

EN



This action is funded by the European Union

ANNEX

of the Commission Decision on the 11th EDF Technical Cooperation Facility(TCF) for the Republic of Mauritius

Action Document for "Technical Cooperation Facility – The Republic of Mauritius"

1. Title/basic act/ CRIS number	11 th EDF Technical Cooperation Facility (TCF) for the Republic of Mauritius CRIS number: MU/FED/038-555 financed under 11 th European Development Fund (EDF)			
2. Zone benefiting from the action/location	Republic of Mauritius This operation will be executed in the following location: Republic of Mauritius			
3. Programming document	11 th European Development Fund National Indicative Programme (NIP) 2014-2020 for cooperation between the Republic of Mauritius and the European Union			
4. Sector of concentration/ thematic area	Economic and Development Policy Planning			
5. Amounts concerned	Total estimated cost: EUR 2 000 000 Total amount of EDF contribution EUR 2 000 000			
6. Aid modality(ies) and implementation modality(ies)	Project Approach Indirect management with the Republic of Mauritius			
7. DAC code(s)	15110 Public sector policy and administrative management			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	x <input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Trade Development	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers¹	Not targeted	Significant objective	Main objective
	Biological diversity	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SUMMARY

The 11th EDF National Indicative Programme (NIP) allocates an envelope of EUR 9.9 million to the Republic of Mauritius for the period 2014-2020 in order to support the objective of the Republic to evolve from a Middle Income Country to a High Income Country.

However, the successful implementation of the activities under the mentioned NIP as well as those under the Government programme requires appropriate capacity building. Support measures are therefore foreseen in the NIP through a Technical Cooperation Facility (TCF) to service the formulation/implementation of projects and to provide appropriate technical support to the Government in areas of mutual interest related to EU policies.

This TCF provides funding for technical assistance, research and studies, peer to peer learning, training and other related activities. These activities will build capacities, and address knowledge gaps identified by the Government of Mauritius during the implementation of its economic reform programme. The expected results of the TCF are as follows: (i) Effective and timely identification, formulation, implementation of the projects of the 11th EDF NIP and governments' priorities to develop Mauritius into a High Income Country, (ii) Enhanced capacity of government and particularly the National Authorising Officer (NAO) in the management of development cooperation activities and (iii) Improved visibility and awareness of EDF programmes and of key topics relevant to development cooperation.

Regarding the implementation method, a Financial Agreement will be signed between the Commission and the Republic of Mauritius.

The contracting authority for the project shall be the Mauritius NAO. The main stakeholders are the Ministry of Education and Human Resources, Tertiary Education and Scientific Research and the Ministry of Technology, Communication and Innovation as well as other Ministries and partners involved in achieving government development objective to develop Mauritius into a High Income Country.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 *Public Policy Assessment and EU Policy Framework*

Mauritius seeks to graduate from an Upper Middle Income Country to a High Income Country, and needs to put in place the right policies in order to unlock the potential for further growth while ensuring social equity and sustainable development. The New Government in place as from December 2014, presented a 5-year Programme for the period 2015 – 2019 and the main axes are as follows:

- Transform Mauritius into a forward looking, environmentally sustainable, economically vibrant and innovative country with modern infrastructure, global connectivity, high skills and technology.
- Improve quality of life, accelerate social integration, strengthen democracy and ensure independent functioning of institutions.
- Conduct business on the principles of discipline, transparency, accountability and exemplary governance.
- Ward off unemployment and implement better housing policy.
- Promote healthy business climate.
- Distribute national wealth equitably.

The aim of the Government Programme is to give clear objectives for economic and social uplift in the immediate 5 years. This will follow with a 15-year plan in what has been called Vision 2030. The Blueprint of the Vision 2030 is currently being elaborated under the responsibility of the Prime Minister's Office. This Blueprint will map out a consistent and mutually supportive cross-sector economic framework to guide the achievement of our economic objectives in optimal conditions. In his speech on 22 August 2015, on the launching of the high powered committee on achieving the second economic miracle and Vision 2030, the Right Honourable Sir Anerood Jugnauth, Prime Minister of the Republic of Mauritius highlighted the following key focus areas:

- Addressing unemployment.
- Alleviating poverty.
- Opening up the country and new air access policies.
- Promoting sustainable development and innovation.

