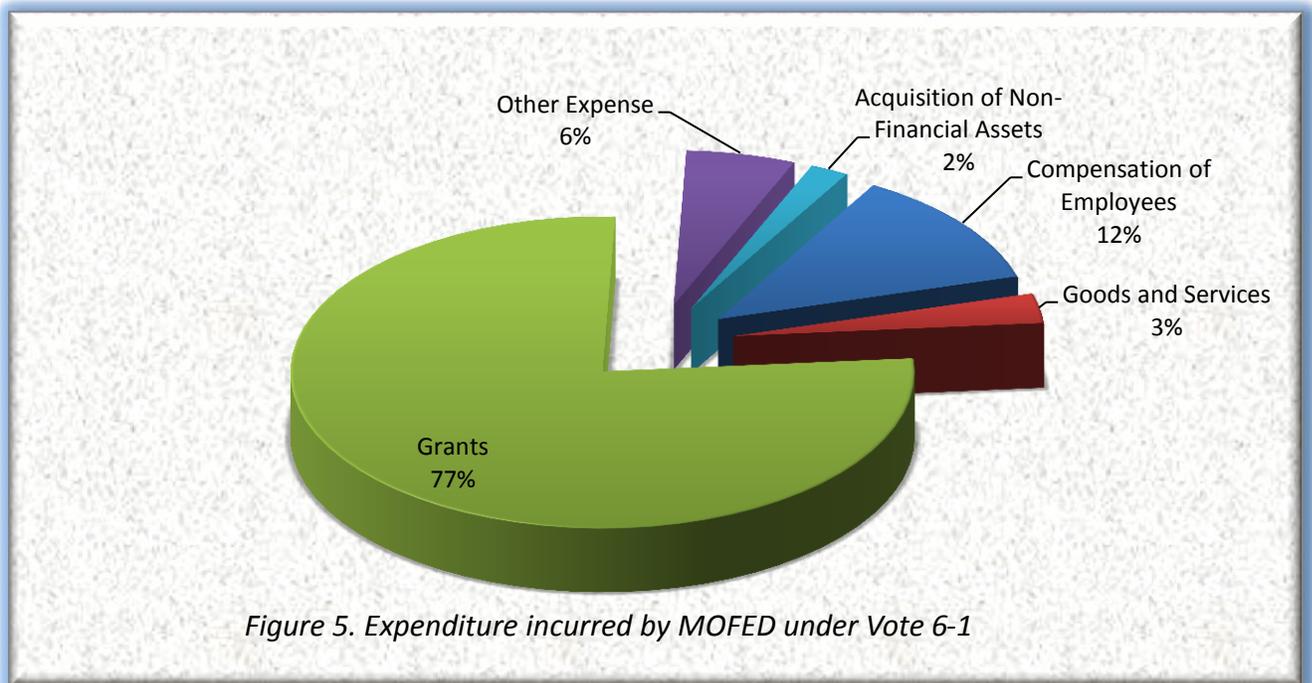
- Taxes (including licence fees)
- Non tax Revenue ( sales of goods and services, dividends, interest from loan to parastatal bodies and fines)

Figure 4. below is an illustration of revenue collected by MOFED, its Departments and its other various bodies.



A breakdown of the revenue collections by Mauritius Revenue Authority is produced in the Analysis Section.

Figure 5 below provides an illustration of expenditure incurred by MOFED under Vote 6-1



## Analysis of Major Changes

Trend analysis of revenue and expenditure over the years could not be carried out since 2015/16 due to the transition period. In the previous years budget have been appropriated and executed on a calendar year basis. The last budget appropriated was for the six month ending 30 June 2015. As such, year 2014 has been used for comparative basis.

### Revenue

Figure 6 below shows a breakdown of revenue collected by the Mauritius Revenue Authority in 2015/2016, which represents around 90% of revenue collected for MOFED and its Departments/agencies.

