



# MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Government Centre, Port Louis, Mauritius

## Circular No 2 of 2018

MY REF : CF/10/40/20/23. Date: 14 February 2018  
From : Financial Secretary  
To : Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

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**SUBJECT** : *National Pension Fund (NPF), National Savings Fund (NSF), and Training Levy payable to the Mauritius Revenue Authority*


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As you are aware, all contributions relating to the National Pension Fund (NPF), National Savings Fund (NSF), and Training Levy are now payable to the Mauritius Revenue Authority (MRA) as from January 2018, in accordance with the Business Facilitation (Miscellaneous Provisions) Act 2017.

2. Payment of the above contributions to the MRA, as the new collecting agent, will entail some minor modifications in financial operations in Ministries/Departments. In this context, Ministries/Departments are hereby informed that the following procedures would, henceforth, be applicable for the payment of contributions in respect of National Pension Fund (NPF), National Savings Fund (NSF), and Training Levy to the MRA.

- (i). All preliminary procedures for the computation of the relevant contributions on the basis of the salaries of public officers will be carried out as currently being done.
- (ii). List of contributions for **Government NSF(2.5%)** in respect of employees on the payroll of Ministries/Departments will continue to be generated by the CISD and will be submitted electronically to MRA. However Ministries/Departments should ensure that the amount of contributions to be credited to the MRA is **always equivalent** to the amount shown on the relevant CISD list.
- (iii). All manual paysheets in respect of employees on payroll should be promptly incorporated in the latest month payroll through Accounts Form 228i. It is based on this update that the NSF listing will be generated by CISD. This implies that the list generated by CISD will already include records for manual paysheets. Ministries/Departments should ensure that appropriate data are submitted to the CISD by the scheduled dates according to instructions issued by the CISD.

- (iv). Where for any reason, a manual paysheet has not been incorporated in the CIRD payroll, Ministries/Departments should submit to the MRA, a separate return in respect of the concerned employees with the appropriate ERN of the Ministry/Department, employee details and related contribution amounts. Such returns should be submitted using the e-filing facility available on the MRA website. The MRA will provide login and password for access to the e-filing facility.
- (v). Payment of the relevant contributions should be made to supplier "MRA-Social Contribution" created on Treasury Accounting System (TAS)
- (vi). For payment purpose, the Descriptive Flex Field, provided for Employer Registration Number allocated by the National Savings Fund is a mandatory field on TAS. Furthermore, the specific paygroup relating to NSF should be used.
- (vii). Following an arrangement to facilitate the prompt reconciliation of contributions in respect of persons employed by Members of the National Assembly, Ministries/Departments are requested to submit monthly returns to the MRA specifying the identification details, such as, Employer Registration Number (ERN), name and National Identity Card (NIC) number of employee and amount relating to each contribution. Annual returns may not be submitted in respect of such contributions.
- (viii). Officers-in-Charge finance should ensure that monthly contributions in respect of all employees, both payroll and non-payroll, under their Employer Registration Number (ERN), tally with the amount of contributions actually being paid to the MRA for that month.
- (ix). The Treasury will continue to provide payment advice to MRA for Non Self Accounting Ministries/Departments, supported by detailed listing wherever applicable. Self Accounting Ministries/Departments should submit their own payment advice duly supported by detailed listings where applicable.
3. You are hereby requested to ensure compliance to the above directives.

  
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**C. Singelee**  
*for Financial Secretary*



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT  
Government Centre, Port Louis, Mauritius

MY REF. : CF/50/10/50/10/58

Date: 27 February 2018

YOUR REF. : -

Corr. (2e)

From : Financial Secretary

To : Supervising Officers in Charge of Ministries/Departments and Accounting Officers

SUBJECT : PIMU - Project Appraisal System

You will recall that in September 2017, Financial Instructions No 3 of 2017- Capital Project Process Manual (CPPM) were issued to Ministries/Departments with the objective to simplify the framework of planning, financing and implementation of capital projects.

2. The CPPM lays down the new process for appraisal and approval of capital projects at MOFED. A two stage approach has been adopted to appraise project proposals above Rs. 25 Million, namely

- **Stage 1 - Project Preparation** where financial clearance is given to proceed with preparation of the project (Section 4.6 of the CPPM); and
- **Stage 2 - Project Execution/Implementation** where financial clearance is given for implementation of the project subject to budget provisioning (Section 4.8 of CPPM).

3. In this respect two draft templates that are proposed to be used at our ministry for assessment of project proposals submitted by Ministries/Departments are enclosed, namely

- (1) **A Strategic Relevance Assessment Report** where the project would be evaluated in terms of its strategic relevance and need; and
- (2) **A Detailed Project Appraisal Report** where the project would be assessed in terms of its financial, economic and technical viability.