Emphasis has also been laid for a modern Mauritius with a socially inclusive model of development, geared by intellectual capital, knowledge and skills. In addition, the new economic model chosen for the development of Mauritius will be centered on a number of core areas to fundamentally transform the economy. These include:

- Revamping and boosting the manufacturing base.
- Leveraging on one of the largest asset base of the country which is the Exclusive Maritime Economic Zone through development of the ocean economy.
- Revisiting the services sector.

- Promoting the Innovation, Technology and Communication sector.
- Adopting the Africa Strategy for Mauritius to become the regional platform for trade, investment and services.

The 11th EDF National Indicative Programme (NIP) aims at supporting the objective of the Republic to evolve from a Middle Income Country to a High Income Country. To ensure successful implementation of the NIP as well as the Government's development objectives, support measures are foreseen through a TCF to service the formulation/implementation of projects and to provide appropriate technical support to the Government in areas of mutual interest related to EU policies.

The Government programme 2015-2019 also aims to deliver a high standard of academic education and skills for the youngsters. It recognises that to achieve meaningful change, technology, communication and innovation will constitute key drivers.

Tertiary education sector and research, development and innovation have been identified from the very outset as a possible key sector for the future economic and social development of Mauritius, and a key factor in achieving both equitable and sustainable development. Tertiary education sector, research and innovation represent critical ingredients for the transformation of Mauritius into a High Income Country, which is the overall objective of the 11th EDF cooperation.

1.1.2 Stakeholder analysis

The Ministry of Finance and Economic Development, in its capacity as NAO, is the focal point and the key stakeholder for the implementation of the TCF.

The main beneficiaries will be all relevant ministries and agencies involved in the implementation of the activities planned in the NIP as well as those in the Government's programme aiming at graduating Mauritius into a High Income Country. The NAO and EU Delegation had, since end 2015, undertaken consultations with the Ministry of Education and Human Resources, Tertiary Education and Scientific Research, the Ministry of Technology, Communication and Innovation and the Mauritius Research Council.

Other development actors, including the Non State Actors and private sector, are potential beneficiaries of the programme and will therefore be duly involved and consulted in the implementation of this programme.

1.1.3 Priority areas for support/problem analysis

During the programming process of the 11th EDF, the very first step was the identification of the bottleneck sectors that could impede the proper development of the Republic of Mauritius from a Middle Income Country to a High Income country. The following sectors were highlighted, namely energy, water, connectivity, infrastructure, and tertiary education. This analysis also concurs with the findings of the World Bank, which carried out a country diagnostic analysis of

Mauritius in 2014. It was therefore agreed that supporting these sectors would contribute in unlocking future growth for the Republic of Mauritius.

Based on the above, the general objective set by the 11th EDF NIP is to assist Mauritius to evolve from an Upper Middle Income Country to a High income Country.

The successful implementation of the activities under both the NIP and Government Programme requires capacity building. Hence, the NIP includes a TCF of EUR 2 000 000 that will contribute to achieving the general objective of the 11th EDF. Moreover, the scope of the TCF will be widened to cater for the priority needs of the country to achieve its Vision 2030 to become a high income economy, taking on board economic development, social inclusion and sustainable development. These include Information and Communication Technology, Environment namely climate change, Ocean Economy, manufacturing, service sector as well as trade and investment.

During the implementation of the NIP, it is possible that the Government identifies other key areas that can be drivers for the transformation of the country into a high-income country. In fact, during the mission of the President of the Republic of Mauritius to Brussels in June 2016, the latter emphasises the need for Mauritius and the EU to develop a knowledge-based cooperation with the view to contribute to the gradual economic transformation of Mauritius. Priority areas identified to achieve this objective include climate change, IP-infrastructure and data collection, water and sanitation. The importance of improving human and infrastructural research capacities and increasing linkages between research and private sector was also highlighted.