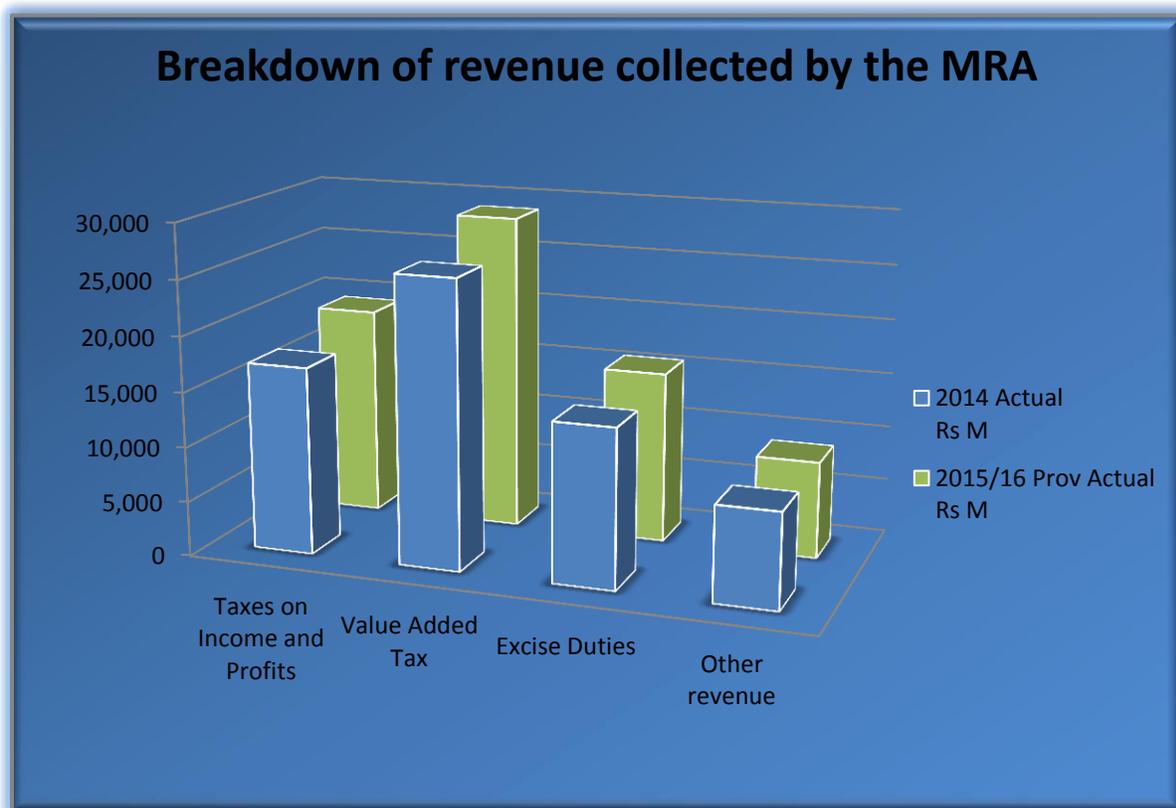
