



MINISTRY OF FINANCE,
ECONOMIC PLANNING &
DEVELOPMENT

ANNUAL REPORT

2019/2020

OCTOBER 2020

THE ANNUAL REPORT 2019-20

The Annual Report 2019-20 on Performance of the Ministry of Finance, Economic Planning & Development has been prepared in accordance with the statutory requirements of *Section 4B* of the *Finance & Audit Act*.

The Report provides information on the Ministry, its financial performance and achievements, the targets set out relative to the resources approved by the National Assembly, as well we as the strategic direction to be adopted for the next three years.

The information provided in this Annual Report is intended for our stakeholders and the public at large.



PART I	• Overview of the Ministry
PART II	• Achievements
PART III	• Financial Performance
PART IV	• Way Forward

TABLE OF CONTENTS

FOREWORD Minister Of Finance, Economic Planning And Development.....	3
FOREWORD Financial Secretary	4
PART I: Overview of Ministry of Finance, Economic Planning & Development	5
ROLE AND FUNCTIONS	7
ORGANISATIONAL STRUCTURE	9
OUR PEOPLE.....	9
HUMAN RESOURCES OF MOFEPD.....	11
SENIOR MANAGEMENT TEAM	12
DIRECTORATES & CORE TEAMS	13
DEPARTMENTS & OTHER BODIES	14
STATUTORY BODIES & COMPANIES	15
GENDER POLICY STATEMENT	16
GENDER DISTRIBUTION OF MOFEPD STAFF.....	18
COVID-19: MEASURES ADOPTED BY THE MAURITIAN GOVERNMENT	19
PART II: Our Key Achievements.....	20
MAJOR ACHIEVEMENTS IN FINANCIAL YEAR 2019-20.....	21
STATUS ON IMPLEMENTATION OF BUDGET MEASURES FY 2019-20	31
STATUS ON IMPLEMENTATION OF KEY ACTIONS FY 2019-20	40
OTHER INTERNAL KEY PERFORMANCE INDICATORS	43
RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES & GOOD GOVERNANCE.....	46
INTERNAL AUDIT	48
EVENTS HOSTED BY MOFEPD.....	51
PART III: Financial Performance.....	54
FINANCIAL HIGHLIGHTS	55
ANALYSIS OF MAJOR CHANGES	56
STATEMENTS OF REVENUE AND EXPENDITURE.....	58
PART IV: Way Forward.....	64
TRENDS AND CHALLENGES.....	65
STRATEGIC DIRECTION	66
EDITORIAL TEAM.....	67
ANNEX I	68

FOREWORD | MINISTER OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT



I am pleased to present the Annual Report for the Financial Year ending June 2020 of the Ministry of Finance Economic Planning and Development.

Throughout the year, this Ministry contributes to the efficient delivery of government services to Mauritian citizens. It is therefore a privilege to lead such a high performing organisation, which is in a unique position to influence whole-of-government outcomes.

This financial year has endured the challenges of the COVID-19 pandemic, which has also forced us all to re-evaluate both our working and living patterns. I have taken a personal commitment to work towards restoring confidence in Mauritius' finances through growth creation, in order to protect what matters most, that is healthcare, education and well-being. Our focus remained on our responsibility to manage the Budget process and ensure that public expenditure is effective and sustainable. The high economic uncertainty prevailing made it imperative to keep public debt in check while ensuring that our tax system is fair, efficient and competitive.

The Government acted swiftly in providing wage support to its citizens from the onset of the COVID-19 outbreak in Mauritius. Some MUR 12 billion were disbursed to cater for around 450,000 employees and individuals under the Wage Assistance and Self-Employed Schemes, both of which are being extended for tourism sector players.

Our efforts to remove Mauritius from European Commission's blacklist and FATF's monitoring

list have also been relentless, as we thrive for the financial services sector to adopt a risk-based approach.

The 'Plan de Relance' as announced in the Budget Speech 2020/21, is set to provide a new impetus to the economy. The Ministry will continue to support a dynamic, innovative, growing economy centered on the digitalisation, innovation and AI technologies across all sectors. The country will benefit from a revamped industrialisation policy focused on import-substitution without increased trade barriers, the re-engineering and modernisation of the export and agricultural sectors and the expansion of our economic space through our Africa Strategy.

I am pleased to announce that the World Bank has classified Mauritius as a high-income country for the first time, joining Seychelles as the second high-income economy in Africa. This is based on Gross National Income (GNI) per capita (current US\$), calculated using the Atlas method. Mauritius' GNI per capita for 2019 is US\$ 12,740, a 3.5 percent increase over the 2018 figure. The annually adjusted World Bank high-income threshold is now at US\$ 12,535. This is a great achievement that reflects the efforts and dedication of generations of Mauritians to build a better future for their children.

Mauritius climbed 7 places in World Bank's Ease of Doing Business Index, now ranking 13th worldwide, 1st in Africa and 2nd amongst the upper middle-income nations.

I would like to extend my gratitude to the Financial Secretary and staff of the Ministry of Finance, Economic Planning and Development and the various institutions under the Ministry for their professional and dedicated support. In the times of a new normal, together, we shall continue our commitment towards this transformative journey.

Dr. the Honourable Renganaden PADAYACHY

Minister of Finance, Economic Planning and Development

FOREWORD | FINANCIAL SECRETARY



In these unprecedented times of world pandemic caused by COVID-19, I am very proud and inspired to be leading a Ministry that contributed to the state's response and recovery plans. Our core mission is to provide strong leadership, practical solutions and quality outcomes.

In line with Government philosophy, people are at the core of what we do, and we are playing a pivotal role in rebuilding the Mauritian economy. Due to our innovative and increasingly digitally focused activity-based work practice, we have been able to work virtually, in the office and at home during the confinement period to prepare Budget 2020/21. Our efforts were focussed on protecting lives, preserving livelihood and preparing for the 'New Normal'.

Accordingly, the Budget and pre-budget policies included Financial Support for economic operators and contributing to salary payment and

easing financial constraints, with a specific focus on small and medium entrepreneurs. Income support measures have also been introduced for self-employed and the informal sector.

Our GDP is expected to contract by 15.2% in 2020. However, a significant rebound is expected in 2021. The main strategy will more than ever be centered around rekindling private sector investment and exports sector while at the same time pursuing an import-substitution strategy to boost our domestic economy and narrow the trade and current account deficits.

In the process, as detailed in our Strategic Overview, we will focus on maintaining macro-economic stability through appropriate macroeconomic policies, a sound tax system and public finances while accelerating our efforts to modernise public financial management to improve transparency and accountability.

As we continue down the road towards the new normal we will do so with the strong resolve that economic progress must be inclusive and environmentally sustainable as well.

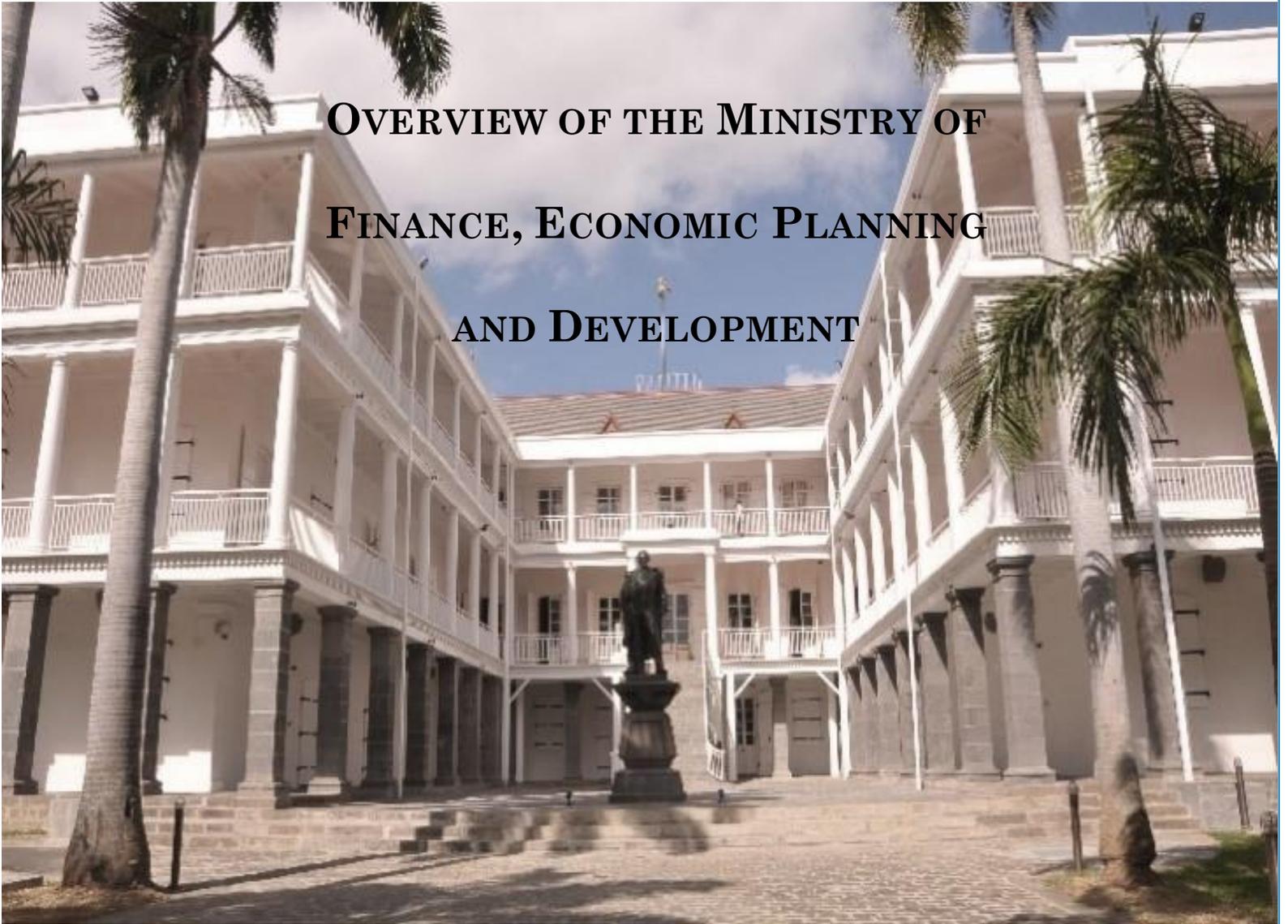
I would like to thank all staff of the ministry for their outstanding commitment and professionalism in delivering on the priorities and achievements outlined in this report. Looking to the year ahead I am confident that no matter what comes our way we will continue to deliver high quality services and outcomes.

Dharam Dev MANRAJ, G.O.S.K

Financial Secretary

PART I

OVERVIEW OF THE MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT



MINISTRY OF FINANCE, ECONOMIC PLANNING & DEVELOPMENT

VISION

- To be a forward-looking and innovative organisation that promotes **strong economic growth** and equitable social development while ensuring **fiscal sustainability** to ultimately transform Mauritius into an **inclusive, high-income** country.

MISSION

- Promote **sustainable economic and social development** of the country, and improve the standard of living of the population.
- Ensure **optimal revenue mobilisation** and allocation of funds while providing the right incentives for economic growth and social development.

OBJECTIVES

- Steer the economy to a higher plane of development to achieve the high income country status with **greater equality** and social justice for one and all.
- Maintain **macro-economic stability** and sound public finances.
- Increase **investment** and **employment** level in productive sectors.
- Enhance **productivity** and competitiveness in the global market.
- Modernise public financial management for enhanced **transparency** and **accountability**.

ROLE AND FUNCTIONS

The Ministry of Finance, Economic Planning and Development (MOFEPD) is responsible for formulating policies for the economic and social development and for the economic management of the affairs of Government of Mauritius.



Figure 1: National Budget Exercise

MOFEPD is also responsible for ensuring financial soundness of Government's socio-economic policies for effective

mobilisation of revenue and for the proper control of expenditure. The Financial Secretary, as Supervising Officer has the responsibility to ensure that the objectives of MOFEPD are achieved in the most economical, efficient and effective manner.

For the purpose of the budget exercise, MOFEPD Sector Ministry Support Teams (SMSTs) work in close collaboration with the respective line ministries and departments to, inter alia, review performance and prepare budget estimates and budget measures.

MOFEPD SMSTs work closely with
LINE MINISTRIES & DEPARTMENTS

- Budget Preparation
- Budget Execution
- Reporting

**Implementation & Monitoring of
National Budget**

- Financial & Non-Financial
- Projects
- Budget Measures
- Annual Report on Performance

Figure 2: Key responsibilities of MOFEPD

Key Functions of MOFEPD

Formulate Government economic reform strategy and coordinate its implementation

Develop the macro fiscal framework and formulate fiscal policy

Prepare the annual Budget Estimates in collaboration with Ministries/Departments

Work out, in consultation with Ministries/Departments, a Public Sector Investment Programme (PSIP)

Provide support, through SMSTs, to Ministries/ Departments in the formulation of their strategic plans and the preparation, execution and monitoring of their budget

Carry out systematic appraisal of project proposals, make appropriate recommendations and monitor implementation of major projects through the Public Investment Management Unit (PIMU)

Develop active debt management strategies whilst supporting the development of a well-functioning market for Government securities

Coordinate with the Bank of Mauritius and the Financial Services Commission to ensure the soundness and stability of the financial system

Develop cooperation with international financial institutions and mobilise financial resources and seek technical assistance

Extend the frontiers of economic development through regional and international cooperation including the implementation of the Mauritius Africa Strategy (MAF)

Develop the framework for sound public finance management, update Financial Management Kit, issue financial instructions and ensure adherence thereto

Implement reforms in the public sector accounting with adoption of accrual International Public Sector Accounting Standards (IPSAS)

Ensure the preparation of the Annual Accounts of Government

Oversee, through the parent Ministry, performance of public bodies and compliance with legal financial reporting requirements

Monitor the performance of Mauritius Revenue Authority (MRA) and other major revenue collecting Departments

Provide support to Ministries and Departments for effective and efficient Financial Operations, Procurement & Supply and Internal Audit activities

Promote gender-oriented welfare within its own workplace and bring in gender balance in its decision-making process and help address any gender gap

ORGANISATIONAL STRUCTURE

OUR PEOPLE

The Financial Secretary is the head of the Ministry. He is assisted in his functions and duties by two Deputy Financial Secretaries, the Permanent Secretary and officers from the various cadres 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. The Financial Secretary is also responsible for the overall administration and general supervision of all Departments and other Bodies falling under the aegis of the Ministry.

The technical arm of the Ministry consists of eight directorates namely Public Finance & Budget Management, Social Sectors, Taxation Revenue & Policies, Banking & Financial Services, Public Infrastructure, Economic Co-Operation &

International Affairs, Digital Economy and Skills Development, and Economic and Fiscal Policies & Legislations. The organisational structure of MOFEPD is presented at Figure 3.

The Corporate Services are responsible for, inter-alia, Parliamentary Affairs, Boards and Committees and Budget Proposals, Office Operations and Facilities Management, Human Resources matters and policy issues, financial operations, procurement and supply and internal control.

