

African Development Bank

**Independent Evaluation of the African Development  
Bank's Country Strategy and Program for the Republic of  
Mauritius (2009-2018)**

FINAL INCEPTION REPORT (post-scoping mission version)

 **LATTANZIO**  
MONITORING & EVALUATION

May, 2018

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## 1 Evaluation purpose and scope

The present evaluation will cover both the Bank's strategy (Country Strategy) in Mauritius and the program (i.e. the operations) over a **ten-year period (2009-2018)**<sup>1</sup>, going through two strategic cycles.

As described in the ToR, the purpose of this Country Strategy and Program Evaluation (CSPE) is twofold: **1) assess the extent to which planned development results of the Bank's key interventions in Mauritius have been achieved and the reasons for the achievement or lack thereof, and 2) provide lessons and recommendations to improve the design of the next CSP.**

The ultimate purpose of this evaluation is thus to better define and plan future strategy and programming in Mauritius and in countries where the Bank's program could be considered similar. This evaluation will thus try to **strike a balance** between backward-looking aspects focused on assessing the results (at the effect level) of the Bank's lending and non-lending actions and with learning and integration of lessons learned from the 2009-2018 CSP into future strategies. By understanding what worked well and less well, the evaluation will inform the preparation of the next programming period for Mauritius, which will be completed at the end of 2018.

The evaluation will, thus, simultaneously respond to three major needs of the Bank, namely: **accountability, performance strengthening and learning.**

This evaluation will focus on both the **strategic level (programme)** and the **level of individual interventions (projects and non-lending activities)**. In addition to evaluating the achievement of development results and the contribution that the Bank has actually made to this and, more generally, to the transformation of the country, the evaluation will also assess the **management aspects** of the Bank's strategy and individual interventions. These will cover the coherence and efficiency of the Bank's internal coordination and operational arrangements and procedures, as well as elements of knowledge management, policy dialogue and donors' coordination and harmonization. Moreover, the evaluation will also shed light on the level of **participation and ownership of the country, as borrower partner**, in the design, implementation and management of the funded interventions, as well as on the functioning of the **operational mechanisms and procedures** jointly put in place by the Bank and the Government of Mauritius.

Bearing in mind these main and interlinked areas of analysis, the evaluation questions will relate to four of the OECD / DAC evaluation criteria (i.e. relevance, effectiveness, efficiency and sustainability) and to some additional criteria, aiming at covering the above mentioned management-related elements and at revealing the added value and the **strategic positioning** of the Bank, compared to other Mauritius' development partners.

In addition, the analysis will consider to what extent relevant **cross-cutting** issues, including gender equality, equity and inclusion (in terms of age, youth, regional disparity if relevant), and environmental sustainability have been considered in the programming and then reflected in the implementation modalities.

The main outputs of the evaluation are: an Inception Report; Sector Reports, a Final Technical Report and a Summary Report.

The present report is the **draft inception report** submitted after the implementation of a scoping mission to Mauritius and Pretoria, which took place during the week starting on the 19<sup>th</sup> of March and was carried out by the Team Leader and the Governance Expert.

The present report is divided in **the following main sections**: 1) An overview of the general country background including the government and AfDB strategies in the country; 2) A brief portfolio analysis; 3) The general theory of change of the main strategies of the Bank; 4) A detailed analysis of the AfDB support to the five main sectors, including sector intervention logics; 5) Evaluation questions; 6) Evaluation methodology. Various Annexes are attached to the report.

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<sup>1</sup> The evaluation covers all operations that have been approved during the period 2009-2018 under the two CSP's in effect. Disbursement of operations approved before this period are not included.

## 2 Background

### 2.1 Political background and governance

Mauritius is a politically-renowned stable country. Seen as an African member country by AfDB, this political stability confers to Mauritius a geopolitical advantage of political credibility and potential enabler of economic dialogue and intermediation.

Mauritius is recognized for its fair political system and stable political dynamics. Since its independence in 1968 the Mauritius political institutions and government structures as well as its public administration services have been in constant process of improvement. The actual political ecosystem of the country is relatively moving toward improved transparency, fairness in public administration ethics and to the engagement of the various stakeholders involved in socio-political developmental issues at the country and at the regional/local levels.

The governance of the state is structured with modern ministries apparatus and service delivery organizations. Even if the scale of the public administration is relatively small given the small size and population of the country, there are still implementation and delivery capabilities that need to be improved to reach a level of performance that could match the future economic dynamics and development that the country requires to face the challenges of its goal of participating actively in the various networks of emergent economies.

In the last five years the country performed within a political and administrative framework characterised by policy continuity and a sustained effort to network Mauritius geopolitically with global key players such as the European Union, India, China, and Japan.

In term of political economy and international standards of good practice of governance and political reliability, Mauritius has deployed significant efforts to align the country's governance and political dynamics with international standards of transparency, business ecosystem-openness, institutional fairness, equality of chance, and security. Nevertheless, these political governance factors are still in development and will require consolidation in order to reach a level of high-reliability for the long-term prosperity of the country.

As far as the Bank's relationship is concerned, it is noted that the most recent government change was accompanied by a change in policy that influenced the performance of the Bank's portfolio. For example, the emphasis on Public Private Partnerships (PPP) was reduced considerably and many infrastructure projects were put on hold or cancelled indefinitely.

In 2016, with a total score of 79.9 points, Mauritius came out on top of the Mo Ibrahim Index on Governance in Africa for the 10<sup>th</sup> consecutive year. Botswana came in second with 73.7 points and Cabo Verde came in third at 73 points. In comparison, Kenya had 58.9 points and Senegal had 60.8 points and came in 12<sup>th</sup> and 10<sup>th</sup> respectively. Key changes since 2016 in the Index as applied to Mauritius are:

*Table 1: Changes in Ibrahim Index for Mauritius 2006-2016*

| Sub-Index                        | % change |
|----------------------------------|----------|
| <b>Positive changes</b>          |          |
| Overall governance               | + 2.3    |
| Participation and human rights   | + 0.8    |
| Sustainable economic opportunity | + 9.3    |
| Infrastructure                   | +14.3    |
| Rural sector                     | +23.2    |
| Education                        | + 6.3    |
| <b>Negative changes</b>          |          |
| Safety and rule of law           | - 0.3    |
| Health                           | - 8.1    |
| Accountability                   | - 5.9    |

## 2.2 Social context

Mauritius' Human Development Index (HDI) score of 0.781 for 2015 is well above the Sub-Saharan African average of 0.437, reflecting average life expectancy of 73.5 years and a high standard of living with Gross National Income (GNI) per capita of US\$8,240 in 2011<sup>2</sup>. The reports from the Central Statistics office of the GoM estimates that less than 1% of the population is living on less than US\$ 2 per day.

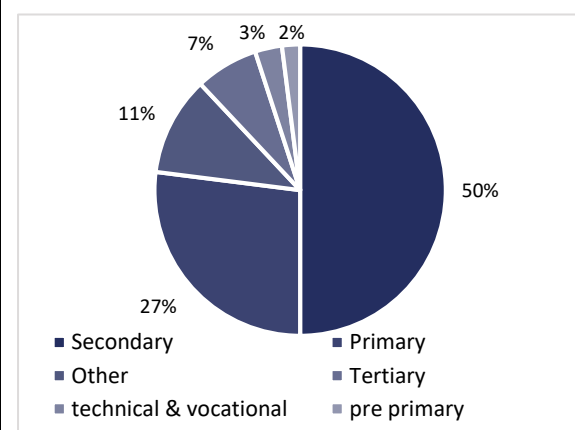
In general, Mauritius has made good progress towards achieving the Millennium Development Goals (MDGs), but results remain tenuous on MDG 3 promoting gender equality and empower women; MDG 5 improving maternal health, and MDG 7 ensuring environmental sustainability as it is affected by increases in CO2 emissions and species under threat of extinction.

The MDGs, filed in 2015, paved the way to the discussions on a post-2015 agenda, focussing on environmental sustainability, social inclusion, and economic development. Mauritius, together with 193 UN Member States, adopted the new Agenda, which comprises a set of 17 Sustainable Development Goals (SDGs) to be reached by 2030. Statistics Mauritius, the official organisation responsible for collection, compilation, analysis and dissemination of the official statistical data relating to the economic and social activities of the country, has constructed an initial SDGs database for the Republic of Mauritius.

### Education

In the framework of the efforts under SDG 4: *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*, adult literacy in Mauritius is high reaching 88.9 % (92.9% Male and 88.5% Female) in 2015. The education sector has gone through successive reforms over the past years, along with an increment in the overall expenditure on education, which counted for 15,807 million of Mauritian Rupees in financial year 2015/2016 and for 17,468 million in financial year 2016/2017. As shown in Figure 1, half of the overall funds of the government for education have been attributed to secondary education, concerning pupils from age 12 to 20, but compulsory until the age of 16. Indeed, new secondary schools have been constructed to ensure access, and a revision of the curriculum, with particular emphasis on science, mathematics and ICT, is under way.

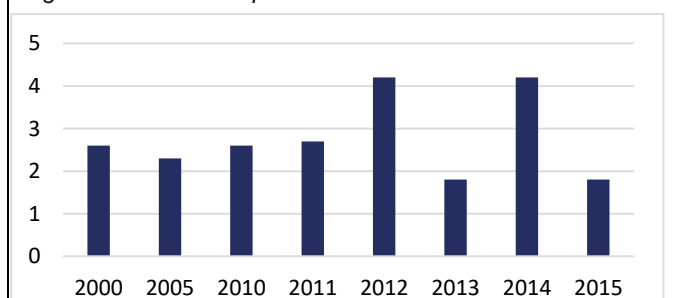
Figure 1: Total Expenditure on Education, Financial Year



Source: Author' redrafting from EDUCATION STATISTICS – 2016

But despite the remarkable overall progress, the system is still characterised by significant weaknesses, among which is mainly a high school drop-out rate from primary to secondary school levels. As shown in the following chart (Figure 1a), Mauritius primary school dropout rates have fluctuated considerably in recent years. During the period 2005-2015, it tended to increase, ending up at 1.8 % in 2015.

Figure 1a: School dropout rates. 2005-2015



Source: Author's redrafting from EDUCATION STATISTICS – 2016

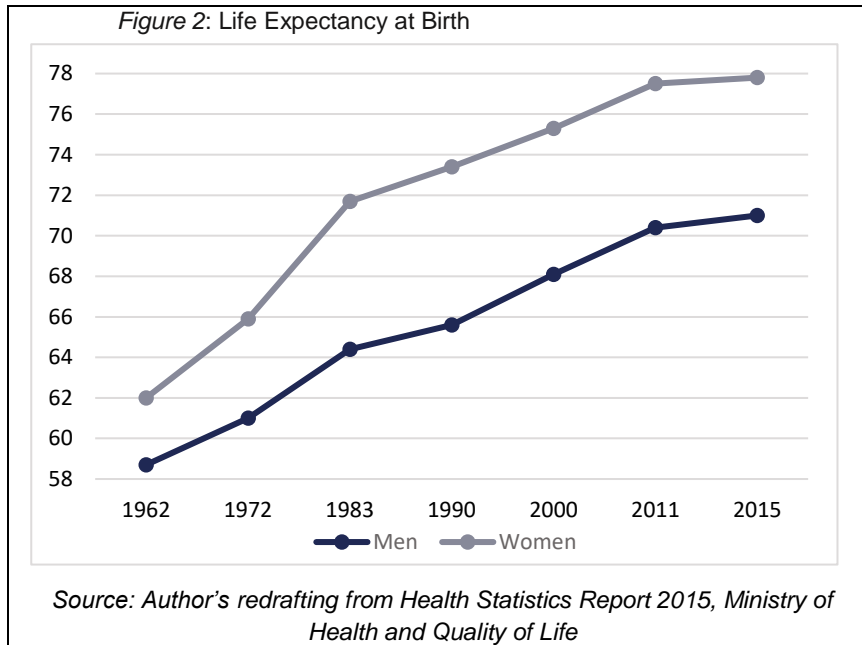
In November 2008, the Ministry of Education, Culture and Human Resources drafted the Education & Human Resources Strategy Plan for the period 2008-2020 outlining the commitment to develop the country into a knowledge-based economy and a regional Centre of Excellence. The legal framework and incentive regime have been put in place to attract brand name institutions to set up campuses in Mauritius. Therefore, the Government is engaged to address 1) the high 35% failure rate at the CPE (Completion

<sup>2</sup> World Bank databases

of Primary Education) level, 2) the high drop-out rate at the secondary level, and 3) the limited capacity and cost recovery at the tertiary level.

## Health

Health is targeted by SDG 3, which aims at ensuring healthy lives and promote wellbeing for all at all ages. Indeed, the health status of the people of Mauritius has improved in the past two decades. As showed by figure 3, in the period 2000 to 2015, life expectancy at birth increased by 2.9 years for men (from 68.1 to 71.0 years) and by 2.5 years for women (from 75.3 to 77.8 years).

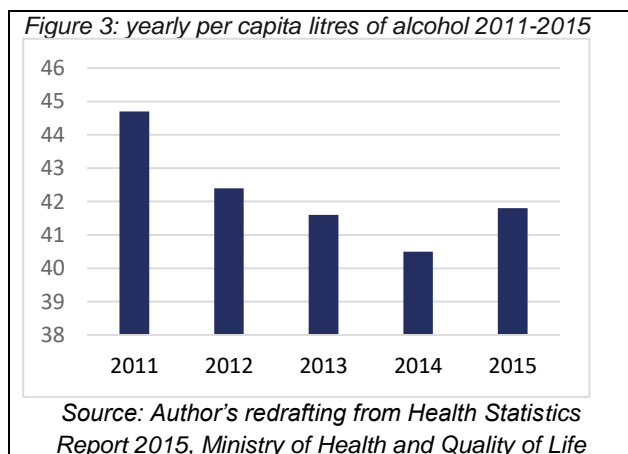


The Ministry of Health & Quality of Life holds the leadership in national health policy making, planning and management, resource allocation, monitoring, inter-sectoral policies and programmes, public health promotion, health service delivery as well as regulation and quality assurance of health services. Furthermore, there are regulatory bodies (Medical Council, Dental Council and Nursing Council) responsible for regulating the practice and conduct of professionals in relevant fields.

A sustained programme of Immunization led to eradication of several communicable diseases such as Diphtheria, Whooping Cough and Poliomyelitis. Nevertheless, more attention is needed on Non-Communicable Diseases (NCDs). According to the World Health Organisation (WHO), non-communicable diseases and injuries are estimated to account for 80.6% and 9% respectively of total burden of disease. Cardiovascular diseases are the main cause of death (33.5%) followed by Diabetes (predominantly of type 2) and Cancer responsible for 24.7% and 13.3% of total deaths, respectively.

Under-five child mortality has been reduced by two thirds since 1990 and has now reached 17.1 per 1,000 Live Births; Malaria has been eradicated; HIV/AIDS prevalence rate is less than 1% among 15 to 24 year olds.

It follows that health indicators are generally good, also confirmed by the latest Health Statistics Report 2015. Nevertheless, some critical issues remain, among which additional efforts are being currently deployed in the enforcement of the government's regulations that prevent and control the harmful use of alcohol. As showed in the figure below, the positive trend in the yearly per capita litres of alcohol in the period 2011-2015 experienced a reversal in 2015.



## Gender

Mauritius ranks 112 out of 144 countries on the Global Gender Gap Index Gender mostly due to the "Economic participation and opportunity" and "political empowerment" sub-indices, whereas, the Education and Health indices show high ranks. In general, the situation has slightly worsened from 2006.

Indeed, gender issues have been brought to the forefront of the reform programme of the Government in past years by the reorganisation of the labour force in the sugar, textiles and clothing industries, where factory closures have primarily affected the female workforce, whose unemployment rate in 2006 stood at 16.3% compared to 5.6% for men. Engagement of women at the highest level of decision-making in the private sector is still very low. In order to improve the situation, the Government is seeking international assistance to develop temporary migration programmes, with particular emphasis on creating incentives for women. Social issues will remain important in the overall economic governmental programme, and in particular with regard to the vulnerability of small planters.

Table 2: Mauritius Global Gender Gap 2017

|  | 2006       |              | 2017       |              |
|--|------------|--------------|------------|--------------|
|  | rank       | score        | rank       | score        |
| <b>Global Gender Gap score</b>         | <b>88</b>  | <b>0.633</b> | <b>112</b> | <b>0.664</b> |
| Economic participation and opportunity | 95         | 0.483        | 113        | 0.595        |
| Education attainment                   | 65         | 0.983        | 69         | 0.992        |
| Health and survival                    | 1          | 0.980        | 1          | 0.980        |
| Political empowerment                  | 73         | 0.085        | 116        | 0.090        |
| <b>Rank out of</b>                     | <b>115</b> |              | <b>144</b> |              |

Source: The Global Gender Gap Report 2017

In 2008, the Minister of Women's Rights, Child Development, Family Welfare & Consumer Protection launched the revised National Gender Policy Framework, which provides general guiding principles, values, norms of conduct and standards to attain while adopting a gender perspective in order to achieve gender equality

### Other Transversal issues

The issue of Youth participation in the economy is a major challenge for Mauritius. The following table provides a brief overview of the problem, disaggregated by age group.

Table 3: Mauritius Productivity by age 2017

| Age Group | Primary attainment rate | Secondary attainment rate | Tertiary attainment rate | Technical enrolment rate | Labour force participation rate | Unemployment rate | Long-term unemployment rate | Employment gender gap |
|-----------|-------------------------|---------------------------|--------------------------|--------------------------|---------------------------------|-------------------|-----------------------------|-----------------------|
| 15-24     | 99.8                    | 76.5                      |                          |                          | 42.7                            | <b>24.35</b>      | <b>26.6</b>                 | n.a.                  |
| 25-54     | 98.5                    | <b>60.0</b>               | 4.13                     |                          | 78.6                            | 6.4               | 6.2                         | <b>58</b>             |
| 55-64     | 92.5                    | <b>40.02</b>              | 3.08                     |                          | <b>51.01</b>                    | 2.9               | 3.0                         | <b>67</b>             |

Source: NPCC Productivity and competitiveness review 2017

The table above shows the extent to which the unemployment rate for young adults is very high for a country with the economic profile that Mauritius enjoys.

In terms of regional inequality, the Central Statistical Office (CSO) has amassed a large database of statistics that show that the country has a great deal of inequality between municipalities and between the big island and an out-island called Rodrigues. The inequality is even greater between the main island and the other out-islands that are part of Mauritius.



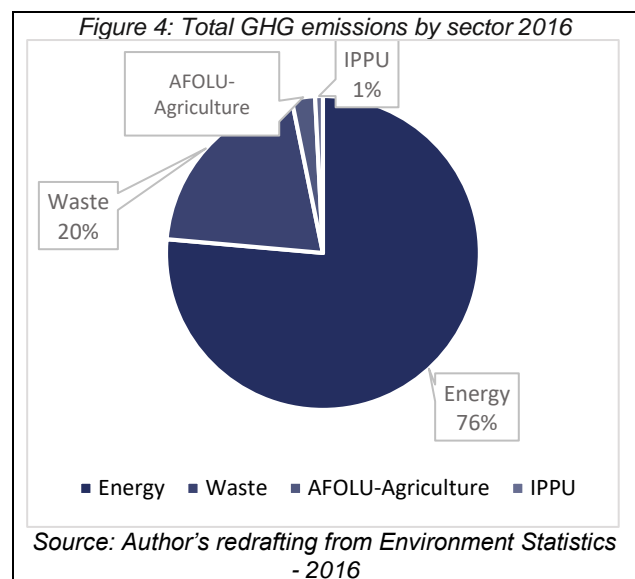
The population of Rodrigues as at December 2015 was 42,058 with 20,682 males and 21,376 women. Since 2000, the proportion of women in the total population is rising, and they live longer (78 years compared to 73).

According to the 2011 Housing and Population census, the island of Rodrigues remains among the least developed parts of the country with a relative development index of 0.5592 (in comparison, Malta has an index of .8715). The Gini coefficient has risen from 0.381 in 2001/02 to 0.433 in 2012, the latest year published data was available from the National Productivity and Competitiveness Council (NPCC). The unemployment rate was 8.6% among men and 16% among women who make up over 40% of the labour force.

**Environment**

As a small island, Mauritius is highly vulnerable to climate change, cyclones, rising sea levels and other natural disasters. It has a narrow natural resource base comprising very limited land resources, freshwater, coastal and marine resources, biodiversity, solar and wind energy. The total land area of the country is 2,040 km<sup>2</sup> (including the island of Rodrigues with an area of 104 km<sup>2</sup>). Forty- three percent of the land is used for agriculture, out of which 39% is under sugar cane cultivation, 30% is forest and shrub land (of which less than 2% is remaining natural or endemic forest), 26% is built-up area (explained by one of the highest population densities in the world). During the period 1995 to 2005, the land occupied by sugarcane, tea plantations and forestry began to decrease while that of built-up areas, other agricultural activities, infrastructure and inland water resource systems went up; this tendency has continued to this day with serious urban problems around sewerage and waste management.

Clearly, the population growth, already examined in the above paragraph, is one of the principal factors affecting the environment, since more resources are required in order to sustain an expanding population, a continuous economic growth and higher standard of living. Among the main consequences for the environment in Mauritius, it is possible to include the increase in Greenhouse Gas (GHG) emissions, which nowadays derives primarily from the production and consumption of energy, from industrial process and product use (IPPU), and from waste sectors, as showed in figure 4. Indeed, also the management of solid waste has become an increasing challenge with the ever-growing volume of waste, limited disposal capacity and current low rates of recycling.



In order to tackle the above-mentioned challenges in line with the UN SDGs, along with many other threats to the Mauritian ecosystem, in 2007, the Government defined the new National Environment

Policy in a white paper, which established a clear policy framework and set appropriate environmental objectives and strategies. It is based on a review of key environmental issues, challenges and opportunities that are specific to the national context and it sets a policy framework under which to mainstream environmental considerations in all development programmes and projects. The goal of this new environmental policy is two-fold: to help in the management of the ecosystems which supports the economic growth of the country and to contribute to the improvement of the quality of life of the Mauritian population. This policy is implemented mainly through the National Environment Strategy and Action Plan detailing strategies and action plans and setting time-frames and targets.

The shifting environmental and climate change profiles in the country have a direct bearing on the Bank:

1. Infrastructure projects need to take more environmental considerations into account to correspond to updated Bank policy
2. The “ocean strategy” is directly linked to the quality of the biodiversity and chemical composition of the water, so any Bank support needs to take that into account
3. Tourism is dependent on predictability of weather and stability of planning for outings, so Bank support to the SMEs in that areas needs to reflect that.
4. Water resource management, waste water management and agriculture infrastructure are all dependent on the future state of the environment, so Bank support in infrastructure, dams and power need to take the environment into account.

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### 2.3 Economic context and private sector

Mauritius being a small economy is confronted to the challenges of developing its socio-political dynamics and its economy in order to be able to position itself into the international networks of the global economy.

The economic governance of Mauritius and its related institutional infrastructure are engaged in full development process and are aiming to scaling up their capacities and implementation capabilities for strategic performance.

The country is looking to find and to develop its key international contributions that could enable it to actively integrate its economy to the international economic value-creation and trade networks. In reverse of a “landlocked economy” that could serve as a land-bridge between key-markets systems, as is Kazakhstan trying to position its economy, Mauritius is geo-economically constrained to assume a future position of a “sea intercontinental platform” that could intermediate strategic intangible assets between Europe, Middle-East, and Asia (India, China and Japan) in the direction of African economies.

From the time of its colonisation, Mauritius was focused on the agricultural sector, predominantly in the sugar value chain. Starting in the eighties and nineties, the Mauritius economy diversified in the sectors of textiles, tourism, financial services and Information-Communication Technologies (ITC). The economy performed a growth rate in the last decade that raised the country near the threshold of the upper limit of the status of a “middle income country”. The actual challenge for Mauritius economy is to accelerate its structural transformation and performance in order to reposition itself as an international competitive actor. If Mauritius don’t want to be trapped inside the bottom of the “high-income economic category (or worse, be bogged down inside the middle-income economy category) the country is in need of economy performance acceleration and restructuration aiming at a position of innovative status of competitive dynamics.

The following table represents the Gross Value-added at current basic prices-sector real growth rates (% over previous year) from 2013-2016. This table is focussed on growth per sector rather than value. The table shows that there is some growth in agriculture and manufacturing in various years in the period, Accommodation and food sector has declined overall although it remains high (almost 7%) while the ICT and the financial sectors have grown (the latter by over 12% in 2016)

*Table 4: Gross Value-added in selected sectors 2013-2016*

| Sector | 2014 | 2015 | 2016 | 2017 (est.) |
|--------|------|------|------|-------------|
|--------|------|------|------|-------------|

|                                   |      |      |      |      |
|-----------------------------------|------|------|------|------|
| Agriculture, forestry and fishing | 3.7  | 3.5  | 3.5  | 3.5  |
| Mining                            | .3   | .2   | .2   | .2   |
| Manufacturing                     | 15.3 | 14.7 | 13.9 | 13.6 |
| Energy                            | 1.6  | 2.0  | 2.2  | 2.4  |
| Construction                      | 4.8  | 4.4  | 4.2  | 4.3  |
| Wholesale and retail              | 11.9 | 12.0 | 11.9 | 11.9 |
| Transport                         | 6.1  | 6.2  | 6.3  | 6.3  |
| Accommodation                     | 6.2  | 6.5  | 6.9  | 6.8  |
| ICT                               | 4.3  | 4.3  | 4.2  | 4.1  |
| Financial services                | 11.9 | 12.0 | 12.1 | 12.3 |
| Real estate service               | 6.1  | 6.0  | 5.9  | 5.8  |
| Professional service              | 4.6  | 4.7  | 4.8  | 4.8  |
| Public admin and defence          | 6.2  | 6.1  | 6.4  | 6.3  |
| Education                         | 4.8  | 4.8  | 4.8  | 4.8  |
| Health                            | 4.1  | 4.3  | 4.4  | 4.4  |
| Arts and recreation               | 3.4  | 3.5  | 3.5  | 3.5  |
|                                   |      |      |      |      |
| Export related enterprises        | 5.9  | 5.7  | 5.2  | 5.1  |
| Seafood                           | 1.0  | 1.0  | 1.0  | 1.0  |
| Freeport                          | .6   | .7   | .6   | .6   |
| Tourism                           | 7.0  | 7.5  | 7.8  | 7.7  |
| ICT                               | 5.6  | 5.6  | 5.5  | 5.5  |
| Global Business                   | 6.0  | 5.9  | 5.8  | 5.7  |

Source: NPCC Productivity and Competitiveness Review 2017

The last decade of support that the country received from external financial sources was targeted to the modernization of its economy to sustain the economic growth, especially given the harsh global economic dynamics generated by the 2008 global recession. In that regard, Mauritius performed relatively well given the vulnerability of its geographic isolation and the smallness of its economy.

The efforts in the last decade, and predominantly in the last four years, to modernize the economic governance of the country paved the way for future economic development strategies focused at raising the country's competitiveness profile. The World Economic Forum Global Competitiveness Index places Mauritius Economy in the forefront of all African economies. This performance confirms the potential strategic horizon for Mauritius to envision effective strategies and development partnerships that could support its repositioning into a competitive innovation-driven economy. But to be realistic, a series of key efficiency-factors are still in need for significant improvement and capability development (such as human resources, innovation facilities, manufacturing technologies, strategic knowledge-workers).

The Ministry of Business, Enterprise and Cooperatives notes <sup>3</sup>that "Mauritius is caught in the mid-income trap and the growth model that has proved successful over the past decades has run out of steam. With rising labour costs and faltering productivity levels, value addition in the supply chain is increasingly restricted to matured large enterprises, with the consequence that the growth and employment opportunities have slowed down substantially. The engine therefore needs fresh and powerful propellers that will sustain the economic activity on a rising growth trajectory and eventually attain the league of high-income countries. Government Vision 2030 has identified the SME sector as one of these key propellers. A thriving business ecosystem is made up of a large number of players of different sizes – large corporates, Small & Medium Enterprises (SMEs) and even micro enterprises – pursuing diverse range of activities that, in turn, breed opportunities for new business ideas. However, the limits of the conventional policies implemented so far, have in fact led to the polarisation of the economy around large vertically integrated conglomerates. In view to unlock the growth potential of the Mauritian economy, policymakers and the private sector must work together to re-energise the premises of an entrepreneurial economy, i.e. one that champions innovation and encourages start-up ventures to challenge established business models and experiment new approaches to the market. Hence, the ambitious vision set for SMEs through this Master Plan. How does Mauritius measure up against the credentials of an entrepreneurial economy? On the face of it, the picture looks rather promising with a recorded number of 124 9721 small establishments. At a closer look however, the story is very different. A survey conducted in view of the Master Plan<sup>2</sup> shows that (figure 1.1): i) 47% of SMEs are operating at almost subsistence level and are mostly

<sup>3</sup> 10 - Year Master Plan For The SME Sector in Mauritius, 2017

managed by own account workers. Their annual turnovers are less than MUR 2 million and they have five or less employees; and ii) at the other extremity, only 7% of SMEs employ more than 21 people and have turnovers of more than MUR 10 million”.

The SME landscape is thus highly skewed towards enterprises with low value addition and severely constrained prospects of adding jobs in large numbers to the economy. Unfortunately, most of the manufacturing sector shares this diagnostic. The Ministry notes that swift and deep reforms are therefore needed to reverse this distribution pattern and significantly increase the share of high value firms in sync with a major structural shift towards an enterprising productive apparatus. Over the past decade or so, Mauritius has introduced many pro-business reforms on various fronts – fiscal, monetary, business deregulation, labour markets, products markets, international trade, etc. Yet, SMEs have not been able to reap the full benefits of these generic reforms to improve their competitiveness. Entrepreneurs are still, by and large, stuck at the lower end of the ladder, whilst the larger corporates and conglomerates have continued to grow and make inroads in new markets and industries. SMEs therefore require deeper changes if they are to assume a far more prominent role in economic development. Existing policies are no longer conducive in this new entrepreneurial agenda.

On the other hand, the financial services sector has been growing at a rapid pace to the point where it has to import skilled employees. But these firms rapidly grow beyond the small and medium category (based on revenue).