TCF funds would be used for activities that would contribute to bridge the gaps in areas identified – or to be identified - as crucial for the transformation of Mauritius into a high-income country. These gaps would be addressed through the most appropriate initiative including technical assistance, research and studies, peer to peer learning, training and other related activities.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<u>Political/policy risk</u> Delays in setting up appropriate policy, donor coordination mechanisms	L	Coordination mechanisms will benefit from support under this programme and will be tabled during policy/political dialogues if necessary.
<u>Technical risk</u> Delays in the preparation of documents in relation to this TCF (eg terms of reference (ToRs) for studies, etc).	L	Upfront discussions with Government and other stakeholders are on-going in preparation of relevant documents
<u>Financial risk</u> The Government and private sector might have difficulties investing in research and innovation.	L	11 th EDF project under preparation is meant to address this issue.
<u>Implementation risk</u> Different line ministries are benefiting from the Programme and this might cause delays in implementation.	L	The EU and the Ministry of Finance will ensure regular follow up of the programme.
Assumptions		
<ol style="list-style-type: none"> 1. Involvement and mobilisation of NAO to ensure ownership and a leading role in the identification and formulation of priorities for technical assistance and capacity building. 2. A consultation process is maintained with all development partners including the civil society for the identification and formulation of projects. 3. Government and EU set up the appropriate mechanism for the follow up and monitoring of the activities of the TCF. 		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

A two-phased TCF was implemented under the 10th EDF, with the objective of reinforcing local capacities and financing studies in priority areas within the framework of the EU-Government of Mauritius cooperation. Over the past five years, the TCF covered a wide-ranging sectors such as environment, energy, education, social, health and information, communication and technology (ICT).

The technical assistance was critical for institutional capacity building and successful implementation of the reform programmes launched by the Government of Mauritius since 2006 (9th EDF TCF: 2006-2010).

A second lesson learnt is the importance of careful planning of technical assistance to be able to respond within the required timeframe, taking into consideration the time consuming preparation and approval process of ToRs, etc.

Consequently, the current 11th EDF TCF has been formulated with an additional value-added based on the above lessons.

3.2 Complementarity, synergy and donor coordination

There are a number of actions that are undertaken by other donors, which are complementary to the NIP. Apart from the EU, other donors are providing technical assistance including, the African Development Bank, the Agence Francaise de Développement, the African Regional Technical Assistance Center (AFRITAC) South, the World Bank, the United Nations Development Programme (UNDP) and other UN Organisations. Coordination between this group is close and there is regular dialogue on the different interventions.

All the donors mentioned above are active in the field of education, though with different focus. The African Development Bank (AfDB) has finalised its Country Strategy Paper (CSP) for the period 2014-2018 in 2014, which contains a pillar on education, science and technology. This relates namely to improvement of educational outcomes in the primary sector via higher involvement of the private sector, based on a UK model, and support to widen access and relevance of tertiary education, in relation to skills mismatch existing in the country. On the aspect of Technology and innovation, AfDB will contribute to bridge the gap between industry and academia. These interventions are very much in line with the proposed EU 11th EDF NIP, showing a consensus on the result of the analysis of the key challenges of the Mauritian economy. Both partners agreed to work in close collaboration in order to complement each other's interventions with mutually reinforcing actions.

The AFD has allocated a grant of EUR 1 500 000 for professional training over the period 2014-2016.

The World Bank mainly provides assistance in the field of primary education, ocean economy, information, communication and technology (ICT), energy and financial services.

AFRITAC South (AFS) is a collaborative effort between the International Monetary Fund and several bilateral and multinational donors. The AFS provides technical advice in core macroeconomic and financial management areas and provides technical assistance and training that help thirteen countries in Southern Africa build their capacity in macroeconomic management.

The UNDP country Programme 2017-2020 intends to enhance capacity institutions and strengthen policy development in one of its pillar, through participation and empowerment in areas of civil service reforms, performance management, public sector accountability and feedback mechanisms.

The European Union will liaise closely with these donors during the implementation of the 11th EDF, in order to ensure coherence and complementarity with the various programmes. However, it will be up to the Government of the Republic of Mauritius to be in a leadership role for the overall donor coordination.

In order to avoid duplication or gaps, technical assistance and training needs to be covered under this 11th EDF TCF will be defined in complementarity, not only with the on-going EU-financed programmes, but also with the ones implemented by other development partners. As such, the TCF is in line with EU commitment to promote better aid effectiveness through enhanced donor coordination. The coordination will be broadened with other donors depending on the areas that are identified for financing under this TCF.