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

ORGANIGRAM

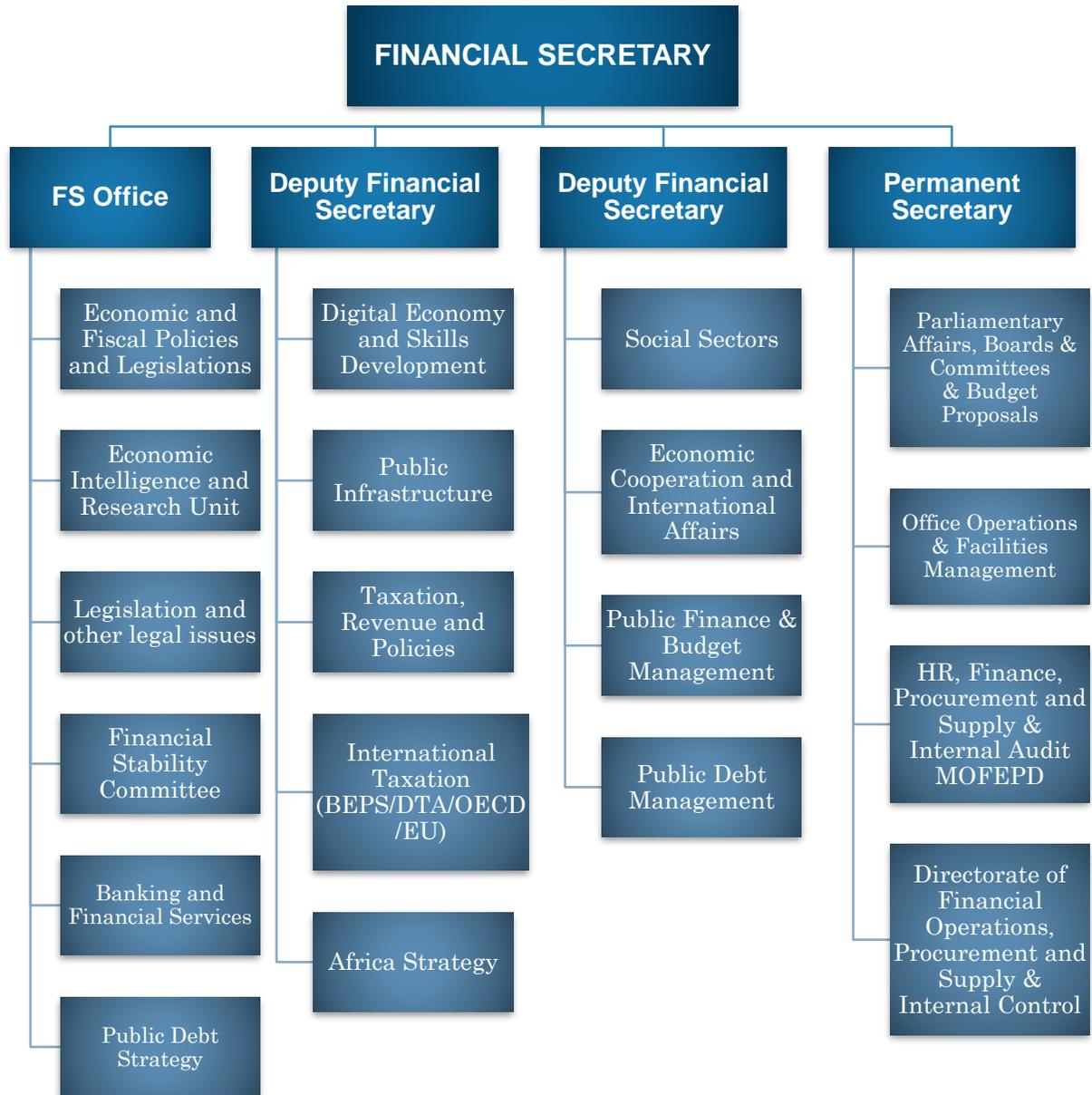


Figure 3: Organizational Structure of MOFEPD as at 30 June 2020

HUMAN RESOURCES OF MOFEPD

During FY 2019-20, the composition of MOFEPD staff was as follows:

JOB TITLE	NUMBER OF STAFF
FINANCIAL SECRETARY	1
DEPUTY FINANCIAL SECRETARY	2
DIRECTOR (ECONOMIC & FINANCE)	8
LEAD ANALYST	55
LEAD STRATEGIC POLICY AND PLANNING OFFICER	1
SENIOR ANALYST	1
ANALYST/SENIOR ANALYST	118
STRATEGIC POLICY AND PLANNING OFFICER/ SENIOR STRATEGIC POLICY AND PLANNING OFFICER	2
FINANCIAL OPERATIONS CADRE*	657
INTERNAL CONTROL CADRE*	113
PROCUREMENT & SUPPLY CADRE*	522
ADMINISTRATIVE CADRE	6
HR CADRE	9
GENERAL SERVICES STAFF	119
ASSESSMENT REVIEW COMMITTEE TECHNICAL CADRE	13
INDEPENDENT REVIEW PANEL TECHNICAL CADRE	3
PROCUREMENT POLICY OFFICE	1
CENTRAL PROCUREMENT CADRE	16
ADVISERS	6
CONTRACTUAL OFFICERS	35
SERVICE TO MAURITIUS PROGRAMME INTERNS	169
PIMU	1
TOTAL	1,858

Table 1: Number of Staff in post in MOFEPD as at 30 June 2020

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

SENIOR MANAGEMENT TEAM

TITLE	CONTACT DETAILS	
FINANCIAL SECRETARY	Mr. D. Manraj, G.O.S.K.	 (230) 260 1300 ext.0601/0602  (230) 211-0096  fssecretariat@govmu.org
DEPUTY FINANCIAL SECRETARY	Mr. R. Chellapermal	 (230) 260 1300 ext. 0411  (230) 201-3842  rchellapermal@govmu.org
DEPUTY FINANCIAL SECRETARY	Mr. G. Bussier	 (230) 260 1300 ext. 0701  (230) 208-7854  gbussier@govmu.org
PERMANENT SECRETARY	Mr. M. S. Ayoob Saab	 (230) 260 1300 ext. 5360  (230) 201-3013  mayoobsaab@govmu.org
DIRECTOR (ECONOMIC & FINANCE)	Dr. D. Paligadu	 (230) 260 1300 ext. 5156  dpaligadu@govmu.org
DIRECTOR (ECONOMIC & FINANCE)	Mr. V. Soondram	 (230) 2601300 ext. 0801  vsoondram@govmu.org
DIRECTOR (ECONOMIC & FINANCE)	Mr. A. Acharuz	 (230) 260 1300 ext. 3011  aacharuz@govmu.org
DIRECTOR (ECONOMIC & FINANCE)	Mr. I. Bonomaully	 (230) 260 1300 ext. 0301  ibonomaully@govmu.org
DIRECTOR (ECONOMIC & FINANCE)	Mrs S. Rama	 (230) 260 1300 ext. 0401  srama@govmu.org
AG. DIRECTOR (ECONOMIC & FINANCE)	Mr. A. Ponnusawmy	 (230) 260 1300 ext. 0110  aponnusawmy@govmu.org
AG. DIRECTOR (ECONOMIC & FINANCE)	Mr. R. Sokappadu	 (230) 260 1300 ext. 1050  rsokappadu@govmu.org

Table 2: Senior Management Team

DIRECTORATES & CORE TEAMS

DIRECTORATES	CORE FUNCTIONS
PUBLIC FINANCE & BUDGET MANAGEMENT	<ul style="list-style-type: none"> ❖ Public Debt Management ❖ Budget Expenditure Management & HR Budgeting ❖ Public Financial Management ❖ Budget Operations and Monitoring ❖ E-Budgeting and Fiscal Risks
SOCIAL SECTORS	<ul style="list-style-type: none"> ❖ Social Protection and Economic Empowerment ❖ Housing & Lands ❖ Healthcare ❖ Regional & Local Government ❖ Gender, Youth & Culture ❖ Rodrigues Regional Assembly ❖ Law and Order
TAXATION REVENUE & POLICIES	<ul style="list-style-type: none"> ❖ Direct Taxation ❖ Indirect Taxation ❖ Africa Strategy
BANKING & FINANCIAL SERVICES	<ul style="list-style-type: none"> ❖ Financial Services and Good Governance ❖ International Agreement relating to Tax ❖ Regulatory Framework for the Financial Services Sector ❖ Agro Industry and Ocean Economy
PUBLIC INFRASTRUCTURE	<ul style="list-style-type: none"> ❖ PSIP ❖ Public Infrastructure and Land Transport ❖ Energy and Public Utilities ❖ External Communication & Innovative Financing ❖ PIMU ❖ Tourism Sectors ❖ Industry, Commerce and Consumer Protection
ECONOMIC CO-OPERATION & INTERNATIONAL AFFAIRS	<ul style="list-style-type: none"> ❖ International Affairs & Trade ❖ Resource Mobilization ❖ Bilateral Agreements and Economic Cooperation ❖ Environment
DIGITAL ECONOMY AND SKILLS DEVELOPMENT	<ul style="list-style-type: none"> ❖ Digital Economy ❖ Employment & Training ❖ Education ❖ Trade Facilitation ❖ Artificial Intelligence ❖ Ease of doing Business
ECONOMIC AND FISCAL POLICIES & LEGISLATIONS	<ul style="list-style-type: none"> ❖ Economic and Fiscal policies and Legislations ❖ Monitoring and Evaluation ❖ EDB Issues

Table 3: Directorates & Core Functions

OPERATING ENVIRONMENT

DEPARTMENTS & OTHER BODIES

The following Departments/Bodies operate under the aegis of MOFEPD:



Main Functions

TREASURY

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

REGISTRAR - GENERAL DEPARTMENT

- Register information such as:
 - Land ownership and obligations
 - Deeds and documents

CORPORATE 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

Figure 4: Departments and other Bodies under the aegis of MOFEPD

The Financial Secretary is also responsible for the overall administration of the various Cadres and Divisions as well as the general supervision of the Departments under the aegis of MOFEPD.

STATUTORY BODIES & COMPANIES

MOFEPD has six Statutory Bodies and nine companies under its jurisdiction as listed below. These Bodies operate as autonomous entities and have their own goals and objectives. They are the Executive arm of the Ministry in supporting and promoting Government’s vision, mission and objectives. 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 Officer-in-Charge under different types of denomination according to the Act. The Officer-in-Charge is responsible for the day-to-day management of the organisation.

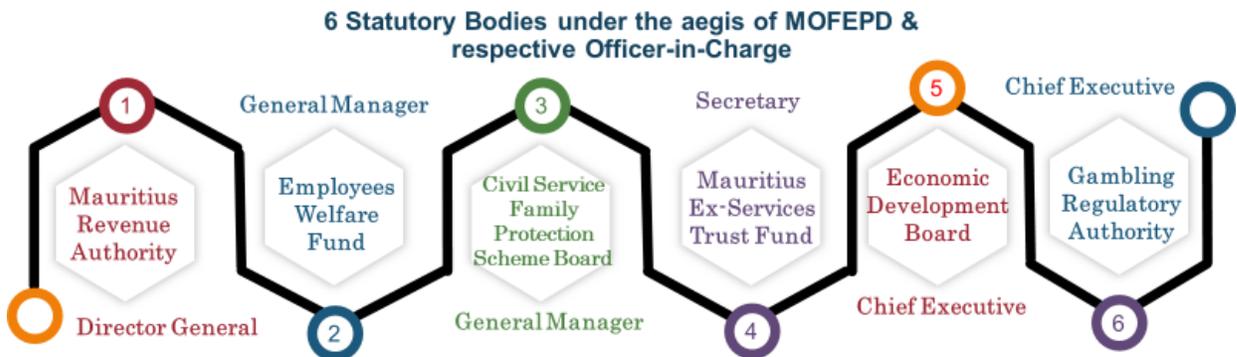


Figure 5: Statutory Bodies under the aegis of MOFEPD

The key responsibilities of the above-mentioned Statutory Bodies are described at Annex I.



Figure 6: Companies under the aegis of MOFEPD

GENDER POLICY

GENDER POLICY STATEMENT

Introduction

There is growing awareness and acceptance that gender equality is a critical and cross-cutting issue for development. Gender equality is achieved when women and men enjoy the same rights, entitlements and opportunities across all sectors of the society, including economic participation and decision making, and when the different behaviours, aspirations and needs of men and women are equally valued and favoured.

However, Mauritius has made considerable progress on the status and advancement of women. There is a lot more that can be achieved in regard to women's economic empowerment. The widening of economic opportunities for women depends largely on the nature of

macroeconomic policy making as well as the engendering of budgets.

Maintaining the status of High-Income economy necessitates accelerating economic development, whereby the whole spectrum of genders of the Mauritian population are taken on board. Consequently, Government ambition is to design frameworks and policies that promote inclusion and empowerment in a sustainable and equitable manner.

The Government of Mauritius is committed to the principles of gender equality. The Beijing Platform for Action (1995) urged Government into action to establish an efficient institutional mechanism aimed at integrating a gender perspective in all policies and programmes.

Rationale

By virtue of Section 3 (2) of the Constitution, which stipulates that “in Mauritius there have existed and shall continue to exist without discrimination by reason of race, place of origin, political opinions, colour, creed or sex...”, and in line with the 5th Sustainable Development Goal “Achieve Gender Equality and Empower all women and girls” as adopted by the United Nations in September 2015, Mauritius strives to create equal opportunities for both men and women across all spheres of life, including

economic and political fronts so that they can both exercise their full rights in the national development process.

Respective development policies and programmes are designed and implemented in ways consistent with gender equality. To achieve this, sound financial management practices and budgetary processes will need to be ‘gender responsive’ and based on a differentiated approach that will boost

economic empowerment of the individuals – men and women, alike.

Thus, a number of flagship measures have been enumerated to consolidate efforts to help eliminate gender gaps, foster the role of women in economic activities and enable Mauritius to graduate from a middle to high income economy in an inclusive manner. These measures are:

- Gender Mainstreaming as a pillar in the development process;
- Implementation of Gender Responsive Budgeting;
- Addressing Gender Issues in the three-year Strategic Plan;
- Budgetary provision to implement the gender mainstreaming programme in Government ministries and departments;
- Amendment to the Statutory Bodies (Accounts and Audit) Act requiring Statutory Bodies to have at least one woman on their board of directors;
- Annual Reports to include a Gender Statement; and
- The restriction to 3 confinements in the public service on maternity leave on full has been removed.

To promote gender-oriented welfare within its own workplace, MOFEPD has set up a Gender Cell to help address any gender gap and bring in gender balance in its decision-making process. The Cell provides a platform for dialogue where views and concerns on gender mainstreaming issues are shared. The gender focal point is responsible to ensure that gender is mainstreamed in all

programmes, policies and activities of the Ministry.

The staffing structure at MOFEPD demonstrates an overall gender balance, with 230 males and 269 females out of a total of 499 officers.