4. As part of a collaborative approach and with a view to have a general consensus, it would be highly appreciated if you could submit the views and comments of your Ministry/Department on those two draft templates before their finalisation. Grateful if any views and comments could be submitted at latest by **Wednesday 7<sup>th</sup> March 2018**.

5. For any further information or clarification thereon you may wish to contact either:

- (i) Mrs. N. Kureemun, Senior Analyst (Tel: 201 1155 - Email: nkureemun@govmu.org); or
- (ii) Mr. K. Seebundhun, Lead Analyst (Tel: 201 3605 – Email: kseebundhun@govmu.org).

Kresh Seebundhun  
for Financial Secretary

*Public Investment Management Unit (PIMU)*  
*Strategic Relevance Assessment Report*

**General Information**

Project Title: .....

Ministry/Department/Organisation: .....

Sector: .....

Project Location: .....

Estimated Project Value (inclusive of Tax): .....

Expected start date: .....

Expected Duration of Implementation: .....

<b>Project Description</b>
<p>Clear description of social, institutional and economic context including:</p> <ul style="list-style-type: none"><li>- Problem identification;</li><li>- Assessment of the current situation and constraints.</li></ul>

## *Public Investment Management Unit (PIMU)*

### *Strategic Relevance Assessment Report*

<b>Criteria</b>	<b>Elements</b>	<b>Max. Marks</b>	<b>Score</b>	<b>Justification</b>
Strategic alignment (20%)	In line with National targets/ development strategies/ government policies	3		<p><i>Is the project in line with Government Programme/ Government Vision/sector strategic plan?</i></p> <p><i>Whether there are other facilities with overlapping objectives and coverage in other Ministries? If so, is there scope for integration?</i></p>
	Project structure and objective.  <i>In case the project relates to acquisition of equipment, are indications given with respect to technical specifications, life cycle, country of origin, availability of spare parts, after sale service, etc.?</i>	3		<p><i>Is the project properly structured in terms of:</i></p> <ul style="list-style-type: none"> <li>➤ <i>Planning and clear cut objectives</i></li> <li>➤ <i>Well-defined targets and measurable indicators (actual statistics and forecasted)</i></li> <li>➤ <i>Scope of Works and associated activities to be undertaken</i></li> </ul>
	Project need and priority	3		<p><i>Does the project rank among the topmost priorities of the Ministry?</i></p> <p><i>Is there a pressing need for the project and/or will the project increase the capability of the Ministry to achieve its mission and objectives?</i></p> <p><i>Is the need for the project fully substantiated?</i></p> <p><i>Will deferring the project impact negatively on sectoral/ national development?</i></p>

## *Public Investment Management Unit (PIMU)*

### *Strategic Relevance Assessment Report*

Economic (45%)	Practicality and cost-effectiveness of project (option analysis)	3	Are there alternative options to achieve the same objective?  Have these options been assessed?  What are the justifications for preferred option?  Financial implications for selecting the particular option
	Current and projected/estimated demand for the services	3	Demand and Supply analysis
	Relevance of project cost estimates	3	Has a proper costing methodology been adopted to ensure project cost is more or less realistic and reflective of real market value?  Is the basis of calculation reasonable?  Is the cost breakdown sufficiently detailed out and incorporate all the core components with proper costing?
	Alternative financing options	3	Have alternative feasible options been adequately considered?  What are the criteria for selection of this option? Is the selected option the most cost effective one?  Does the project provide ways and means to generate savings and revenue (cost recovery measures)?
	Appropriate implementation schedule for timely project preparation and execution	3	Is schedule reasonable and likely to be adhered to?
	Future operation and maintenance (impact on public body)	3	Ensuring sustainability/durability.  Has provision been made for recurrent expenses in terms of wages/salaries, recruitment of additional staff, operation and maintenance costs, etc.?

## *Public Investment Management Unit (PIMU)*

### *Strategic Relevance Assessment Report*

	Optimal use of infrastructure/ facility	3		<i>An assessment of whether the facility will be optimally utilised.</i>
Social (5%)	Socio-economic impact of project	3		<p><i>Socio-economic benefits; Will the benefits of the project improve the current situation (enhance delivery services) and performance and justify the investment made?</i></p> <p><i>Are there relevant performance indicators to measure the benefits of the project?</i></p>
Sustainable development (5%)	Environmental impact	3		<i>Whether the project takes into consideration environmental concerns with due respect to the eco-system.</i>
Technical (25%)	Maturity of implementation	3		<p><i>Have stakeholders/authorities been consulted and issues properly sorted out to ensure greater coordination and responsibility of each? Have they submitted their views/observations regarding the project?</i></p> <p><i>Availability of prerequisite factors for implementing project, e.g., relevant studies, resolved legal issues, land identification/vesting, clearances and permits, way leaves, planning clearances, utility clearances, etc..</i></p>
	Implementation capacity	3		<p><i>In house capacity to execute, manage and operate the project effectively and efficiently/ outsourcing</i></p> <p><i>Does the organisation has the implementation capacity to execute the project within the allocated budget and the prescribed schedule without impacting on the execution of other projects by the same organisation?</i></p>
	Project implementation	3		<i>What are the mechanisms for implementation, monitoring and supervision of the project?</i>