Mauritius’ economy is now fully engaged in a critical transitional phase of its development. Its economic move to international standards of structural maturity, reliability, transparency and implementation performance will determine its future potential.

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## 2.4 Regional integration

The government has developed a regional-level positioning. Its budget speeches reflect the expansion of its economy and diplomacy over many aspects in the region. It wants to be seen as (and effectively become) a hub in many sectors that have regional influences. They include:

1. An Ocean economy strategy that could include many regional countries
2. Market penetration for Mauritian goods
3. Access to regional markets for Mauritian services, including the need for the free flow of its professional cadres.
4. Procurement and logistics being undertaken at a regional level
5. Expanding knowledge to other regional countries
6. SME financing based partly on regional exports

Discussions<sup>4</sup> in the field point out the need for the Country to obtain expert advice on how to implement some of these strategies, and the GoM clearly expects the Bank to facilitate and even finance some of these thrusts. A few of these were raised in the MTR in 2016, and the country still has not received follow-up from the Bank.

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## 2.5 Infrastructure

**Water and Sanitation:** Mauritius is among the few sub-Saharan countries which has recorded high access to water and sanitation services, even if there are structural shortages of fresh water resources and problems with inadequate sewerage facilities. According to the Joint Monitoring Program Report 2015 (JMP) of WHO/UNICEF, 99.9% of the population in Mauritius have access to water services. In contrast, only 26% of the Mauritian population is connected to public sewer networks. The remaining 74% uses on-site wastewater disposal systems.

As noted elsewhere, the country’s problem is not one of water supply, receiving around 700 mm of precipitation during winter and 1300 mm in summer. However, demographic pressure, urban growth,

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<sup>4</sup> With senior GoM officials in many ministries

demands from economic sectors such as agriculture and tourism are causing problems related to water resources.

If the country faces acute water shortages especially during dry years, it is largely due to high spatial variability of rainfalls and insufficient water infrastructure. It is estimated that less than 30 percent of renewable water resources are harnessed for productive activities.

There is a need to mobilize water resources, and improve water use efficiency by reusing grey water for agriculture and reducing non-revenue water which currently stands at more than 50%, to address the current water deficiency and to meet future water demand at the required assurance levels set by Government

Furthermore, inadequate capacity for collection and treatment of sewage effluent from domestic and industrial water use in Mauritius contributes to pollution of surface and groundwater resources. Use of pesticides and fertiliser in agriculture has exacerbated the situation. The pollution, combined with inefficient water use in these sectors, could accelerate the reduction in overall availability of water and the related negative impact on the economy.

The Water Resources Unit of the Ministry of Energy and Public Utilities (MEPU) has developed "Water Resources: The 2025-2050 Master Plan", which defines the strategic direction of the country's water resources development. The plan identifies immediate and medium (till 2025) and long-term (till 2050) priority investment options to exploit water resources and improve water security of the country. The Plan has four components: a) analysis of water demand and availability of this resource, b) mobilization options and water resources investment plan legal analysis, c) Water Rights Reform d) Programme institutional structure and capacity enhancement. Strengthening of water storage capacity is at the center of the plan. The plan proposes to develop water resources of about 220 Mm<sup>3</sup>/yr by mobilizing surface and ground water resources. In addition, the GoM, through its PSIP, and with support from development partners, plans to implement major water and sanitation infrastructure operations in efforts to address the challenges in the sector. It also plans to undertake major institutional reform to transform the sector to sustain service provision and attain universal access to water and sanitation services. A National Integrated Water Resources Management (IWRM) Plan issued in 2017 provides specific targets and schedule for implementation of the Master Plan.

The country's first National Environmental Action Plan (NEAP) was prepared in 1990. The NEAP clearly identified poor or lack of management and infrastructure of wastewater in the country as one of the major factors contributing to environmental degradation. A number of environmental activities were identified as requiring immediate attention. Among these was the need to draw up a Sewerage Master Plan. The plan was subsequently prepared in 1994 with ADB financing. This provided a global development framework and strategy for the development of wastewater infrastructure over a period of twenty years (1994-2013), on the basis of which the first National Sewerage Programme Phase I (NSP-Phase I) was prepared. The Master Plan also provided an overview and recommendations of the long-term institutional, financial, and operational management requirements of the sub-sector, to ensure its sustainable development. For the wastewater related services, the mandate of the MEPU is carried out by the Wastewater Management Authority (WMA), a body that became operational in August 2001.

**Transport:** The main transport infrastructure in Mauritius comprises 1) the 1,229.85 km road network (motorway and main roads), 2) the port infrastructure of Port Louis which is the only maritime gateway of the country, and 3) Sir Seewoosagur Ramgoolam International Airport. Except for tertiary roads, all highways are paved and the latest figures of the GoM indicate that over 95% of main arterial roads are in good state or repair. There are no issues of inability of rural populations to access services or to deal with market transactions because of roads.

Traffic congestion is prevalent on several corridors of the island, particularly on the Port-Louis to Curepipe corridor. Road transport is managed by the National Transport Authority, Ministry of Public Infrastructure and Land Transport. A 2009 feasibility study undertaken by the Roads Development Authority indicated that without an upgrade in road infrastructure, the travel time in the most congested areas are expected to double by 2020, with traffic volumes expected to grow by 20%. The Road Decongestion Program (RDP) launched in 2015 aimed at easing the decongestion of Port Louis- Curepipe Corridor, structured on a PPP basis, and was later combined with a Light Rail Transit

Project (between Port Louis and Curepipe, 24.9 km) also under a PPP scheme. Neither are progressing according to initial expectations.

The transport sector in Mauritius is under the Ministry of Public Infrastructure, National Development Unit, Land Transport & Shipping, and the External Communications Division under aegis of the Prime Minister Office. The former covers the roads, land transport and shipping, whereas the latter covers the ports, airports and civil aviation.

The transport sector is not framed by a Master Plan. In the Vision 2030 strategy document of the GoM, the port sector was noted as being crucial for achieving the “high income economy” status, under the Development of the Ocean industry: development of fishing ports to transform Mauritius into a major regional fishing centre, transforming Port Louis into a leading regional petroleum hub, development of Port-Louis as a modern port with state of the art facilities with the provision of a whole range of support services including freight and logistics, and improvement of port performance and related services in line with international benchmarks.

In terms of enabling productivity and improving competitiveness, Port Louis is the only maritime gateway of Mauritius and handles 99% of external trade. It comprises Terminal I (fishing port), Terminal II (multi-purpose terminal), Terminal III (container terminal with 560 m long and 14m deep berths, with 5 ship-to-shore cranes), an oil jetty and a cruise jetty. Mauritius Ports Authority (MPA) is a state owned organization, established as the sole national port authority to operate as a landlord port, to regulate and control the port sector and to provide marine services. Container traffic at Port Louis has been largely increasing even after the global economic crisis in 2009, with average annual growth in 2001-2014 of 9.8%.

**Energy.** Mauritius is nearly 100%<sup>5</sup> served by an integrated electricity grid, where 43% of generation (CEB 2014 Annual Report), and all transmission and distribution, retailing and metering is run by the CEB (Central Electricity Board), which is a public owned utility. Total annual generation was 2,642 GWh in 2014 (CEB Annual Report). A relatively small but growing portion of electricity generation in Mauritius<sup>6</sup> is based on renewable energy (RE) of which the majority (17%) comes from sugar cane bagasse residues<sup>7</sup>, with 61MW of hydro and a growing amount of PV – photovoltaics<sup>8</sup>. The highest maximum demand was 446.2 MW (compared to a forecast maximum demand of 461MW) in 2014. In 2014, CEB declared a profit, which was higher than for 2013. The average CEB electricity selling price in 2014 was Rs 5.75 per kWh, equivalent to around 15 Euro cents per kWh. Overall system losses in 2014 were under 7%, which is suitably low and which has been reducing over time. The largest proportion of Mauritius’ grid power is provided from CEB’s fossil fuel fired generation facilities (415 MW total capacity) using heavy fuel oil (HFO), coal and diesel. All fossil fuels are imported, with the majority being used by the transport sector. Liquid Natural Gas (LNG) imports have been considered but have not been actioned yet.

The Mauritius grid’s generation capacity is generally adequate, although new capacity additions have been proposed to meet expected load growth. There have been some initiatives to improve sugar cane bagasse generation efficiency, and also some work has been undertaken to improve energy efficiency (EE). Mauritius had an installed PV capacity of approximately 15 MW<sup>9</sup>.

A net metering scheme<sup>10</sup> for consumer Photovoltaic Power (PV) and wind power installations achieved its targeted 2MW of capacity additions between July 2016 and November 2017

<sup>5</sup> 98.6% according to the World Bank, Sustainable Energy for All (SE4ALL) database

<sup>6</sup> In the island of In Rodrigues, 90% of generation is from diesel and heavy fuel oil, with the rest coming from wind farms.

<sup>7</sup> However, export of surplus power from burning sugar cane bagasse from sugar processing plants is very seasonal (about 4 months per year). Some plants store bagasse, but this presents storage issues, and some plants burn coal in the off season, but this is not a very efficient way to burn coal in such low steam temperatures and small plants.

<sup>8</sup> 90.7MW of additional PV from IPP’s was mentioned as being discussed with CEB (at various stages of project development) in the 2014 CEB Annual Report

<sup>9</sup> According to official statistics released by the International Renewable Energy Agency (IRENA), at the end of 2015. This figure is likely to now be much higher.

<sup>10</sup> CEB’s SSDG Net-Metering Scheme Phase II

2017. PV costs are still steadily falling, so significant PV (and wind power) would be available to CEB under an expanded net metering scheme.

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## 2.6 National development agenda

Over the last ten years, the Government of Mauritius has adopted an economic development path aiming at the transformation of Mauritius economy into an effective international competitor. The explicit economic development goals formulated in the different long term vision documents that were communicated by the GoM to its population and to international stakeholders prioritize the acceleration of the improvement of the competitiveness of Mauritian enterprises, specially the SMEs. The streamlining of many sub-processes of doing business has been ongoing with the objective of getting Mauritius' economy internationally perceived as a proactive competitive environment highly supportive of entrepreneurial initiatives.

The private sector is clearly seen by the GoM as the main driver for the international development of the competitive capacity of Mauritius economy. The GoM and the various stakeholders of Mauritius economic actors envision the future of the country as being a focal point of services and trade intermediation for the "bridging" of the Southern part of Africa with Asian major economic dynamics. This is the strategic logic that sustains the vision of Mauritius as an international and vibrant financial centre offering a diversified range of financial sophisticated services that respond to the needs of African manufacturing and commercial ventures as well as for off-mainland financial and wealth management.

The GoM is progressing on the path of improving the capabilities of its SMEs that will be essential for the transformation of Mauritius economy in term of its international competitive capacity. The last decade has seen the acceleration of many national initiatives that focus explicitly on the competitiveness of Mauritius economy: the financial capability of the SMEs; the business culture of constant productivity improvement; the establishment of a series of trade agreements with key-global economies, as India, China, Japan, European Union, USA and Middle-East countries; the development the "Made in Mauritius" broad initiative and strategy that foster the engagement of SMEs into the Mauritian economy as well as the support and the fidelity of Mauritius client-systems to Mauritian products and services; the development of major urban projects that would catalyse the formation of innovative urban-agglomerations of high standards of quality of life merged with the design and technological facilities that are characteristic of the new generation of "smart-cities" (i.e. the Ebene-CyberCity agglomeration, the new Côte d'Or development).

The present GoM's *Three Year Strategic Plan 2017-2020: Rising the Challenges of our Ambitions* (also known as Vision 2020) provides a relatively well-balanced set of development objectives and programs to realistically move the Mauritius economy forward in its global competitiveness positioning. The development agenda of the policy and strategic initiatives of GoM also includes the goal of raising, on a sustainable basis, the level of efficiency and effectiveness of the public-sector, especially for services delivery. The Programming, Planning and Budgeting (PPB) public sector processes, with their strong focus on results and efficiency, have been partially implemented with the goal of constant quality improvement. The plans are to eventually integrate the systematic implementation of monitoring & evaluation of performances and impacts to support constant alignment of the GoM plans with Mauritius' goal of development's acceleration of its international competitiveness.

Through the recent decade, the GoM has prioritized the upgrading of the capabilities and facilities of its key-infrastructures that are core to its international competitiveness: the port and trans boarding capabilities; the airport facility and Air Mauritius assets; the energy and water utilities; and road & transport systems.

On the institutional side of the competitiveness development of Mauritius, the GoM has implemented a series of institutional changes for the facilitation and coordination of its economic transformation: Agencies responsible for good governance practices (i.e.: Ministry of Good Governance and Reform, and the Office of Public Sector Governance; the Economic Development Board; the National Productivity and Competiveness Council). This institutional architecture is essential for the planned

performance of the national competitiveness transformation, but the Team’s research so far has shown that still do not have in place a high level of coordination and shares focus on key-priorities.

Understanding why improving competitiveness is so important to the Country is the key to the Bank’s support over the years. Mauritius has undergone a complete transformation since its independence (1968). From a primarily agricultural economy for centuries, it has transitioned into a well-diversified economy with agro-industry, manufacturing, financial services, tourism, retail trade and information and communication technology as main pillars, largely as a result of cheap labour at the time, the ease of doing financial transactions through its banks, the need for other Africans to find safe havens for their accumulated wealth, and the stable political culture on the island. However, rising income has eroded the competitiveness of some export-oriented manufacturing industries vis-à-vis lower-income countries with cheaper labour. This, together with an ageing population, is threatening future growth. Compounding the problem are structural issues that impede further progress up the value chain. These include inadequate levels of education and hence human capital development; poor linkages between foreign direct investment, small-medium enterprises and socio-economic development; a lack of innovation; and the need to increase the effectiveness of Government and public service<sup>11</sup>. Realising that the future of the Country’s economic growth is in the hands of the private sector, and cognizant of the need to avoid, at all costs, the “middle Income Trap”, the Government and all economic partners in the Country realise that Competitiveness must now be the main focus for development.

In line with its “**Vision 2020**” (1994), the Government of Mauritius (GoM) committed to transform the country into a “globally competitive economy”, by promoting key sectors: sugar cane cluster, tourism, export-oriented manufacturing, export services, financial services, renewable energy and ICT. The strategy is articulated in four pillars:

- (i) enhancing competitiveness;
- (ii) consolidating fiscal performance and improving public sector efficiency;
- (iii) improving the business climate; and
- (iv) widening the circle of opportunity

**Box 1. Long-term vision “Vision 2020: The National Long-Term Perspective Study”**, formulated between 1994 and 1997, constitutes a broad holistic framework guiding long-term development and does not pretend to be a blueprint for action. It presents a general analysis of progress made and the main challenges facing Mauritius at the turn of the millennium; identifies the country’s fundamental strengths and weaknesses; suggests areas where success is most likely; establishes the main objectives to be reached by 2020. Vision 2020 takes a comprehensive and holistic view of development and addresses economic growth, environment, agriculture, industry, tourism, international financial services, ocean exploration, science and technology, employment and the labour force, social cohesion and political stability. It has a strong focus on education—as an appropriate path to transform Mauritius into a high skilled and efficient economy—and aims at deepening the traditions of personal freedom and democracy and the creation of a compassionate and family-oriented society and a modern outward-looking nation.

Source: Mauritius One Nation, One Destiny: A Comprehensive Development Framework Profile, World Bank (2003).

Since 2005, the Government has tenaciously advanced its market reform agenda and in 2014 the Government drafted the ten-year **Economic and Social Transformation Plan** (ESTP, 2014) and its **three-year rolling Program Based Budget** (PBB) results framework both designed within the country’s Vision 2020. The ESTP focuses on five priority areas:

- (i) Increasing Competitiveness
- (ii) Developing infrastructure
- (iii) Strengthening human capital and social inclusion
- (iv) Enhancing Public Sector Efficiency
- (v) Promoting Sustainable Environment.

Looking forward, the country’s ability to achieve growth that is inclusive and equitable is still impeded, with the worsening of main measures of income inequality in recent years. This Vision 2030 Development Model identified growth sectors with the potential to accelerate growth. As such, growth enablers have also been identified with accompanying strategies to develop a range of Mauritian

<sup>11</sup> Three year strategic plan 2017/18-2019/2020, Republic of Mauritius



industries; to improve the productivity of the growth sectors; and to enhance the capacity to compete on an international scale. Good Governance and a Whole-of-Government approach is the main prerequisite for the country to create the basis for a competitive economy.

The key strategies identified by the Vision are:

- Public services delivery will also be improved and will become more efficient (transports, energy, education, health).
- SMEs will become the focal point for increased employment, exports and innovation
- The **agro-industry** sector will be expanded by increasing crop and livestock productivity, and developing higher value-added processing activities.
- The key strategy for the **manufacturing** sector relies on deeper integration with the regional economies. Enhanced support will be provided to micro, small and medium-sized enterprises to level the playing field for growth that is more inclusive.
- The **tourism** sector will be able to enjoy sustained growth, both in terms of visitor arrivals and earnings.
- Mauritius aims to become an international financial centre of substance. The product and service offering of the **financial services** sector will be broadened and deepened.
- The **ICT** sector is expected to create more jobs by tapping the regional market for growth. This will be supported by enhanced infrastructure and human capital at home.
- The **ocean economy** will move up the value chain by developing higher value-added products. This strategy will be pursued while ensuring marine and sea-bed resources are exploited in a sustainable manner. The enablers and growth sector strategies are interconnected and complement each other.

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## 2.7 Development challenges in Mauritius<sup>12</sup>

Mauritius should not be considered as a struggling country in economic terms. The outlook for the country's economy is positive in the medium term (between 3.9% and 4% of Real GDP Growth, according to the IMF World Economic Outlook, October 2016), with real GDP growth set to be driven by a ramp up in public sector investment, high investments in manufacturing, further development of the country's services industries and an increase in tourism arrivals to the island. On the monetary policy front, the Monetary Policy Committee of the Bank of Mauritius kept its key policy rate around 4.0% in 2015-16 in light of a benign inflation environment and subdued domestic and external demand (In March 2018 it reduced it to 3.5%). Headline inflation dropped throughout 2015 but increased from 1.0% in year 2016 to 3.7% in year 2017; it is estimated by the Bank of Mauritius to be 3.8% in 2018. The Consumer Price Index, which stood at 109.4 in December 2016, registered a net increase of 4.6 points (or 4.2%) to reach 114.0 in December 2017.

From a development perspective, however, the growth outlook is subject to downside risks stemming mainly from policy uncertainty in advanced economies, financial sector vulnerabilities in some countries, and a rise in protectionism globally. Amid easing oil prices, global inflationary pressures have subsided, especially in advanced economies where inflation remains at levels below central bank targets.

Overall, while investment spending firmed up since 2014, final consumption expenditure moderated and exports of goods and services kept declining. The Government and the Central Bank have taken the view that there is a need to stimulate more investment into the productive sectors of the economy. At the moment it can still rely on an excess liquidity situation to help finance the strategy.

The following sub-sections provide insight into the key sector challenges:

**Energy sector challenges:** Mauritius depends heavily on imported fossil fuels in the form of fuel oil, diesel and coal to meet its energy requirements (79% in 2017<sup>13</sup>), with renewable energies accounting for only 21% of total production. The existing reserve of 43MW is insufficient as demand is growing rapidly and upgrading of old power plants is underway but is not done fast enough to

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<sup>12</sup> Much of this section is taken from AfDB's "CONSULTATIONS FOR THE MID-TERM REVIEW OF THE 2014-18 MAURITIUS COUNTRY STRATEGY PAPER AND THE REVIEW OF THE COUNTRY PORTFOLIO PERFORMANCE, 14-18 NOVEMBER 2016", with editorial changes and comments by the authors of the IR.

<sup>13</sup> AfDB CSP MTR 2016

stabilise supply and meet demand. The main areas of public sector investment over the next five years under the 2016-2021 Public Sector Investment Program (PSIP), includes a Rs 25 billion investment in the Energy sector to increase power generation and distribution infrastructure. Opportunities in the renewable energy space are being actively explored by the government, in collaboration with the private sector and DFIs, and include transformational energy projects, such as the Deep Ocean Water Applications (DOWA) that exploits deep-sea water currents for use in cooling buildings in the Capital. There are also offshore wind farms for which preliminary studies from the Mauritius Research Council have demonstrated conclusive results and demonstrate the potential for large scale developments in the waters of both Mauritius and Rodrigues.

**Water sector challenges:** From a development challenge standpoint, population growth, increasing water demands in irrigation, industry, commercial and touristic activities and changes in land use practices are causing number of problems related to the optimal use of water resources. The country faces acute water shortages especially during dry years due to high spatial and seasonal variability of rainfalls and insufficient water infrastructure. The country is facing increased water demands for water supply and agriculture, which exceed supply. Furthermore, inadequate capacity for collection and treatment of sewage effluent from domestic and industrial water use in Mauritius contributes to pollution of surface and groundwater resources and the coastal zone within the vicinity of sea outfalls from the few sewerage treatment plants in the country. Use of pesticides and fertiliser in agriculture has the potential to exacerbate the situation. The pollution, combined with inefficient water use in these sectors, could accelerate the reduction in overall availability of water and the related negative impact on the economy. A “Water Resources: The 2025-2050 Master Plan”, defines the strategic direction of the country’s water resources development looking at 2025 and 2050 horizon. In addition, the GoM, through its PSIP, and with support from development partners, plans to implement major water and sanitation infrastructure operations in efforts to address the challenges in the sector. It also plans to undertake major institutional reforms to transform the sector to sustain service provision and attain universal access to water and sanitation services.

**Transport Challenges:** Road congestion in Mauritius is prevalent on several corridors of the island, particularly on the Port-Louis to Curepipe corridor. A 2009 feasibility study undertaken by the Roads Development Authority indicated that without an upgrade in road infrastructure travel time in the most congested areas are expected to double by 2020, with traffic volumes expected to grow by 20%, effectively causing major impediments to the movement of goods and people and slowing economic development. A Road Decongestion Program (RDP) developed in 2013 aimed at easing the decongestion but the project was put in hold amidst the general elections of December 2014. No movement has occurred since. A controversial rail transport project has recently been started with Indian financing, design and construction.

**Gender, Youth and Skills Mismatch challenges:** Despite significant achievements over the last two decades, gender disparities remain severe in Mauritius, with the exception of education where gender parity has been achieved at the primary, secondary and tertiary levels. Main challenges for gender equality include under-representation of women in parliament and in corporate boards. Female labour participation rate is also significantly low, with 45.3 percent of women in work against 75.2 percent of men. These gender-based disparities have contributed to a regression in Mauritius ranking (120<sup>th</sup> out of 145 countries) in the Global Gender Gap Index 2015 developed by the World Economic Forum. The primary factors for the low female labour force participation are marriage and family size, with a married woman having a 40 percent higher probability of being out of the labour force than a married man (World Bank Country Diagnostics 2015).

Jobs for the youth has emerged as a high priority area for the Mauritius authorities in view of high youth unemployment. Statistics available for 2<sup>nd</sup> quarter 2017 have highlighted that the unemployment rate of the youth (aged 16-24) has reached 24.8%, well above the unemployment rate of the general population (7.8%). However, the Mauritian labour market continues to be characterized by a mismatch in demand and supply of workers and thus graduating students are finding it increasingly difficult to obtain formal jobs given the rapid transformation of the Mauritian economy. There is a particularly strong demand for skilled workers in the financial services, ICT, health care and tourism sectors. On the other hand, there has been a substantial decline in demand for labour in the lower-skilled sectors including sugar. In more recent years, the services sector is the leading employer in Mauritius, but the capability gap is growing and skills are lacking.

**Environmental and Climate Change challenges :** Being a small island, Mauritius is highly vulnerable to environmental degradation and climate change. Since 2007 about 7% of the agricultural lands and 9% of forestry land has been lost to other uses including housing, hotels and industrial parks. The significant ocean water resources and its various marine resources still constitute the mainstay of the country's economy and potential for development of the ocean 'blue' economy and needs protection. It is noted that in this regard Mauritius often puts forward the idea that it will have a competitive advantage with the "ocean economy" concept, when many others, including Seychelles, already have such a strategy and are already implementing it. The strategy, therefore may not be the sinecure that official statements suggest it will be. Indications show that climate change is already impacting on Mauritius: between 1998 & 2014, local mean sea levels rose by 2.1mm per year and there are more frequent torrential rains resulting in flash floods (ex. torrential rains in March 2013 resulted in 11 fatalities). CO2 emissions have also risen, from 0.9ton/ capita in 1990 to 3.5ton/capita in 2014 causing concern about the climate footprint of the country's growth model.

**SME challenges:** A recent report by the Ministry of Business, Enterprise and Cooperatives indicates that the SME "sector" in Mauritius may not be able to play the role the GoM envisages for it. The vast majority are struggling financially. Only a very small percentage exports (3%), and almost none invest in innovation. They certainly are not positioned to carry the weight of any "competitiveness" strategy.

## 2.8 Comparison of economies of Mauritius and selected other countries

The following tables provide a comparison of Mauritius versus some of the most competitive economies by rank, 2010-2016, according to the World Development Forum.

Table 5: Overall competitive scores, 2010-2017

| Country          | 2010      | 2013      | 2017      |
|------------------|-----------|-----------|-----------|
| Hong Kong SAR    | 1         | 1         | 1         |
| Singapore        | 5         | 2         | 2         |
| Netherlands      | 7         | 7         | 3         |
| Japan            | 11        | 9         | 5         |
| Switzerland      | 6         | 6         | 6         |
| Germany          | 2         | 3         | 8         |
| UK               | 8         | 8         | 9         |
| USA              | 15        | 15        | 11        |
| Sweden           | 10        | 20        | 20        |
| Finland          | 17        | 21        | 26        |
| <b>Mauritius</b> | <b>58</b> | <b>20</b> | <b>41</b> |

Table 6: Mauritius and the ten top performers in the Sub-Saharan region Pillar 3: Macroeconomic environment

| Country          | 2010      | 2013      | 2017      |
|------------------|-----------|-----------|-----------|
| Botswana         | 74        | 24        | 10        |
| Gabon            |           | 13        | 25        |
| <b>Mauritius</b> | <b>62</b> | <b>67</b> | <b>59</b> |
| Côte d'Ivoire    | 94        | 106       | 66        |
| Namibia          | 40        | 70        | 74        |
| Ethiopia         | 127       | 123       | 78        |
| South Africa     | 43        | 95        | 79        |
| Rwanda           | 106       | 92        | 80        |
| Kenya            | 128       | 132       | 122       |

Table 7: Mauritius and the ten top performers in the Sub-Saharan region Pillar 4: Health and Education

| Country          | 2010      | 2013      | 2017      |
|------------------|-----------|-----------|-----------|
| <b>Mauritius</b> | <b>59</b> | <b>43</b> | <b>48</b> |
| Cabo Verde       | 88        | 75        | 58        |
| Rwanda           | 111       | 94        | 84        |
| Gabon            |           | 132       | 109       |
| Ethiopia         | 119       | 113       | 111       |
| Botswana         | 114       | 115       | 113       |

|               |     |     |     |
|---------------|-----|-----|-----|
| Kenya         | 121 | 119 | 114 |
| Namibia       | 112 | 125 | 121 |
| South Africa  | 129 | 135 | 123 |
| Côte d'Ivoire | 136 | 142 | 132 |

Another issue is the extent to which Mauritius enjoys the competencies that are required for global competitiveness. The following table indicate where Mauritius stands in terms of the “Global Competitiveness Index”, produced by the ADDECO Group and INSEAD. This index measures the ability to attract and retain workers, among other attributes.

Table 8: Global Competitiveness Index

| Country   | Enable    | Attract   | Grow      | Retain    | Voc. and technical skills |
|-----------|-----------|-----------|-----------|-----------|---------------------------|
| Singapore | 1         | 1         | 13        | 7         | 8                         |
| Canada    | 7         | 7         | 12        | 21        | 26                        |
| Iceland   | 19        | 22        | 15        | 6         | 27                        |
| Malta     | 29        | 33        | 32        | 24        | 52                        |
| Cyprus    | 41        | 37        | 37        | 36        | 29                        |
| Barbados  | 27        | 12        | 38        | 51        | 60                        |
| Mauritius | <b>35</b> | <b>42</b> | <b>70</b> | <b>29</b> | <b>37</b>                 |

Source: NPCC Productivity and Competitiveness Review 2017

## 2.9 The Development Assistance Context in Mauritius

Notwithstanding the positive performance of the country, OECD data sources note that Mauritius still receives a considerable amount of Official Development Assistance (ODA), which yearly contributes on average up to 1,7% of the GDP. During the evaluation period 2009 to 2016, Mauritius received a total of USD 1,619 M of ODA<sup>14</sup>.

Table 9: ODA Allocated Amount to Mauritius (2009-2016) and Country data

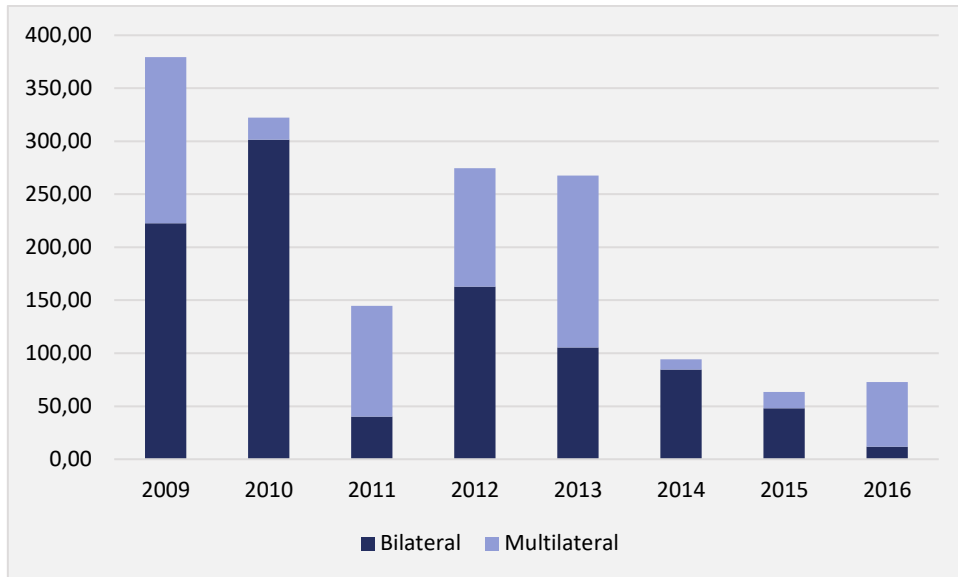
|  | Total amounts |
|--|---------------|
| ODA average allocated amount per year €            | 202,422,822   |
| ODA total contribution per year as % of GDP        | 1.7%          |
| ODA total allocated amount per capita €            | 1,282         |
| ODA average allocated amount per year per capita € | 160           |

Source: World Bank and OECD CRS database and own elaboration

As shown in the table below, ODA from Multilateral and Bilateral Donors decreased throughout the evaluation period, 2009-2018. The main donors are France and EU institutions, with USD 802 M and USD 551 M respectively. Japan and UK follow with USD 110 M and USD 50 M respectively. Within the UN agencies UNDP is the most important with a committed amount accounting for 3% of the total ODA committed amount over the period 2008-2016.