MOFEPD has achieved a gender-balanced workforce	 46%	 54%
Top Management Salary ≥ Rs 100k	94%	6%
Middle Management Rs40k < Salary < Rs100k	64%	36%
Support & Others Salary: ≤ Rs40k	35%	65%

Figure 7: Gender representation at MOFEPD

Women representation in MOFEPD top management stood at 15 percent compared to 85 percent for men. However, with regards to middle management women representation is 41 percent. There is therefore need to provide opportunities for an increased number of women to operate at higher management levels.

In view of the above and to be in line with the National Gender Policy Framework (NGPF) of Mauritius, MOFEPD proposes to take the following actions:

- Further integrate gender perspectives in the Budget Speech & Budget Call Circular;
- Allocate to all Ministries and Departments, during each fiscal year, a percentage of the national

- budget to support activities relating to gender mainstreaming.
- Reinforce performance budgeting by putting emphasis on a more gender equitable allocation of resources;
 - Address lags in training needs of staff from a gender perspective;
 - Ensure an equal opportunity for male and female staff to be represented on Boards and Committees or any other forum; and

- Ensure gender disaggregated data in terms of target groups and amount of money spent on all genders are available for informed decision-making.

MOFEPD will, through the formulation of policies and strategies and budgetary allocation process, give due consideration to the issue of gender in the pursuit of sustainable socio-economic development. The Ministry will also continue to foster a working environment free of any gender discrimination.

GENDER DISTRIBUTION OF MOFEPD STAFF

The gender distribution of human resources at MOFEPD is as follows:

CADRE	NUMBER OF STAFF		TOTAL
	Male	Female	
INTERNAL CONTROL	11	13	24
ARC	6	7	13
IRP	1	2	3
PPO	1	-	1
CPB	4	12	16
FINANCIAL OPERATIONS	19	19	38
PROCUREMENT AND SUPPLY	14	9	23
ANALYST	69	66	135
ADVISER	5	1	6
OFFICERS ON CONTRACT	30	5	35
OA/SOA	12	11	23
DRIVER	15	-	15
STORE ATTENDANT	1	1	2
HOA	3	-	3
GENERAL WORKER	3	-	3
RECEPTIONIST	-	3	3
ADMINISTRATIVE	4	2	6
HR CADRE	-	9	9
GENERAL SERVICE	21	89	110
STM	11	20	31
TOTAL	230	269	499

Table 4: Gender Distribution at MOFEPD

COVID-19 PANDEMIC

COVID-19 MEASURES ADOPTED BY THE MAURITIAN GOVERNMENT

Mauritius scored a perfect “100” on Stringency Index of the Oxford University Covid-19 Government response tracker. No new cases through local transmission has been detected in Mauritius since 26 April 2020, since then, all the new cases which were reported on the island were imported cases from passengers who were repatriated to Mauritius and were admitted to quarantine centers upon their arrival.

Main measures

<p>Wage Assistance Scheme & Self-Employed Assistance Scheme</p>	<p>COVID-19 Solidarity Fund to contribute to the financing of projects, programmes and schemes related to the COVID-19 and other related public health issues.</p>	<p>The BOM has set up the Mauritius Investment Corporation Ltd (MIC) (Rs 80 bn) as a Special Purpose Vehicle under its aegis. The objective is to mitigate contagion of the ongoing economic downturn to the banking sector, thus limiting macro-economic and financial risks.</p>
<p>Reduction in Key Repo Rate Reduction in Cash Reserve Ratio</p>	<p>BOM Special Relief Programme for banking sector BOM bearing interest for households</p>	<p>The Bank of Mauritius has introduced a Special Foreign Currency (USD) Line of Credit targeting operators having foreign currency earnings, including SMEs</p>
<p>The Board of Directors of the Bank has provided Government with a one-off exceptional contribution of Rs 60 billion to assist Government in its fiscal measures to stabilise the economy of Mauritius.</p>	<p>All work permits that will expire in year 2020 were extended automatically up to 31st December 2021</p>	<p>Distribution of food packs during the curfew period to citizens on the Social Register of Mauritius.</p>
<p>Support to Local Artists</p>	<p>Commercial banks provided a moratorium of 6 months on capital repayment for existing loans for economic operators that are being affected by COVID-19</p>	<p>Swap Arrangement to Support Import Oriented Businesses</p>

PART II:

OUR KEY ACHIEVEMENTS

MAJOR ACHIEVEMENTS IN FINANCIAL YEAR 2019-20

MACROECONOMIC MANAGEMENT

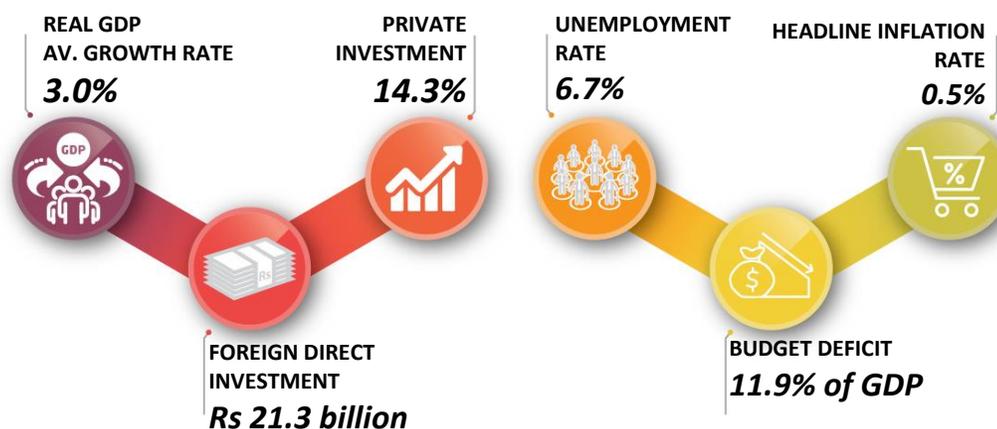


Figure 8: Improvement in key Economic Indicators in 2019

- ♣ Against the global economic slowdown, the Mauritian economy fared relatively well in 2019 with an expansion in real GDP of 3%. Most economic sectors registered positive growth, except textile and tourism that were affected by the general slowdown worldwide. Financial services, construction, retail trade, professional activities and ICT were the main contributors to growth.
- ♣ The investment rate went up to 19.6% in 2019 compared to 18.8% in 2018. Public sector investment increased from 4.5% of GDP in 2018 to 5.3% while private sector investment was slightly higher at 14.3%.
- ♣ FDI inflows amounted to Rs 21.3 billion in 2019 compared to Rs 20 billion in 2018.
- ♣ The unemployment rate has dropped consistently since 2016 to reach a low of 6.7% in 2019. Male unemployment went down from 4.7% in 2018 to 4.4% in 2019, while female unemployment stabilised at 10.2%. Youth unemployment rate declined from 25.1% in 2018 to 22.8% in 2019.
- ♣ The headline inflation rate fell from 3.2% in 2018 to 0.5% in 2019, the lowest rate in almost five decades. It increased to 1.8% in June 2020 mainly due to higher prices of foods and products of personal care.
- ♣ As for the external sector, net inflows of investment and loans in the capital and financial account were more than adequate to finance the current account deficit of 5.5% of GDP in 2019. As such, the overall balance of payments registered a record surplus of Rs 32.8 billion in 2019, representing 6.6% of GDP.

♣ As a result, Gross official international reserves of the country surged from Rs 217.6 billion in December 2018 to Rs 269.5 billion in December 2019 and further to Rs

289.5 billion in June 2020. In terms of import cover, it increased from 10.2 months to 12.3 months and further to 13.2 months in June 2020.

The outbreak of the COVID-19 pandemic has severely impacted on the economy. Real GDP contracted by 32.5% in the second quarter of 2020 mainly due to the lockdown from mid-March to end-May. Investment contracted by 70.2%. At end June 2020, public sector debt increased significantly as a result of the measures taken by Government to protect the health of citizens and support economic operators so as to minimise the adverse economic impact of COVID-19 and thereby build more resilience in the country's GDP growth.

ENHANCING COMPETITIVENESS FOR GROWTH & JOB CREATION

- ♣ Reform initiatives in the context of business facilitation contributed towards improving the positioning of Mauritius globally. According to the World Bank's 'Doing Business Report 2020', Mauritius through methodical reforms in its business environment over the last decade has joined the group of Top 15 economies (the only Sub-Saharan African economy to do so) this year, thus improving its ranking from 20th to 13th position.
- ♣ Mauritius ranked 52nd worldwide and 1st in Sub-Saharan Africa in the Global Competitiveness Report 2019 on the basis of better macroeconomic environment and the transitioning of Mauritius to the innovation-driven stage of development.
- ♣ Mauritius ranked 21st freest economy worldwide in the 2020 Index of Economic Freedom of the Heritage Foundation and 1st out of 47 countries in the Sub-Saharan African region. The good performance of Mauritius is due to its efficient and transparent regulatory environment that supports broad-based economic development, and competitive tax rates and a fairly flexible labour code. The open trade and investment regime are underpinned by well-protected property rights and a non-discriminatory legal system.
- ♣ Mauritius has further improved its score on Paying Taxes, ranking 5th in the World Bank's Doing Business 2020 Report.

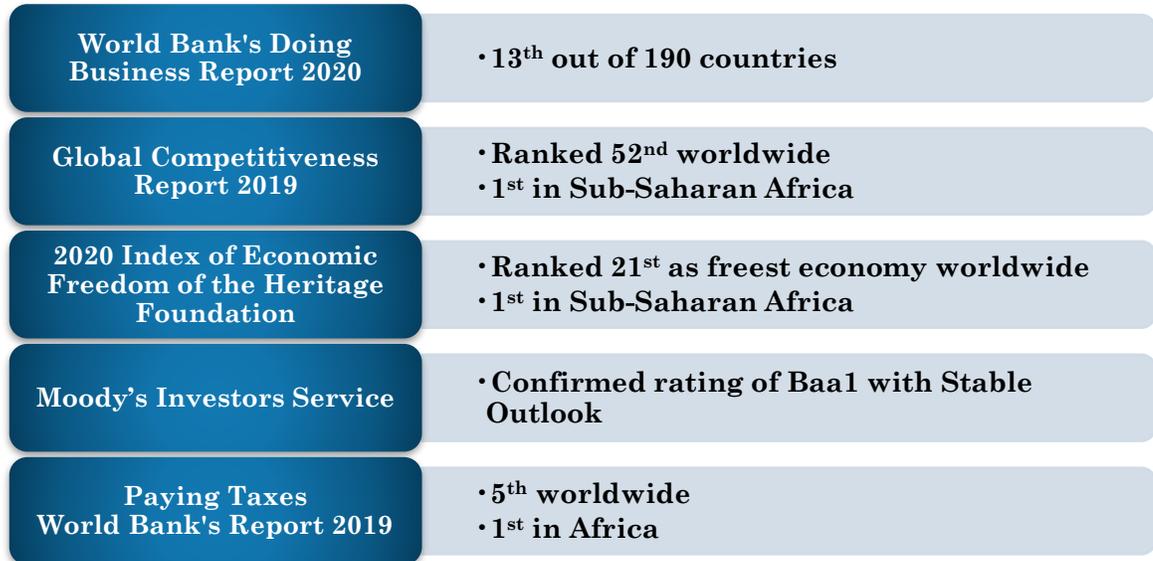


Figure 9: Global Ranking of Mauritius

IMPROVING PUBLIC FINANCIAL MANAGEMENT & STRATEGIC PLANNING

- ♣ In its credit analysis carried out in April 2020, Moody's International Service reaffirmed Government of Mauritius' Baa1 long-term issuer and senior unsecured ratings, and maintained the stable outlook. The affirmation of the Baa1 ratings is supported by Mauritius's strong growth and macroeconomic resiliency to shocks and Moody's expectations for Government debt to stabilise over the medium term.
- ♣ Implementation of accrual-based accounting in the Public Sector is on track as per the established roadmap. Accounting Policies and Format for Financial Statements have been enhanced. As such, various assets and liabilities in the Financial Statements of Government, as well as Local Authorities, have been recognised on an accrual basis.
- ♣ The Computerised Government Asset Register (GAR) project to have a comprehensive register of all assets in Government is underway. Interns under the Youth Employment Programme (YEP) have been assigned to the Treasury, for an initial period of one year, to assist in the updating of GAR.
- ♣ With a view to further strengthening accountability and transparency in Statutory Bodies, the Statutory Bodies (Accounts & Audit) Act has been amended to require all statutory bodies specified in the act to prepare their Financial Statements on accrual IPSAS as from FY 2020-21 onwards.

- ♣ A computerized inventory management system (e-IMS) has been introduced to automate stock management system in Government warehouses. The e-IMS has already been deployed on 20 sites during the first phase. It is expected that by December 2021, the system will be extended across all Ministries and Departments.
- ♣ 55 public bodies embarked on e-Procurement system with registration of 1,341 suppliers on the system. As at 30 June 2020, 928 electronic Invitation for Bids published by e-Procurement System (e-PS).

ENHANCED REVENUE MANAGEMENT & TAXATION POLICIES

- ♣ Enhanced e-tax strategy of MRA coupled with international benchmarking of its system and processes, to further improve on revenue collection targets and tax compliance.
- ♣ Mauritius has consistently improved its ranking to reach the 6th position in the Paying Taxes Index of the World Bank Doing Business Report 2019.
- ♣ MRA has put in place 'Arrears Recovery Schemes' for expeditious recovery of arrears. Arrears collections of Rs 1,722 million from tax assessments raised mainly in preceding years.
- ♣ A mobile app 'MRAeasy' for small businesses and extension of direct debit facilities for fast & convenient payment has been developed.
- ♣ Payment of Negative Income Tax Allowance and Special Allowance to low income employees is fully operational.
- ♣ To ease cashflow of businesses, a fast track system for re-payment of VAT was introduced, and the e-filing system for companies was also fine-tuned.
- ♣ 64,583 new taxpayers registered under income tax and 1,642 under VAT.
- ♣ 43 cases settled under the Alternative Dispute Resolution Scheme (to expedite tax appeal cases exceeding Rs 10 million) resulting into Rs 481 million of taxes under dispute being resolved.
- ♣ Agreements reached under the Expeditious Dispute Resolution of Tax Scheme in 342 cases involving an amount of Rs 240 million.
- ♣ E-filing of major taxes such as PAYE, Corporate Income Tax, VAT exceeding 99%.
- ♣ E-payment of MRA taxes reaching an unprecedented 96% of total MRA collections.
- ♣ 88% of individual income tax refunds being made within 10 days.
- ♣ 93% of VAT repayment to small and medium taxpayers being made within

20 days and 73% of repayment to large taxpayers being made during the same time period.

- ♣ Rs 552 million worth of narcotics seized.
- ♣ 48 online Auctions Sales held yielding some Rs 20 million to the coffers.