**Public Investment Management Unit (PIMU)**  
**Strategic Relevance Assessment Report**

	Probability of project success (which incorporates all project's risk factors)	3		<p><i>Have the problems/challenges been clearly highlighted?</i></p> <p><i>Arrangements to ensure that impediments/hindrances will be addressed through appropriate remedial actions to enable successful completion of project within reasonable timeline and budget</i></p>
<b>Total Score</b>		<b>48</b>		

**NOTE:** Answers to each question above would be assessed on a scale indicated below.

- 3- Good**
- 2- Satisfactory**
- 1- Fair**
- 0- Inadequate**



**Public Investment Management Unit (PIMU)**  
**Detailed Project Appraisal Report**

Ministry/Department/Organisation: .....

Contact Person at the Ministry.....

Project Title: .....

Project Description.....

Project location: .....

Project value (Inclusive of taxes): .....

Project Cost Components:

	<b>Costs Breakdown</b>	<b>Rs</b>
1	Site Acquisition <i>(If applicable)</i>	
2	Preparation costs (studies, design, tender documents)/ Project Management/ Supervision costs	
3	Construction costs	
4	Costs of associated utilities	
5	Machinery/Equipment/Furniture	
6	Others <i>(specify)</i>	
	<b>TOTAL</b>	

Expected Project Duration: .....

Expected start date: .....

**Public Investment Management Unit (PIMU)**  
**Detailed Project Appraisal Report**

Project stages/milestones:

	<b>Duration (months)</b>	<b>Expected start date</b>	<b>Expected completion date</b>
Conducting Feasibility/Other relevant studies			
Preparation of Detailed Design			
Preparation of Tender Documents			
Launching of Bids			
Award of Contract			
Implementation/Construction			
Commissioning			

**Stage 1 recommendation:**

*If applicable*

# Public Investment Management Unit (PIMU)

## Detailed Project Appraisal Report

Criteria	Max. Marks	Project Score	Justification
<b>A: Overall:</b> To assess completeness of submission from Public Body (10%)			
Feasibility report and/or other studies	6		<p>Are there feasibility report/s and/or other studies (as recommended in stage 1, where applicable)</p> <ul style="list-style-type: none"> <li>- Yes ..... (6)</li> <li>- Partly ... (3)</li> <li>- No ..... (0)</li> </ul> <p>Are the reports full-fledged and contain detailed (1 addl. mark for each):</p> <ul style="list-style-type: none"> <li>- Financial analysis; (1)</li> <li>- Economic analysis (incl. environment, socio-economic assessment, observation of stakeholders); (1)</li> <li>- Technical analysis; and (1)</li> <li>- Risk analysis and risk management. (1)</li> </ul>
<b>B: Financial Analysis:</b> To assess financial viability and financial sustainability of project (30%)			
Initial investment cost	10		<p>Have all relevant cost elements been considered?</p> <ul style="list-style-type: none"> <li>- Yes ..... (10)</li> <li>- Partly .... (5) – major cost elements covered</li> <li>- No ..... (0) – some major cost elements not covered</li> </ul> <p>Are the estimated costs reasonable, realistic and reflective of market value?</p> <ul style="list-style-type: none"> <li>- Yes ..... (10)</li> <li>- Fair ..... (5) – relevant proxies used/costs are close to MV</li> <li>- No ..... (0) – costs are far from MV</li> </ul>

**Public Investment Management Unit (PIMU)**  
**Detailed Project Appraisal Report**

Financial Viability	4	<p><i>Will the project generate revenue, bring cost savings or increase in revenue?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (4)</li> <li>- Partly .... (2)</li> <li>- No ..... (0)</li> </ul> <p><i>If not applicable; social and environmental benefits to be defined and should be measurable</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (4)</li> <li>- Partly .... (2)</li> <li>- No ..... (0) (see part C)</li> </ul>
	3	<p><i>Has the increase in the recurrent expenditure, if any, been considered and effectively dealt with?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (3)</li> <li>- Partly ... (1)</li> <li>- No ..... (0)</li> </ul>
	3	<p><i>Has any financial impact on other agencies been identified and how will they be dealt with (whole of government approach)?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (3)</li> <li>- Partly ... (1)</li> <li>- No ..... (0)</li> </ul>
<b>C: Socio-Economic &amp; Environmental Analysis: To assess the impact on (i) the economy, (ii) environment, (iii) social aspects, etc. (20%)</b>		
Cost-Benefit Analysis (including both implicit and social cost-benefits of project); Analysis of the social impacts; Consultation with relevant stakeholders/authorities;	6	<p><i>Has a Cost Benefit Analysis been conducted taking into account all externalities? If not, what is the net social outcome of project?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (6)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul>