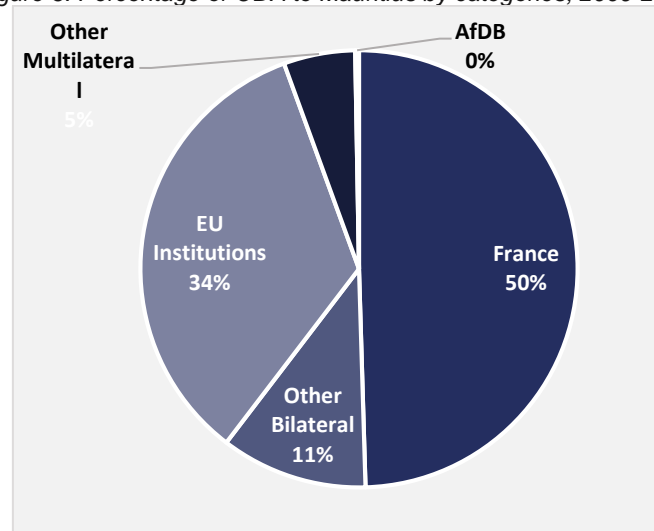
Figure 5: Total Amount of ODA to Mauritius from bilateral and multilateral donors by year, 2009-2018 USD Mln

<sup>14</sup> The data on OECD CRS relies on what the institutions communicate to the system, therefore, there might be gaps and inaccuracies. For instance the data from the AfDB do not correspond to the data provided from the AfDB. These data need to be considered an estimation for trends.



Source: Elaboration from OECD Statistics – Creditor Reporting System

Figure 6: Percentage of ODA to Mauritius by categories, 2009-2016 USD Mn



Source: Elaboration from OECD Statistics – Creditor Reporting System

Donors in Mauritius are committed to better coordination. Donors include the European Commission, the European Investment Bank, the World Bank, the Indian Government, the Chinese Government, Agence Française de Développement, the Kuwait Fund, the African Development Bank, and the Arab Bank for Economic Development. As an example of this community commitment, through a MoU signed in March 2004, donors have undertaken to ensure continuous monitoring of progress in the sanitation sector. The team has not been able to identify any focus by all donors except for the construction of infrastructure (in all sectors). The below table provides an overview of the sectoral allocation of ODA throughout the evaluation period.

Table 10: ODA concentration per sectors in Mauritius, 2009-2016

| Sectors  | Percentage of commitments |
|--|---------------------------|
| Social (Education and Health),                 | 38%                       |
| Cross-cutting (inc. environmental protection), | 19%                       |
| Energy and Transport                           | 14%                       |
| Agriculture                                    | 13%                       |

Source: Govt or Mauritius web page

The donors providing general budget support for the economic reform programme of the Government of Mauritius comprise the World Bank, the Agence Française de Développement (AFD)

and the African Development Bank, along with the EC. UNDP has an office in Mauritius and provides Technical Assistance for Budget Support.

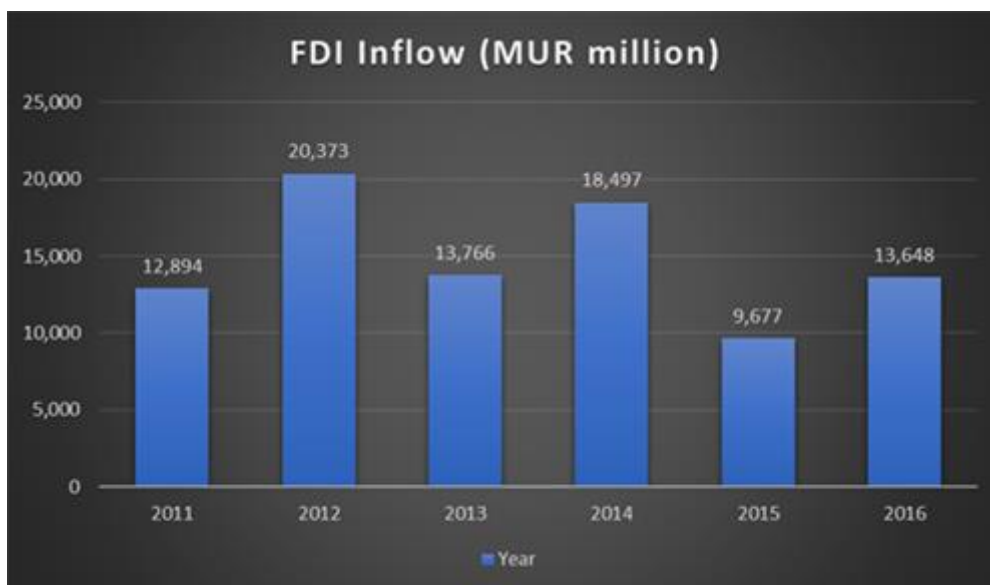
## 2.10 Foreign Direct Investment into and out of the Country

According to the statistics published by the Bank of Mauritius, Foreign Direct Investment (FDI) inflows into the Mauritian economy for the January to December 2016 period witnessed an increase of 41% as compared to the previous year. FDI inflows to the tune of MUR 13.6 Bn have been recorded for the four quarters of 2016 as compared to MUR 9.7 Bn in 2015.

Real estate and financial services remain the most attractive sectors which were the main targets of FDI. Real Estate activities recorded FDI to the tune of MUR 9.9 Bn of which various forms of real estate investments accounted for MUR 7.9 Bn. Direct investment flows of MUR 2.1 Bn were recorded in the financial services sector while the manufacturing sector registered MUR 511 million.

There are clear signs of an upswing in FDI from developing countries. FDI from developing countries accounted for MUR 6.46 Bn as compared to MUR 3.34 Bn in 2015. The following diagram illustrates FDI inflows from 2011 to 2016.

Figure 7: FDI inflows from 2011 to 2016



Source: Board of Investment Mauritius Web Page

France remains the main source of FDI for the country with a contribution of MUR 4.5 Bn. In addition, an influx of MUR 2.4 Bn originated from China, representing 17.9% of the total FDI while South Africa channelled MUR 1.96 Bn into the Mauritian economy.

Outward investment amounted to MUR 1.8 Bn in 2016 and they were mostly oriented towards the Manufacturing sector (MUR 812 million) and the financial sector (MUR 69 million). Direct investment to Reunion Island totalled MUR 686 million while those channelled to Madagascar amounted to MUR 68 million. Investment abroad were mainly geared towards developing countries and Africa represents the biggest recipient of FDI to the tune of MUR 895 million.

The following table indicates the sources of FDI in Mauritius in either 2017 or 2018, as per latest figures available. The source of the data is <https://tradingeconomics.com/mauritius/foreign-direct-investment>, and the information was downloaded on May 15, 2018

Table 11: FDI in Mauritius in 2017-2018

| <b>Country</b>               | <b>Last</b> |        |                      |
|------------------------------|-------------|--------|----------------------|
| <b><u>Australia</u></b>      | 60499.00    | Dec/17 | AUD Million          |
| <b><u>Brazil</u></b>         | 6540.00     | Mar/18 | USD Million          |
| <b><u>Canada</u></b>         | 8333.00     | Dec/17 | CAD Million          |
| <b><u>China</u></b>          | 345.10      | Mar/18 | USD HML              |
| <b><u>France</u></b>         | 2360.00     | Mar/18 | EUR Million          |
| <b><u>Germany</u></b>        | 9115.00     | Feb/18 | EUR Million          |
| <b><u>India</u></b>          | 4007.00     | Feb/18 | USD Million          |
| <b><u>Indonesia</u></b>      | 108.90      | Mar/18 | IDR Trillion         |
| <b><u>Italy</u></b>          | 5000.00     | Feb/18 | EUR Million          |
| <b><u>Japan</u></b>          | 9283.00     | Mar/18 | JPY Hundreds Million |
| <b><u>Mexico</u></b>         | 5903.80     | Dec/17 | USD Million          |
| <b><u>Netherlands</u></b>    | 59966.00    | Dec/17 | EUR Million          |
| <b><u>Russia</u></b>         | 4300.00     | Mar/18 | USD Million          |
| <b><u>South Korea</u></b>    | 4934000.00  | Mar/18 | USD Thousand         |
| <b><u>Spain</u></b>          | -1705.00    | Feb/18 | EUR Million          |
| <b><u>Switzerland</u></b>    | 965478.00   | Dec/16 | CHF Million          |
| <b><u>Turkey</u></b>         | 12300.00    | Dec/16 | USD Million          |
| <b><u>United Kingdom</u></b> | 8667.00     | Dec/17 | GBP Million          |
| <b><u>United States</u></b>  | 46429.00    | Dec/17 | USD Million          |

In addition, the DFI from Réunion for 2017 was 36 million Rupees, and the DFI from South Africa for the same year was 1,814 million Rupees. (From Central Bank of Mauritius)

### 3 Bank strategies, responses and portfolio

This section presents an overview of the Bank's strategies and responses (CSPs) and an analysis of the portfolio of the AfDB's interventions in Mauritius during the period 2009- 2018.

#### 3.1 The African Development Bank's cooperation strategy with Mauritius

The African Development Bank's cooperation with Mauritius dates back to 1975 and the establishment of a non-resident Country Economist in 2009 is claimed to have helped enhance portfolio management, country dialogue and aid coordination. The Bank Group has provided significant and diversified support to the country's development efforts since 1975, approving overall a total of 37 operations comprising 26 projects, three policy- based operations, three economic sector studies and five lines of credit with an estimated total committed amount of US \$1.2 billion.

Over time, the effects of regime change in Mauritius has manifested itself in the nature and dynamics of its relationship with the Bank. For example, the previous regime was clearly intent on adopting PPP mechanisms as much as possible and the Bank responded to their request for assistance in that domain by sending a PPP expert to the island for almost three years. During the period where the TA was working, the Government changed and the priority given to PPP was significantly reduced and little interest was expressed for further infrastructure development following the PPP model. At the same time, the interest in debt management, a key component of the first regime, was reduced as the country gained its own level of competence. Finally, the present regime appears to have much less interest in identifying and filling the capability gap than did the previous regime.

The Bank's operational framework in Mauritius is designed to respond to the country's needs as an upper Middle-Income Country (MIC). It focuses on supporting policy reform, technical assistance and capacity building and knowledge work. The AfDB country strategies corresponded to the Government strategies and reforms and are linked to the national development priorities as set forth in the "Vision 2020: The National Long-Term Perspective Study". The Bank is committed to help Mauritius build its competitiveness and resilience to exogenous shocks so as to enhance the quality of growth and accelerate the country's transition into a HIC as announced by the Government in its ambitious agenda: "to transform Mauritius into a High Income Country (HIC) on the basis of growth that is sustainably generated and equitably distributed by 2025".

For the period under review in this evaluation the Bank's assistance encompasses two strategic cycles, consisting of two **Country Strategy Papers** (CSP 2009-2013 and CSP 2013-2018). In addition, Mauritius was included in the **Regional Integration Strategy Paper** (RISP) for Southern Africa 2011-2015. The Country Strategy Papers provide a multiannual framework and a guide for the Bank's interventions in order to support the country's development agenda and priorities and operate in synergy with them. The Regional Integration Strategy Paper aim at providing support to member countries and Regional Economic Communities (RECs) in designing and implementing measures to tackle the regional infrastructure gap and accelerate economic integration. It should be noted that the Bank also has applied support to the Country's economic actors through an equity fund mechanism and through the African Fund for Sustainable Development<sup>15</sup>.

#### CSP 2009-2013:

This CSP is centred on the Government Development Strategy. In line with the Bank's Medium Term Strategy for 2009-2013, it devoted particular operational focus on enhancing external competitiveness by promoting trade integration and the development of key infrastructure projects, promoting a more robust private sector and fomenting the development of human capital by supporting the improvement of public sector efficiency and basic service delivery. The CSP was articulated along two pillars:

**Pillar I:** Reduce Structural Bottlenecks to Competitiveness and Trade. This pillar was to accompany the aggressive public investment agenda that the Government announced in December 2008, which aimed to fill key infrastructure gaps limiting country competitiveness and deeper integration into international trade.

<sup>15</sup> The title of this fund is not certain.



**Pillar II:** Enhance Public Sector Efficiency and Basic Social Service Delivery. This pillar sought to help Mauritius consolidate a modern and resilient public administration, which implied supporting fiscal reforms in PBB, and public expenditure. Also critical was the need to promote a responsible, sustainable and targeted system of public social services. These twin activities were to help Mauritius cope with the (then) ongoing economic crisis while maintaining social stability and preserving fiscal discipline.

This CSP intended to address Mauritius' weaknesses and take advantage of strengths and opportunities:

- The Bank's support to reduce infrastructure bottlenecks was to highlight environmental sustainability issues and at the same time enhance external competitiveness. In addition, efforts to promote trade integration were believed to reduce the vulnerability of the private sector (Pillar I).  
Budget support was to continue to aid fiscal consolidation and help Mauritius respond better to the effects of the global downturn affecting economic conditions, particularly in tourism, textiles and the financial sector (Pillar II).
- The Bank's support to revamping public social services was meant to protect vulnerable groups, women in particular. It was thought to be useful to mitigate the social impacts of the then current economic downturn and strengthen their long-term sustainability (Pillar II).  
During the initial period of the CSP, the Bank's direct support to the private sector was envisaged only through the promotion of Public-Private Partnerships, or PPPs.

During the CSP period, the Bank's support to Mauritius was to be closely coordinated with other development partners. The Bank's special attention was to be given to the prevention of overlaps; it was also to take advantage of synergies.

### **CSP 2014-2018:**

The 2014-18 CSP of the Bank was prepared at a time of consolidation of previous reforms as the Country prepared for the general elections that took place in December 2014. It should be noted that successive governments have generally demonstrated policy continuity and sustained reform agendas between election cycles, but there were important shifts in emphasis (ex. PPP) . While some minor shifts in policy emphasis have occurred with the Government in place, the strategic goal towards HIC status continues to remain a priority. Parliamentary elections are expected to be held in 2019. The Bank did not expect the basic social and policy priorities to change much over the next few years, and has developed a non-lending programme that has been implemented with the overall support of Government.

As was the case with the previous CSP, the objective of this CSP is to help Mauritius build its competitiveness and resilience to exogenous shocks, enhance the quality of growth, and accelerate the country's transition into a HIC. Both the choice of instruments and the proposed intervention areas strategically position the Bank to support Mauritius in achieving inclusive and 'greener' growth. The CSP supports interventions under two complementary pillars, namely: 1) Building Infrastructure and PPPs and 2) Deepening Skills and Technology Development. The strategic choice of the two pillars has been informed by the following three key factors: (i) Infrastructure and Skills and Technology address Mauritius' key structural bottlenecks and already enjoy Government policy commitment and financing, (ii) The Bank's solid experience in the two focus areas adds value to complement other partners' focus areas, and (iii) GoM specifically requested Bank support in the two areas.

### **Pillar 1: Building Infrastructure and PPPs**

This pillar supports actions and policy reforms that address bottlenecks due to energy, transport and water and sanitation infrastructure. The objective is to support Mauritius improve the quality and capacity of its infrastructure to attract higher value-added investments into the country, enhance the domestic private sector's capacity to operate in the regional market and improve public sector delivery. Under this pillar, a Bank Infrastructure Investment Specialist had resided in Mauritius to provide technical advisory services and strengthen the GoM's capacity to structure PPPs in coordination with other development partners. The Specialist was to be supported by the Bank's

Southern Africa Regional Resource Centre (SARC)<sup>16</sup>. Support to PPPs aims at attracting private sector investment to co-finance public infrastructure in line with the GoM's medium term fiscal consolidation objectives. Pillar 1 is to be a pathway for promoting gradual transition to 'green' growth by supporting the GoM to enhance resource use efficiency in the utilities sector; achieve policy clarity on the share of renewable energy in the national production mix, and reduce water pollution. In this pillar, the Bank will support inclusive growth through the expansion of water services to poor and marginalized areas, especially in Rodrigues and Black River. Capacity building interventions will also support efficient delivery of public sector investment and services. Analytical work will inform decisions concerning green infrastructure investment options, including those dealing with multi-modal climate resilient mass transport solutions and spatial planning capacities.

## Pillar 2: Deepening Skills and Technology Development

This pillar supports actions and policy reforms that contribute to improving the quality of primary education, and the relevance of, and access to, TVET and other forms of tertiary education. The objective is to help Mauritius address a recognized skills mismatch and enhance the country's productivity and innovation capacity. Bank support will focus on (i) improving quality and efficiency in primary education, the main cause of attrition and the source of the rising pool of unskilled youth, (ii) enhancing relevance and access to TVET and tertiary education to address skills shortages in science and technology, ICT and other emerging sectors, and (iii) bolstering research and innovation capacity.

The specific tentative programmes presented in the two CSPs are presented in an Annex. To be noted that the tentative programmes present differences with the actual portfolio implemented and analysed in the next section.

Between 2009 and 2018, the Bank approved 12 operations projects in Mauritius across several sectors (Multisector, i.e. governance, public finance, budget support and private sector development, Power, Transport, Water and Sanitation) with a total amount of UAC 606 Million (USD 858 Million), see the below section on portfolio for more details. The following figure represents a logic diagram at the strategic pillar level for the last three CSPs.

Figure 8: Bank's Goals and Objectives for Mauritius 2004-2018

| CSP 2004-2008   | CSP 2009-2013   | CSP 2014-2018  |
|---|---|--|
| <b>Goals and priorities</b>   | <b>Goals and priorities</b>   | <b>Goals and priorities</b>  |
| <b>Information and Communications Technology</b><br>Support for private operators and capacity building in the ICT sector   | <b>Pillar I – Reduce Structural Bottlenecks to Competitiveness and Trade.</b><br>1. Enhance Skills on Trade Integration Issues.<br>2. Information Communications Technology<br>▪ Enhance competitiveness and Increase investment Climate<br>3. Power and Roads<br>▪ Enhance Competitiveness | <b>Pillar 1 – Building Infrastructure and PPP</b><br>1. Enhancing competitiveness (PBO) (Policy reform collaboration with WB, AFD and EU).<br>2. Investing in education technology and PPPs to improve learning outcomes and skills development                  |
| <b>Private Sector</b><br>(i) Support for private sector and SME development.  | <b>Pillar II – Enhance Public Sector Efficiency and Basic Social Service Delivery.</b><br>4. Improve Public Sector Management and Efficiency.<br>5. Sewerage and Sanitation   | <b>Pillar 2 Deepening Skills and Technology Development</b><br>3. TA to enhance education technology and PPPs to improve learning outcomes and skills development.<br>4. TA for assessing framework for on-line learning at UoTM and support MITD business plan. |
| <b>Infrastructure Development</b><br>1- Irrigation<br>(ii) Support for the expansion of irrigation infrastructure for the non-sugar agriculture sector in the northern region of Mauritius.<br>(iii) Institutional support for the irrigation Authority and the Agricultural Research and Extension Unit.<br>2- Water and Sanitation<br>(iv) Support for sewerage infrastructure development.<br>3- Transport<br>(v) Support for the government |   |  |

<sup>16</sup> Now RDGS

|                                    |                                    |                                    |  |
|------------------------------------|------------------------------------|------------------------------------|--|
| traffic management program.        |                                    |                                    |  |
| <b>Overall strategic framework</b> | <b>Overall strategic framework</b> | <b>Overall strategic framework</b> |  |
|                                    | Joint Program Document (DPs')      | The Vision 2020, FYDP (2010-15)    |  |

### Regional-national programme interfaces

Mauritius is part of the South African RISP, which covers 12 countries: Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe. The RISP identifies that South Africa is considered a hub for growth and regional integration in Southern Africa while Indian Ocean islands such as Mauritius have a particular function in the region since they serve as a bridge between Asia and Africa for trade and FDI.

Mauritius has therefore settled on a pragmatic vision of regional integration, considering commercial opportunities both within and outside the region. As a consequence, in addition to being a member of SADC and COMESA, Mauritius has been negotiating an Economic Partnership Agreement (EPA) with the European Union and exploring opportunities for a Free Trade Agreement with Asian countries.

According to the RISP 2011-2015, *“it is evident that, besides being the regional hub between Asia and Africa, Mauritius can share its comparative advantage of doing business, serving as a model for Southern Africa. It has done remarkably well in this area, consistently ranking at the top in many categories of the World Bank Doing Business Indicators as well as the Africa Competitiveness Report. Its innovative approach to regional integration can also be an asset. The Country has proposed greater focus on attracting investment to the region, creating a competitive business environment regionally, upgrading the skills and competencies of staff involved in improving the investment climate, and rapidly moving toward a common market using financial support from the COMESA Fund, the AfT Fund, and other sources.”*

In addition, the RIPS identifies the cost of adopting such a particular regional function for the country. Indeed, *“To compensate for the social cost of the required reforms and to fast track their implementation, Mauritius has proposed innovative mechanisms which would be partially financed through the **“regional budget support”** principle. Finally, due to large financial needs for regional infrastructure projects and compensation of social costs related to trade liberalization, **private sector financing** is being increasingly utilized through mechanisms such as equity investment funds.”*

The RISP identifies **four areas of priority** for regional integration:

- (i) improvement of maritime links between the islands and the continent through the Nacala corridor in Mozambique;
- (ii) development of a regional port and warehouse to facilitate trade with the continent;
- (iii) fostering of Madagascar’s role as a regional food provider and promotion of agri-business opportunities while creating an enabling environment; and
- (iv) reduction of costs to access clean energy and ICT.

During the evaluation period, Mauritius received support through four regional grants of the Bank, see below table.

Table 12: List of AfDB regional programme in Mauritius (2009-2017)

| Title  | N.           | Netloan      | Approval date | status |
|--|--------------|--------------|---------------|--------|
| Comesa – Promoting financial inclusion Action Plan Development for Microfinance regulation                                     | P-Z1-HB0-056 | 210.462,91   | 16.02.2016    | Ongo   |
| Comesa: Airspace Integration Project   | P-Z1-DA0-003 | 5.750.000,00 | 15.09.2010    | Ongo   |
| Support to Comesa Water and Sanitation Sector (WSS)  | P-Z1-EAZ-018 | 1.823.128,26 | 04.09.2009    | Comp   |
| Renforcement des Capacités Opérationnelles du Secrétariat Général et de la Mise en Œuvre de la Stratégie Sectorielle « Genre » | P-Z1-KF0-020 | 567 501      | 29.12.2011    | Comp   |

Another way of considering “regional” programming is to consider the geographic distribution of equity funds. The following table notes that the vast majority of equity funds that have received bank commitments of support are registered in Mauritius, but, according to a Bank official, there are few, if any, investees physically located in Mauritius. The highlighted funds, according to the Bank TM, “originated between 2009 and 2017” .

Table 13: Active Private Equity Funds as at 31st December 2017<sup>17</sup>

| Funds in portfolio   | Closing date | AfDB shareholding | Commitment UA      | Disbursed UA       | J-curve stage (TVPI) | Domiciliation |
|--|--------------|-------------------|--------------------|--------------------|----------------------|---------------|
| <b>HIGH PERFORMERS (7)</b>   |              |                   |                    |                    |                      |               |
| Evolution One Fund (EVOLUTION ONE)                                     | 31/05/2008   | 19,75%            | 2 229 112          | 2 170 594          | 1,84                 | South Africa  |
| Investment Fund for Health in Africa (IFHA)                            | 02/09/2008   | 19,66%            | 8 294 946          | 7 432 760          | 1,47                 | Mauritius     |
| Aureos Africa Fund (AUREOS)  | 01/07/2008   | 7,87%             | 21 065 493         | 17 480 848         | 1,52                 | Mauritius     |
| AfricInvest Fund 2 (AFRICINVEST2)                                      | 30/05/2008   | 13,99%            | 16 842 531         | 16 356 624         | 1,50                 | Mauritius     |
| ECP Africa Fund 2 (ECP2)   | 23/12/2005   | 11,03%            | 33 154 680         | 32 696 865         | 1,46                 | Mauritius     |
| Maghreb Private Equity Fund 2 (MPEF2)                                  | 01/12/2005   | 16,10%            | 16 842 531         | 16 798 740         | 1,70                 | Mauritius     |
| ECP Africa Fund 3 (ECP3)   | 01/04/2008   | 9,38%             | 35 109 154         | 38 882 525         | 1,18                 | Mauritius     |
| <b>MEDIUM PERFORMERS + (12)</b>  |              |                   |                    |                    |                      |               |
| West Africa Emerging Markets Fund (WAEMF)                              | 17/08/2011   | 17,70%            | 5 740 037          | 4 717 669          | 1,27                 | Mauritius     |
| Africa Health Fund (AHF)   | 30/03/2010   | 26,53%            | 14 043 662         | 10 788 201         | 1,30                 | Mauritius     |
| African Infrastructure Investment Fund 2 (AIIF2)                       | 23/07/2010   | 11,82%            | 21 065 493         | 19 836 357         | 0,95                 | Mauritius     |
| Eight Miles LLP  | 02/02/2012   | 13,35%            | 17 765 232         | 15 245 798         | 1,07                 | Mauritius     |
| Atlantic Coast Regional Fund A (ACRF-A)                                | 01/06/2008   | 20,82%            | 10 532 746         | 9 200 826          | 1,19                 | Mauritius     |
| Atlantic Coast Regional Fund D (ACRF-D)                                | 20/12/2013   | 19,86%            | 7 021 831          | 6 116 084          | 1,21                 | Mauritius     |
| Helios Investors II Fund (HELIOS2)                                     | 01/05/2010   | 3,61%             | 20 748 071         | 20 027 879         | 1,59                 | Mauritius     |
| I & P Afrique Entrepreneurs  | 08/06/2012   | 12,99%            | 5 894 886          | 4 605 411          | 0,93                 | Mauritius     |
| Africa Agriculture Fund (AAF)  | 28/02/2011   | 20,39%            | 28 087 323         | 28 087 323         | 1,19                 | Mauritius     |
| GEF Africa Sustainable Forestry Fund (GEF)                             | 01/12/2010   | 12,47%            | 14 043 662         | 13 796 455         | 0,95                 | Mauritius     |
| Maghreb Private Equity Fund 3 (MPEF3)                                  | 06/09/2011   | 13,42%            | 16 842 531         | 15 146 488         | 1,11                 | Mauritius     |
| Africa Renewable Fund L.P.   | 13/04/2014   | 13,54%            | 17 554 577         | 10 667 278         | 0,99                 | Mauritius     |
| AfricInvest Fund 3 (AFRICINVEST3)                                      | 31/03/2016   | 7,33%             | 16 842 531         | 7 443 425          | 0,88                 | Mauritius     |
| <b>MEDIUM PERFORMERS - (14)</b>  |              |                   |                    |                    |                      |               |
| Enko Africa Private Equity Fund  | 01/04/2014   | 25,00%            | 10 532 746         | 3 127 483          | 0,84                 | Mauritius     |
| Pan African Infrastructure - Generalist and Development Fund (PAIDF 1) | 27/08/2008   | 7,94%             | 35 109 154         | 34 235 153         | 0,00                 | South Africa  |
| Argan Infrastructure - Generalist Fund (ARGAN)                         | 15/07/2010   | 20,00%            | 11 807 176         | 5 536 982          | 0,69                 | Mauritius     |
| Business Partners International Southern Africa SME Fund               | 01/08/2013   | 23,33%            | 4 915 282          | 3 071 277          | 0,76                 | Mauritius     |
| Carlyle Sub-Saharan Africa Fund (CSSAF)                                | 30/11/2012   | 7,16%             | 35 109 154         | 20 019 634         | 0,62                 | Mauritius     |
| Fund for Agricultural Finance in Nigeria (FAFIN)                       | 15/06/2017   | 13,66%            | 6 319 648          | 1 613 568          | 1,00                 | Mauritius     |
| Pan African Housing Fund (PAHF)  | 19/12/2012   | 16,69%            | 4 915 282          | 2 874 370          | 0,90                 | Mauritius     |
| Kibo Fund II   | 01/12/2014   | 21,71%            | 8 777 289          | 3 334 000          | 0,80                 | Mauritius     |
| Pan African Infrastructure - Generalist Development Fund 2 (PAIDF2)    | 01/12/2014   | 24,82%            | 8 192 136          | 2 907 159          | 0,36                 | Mauritius     |
| Catalyst Fund 1 (CATALYST 1)   | 01/01/2011   | 12,21%            | 10 532 746         | 8 827 144          | 0,80                 | Mauritius     |
| Africa Capitalization Fund (ACF)                                       | 16/08/2010   | 25,00%            | 31 917 413         | 27 991 073         | 0,79                 | Mauritius     |
| Africa Joint Investment Fund (CITADEL)                                 | 31/08/2010   | 25,00%            | 10 876 315         | 10 366 526         | 0,56                 | Mauritius     |
| ARM Harith Infrastructure Fund   | 01/01/2015   | 25,00%            | 9 186 661          | 4 657 328          | 1,03                 | Mauritius     |
| Moringa Mauritius Africa   | 06/12/2016   | 22,63%            | 8 421 265          | 2 074 071          | 0,47                 | Mauritius     |
| <b>SUB PERFORMING (3)</b>  |              |                   |                    |                    |                      |               |
| GroFin Africa Fund (GROFIN)  | 16/08/2008   | 12,50%            | 14 043 662         | 12 395 123         | 0,66                 | Mauritius     |
| Cauris Croissance II Fund  | 16/03/2012   | 8,33%             | 4 203 896          | 3 101 576          | 1,06                 | Mauritius     |
| Agri-Vie Fund (AGRIVIE)  | 08/07/2008   | 23,88%            | 10 532 746         | 10 209 097         | 1,00                 | Mauritius     |
| <b>FUNDS RECENTLY INITIATED (6)</b>                                    |              |                   |                    |                    |                      |               |
| AFIG Fund II LP  | 28/07/2016   | 24,97%            | 16 571 521         | 6 393 478          | 0,91                 | Mauritius     |
| APIS Growth Fund I Africa LP   | 21/02/2017   | 25,00%            | 14 043 662         | 2 016 361          | 0,49                 | Mauritius     |
| ECP Africa Fund IV   | 15/07/2016   | 10,60%            | 17 554 577         | 8 380 649          | 1,16                 | Mauritius     |
| Mediterrania capital III (MCF III)                                     | 24/11/2017   | 14,56%            | 12 631 898         | 3 990 891          | 1,00                 | Mauritius     |
| Shore Cap III  | 13/12/2017   | 25,00%            | 8 679 763          | 188 722            | 0,00                 | Mauritius     |
| Tide Africa (TLCOM)  | 14/06/2017   | 25,00%            | 6 255 813          | 1 501 395          | 0,00                 | Mauritius     |
| <b>TOTAL (42 active Funds)</b>   |              |                   | <b>631 564 130</b> | <b>476 311 208</b> |                      |               |

<sup>17</sup> Source: AfDB Task Manager

A recent (2015) EF evaluation by the AfDB does not cover development issues as a separate topic. In fact, it mistakenly confuses development effect and geography, as if powdering money across a wider geographic region is catamount to optimising development effects.