DEVELOPMENT IN BUSINESS FACILITATION

- ♣ The streamlining of the property registration process and improvements in the Mauritius e-Registry System (MERS) has helped Mauritius to move from the 99th position in 2017 to the 23rd position in the Registering Property indicator. This performance has contributed to boost the ranking of Mauritius in the World Bank's Ease of Doing Business Report 2020, from 20th to 13th position.
- ♣ The Registrar-General's Department (RGD) is continually upgrading its digitalised system to further improve service delivery.
- ♣ Online access to the movable property database of the RGD was granted to public notaries and other relevant stakeholders.
- ♣ Payment by direct debit has been implemented at the RGD.
- ♣ The Insolvency (Remuneration of liquidator) Regulations 2019 and Insolvency (Remuneration of Receiver) Regulations 2019 have been enacted in order to prescribe new remuneration of liquidators and receivers.
- ♣ The Insolvency (Amendment of Schedule) Regulations 2019 has been enacted to provide that, in case of the liquidation of a company, compensation of employees up to a limit of Rs 50,000 be ranked second after the fees of liquidator and that payments due to Government agencies be ranked third. Previously, compensation of employees (up to a limit of Rs 30,000) was ranked third after the fees of liquidator (first) and payments due to Government agencies (second).
- ♣ The Bank of Mauritius Act has been amended to allow the BOM to seek the collaboration and co-operation of the FSC and any other agency for the establishment of the Central Know Your Client (KYC) Registry.
- ♣ The Companies Act has been amended to:
 - ✚ provide for the definition of beneficial owner with a view to fulfilling the requirements of OECD;
 - ✚ require the board of a public company to consist of at least one-woman director.
- ♣ The Limited Liability Partnerships Act and Limited Partnerships Act have been amended to align the definition of beneficial owner with the requirements of OECD.
- ♣ The Companies Act (Beneficial owner) (Percentage of shares) Regulations 2019 has been enacted to prescribe 20

per cent of shares irrespective of the type of share under the definition of “beneficial owner” or “ultimate beneficial owner”. The aim is to satisfy the requirements of the FATF Recommendations.

♣ The Companies (Amendment of Schedule) Regulations 2020 and Insolvency (Administration) (Equal Treatment to Classes of Creditors) Regulations 2020 have been enacted, inter alia to improve our performance in the context of World Bank Ease of Doing Business Report.

STRENGTHENING REGIONAL INTEGRATION & INTERNATIONAL COOPERATION

AGENCE FRANCAISE DE DEVELOPPEMENT

On 27th July 2020, a budget support loan of EUR 300 million was signed between the Government of Mauritius and Agence Francaise de Developpement to support the economic and social resilience and management of sanitary and natural disasters in Mauritius.

GLOBAL ENVIRONMENT FACILITY (GEF)

On 3rd October 2019, the Global Environment Facility (GEF) has approved Project Identification Form (PIF) regarding the project “Strengthening the national greenhouse gas inventory of the Republic of Mauritius to improve climate reporting and transparency”.

EUROPEAN UNION

✚ The project support amounting to EUR 7.9 million under the 11th European Development Fund has been reallocated from Education to the Health Sector through a Budget Support Programme.

✚ Under the National E-Licensing project funded by the 11th European Development Fund Regional Interim Economic Partnership, the contract to undertake a regulatory review of the business environment in Mauritius has been awarded to Agriconsulting Europe S.A in consortium with International Economics Consulting Ltd.

COOPERATION WITH CHINA

✚ Donation of RMB 500,000 from the Chinese Embassy in the form of medical items and equipment to the Mauritian Government in the fight

against the COVID-19 pandemic in March 2020.

- ✚ Donation from the Chinese Government of protective medical equipment and detection kits, following the COVID-19 outbreak.
- ✚ Mauritius and China signed the Free Trade Agreement on 18th October 2019 in Beijing. Both Parties are currently completing their respective domestic procedures in view of its ratification.

COOPERATION WITH THE AFRICAN DEVELOPMENT BANK

- ✚ The African Development Bank (AfDB) has provided a COVID-19 Crisis Response Budget Program of EUR 188M to Mauritius on 29 June 2020.
- ✚ Technical Assistance received from the African Development Bank for the Diagnostic Study of the Ocean Economy Potential in March 2020.
- ✚ Technical Assistance received from the African Legal Support Facility for the BOT Unit, to the tune of USD 200,000.

COOPERATION WITH THE WORLD BANK

Signature of Reimbursable Advisory Services (RAS) with World Bank for the following:

- i. Study on the Sugar Sector in Mauritius
- ii. Doing Business
- iii. Transforming Strategic Planning for Economic Development.

COMMON MARKET FOR EASTERN & SOUTHERN AFRICA (COMESA)

Mauritius received an amount of Rs 1,858,066 as merger filing fees from the COMESA Competition Commission for the FY 2019/2020.

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

- ✚ The SADC Results Based Monitoring and Evaluation (M&E) System was put in place to ensure the sound implementation of the SADC Regional Indicative Strategic Development Plan (RISDP, 2015-2020) and to facilitate online reporting by Member States.
- ✚ A sum of USD 500,000 has been secured for the implementation of “Development of Guidelines and Standards for Renewable Energy in Mauritius” project, under the SADC Project Preparation Development Fund (PPDF). The project seeks to create an enabling environment to accelerate the transition of the electricity sector from 20% share of renewable energy to 35% by 2030.
- ✚ A sum of USD 45,000 has been allocated to Mauritius for the year

2020/2021, under the Regional Vulnerability Assessment and Analysis (RVAA) Programme. To benefit from such funds, Mauritius (Ministry of Environment, Solid Waste Management and Climate Change) is currently working on its modalities. The RVAA aims at strengthening VAA capacities of Member States to deal with external hazards such as drought, climate change, disasters as well economic crises.

- ✚ Meteorological Infrastructure Equipment for SADC Member States under SADC African Regional Climate Information for Disaster Resilience Development SARCIS-DR Project. Mauritius is in the process of receiving Meteorological Infrastructure Equipment (three Automatic Weather Stations and a High-Performance Computing Hardware comprising a Server, UPS, Network Switch and Client Workstation) under the SADC African Regional Climate Information for the Disaster Resilience Development project, which is being funded by the European Union. Its main objective is to strengthen the capacities of Member States with a view to disseminating climate related information.

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

UNDP provided immediate support to Mauritius following the COVID-19 pandemic:

- ✚ Donation of USD 325,000 to the COVID-19 Solidarity Fund for distribution of food pack of essential commodities to poor and vulnerable groups of the Social Register of Mauritius during the lockdown period as well as contribution to equip shelters for children and women in distress with basic necessities during the COVID-19 pandemic outbreak.
- ✚ A financial assistance of USD 200,000 for provision of medical equipment and supplies to the Ministry of Health and Wellness and Laboratory Equipment in connection with COVID-19.
- ✚ Technical Assistance of USD 275,000 for carrying out of studies and projects on addressing the impacts of COVID-19. Several studies and assessments are ongoing as follows:
 - ✚ Socio-economic impact of COVID-19 Pandemic on the Informal Sector, Migrants and Persons on Social Register of Mauritius;
 - ✚ Business Continuity Plans for the Government of Mauritius;
 - ✚ Study on the implications of Middle-income Country to High income Country transition on the Textile and apparel Industry in Mauritius in a post COVID-19 context.



DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA) AND INVESTMENT PROMOTION AND PROTECTION AGREEMENTS (IPPA)



Mauritius is committed towards its strategy of expanding its worldwide tax and investment Agreements network with a special focus on Africa in order to promote cross-border trade and investment. To date, Mauritius has signed 51 DTAAAs, 23 of which are with African countries. There are 45 DTAAAs in force, while the remainder are in process of ratification. DTAAAs are currently being negotiated with some 21 countries.

In relation to Investment Promotion and Protection Agreements (IPPAs), Mauritius has signed 45 IPPAs out of which 24 are with African Countries. There are 30 IPPAs currently in force and the remaining in process of ratification.

Mauritius is also putting all efforts to maintain its status as an International Financial Centre of repute and a safe tax jurisdiction is maintained.

During FY 2019-20, the following was achieved:

- ✚ Negotiations were completed on a DTAA with Angola was finalised in November 2019, the DTAA now awaits signature.
- ✚ A protocol amending the DTAA with Kenya was signed in October 2019.
- ✚ A protocol amending the DTAA with Botswana was ratified in February 2020.

- ✚ On-line negotiations of a DTAA with Turkey started in June 2020.
- ✚ Kick started on-line renegotiation of an IPPA with Kenya.
- ✚ Major tax reforms were finalised through the enactment of Finance Act 2019, including adoption of recommended substance requirements, the removal of the ring-fencing aspect in our Freeport regime and the introduction of additional anti-abuse provisions, namely, Controlled-Foreign-Company (CFC) rules, in our Income Tax Act to ensure compliance with international standards of the OECD and EU. All our tax regimes now meet the standards of both the OECD and EU.
- ✚ Mauritius signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) on 5 July 2017 and deposited its instrument of ratification with the Secretary General of the OECD on 18 October 2019. The MLI entered into force for Mauritius on 1 February 2020. 44 of our 45 DTAAAs in force have been listed as Covered Tax Agreements (CTAs) and Mauritius has opted for the minimum standards of the MLI relating to Treaty Abuse and Mutual Agreement Procedure.

✦ A number of DTAAAs could not be negotiated and finalised during the FY 2019-20 due to the Covid-19 pandemic, where many countries including

Mauritius experienced lockdowns, this had disruptive effects on negotiation plans for DTAAAs during FY 2019-20.

AFRICA STRATEGY

In its continued effort to make forays into Anglophone and Francophone West Africa, while at the same time consolidating its role as an economic powerhouse in the Indian Ocean region, the Government of Mauritius has established the Mauritius-Africa Fund (MAF) to steer the development of integrated projects, including Special

Economic Zones, Technology Parks, Logistics Parks, Agro-industrial Parks, Seafood, etc in selected African countries.

In this connection, MAF has embarked on the development of Special Economic Zones (SEZ) and Technology Parks in the following African countries:



The **Senegal** Special Economic Zone (SEZ) is being jointly developed by MAF and FONSIIS which shall constitute a mixed industrial activity on 53 ha of land located in the emerging city of Diamniadio. Phase 1 of the SEZ comprises of 3 large hangars (7200 m² each), 1 small hangars (2700 m²) and an office building (4910 m²). Phase 2 consists of green-field development around 6 main clusters of activity including manufacturing, light engineering, textile and apparel, agro-processing, logistics and warehousing.



The **Ghana** project includes the construction of a Cybertower on around 12 acres within the R&D Park of the University of Ghana in Central Accra and the development of a Business and Technology Park on around 50 acres within the emerging Smart City of Dawa.



An MOU was signed between Government of Mauritius and Government of **Ivory Coast** in April 2016 for technical, economic and financial cooperation and an MOU between MAF and VITIB was also signed for collaboration on mobilizing and facilitating investment in the ICT and Biotechnology Free Zone in Grand Bassam, located around 40 km to the east of Abidjan. The investment project consists of the construction of Twin Technology Towers and of a business hotel aquapark.



The SEZ is conceived as a multi-industry with clusters including seafood processing, agri-processing, electronic assembly and light engineering, warehousing and logistics, shipping and ship chandling, textiles, and hospitality on 80 ha of land in the Ehoala Park in the region of Fort Dauphin, **Madagascar**.



On 14 June 2019 a Memorandum of Understanding was entered into by MAF and Kukuza Project Development Company (KPDC) (a project development company promoted by the African Development Bank, Export-Import Bank of India, State Bank of India, and Infrastructure Leasing and Financial Services Limited), to avail MAF of expertise and enable access to resources for project screening, project preparation and project development activities for the developing Special Economic Zones in African countries.

Figure 10: Achievements under Africa Strategy

STATUS ON IMPLEMENTATION OF BUDGET MEASURES FY 2019-20

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
50	INTRODUCTION OF A “POST-STUDY WORK VISA” TO ALLOW INTERNATIONAL STUDENTS TO WORK FOR 3 YEARS IN MAURITIUS AFTER COMPLETION OF UNDERGRADUATE STUDIES IN SECTORS SUCH AS ICT, FINTECH, AI AND BIOTECHNOLOGY.	25-JUL-19	The Business Facilitation Act 2019 was passed on 17 July 2019. EDB issued guidelines for the Young Professional Occupation Permit in September 2019
58, 59	INTRODUCTION OF A NEW BUSINESS FACILITATION BILL WHICH WILL AMEND 26 LEGISLATIONS.	25-JUL-19	The Business Facilitation (Miscellaneous Provisions) Bill 2019 passed on 16 Jul 2019. Act gazetted on 25 Jul 2019.
76	CONCESSIONARY ROAD TAX ALLOWANCE TO TEA GROWERS ON DOUBLE CAB PICK-UPS.	01-JUL-19	Application form for claiming of exemption posted on MRA Website
78	EXEMPTION OF DUTY ON THE PURCHASE OF SINGLE/DOUBLE SPACE CABIN VEHICLES AND CONCESSIONARY ROAD TAX TO REGISTERED BEE-KEEPERS HOLDING A MINIMUM OF 20 BEEHIVES	25-JUL-19	Road Traffic Act and Excise Act amended through Finance Act 2019 to provide for exemption of duty. Application form for claiming of exemption posted on MRA Website
88	EXTENSION OF “SUPPORT FOR TRADE PROMOTION & MARKETING” SCHEME FOR ANOTHER YEAR (RS 120 MILLION EARMARKED) THE SCHEME WILL BE REVIEWED SO AS TO ASSESS THE POSSIBILITY OF EXTENDING IT TO COVER THE US MARKET	01-JUL-19	The scheme has been extended for another year, and has been reviewed in Dec 2019 to extend it to US market as from Jan 2020 Scheme extended to Africa, Australia, Canada & Middle East up to 31 Dec 2020, as from 13 Mar 2020

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
89	ENLISTMENT OF SERVICES OF "IDEA FOUNDRY" FROM USA TO PROPOSE THE MOST APPROPRIATE TECHNOLOGY AND PROCESSES TO FOSTER A NEW ECOSYSTEM TO ADAPT TO THE REQUIREMENTS OF THE INTERNATIONAL MARKET.	26-JUN-19	Enlistment of services of "Idea Foundry" on 26 June 2019. First visit of consultants held from 21 July to 2 August 2019. Preliminary report has been submitted to EDB end 2019 and discussions are ongoing.
90, 91	RESTRUCTURING AND CONVERTING THE INVESTMENT SUPPORT PROGRAMME COMMITTEE INTO ISP LIMITED.	05-JUL-19	ISP Limited has been incorporated on 05 July 2019
93	TO PREVENT CLOSURES, EDB WILL SEEK INVESTORS AND STRATEGIC PARTNERS, WITH THE SUPPORT OF THE ISP LTD, TO RE-ENGINEER AND RE-CAPITALISE FIRMS	30-Nov-19	MoU between ISP Ltd and EDB signed. Operational since November 2019
99	GRANT OF A FOUR-YEAR TAX HOLIDAY ON INCOME DERIVED FROM BUNKERING OF LOW SULPHUR HEAVY FUEL OIL.	25-JUL-19	Income Tax Act amended through Finance Act 2019
108	GRANT OF AN 8-YEAR INCOME TAX HOLIDAY TO A NEWLY SET-UP COMPANY DEVELOPING A MARINA; AND VAT EXEMPTION ON THE CONSTRUCTION OF MARINAS	25-JUL-19	Income Tax Act and VAT Act amended through Finance Act 2019
111	INTRODUCTION OF A VAT REFUND SCHEME ON ACCOMMODATION COSTS FOR EVENTS WITH AT LEAST 100 FOREIGN ATTENDEES STAYING FOR A MINIMUM OF 3 NIGHTS	25-JUL-19	Value Added Tax Act amended through Finance Act 2019
113	A DEDUCTION OF 150 PERCENT OF THE EXPENDITURE	25-JUL-19	Income Tax Act amended through Finance Act 2019