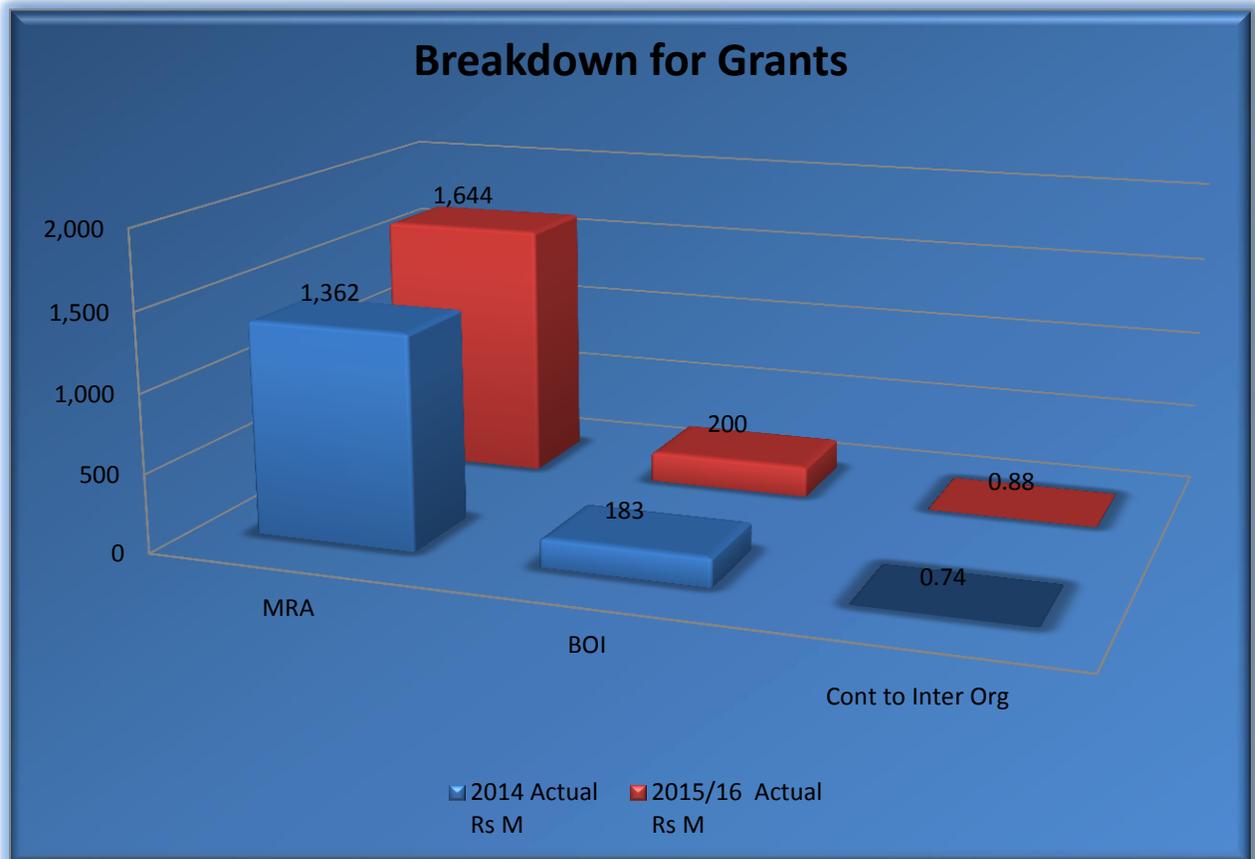