*“The equity funds have invested capital in companies across 35 countries, demonstrating a high level of regional diversification. Pan-African funds, the largest category, represents companies that operate across several countries. However, a substantial proportion of the investments (25%) was concentrated in only two countries – Nigeria and South Africa. With respect to direct investments, regional diversification is adequate, with investees headquartered in 12 countries.”*

EF evaluation 2015, p. 1

Also of importance is the evaluation’s conclusion that “there was a lack of reliable outcomes data,” leaving a shadow over the too-liberal interpretation of the report’s findings and conclusions on a series of issues such as regional “integration” and leveraging of economic instruments.

### 3.2 The AfDB’s portfolio in Mauritius

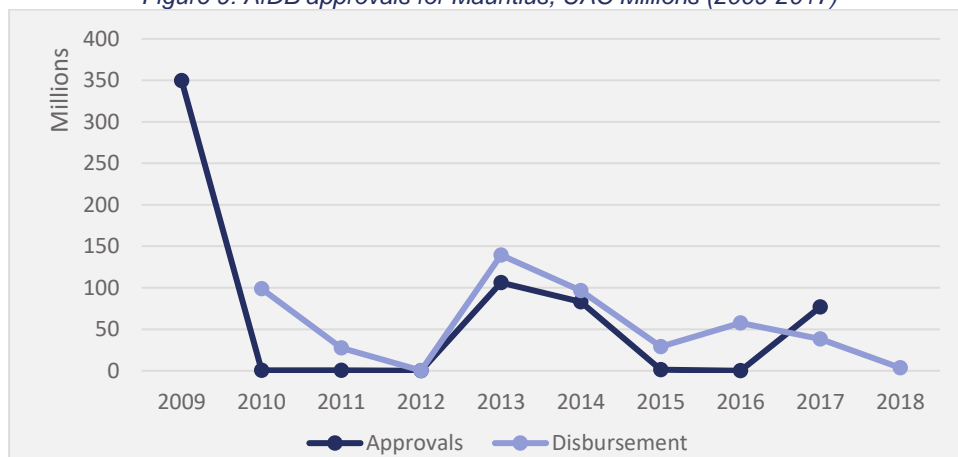
The goal of the following portfolio analysis is to:

1. Contribute to the *theory of change* coming out from the analysis of policy documents;
2. Help show in a synthetic way, the size, the sectoral and financial distribution of the interventions and their evolution over time through tables and graphs.

The analysis covers all projects being implemented during the period 2009 – 2018 by AfDB in Mauritius<sup>18</sup> through the CSP. Over the evaluation period, the total committed (approved) funds<sup>19</sup> amount to **UAC 618 Million** (USD 874 M<sup>20</sup>) spread over 10 operations, (see full list in Annex I), and the corresponding disbursements amount to UAC 492 Million (USD 670 M). The Bank committed UAC 457 M for the CSP period 2009-2013 and UAC 161 M for the CSP period 2014-2018. Regional and equity funding, being largely opportunistic and not part of the CSP process, are not included in these figures but will be analysed separately. The same holds true for activities related to ALSF<sup>21</sup> and SEFA if any<sup>22</sup>.

The total contribution per year under the CSP (annual approvals) amounts to an average of UAC 68 M; however, from 2010 the funds have sharply decreased reaching UAC 0.5 M in 2011 (see figure 9) and then remained stable under UAC 100 M from 2013. The disbursed amount covers 81% of the total committed amount, however, for the period 2010-2015, disbursements follow the same trend of commitments, while from 2016 there is a natural decrease due to ongoing and approved projects.

Figure 9: AfDB approvals for Mauritius, UAC Millions (2009-2017)



Source: AfDB data

<sup>18</sup> The analysis of the portfolio is based on the data provided by IDEV in January 2018.

<sup>19</sup> The team has based the analysis on the committed and disbursed amount. From the observation of the portfolio, this information is provided by the *Netloan* for the committed amount and the *Value-Dated Capital* for the disbursed amount.

<sup>20</sup> AfDB Exchange rate as of December 2017, USD/UA 1,41542

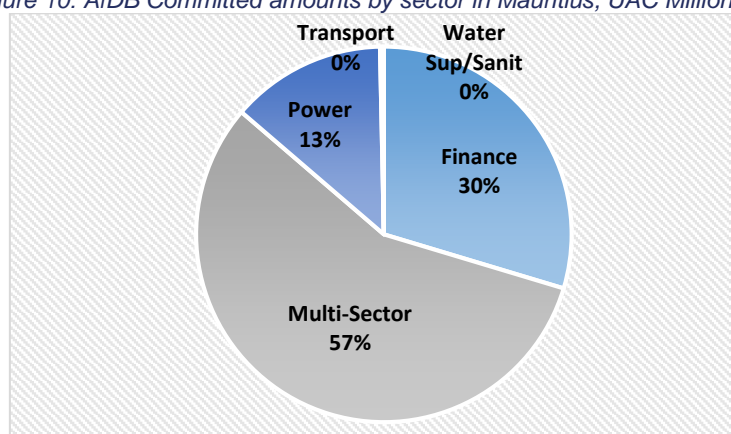
<sup>21</sup> African Legal Support Facility

<sup>22</sup> Sustainable Energy Fund for Africa

In terms of sectoral distribution, it is evident from figure 10 that the AfDB contribution is mostly channelled through the multi-sector, which includes Competitiveness and Governance, with a total amount of UAC 350 M, accounting for 57% of the total, followed by the Finance sector with UAC 183 M, accounting for 30% and the Power sector with UAC 83 M. The Water (Supply) and Sanitation and Transports sectors receive very little funds, particularly through studies and technical assistance. It is worth noting that the majority of funds have been disbursed through the public sector or through parastatal bodies such as the Central Electric Board (see table 12).

The datasheet provides information on the status of the projects, (see table 6). At the moment of this analysis, there are six closed and completed projects and another six ongoing and approved interventions. Among this latter group, the sector with the biggest number of active projects is Finance, with 1 ongoing and 1 approved.

Figure 10: AfDB Committed amounts by sector in Mauritius, UAC Millions (2009-2017)



Source: AfDB data

Table 14: AfDB Commitments by partner (2009-2018)

| Name of the partner                         | Netloan            | Percentage  |
|---|--------------------|-------------|
| GoM Ministry of Finance                     | 349,984,358        | 57%         |
| The Mauritius Commercial Bank Limited       | 106,222,515        | 17%         |
| Central Electricity Board                   | 82,641,117         | 13%         |
| n/a   | 76,923,077         | 12%         |
| Mauritius Ports Authority                   | 1,180,000          | 0%          |
| Central Statistics Office (CSO)             | 490,600            | 0%          |
| GoM Ministry of Energy and Public Utilities | 300,000            | 0%          |
| <b>Total</b>                                | <b>617,741,666</b> | <b>100%</b> |

Table 15: AfDB Commitments to Mauritius by sector and status (2009-2018)

| Status <sup>23</sup> | Finance  | Multi-Sector | Power    | Transport | Water Sup/Sanit | Grand Total |
|----------------------|----------|--------------|----------|-----------|-----------------|-------------|
| Approved             | 1        |              |          |           |                 | 1           |
| Ongoing              | 1        |              | 1        | 1         | 1               | 5           |
| Closed               |          |              |          |           | 1               | 1           |
| Completed            |          | 4            |          |           |                 | 4           |
| <b>Total</b>         | <b>3</b> | <b>4</b>     | <b>1</b> | <b>1</b>  | <b>2</b>        | <b>10</b>   |

Looking at the columns “date of commitment” and “the planned project completion date”, we have calculated the planned duration of the operations which is an average of 5,4 years. The longest

<sup>23</sup> Approved. The Board of Directors approved the project; Closed. Project Completion Report available; Completed. All implementation targets achieved

lasting operations are under the Finance sector, with an average of 8.7 years. The duration of the extension of the operations in on average of 1.4 years.

Table 16: AfDB programmes average duration by sector Mauritius (2009-2018)

| Sector               | Duration of projects - average years |
|----------------------|--------------------------------------|
| Finance              | 8.7                                  |
| Multi-Sector         | 4.6                                  |
| Power                | 4.6                                  |
| Transport            | 2.7                                  |
| Water Sup/Sanitation | 4.1                                  |

The combined datasheet provides information about the types of service provided or instrument used, namely grants or loans, see Table 15. The majority of funds are provided as loans for an amount of UAC 614 Millions, accounting for 99% of the total amounts.

Table 17: AfDB services by sector Mauritius (2009-2018)

Table 18: AfDB services by sector Mauritius (2009-2018)

| Type of service | Finance   | Multi-Sector | Power    | Transport | Water Sup/Sanit | Total of operations | Total amount       |
|-----------------|-----------|--------------|----------|-----------|-----------------|---------------------|--------------------|
| Grant           |           | 3            |          | 1         | 2               | 6                   | 3,046,667          |
| Loans           | 2         | 1            | 1        |           |                 | 4                   | 61,694,999         |
| <b>Total</b>    | <b>23</b> | <b>4</b>     | <b>1</b> | <b>1</b>  | <b>2</b>        | <b>10</b>           | <b>617,741,666</b> |

The portfolio analysis provides two interesting parameters:

- the difference between the 1<sup>st</sup> planned disbursement and the 1<sup>st</sup> actual disbursement: The 12 projects present an average of half a year between the planned and actual disbursement. The project with the longest period is the “Technical Assistance and capacity development for Dam Development”, with one year and a half
- the average period between the approval date and the 1<sup>st</sup> disbursement which is in average of 8 months.

In addition to the lending operations listed in the portfolio, the Bank carried out knowledge and non-lending activities such as:

- *Analytical Work and Policy Advisory Services*: Designed to address knowledge gaps in the strategic area of intervention (ex. Infrastructure and debt management), this analytical work served to inform policy dialogue and provide inclusive investment options to the GoM. The CSP 2009-2013 identified analytical support to sustain specific areas such as trade integration within COMESA and SADC and the development of a broadband policy; Specific studies have been carried out in 2015 “Towards a new education and training model” and in 2009 “Promoting a knowledgeable based economy a skills needs assessment study”
- 
- *Capacity Building*: The Bank used MIC facilities as the entry point for future operations and in response to Government needs. For instance, the Government requested assistance in PPPs as well as in project preparation, implementation and feasibility studies. It also requested support to RMCE
- *Policy dialogue*: In addition, the Bank is engaged in conducting policy dialogue with the Government to identify Bank’s potential support in specific areas such as Competitiveness, Education, Health and the promotion of SMEs. To improve Country Dialogue, the Bank increased its local presence and posted a Country Economist to Mauritius in 2009.

### Overall performance

According to the Mauritius Country Portfolio Improvement Plan (June 2016) the Bank’s overall portfolio performance is **moderately satisfactory**. The main issues causing portfolio implementation delays are related to procurement and the quality of the design of MIC Grants, notes that report in its conclusions.

### Quality at entry

According to the Mauritius Country Portfolio Improvement Plan (CPIP) of June 2016, some progress had been made in project design. The report confirms that an effort was made in identifying appropriate skills for the preparation and appraisal of new projects. For instance, *“recent feasibility studies have been used to inform the project design, such as for the Saint Louis Power Station Redevelopment Project as well as for the news MIC grants”*<sup>24</sup>.

However, according to the CPIP and to the only one available project RR, (RR of the PAR and PCN of the Saint Louis Power Plant Redevelopment Project) there are still several challenges to be addressed:

1. The main issues in general for the **loans** are the identification of, and use of, the lessons learned for the appraisal reports, weak justification links between project design and the Bank’s current CSP, weak safeguards dimensions in the project design, and challenges in the financial management overall (e.g. PAR of the *Saint Louis Power Station Redevelopment Project*: lack of recent analysis of the financial status of the borrower, lack of audit of the executing agency, lack of FM action plan or supervision plan) .
2. For the MIC **grants**, the main issues are *“related to the unrealistic costing and budgeting, resulting in procurement bottlenecks and cost escalation. The executing agencies are also experiencing difficulties in drafting the ToRs. Individual consultant ToRs are often overloaded or lack clarity on deliverables to attract suitable consultants. The Country team is now more attentive to all aspects related to project design, including adequately assessing the capacity of the executing agencies to implement projects and the establishment of the key indicators in the Results Based Logframe.”* (Mauritius Country Portfolio Improvement Plan (CPIP) of June 2016)

### Implementation - Supervision

According to the Mauritius Country Portfolio Improvement Plan (CPIP) of June 2016 and the IPR (Feb 2017) of the project Saint Louis Power Plant Redevelopment Project, some progress has been made the overall financial management arrangements for the implementation of projects and in the procurement system.

In general, it is recognized in the CPIP that there has been a marked improvement regarding compliance with the Bank’s reporting and auditing requirements and the communication between the Bank and the Borrower has improved, thus helping in reducing the delay in the response for no-objections.

As for the country’s procurement system, this is recognized to have relatively well performed and the fiduciary risk is deemed low. Indeed, throughout the modernization process undertaken by the country over the years, Mauritius has repeatedly benchmarked its procurement system against international good practice.

The implementation challenges were mainly related to:

- The recruitment of highly qualified and experienced individual international consultants.
- Poor design of the projects which affect the implementation of the project
- Constraints in the environmental & social safeguard measures
- Delays on timely submission of the quarterly progress reports which include ESMP progress reporting.

The team will use supervision data and IPR to enrich the analysis. For example, the Bank will be asked to provide data on how often the projects were supervised, the appropriateness of the team composition and the extent to which the supervision team was successful in fixing issues or problems. It is recognised that it has been notoriously difficult to obtain complete sets of BTOR of other supervision documentation, and the evaluation team will need to rely on indirect evidence such as interviews.

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<sup>24</sup> Mauritius Country Portfolio Improvement Plan (CPIP) of June 2016



## **Monitoring and Evaluation**

The Bank has its own internal system for the analysis and reporting on portfolio performance, and overall strategic and operational efficiency. However, the conduct of external ex-post evaluations and country-sector evaluations which (are Bank policy) would have provided useful guidance for the improvement of the Bank's performance in achieving its goals.

The CSP Results Framework provides the arrangement for monitoring progress through a set of indicators to measure the output and outcomes of Bank's support under the CSPs. According to the CSP 2014-2018 the results framework is mostly derived from the 3 year rolling PBB framework allowing alignment of the CSP expected outcomes to GoM's spending priorities. Results at outcome level are monitored through the Bank's statistical department in collaboration with (i) Statistics Mauritius (ii) Bank of Mauritius and (iii) Financial Services Commission. Tracking of outputs is carried out through the project implementation entities in liaison with the task managers. Mid-term reviews of the strategies have been carried out in 2011 SP for the 2009-2013 CSP and in 2016 for the 2014-2018 CSP. The scoping mission identified that very few effects were monitored or reported upon.

The Ministry of Finance and Economic Empowerment (MOFEE) coordinates line ministries and the Central statistics Office (CSO) to monitor CSP implementation.

The monitoring of AfDB's programmes is done through reporting to HQ on activities and progress against plans and the provision of data into the Bank's Performance Monitoring System. The Programmes are officially reviewed as to finality through Completion Reports and changes (if any) to the CSP indicators and targets are proposed at mid-term. From the documents collected for the current analysis no evidence of external project evaluations has been found.

During the scoping mission it was discovered that the Central Statistics Office does not keep track of effects at all. The Ministry of Finance and Economic Development noted that there is no one specifically responsible for evaluating or tracking the effects of reforms, even if there is a Ministry set up for coordination. The reports on progress are essentially geared to communicate the relationship between inputs and outputs and do not refer to effects.

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## 4 Theory of Change

A theory of change (ToC) is an outcome-based approach for describing the overall logic of an intervention. It explains how activities were understood to produce a series of results that would contribute to achieving the final intended impacts. It can be developed for any level of intervention – an event, a project, a programme, a policy, a strategy or an organisation.

The following ToCs are simplified reconstructed high-level strategic plans (theories), which try to capture the overall AfDB strategy towards Mauritius during each of the two strategic periods, 2009-2013 and 2014-2018.

The following ToCs, therefore, represent the intervention logics as they were envisaged at the time of the writing of the two CSPs. They have been extracted from the CSP documents themselves and have been slightly completed by other strategic documents and discussions with the GoM and the Bank (ex. Risk assessments and assumptions). They aim to take account of the complexity and diversity of the portfolio and help examine how specific interventions at national levels in Mauritius contributed to the achievement of the overall objectives. The limitations of a drawing preclude an exhaustive illustration of all the elements of the CSPs, but the essential strategic logic is there.

The final reports will contain a ToC for each major project (in sector reports) and one for the overall 2009-2018 period (in the technical report). The model used is that of the Team Leader and the Governance expert published in previous works in 2017. It is a highly dynamic model that emphasizes WHY it is believed that some specific effects will result. Assumptions between levels and key risks at each stage are noted in this model. A description of that model is included as an annex.

The overall picture of the component parts of the two most recent CSPs are presented in the ToRs and are reproduced as a figure in the next section. The Goals and Objectives presented in the ToR are not, however, a logic diagram so the model used by the Evaluation Team will reflect the dynamic process envisaged to bring about the expected effects.

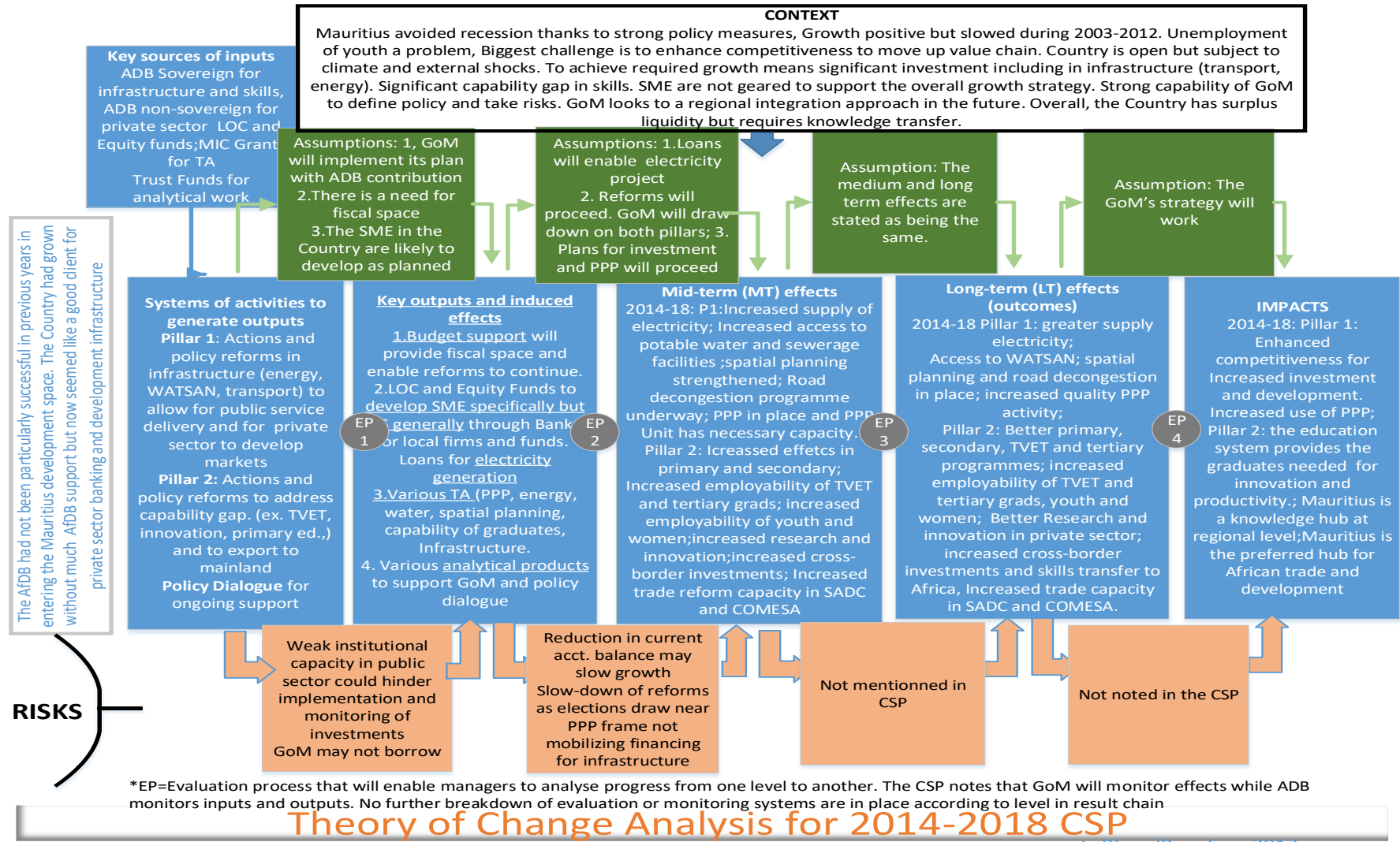
Interestingly, the statement of “Systems of Activities “ is much broader in scope than the outputs would suggest, and from that point on, the outcomes (both mid- and long-term) become increasingly out of the operational control of the Bank. The logical links to the “contribution” of the latter, therefore, are diluted significantly. The extent to which the Budget support actually contributes to competitiveness is speculative at best at this stage.

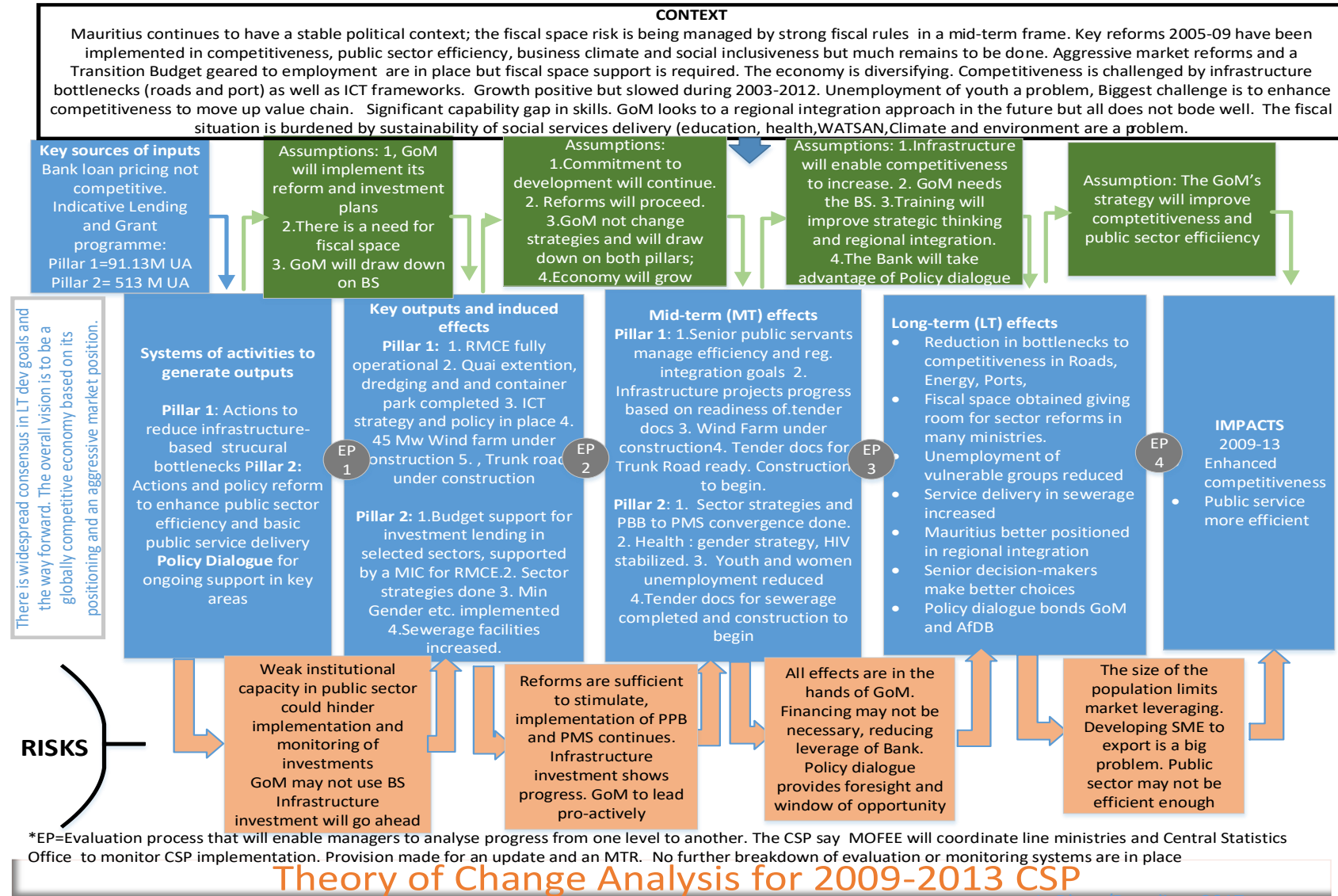
There is a remarkable continuity of logic between the two CSPs. The first deals with Infrastructure (bottlenecks) and public service efficiency, including the delivery of public services. The second deals with infrastructure and the development of capabilities for competitiveness at the national level. All of the foregoing deal with the improvement of competitiveness, but the 2009 CSP focuses on the State and its management while the latter deals with providing capability to the private sector. In fact, the assumptions concerning the ability and preparedness of the private sector to bootstrap the economy (trade, innovation, regional markets, etc.) are key to the entire strategy, and recent GoM analyses indicate that this assumption has serious limitations.

During the scoping mission, it was realised that the M & E role of the GoM was not well exercised (i.e. as stated in the CSP), so the Bank is unable to measure the extent to which each step in the results chain was realised. This also means that the Bank is unable to link its contribution to “effects”. In fact, the GoM admits that it is also singularly unable to evaluate the “effects” of most of its direct actions; it tends to use indices of perception and statistics of macro-level activity (ex. Exports) to judge its performance.

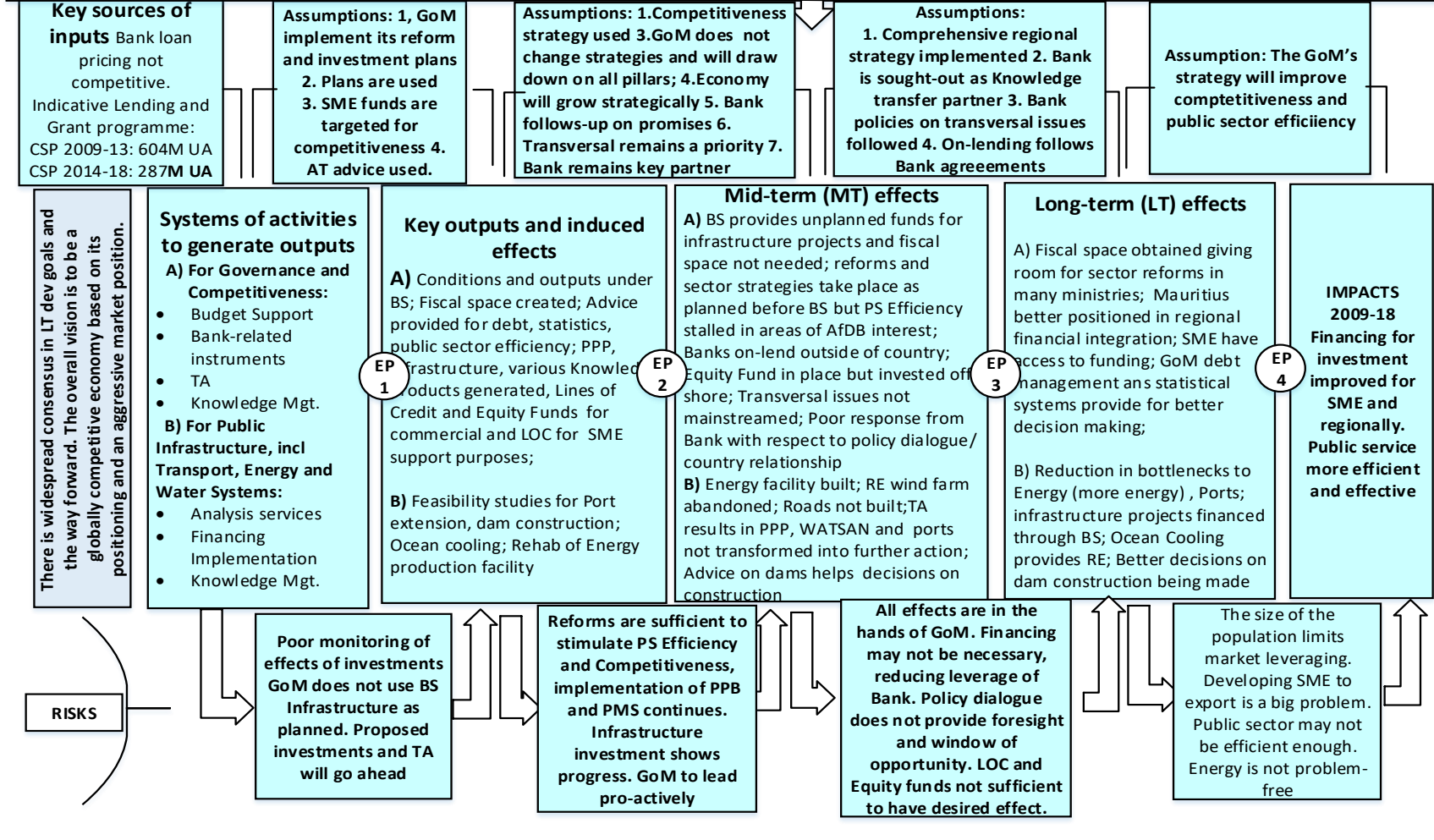
These ToC diagrams will be updated to represent “constructed” visions of the Bank’s actions; these will be found in the sector and technical reports.