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	INCURRED BY HOTELS ON CLEANING, RENOVATION AND EMBELLISHMENT WORKS IN THE PUBLIC REALM, FROM THEIR TAXABLE INCOME.		
130	INCREASING THE MAXIMUM LOAN AMOUNT FOR MICRO ENTERPRISES UNDER THE EXISTING DBM MICRO-CREDIT LOAN SCHEME FROM Rs 250,000 TO Rs 500,000.	01-JUL-19	Effective as from 01 July 2019
131	EXTENSION OF THE SME FINANCING SCHEME FOR ANOTHER 3 YEARS	01-JUL-19	Effective as from 01 July 2019
132	REDUCTION IN THE ANNUAL INTEREST RATE UNDER LEMS I AND SME FACTORING SCHEME FROM 5.5 PERCENT TO 3.9 PERCENT. (INTEREST RATE REDUCED TO 2.5% AS FROM 13 MARCH 2020)	01-JAN-20	<ul style="list-style-type: none"> • MoU for SME Factoring Scheme signed and operational since 15 Dec 2019. • MOU for LEMS signed by La Prudence Leasing Co Ltd and operational as from Jan 2020. Follow up with other leasing companies ongoing
133	REDUCTION IN THE COST OF FINANCING UNDER THE SME EQUITY FUND FROM 8 PERCENT TO 6 PERCENT (REDUCTION IN MINIMUM RETURN REQUIREMENT FROM 6% TO 3% AS FROM 13 MARCH 2020)	01-JUL-19	Effective as from 01 July 2019
137	INCREASE IN THE MARGIN OF PREFERENCE FOR CONTRACTS UNDER PUBLIC PROCUREMENT FOR LOCALLY MANUFACTURED PRODUCTS BY SMEs, FROM 20 PERCENT TO 30 PERCENT, IF	19-AUG-19	Directive issued by PPO on 19 August 2019, effective as from 02 Sep 2019

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	THEY HAVE THE 'MADE IN MORIS' LABEL.		
141	ENTERPRISES HAVING ANNUAL TURNOVER NOT EXCEEDING RS 10 MILLION AND ENGAGED IN SPECIFIC ACTIVITIES SUCH AS MANUFACTURING OR TRADING OF GOODS WILL BE GIVEN THE OPTION TO PAY 1 PERCENT OF ITS TURNOVER AS FINAL INCOME TAX ON ITS BUSINESS INCOME OR FILE THE NORMAL INCOME TAX RETURN.	25-JUL-19	Income Tax amended through Finance Act 2019.
160	MAURITIUS-AFRICA FUND TO EXPAND ITS STRATEGIC PARTNERSHIPS WITH PAN-AFRICAN AND INTERNATIONAL MULTILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS TO MOBILISE PROJECT FINANCE FOR THE BENEFIT OF MAURITIAN ENTERPRISES WILLING TO EXPAND IN AFRICA.	21-AUG-19	Mauritius acceded to membership of the Africa Finance Corporation on 21 August 2019. The MAF, SBM and AFC are discussing on the establishment of an Africa-focused infrastructure and industrialization fund
185	TAXI OPERATORS WILL BENEFIT FROM A DUTY-FREE CAR EVERY 4 YEARS INSTEAD OF 5 YEARS.	25-JUL-19	Amendment in Excise Act through Finance Act 2019.
186	REDUCTION IN THE ROAD TAX FOR VANS, WITH UP TO 15 SEATS, USED AS SCHOOL BUSES FROM Rs 3,000 TO Rs 2,000 PER ANNUM	25-JUL-19	Amendment in Road Traffic Act through Finance Act 2019.
187	REMOVING CUSTOMS DUTY ON IMPORTATION OF VANS TO BE USED AS SCHOOL BUSES.	25-JUL-19	Amendment in Customs Tariff Act through Finance Act 2019.

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
195	THE PPP ACT AND BOT PROJECTS ACT ARE BEING SIMPLIFIED TO CREATE OPPORTUNITIES FOR PRIVATE SECTOR TO INVEST IN PUBLIC SECTOR PROJECTS	25-JUL-19	Implemented through Business Facilitation Act 2019
201	REDUCTION IN THE EXPENDITURE ON OVERSEAS MISSION FOR MINISTRIES AND DEPARTMENTS FROM Rs 160 TO Rs 120 MILLION	01-JUL-19	Provision for Mission expenses reduced to Rs 120 M in budget 2019/20
254	INCREASING THE THRESHOLD VALUE OF BARE LAND THAT A FIRST TIME BUYER MAY ACQUIRE, FREE OF REGISTRATION DUTY, TO BUILD A HOUSE TO Rs 2.5 MILLION (INSTEAD OF ON THE FIRST Rs 2 MILLION) PROVIDED THE ACREAGE DOES NOT EXCEED 20 PERCHES.	25-JUL-19	Registration duty Act amended through Finance Act 2019.
255	A FIRST TIME BUYER WILL BENEFIT FROM FULL EXEMPTION FROM REGISTRATION DUTY ON THE PURCHASE OF AN EXISTING HOUSE OR APARTMENT OF UP TO Rs 5 MILLION INSTEAD OF Rs 4 MILLION	25-JUL-19	Registration duty Act amended through Finance Act 2019.
256	NO REGISTRATION DUTY WILL BE PAYABLE ON A SECURED HOUSING LOAN FOR AN AMOUNT NOT EXCEEDING Rs 2.5 MILLION, INSTEAD OF THE CURRENT THRESHOLD OF Rs 2 MILLION	25-JUL-19	Registration duty Act amended thru Finance Act 2019.
257	REVIEW OF THE ELIGIBILITY CRITERIA FOR THE VAT	25-JUL-19	VAT Act amended through Finance Act 2019.

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	<p>REFUND SCHEME ON THE CONSTRUCTION OF RESIDENCE OR PURCHASE OF AN APARTMENT:</p> <ul style="list-style-type: none"> • THE UPPER LIMIT FOR THE COST OF CONSTRUCTION OF A RESIDENCE OR PURCHASE PRICE OF AN APARTMENT IS BEING INCREASED FROM Rs 4 MILLION TO Rs 5 MILLION. • THE HOUSEHOLD INCOME THRESHOLD IS BEING INCREASED FROM Rs 2 MILLION TO Rs 3.5 MILLION. 		
258	EXTENSION OF THE DURATION OF THE VAT REFUND SCHEME TO 30 JUNE 2025 INSTEAD OF 30 JUNE 2020	25-JUL-19	VAT Act amended through Finance Act 2019.
268	GOVERNMENT WILL ISSUE TWO SILVER BONDS OFFERING AN ANNUAL INTEREST RATE OF 5.5% TO INCREASE RETURN ON SAVINGS OF ELDERLY AND ALSO TO ENCOURAGE SAVINGS TOWARDS RETIREMENT.	01-AUG-19	Silver Savings Bonds and Silver Retirement Bonds amounting to some Rs 6.5 billion were subscribed as at 17 Jan 2020.
273	INCREASING THE GRANT TO RELIGIOUS BODIES BY 10 PERCENT FROM Rs 85 MILLION TO Rs 93 MILLION	01-JUL-19	Grant to religious bodies increased in Budget 2019/20
286	A SPORTS ECONOMIC COMMISSION WILL BE ESTABLISHED AT THE EDB TO LOOK INTO WAYS OF FOSTERING THE DEVELOPMENT OF THAT NEW SECTOR (SPORTS CLUSTER)	25-JUL-19	EDB Act amended through Finance Act 2019 to provide for establishment of a Sports Economic Commission. A sportstech incubator workshop scheduled for 11 Dec 2019.
300	THE COMPANIES ACT AND THE STATUTORY BODIES	25-JUL-19	Statutory Bodies (Accounts and Audit) Act amended

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	(ACCOUNTS AND AUDIT) ACT WILL BE AMENDED TO REQUIRE PUBLIC COMPANIES AND STATUTORY BODIES TO HAVE AT LEAST ONE WOMAN ON THEIR BOARD OF DIRECTORS.		through Finance Act 2019 Circular issued on 13 Sep 2019 requiring every board to comply bef. 4 Nov 2019
368	INCREASE IN THE FINANCIAL INCENTIVE FOR EXPORT OF USED PET BOTTLES FROM Rs 5 TO Rs 15 PER KILOGRAM	25-JUL-19	Excise Act amended through Finance Act 2019
371	REFUND OF AN AMOUNT OF RS 2,000 PER TON OF WASTE TYRES THAT ARE RECYCLED LOCALLY OR EXPORTED	01-OCT-19	Excise Act amended through Finance Act 2019. The Amendment is effective as from 1 Oct 2019.
379	REMOVAL OF 50 PERCENT EXCISE DUTY ON NON-FOSSIL OUTBOARD MOTORS	11-JUN-19	Excise (Amendment of Schedule) (No. 2) Regulations 2019 Effective as from 11 Jun 2019
380	REDUCTION OF THE RATE OF EXCISE DUTY ON AN ELECTRIC CAR OF MORE THAN 180 KILOWATT FROM 25 PERCENT TO 15 PERCENT & REDUCTION IN THE EXCISE DUTY ON A PLUG-IN HYBRID CAR IN THE RANGE OF 5 PERCENT TO 15 PERCENT, DEPENDING ON CYLINDER CAPACITY	11-JUN-19	Excise (Amendment of Schedule) (No. 2) Regulations 2019 Effective as from 11 Jun 2019
381	AN INDIVIDUAL WILL BE ALLOWED TO DEDUCT FROM HIS TAXABLE INCOME THE TOTAL INVESTMENT IN THE ACQUISITION OF A FAST CHARGER FOR AN ELECTRIC CAR	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income year commencing on 01 July 2019.
381	A BUSINESS WILL BE ABLE TO DEDUCT TWICE THE AMOUNT	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	INVESTED IN A FAST CHARGER FROM ITS TAXABLE INCOME		year commencing on 01 July 2019.
417	<p>INCREASE IN THE INCOME EXEMPTION THRESHOLDS FOR ALL CATEGORIES OF TAXPAYERS AS FOLLOWS:</p> <ul style="list-style-type: none"> • BY RS 5,000 FOR A TAXPAYER WHO HAS NO DEPENDENT OR ONE DEPENDENT; • BY RS 20,000, FOR A TAXPAYER WITH TWO DEPENDENTS; • BY RS 25,000 FOR A TAX PAYER WITH THREE DEPENDENTS; AND • BY RS 45,000 FOR A TAXPAYER WHO HAS FOUR DEPENDENTS. 	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income year commencing on 01 July 2019.
418	ADDITIONAL DEDUCTION FOR A CHILD PURSUING TERTIARY STUDIES AND RELIEF FOR MEDICAL INSURANCE PREMIUM WILL BE AVAILABLE FOR A MAXIMUM OF 4 DEPENDENTS INSTEAD OF 3 DEPENDENTS	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income year commencing on 01 July 2019.
419	THE ADDITIONAL INCOME TAX EXEMPTION OF RS 50,000 WILL BE GRANTED TO A RETIRED OR DISABLED PERSON HAVING MORE THAN ONE DEPENDENT (INSTEAD OF BEING RESTRICTED TO THOSE HAVING ONE DEPENDENT ONLY)	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income year commencing on 01 July 2019.
420	GRANT OF A TAX CREDIT OF 5% TO AN EMPLOYEE, IF HIS	01-JUL-19	Income Tax Act amended through Finance Act 2019. Effective as from income

BUDGET PARA	MEASURE	IMPLEMENTATION DATE	STATUS
	SALARY, INCLUSIVE OF SALARY COMPENSATION IN THE FIRST MONTH IS BELOW RS 50,000 AND HE EARNS ANNUAL NET INCOME BELOW Rs 700,000 IN THAT INCOME YEAR		year commencing on 01 July 2019.
421	(A) LUMP SUM INCOME RECEIVED BY A PERSON AS PENSION OR DEATH GRATUITY IS BEING EXCLUDED FROM THE COMPUTATION OF THE SOLIDARITY LEVY. (B) HOWEVER, THE LEVY WILL APPLY ON AN INDIVIDUAL'S SHARE OF DIVIDEND IN A SOCIÉTÉ OR SUCCESSION.	(A) 01-JUL-17 (B) 01-JUL-19	Income Tax Act amended through Finance Act 2019.
429	EARLY REPAYMENT OF PUBLIC SECTOR DEBT BY USING PART OF ACCUMULATED UNDISTRIBUTED SURPLUS HELD AT THE BANK OF MAURITIUS.	30-Nov-19	MoU between BoM and GoM has been signed end Nov 2019. Notifications for early repayments have been sent to the creditors on 4 Dec 2019.
430	PAYMENT OF AN INTERIM MONTHLY ALLOWANCE OF RS 1000 TO ALL PUBLIC OFFICERS AS FROM 1 JAN 2020	01-JUL-19	A provision of Rs 510 M made in Budget 2019/20

Table 5: Status on Implementation of Budget Measures

STATUS ON IMPLEMENTATION OF KEY ACTIONS FY 2019-20

Table 6 below shows the status of the Key Actions and the Key Performance Indicators (KPIs) pertaining to MOFEPD which were included in the Budget 2019-20

KEY ACTION	KEY PERFORMANCE INDICATOR	TARGET	ACHIEVEMENT	REMARKS
Vote 2-7 MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT				
IMPROVING COORDINATION OF MONETARY AND FISCAL POLICIES	Budget deficit as a percentage of GDP	≤ 3.5%	11.9%	Higher budget deficit reflects the impact of Covid-19 on public finances and the economy.
IMPROVING ACCOUNTABILITY	Percentage of Ministries submitting Annual Report on Performance	100%	40%	At end Jun 2020, 12 Annual Reports were received. As at Sept 2020, 3 additional reports have been submitted by line ministries. Follow up is being done for remaining Annual Reports.
IMPROVING DEBT RECOVERY BY MRA	Debt collected as a percentage of total collectible debt at the start of the year	35%	20.8%	Amount of debt collected as at 30 June 2020 amounted to Rs 1,722 M. Shortfall has occurred due to impact of Covid-19 pandemic on businesses. Amount of tax assessments raised by MRA has fallen in FY 2019/2020. In parallel, the lockdown and cash flow difficulties of taxpayers and businesses have resulted into the MRA not being able TO RECOUP tax arrears in the last quarter of the FY.