Figure 6. Breakdown of revenue collected by the MRA

Out of a total revenue of Rs 69.9 billion for MRA, Value Added Tax, Taxes on Income & profits and Excise duties represent 41%, 27% and 23% respectively. Other revenue representing 9% of total revenue comprises Taxes on specific services and Gambling, Taxes on International Trade and Transactions, Other Taxes, License Fees and User Fees & Charges. Compared to 2014, all revenue by MRA have shown an increase except Taxes on Specific Services and Gambling which experienced a slight decrease.

## Expenditure

Seventy seven per cent (77%) of Expenditure under Vote 6-1 has been incurred under Grants which are provided as Current and Capital Grants to Extra Budgetary Units, namely, Board of Investment and the Mauritius Revenue Authority and Contribution to International Organisations. A breakdown for expenditure on grants is shown in Figure 7 below.



*Figure 7. Breakdown of Grants*

In 2015/2016, Grants increased by around 20% and approximately 90% of total grants were provided to MRA.

## Statements of Revenue and Expenditure

The Statements of Revenue and Expenditure have been prepared from data captured from the Treasury Accounting System (TAS).

### *Statement of Revenue*

Table 5 below provides a summary of total revenue from property income, user fees and other sources which were collected by the MOFED and its Departments.

| <b>TABLE 5 : STATEMENT OF REVENUE FROM PROPERTY INCOME, USER FEES AND OTHER SOURCES</b> |   |                                      |
|---|---|--------------------------------------|
| <b>DEPARTMENT / HEAD OF REVENUE</b>   | <b>2015/16<br/>Estimates<br/>Rs'000</b> | <b>2015/16<br/>Actual<br/>Rs'000</b> |
| <b>Mauritius Revenue Authority</b>  |   |                                      |
| <i>Taxes on Income and Profits</i>  | 19,520,000                              | 19,175,917                           |
| <i>Taxes on Goods and Services</i>  | 43,440,000                              | 44,437,463                           |
| <i>Value Added Tax</i>  | 28,770,000                              | 28,804,960                           |
| <i>Excise Duties</i>  | 14,670,000                              | 15,632,503                           |
| <i>Taxes on Specific Services and Gambling</i>  | 3,655,000                               | 3,162,685                            |
| <i>Taxes on International Trade and Transactions</i>                                    | 1,270,000                               | 1,343,142                            |
| <i>Other Taxes</i>  | 1,675,000                               | 1,715,347                            |
| <b>Total Taxes</b>  | <b>69,560,000</b>                       | <b>69,834,501</b>                    |
| <i>User Fees and Charges</i>  | 91,740                                  | 101,428                              |
| <b>Total Revenue from MRA</b>   | <b>72,201,740</b>                       | <b>69,935,982</b>                    |
| <b>Registrar General</b>  |   |                                      |
| <i>Recurrent Taxes on Immovable Property</i>  | 3,000                                   | 3,820                                |
| <i>Taxes on Financial and Capital Transaction</i>                                       | 5,497,000                               | 5,691,634                            |
| <i>Other Non Recurrent Taxes on Property</i>  | 200,000                                 | 163,404                              |
| <b>Total Revenue from Registrar General</b>   | <b>5,700,000</b>                        | <b>5,858,858</b>                     |
| <b>Registrar of Companies</b>   |   |                                      |
| <i>Licences</i>   | 215,000                                 | 196,273                              |
| <b>Total Revenue from Registrar of Companies</b>  | <b>215,000</b>                          | <b>196,273</b>                       |
| <b>Board of Investment</b>  |   |                                      |
| <i>Processing fees on Applications for Acquisition of IRS, RES and IHS</i>              | 3,600                                   | 5,280                                |
| <b>Total Revenue from Board of Investment</b>   | <b>3,600</b>                            | <b>5,280</b>                         |

| <b>Treasury</b>  |                   |                   |
|--|-------------------|-------------------|
| <i>Interest</i>  | 530,000           | 359,998           |
| <i>Pension Contribution reimbursements</i>                             | 500               | 425               |
| <i>Compensation i.r.o Government-owned vehicles</i>                    | 1,200             | 914               |
| <i>Sale of store</i>   | 13,000            | 3,942             |
| <i>Miscellaneous</i>   | 3,000             | 243               |
| <i>Fines, Penalties and Forfeits</i>                                   | 15,000            | 12,026            |
| <b>Total Revenue from Treasury</b>                                     | <b>562,700</b>    | <b>377,548</b>    |
| <b>Ministry of Finance and Economic Development</b>                    |                   |                   |
| <i>Dividends</i>   | 1,519,000         | 319,268           |
| <i>withdrawals</i>   | 2,595,000         | 2,289,255         |
| <b>Total Revenue from MOFED</b>  | <b>4,114,000</b>  | <b>2,608,523</b>  |
| <b>Total Revenue from Property Income, User Fees and other Sources</b> | <b>82,234,340</b> | <b>78,982,464</b> |

### *Statement of Expenditure*

Table 6 below provides a summary of total expenditure incurred by MOFED under Vote 6-1 (Ministry) which includes Sub-Heads 6-101: General and 6-102: the Procurement Policy Office.