The assumptions included in the ToC were rather general and were tested during the scoping mission. They will be further analysed and developed during the technical mission.





**CONTEXT 2009-18**  
 Mauritius continues to have a stable political context and strong fiscal rules. Key reforms started in 2005-09 have been implemented in competitiveness, public sector efficiency, business climate and social inclusiveness but much remains to be done. Market reforms are in place but fiscal space support is seen to be required to mitigate against 2008 problems; (Mauritius avoided recession thanks to strong policy measures). The economy has diversified away from agriculture. Competitiveness is challenged by infrastructure bottlenecks (roads and port), lack of coherent GoM thrusts as well as poor ICT frameworks. Biggest challenge is to enhance competitiveness to move up value chain. Growth positive overall but slowed during 2003-2012. Unemployment of youth a problem. Significant capability gap in skills. GoM looks to a regional integration approach. The fiscal situation is burdened by sustainability of social services delivery (education, health, WATSAN, Climate and environment are a problem). SME are not geared to support the overall growth strategy. The Country has surplus liquidity but requires knowledge transfer.



**RECONSTRUCTED Theory of Change for CSP periods 2009-2018**  
 Model: LeBlanc/Beaulieu 2018

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## 5 Sector support

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### 5.1 Governance and public sector efficiency

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#### 5.1.1 AfDB support at sector level

The AfDB Mauritius country strategy for the period of 2009-2013 was predominantly focused on the improvement of GoM's governance capabilities and public sector efficiency. The engaged support interventions for that period have been extended in the following 2014-2018 CSP because of the long timeframe required for these improvements to become measurable in such a kind of domain.

The AfDB assumes adequately that an efficient GoM in term of fiscal processes and budget rigor are essential capabilities for the preservation of social stability and political consensus, state fiscal discipline and public administration performance. The state governance capabilities and competencies for partnering with private sector in the delivery of services to populations are also key-factors for the expansion of the GoM to assume an effective leadership in the acceleration of the economic development of the country.

The GoM, compared to most of African countries performs very well in term of governance, government transparency and political stability and reliability. But in the perspective of a long-term positioning of the country as a competitive innovation-driven partner on the international scene GoM's governance will need higher standards of governance if its population and economic actors become more and more composed of knowledge workers across all the sectors of Mauritius economy. All recent literature dealing with Competitiveness agree that the political culture of an innovation-driven economy and knowledge society requires very high-levels of stakeholder's involvement in development initiative, mature processes of public dialogue and transparency in the dynamic of public decision-making, as well as also a constant performance improvement determination in the domains of state governance and public services administration.

The AfDB supported the GoM in the development of the country strategic development vision for the long-term. "Vision 2030 –An Inclusive High-Income Country" represents a very good enunciation of development orientations and goals apt to federate the engagement of the various stakeholders (economic, institutional, political, and populations) to partner and share a common blueprint to align strategies and intervention.

The GoM policy to implement a public-partnership-program approach for the development of infrastructures represents a significant strategic decision that could serve to mobilize investment flows from private partners for the acceleration of the country's major infrastructure development program. The key performance factor for the coming future will be the capabilities of the GoM to efficiently assume its responsibility of good governance of these private -sector driven investments. In this regard, these will require tight monitoring and constant evaluation of the GoM governance responsibilities. The quality of governance performed by the GoM concerning its interventions and investments in the sectors of transport, energy, water, health services, education, information technologies and telecommunication will be determinant for the sustainability of the country's development effort given the relative small size of Mauritius and the GoM financial capacity.

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#### 5.1.2 Narrative theory of change at sector level

The interventions of the AfDB during the period of 2009-2018 to support the GoM governance capabilities development have been done through budget support mechanisms, MIC grants and the provision of expertise from Bank personnel, especially on PPP, and the related performance agendas.

These interventions assume an implicit assumption of induced positive effects into the state capacity to move forward in terms of sustained economic growth and coming as a foundational supportive consequence of good state governance. Actually, there are no significant explicit outcomes that were objectively detailed as expected consequences from the supported governance initiatives. The

theory of change will need to be explicated ex-post and compared to the performance (results-processes-outcomes) of the interventions supported by the AfDB.

This evaluation will need to explicit the evidences that could support such an assumption of good governance effects on the country performance and will require to document and assess the effective contribution of the governance initiative that were supported by the AfDB during the period.

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## **5.2 Private sector and competitiveness**

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### **5.2.1 AfDB support at sector level**

Among the foundational goals that are underlined in the AfDB's Mauritius Country Strategy Paper for the period of 2014-2018 are the strategic intents to support Mauritius in the development of the competitiveness of its economy, the improvement of its economic resilience to wave of negative effects coming from the international or global economic dynamics and also to support the enhancement of Mauritius growth in term of national income.

While the AfDB's country strategy for Mauritius for the period of 2009-2013 was mostly focused on the development of GoM governance's capabilities and its public-sector efficiency as well as its basic social service delivery performance, the competitiveness of Mauritius was addressed mostly in term of reducing the country's infrastructure gaps that could constrain the competitiveness development agenda.

The implementation and the consolidation of efficient public administration capabilities and reliable fiscal policies were assumed to be essential for the country's governance. The difficulties of the Mauritius developmental set of key-issues are embedded in the fact that its economy still requires, in term of competitiveness development strategies (based on the recognized World Economic Forum (WEF's) Competitiveness Framework), significant interventions that address the bottlenecks related to the basic requirements of a "factor-driven" economy (Stage-1) as well as most of the economic efficiency enhancers that are essential to the "efficiency-driven" dynamics of competitiveness capabilities (stage-2). Mauritius economy needs to improve its performance on these two sets of developmental agendas concurrently. This is essential for the growth and for the acceleration of the structural transformation of its economy to move and access to the exchange networks of the global competitiveness.

Said differently and as indicative of the kind of requested capabilities and level reliability essential to move its economy into the high-income and innovation-driven state of economic dynamics, Mauritius benchmarks its development goals with countries like Iceland and Singapore. The quality of its infrastructures, the reliability of the GoM governance, the country capabilities to implement services with effectiveness, its private sector entrepreneurial dynamics, and the GoM capability to mobilize, coordinate and lead the stakeholders of Mauritius society will provide the foundations for the country's economic transformation and integration into the international networks of trade and exchange. As soon as these pillars of competitiveness are levelled to international standards of performance and reliability the way to access to an effective status (more than just based on the statistic) of High-income innovation-driven economy will be accessible for Mauritius.

The actual evaluation of the AfDB's strategy in Mauritius for the period of 2009-2018 represents the essential opportunity to document and to assess the evidence-based proof of the effectiveness of the GoM interventions and sustainable realizations that support the assurance to access to the aimed development goal. Small proactive countries like Mauritius are prone and agile to formulate "generous" strategic vision statements and orientations planning. The evaluation of the evidences of Mauritius state of development will be an important moment for the AfDB to judge of the effectiveness of its support to the development of Mauritius competitiveness and its private sector strength.

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### 5.2.2 Narrative theory of change at sector level

The AfDB's support strategy for Mauritius during the period of 2014-2018 assumes that if structuring-factors and drivers of Mauritius competitiveness are significantly improved this will be beneficial to the country and above that Mauritius could have a key-role and a value-added effect on the development of Africa. These strategic assumptions translate the recognition that Mauritius could be a "country-platform" for a set of developmental key activities related to the advancement of the continent. Among these value-added roles that Mauritius could assume on a continental scope are multiple but mostly made of activities related to an innovation-driven dynamic of competitiveness and catalyst capabilities, such as being a performant international financial centre, being a key centre for knowledge and innovation development, and a platform for the training of high-competencies and all types of knowledge workers that Africa will need in the coming decades.

Supporting Mauritius in the development of such a level of competitiveness of an international scope necessarily generates a huge development and accelerating structuring-effect into the economy of Mauritius. A normal support of the Mauritius economic growth will not be sufficient to push the country clearly above the threshold inside the high-income economies. Year after year this threshold move forward at a rate higher than the "normal" increase in GDPs. This means that the strategy of change that would be effective for Mauritius must be architecture with a rational of structural acceleration of the transformation of the country's economy, and its related socio-economic dynamics, aiming toward and performant innovation-driven competitiveness' capacity.

In this regard, the AfDB's strategy for the period of 2014-2018 is not explicit in term of the evidence-based objectives that are pursued for the development of a level of competitiveness. A contribution analysis approach will be needed to "extract" from the interventions supported by the AfDB during that period the implicit theory of change in order to be able to proceed to the evaluative judgments about effectiveness (results-outcomes-process) of the interventions. The main challenges from the perspective of this evaluation will be to identify and qualify "effects".

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## 5.3 Energy

### 5.3.1 AfDB support at sector level

As of June 2009, AfDB did not have any active projects in the Mauritius energy sector. In the narrative sections of the Bank's Mauritius 2009-2103 CSP (Country Strategy Paper), the energy sector was not specifically mentioned. In the 2009-2013 CSP Results Monitoring Matrix, for the power sector the insufficient supply of energy and the excessive use of non-renewable energy is given as a constraint and a Wind Farm generating 25-40MW was stated as the final output indicator for 2013, to reduce the energy gap which was estimated to be 60MW for 2013.

By November 2011, in the Bank's 2009-2013 CSP MTR (Mid Term Review), some Bank Board members expressed dissatisfaction over the CSP's lack of attention to climate change. A growing GoM focus was noted on climate change and the environment, specifically on improving EE and scaling up access to Renewable Energy (RE). To remain engaged in the climate change and regional integration agenda, it was envisaged that the Bank would support GoM to conduct a 'smart grid' feasibility study for optimal generation of clean energy. It was noted that feasibility studies had been completed for a US\$33 million wind farm by PPP at Bigara Curepipe–South, but that the project did not take off (the reasons for this were not stated).

In January 2014 the Bank published a new 2014 – 2018 CSP. Increased electricity supply was mentioned as an infrastructure need for Mauritius. The results framework specified that additional new power generation, including electricity generated from RE, of 62 MW by the 2016 Mid-term Outcome and a Final Output of 100MW by 2018 would result from the Bank's CSP. However, the specific relevant additional new power generation projects were not identified in the CSP.

In the June 2014 Back to Office Report (BTOR) for a Bank country dialog and BD (Business Development) mission, it was noted in Annex 1 that energy access and security were essential for sustained growth of the Mauritius economy and that the GoM aimed to upscale the contribution of RE to 35% in the next few years (actually by 2025). The need for energy sector reforms and investment through a Utility Regulatory Authority (URA) was also re-iterated by the GoM. In the way



forward for the Bank in the BTOR, there was to be a focus on energy, using the PPP model. However, energy was not mentioned as a specific item in the June 2014 BTOR for the Bank Country Strategy Paper for Mauritius 2014-2018.

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### 5.3.2 Narrative theory of change at sector level

The first specific mentions of the St Louis Power Station redevelopment that appears by the Bank (as sighted to date) were in June 2014<sup>25</sup>, with the project's loan approval documentation and approvals by the Bank. The project's feasibility study, Environmental and Safety Management Plans (ESMP), pre-qualification notice, project specification, and project bidding appraisal all appear to have been undertaken by CEB prior to Bank involvement, and appear to have been essentially simply adopted by the Bank. The added value of the Bank was stated to be that it had financed fossil fuel projects in many of its regional member countries, and that the Bank allows for fast tracking of projects that need to be commissioned within a tight schedule. It was also stated that the project offered the Bank an opportunity to build knowledge on how to facilitate RE projects' integration in the (Mauritius) electricity grid, characterised by the presence of fossil fuel fired plants, cogeneration plants, and IPP. It was stated that the knowledge will be useful to the Bank in the design of projects in its island member states and in areas of continental Africa that are far away from transmission grids.

No other (than the Port Louis Power Station redevelopment project) significant energy sector interventions by the Bank in Mauritius are mentioned in any of the Bank documentation sighted to date from primary or secondary sources.

However, in the 2014 CEB Annual Report, the rationale for the redevelopment of the St Louis Power Station with a total of 60 MW of new medium-speed diesel engines was: -

1. To replace the old low efficiency Pielstick engines;
2. As an option in case of further delays to the proposed 116MW coal fired CT power project; and
3. To provide the necessary back-up supply to variable RE that would be connected to the grid.

The 2014 CEB Annual report's mentions of the St Louis Power Station Redevelopment did not highlight any project funding as coming from AfDB. The environmental impacts of the St Louis Power Station redevelopment mentioned noise reductions, and stated that air quality conformed to the Mauritius Air Quality standard.

Subsequently, the local community next to the Port Louis Power Station raised objections, and were reported to have taken their opposition to the development to the Mauritius Supreme Court. It is not yet clear what the specific basis of community objections was, but the continued use of high sulphur (3% sulphur) heavy fuel oil (HFO) would seem to be part of the local community objections. The use of lower sulphur HFO was raised in the feasibility study undertaken by Mott McDonald (consultants) for CEB, but was then dropped from further mention, apparently as a result of CEBs feedback. The use of lower sulphur HFO was not raised in any Bank appraisals from documentation seen by the evaluation team to date.

So the Bank's interventions in the Mauritius energy sector was essentially to increase CEB's generating capacity using HFO fuelled medium speed diesels as specified and contracted for by CEB, and as covered by CEB's feasibility study, Environmental and Safety Management Plan, and community consultations. The theory of change advanced by the Bank was that this diesel power plant redevelopment would allow greater RE use in Mauritius. No evidence has been sighted to date of any alternatives to the HFO fuelled Port Louis Power station being considered by the Bank, including options that would have more directly assisted the growth of RE in Mauritius.

It is noteworthy that CEB's 2014 annual report (presumably covering the 2014 year to December 2014) did not mention the Bank as a funder of the Port Louis power station redevelopment, although

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<sup>25</sup> A Concept Note was apparently approved by the Bank in Jan 2014, but this has not yet been accessed by the evaluation team.

this funding was approved by the Bank in June 2014, well before the 2014 CEB annual report would have been written.

So it is questionable that Bank funding was a prerequisite for the project proceeding. It appears likely that the Bank funded a project that CEB would otherwise have funded itself. No value-added evidence arising from the project's Bank funding, in terms of enhanced community consultation, improved environmental performance, or similar of the project has been seen to date in the evaluation.

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## 5.4 Transport

In September 2013, the Government requested the Bank to consider co-financing the Road Decongestion Program (RDP), with a similar request sent to other DFIs. The aim was to reduce Government's financial exposure to the program. The Ministry of Finance and Economic Development (MoFED) requested that the Bank's infrastructure expert provide advisory services to facilitate syndication of a DFI loan to the project's Special Purpose Vehicle (SPV). The infrastructure expert subsequently collaborated with other DFIs to come up with a joint approach to the project. However, soon afterwards the Government announced that it was restructuring the project by avoiding the introduction of e-tolls on existing segments of the road network. The restructuring was later put on hold in anticipation of General Elections at the end of 2014. During this same period (October 2014), MoFED had made a request to the Bank to arrange a long-term financing facility for the Light Rail Transit System under a PPP structure. Once again, the infrastructure expert was called in to provide advice on the most suitable financing modalities of this project. The Government envisaged that the SPV would raise loans from Exim Bank of India and DFIs (with the Bank playing a lead role) without a guarantee from the Government (in order to avoid exceeding the statutory sovereign debt ceiling). However, following the election of December 2014, the new Government announced that it was putting this project on hold indefinitely. Both projects (RDP and LTR) were re-activated recently.

During the reported period, the Bank approved in May 2015 a MIC grant of USD 1.53 million to fund the Technical Study and Design of Island Terminal and Breakwater Structure at Port Louis Harbour.

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### 5.4.1 AfDB support at sector level

The Technical Study and Design of Island Terminal and Breakwater Structure at Port Louis Harbour was initially a MIC TAF grant of UA 1.18 million, with a GoM contribution of 0,075 million. The project aims at improving the container terminal capacity: container throughput in 2014 amounting to 556,355 TEU (Twenty-Foot Equivalent Unit) implies Mauritius Container Terminal (MCT) is reaching its capacity limit (550,000 TEUs/year). Out of 556,355 TEUs recorded in 2014, transshipment amounts to 55%.

As an immediate measure, Mauritius Port Authority (MPA) is proceeding with the upgrading and extension of berth at MCT to allow larger vessels of 9,000 TEUs capacity to operate at the MCT and also with the strengthening of existing quays to enable deepening of the seabed to 16.5m. Phase I of the project was completed end 2016, increasing the port capacity by 200,000 TEUs. The project cost is MUR 4.6 billion, of which some 40% was covered by a loan from AFD and the remaining by MPA. The project is made up of the following main components: 1) extension of the MCT quay by an additional 240 m; 2) strengthening of the existing 560 m long berth; 3) expansion of the container stacking yard by about 6.5 ha; and 4) dredging works to deepen the navigational channel to 16.5m. The EU is contributing to the MCT project by a direct grant from the EU-AITF to the Mauritius Ports Authority (MPA) that will be used to mitigate the negative environmental and social impacts of the project. The grant will reinforce MPA's efforts to conserve the port environment and developing Port-Louis as a green port. The majority of the EU-AITF funds will part-finance the construction of the rock bund to create reclamation land, while the rest of the funds will be used to finance the deployment of a silt screen for coral protection and protect the bird sanctuary.

Phase II of the project will comprise a further extension of the berth by 160 m thus increasing the total berth length to 960 m so as to accommodate 3 container vessels of different sizes at any one time. The berth capacity will be increased to about 1 million TEUs by 2025.

In order to cater for the container traffic beyond 2025, it is necessary to proceed with the development of the Island Terminal with deep berths in light of increasing container fleet greater than 10,000 TEU capacity, which could be operating in the Indian Ocean in the not too distant future. It has been estimated in earlier study reports that during periods when Mauritius is not under the influence of cyclones, port operations would remain unaffected for about 90% of the time, and for the remaining 10% of the time there is every possibility that port operations could be disrupted due partly to sea waves and swell from north and north-westerly region. Over and above this, there might be disruption to port operation due to cyclonic weather. Against this background, it has been proposed that a possible solution with a view to creating a tranquil basin at the MCT and to accommodate future expansion of the container terminal, would be the construction of the Island Terminal and breakwater, which comprises: i) construction of a breakwater to create a tranquil basin in front of the MCT; ii) dredging of the navigation channel to 18m deep; iii) land reclamation of some 60ha on the lee side of the breakwater and on the reef using the dredged material; iv) construction of a access bridge from the northern end of the MCT to the Island Terminal; v) quay construction over a length of about 1,200m; vi) container stacking yard of an area of about 50ha; and vi) supply and installation of container handling equipment.

The objectives of the Technical Study and Design of Island Terminal and Breakwater Structure at Port Louis Harbour are to assess the technical and economic viability of construction of the breakwater and Island Terminal, the environmental and social soundness and desirability of the project, and provide GOM with a roadmap for the project, including identification and planning of various project preparatory activities. The work schedule approved by the Board was expected to end February 2017.

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#### 5.4.2 Narrative theory of change at sector level

During the reported period, with only one technical study - even if for a port infrastructure which is key for the Vision 2030 - it is not possible to identify a theory of change at a sector level.

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### 5.5 Water and sanitation

During the reported period, the Government made a request to that the Bank's infrastructure expert to develop a roadmap towards *affermage* (PPP) model commonly used in the water and waste-water sub-sectors). After consultations with various stakeholders, the infrastructure expert, with the support of an *affermage* expert, produced the roadmap requested by the Authorities. The road map identified the main challenges of the sector and ongoing initiative to improve sector efficiency – such as the service contract implemented with bilateral support of Singapore and the merger of the water utilities – and proposed a number of recommendations aimed at improving efficiency and financial viability within this sector. After considering one of the options recommended in the roadmap – namely the implementation of an emergency service contract with an international operator as a first step to introducing full *affermage* – the Authorities decided to put on hold any further discussions on PPPs in the water and wastewater sub-sectors in anticipation of the general elections of December 2014.

Meanwhile, the Africa Legal Support Facility processed a request to provide legal support and advice in relation to the Bagatelle dam negotiations with the contractor. The negotiations were successfully concluded in 2014. Moreover, the Authorities requested technical assistance in the area of dam design. The Bank provided resources from the MIC Technical Assistance Fund in March 2014 to procure dam experts. The project is still ongoing despite the lengthy delays in hiring the required expertise.

In 2016, several significant prospects for future Bank financing were identified, mainly sewerage projects (Baie du Tombeau Sewerage Project Phase III, Pailles Guiblies Sewerage Project, Grand Baie Sewerage Project, Water Service Improvement Program (CWA), Operationalize the Utility Regulatory Authority).

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### 5.5.1 AfDB support at sector level

A TAF/MIC grant of UA 562,890 was approved in 2009 to finance the Mauritius wastewater master plan study. The objective of the proposed study is to elaborate a programme covering a period of twenty years (2014-2033), of the development and management of the wastewater on the main island of Mauritius and the island of Rodrigues. The master plan was intended to help the GOM to assess and review its sub sector strategy on the technical, institutional and financial sustainability. The study was carried out in three phases: i) Preparation of Wastewater Master Plan, ii) Feasibility Study, and iii) Environmental and Social Impact Assessment (ESIA) Study.

In 2014, the Board approved a grant of UA 300,000 to contribute to the financing of the Technical Assistance and Capacity Development for Dam Development within the Ministry of Energy and Public Utilities (MEPU). The aim was the enhancement of the technical capacity of the MEPU in the water sector as well as the improvement of water resource management of the country by providing a panel of independent experts who will ensure that the quality of dam planning, design, implementation and environmental, social and gender safeguards meet sufficient standards. The Panel of Experts comprised four experts namely an Engineering Geology Expert, a Dam Design and Construction Expert, a Hydrologist Expert and an Environmental and Social Safeguard Expert with international standing. The MEPU is the executing agency of operation. The grant protocol agreement was signed and the grant became effective on 15 August 2014. However, recruitment of the four individual consultants to undertake the TA took much longer than anticipated. In November 2016, only 2 out of the 4 individual consultants required for the study have been recruited since January and May 2016, respectively.

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### 5.5.2 Narrative theory of change at sector level

The theory of change of the unique project during the reported period is to strengthen MEPU expertise and procedures to improve water resource management, hence to widen a sustainable access to safe water to all. With however only one TA project, it is not expected that the Bank developed a sector level comprehensive theory of change. The ToC will be developed at project level in the sector report.

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## 5.6 Cross Cutting issues

The cross-cutting issues that will be analysed in this evaluation are a) gender, b) environment; c) inclusiveness/youth. The environmental considerations will primarily be dealt with in the power, roads and water project assessments, and an overall assessment will be included in the sections of the reports dealing with cross-cutting issues. Youth will be dealt with primarily in terms of employment and employability, although the social effects of youth issues such as employability will be dealt with to the extent that they are specifically addressed by the Bank itself.

The Bank CSPs contains a section that deals with social context issues such as gender and youth and environment context, however, a clear strategy on how to mainstream and address these issues is not provided. This does not mean that the topics were not taken into account as all AR and relevant feasibility studies contain sections concerning CCI issues

These issues are further elaborated in the ARs of the projects for instance in the AR of the "Capacity Development for Water Supply Dam project" where specific outputs and outcomes are identified, in the AR of the "Power Louis Station project" where a gender action plan for the CEB (Central Electric Board) was foreseen and in the recently approved "Maubank Holding Limits", where gender, social effects and youth inclusiveness are part of the main objectives of the projects.

The Rehabilitation of the Port Louis power plant contained technical studies on the socio-environmental impacts of the project but proved to be very unpopular for residents, with the Bank being seriously criticised for not having taken action in line with its policies.

None of the LOC Mauritius Commercial Bank on-lending operations had these CCI as criteria. MauBank has not included them in their criteria.

No AfDB project specifically targets the CCI, including the Budget Support, as no agency has identified that their governance projects were specifically related to CCI, except in the broadest sense.

In order to provide a general framework to analyse these issues, the team will refer to the Bank general strategies specific for these cross-cutting issues:

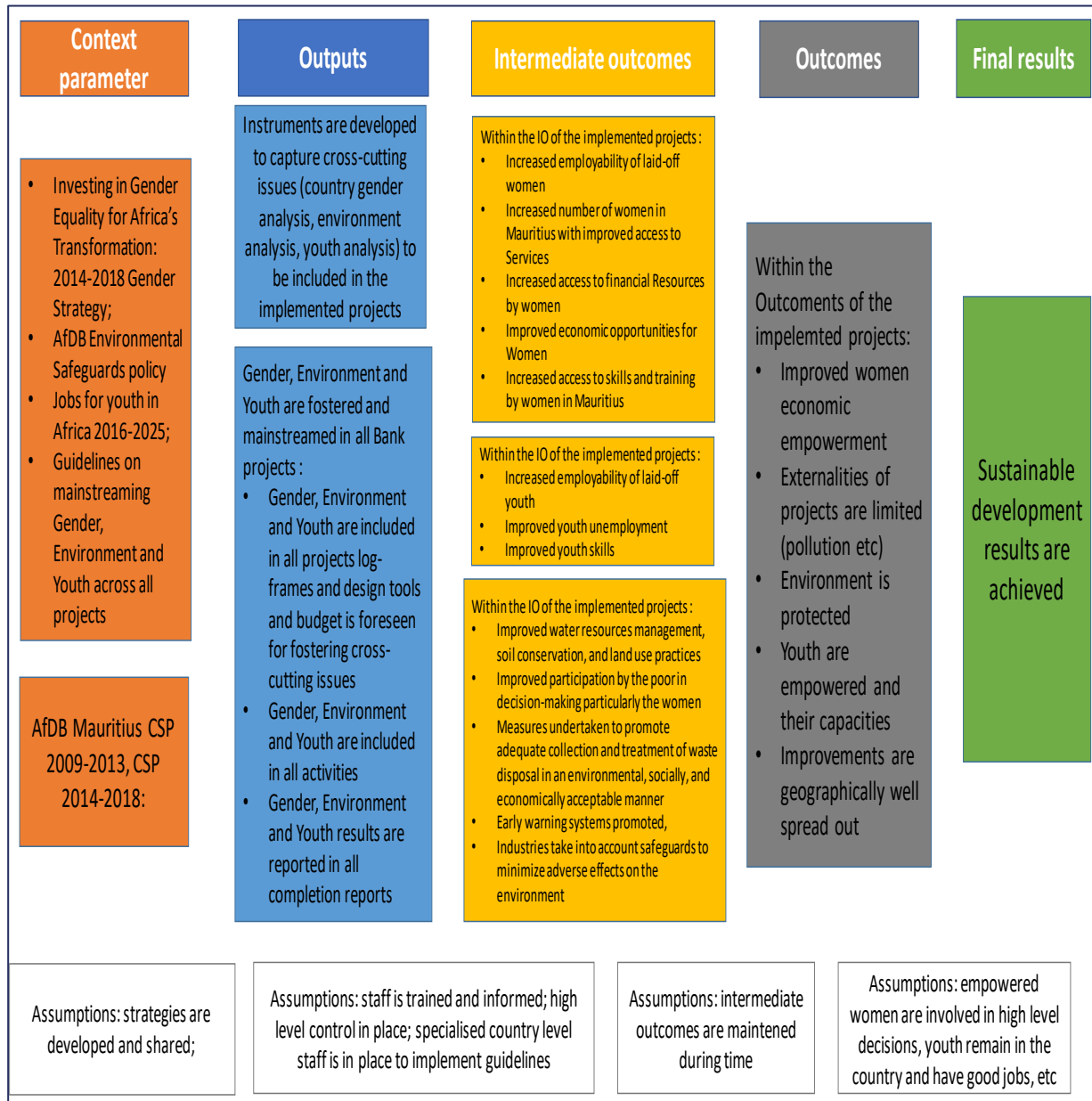
- AfDB Gender strategy 2014-2018;
- AfDB Environmental and Social Safeguards policy
- AfDB Jobs for youth in Africa 2016-2025

The general ToC below provides an overview of what should be the expected chain of changes in order to achieve sustainable development results in the country. The ToC is a theoretic reconstruction and includes indicators found in the results matrix of the CSP but also in the above mentioned Bank strategies (Gender, ISS, Youth).

The CSPs provide contextual parameters for cross-cutting issues but they do not identify specific inputs (budget, human resources etc), therefore, inputs will be further analysed during the field visit where data on components, costs and actual contribution to outcomes of the interventions will be discussed with the Task Managers of each intervention.

The gender considerations in Outputs, Intermediate Outcomes and Outcomes will be done as a support to the interventions in which they are mainstreamed and they are not considered as standalone parameters. For example, a gender component in a transport intervention must be there to support the outcomes of the intervention, and not to take care of the inequity status of women generally.

Figure 11: General Theory of change for cross-cutting issues



## 6 Evaluation Questions

### 6.1 EQs presentation

In order to generate an Evaluation Matrix, an analysis was carried out to ensure that the rationale for the EQ was appropriate. The analysis also ensured the link between the evaluation's purpose and the results orientation, strategic direction and intervention logics of the Bank's operations in Mauritius. The ten proposed EQs are qualified by judgment criteria and indicators within the Matrix.