KEY ACTION	KEY PERFORMANCE INDICATOR	TARGET	ACHIEVEMENT	REMARKS
IMPLEMENTATION OF GOVERNMENT E-PROCUREMENT SYSTEM (E-PS)	Number of public bodies integrating e-PS	90	55	Slow-down in public procurement activities owing to general elections and Covid-19 pandemic. As at 30 June 2020, 928 electronic Invitation for Bids published by e-PS.
MODERNISING ACCOUNTING AND REPORTING FRAMEWORK	Preparation of Financial Statement in line with accrual IPSAS in a phased manner	PARTIAL BCG	PARTIAL BCG	Budgetary Central Government (BCG) includes all ministries and departments. It is expected that additional assets and liabilities will be recognised in Financial Statements for FY 2019/20.
	Percentage of non-financial assets recorded in the Government Asset Register	50%	30%	The methodology adopted is the value of non-financial assets recorded in the Government Asset Register, compared to the value of non-financial assets recognised in the financial statements of 2018/19. Slow progress on recording of assets is owing to the low response rate of Ministries/Departments.

KEY ACTION	KEY PERFORMANCE INDICATOR	TARGET	ACHIEVEMENT	REMARKS
ECONOMIC DEVELOPMENT BOARD				
PROMOTING MAURITIUS AS AN INVESTMENT DESTINATION AND FACILITATION OF PROJECTS TO ATTRACT HIGHER LEVELS OF FOREIGN DIRECT INVESTMENT (FDI)	FDI inflows (Rs bn)	19.5	14.2	FDI Inflows for Q3 2019 to Q1 2020 is Rs 13.7 Bn and FDI estimates for Q2 2020 is Rs 0.5 Bn.
	Percentage of FDI in manufacturing sector	8%	2.4%	Data based on FDI figures in manufacturing sector for period July 2019 to March 2020 (Rs 331 M).
PROMOTING EXPORTS OF MAURITIAN PRODUCTS	Percentage growth in exports excl. sugar	≥3%	-16.2%	A decrease in total exports excl. sugar from Rs 76,048 M in 2018/19 to Rs 63,741 M in 2019/20.
IMPROVING THE EASE OF DOING BUSINESS	World Bank Doing Business ranking	18TH	13TH	Mauritius ranked 13th worldwide and 1st in Africa in World Bank Doing Business Report 2020.
PROVISION OF SUPPORT UNDER THE FILM REBATE SCHEME TO INCREASE FILM PRODUCTION	Number of film projects qualifying under scheme	25	10	10 film projects were completed as at Jan 2020. There were no film projects completed afterwards due to Covid-19 pandemic.

Table 6: Status of Key Actions and KPIs

OTHER INTERNAL KEY PERFORMANCE INDICATORS

Table 7 below provides status for other Key Performance Indicators developed by MOFEPD for improving service delivery.

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
MODERNISING PUBLIC FINANCIAL MANAGEMENT		
STRENGTHENING ACCOUNTABILITY AND TRANSPARENCY	Issue of Circular for: <ul style="list-style-type: none"> • Statutory Bodies to remit Surplus amount or accumulated revenue reserve into the Consolidated fund or invest in Treasury Certificates or other Government Securities • Public Bodies required to have at least one woman on their board of directors. 	Issued on 13 th September 2019
MODERNISING ACCOUNTING & REPORTING FRAMEWORK	Technical Assistance from the IMF to advise Government on accounting framework in line with best practices.	Technical Assistance received in March 2020
STRENGTHENING REGIONAL INTEGRATION & INTERNATIONAL COOPERATION		
EXPAND NETWORK OF DTAAAs & IPPAs	Conclude at least 4 agreements	<ul style="list-style-type: none"> ▪ DTAA with Angola has been concluded and is ready for signature. ▪ Protocols amending DTAAAs with Kenya was signed and that with Botswana was ratified.

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
<p>MAINTAIN REPUTATION OF OUR TAX JURISDICTION</p>	<p>Ensure compliance with international standards on tax practices</p>	<p>Major tax reforms were finalized through the enactment of Finance Act 2019, including adoption of more substance requirements, removal of the ring-fencing aspect amongst others to ensure compliance with international standards of the OECD and EU. All our tax regimes now meet the standards of both the OECD and EU.</p> <p>Mauritius signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) on 5 July 2017 and deposited its instrument of ratification with the Secretary General of the OECD on 18 October 2019. The MLI entered into force for Mauritius on 1 February 2020. 44 of our 45 DTAAAs in force have been listed as Covered Tax Agreements (CTAs) and Mauritius has opted for the minimum standards of the MLI relating to Treaty Abuse and Mutual Agreement Procedure.</p>
<p>FINANCIAL OPERATION CADRE</p>		
<p>COORDINATING AND FACILITATING FINANCIAL OPERATIONS IN ALL MINISTRIES/DEPARTMENTS IN COLLABORATION WITH THE TREASURY, CISD AND FINANCE SECTIONS DURING THE COVID-19 LOCKDOWN PERIOD</p>	<p>Ensure all critical payments are effected in a timely manner by every Ministry and Department</p>	<p>Payment of salaries to all Public Officers and other essential expenses successfully effected by Finance sections of all Ministries/Departments in collaboration with Treasury.</p>
<p>HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEM</p>	<p>Defining and verifying Business rules configured in the system for Salaries and Allowances</p>	<p>Payroll Runs - 99% completed successfully for June 2020 and is ongoing for subsequent months</p>

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
CAPACITY BUILDING IN FINANCIAL OPERATIONS AND MANAGEMENT	Number of officers of the Financial Operations Cadre enrolled and/or completed course in Financial Management with specialisation in Public Finance	<ul style="list-style-type: none"> ▪ 30 officers successfully completed the Diploma course. ▪ 27 officers were enrolled for the BSC (Top up) course. ▪ 35 officers were enrolled for the Diploma course.
INTERNAL CONTROL CADRE		
STRENGTHENING INTERNAL CONTROL MECHANISMS IN MINISTRIES/DEPARTMENTS	Percentage Annual Internal Audit Plans of Ministries/Departments completed	62%
	Percentage agreed recommendations in the Internal Audit Reports implemented	81%
PROCUREMENT AND SUPPLY CADRE		
INTRODUCTION OF COMPUTERISED INVENTORY MANAGEMENT SYSTEM (E-IMS)	Implementation of Electronic Management Information System covering ten sites at three large Ministries	<p>e-IMS has already been implemented at the following Ministries-</p> <ul style="list-style-type: none"> • Prime Minister's Office • MOFEPD • Ministry of Defense and Rodrigues • Ministry of Health and Wellness - Central Supplies Division and Hospitals (34 sites) • Attorney General's Department • Independent Police Complaints Commission • Mauritius National Assembly • Ministry of Commerce and Consumer Protection • Ministry of Housing and Land Use Planning • Ministry of Industrial Development, SMEs and Cooperatives • Ministry of Technology, Communication and Innovation

KEY ACTION	KEY PERFORMANCE INDICATOR	STATUS
		<ul style="list-style-type: none"> • Ministry of National Infrastructure and Community Development (NDU) • Office of Electoral Commissioner • Office of the President
CAPACITY BUILDING FOR PROCUREMENT AND SUPPLY OFFICERS	Induction Course for the benefit of 23 Temporary Assistant Procurement and Supply Officers has also been mounted and conducted successfully on procurement and supply procedures in the civil service.	The Induction Course was conducted in February 2020
	Training on Procurement and Supply Management has been successfully dispensed to 100 beneficiaries of Rodrigues Regional Assembly	Training was conducted in September 2020

Table 7: Other Internally developed KPIs

RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES & GOOD GOVERNANCE

With a view to strengthening internal audit and risk management in the public sector, the following measures were provided in the Annex to Budget Speech 2020/21:

- i. the structure, effectiveness and function of internal audit to be improved so as to provide quality internal audit services to Government;
- ii. a risk management framework to be established across Ministries/Department; and
- iii. the Internal Control Cadre and the Audit Committees to assist Accounting

Officers in establishing the risk management framework.

The system of internal control at MOFEPD is therefore being reviewed and re-organised 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.

In this context, a Risk Management Framework has been developed in response to the requirements for the establishment of formal risks management structures or processes in the public sector. The Framework aims to support Ministries/Departments to improve and sustain their performance by enhancing their systems of risk management to protect against adverse outcomes and optimise opportunities through the maintenance of the Risk Register by Ministries/Departments.

The Financial Secretary is accordingly responsible for:

- exercising care, skill and diligence in identifying, assessing and monitoring risks;
- carrying 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

- ensuring the preparation of an Internal Audit Operational Plan.

The approach adopted by the Internal Audit Unit of MOFEPD is to identify areas of significant operational or financial risks. 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;
- Risks are reassessed during the audit assignments and control measures in place are evaluated to assess their effectiveness;
- The attention of management is drawn on material weaknesses observed and recommendations for improvement are made; and
- Follow up are made on a regular basis to ascertain status of actions initiated on all agreed recommendations in the action plan.

INTERNAL AUDIT

For the period 1 July 2019 to 30 June 2020, out of 383 internal audit exercises planned, 236 were completed. This represents 62% of Annual Internal Audit Plans. In addition to the coverage of planned audits, 61 special assignments have been completed at the request of Accounting Officers.

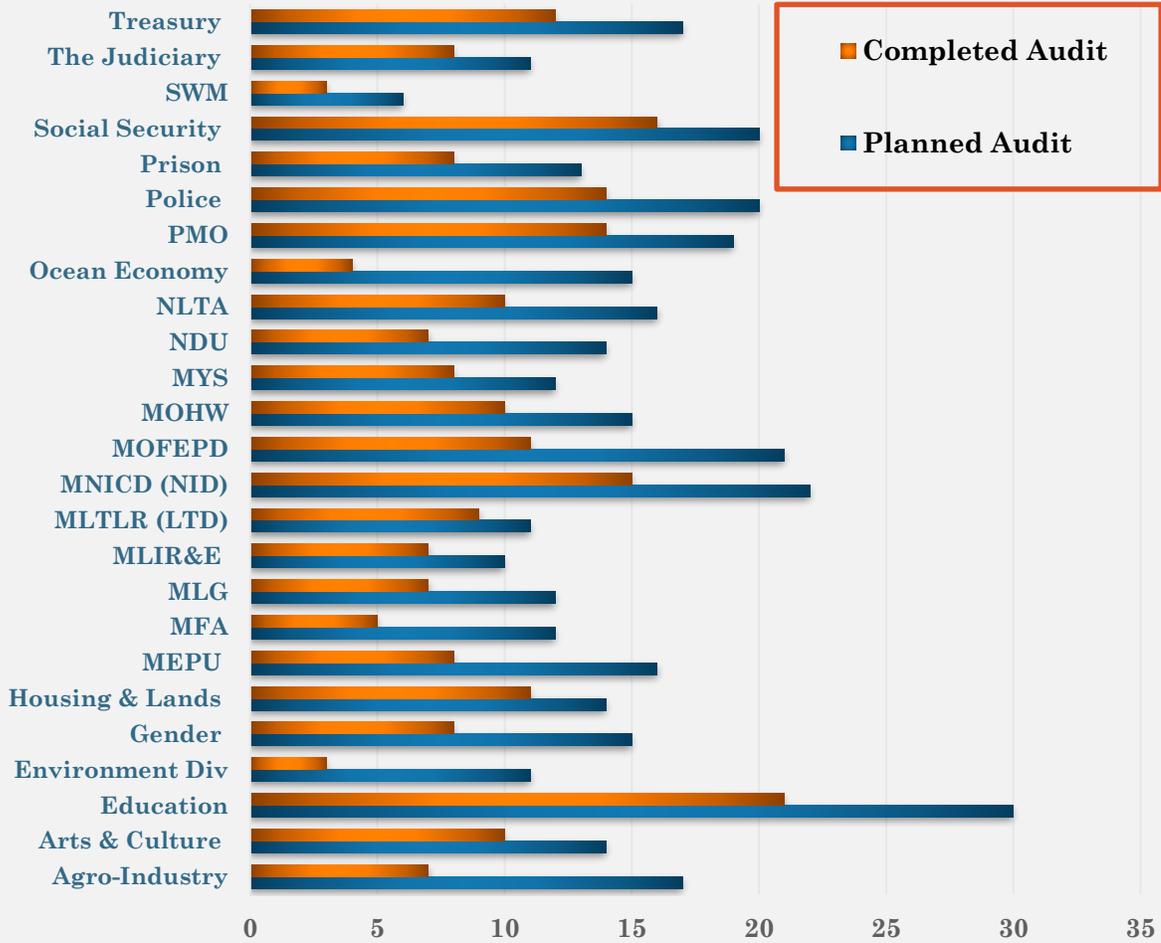


Figure 11: Annual Internal Audit Plan FY 2019-20

Implementation of agreed recommendations in the Internal Audit Reports

Follow up exercises have been carried out to ascertain the degree of implementation on 878 recommendations made in Internal Audit Reports. As at 30 June 2020, 708 recommendations have already been implemented. This represents 81% of the total recommendations.

Audit Committee

The Audit Committee (AC) set up in MOFEPD is constituted as follows:

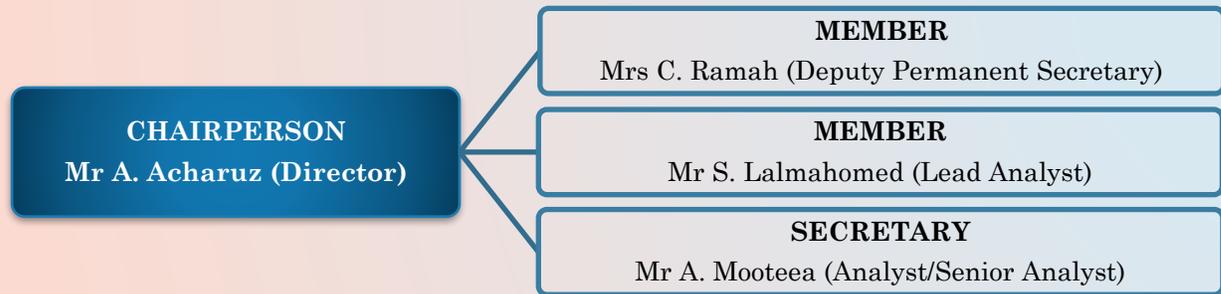


Figure 12: Constitution of the Audit Committee

The AC has had three meetings during FY 2019-20. Specific meetings were held with MOFEPD management and departments falling under MOFEPD, to discuss issues reported by the Director of Audit.

The issues discussed at the level of AC were as follows:

- Review of the Internal Audit Plan for MOFEPD and the works carried out by the Internal Audit team;
- Review of queries raised by the Director of Audit and follow up on his recommendations; and
- Remedial actions to be taken to enhance revenue collection and recover arrears of revenue.