**Public Investment Management Unit (PIMU)**  
**Detailed Project Appraisal Report**

	2	<p><i>Are the measures proposed to address any drawbacks?</i></p> <ul style="list-style-type: none"> <li>- Adequate ..... (2)</li> <li>- Fair ..... (1)</li> <li>- Inadequate ... (0)</li> </ul> <p><i>Have relevant stakeholders/authorities been consulted and issues properly trashed out to ensure efficient coordination and successful execution of project?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (2)</li> <li>- No ..... (0)</li> </ul>
<p>Environmental analysis (to identify environmental issues associated with the project and identify ways of dealing with them)</p>	4	<p><i>Has any possible impact on environment been identified and analysed?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (4)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul> <p><i>Has an EIA been obtained, if so required?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (2)</li> <li>- No ..... (0)</li> </ul> <p><i>If applicable, what are the measures proposed to manage the environmental issues?</i></p> <ul style="list-style-type: none"> <li>- Adequate ..... (4)</li> <li>- Fair ..... (2)</li> <li>- Inadequate ... (0)</li> </ul>

# Public Investment Management Unit (PIMU)

## Detailed Project Appraisal Report

<b>D: Risk identification and mitigation:</b> To assess the level of risk and its management (10%)			
Risk analysis	5	<p><i>Have the potential risks associated with the project been clearly identified?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (5)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul> <p><i>Are the measures proposed to mitigate these risks adequate?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (5)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul>	<p><i>Have the potential risks associated with the project been clearly identified?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (5)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul> <p><i>Are the measures proposed to mitigate these risks adequate?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (5)</li> <li>- Partly ... (2)</li> <li>- No ..... (0)</li> </ul>
<b>E: Technical analysis:</b> To confirm whether: (30%)			
<ul style="list-style-type: none"> <li>i. the project has been clearly spelt out with the correct technical design details;</li> <li>ii. the required materials have been correctly determined and their source identified; and</li> <li>iii. the costs of the project have been clearly established, product prices projected, and payment modalities and schedules agreed upon;</li> </ul>			
Technical/ Administrative Clearances	10	<p><i>Have all the necessary permits and licenses, utility and way leaves, EIA, land acquisition, approval of Building Plans Committee, etc. been secured?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (10)</li> <li>- No ..... (0)</li> </ul>	<p><i>Have all the necessary permits and licenses, utility and way leaves, EIA, land acquisition, approval of Building Plans Committee, etc. been secured?</i></p> <ul style="list-style-type: none"> <li>- Yes ..... (10)</li> <li>- No ..... (0)</li> </ul>
The site	4	<p><i>Has the site:</i></p> <ul style="list-style-type: none"> <li>- been vested or acquired by the organization?</li> </ul>	<p><i>Has the site:</i></p> <ul style="list-style-type: none"> <li>- been vested or acquired by the organization?</li> </ul>
	2	<ul style="list-style-type: none"> <li>- been positively approved for the project (geotechnical tests, etc.)?</li> </ul>	<ul style="list-style-type: none"> <li>- been positively approved for the project (geotechnical tests, etc.)?</li> </ul>
	2	<ul style="list-style-type: none"> <li>- contain all relevant utility facilities, including provision for disabled persons?</li> </ul>	<ul style="list-style-type: none"> <li>- contain all relevant utility facilities, including provision for disabled persons?</li> </ul>
	2	<ul style="list-style-type: none"> <li>- require extra work resulting in additional cost to improve the current state?</li> </ul>	<ul style="list-style-type: none"> <li>- require extra work resulting in additional cost to improve the current state?</li> </ul>

**Public Investment Management Unit (PIMU)**  
**Detailed Project Appraisal Report**

Project management and monitoring	5	Are Project Management and Monitoring arrangements to ensure implementation within time schedule and allocated budget?  <ul style="list-style-type: none"> <li>- Adequate (5)</li> <li>- Inadequate (0)</li> </ul>
Implementation schedule	5	Is the proposed implementation schedule (Gantt Chart) realistic?  <ul style="list-style-type: none"> <li>- Yes ..... 5</li> <li>- Fair ... 2</li> <li>- No ..... 0</li> </ul>
<b>Total Score</b>	<b>100</b>	