Wording changes have transformed some of the original EQs into better statements of JC, and four new JC have been added in order to better represent the purpose of the evaluation.

A first set of indicators is also included. These were adjusted as part of the scoping mission and will continue to evolve during the Technical mission. Many of the indicators stem from the performance matrix of the Bank itself, ensuring that there is logic and consistency between the evaluation itself and the M&E functions that are an integral part of oversight by Bank Managers and Board Members. Those indicators also correspond to the information required to answer Judgment criteria.

In terms of the correspondence between the EQs and the Evaluation Criteria, the following table indicates, for each EQ, the criteria that the EQ addresses. Some of the Criteria are those accepted by the OECD-DAC and others are criteria that appear to be of importance to the Bank because the ToR makes reference to them in its sub-grouping of the EQs.

As an epistemological reality, most EQs can be analysed from more than one perspective. Achievement of results, for example, can be looked at as a question of effectiveness, efficiency, sustainability etc. The following diagram indicates which criteria each EQ could address.

| EQ                  | Relevance (OECD-DAC) | Effectiveness (OECD-DAC) | Sustainability (OECD-DAC) | Cross-cutting | Efficiency (OECD-DAC) | Knowledge and policy advice | Partnerships, harmonisation, coordination | Managing for results | Borrower performance |
|---------------------|----------------------|--------------------------|---------------------------|---------------|-----------------------|-----------------------------|---|----------------------|----------------------|
| EQ 1:               | <b>X</b>             |                          |                           |               |                       | x                           | x   |                      | x                    |
| EQ 2:               | <b>X</b>             | x                        | x                         |               |                       | x                           |   | x                    | x                    |
| EQ 3:               |                      | <b>X</b>                 | x                         | x             |                       | x                           | x   |                      | x                    |
| EQ 4:               |                      | x                        | <b>X</b>                  | x             |                       |                             |   | x                    | x                    |
| EQ 5:               | x                    | x                        | x                         | <b>X</b>      |                       |                             |   | x                    | x                    |
| EQ 6:               |                      | x                        | x                         |               | <b>X</b>              |                             |   | x                    |                      |
| EQ 7:               |                      | x                        | x                         | x             |                       | <b>X</b>                    | x   |                      | x                    |
| EQ 8:               |                      | x                        | x                         | x             | x                     | x                           | <b>X</b>                                  |                      | x                    |
| EQ 9: <sup>26</sup> |                      | x                        | x                         |               |                       | x                           |   | <b>X</b>             | x                    |
| EQ 10:              | x                    | x                        |                           | x             | x                     |                             |   | x                    | <b>X</b>             |

<sup>26</sup> The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.

## 6.2 Evaluation Matrix

The following table shows the Evaluation Questions and Sub-Questions (if any), as well as the Judgment Criteria that will be used in the evaluation. A full Evaluation Matrix, including indicators and possible data sources, is annexed to this report.

| Evaluation Question and sub-questions (SEQ) if any  | Judgment Criteria   |
|---|---|
| <p><b>EQ 1: To what extent have the Bank's country strategies and operations been aligned to Mauritius development needs and its own strategies and priorities including competitiveness?? (RELEVANCE)</b></p>  | <p>JC 1.1. Country strategies and Bank operations have been aligned with Mauritius' development needs and development strategies and priorities.</p> <p>JC 1.2. The CSP, its resulting interventions, and non-lending activities are aligned with Bank policies</p>   |
| <p><b>EQ 2: To what extent has the design and internal management of the Bank's strategic direction in Mauritius reflected a clear, viable and coherent path for achieving development outcomes in a changing national and international context? (RELEVANCE)</b></p>   | <p>JC 2.1. The Bank has contributed to the achievement of the desired outcomes within the priorities of the GoM in terms of competitiveness.</p> <p>JC 2.2. The Bank has applied selectivity in designing its country portfolio so that it focused on areas where it brings added value</p> <p>JC 2.3. Taken as a whole, the Bank's interventions have been coherent and were well-coordinated internally</p>   |
| <p><b>EQ 3: To what extent has the Bank contributed to the achievement of development objectives and results? (EFFECTIVENESS)</b></p> <p><b>SEQ:</b> Have infrastructure and PBO addressed development objectives?<br/> <b>SEQ:</b> has the Bank contributed to increasing the competitiveness of the Country? See note following this matrix for a description of "competitiveness" that will be used.</p> | <p>JC 3.1. The Bank's interventions in sectors other than "multisector" achieved their expected results (intermediate outcomes and outcomes), specifically in terms of expected effects on target beneficiaries</p> <p>JC 3.2. The Bank's interventions in the "multisector sector" contributed to the achievement of higher-level (outcomes and impacts) development objectives, both intended and unintended.</p>   |
| <p><b>EQ 4: Is it likely that the benefits realised as a result of Bank interventions will continue to exist once its support is completed (SUSTAINABILITY)</b></p> <p><b>SEQ:</b> How was sustainability facilitated by the Bank?</p>  | <p>JC 4.1 Benefits gained from completed projects i.e. the effects of completed projects have continued to exist in the long-term (five years or more) even though the Bank's interventions are completed</p> <p>JC 4.2 Benefits gained from ongoing interventions will likely continue to exist once the Bank's interventions are completed</p>  |
| <p><b>EQ 5: To what extent are key cross-cutting policy objectives of the Bank (in terms of inclusiveness and a sustainable environment) mainstreamed within the Bank's interventions? Notes: <sup>27</sup>;</b><br/> <b>(TRANSVERSAL ISSUES)</b></p> <p><b>SEQ:</b> How did the Bank manage transversal issues?</p>  | <p>JC 5.1. The Bank's interventions have been <u>inclusive</u> with respect to demographic considerations (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender, youth)</p> <p>JC 5.2. The Bank's interventions have been <u>inclusive in terms of regional disparity</u> (i.e., expanding the economic base across all regions where poverty is most prevalent.)</p> <p>JC 5.3. The Bank's interventions are managed in a manner that will ensure that they are <u>environmentally sustainable</u> and/or support the transition to green growth.</p> |
| <p><b>EQ 6: To what extent have the Bank's interventions in Mauritius been successful in</b></p>  | <p>JC 6.1 Resources and inputs <u>provided</u> to GoM through the Bank's support are economically converted to results</p>  |

<sup>27</sup> We will use the definition of "inclusiveness" accepted by the Bank in the "One Bank Results Measurement Framework 2013-2016"



|   |   |
|---|---|
| <p><b>economically converting resources into expected results in a timely manner? (EFFICIENCY)</b></p>  | <p>6.2 The Bank's interventions are implemented in a <u>timely</u> manner (from the perspective of the beneficiary or implementing agency) and in compliance with the Bank's operational standards</p> <p>JC 6.3 The GoM and intervention <u>partners and stakeholders meet their commitments</u> as planned (ex. delivery of national commitments/contributions and short comings in performance by national partner(s))</p> |
| <p><b>EQ 7: To what extent has the Bank been successful in influencing policy through dialogue supported by the provision of non-lending actions including expert advice and analysis (knowledge products)? (KNOWLEDGE AND POLICY ADVICE)</b></p>   | <p>JC 7.1. The Bank actively engaged in and influenced policy definition through the provision of relevant dialogue (advice) that has been incorporated into policy decisions</p> <p>JC 7.2 The Bank provided appropriate and adequate analytical work in support of its interventions, positioning and policy advice?</p>  |
| <p><b>EQ 8: To what extent are the Bank's interventions coordinated with other donors and stakeholders in a way that improves efficiency and enables complementarity? (COORDINATION):</b><br/><b>SEQ:</b> How did the Bank manage Partnerships, Harmonisation and Leverage?</p>   | <p>JC 8.1. The Bank's processes and interventions are harmonized with those of other donors (avoiding duplication, simplifying procedures etc.).</p> <p>JC 8.2. The Bank's interventions and resources are influencing other stakeholders (including donors) to become involved in the sectors selected by the Bank in its CSPs</p>   |
| <p><b>EQ 9: To what extent has the Bank managed its interventions and programmes, as well as its own internal processes, in a way that focuses on results<sup>28</sup> and knowledge management best practices in terms of "lessons Learned"? (MANAGING FOR DEVELOPMENT RESULTS: RBM, Drivers of success and Lessons Learned)</b></p> | <p>JC 9.1. The Bank has successfully implemented management systems that focus on results and allow learning from past experience?</p> <p>JC 9.2 The Bank has supported the development of national capacities and management systems that focus on results</p>   |
| <p><b>EQ 10: To what extent has Mauritius participated in and shown leadership in the partnership it has with the Bank? (BORROWER PERFORMANCE)</b></p>  | <p>JC 10.1. Mauritius has shown "ownership" of the banks strategic planning processes (mainly through the development of the CSPs)</p> <p>JC 10.2 Mauritius has shown that it has "ownership" of the development interventions it does in partnership with the Bank</p>   |

#### Note on "competitiveness"

As identified elsewhere in this document, the evaluation team has tried numerous times, without success, to obtain the working definition of "competitiveness" that the Bank uses in its strategic planning and policies. In the light of this vacuum, the Team will use the following constructs:

**Competitiveness is now the key indicator of the performance, or the potential of an economy in the context of international economic relations. That is why modern trade theories have shifted emphasis away from comparative advantage to competitive advantage. In the perspective of industrial and innovation development the OECD, in 1992, put forward a definition of micro and macro level competitiveness:**

*"In microeconomics, competitiveness refers to the capacity of firms to compete, to increase their profits and to grow. It is based on costs and prices, but more vitally on the capacity of firms to use technology and the quality and performance of (their) products. At the macroeconomic level, it is the ability to make products that meet the test of international competitiveness while expanding domestic real income".*

The Sector Report on Governance, Competitiveness and the private sector will provide a much more extensive discussion on competitiveness development at the Country-level.

<sup>28</sup> The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.

## 7. Evaluation Methodology

### 7.1 Overall approach

The evaluation is carried out over a period of six months, January – June 2017, by a team composed of a Team Leader (Robert LeBlanc), and four sectors experts, Paul Beaulieu (governance/competitiveness), Max Hennion, (transport and water and sanitation), Frank Pool (energy), and Silvia Cifarelli (cross-cutting issues).

*Tentative timeline of the evaluation process:*

| Inception phase  | Data collection and validation/field visit | Reporting phase |
|------------------|--|-----------------|
| February - March | March-April                                | May-June        |

This evaluation tackles **the Bank’s support to Mauritius through the CSP process in its entirety**, embracing individual projects, specific sectors, operational modalities, as well as policy dialogue at different levels and support at the regional level. Our focus is on identifying the Bank’s contribution to both **specific results**, which bring about **overall long-term changes**, also unpacking the role of the various modalities and instruments used by the Bank in support of the sector-specific outcomes it expects to have been realized. The evaluation thus identifies to what extent the Bank’s activities, through their various facets, have acted as drivers of change, eventually bringing about concrete improvement to the citizens’ (i.e. beneficiaries and targets) lives, and to what extent they *have rightly fit* with the Government of Mauritius’ own efforts and strategies, including the provision of relevant policy support. At the same time, one of the key evaluation concerns in this evaluation aims at providing insights on **lessons learned** of the Bank’s support, and the management of that feedback.

To fully grasp all the above-mentioned elements, the Team follows a **Theory of Change (ToC)** approach, which aims to understand how the Bank believed it would contribute to complex positive change processes in Mauritian society and economy. The initial efforts of the evaluation team have been directed towards analysing the *rationale*, i.e. the potential *long-term strategy* underlying the Bank’s support to Mauritius.

The ToC approach provides the research baseline to evaluate the extent to which the overall logic of the Bank’s engagement was sound. Our team will pay specific attention to identifying the core factors that did (and may continue to) affect the achievement of the Bank’s strategy objectives. We will thus investigate the interplay between **internal and external factors** that have helped, or not, to bring about change. This will allow us to better understand the context from which outcomes have emerged and thus facilitate the identification of what contribution the Bank’s support has actually provided to Mauritius’s development.

The Evaluation Matrix reflects the probable ToCs that will be generated and will be based on an **instrumental approach**, aiming to shed light on critical points of the overall rationale/logic of a sector or CSP, rather than evaluating comprehensively how each intervention worked out.

It is worth mentioning that, while the ToC is largely recognised as one of the most useful tools for the elaboration of programmes and thus for their evaluation, the Team is aware that it is still not yet in common use by the international community. Assessments of ToCs are hindered when time has passed without a ToC being generated and used, and an implicit ToC has to be reconstructed, based on stakeholder interviews and document review. This might translate into the construction of difficult-to-recognise ToCs or ToC that are controversial. To avoid this, the methodology used by the Team for ToC development will be as participatory as possible, to keep the analysis within the scope of the evaluation. They will be discussed generally during the scoping mission and key sector officials of the Bank and recipient organisations (ex. ministries) will be asked to comment and modify the Team’s drafts.

For each sector, a major intervention will be selected and a reconstructed ToC will be prepared (i.e. Competitiveness and Public Sector Efficiency (CPSE), Mauritius Commercial Bank Loc (MCB LOC), St Louis Power Station and Plaines Willem 1 and 2)<sup>29</sup>. We will examine the risk management that was used so that our team eventually identifies the main difficulties that arose and how the challenges were dealt with. The assessment of the relevance and coherency of the logic incorporated into any ToC, and of its actual implementation throughout the evaluation period, will thus be based on the answers to the EQs.

In the Technical Report, the two reconstructed ToC will be presented reflecting the AfDB strategies and plans for the two CSPs.

We believe that the joint work with the IDEV Evaluation Officer will facilitate this complex process. The evaluation will indeed be based on **iterative feedback**. The team will apply a common approach to share findings and maintain open and constant communication flows between the evaluation team and IDEV, as well as other key stakeholders. A section of Lattanzio's intranet system – allowing customised secure access – will be dedicated to document storage. In addition, timely attention will be given to the organisation of the field visits and of all planned meetings. While being aware that different stakeholders and parties involved may hold different expectations from the evaluation, the evaluation team will aim to reconcile competing incentives and interests, by promoting a constant **consensus-building process**.

The PBO (CPSE) in the 2009-14 CSP presents specific evaluation issues because the original purpose stated by the Bank for the justification of the **Budget Support** was thought to be valid at time of approval, but the GoM did not use most of the funds for the purposes intended (i.e. it did not need fiscal space). The GoM did not pursue many reforms as the Appraisal Report indicates, and much of the funding was actually “parked” in the Central Bank until approval given to use them for infrastructure investment. After consulting with the IDEV Evaluation manager, it was decided to interview key agencies that were to have been the subjects of reforms to ascertain the extent to which they did, in fact, undergo such changes. If that can be ascertained then the Bank will have been DEEMED to have contributed to the enabling of the reform because the Bank provided the potential for the reforms to take place. The results of that research will be compared to the original intent of the PBO and an assessment given of the extent to which the Bank will have contributed to the effects generated. Further, it should be noted that interviews with GoM officials in many ministries and agencies has shown that the reforms and policy changes expected by the Bank as part of the budget support package would have been carried out with or without the Bank's funding. So the issue of contribution analysis becomes virtually impossible to resolve.

Another evaluation challenge concerns how to determine the effects of the **Mauritius Commercial Bank LOC**. A mapping of the beneficiaries of the Bank will be made in cooperation with the MCB and the Task Manager but it will not be possible to interview, on site, any of the recipients of the MCB financing since they are all on mainland Africa; therefore it is not certain that the required data to assess down-stream effects will be available. An assessment will be made not only on the expected effects per se, but on the sustainability of that effect in the present context of the beneficiary.

In evaluating transversal issues, the emphasis will be on a three-part methodology. First, the Bank's and the GoM's policies concerning gender, inclusiveness and employment for vulnerable groups (i.e. women and youth) will be analysed to see the extent to which those policies have been mainstreamed into the plans for the projects and non-lending actions of the Bank. Second, documentation concerning the implementation of the projects will be analysed to see the extent to which these issues were monitored and, if so, what effects were generated. Third, a series of interviews with key stakeholders (representatives of each of the four major projects and the CSO for example) will take place to examine how the Bank's projects were perceived to have addressed transversal issues.

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<sup>29</sup> The Team has followed the instructions of IDEV by including this project in its portfolio, but it continues to have concerns that including this project means extending the scope of the evaluation. The project was approved in the 2004 CSP and was not included in the list of interventions stated in the ToR. The Team has requested IDEV to reconsider.

Each sector expert in the Team will provide the Transversal Issues expert with information based on a series of questions that they need to address in their research,

An **evidence-based research approach** will be applied to all the analysis done in this mandate, and document-supported data (information) will be privileged over perception-based responses. In fact, unless there is a significant proportion of respondents that have the same recall on any issue, verbal responses will only be used as a secondary validation measure.

**A contribution analysis** will be used to demonstrate the extent to which the Bank's activities are perceived as having made a difference, and why, to competitiveness. This epistemological approach is used in those cases where quasi-experimental design approaches are not feasible or practical; in this case, there is no guarantee that the data is available and, in fact, if it is not cross-contaminated. The contribution analysis model promoted by John Mayne<sup>30</sup> will be applied if the data is available. It has six steps:

- Step 1: Set out the attribution problem (logic) to be addressed
- Step 2: Develop the theory of change and the assumptions and risks it identifies, and identify key discriminating indicators
- Step 3: Gather existing evidence on the theory of change, tracking performance over time
- Step 4: Assemble and assess the contribution story, and challenges to it; test alternative explanations
- Step 5: Seek out additional evidence
- Step 6: Revise and strengthen the contribution story

Assessing the added value of the Bank's support entails both assessing the contribution of specific Bank's interventions, and of linking these contributions to an overarching picture. In this way, a comprehensive contribution story can be investigated, set out and reported. A strong **intellectual rigor** will characterise the research work, considering that to clearly untangle the actual contribution of the Bank's support, in a context where several actors (including the Government itself) and major events may affect the country's own path, would be quite challenging and beyond the resources of this mandate unless much of this work has already been done by, or for, the Bank. The results of the contribution analysis will therefore be assessed in terms of its likely validity using a risk-observation (matrix) approach.

The approaches applied to the evaluation of private-sector interventions (Mauritius Commercial Bank, Equity Funds, MauBank) will be geared towards obtaining answers to the Evaluation Questions.

1. MCB: the report will cover the entire intervention in terms of the five OECD criteria but, since only one on-lending operation was actually directed in Mauritius, will only describe that loan. In essence, the loan has not worked its way through the business case of the borrower ( a university) so the effects are not felt yet. The evaluation will describe the loan and project probable answers as it its likely relevance, effectiveness, etc.
2. Maubank is largely a government agency. It has not yet begun to on-lend the amount committed by the Bank, so the report will discuss its likely relevance in terms of the stated desired outcomes of the CSP.
3. Equity Funds: The report will describe the one Equity Fund identified by the SARC, i.e. Helios investors II. A call will be made to the fund managers to discuss the effects of the fund in Mauritius and, if possible, a phone interview will be held with the investee in Mauritius to identify effects. Based on that, the report will identify the fact that Mauritius is the preferred place for registration of EF and expand on the larger-scope effects of those registrations on Mauritius economy.

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<sup>30</sup> Mayne, J., "*Contribution analysis: An approach to exploring cause and effect*". The Institutional Learning and Change (ILAC) Initiative, (2008).

## 7.2 Stakeholder Mapping

A preliminary Stakeholder Map, presented below, has been prepared based on information available to the Team after the scoping mission.

Table 19: Preliminary Stakeholder and Beneficiaries Map for 2009-18 Mauritius CSPs

| Sector and Project   | Main Beneficiaries   | Down-Stream Beneficiaries (sample to be interviewed)  |
|--|--|---|
| <b>Governance and private sector efficiency</b>                            |  |   |
| Competitiveness and public sector efficiency                               | Ministry of Finance and Economic Development                               | <ul style="list-style-type: none"> <li>All 6 Ministries that are slated for reform</li> <li>Debt management unit of MinFED</li> <li>Ministry responsible for ICT regulations</li> <li>Joint public-private sector standing committee</li> <li>Business Permits Review Committee</li> <li>Commercial Division of Supreme Court Competition Commission</li> </ul> |
| MIC grant supporting Mauritius competitiveness and public efficiency (PPP) | Min FED  | <ul style="list-style-type: none"> <li>Unknown ministries for PPP support</li> </ul>  |
| MIC grant supporting debt management                                       | Min FED Debt Management Unit   | <ul style="list-style-type: none"> <li>none</li> </ul>  |
| Statistical capacity building  | Central Statistics Office  | <ul style="list-style-type: none"> <li>Min FED , Cooperation Unit</li> </ul>  |
| <b>Power</b>   |  |   |
| Port Louis Power Station redevelopment                                     | Ministry of Energy   | <ul style="list-style-type: none"> <li>Central Electricity Board</li> </ul>   |
| <b>Transport</b>   |  |   |
| Feasibility of the Island Container terminal                               | Transport and ICT Department (OITC) - prepared the request                 | <ul style="list-style-type: none"> <li>Port Authority</li> </ul>  |
| <b>Finance</b>   |  |   |
| Mauritius Commercial Bank loan LOC 2                                       | MCB  | <ul style="list-style-type: none"> <li>Information and case material will be collected from the files of the Task Manager.</li> </ul>   |
| <b>WATSAN</b>  |  |   |
| Plaines Willem 1 and 2   | Unknown  | <ul style="list-style-type: none"> <li>MEPU</li> </ul>  |
| MIC grant for wastewater master plan                                       | Ministry of Public Utilities (MPU)   | <ul style="list-style-type: none"> <li>Min Environment</li> </ul>   |
| TA and capacity development for dam development                            | Water Resources Unit of the Ministry of Energy and Public Utilities (MEPU) | <ul style="list-style-type: none"> <li>Central Water Authority (CWA)</li> </ul>   |

**The process that will be followed:** the country strategy programme evaluation for Mauritius will follow three phases:

- an inception phase, including a scoping mission;
- a data collection and validation phase, including a literature review and analysis, a detailed portfolio review, and a field mission
- Reporting phase, including the production of draft and final sector reports (including four full project assessment profiles), a draft and final Technical Report, and a Summary Report. .

### 7.3 Activities for the inception phase

The inception phase had as its main purpose the development of the evaluation framework including the elaboration of the final evaluation questions, the identification of information gaps, and the definition of the required data sources, data collection and analysis methods. In this phase the

hypothetical (planned) theories of change are developed together with a detailed evaluation matrix (see Annexes).

At the outset of the inception phase, a team building session was organized, where key methodological, technical and organizational issues were discussed among the team members. An initial Skype meeting with IDEV was then organized to clarify the founding elements related to the scope and contents of the evaluation, and to resolve any important organizational and process-related aspects, particularly referred to the organization of the scoping mission.

The team has carried out several activities in order to develop the Inception Report, see table 17.

A **scoping mission** has also been carried out by the IDEV evaluation manager, the Lattanzio Team Leader, the Competitiveness expert on the evaluation team. At the outset of the scoping mission, the team spent one day at the Bank's regional hub in Pretoria, South Africa to hold data gathering and issues clarification meetings with key Bank managers. Among the issues discussed are:

- The CSP's of the Bank over the last decade and a half have contained statements of change (to which the AfDB is contributing) that cover many sectors and sub sectors. What does the Bank want to achieve in that Country? How can it leverage its comparative advantage? We need to talk about the relevance of the CSP and the effectiveness of the whole programme over time. Have the strategies and interventions had an identifiable effect? What was the Theory of Change behind the strategies for the sectors in Mauritius?
- The Regional office has a particular responsibility with respect to the ongoing evolution and support of the competitiveness thrust...so what have they done to support that?
- What are the biggest challenges that the Bank faces in Mauritius in terms of strategic thinking and execution?
- Is results-based management difficult for you? How do you manage the achievement of effects and support to interventions in terms of their content (and not just the procurement and contract management).
- How have you determined a) what to do and b) how to it, in terms of capability and capacity management?
- Risk management analysis in the Appraisals is generally at a high level of abstraction, and the mitigation proposed sometimes appears to be outside of the control of the Bank. We cannot find detailed risk monitoring reports and minutes of meetings where that issue was examined. Is this an accurate description on our part, and is this level of risk management a) what your policy requires and b) what the context requires?
- We have not found any reference to the strategic intent and targets for the policy dialogue and technical advisory functions. We cannot find any specificity as to what changes you think the Country should make in its policy or regulatory framework. Can you advise on how Policy dialogue is actually planned and carried out? Does it work for you and Mauritius?
- The Bank often equates efficiency with transactions (financial, administrative, etc.) what about the other levels such as transforming outputs into outcomes?
- Does Mauritius actually manage and lead the coordination, complementarity and coherency of the Financial and Technical Partners (FTPs). Is this level of coordination sufficient for your needs? How do you envision the leveraging the contribution of FTPs in the future?
- Given the special relationship between the Country and "its" Bank (see the various CSP), are you taking on the leadership role you could assume?  
How do you tie the Mauritius CSP to the High 5s?
- Who (organisations or individuals) should we meet in Mauritius?
- With respect to water, transport and power, how have the Bank's interventions been supported and from the Bank's perspective, what have been and will be the key issues these sectors, and their interventions, face in the future

It should be noted that although a detailed agenda with meeting participants had been set up, most of the people that the Team was to meet were either away on mission or otherwise not available.

Following the scoping mission, the IDEV evaluation manager and the Team Leader, with the support of other team members from both Lattanzio and IDEV spent a few days in Mauritius to finish the

Inception Report and to gather data from the MinFED since the latter was not available during the period proposed for the field technical mission. Based on the comments received from IDEV and its peer reviewers, the evaluation team produced this Final Inception Report.

The ToR and the programme for the scoping mission are provided in Annexes.

Table 20: Methods and activities of the inception report

| <b>Methods</b>                        | <b>Description</b>   | <b>What for?</b>   |
|---------------------------------------|--|--|
| <b>Document and literature review</b> | The literature review initially focussed on strategy documentation and on capturing the facets of the Bank's positions regarding the opportunities and challenges to sustainable economic development in Africa and, more specifically, in Southern Africa and in Mauritius. This review will continue throughout the data gathering stage and will include the main strategic documents of the Government of Mauritius, those of the Bank and of other stakeholders. The review will be continued by including other donors' documents (cooperation strategies, sectoral intervention documents, annual reports, other country strategy evaluations such as the evaluation of EU cooperation with Mauritius etc.); specific country analysis by research institutes as well as documents related to Mauritius' political economy will also be included.             | <p>The analysis serves to document the evolution of the Bank's broadest efforts in supporting Mauritius. The results help the team grasp the consistency/coherence at the various levels, start assessing the relevance to the GoM's priorities, and feed into the analysis of theories of change and the possible refinement of the evaluation questions (EQ).</p> <p>In the end, the purpose of doing the literature and document review is to provide evidence that will be applied to the Judgment Criteria in order to answer the EQ. But importantly, the reviews lead the Team to posit a series of hypotheses concerning how the answers and JCs</p> |
| <b>evaluability assessment</b>        | An initial evaluability assessment of the entire evaluation mandate was performed, largely on the basis of the IDEV ToR developed for this mandate. This has provided substantial elements for the construction of the theories of change. An overview of the gaps in the documents/information was also generated and was sent to IDEV for follow-up. Ongoing discussions are underway to define exactly what documentation is urgently required and IDEV is coordinating the gathering and distribution of the documents. Overall, it has been a difficult task to gather intervention-related documents from the Bank's databases and serious gaps are still being experienced, especially with technical supervision and planning documents (notably annexes or Appraisal Reports), BTOR, Aide-memoires and other documents not being provided by Bank officers. | The analysis helped the team to identify gaps and challenges of the evaluations and thus propose mitigating strategies   |
| <b>Mapping of stakeholders</b>        | The evaluation team has undertaken a preliminary mapping of all relevant stakeholders, including i) the Bank's staff (tasks managers, Officials in the Operation Complexes, policy experts, Staff at HQ, etc.), ii) international donors and organizations, regional organizations, iii) relevant country level governmental institutions and iv) important civil society representatives, such as private sector actors or cooperatives. Where possible, the mapping will identify targets and beneficiaries as Groups and not individuals (see Table 16).  | The mapping is necessary in order to identify key respondents for the various EQ. It will also provide a better picture of the Bank's specific contribution towards results achievement within the broader group of stakeholders, at each level of the evaluation.   |
| <b>Portfolio review</b>               | A comprehensive review of the full portfolio of the Bank's operations in Mauritius has been undertaken. A rigorous overview of the Bank's financial flows concerning the activities and programs carried out during the evaluation period will be developed by the evaluation team. With the support of IDEV to identify and collect information and deploying our Excel spreadsheet, we will undertake a systematic screening of the information on financial engagements contained in the Bank's databases and administrative documents. The portfolio review will also include a mapping of non-spending activities.  | The portfolio helps assess the relative financial importance of the various thematic areas and the aid modality implemented (budget support, grants, technical assistance etc.). The information gathered will directly feed into the Sectoral Reports and will support the responses given to the EQs.  |

| <b>Methods</b>                          | <b>Description</b>  | <b>What for?</b>   |
|---|---|--|
| <b>Data gathering and analysis</b>      | <p>As noted, the team has developed an intervention matrix that identifies how it will interface with the sources of information and data. Interviews are relatively easy to set up, but short interviews are of limited value if complex questions need to be analysed in detail, for example. If more stable data is required, how will it be obtained: cases? Scenario analysis? And how will non-process data be obtained, such as quality of advice provided to clients; extent of influence of Bank through dialogue; complementarity between stakeholders and the leveraging value of the Bank; the focus on cross-cutting factors such as gender, inclusiveness, youth, environmental sustainability, contribution to climate change mitigation, etc. In addition, the team will propose mechanisms to keep the Bank informed about, and overseeing the interfaces.</p> <p>The collection of <b>quantitative</b> data and their analysis started during the inception phase and will continue through the evaluation. Standard statistical methods will be used to identify gaps and trends, including through correlation and regression, if appropriate. The Team will then ensure that the results of the analysis are presented in as visual a manner as is feasible, in order to improve reader understanding.</p> <p>All quantitative analysis will be done so that:</p> <ol style="list-style-type: none"> <li>a source will be identifiable for future audit if required</li> <li>all data inputting will be double-checked</li> <li>a plausibility analysis will be done and signed by the analyst</li> <li>all statistical analysis will be checked by the Team Leader, who has extensive experience in these matters as a professor of statistical methods in a recognized top-tier university</li> <li>Appropriate sample analysis will be done using standard statistical tools</li> </ol> <p>Indicators and sources of data will be discussed with the IDEV, the GoM, other stakeholders (mainly donors) and the Bank's field office. It is envisaged that much of the data will be <b>qualitative</b> in nature, and therefore the epistemological standards that will be used will reflect the best practice in that research domain. Our reference will be Miles, Huberman and Saidana's influential text: "Qualitative Data Analysis, Third ed.", published by Sage in 2015. It is important to note that an important activity at this point in the project will be the bounding of the collection of data and the design issues that accompanies that, including determining in advance how the data will be analysed.</p> <p>Once the Team identifies the information that must be collected via flexible design approaches, collection tools and templates will be prepared...</p> <p>Key points of Interviews, meetings and focus groups will be written up and stored for the sole use of the Team researchers, for reasons of professional ethics involving attribution of participants' comments. The results, however, (without attribution to source) will be included in the evidence annex.</p> | <p>Ongoing analysis will provide data for in-depth review and will feed into the answers to the EQs. The data gaps identified during the inception phase will be an important driver of the contents of the field mission.</p>   |
| <b>Theory of Change at global level</b> | <p>Each of the two CSP has been transformed into a ToC diagram that illustrates the reasoning in place for assuming that the results chain, combined with internal and external vectors an influences, will generate expected outcomes. The reconstructed ToCs have been included in this Inception Report and will be validated during the field phase.</p>  | <p>The analysis of the theories of change is a key building block to define the evaluation framework, and to clarify the objectives and translate these into a hierarchy of expected effects. The analysis will help suggest EQs about these effects, and of course will help in the assessment of outcomes and of</p> |



| <b>Methods</b>                          | <b>Description</b>   | <b>What for?</b>   |
|---|--|--|
|   |  | which outcomes are sustained over time.  |
| <b>Theory of change at sector level</b> | ToC at for the main sectors have been developed where possible in this inception report. However, due to the lack of sectoral strategies it has been decided that the sector reports will include only ToCs for the main projects implemented, see sample below.   | The sectoral intervention logics aim to state the reasoning (logic) behind the set of sectoral interventions so that results will be achieved. The analysis at sector level will be useful to provide a picture of the actions taken in the specific sector throughout the whole evaluation period. This analysis will be interlinked with the reconstruction of the overall ToC and will be at the basis of the Sectoral Reports. |
| <b>Semi-structured interviews</b>       | Semi-structured interviews were held during the scoping mission and will be again during the field mission, with the Bank's staff, representatives of the Government of Mauritius, donors and other stakeholders. If necessary and possible, additional interviews will be held, on a remote link-up basis (Skype/telephone) with any other relevant participant,<br>A small number of staff of SARC (in South Africa) were interviewed, in person, during the scoping mission. A videoconference was also held with the Governance Task Manager in Abidjan. Additional videoconferences will take place during the technical mission.<br>The list of semi-structured questions is included as Annex J | The interviews are critical for a number of reasons: a )to gain consensus on the various aspects of the evaluation; b) top gather primary data on perceptions and versions of reality; c) to validate what has been concluded from other sources of information and d) to identify the areas of relevant inquiry and identify new avenues of research.   |
| <b>Sampling</b>                         | A sampling of projects and activities to be analysed more in-depth is proposed in this IR. It is based on the initial review of the available documentation and, subsequently, on the comprehensive portfolio review, as well as on the existence of "self-evaluation reports" (as indicated by the ToR) and on the exchanges with IDEV.   | The selection will be followed for the in-depth analysis that will be carried out during the subsequent phases and that will be relevant for answering the EQs in particular related to the results and added value. The four key projects selected for this sample are:<br>1. CPSE,<br>2. MCB LOC,<br>3. Port           Louis           Electricity<br>Rehabilitation and   |