Implementation Plan - Director of Audit Comments

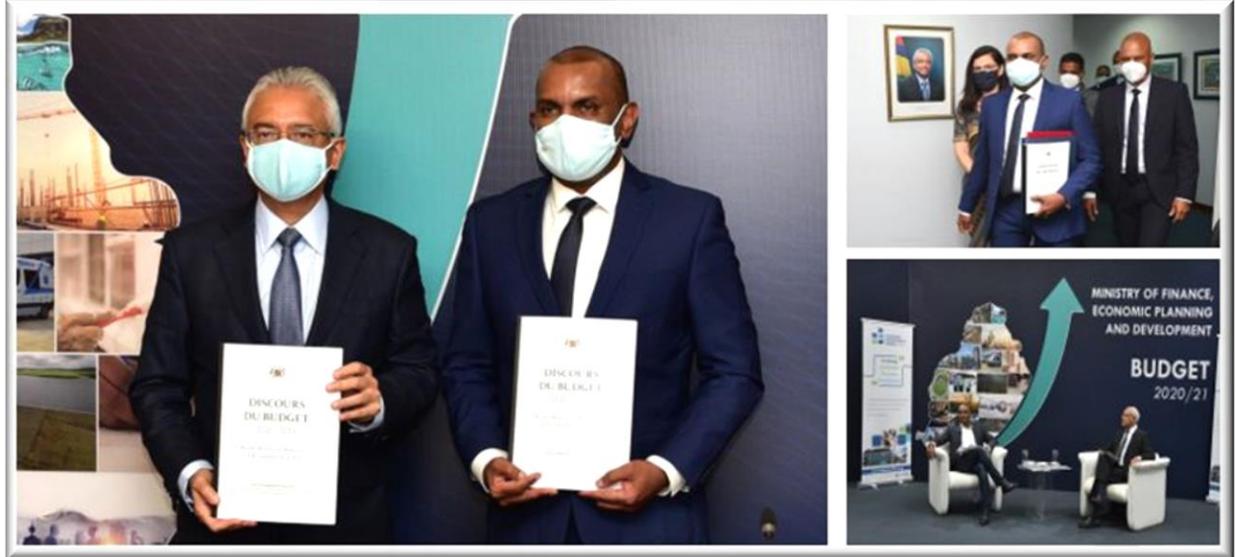
The Director of Audit issued his report on the accounts of the Republic of Mauritius for the FY ending 30 June 2019 in February 2020. Included in her report were shortcomings noted at the level of Ministry of Finance and Development. The actions/measures being undertaken to address the shortcomings are shown in the table below.

ISSUES (REPORT REF)	DOA COMMENTS	PROPOSED MEASURES	STATUS OF ACTIONS TAKEN / IMPLEMENTATION DATE
MOFEPD			
4.3.1	Rent was paid at Belmont House for unoccupied office by the Independent Review Panel (IRP) FOR period Dec 2017 to Nov 2018.	-	The delay in the relocation of the IRP to the Belmont House was merely due to unforeseen circumstances such as changes in the performance contract owing to additional works requested for by the IRP and which were beyond its control.
4.3.2	MauBank Holdings Ltd has still not been able to meet its Long-Term objective which was to dispose of its stake in MauBank Ltd, as up to now, the latter has still not been able to attain substantial profits and capital growth.	<ul style="list-style-type: none"> • Distribution of dividend to equity shareholders is possible only if the Bank generates distributable profits. • The bank initiated a capital reduction to clear all accumulated losses. • The Bank will pay dividend to Government once it starts generating distributable profits. 	<ul style="list-style-type: none"> • The Bank made an operating profit of MUR 6.3m during the Financial Year ending June 2019. • Disposing its stake in MauBank Ltd is an ongoing process in line with MauBank Holdings Ltd Longer-Term objectives.

Table 8: Comments from Director of Audit

EVENTS HOSTED BY MOFEPD

♠ Budget Speech Day 2020/2021



Activities organized by the MOFEPD

- ♣ Signature Ceremony of Mauritius Africa Fund with the High Commissioner of India
- ♣ Signature Ceremony Agreement on Economic and Technical Cooperation between the Government of the Republic of Mauritius and the Government of the People's Republic of China
- ♣ Working session with China Development Bank
- ♣ Signature Ceremony with Ambassador of Japan



- ♣ 2nd Tripartite Committee Meeting for Salary Compensation 2020



- ♣ Visit of Officials from Saudi Fund for Development
- ♣ Training Workshop on SOURCE Platform
- ♣ Video Conference on AML/CFT issues with French and Mauritian Officials
- ♣ High level working session with the Hon. Lady Howard Mabuza, Minister of Education and Training from the Government of Eswatini
- ♣ End of year Get Together at Sofitel L'Imperial Resort
- ♣ Afritac South Mauritius mission to provide technical assistance on public investment management project screening, appraisal, selection, preparation & monitoring
- ♣ Networking breakfast Meeting with the Press

- ♣ AFRITAC South Mission to provide technical assistance on implementation of accrual International Public Sector Accounting Standards (IPSAS)



Activities organized by the MOFEPD Staff Welfare Association

- ♣ Team Building at Domaine Yemen, Tamarin – September 2019



- ♣ End-of-Year Staff Get Together, Sofitel Hotel – December 2019
- ♣ Health Promotion Talk – December 2019
- ♣ Health Screening of Staff – December 2019
- ♣ Rapid Antigen COVID-19 Test – June 2020
- ♣ Contribution to farewell parties of staff going on retirement

Participation of MOFEPD staffs in activities organized by the Public Officers Welfare Council (POWC)

- ♣ Annual Civil Service Kermesse – December 2019
- ♣ Annual Football Tournament – February 2020
- ♣ Public Speaking Competition
- ♣ Scrabble Competition

A hand holding a blue pen pointing at a document with charts and graphs. The document features a bar chart with red, blue, and yellow bars, and a line graph with a red line. The text 'PART III: FINANCIAL PERFORMANCE' is centered on the page, enclosed in a red bracket.

PART III:

FINANCIAL PERFORMANCE

FINANCIAL HIGHLIGHTS

REVENUE

Revenue collected by MOFEPD, its Departments and Statutory Bodies can be classified into two broad categories: -

- ✚ **Tax Revenue** (including licence fees); and
- ✚ **Non-Tax Revenue** (sales of goods and services, dividends, interest on loan to parastatal bodies and fines)

Figure 13 below is an illustration of revenue collected in FY 2019-20 by MOFEPD, its Departments and Statutory Bodies. Total collection was Rs 92.6 billion¹, out of which revenue collected by the Mauritius Revenue Authority (MRA) represented 91.1 percent.

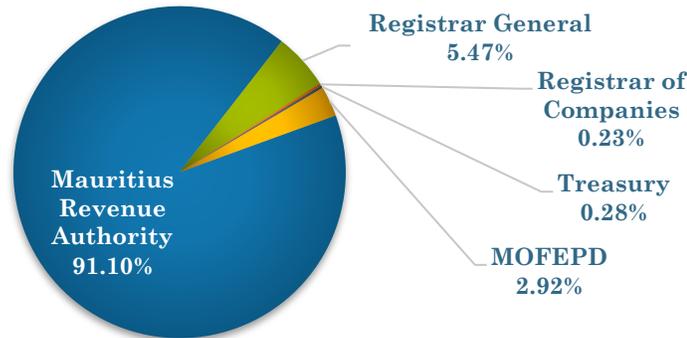
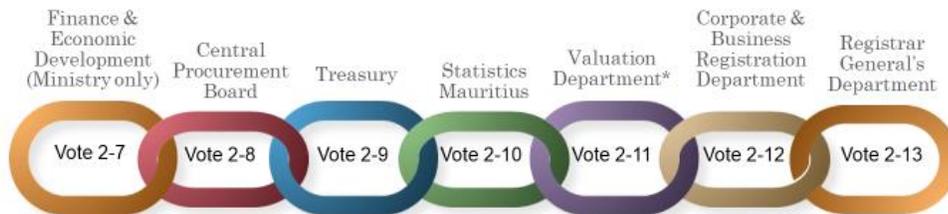


Figure 13: Revenue collection by MOFEPD and its statutory bodies

EXPENDITURE

There are seven Expenditure Votes under MOFEPD, through which the appropriation of funds is made by the National Assembly.



*Following the constitution of the New Cabinet, the subject of valuation falls under the portfolio of Ministry of Housing and Lands with effect from November 2019

Figure 14: The 7 expenditure votes under MOFEPD

¹ Revenue figures are as at 22nd October 2020

The expenditure incurred by MOFEPD in FY 2019-20 under Vote 2-7 is illustrated below by economic classification. Around 83 percent of total expenditure were

attributed to grants, while 13 percent were incurred as compensation to employees, such as personal emoluments, other staff costs and social contributions.

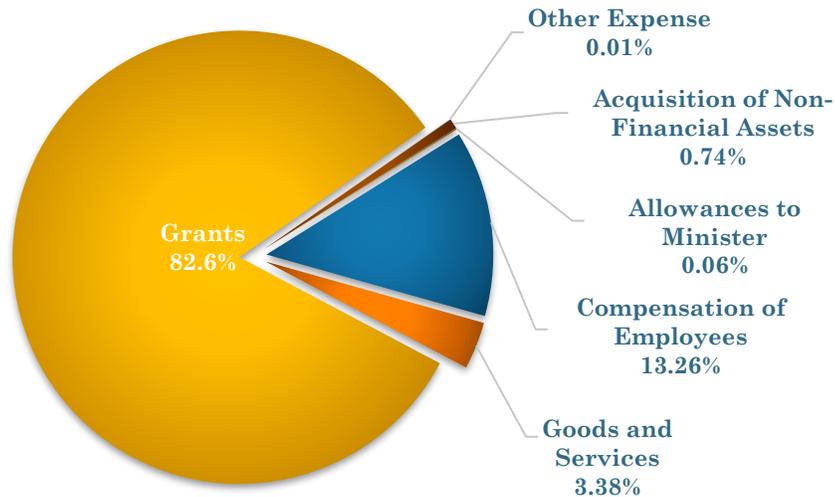


Figure 15: Expenditure incurred by MOFEPD under Vote 2-7

ANALYSIS OF MAJOR CHANGES

REVENUE

Figure 16 shows a year-on-year comparison of the revenue collected by the Mauritius Revenue Authority in FY 2019-20.



Figure 16: Breakdown of revenue collected by MRA in FY 2018-19 and FY 2019-20

Out of a total revenue collection of Rs 84.3 billion by the MRA in FY 2019-20, Value Added Tax, Taxes on Income & profits and Excise duties represent 39%, 32% and 22% respectively. Other revenue representing 7% of total revenue comprises Taxes on

Specific Services & Gambling, Taxes on International Trade & Transactions, Other Taxes, License Fees and User Fees & Charges. Compared to 2019-20, there was 6% increase in total revenue of MRA.

EXPENDITURE

MOFEPD expenditure is predominantly constituted of grants, which are normally provided to Extra-Budgetary Units to meet their operating costs and capital expenditure. In the FY 2019-20, around 83% of Expenditure under Vote 2-7 was incurred under Grants which are provided

as Current and Capital Grants to the Mauritius Revenue Authority.

An annual comparison of expenditure incurred by MOFEPD under Vote 2-7 is shown in Figure 17 below.

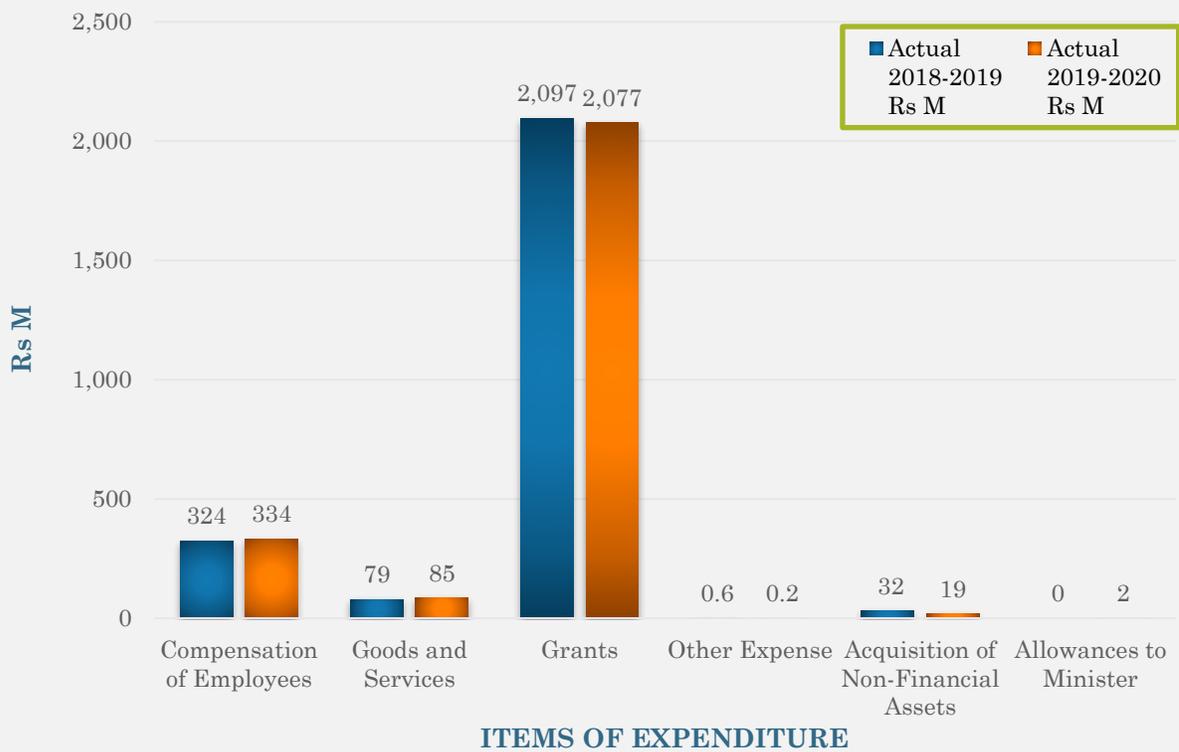


Figure 17: Expenditure incurred by MOFEPD under Vote 2-7

STATEMENTS OF REVENUE AND EXPENDITURE

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

Table 9 below provides a summary of total revenue from property income, user fees and other sources which were collected by the MOFEPD and its Departments.

Total revenue collected by MOFEPD and its Departments and Statutory Bodies is lower by Rs 4.8 billion in FY 2019-20 compared to FY 2018-19, mainly due to a reduction in taxes as a result of reduced activities during the sanitary curfew period of COVID-19 pandemic.