**Table 6 : Statement of Expenditure under Vote 6-1**

| <b>Head / Sub-Head of Expenditure</b>       | <b>2015-2016<br/>Estimates<br/>(Rs)</b> | <b>2015-2016<br/>Actual<br/>(Rs)</b> |
|---|---|--------------------------------------|
| <b>6-1 FINANCE AND ECONOMIC DEVELOPMENT</b> |   |                                      |
| <b>6-101: GENERAL</b>                       | <b>2,541,000,000</b>                    | <b>2,359,657,212</b>                 |
| <i>Compensation of Employees</i>            | 385,625,000                             | 282,803,947                          |
| <i>Goods and Services</i>                   | 80,825,000                              | 67,188,607                           |
| <i>Grants</i>                               | 1,892,000,000                           | 1,845,275,049                        |
| <i>Other Expense</i>                        | 135,950,000                             | 136,581,880                          |
| <i>Acquisition of Non-Financial Assets</i>  | 46,600,000                              | 27,807,728                           |
| <b>6-102: PROCUREMENT POLICY OFFICE</b>     | <b>65,800,000</b>                       | <b>37,259,326</b>                    |
| <i>Compensation of Employees</i>            | 16,915,000                              | 10,173,141                           |
| <i>Goods and Services</i>                   | 7,885,000                               | 7,148,637                            |
| <i>Acquisition of Non-Financial Assets</i>  | 41,000,000                              | 19,937,548                           |
| <b>TOTAL EXPENDITURE for Votes 6-1</b>      | <b>2,606,800,000</b>                    | <b>2,396,916,538</b>                 |

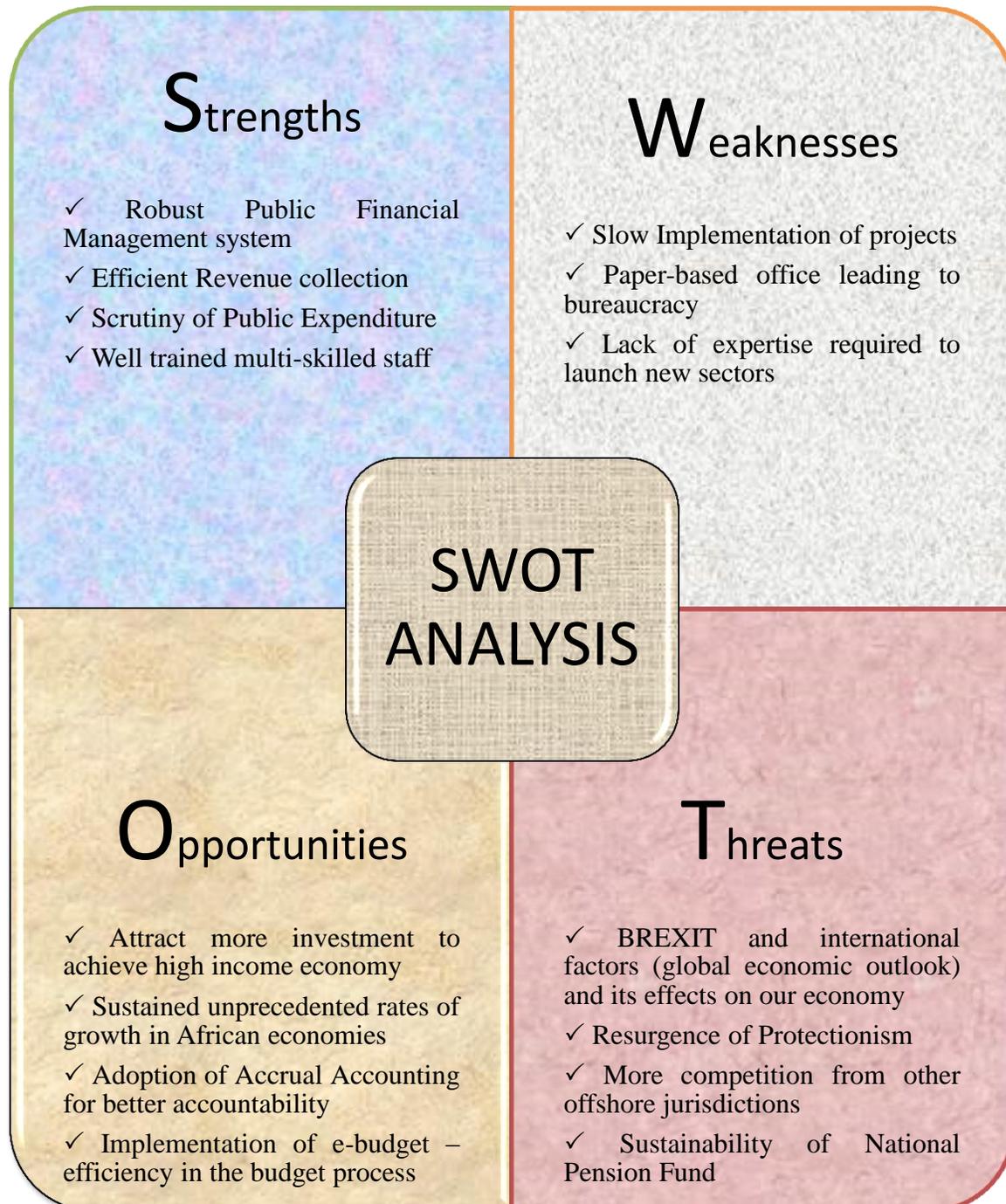
Table 7 below provides a summary of total expenditure incurred by other Departments of MOFED under respective Votes.