## 7.4 Field phase approach

During the field visit a second stage of data collection (primary data collection) will be carried out using the tools described in this IR (see below) and in the Annexes. The thematic coverage of this evaluation, the analysis at various levels required, and the involvement of numerous stakeholders require a clear strategy for ensuring quality of data. This is essential to produce robust conclusions. The following measures will be adopted by the Team:

- Production of comprehensive guidelines, interview tools and clear checklists for data collection;
- Test of these tools through simulation within the team;
- Provision of guidelines and formats for data reporting, focusing on the reduction of subjectivity in reporting data and need to support any expert's judgment by solid evidence and possible indication of limit of data;
- Assurance of respondents' confidentiality so to enable them to speak freely;
- Accurate plan of field visit and relevant agenda. We will try to ensure that the field visit does not fall in a period of absence of key respondents or of other major events that could affect the good running of the visit, by an early verification of the government's agenda (during the scoping mission) and by fixing the agenda for the field visit in advance and with realistic timing. The field visit will be organized under the leadership of IDEV and the Bank's field office, based on a list of organisations and/or individuals that the Team would want to interview.
- A series of field visits will be undertaken for each sector. Power, water, port, banking, etc.

- Triangulation of the information: secondary data collected through document analysis will be validated through interviews; unclear data will be also validated/clarified through the field visits; quality data from interviews and direct observation will be analysed in a comparative way, using only the most frequent or common findings as global evidence. Finally, data collected will be discussed by the team altogether. If there are inconsistencies, the evaluation team discusses possible explanations of the inconsistencies. If the reasons for the inconsistencies are not clear, the team will reanalyse the available quantitative and qualitative data and discuss again. If the reasons for the inconsistencies are still not clear, ideally additional data will be collected so as to try to explain the inconsistencies. If none of this produces good data, the data gathered is dropped.

A briefing meeting with the Bank's Country Economist will be held as soon as possible after the team arrives in the country. The team will conclude its field visit with a debriefing meeting with the same. No formal field report is foreseen. A debriefing note with main conclusions will be prepared in the form of a power point presentation. This presentation will be the essential element of a post-field phase debriefing meeting with the Reference Group if IDEV requests one. A first wrap up and start of synthesis will be done by the team at the end of the field phase, while the team is still together in Mauritius.

The data collection tools described above relate to all data gathering. The following paragraphs illustrate the specific tools that could be used during the field work:

| <i>Tools &amp; Methods</i>   | <i>Approach</i>  | <i>What for?</i>  |
|--|--|---|
| <p><b>Semi-structured interviews</b></p> <p>(guidelines are provided in Annex K)</p> | <p>As noted above in the section dealing with tools of the scoping mission, all interviews will be documented. The nature of the research enquiry implies that a wide variety of issues are to be discussed and there is no need to formulate trends and central tendency-type analyses. The idea would be to gather the perceptions of a significant sample of directly involved people; for that reason, semi-structured (rather than structured) interviews are called for.</p> <p>The following are a sample of the key participants that would be interviewed:</p> <ul style="list-style-type: none"> <li>i) <b>AfDB :</b> <ul style="list-style-type: none"> <li>a. Bank managers in country</li> <li>b. Chief and country economists</li> <li>c. Task managers</li> <li>d. Procurement and contracting</li> </ul> </li> <li>ii) <b>Government officials:</b> Those directly involved in supervising or managing interventions of all types, from lending to non-lending <ul style="list-style-type: none"> <li>a) Budget support</li> <li>b) Power</li> <li>c) Water</li> <li>d) Other infrastructure</li> <li>e) Commercial Bank operations</li> <li>f) Competitiveness</li> <li>g) Statistics</li> <li>h) Capacity development for Dam development</li> <li>i) Container port feasibility</li> </ul> </li> <li>iii) <b>Private sector organisations:</b> Those involved in Power, Water and Transport sector interventions. Representatives of manufacturing and export associations will also be interviewed</li> <li>iv) <b>Civil society organisations:</b> Those that can speak to the effects of Bank interventions on their domains (gender, youth, environment, etc.)</li> </ul> | <p>This information will feed into preliminary findings, into the Sectoral Reports, the final Technical Report and thus into the responses given to the EQs</p>                                     |
| <p><b>Group discussions</b></p>  | <p>Group discussions will be organized in the field to collect points of view and discuss specific issues of major importance for the evaluation. The group discussions will aim to put together persons of the same institutions in order to easily get divergent opinions, which will allow for a more focused investigation, in a single moment thus accelerating the data collection process during the field visit. In order to fulfil their potential, the</p>   | <p>Group discussions are a valuable tool to help evaluators understand processes and motivations that underpin actions and decisions. This method aims to gather perceptions, possible attitude</p> |

| Tools & Methods                        | Approach  | What for?  |
|--|---|--|
|  | <p>evaluation team will determine the topic of the individual group discussion, as well as the composition of the group of participants (ideally a maximum of 5-10 people should participate in each group). Discussion will be guided in such a way that possible best practices and successful stories, as well as worst practices, are identified. In order to foster authentic participation and free expression, a positive and relaxed environment, conducive to constructive discussion, will be stimulated. The possibility of organizing group discussions involving representatives of the final beneficiaries of the Bank's operations will be duly discussed with IDEV.</p> <p>It is foreseen that group discussions with civil society and private sector organisations and members would be useful. In addition, a group meeting with power and water project managers (regional authorities would bring out unexpected results and fine-tune issues of feasibility</p> | <p>changes, and impact of the Bank's programs, by shedding some light on the most significant changes to which the Bank's support has actually contributed. Group discussions can also stimulate people to speak on topics they might not otherwise wish to address. The downside is that some participants may not speak out if there are issues of power or hierarchy at play. This information will feed into both the Sectoral Reports and into the preliminary findings for the Technical Report and thus into the responses given to the EQs</p> |
| <b>Direct observation</b>              | <p>Naturally, the evaluation team will conduct direct observation in the key operational areas across Mauritius. The key intervention sample will form the basis of the sites where the observation will take place. If possible, each sector will have at least one site that will be visited. Specific attention will be given to the projects and activities previously selected (see above) for in-depth analysis.</p>  | <p>This information will feed into the preliminary findings, into the Sectoral Reports and thus into the responses given to the EQs</p>  |
| <b>Additional Documentary analysis</b> | <p>Additional documentary analysis will take place with respect to the newly collected data during the field phase. This could for example relate to documents, which were not available during previous stages of the evaluation or reports from stakeholders, which have not been met beforehand.</p>   | <p>To complement primary and other sources. This information will feed into the responses given to the EQs.</p>  |

## 7.5 Reporting phase

The Reporting Phase concludes the evaluation process and requires particular attention to harmonisation of data derived from all the previous phases. The team members are largely dedicated to constructing evidence-based answers to the evaluation questions and formulating sound conclusions and useful recommendations. This is a critical stage of an evaluation, as the team must show the results of their joint analytical capacities, but also their drafting and presentation skills.

**Content analysis** will constitute the core of the qualitative analysis that will be undertaken by the team: documents, consultation/interview notes and qualitative data emerging from the fieldwork will be analysed to identify common trends as well as diverging patterns for each of the EQs. **Comparative analysis** will be used to examine findings across different sectors and also to identify best practices and lessons learned. **Quantitative analysis** will be used to analyse quantitative data, both available as baseline and possibly emerging from the evaluations own research on other international and Mauritanian sources.

**Triangulation is a priority** and will be conducted along three dimensions: (i) methods, (ii) sources of information, and (iii) types of key informants. Findings will thus be based on **multiple lines of evidence where the data sources permit**. Secondary data collected through document analysis will be validated through interviews; unclear data will be clarified through the field visit; quality data from interviews, meetings and direct observation will be comparatively analysed, using only the most frequent or common findings as global evidence. The triangulation will be a key instrument in order to validate the analytical process applied for the reconstruction of the contribution story.

In order to allow a systematic triangulation of sources, the collected information will be categorized against an agreed typology, for both qualitative and quantitative data. Moreover, qualitative data generated through desk review, interviews and meetings may, if the data allows, be coded using appropriate software (e.g. ATLAS.ti) to allow for robust and evidence-based analysis. The use of a quantitative rating scale will be duly discussed with IDEV. While recognising that this is an extremely

useful tool in the assessment of individual projects, it might represent a certain degree of rigidity when applied to “softer” elements, like coordination and management issues. It is recognised that the Synthesis Technical Report will contain ratings; the structure and rating framework will be discussed with IDEV before the field visit takes place.

Our experience in the preparation of **high quality evaluation reports** highlights three main principles:

- **The report must be an effective communication tool.** Results should be communicated clearly, accurately and appropriately. The report will be reader-friendly and accessible to all type of readers and be self-contained, to permit access by people who have not followed the entire process. The Executive Summary should provide the overall context of the evaluation, and deliver key messages in terms of findings, conclusions and recommendations.
- **Respect of the evaluation framework and rigor of the analysis** in order to fulfil the objectives of the evaluation and user expectations. Evidence for the findings and conclusions is crucial to ensure credibility of the work, and makes the report an instrument for future improvements.
- **Usefulness of the recommendations.** The final value of an evaluation report is determined by its capacity to affect processes and facilitate improvements. To do so, recommendations have to be clear and structured in such a way that the interested parties can feel “inspiration” as a result and can carry out any suggestions.

## 7.6 Structure of reports

### **SECTOR REPORTS**

According to the ToR, there was to be two sector reports, one dealing with “Multisector with emphasis on competitiveness”, and the other on “Power/Energy”. After discussions with IDEV, there will now be three: one dealing with **Governance and Competitiveness**, another with **Private Sector**, and a third with **Power, Transportation and WATSAN**

Sector Reports will be finalised after the end of the field mission. A separate 25-page report (not including annexes) will be prepared for each sector. The following is a preliminary draft of a table of contents for individual sector reports.

Table 21: Sector Report – Proposed table of contents

| Heading  | Content   |
|--|---|
| <b>1. AfDB – Mauritius cooperation context for the sector</b>  | Broad development characteristics of Mauritius in the sector<br>Political and institutional situation for the sector<br>Mauritius’ development strategies for the sector<br>Development assistance in the sector  |
| <b>2. AfDB’s strategic framework for the sector</b>  | 2.1 The CSP and the RISP strategies and plans for the sector<br>2.2 The AfDB sector responses in Mauritius<br>2.2.1 CSP 2009-13 AfDB sector response strategy<br>2.2.2 CSP 2014-2018 AfDB sector response strategy<br>2.2.3 RISP AfDB sector response strategy<br>2.3 Reconstructed Theory of Change for the project selected for the sector  |
| <b>3. Overview of performance of ADB sector support</b><br><i>(to be drawn from the reporting sections above and aims at contributing to the EQs in the Evaluation Matrix)</i> | 3.1 Answers to the EQ using indicators as they apply to the sector<br>3.2 Achievement of development results for the sector <ul style="list-style-type: none"> <li>• Relevance</li> <li>• Effectiveness</li> <li>• Sustainability</li> <li>• Cross-cutting issues</li> </ul> 3.3 Management of the Bank’s interventions in the sector <ul style="list-style-type: none"> <li>• Efficiency</li> <li>• Design</li> <li>• Knowledge and policy advice</li> <li>• Partnerships, harmonisation and leverage</li> <li>• Managing for results</li> </ul> 3.4 Drivers of success and Lessons learned for the sector |

|   |                                    |
|---|------------------------------------|
|   | 3.5 Lessons learned for the sector |
| <b>4. Conclusions</b>   |                                    |
| <b>5 Recommendations</b>  | -                                  |
| <b>6. Annexes</b>   |                                    |
| 1. Evidence structured by EQ  |                                    |
| 2. Bibliography   |                                    |
| 3. Persons met  |                                    |
| 4. Profile of key interventions selected for the sector (i.e. CPSE; Power: MCB; WATSAN. |                                    |
| 5. Etc.   |                                    |

### PROFILES (detailed project assessments)

The “Profiles of key interventions” will be used as case studies to illustrate in detail what happened with the planned intervention and will constitute the main basis for analysing the performance of the Bank in the sector reports. One profile will be prepared for each of the four major interventions defined by IDEV: **CPSE, MCB LOC, St. Louis Power Station** (it is noted that the latter project was approved in a previous CSP but was partly executed in the 2009-2014 period).

Ratings for all five OECD criteria will be provided in the profile according to the framework of the Bank outlined in Annex “L”.

The outline of each profile is as follows.

- A) TITLE OF INTERVENTION:**  
**B) EXECUTING AGENCY:**  
**C) GOAL OF THE PROJECT:**  
**D) OBJECTIVE OF THE PROJECT:**  
**E) FINANCING PLAN:**

| Source                   | Amount (specify currency) | Type of Instrument (Loan, Grant, Study, Counterpart Fund, etc.) |
|--------------------------|---------------------------|---|
| AfDB:                    |                           |   |
| Government of Mauritius: |                           |   |
| Other (specify):         |                           |   |
| <b>TOTAL</b>             |                           | *****   |

**F) KEY FINANCING INFORMATION:**

|                  |  |
|------------------|--|
| Loan Currency    |  |
| Commitment Fee   |  |
| Other Fees       |  |
| Tenor            |  |
| Grace Period     |  |
| ENPV (base case) |  |
| EIRR (base case) |  |
| FNPV             |  |
| FIRR             |  |

**G) TIMEFRAMES FOR MAIN MILESTONES:**

| Milestone                                 | Planned dates | Actual dates |
|---|---------------|--------------|
| GoM expresses interest in new ADF project |               |              |
| Appraisal mission                         |               |              |
| Project Approval                          |               |              |
| Starting date                             |               |              |
| General procurement notice                |               |              |
| Grant effectiveness                       |               |              |

|                   |  |  |
|-------------------|--|--|
| MTR               |  |  |
| Completion        |  |  |
| Last Disbursement |  |  |
| Borrower PCR      |  |  |
| Bank PCR          |  |  |
|                   |  |  |

#### H) EXPECTED AND ACTUAL OUTCOMES:

| Expected Outcome and Target | Actual Outcome, by target |
|-----------------------------|---------------------------|
|                             |                           |
|                             |                           |
|                             |                           |
| <b>Unplanned Outcomes</b>   |                           |
|                             |                           |

Notes to expected and planned outcomes:

I) KEY LESSONS LEARNED:

J) OVERALL ASSESSMENT OF PERFORMANCE OF THE INTERVENTION:

K) PROJECT SUMMARY:

### TECHNICAL REPORTS

The Final Technical Report will follow an outline agreed upon with the IDEV Evaluation Officer. It will synthetically present the main findings and discuss its recommendations and the way forward acknowledging any potential limitations of its findings and proposing possible alternatives thereof. All comments collected during the workshop will be duly taken into consideration while preparing the final version of the Technical Report.

The following is a draft Table of Contents for the Technical Report.

Table 22: Technical Report – Proposed table of contents

| Heading   | Content  |
|---|--|
| <b>1. AfDB – Mauritius cooperation context</b>              | <ul style="list-style-type: none"> <li>• Broad development characteristics of Mauritius</li> <li>• Political and institutional situation</li> <li>• Economy, commerce and private sector</li> <li>• Governance</li> <li>• Mauritius development strategies</li> <li>• Development assistance</li> </ul>  |
| <b>2. AfDB strategic framework for Mauritius</b>            | <ul style="list-style-type: none"> <li>• CSPs</li> <li>• RISP</li> <li>• Other</li> </ul>  |
| <b>3. AfDB pillar and sector-level support in Mauritius</b> | 3.1 Context and key characteristics of sectors<br>3.2 Mauritius sector development strategies<br>3.3 Overview of AfDB sector responses<br>3.3.1 CSPs<br>3.3.2 RISP<br>3.4 Theory of Change (reconstructed) analysis  |
| <b>4. Answers to Evaluation Questions</b>                   | <i>Each Question is answered in maximum 2 pages</i>  |
| <b>5. Overview of ADB programme-level support</b>           | 5.1 Achievement of development results <ul style="list-style-type: none"> <li>• Relevance</li> <li>• Effectiveness</li> <li>• Sustainability</li> <li>• Cross-cutting issues</li> </ul> 5.2 Management of the Bank's interventions <ul style="list-style-type: none"> <li>• Efficiency</li> <li>• Knowledge and policy advice</li> <li>• Partnerships, harmonisation and leverage</li> <li>• Managing for results</li> </ul> |

|                            |   |
|----------------------------|---|
|                            | 5.3 Drivers of success and Lessons Learned<br>Lessons learned   |
| <b>6. Conclusions</b>      |   |
| <b>Annexes, including:</b> | <ul style="list-style-type: none"> <li>• <i>ToR</i></li> <li>• <i>Profiles</i></li> <li>• <i>Financial parameters</i></li> <li>• <i>People met</i></li> <li>• <i>Bibliography</i></li> <li>• <i>Lessons learned</i></li> </ul> <p style="text-align: center;">-</p> |

## SUMMARY REPORT

The Team will provide IDEV with a first and second draft Summary report (max 25 pages excluding executive summary and annexes) an introduction, context, findings, conclusions, key lessons and recommendations as well as applicable annexes. IDEV will provide a template and examples for the drafting of this summary. It will support IDEV in the final drafts as these are always prepared by Evaluation Managers who are trained in the formatting, language and structures of these highly condensed documents.

### 7.7 Limitation and challenges

The evaluation is likely to face a number of external risks, over which the team will only have limited control. Some of these are presented in the table below along with a rough assessment of the probability of them occurring and our approach to mitigating them.

Table 23: Risks and related mitigation strategies

| Risks  | Mitigation strategy  |
|--|--|
| Related to the evidence base   |  |
| Difficulties in locating key documentation from the Bank's internal databases and other sources<br><b>Probability:</b> very Likely | The team has developed a detailed methodological approach with a range of complementary desk-based research methods and tools. Moreover, the field visit will further close potential gaps with respect to lacking project documentation. However, a close collaboration with IDEV will be sought since the outset in order to facilitate the research in the right databases.<br>That being said, this mandate has already encountered important problems because requested data is not provided. The Team has identified a focal point for communications with the Bank on this issue, and IDEV has responded by naming one focal point. The data obtained one week after the end of the technical mission will be considered as the set of available data, because the team cannot continue to hold all analyses open if it expects to continue to the reporting stage. |
| Difficulty in finding other qualitative and quantitative data required for the indicators<br><b>Probability:</b> high              | As highlighted above the methodological framework combines a variety of complementary research methods and tools. Additionally, it is noteworthy to mention that the team includes an experienced Analyst / Research Assistant. This will further help to access data in a timely fashion. The main issue here is that most of the EQ do not simply relate to sector issues. Many indicators refer to outcomes, results, beneficiaries, access, equity, sustainability and other concepts for which the team cannot begin to gather primary information given the allocated time and resource base. The gaps and problems will be brought to the attention of IDEV as soon as they are perceived to have occurred.   |
| Related to the analytical framework and methodological approach  |  |
| Potential disagreement on the focus of the analysis<br><b>Probability:</b> Low   | The precise scope of the assignment will be discussed in a joint session by the team and IDEV. Moreover, the formulation of EQs and indicators during the Inception Phase will benefit from the experience of our team from recent similar assignments. Methods and tools will be designed in a flexible way, so   |

| Risks  | Mitigation strategy   |
|--|---|
|  | that adjustments could be possible as soon as this is deemed necessary. The Evaluation matrix was to have been reviewed jointly with the IDEV evaluation manager at the end of the scoping mission, but Bank scheduling constraints did not permit that to happen.  |
| <p>Critiques concerning the validity / robustness of the analysis</p> <p><b>Probability:</b> Low</p>   | <p>The risk will already be considerably mitigated by the experience of our team. This will contribute to ensuring an adequate design of the various activities. In addition, the range of complementary research methods, which we plan to use will strengthen the robustness of the analysis. Regular exchange will also be organised between the TL and the internal management staff of Lattanzio to ensure timely actions on key methodological questions. Of course, the team is likely to make interpretation mistakes and may completely miss data that could have been available; the briefings and de-briefings included in the methodology will assist in mitigating the effects of those risks.</p> |
| <p>Disagreements as to the definitions and targets that need to be considered</p> <p><b>Probability:</b> Medium</p>                            | <p>There are a number of terms used in the Mauritius CSP that need to be agreed to so that the ultimate results that were expected of interventions can be accurately assessed against a commonly-accepted reference point. "Competitiveness", for example, is not clearly defined in Bank documents, and "improved competitiveness" even less. The Team will use the Bank policies and definitions where they exist, and will introduce management science related definitions where necessary.</p>  |
| Related to the planning and execution of the assignment  |   |
| <p>Slippage in the evaluation schedule due to delays (in delivering outputs and/or in receiving comments).</p> <p><b>Probability:</b> High</p> | <p>Some degree of risk has to be considered due to the tight overall timeframe of the evaluation. For our part, we will reduce this risk by ensuring a constant monitoring of the evaluation process and by providing timely and effective responses to any unexpected event. On the other hand, whilst respecting the rights of participant entities to provide their inputs, there is a need to properly enforce the timeliness of commenting rounds.</p>   |
| Related to the field data collection phases in the course of evaluation process  |   |
| <p>Poor cooperation with stakeholders due to busy schedules or lack of appreciation, etc.</p> <p><b>Probability:</b> Medium</p>                | <p>IDEV and the Bank will be expected to facilitate activities of the team by providing the necessary support, such as letters of introduction to relevant stakeholders.</p>  |

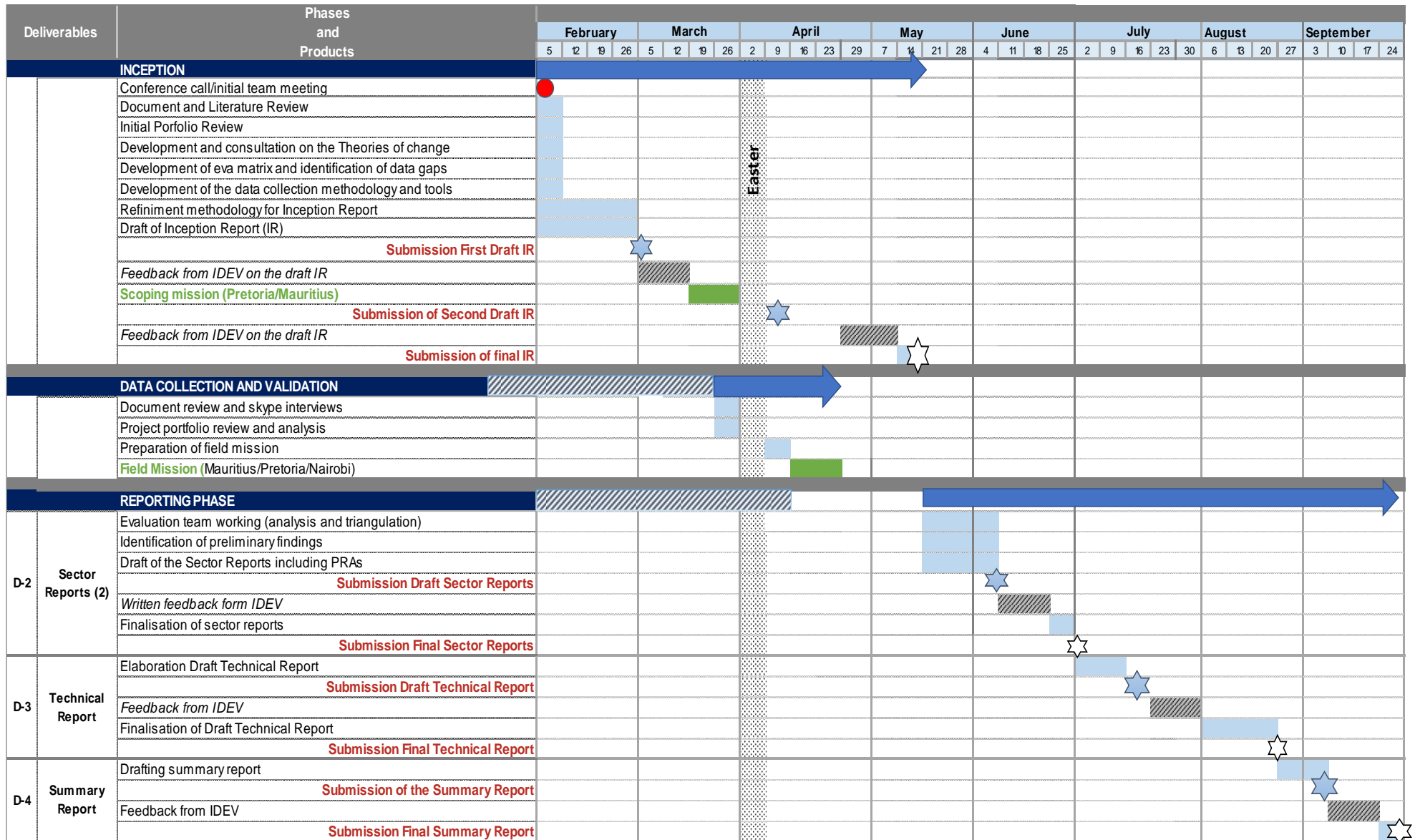


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**7.8 Workplan (Note that the final activity may or may not happen, at IDEV's discretion)**

Next steps milestones:

- Final Inception Report: 17 May
- Draft Sector reports: Friday 8 June
- Final Sector Reports: Monday 2 July
- Draft Technical Report: Friday 13 July
- Final Technical Report: Friday 24 August,
- Draft Summary: Friday 7 September
- Final Summary: Friday 28 September



★ Draft reports   
 ★ Final Reports   
  IDEV revision   
  Evaluation team work

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## 8. Annexes

### *Annex A: ToR Evaluation*

#### **AFRICAN DEVELOPMENT BANK GROUP (AfDB) INDEPENDENT DEVELOPMENT EVALUATION (IDEV)**

#### **Country Strategy and Program Evaluation For Republic of Mauritius (2009-2018)**

#### **TERMS OF REFERENCE FOR CONSULTANCY SERVICES**

### **1- Introduction**

The Independent Development Evaluation (IDEV) of the African Development Bank (the Bank, or AfDB) is an independent department tasked with undertaking evaluations aiming at enhancing the development effectiveness of the Bank's policies, strategies and operations. By conducting independent evaluations, IDEV ensures that the Bank and its stakeholders learn from experience for continuous improvement of the development interventions of the Bank. IDEV carries out evaluations of Bank operations, policies, and strategies, working across projects, sectors, themes, regions, and countries. In addition, IDEV also validates the self-evaluation of projects conducted by operations departments. All of IDEV's activities are designed to meet the following three key objectives: i) improve accountability; ii) enhance learning; and iii) promote evaluation culture.