STATEMENT OF REVENUE FROM PROPERTY INCOME, USER FEES AND OTHER SOURCES			
DEPARTMENT / HEAD OF REVENUE	2018-19 Actual Rs'000	2019-20 Estimates Rs'000	2019-20 Prov. Actual Rs'000
MAURITIUS REVENUE AUTHORITY			
TAXES ON INCOME AND PROFITS	26,717,112	29,120,000	26,908,918
TAXES ON GOODS AND SERVICES	59,661,623	62,684,300	54,589,653
VALUE ADDED TAX	34,941,144	38,000,000	32,658,338
EXCISE DUTIES AND ENVIRONMENT TAXES	20,870,971	20,540,000	18,925,503
TAXES ON SPECIFIC SERVICES AND GAMBLING	3,826,641	4,121,000	2,983,868
LICENCE FEES - LIQUOR	22,867	23,300	21,944
TAXES ON INTERNATIONAL TRADE AND TRANSACTIONS	1,379,403	1,405,000	1,216,330
OTHER TAXES	1,610,984	1,930,000	1,529,205
USER FEES AND CHARGES	91,249	93,000	102,988
TOTAL REVENUE FROM MRA	89,460,371	95,232,300	84,347,094
REGISTRAR GENERAL			
RECURRENT TAXES ON IMMOVABLE PROPERTY	6,297	6,000	7,980
TAXES ON FINANCIAL AND CAPITAL TRANSACTION	5,936,247	6,544,000	5,008,973
OTHER NON-RECURRENT TAXES ON PROPERTY	218,708	145,000	45,234
TOTAL REVENUE FROM REGISTRAR GENERAL	6,161,252	6,695,000	5,062,187
REGISTRAR OF COMPANIES			
LICENCES	200,336	216,300	202,288
INCORPORATION AND LODGING FEE, SEARCH DUTY ETC	13,108	14,700	12,071
TOTAL REVENUE FROM REGISTRAR OF COMPANIES	213,444	231,000	214,359

STATEMENT OF REVENUE FROM PROPERTY INCOME, USER FEES AND OTHER SOURCES			
DEPARTMENT / HEAD OF REVENUE	2018-19 Actual Rs'000	2019-20 Estimates Rs'000	2019-20 Prov. Actual Rs'000
TREASURY			
INTEREST	244,088	485,000	231,557
PENSION CONTRIBUTION REIMBURSEMENTS	265	350	365
COMPENSATION FOR GOVERNMENT-OWNED VEHICLES	1,440	1,350	671
SALE OF STORE	14,397	11,700	10,494
MISCELLANEOUS	787	820	882
FINES, PENALTIES AND FORFEITS	15,446	13,400	14,227
TOTAL REVENUE FROM TREASURY	276,423	512,620	258,196
MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT			
DIVIDENDS	185,866	613,000	552,340
WITHDRAWALS	1,138,126	2,600,000	2,152,003
TOTAL REVENUE FROM MOFEPD	1,323,992	3,213,000	2,704,343
TOTAL REVENUE FROM PROPERTY INCOME, USER FEES AND OTHER SOURCES	97,435,482	105,883,920	92,586,176

Table 9: Statement of Revenue from Property Income, User Fees and Other Sources

STATEMENTS OF EXPENDITURE

The Statements of Expenditure², have been prepared from data captured from the Treasury Accounting System (TAS).

Table 10 below provides a summary of total expenditure incurred by MOFEPD under Vote 2-7 (Headquarters) which comprises Sub-Heads 2-701: General, 2-702: Procurement Policy Office, 2-703: Independent Review Panel, 2-704: Assessment Review Committee and 2-705: Strategic Policy and Planning.

HEAD / SUB-HEAD OF EXPENDITURE	2018-19 ACTUAL RS'000	2019-20 ESTIMATES RS'000	2019-20 ACTUAL RS'000
2-7 FINANCE AND ECONOMIC DEVELOPMENT			
2-701: GENERAL	2,456,146	2,667,800	2,432,471
ALLOWANCES TO MINISTER	-	-	1,527
COMPENSATION OF EMPLOYEES	281,337	332,560	287,956
GOODS AND SERVICES	51,814	80,940	55,129
GRANTS	2,096,821	2,219,950	2,077,296
OTHER EXPENSE	609	650	165
ACQUISITION OF NON-FINANCIAL ASSETS	25,565	33,700	10,398
2-702: PROCUREMENT POLICY OFFICE	30,872	43,775	27,826
COMPENSATION OF EMPLOYEES	12,598	13,715	12,143
GOODS AND SERVICES	12,585	25,060	15,682
ACQUISITION OF NON-FINANCIAL ASSETS	5,690	5,000	-
2-703: INDEPENDENT REVIEW PANEL	6,142	16,700	10,843
COMPENSATION OF EMPLOYEES	2,303	3,740	2,817
GOODS AND SERVICES	3,820	5,960	4,502
ACQUISITION OF NON-FINANCIAL ASSETS	19	7,000	3,525
2-704: ASSESSMENT REVIEW COMMITTEE	33,494	57,400	38,709
COMPENSATION OF EMPLOYEES	22,383	30,560	24,697

² Expenditure figures as at 30th October 2020

HEAD / SUB-HEAD OF EXPENDITURE	2018-19 ACTUAL RS'000	2019-20 ESTIMATES RS'000	2019-20 ACTUAL RS'000
GOODS AND SERVICES	10,655	12,640	9,410
ACQUISITION OF NON-FINANCIAL ASSETS	456	14,200	4,601
2-705: STRATEGIC POLICY AND PLANNING	5,506	14,300	6,236
COMPENSATION OF EMPLOYEES	5,289	12,710	5,920
GOODS AND SERVICES	217	1,590	317
TOTAL EXPENDITURE FOR VOTE 2-7	2,532,161	2,799,975	2,516,084

Table 10: Statement of Expenditure under Vote 2-7 (MOFEPD Headquarters)

SUMMARY of EXPENDITURE INCURRED by DEPARTMENTS of MOFEPD			
VOTE OF EXPENDITURE	2018-19 ACTUAL RS'000	2019-20 ESTIMATES RS'000	2019-20 ACTUAL RS'000
2-8 CENTRAL PROCUREMENT BOARD	54,428	69,000	55,487
COMPENSATION OF EMPLOYEES	32,776	44,020	35,929
GOODS AND SERVICES	20,125	23,480	17,953
SOCIAL BENEFITS	1,527	1,500	1,606
2-9 THE TREASURY	118,625	140,000	120,627
COMPENSATION OF EMPLOYEES	75,881	93,225	77,615
GOODS AND SERVICES	39,742	41,875	39,845
GRANTS	857	900	900
ACQUISITION OF NON-FINANCIAL ASSETS	2,145	4,000	2,267
2-10 STATISTICS MAURITIUS	165,580	189,000	159,208
COMPENSATION OF EMPLOYEES	102,337	116,973	103,424
GOODS AND SERVICES	62,444	70,980	55,753
GRANTS	27	47	31
ACQUISITION OF NON-FINANCIAL ASSETS	772	1,000	-
2-11 VALUATION DEPARTMENT	111,564	150,000	127,194
COMPENSATION OF EMPLOYEES	85,029	108,763	92,703

SUMMARY of EXPENDITURE INCURRED by DEPARTMENTS of MOFEPD			
VOTE OF EXPENDITURE	2018-19 ACTUAL RS'000	2019-20 ESTIMATES RS'000	2019-20 ACTUAL RS'000
GOODS AND SERVICES	23,589	25,137	21,303
ACQUISITION OF NON-FINANCIAL ASSETS	2,947	16,100	13,188
2-12 CORPORATE AND BUSINESS REGISTRATION DEPARTMENT	100,099	122,000	102,985
COMPENSATION OF EMPLOYEES	51,809	67,330	53,477
GOODS AND SERVICES	38,351	39,780	35,745
GRANTS	62	90	87,046
ACQUISITION OF NON-FINANCIAL ASSETS	9,876	14,800	13,676
2-13: REGISTRAR-GENERAL'S DEPARTMENT	93,534	145,000	106,587
COMPENSATION OF EMPLOYEES	73,370	82,140	71,598
GOODS AND SERVICES	17,776	21,560	17,510
ACQUISITION OF NON-FINANCIAL ASSETS	2,388	41,300	17,479
TOTAL EXPENDITURE FOR VOTE 2-8 TO 2-13	643,830	815,000	672,089
TOTAL EXPENDITURE FOR VOTE 2-7 TO 2-13	3,175,991	3,614,975	3,188,173

Table 11: Summary of Expenditure incurred by MOFEPD and its Departments

Total expenditure under the different votes of MOFEPD (Vote 2-7 to 2-13) amounted to Rs 3.188 billion in FY 2019-20 compared to actual expenditure of Rs 3.175 billion in FY 2018-19. Also, compared to the total estimated amount, there was an underspending in 2019-20 by around twelve percent (12%).

CENTRALISED SERVICES OF GOVERNMENT

VOTE OF EXPENDITURE	2018-19 ACTUAL RS'000	2019-20 ESTIMATES RS'000	2019-20 ACTUAL RS'000
24-1 CENTRALLY MANAGED EXPENSES OF GOVERNMENT	2,245,100	2,525,300	2,077,726
COMPENSATION OF EMPLOYEES	1,913,954	2,170,000	1,807,565
GOODS AND SERVICES	148,875	128,000	71,305
GRANTS	45,600	57,000	57,000
OTHER EXPENSE	136,672	170,300	141,856
25-1 CENTRALLY MANAGED INITIATIVES OF GOVERNMENT	8,013,935	36,255,360	32,399,236
COMPENSATION OF EMPLOYEES	39,345	672,257	521,441
GOODS AND SERVICES	17,112	41,443	12,071
SUBSIDIES	23,710	11,058,000	8,638,564
GRANTS	20,008	12,120,400	12,120,026
SOCIAL BENEFITS	-	3,000,000	2,414,675
OTHER EXPENSE	1,067,869	1,430,360	1,299,388
ACQUISITION OF NON-FINANCIAL ASSETS	79,908	388,000	146,732
ACQUISITION OF FINANCIAL ASSETS	6,765,982	7,544,900	7,246,338

Table 12: Summary of Expenditure incurred under Centralised Services of Government

As per the table above, there was an underspending in 2019-2020 compared to their budgeted amounts under centralized services of the Government in both Votes 24-1 and 25-1.

PART IV:

WAY FORWARD

TRENDS AND CHALLENGES

The SWOT analysis below highlights the characteristics of MOFEPD and its operating environment.

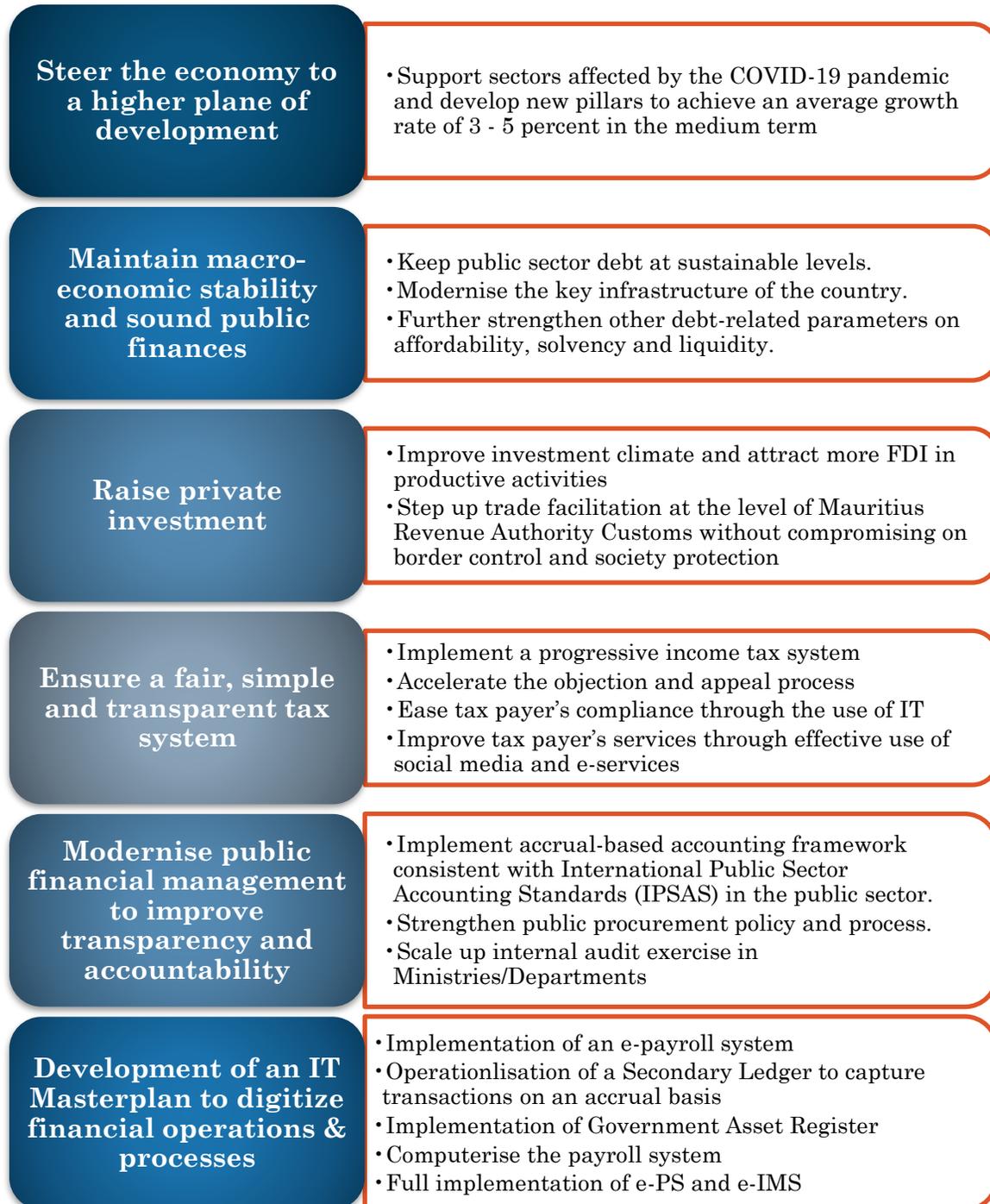
SWOT Analysis



Figure 18: SWOT Analysis of MOFEPD

STRATEGIC DIRECTION

In order to consolidate economic fundamentals and improve the effectiveness of Government in service delivery, the Ministry has set out its strategic direction for the next three years. Accordingly, the following strategies will be implemented:



EDITORIAL TEAM

Mr. Rajesh ACHARUZ – Deputy Financial Secretary

Mrs. Naimabee AUBDOOLLAH-SUHOTOORAH - Lead Analyst

Mr. Anand MOOTEEA - Analyst/ Senior Analyst

Mr. Krishna GUNESSEE - Analyst/ Senior Analyst

Ms. Zaahira EBRAMJEE - Analyst

ANNEX I

KEY RESPONSIBILITIES OF THE DEPARTMENTS FALLING UNDER THE PURVIEW OF MOFEPD

Treasury

- ☞ Prepare 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;
- ☞ Monitor the cash flows of government and to ensure availability of cash for meeting government's payment obligations; and
- ☞ Manage 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

- ☞ Register 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.

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
- ☞ Collect, compile, analysis and disseminate 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

- ✎ Provide 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
- ✎ Assist the public sector through training and other interactions in the field of procurement.

Independent Review Panel

- ✎ Uphold and maintain confidence of suppliers and contractors as well as the general public in the public procurement process;
- ✎ Ensure and promote transparency and good governance in the public procurement process; and
- ✎ Hear and determine appeals against procurement decisions by a Public Body and/or the Central Procurement Board in compliance 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

- ✎ Process representations lodged; schedule 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.

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.

Economic Development Board

- ✎ Promoting and facilitating 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 and more importantly, to continuously improve the investment and business climate.

Sugar Insurance Fund Board

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

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;
- ☞ 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; and
- ☞ 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 Statistics Mauritius and other official producers of statistics on the directions and priorities for official statistic.