**Table 7: Summary of Expenditure incurred by Departments of MOFED**

| Vote of Expenditure  | 2015-2016<br>Estimates<br>(Rs) | 2015-2016<br>Actual<br>(Rs) |
|--|--------------------------------|-----------------------------|
| <b>6-2: CENTRAL PROCUREMENT BOARD</b>                          | <b>63,400,000</b>              | <b>50,419,095</b>           |
| <i>Compensation of Employees</i>                               | 39,037,000                     | 30,944,619                  |
| <i>Goods and Services</i>                                      | 21,863,000                     | 17,309,276                  |
| <i>Social Benefits</i>   | 2,500,000                      | 2,165,200                   |
| <b>6-3: TREASURY</b>   | <b>128,500,000</b>             | <b>113,116,268</b>          |
| <i>Compensation of Employees</i>                               | 74,670,000                     | 67,469,257                  |
| <i>Goods and Services</i>                                      | 39,085,000                     | 36,678,209                  |
| <i>Grants</i>  | 745,000                        | 705,646                     |
| <i>Acquisition of Non-Financial Assets</i>                     | 14,000,000                     | 8,263,156                   |
| <b>6-4: STATISTICS MAURITIUS</b>                               | <b>154,700,000</b>             | <b>144,178,762</b>          |
| <i>Compensation of Employees</i>                               | 104,623,000                    | 97,895,157                  |
| <i>Goods and Services</i>                                      | 49,447,000                     | 44,639,081                  |
| <i>Grants</i>  | 30,000                         | 26,659                      |
| <i>Acquisition of Non-Financial Assets</i>                     | 600,000                        | 1,617,865                   |
| <b>6-5: VALUATION DEPARTMENT</b>                               | <b>121,500,000</b>             | <b>107,051,243</b>          |
| <i>Compensation of Employees</i>                               | 94,130,000                     | 80,176,576                  |
| <i>Goods and Services</i>                                      | 25,370,000                     | 24,597,267                  |
| <i>Acquisition of Non-Financial Assets</i>                     | 2,000,000                      | 2,277,400                   |
| <b>6-6: CORPORATE AND BUSINESS<br/>REGISTRATION DEPARTMENT</b> | <b>110,000,000</b>             | <b>82,628,923</b>           |
| <i>Compensation of Employees</i>                               | 57,055,000                     | 49,571,340                  |
| <i>Goods and Services</i>                                      | 33,855,000                     | 26,170,865                  |
| <i>Grants</i>  | 90,000                         | 67,902                      |
| <i>Acquisition of Non-Financial Assets</i>                     | 19,000,000                     | 6,818,816                   |
| <b>6-7: REGISTRAR-GENERAL'S DEPARTMENT</b>                     | <b>108,100,000</b>             | <b>114,411,219</b>          |
| <i>Compensation of Employees</i>                               | 71,411,000                     | 68,564,900                  |
| <i>Goods and Services</i>                                      | 13,689,000                     | 13,865,438                  |
| <i>Acquisition of Non-Financial Assets</i>                     | 23,000,000                     | 31,980,881                  |
| <b>TOTAL EXPENDITURE for Votes 6-2 to 6-7</b>                  | <b>686,200,000</b>             | <b>611,805,510</b>          |