3.3 Cross-cutting issues

This programme targets the implementation of reforms in the tertiary education sector and research, development and innovation planned in the 11th NIP as well as priorities in the Government's Programme. The Terms of Reference for studies and training activities and seminars undertaken under this TCF should also take into consideration cross-cutting issues where relevant, including environment, good governance, human rights and gender, in line with the EU's commitment to mainstreaming cross-cutting issues in development programmes.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the UN 2030 Agenda. It contributes primarily to the progressive achievement of Sustainable Development Goal (SDG) target No 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) as well as to SDG No 1 (No poverty), SDG No 4 (Quality Education) and SDG No 10 (Reduced inequalities). This does not imply a commitment by the country benefiting from this programme. The overall objective of the TCF is to service the formulation/implementation of projects and to provide appropriate technical support to the Government in areas of mutual interest related to EU policies.

The specific objective of the project is to support the Government to enhance institutional capacities in the identification, formulation and implementation of projects planned under the 11th EDF NIP as well as those planned under Government Programme.

The proposed initiatives under this programme are expected to produce the following results:

- (i) Effective and timely identification, formulation, implementation of the projects of the 11th EDF NIP and support to governments' priorities to develop Mauritius into a High Income Country.
- (ii) Enhanced capacity of the Government and particularly the National Authorigins Officer (NAO) in the management of development cooperation activities.
- (iii) Improved visibility and awareness of the cooperation between the European Union and the Republic of Mauritius.

4.2 Main activities

The Technical Cooperation Facility will support the NAO office and concerned ministries and agencies through the following indicative activities:

Result 1: Effective and timely identification, formulation, implementation of the priorities of the 11th EDF NIP.

- Technical assistance for Identification, formulation and implementation of above priorities.

Result 2: Enhanced capacity of the Government and particularly NAO in the management of development cooperation activities and support to the Governments' priorities to develop Mauritius into a High Income Country.

- Support preparation and implementation of projects and programmes under Government' priority areas of intervention.
- Support organisation of training, workshops, and seminars a well as peer learning and knowledge sharing initiatives. Support of participation of public officials and representatives from the private sector in national/regional and international conferences and seminars on issues related to the EU cooperation agenda.

Result 3: Improved visibility and awareness of the cooperation between the European Union and the Republic of Mauritius.

- Organise activities aiming at improving visibility and awareness of EU-Republic of Mauritius cooperation.

4.3 Intervention logic

The intervention logic responds to the need to ensure a rigorous formulation and implementation of the already well defined priority sectors of both the NIP and support to government's programme.

In doing so, the TCF should ensure that the NAO and relevant government agencies strengthen their capacity in understanding and managing development cooperation activities.

The indicative selection of activities, with technical assistance together with the emphasis on training and capacity building, is a suitable strategy to achieve this goal. The flexibility associated with this facility, and its reliance on short term quick interventions could also guarantee its adaptation to changing needs.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget component

N/A

5.4 Implementation modalities

5.4.1 Indirect management with the Government of Mauritius

This action with the objective of reinforcing the capacity of the partner country may be implemented in indirect management with the Government of Mauritius in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The Government of Mauritius will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 and may apply ex post control for procure contracts up to that threshold. The Commission will control ex-ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the Government of Mauritius for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution covers the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the Government of Mauritius shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the Republic of Mauritius.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)
5.4.1 Effective and timely identification of the 11th EDF NIP projects and support to the Governments' priorities R1- R2	1 850 000
Indirect Management with Republic of Mauritius via Programme estimates / service contracts	
5.10 Audit	10 000
Direct Management via service contracts	
5.11 Communication and visibility – R3	40 000
Indirect Management via Programme estimates / service contracts	
Contingencies	100 000
Total	2 000 000

5.7 Organisational set-up and responsibilities

The contracting authority for the project shall be the National Authorising Officer (NAO) for the Republic of Mauritius who will also act as supervisor of the programme.

Part of the programme will be implemented through annual programme estimates. The NAO and the Delegation will meet regularly to ensure proper monitoring and implementation of the activities of the programme estimates.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent

monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the nature of the action, evaluation(s) will not be carried out for this action or its components

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, contracts for audit services shall be concluded under a framework contract at the end of each programme estimates.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility activities will be financed from the Programme Estimate. Corresponding contracts will be awarded on the basis of EU procedures; one contract is foreseen on T3 Year 2017.