### Trends and Challenges

A SWOT Analysis taking into consideration the conditions under which MOFED is operating and trends & challenges it is facing, is shown below.



### ***Implementation of new reforms and developments***

Systems and operational procedures are not yet fully in line with recent reforms and developments. MOFED will continue to modernise systems and procedures by issuing financial instructions under the Financial Management Kit. In addition, incremental improvements are expected in public financial management based on consultations with donors and stakeholders with a view to strengthening the Public Finance Management (PFM) legislative framework. MOFED is using the e-budgeting system to facilitate budget preparation and enhance budget analysis and monitoring.

Vetting of documents and evaluation of bids have been taking unduly long time in some cases due to quality of documents submitted. The Central Procurement Board has taken measures to address this issue, which includes, issuing circulars, checklist, guidelines and proper rotation of evaluators.

### ***Prolonged Euro Area Crisis***

Prolonged economic and financial crisis in the Euro Area may affect inflow of FDI. A focused and targeted investment promotion campaign is being carried out in new and emerging markets such as Developing Asia, Middle East and Africa. There will be regular consultations with stakeholders to identify the impediments and challenges to investment projects with a view to improving the business facilitation framework of Mauritius and better market Mauritius as an undisputed business and investment platform.

In order to speed up decisions on appeal cases against assessments raised by MRA and the Registrar-General, the Revenue and Valuation Appeal Tribunal has being set up to take over the cases heard by the Assessment Review Committee under the Mauritius Revenue Authority Act and the Valuation Tribunal under the Local Government Act 2011.

## Strategic Direction

With a view to improving the quality of life of the population and achieving the long term objective of reaching the ranks of a high income country, the strategy over the medium term will be to:

- Steer the economy to a higher plane of development by developing new pillars to achieve an average growth rate of 4 percent and higher over the next three years.
- Maintain macroeconomic stability and fiscal sustainability by bringing the public sector debt to GDP ratio on a declining trend.
- To modernise public financial management with a view to improving accountability and transparency.
- Modernise tax and customs administration and enhance revenue collection to maintain it at around 20% of GDP while ensuring an efficient and equitable tax policy.
- Strengthen the procurement process to ensure greater efficiency, accountability, transparency and better value for money.
- Develop and implement a Public Accounting and Financial Reporting framework benchmarked with international best practices.
  - Establish a framework for the introduction of accrual IPSAS in the public sector.
- Revitalise private and foreign investment, and create new employment opportunities through greater business facilitation and improved investment climate.

## **Key Responsibilities of the Departments/bodies falling under the purview of MOFED**

### **Treasury**

- Preparation of the statutory financial statements of the government and ensure that accounting systems fully respond to government's needs for proper recording and accounting of financial transactions and for the preparation of financial statements;
- Monitoring the cash flows of government and to ensure availability of cash for meeting government's payment obligations; and
- Managing the dispensing of public service benefits – civil service pensions, passage benefits and advances for the purchase of motor vehicles – and to ensure payments are effected in a timely manner and according to prescribed rules and regulations.

### **Registrar-General's Department**

- Registering information regarding land ownership and obligations and to provide publicity for the safeguard of interests of creditors and of parties in sales and leases of immovable properties;
- Registration of particulars of deeds and documents presented by members of the legal profession and the public including transfer of vehicles;
- Follow up action after reassessment of values of immovable properties by the Chief Government Valuer, including representation before the Tax Appeal Tribunal; and
- Collection of annual tax payable by campement site owners and campement owners.

### **Valuation Department**

- Tendering professional valuation advice to ministries and all its stakeholders from Government to the general public, government departments and parastatal bodies on matters pertaining to real estate.

### **Corporates and Business Registration Department**

- Incorporation, registration and striking-off of companies
- Registration of documents that must be filed under the Companies Act 2001
- Provision of company information to the public
- Enforcement of compliance with the legal requirements
- Registration of Businesses
- The Insolvency Service
- Registration of Limited Partnerships and Foundations

## **Statistics Mauritius**

- Act as the central depository for all statistics produced in Mauritius; and
- Collection, compilation, analysis and dissemination of official statistics relating to all aspects of the economic and social activities with a few exceptions like fisheries and health statistics which fall under the responsibility of the respective Ministry, and banking and balance of payment statistics for which the Bank of Mauritius is responsible.

## **Procurement Policy Office**

- Provision of a mechanism for conducting oversight and monitoring of the performance and progress of the procurement system in Mauritius, and to guide and promote its continuing development and improvement.

## **Central Procurement Board**

- Promote economy, efficiency, effectiveness, transparency, fairness and accountability by government ministries and public bodies and prevent any corrupt practice in public procurement and thus achieve best value for money in terms of price, quality and delivery having regard to set specifications; and
- Provision of assistance to the public sector through training and other interactions in the field of procurement.

## **Independent Review Panel**

- Upholding and maintaining confidence of suppliers and contractors as well as the general public in the public procurement process;
- Ensure and enable transparency and good governance in the public procurement process; and
- Hearing and determining appeals against procurement decisions by a Public Body and/or the Central Procurement Board in line with the Public Procurement Act 2006 and Regulations as well as other Laws of Mauritius, and in the respect of the principles of best practice.

## **Assessment Review Committee**

- Processing of representations lodged; scheduled representations made in terms of Pro Forma, Informal Meetings, Hearings or Argument as the case may be; convene Appellants and other related stakeholders to meetings/cases when scheduled; hear representations made; and determine such representations.

## **Key Responsibilities of the statutory bodies falling under MOFED**

### **Mauritius Revenue Authority**

- Management of an effective and efficient revenue-raising system; and
- Administration and collection of taxes due in Mauritius within an integrated organisational structure.

### **Board of Investment Mauritius**

- Promotion and facilitation of investment in Mauritius;
- Assisting investors in the growth, nurturing and diversification of their business; and
- Working in close collaboration with Government bodies, institutions and private sector companies with a view to facilitating the implementation of investment projects more importantly, to continuously improve the investment and business climate.

### **Sugar Insurance Fund Board**

- Insure the sugar production of planters, metayers and millers, against losses due to the effects of inclement weather such as cyclones, drought and excessive rainfall under its General Insurance policy.

### **Employees Welfare Fund**

- Manage the financial and other resources of the Fund;
- Set up and operate schemes and projects for the welfare of employees and their families; and
- Give loans or financial assistance to employees or their families for such purpose as may be determined by the Board.

### **Civil Service Family Protection Scheme Board**

- Provision of protection to dependents of deceased contributors by way of a monthly surviving spouse's pension and/or children's pension.

### **Mauritius Ex-Services Trust Fund**

- Provision of financial assistance to ex-servicemen, ex-servicemen's associations represented on the Board and to advance and promote the general welfare of ex-servicemen.

### **Statistics Board**

- Offering guidance to MOFED and other producers of statistics on the directions and priorities for official statistics.