IDEV reports directly to the Committee on Development Effectiveness (CODE), which is a sub-committee of the Bank's Board of Directors (the Board). This independence from Bank operations allows IDEV to be deeply involved in individual evaluations in an objective and arm's-length manner, while working in partnership with external experts throughout the evaluation process to ensure quality and rigor. IDEV is also the main author of a summary report on the key findings, conclusions, lessons learned and recommendations that arise out of each evaluation exercise; it is presented and discussed by the Board as part of its oversight functions.

### **2- Purpose and scope of the evaluation**

The Country Strategy and Program Evaluation (CSPE) of Mauritius will support the development of the next Country Strategy Paper (CSP). The execution of the current CSP is due to be completed by end of 2018; in this context, the purpose of the CSPE is two-fold: 1) assess the extent to which planned development results of the Bank's key interventions in Mauritius have been achieved and the reasons for the achievement or lack thereof and, 2) provide lessons and recommendations to improve the design of the next CSP.

The CSPE for Mauritius will cover the time frame 2009 – 2018 which includes two distinct strategy cycles (2009–2013 and 2014-2018). It will consider all projects/operations in pipeline during the evaluation period. In addition to investment projects, the evaluation will also assess the Bank's non-lending activities including analytical work, advisory services, policy dialogue, capacity development, and aid coordination.

### **3- Overview of Bank Group Strategies and Interventions in Mauritius:**

**CSP 2009-2013:**

This CSP is centered on the Government Development Strategy. In line with the Bank's Medium Term Strategy for 2009-2013, it devoted particular operational focus on enhancing external competitiveness by promoting trade integration and the development of key infrastructure projects, promoting a more robust private sector and fomenting the development of human capital by supporting the improvement of public sector efficiency and basic service delivery. It was articulated along two pillars:

**Pillar I:** Reduce Structural Bottlenecks to Competitiveness and Trade. This pillar was to accompany the aggressive public investment agenda that the Government announced in December 2008, which aimed to fill key infrastructure gaps limiting country competitiveness and deeper integration into international trade.

**Pillar II:** Enhance Public Sector Efficiency and Basic Social Service Delivery. This pillar sought to help Mauritius consolidate a modern and resilient public administration, which implied supporting fiscal reforms in PBB, and public expenditure. Also critical was the need to promote a responsible, sustainable and targeted system of public social services. These twin activities were to help Mauritius cope with the (then) ongoing economic crisis while maintaining social stability and preserving fiscal discipline.

This CSP intended to address Mauritius' weaknesses and take advantage of strengths and opportunities.

- Bank's support to reduce infrastructure bottlenecks were to highlight environmental sustainability issues and at the same time enhance external competitiveness. In addition, efforts to promote trade integration were believed to reduce the vulnerability of the private sector (Pillar I).

Budget support was to continue to aid fiscal consolidation and help Mauritius respond better to the effects of the global downturn affecting economic conditions, particularly in tourism, textiles and the financial sector (Pillar II).

- The Bank's support to revamping public social services was meant to protect vulnerable groups, women in particular. It was thought to be useful to mitigate the social impacts of the then current economic downturn and strengthen their long-term sustainability (Pillar II).

During the initial period of the CSP, the Bank's direct support to the private sector was envisaged only through the promotion of Public-Private Partnerships, or PPPs.

During the CSP period, the Bank's support to Mauritius was to be closely coordinated with other development partners. The Bank's special attention was to be given to the prevention of overlaps; it was also to take advantage of synergies.

**CSP 2014-2018:**

The 2014-18 CSP of the Bank was prepared at a time of consolidation of previous reforms as the Country prepared for the general elections that took place in December 2014. It should be noted that successive governments have demonstrated policy continuity and sustained reform agendas between election cycles. While some minor shifts in policy emphasis have occurred with the Government in place, the strategic goal towards HIC status continues to remain a priority. Parliamentary elections are expected to be held in 2019. The Bank did not expect the basic social and policy priorities to change much over the next few years, and has developed a non-lending programme that has been implemented with the overall support of Government.

The objective of this CSP is to help Mauritius build its competitiveness and resilience to exogenous shocks, enhance the quality of growth, and accelerate the country's transition into a HIC. Both the choice of instruments and the proposed intervention areas strategically position the Bank to support Mauritius in achieving inclusive and 'greener' growth. The CSP supports interventions under two complementary pillars, namely: (i) Building Infrastructure and PPPs and (ii) Deepening Skills and Technology Development. The strategic choice of the two pillars has been informed by the following three key factors: (i) Infrastructure and Skills and Technology address Mauritius' key structural bottlenecks and already enjoy Government policy commitment and financing, (ii) The Bank's solid experience in the two focus areas brings value addition to complement other partners' focus areas, and (iii) GoM specifically requested Bank support in the two areas.

### **Pillar 1: Building Infrastructure and PPPs**

This pillar supports actions and policy reforms that address bottlenecks due to energy, transport and water and sanitation infrastructure. The objective is to support Mauritius improve the quality and capacity of its infrastructure to attract higher value-added investments into the country, enhance the domestic private sector's capacity to operate in the regional market and improve public sector delivery. Under this pillar, the Bank's Infrastructure Investment Specialist now resides in Mauritius to provide technical advisory services and strengthen the GoM's capacity to structure PPPs in coordination with other development partners. The Specialist is supported by the Bank's Southern Africa Regional Resource Centre (SARC)<sup>31</sup>. Support to PPPs aims at attracting private sector investment to co-finance public infrastructure in line with the GoM's medium term fiscal consolidation objectives. Pillar 1 is to be a pathway for promoting gradual transition to 'green' growth by supporting the GoM to enhance resource use efficiency in the utilities sector; achieve policy clarity on the share of renewable energy in the national production mix, and reduce water pollution. In this pillar, the Bank will support inclusive growth through the expansion of water services to poor and marginalized areas, especially in Rodrigues and Black River. Capacity building interventions will also support efficient delivery of public sector investment and services. Analytical work will inform decisions concerning green infrastructure investment options, including those dealing with multi-modal climate resilient mass transport solutions and spatial planning capacities.

### **Pillar 2: Deepening Skills and Technology Development**

This pillar supports actions and policy reforms that contribute to improving the quality of primary education, and the relevance of, and access to, TVET and other forms of tertiary education. The objective is to help Mauritius address a recognized skills mismatch and enhance the country's productivity and innovation capacity. Bank support will focus on (i) improving quality and efficiency in primary education, the main cause of attrition and the source of the rising pool of unskilled youth, (ii) enhancing relevance and access to TVET and tertiary education to address skills shortages in science and technology, ICT and other emerging sectors, and (iii) bolstering research and innovation capacity.

#### **Banks Goals and Objectives for Mauritius 2004-2018**

| <b>CSP 2004-2008</b>  | <b>CSP 2009-2013</b>  | <b>CSP 2014-2018</b>  |
|---|---|---|
| <b>Goals and priorities</b>   | <b>Goals and priorities</b>   | <b>Goals and priorities</b>   |
| <b>Information and Communications Technology</b><br>Support for private operators and capacity building in the ICT sector | <b>Pillar I – Reduce Structural Bottlenecks to Competitiveness and Trade.</b> | <b>Pillar 1 – Building Infrastructure and PPP</b><br><br>1. Enhancing |

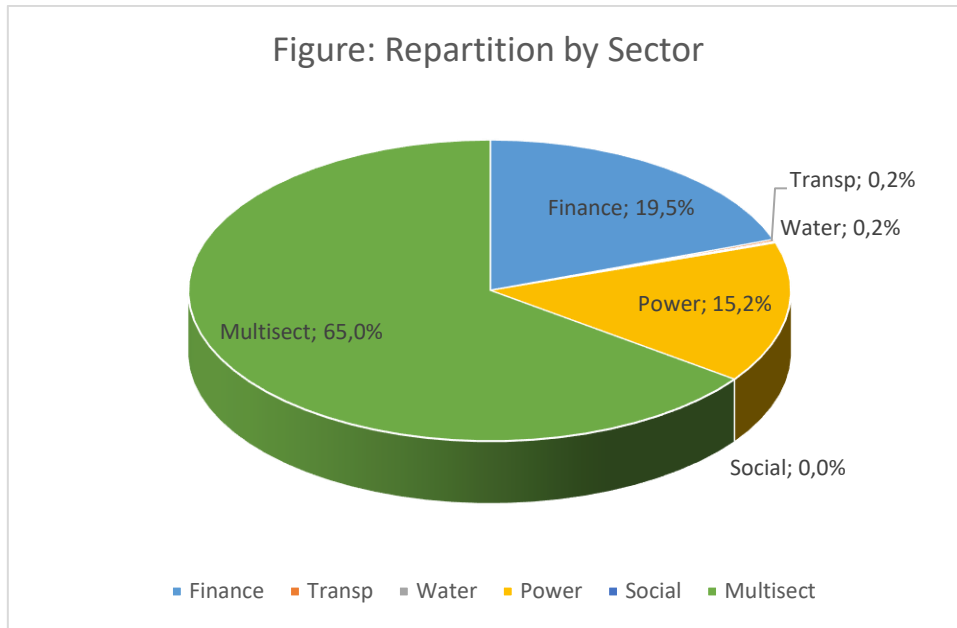
<sup>31</sup> Now RDGS

|   |   |  |
|---|---|--|
| <p><b>Private Sector</b><br/>(vi) Support for private sector and SME development.</p>   | <p>2. Enhance Skills on Trade Integration Issues.<br/>3. Information Communications Technology<br/>▪ Enhance competitiveness and Increase investment Climate<br/>4. Power and Roads<br/>▪ Enhance Competitiveness</p> | <p>competitiveness (PBO) (Policy reform collaboration with WB, AFD and EU).<br/>2. Investing in education technology and PPPs to improve learning outcomes and skills development</p>  |
| <p><b>Infrastructure Development</b><br/>1- Irrigation<br/>(vii) Support for the expansion of irrigation infrastructure for the non-sugar agriculture sector in the northern region of Mauritius.<br/>(viii) Institutional support for the irrigation Authority and the Agricultural Research and Extension Unit.<br/>2- Water and Sanitation<br/>(ix) Support for sewerage infrastructure development.<br/>3- Transport<br/>(x) Support for the government traffic management program.</p> | <p><b>Pillar II – Enhance Public Sector Efficiency and Basic Social Service Delivery.</b><br/><br/>5. Improve Public Sector Management and Efficiency.<br/>6. Sewerage and Sanitation</p>                             | <p><b>Pillar 2 Deepening Skills and Technology Development</b><br/><br/>3. TA to enhance education technology and PPPs to improve learning outcomes and skills development.<br/>4. TA for assessing framework for on-line learning at UoTM and support MITD business plan.</p> |
| <p><b>Overall strategic framework</b></p>   | <p><b>Overall strategic framework</b></p> <ul style="list-style-type: none"> <li>• Joint Program Document (DPs')</li> </ul>   | <p><b>Overall strategic framework</b></p> <ul style="list-style-type: none"> <li>• The Vision 2020</li> <li>• FYDP (2010-15)</li> </ul>  |

#### 4- Overview of the Bank's Portfolio 2009-2018

For the period 2009-2018, the overall allocation for Mauritius by the Bank amounts to UA 541.346 million, of which UA 351.622 million is for multi-sector projects. The remaining 35% is allocated to other sectors. From 10 operations in the Period under review, six (6), representing 65% of the net commitments of the Bank are completed or closed. Four are still ongoing and no new approvals have been made since 2016 (See Table 1).

The sector distribution of the portfolio (see Figure 1 below) reflects the priorities set out in the two relevant CSPs (CSPs 2009-13 and 2014-2018), which focus on competitiveness, increased public sector efficiency, deepening skills and technological development in the country.



The Completion Report for the CSP 2009-2013 found that Mauritius' use of its credit exposure limit improved during 2009-2013 CSP period with approved commitments accounting for 77% of the planned UA604mn in lending compared to 27% of the programmed UA150mn in the previous CSP. Although this represented only one out of 4 programmed lending operations, due to the big size of the operation (the UA 466 million Competitiveness and Public Sector Efficiency Program (CPSE) budget support loan) meant the use of exposure limit was high (77%) and although disbursement at 44.5% is low, the disbursed flows (about UA198.2mn) during the period (2009-2013) is 5 times the total cumulative disbursement flows for period 2004 -2008. The three operations did not take off for a number of reasons. On the public sector side, delays in conducting feasibility studies for infrastructure projects due to capacity bottlenecks and the huge budget support operation reduced the need for the Government to undertake additional borrowing for stand-alone operations.

Table 1: Sectorial Distribution of Mauritius Portfolio 2009-2018

| Sector of Activity | Approved Amounts (in UA) | (%)         |
|--------------------|--------------------------|-------------|
| Finance            | 105,566,894.22           | 19.5%       |
| Transport          | 1,180,000.0              | 0.2%        |
| Water              | 846,140.89               | 0.2%        |
| Power              | 82,131,043.70            | 15.2%       |
| Social             | -                        | 0.0%        |
| Multisector        | 351,621,536.19           | 65.0%       |
| <b>Total</b>       | <b>541,345,615.0</b>     | <b>100%</b> |

## 5- Evaluation Objective

The purpose of the CSPE is to inform future programming in Mauritius or indeed in other countries where the Bank's program has been similar to that of Mauritius. The specific objectives of the evaluation are:

- To provide credible evaluative evidence on: i) the development results of the Bank's engagement and ii) how the Bank has managed its engagement.
- To identify the factors/drivers that generated good or poor performance;
- To identify lessons and recommendations from the performance and management of the Bank's support to inform the design and implementation of future strategies and

operations in Mauritius.

In order to meet these objectives, the CSPE will:

- 1) Assess the extent to which the Bank contributed to development results in terms of the relevance, effectiveness, and sustainability of the Bank's operations.
- 2) Determine the extent to which the support provided by the Bank in key sectors has had an impact on the GoM's expected outcomes for those sectors.
- 3) Assess the management of the Bank's engagement including its design and efficiency, as well as the quality and leveraging that resulted from knowledge work and policy dialogue with the country.
- 4) Identify key factors contributing to the achievement or non-achievement of expected results.

## 6- Key Clients for the Evaluation

- The Board - The evaluation will provide the Board with an independent and evidence-based assessment of the development results that the Bank has contributed towards in Mauritius. It will also provide lessons learned and suggestions for potential improvements in the future.
- Bank's Management including AfDB's Southern African Regional Hub -The evaluation inform the development of new CSPs for the Country by providing the Bank's management and its regional office with independent and evidence-based assessment of what worked and what did not work, along with suggestions for improvement.
- In addition, the government and development partners working in Mauritius will be able to make use of the evaluation's findings and recommendations.

## 7- Evaluation Issues and Questions

The evaluation will examine the following sets of issues:

- Development Results – this set of issues focusses on what the Bank has achieved on the ground. In terms of evaluation criteria, the following are included: relevance, impact, effectiveness, sustainability, and cross-cutting issues.
- Managing the Bank's intervention: in terms of evaluation criteria, efficiency is included; other research domains include design, coherence, coordination and complementarity, partnership management and managing for development results.
- Borrower's performance: the evaluation will specifically assesses the performance of the various project executing agencies; sector ministries, and other organizations responsible for project/ program design and implementation within the CSP.
- Success factors and Lessons: the evaluation will examine the key facilitating or constraining factors for the achievement of development results.

The box below shows the key evaluation questions to be covered by the evaluation. The final evaluation matrix will be agreed upon during the inception phase, a number of further questions may be added after the scoping mission if considered especially important for Mauritius or the Bank.

### Box 1: Evaluation questions

#### Development Results – What has been achieved by the Bank in Mauritius?

##### Relevance

- To what extent do the Bank's interventions contribute to meeting the needs, development challenges and priorities of the country in general and the target groups in particular?



- To what extent are the strategic programme (CSP) for Mauritius and its resulting interventions and actions aligned with the Bank's priorities?

#### **Effectiveness**

- To what extent have the Bank's interventions achieved their expected development results at the intermediate outcome level, specifically in terms of the expected benefits to target groups?
- To what extent have the Bank's interventions contributed to the achievement of their expected higher-level development outcomes (including impacts), both intended and unintended, in the multisector sector (as defined by the Bank).

#### **Sustainability**

- To what extent are the achieved benefits continuing (or are expected to continue) to exist once the Bank's interventions are/(will be) completed?

#### **Crosscutting Issues**

- To what extent are the Bank's interventions inclusive (i.e., bringing prosperity by expanding the benefits across the barriers of age, gender, youth and regional disparity)?
- To what extent are the Bank's interventions environmentally sustainable and have they supported a transition to green growth?

### **Managing the Bank's interventions– How and Why were the development results achieved or not?**

#### **Design**

- To what extent has the quality of the CSP met the standards established by the Bank, specifically in terms of the logical coherence of the programme (Theory of Change) and the justification and selectivity presented for the choice of selected sectors and interventions, including the added value that the Bank was to bring to the development context in Mauritius?
- To what extent has the Bank been innovative in adapting its approach to the country's context and development challenges/needs?

#### **Efficiency**

- To what extent are the Bank's interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to result)?
- To what extent are the Bank's interventions implemented in a timely manner and in compliance with operational standards?

#### **Knowledge and policy advice**

- Through the sharing of analytical work (accompanied by relevant technical and policy advice) in support of its strategic programming, to what extent has the Bank actively engaged in, and influenced the Country through, policy dialogue?

#### **Partnerships, harmonization and leverage**

- To what extent are the Bank's interventions coordinated with those of other donors (avoiding duplication, promoting complementarity and subsidiarity, simplifying procedures etc.)?
- To what extent are the Bank's interventions and resources being leveraged for maximizing development effectiveness at country level, including the attracting of other players to the development efforts of the Bank?

#### **Managing for Development Results**

- To what extent has the Bank successfully implemented a performance management strategy that focuses on being able to manage the achievement of outputs, outcomes and impacts and

the development of national capabilities and management systems that focus on results?

### Borrower performance

- To what extent has the borrower partner participated in and shown leadership in aid intervention selection/design/implementation, including for the development of the CSP; preparing for AfDB operations; compliance with AfDB loan covenants and conditionality; timely provision of counterpart funds; following procurement guidelines, etc. ?
- To what extent has the Country supported the management of Bank interventions via Results-Based Approaches?
- What are the facilitating or constraining factors to borrower performance in the context of the development and implementation of CSPs?

### Drivers of success and lessons Learned

- What are the key lessons learned that could inform future strategies and program in Mauritius?

## 8- Methodology

- Evaluation Design: a Theory of Change approach will be employed. A theory-based evaluation is the most suitable option as it will not only address what results were achieved, but also how and why the results were achieved (or not). As part of the scoping mission, a draft Theory of Change for the CSPE as well as for each Sector under the CSP will be developed. The assessment of results will be carried out at three levels – the project level, then aggregation to the sector level followed by an aggregation at the country level.
- An Evaluation Matrix will be drafted and used, including Judgment Criteria and indicators. Each report will contain an annex (in a second volume) that will outline the evidence gathered for each indicator, and the analysis of that indicator overall in line with the Judgment Criteria to which it reports.
  - It is expected that all projects will be assessed mainly through the use of secondary data (desk review) complemented with key informant interviews/FGD.
  - Four projects has been purposely selected as case studies and will undergo a thorough assessment. They will entail site visits. Each case study will feed into the sector and/or technical report. IDEV will provide the template for this assessment.

| Operations Selected for Project Case Study |   |           |               |                |
|--|---|-----------|---------------|----------------|
|  | PROJECT NAME  | Status    | Approval date | Amount (in UA) |
| 1  | MAURITIUS COMMERCIAL BANK LOC II                    | Ongoing   | 11-09-13      | 105,566,894.22 |
| 2  | ST. LOUIS POWER STATION REDEVELOPMENT               | Ongoing   | 25-06-14      | 82,131,043.70  |
| 3  | COMPETITIVENESS AND PUBLIC SECTOR EFFICIENCY (CPSE) | Completed | 25-11-09      | 228,024,491.52 |
| 4  | COMPETITIVENESS AND PUBLIC SECTOR EFFICIENCY        | Completed | 25-11-09      | 122,593,267.45 |

- In addition, since the Bank supported analytical and advisory work, including technical assistance, the consultant will develop a framework for assessing the

effectiveness of these interventions.

- **Data Collection:** a combination of quantitative and qualitative approaches will be used in the evaluation. Both approaches are needed to learn more about and assess the nature, degree and consequences of various findings generated through the evaluation. Moreover, multiple data collection methods will help capture and triangulate information to answer the evaluation questions. Data collection methods to be used include: literature review (including strategic and project documents), key informant interviews, Focus Group Discussion (FGD), and e- survey when necessary. Employing multiple sources of information will allow for triangulation of data that will generate the most comprehensive, valid and reliable results.

The above approaches are indicative and the consultant is free to propose the methodological approach that can address the evaluation questions.

## 9- Tasks of the consultant

The evaluation will include three phases: Inception, Data Collection and Analysis, and Reporting. The key activities of the consulting team for each phase are as follows:

Inception Phase - at the inception phase, the consulting team will carry out the following tasks:

- Carry out a review of relevant Bank documents and databases and a scan of the literature. Documents to be reviewed include, but are not limited to: the Mauritius Country Strategies, quality-at-entry assessments, project documentation (e.g., appraisal reports; mid-term evaluation reports; project completion reports and other relevant project documents; Ten-Year Strategy; all relevant strategy and policy documents related to High 5 priorities of the Bank such as Feed Africa, Energy, and Enable Youth; previous evaluations carried out by the Bank; evaluations carried out by other organizations (Multilateral; and Bilateral organizations); CPIA assessments; reports on the country, etc.
- Conduct portfolio reviews and analysis. The full portfolio of projects will be reviewed, based on available documentation. This review will be desk based and the template for the review will be provided by IDEV.
- Carry-out a ten-day scoping mission in Mauritius and the Southern Africa Regional Hub in Pretoria, South Africa. This will include the conduct of key informant interviews/focus groups with the Bank's Regional Hub, government officials and other country stakeholders (e.g., private sector, civil society). The mission will assess the availability of local resources to support the evaluation or to provide information and will discuss the logistics of the field data gathering missions to be undertaken by the Evaluation team.
- Fine-tune the evaluation issues/questions, and Theories of Change for the Bank's interventions in Mauritius, develop the evaluation design (including the outcome pathways for the interventions), and develop the evaluation matrix based on the results of the document review, literature review and key informant interviews/focus groups in the country.
- Assess performance at the project level by applying the existing rating scale used by IDEV and develop a rating framework for aggregation at sector and country level.
- Submit a draft Inception Report and make any required adjustments/revisions based on comments from the Task Manager, the Reference Group, and Peer-reviewers (both internal and/or external).
- Prepare interview guides, questionnaires or case study templates and develop coding

schemes.

- Finalize the Inception report, including data collection tools based on comments from the IDEV evaluation team.

Data Collection and Analysis Phase - at the data collection/analysis phase, the evaluation team will implement the approved Inception Report:

- Conduct a refined and in-depth document review and literature review.
- Carry-out a three week (15 working days) data collection mission in Mauritius. Carry-out interviews with the different stakeholder groups, including but not limited to: Bank management, regional offices Executive Directors and/or their Advisors, Government Officials of Regional Member Countries, other country stakeholders representing beneficiaries (e.g. civil society) and, other donors and MDBs. Code interview data as per the approved coding schemes. Conduct case studies (including field visits) of the 4 projects in the country.
- Analyze data collected from the various data sources based on the approved Issues-Indicator matrix and aggregate assessments.
- Conduct a workshop to share findings with regional office and the government. A participatory approach will be applied in developing high-quality recommendations by engaging various experts as well as the potential users of the evaluation results in their development.

Reporting Phase – at this phase, the evaluation team will draft the sector reports (one per sector studied), workshop PPT, and synthesis reports:

- Submit draft and final sector reports and make any required adjustments/revisions based on comments from the Task Manager/IDEV evaluation team, the Reference Group, Peer-reviewers (both internal and/or external).
- Submit draft and final technical reports and make any required adjustments/revisions based on comments from the Task Manager/IDEV evaluation team, the Reference Group, Peer-reviewers (both internal and/or external).
- Submit emerging findings workshop presentation and make the presentation to the government and Southern African regional office.
- Submit draft and final summary reports.

## 10- Key Deliverables and timeline

Following are the deliverables the consultant needs to produce based on an agreed timeline. A short description follows the name of the deliverable in order to scope it; that description must be augmented by the actions and products described in Section 10 above.

**Inception report:** The consultant will draft an inception report for the evaluation, which include the relevant background information for the evaluation (including a summary of available evaluative information), scope and objectives, evaluation issues and questions, evaluation design and methodology, theory of change, an evaluation matrix, data collection and analysis tools and an evaluability assessment with noted data limitations. The consultant will finalize the Inception Report based on comments from IDEV, peer reviewers, and reference groups.

**Sector review reports:** The consultant will be required to produce sector reports, with detailed evidence and analysis from all lines of evidence providing answer to all evaluation questions, and a thorough assessment of the Bank's involvement in each of the two main sectors (multisector and Power/energy). Each report will benefit from the desk-review of country and project related documents as well as the validation of available self-evaluation reports in the field. The two sector

reports are required:

1. Multisector with emphasis on competitiveness
2. Power/Energy

**Technical report:** A Technical report providing support to the finalized evaluation findings, overall ratings, conclusions, and recommendations will be prepared covering all sectors and both CSPs involved. For example, detailed evidence can be provided as annexes or as separate volumes, in addition to what is included in the main report. IDEV will provide the consultant with broad guidance on what should be included in the technical reports, at inception stage. The drafts will be submitted for comments from IDEV, the reference group and peer reviewers. The consultant will then finalize the technical report and all related data.

**Presentation** to the government in Mauritius and Bank's Regional Hub in South Africa- the consultant will make presentation of the key preliminary findings and recommendations based on draft technical or summary report.

**Summary report** (max 30 pages excluding executive summary and annexes) –draft and final a complete report including executive summary, introduction, context, findings, conclusions, key lessons and recommendations as well as applicable annexes. IDEV will provide a template and examples for the drafting of this summary.

The assignment is expected to be completed in a period of approximately 6 months from January 2017 to May 2018. The exact timelines and requirements for the assignment will be finalized through negotiations with the selected Consultant. However, to provide an estimate of the required level of effort, it is anticipated that the assignment will require approximately 276 person day to complete (including senior key expert<sup>32</sup> for each sectors and local consultants for data collection)

The following table presents the expected timeline per deliverable.

| Activity  | Start Date        | End Date         |
|---|-------------------|------------------|
| Contract Signature and Kick-off of the evaluation project | December 14, 2017 |                  |
| Scoping mission   | January 15, 2018  | January 19, 2018 |
| Inception report  | January 2, 2018   | February 9, 2018 |
| Data collection mission                                   | March 1, 2018     | April 15, 2018   |
| Sector reports  | April 1, 2018     | April 30, 2018   |
| Technical report  | April 1, 2018     | May 8, 2018      |
| Summary report  | April 30, 2018    | 25 May , 2018    |

## 11- Management and quality assurance

The evaluation will be overseen by IDEV's management and will be presented to the Bank's Committee on Development Effectiveness (CODE).

The evaluation will be managed by an IDEV Principal Evaluation Officer. The evaluation will be carried out by a consulting firm with the right mix of skills and experience. The IDEV team will guide the consultants throughout the evaluation process; ensure that they have the necessary information to carry out the assignment and; facilitate meetings with Bank staff and management, as required. It is expected that the consulting team would provide regular updates on progress to the Task

Manager (through written progress reports and verbal briefings, as required). This will ensure clear communications between the consultants and IDEV and will help solve any issues that may arise during the project.

The Inception Report as well as the evaluation Reports (sectoral, technical and summary will undergo an internal peer-review. In addition, an external Expert Reviewer, with significant expertise in the areas of program evaluation, performance measurement and country management may be selected to ensure that the design and subsequent evaluation report will yield valid and reliable evidence suitable to support the Bank's decision-making. The peer-reviewers will focus on methodology and on the quality and soundness of the findings, conclusions and recommendations. The feedback provided by the peer-reviewers (both internal and/or external) will be used to refine the design framework and final draft of the evaluation, as required.

A Reference Group (RG) composed of representatives from: the regional offices, Government representatives and possible development partners will be established to act as a sounding board throughout the evaluation project. The RG will be the forum through which the evaluation team will consult with concerned Bank departments and country stakeholders.

It is expected that at the end of the assignment, the consulting firm will provide the IDEV Task Manager with all of the raw data, project assessments, working papers, databases/coded data and, any other documentation used during the assignment.

The evaluations will be carried out in accordance with OECD-DAC Quality Standards for Development Evaluation ([www.oecd.org/dac/evaluation](http://www.oecd.org/dac/evaluation)) and, the ECG Good Practice Standards for Country Strategy and Program Evaluation.

## **12- Consultant qualifications and experience**

The proposed consulting teams will be composed of a team leader, appropriate technical subject-matter experts (transport; water and sanitation; power; agriculture/rural development; governance/public financial management) experts in cross-cutting issues (gender; environment) and, local consultants (as required).

Following are the team's minimum qualifications, skills and experience required to be considered for the assignment:

- Extensive experience and knowledge in evaluation methodologies at the project and country levels.
- Experience of evaluating international cooperation programmes and strategies
- Experience in the country or region.
- In-depth knowledge of evaluation theory, practice and professional standards, and examples where this has been applied in similar contexts
- Experience with impact evaluation using participatory methods
- Knowledge of OECD-DAC quality standards for development evaluation, and examples where this has been applied in similar contexts
- Knowledge of IFI policies and operations and examples where this has been applied in similar contexts

- Knowledge of development effectiveness principles and examples where this has been applied in similar contexts
- Excellent verbal and written skills in the English and French
- Availability for the key activities over the evaluation period.

**The following table details the roles and required skills of the consultant team**

| Role                                      | Requirements   |
|---|--|
| Team leader                               | <p>Advanced degree in economics, development economics, public policy, development evaluation or a field related to the overall design of the CSPs for Mauritius</p> <p>Extensive experience in the design and implementation of development cooperation programs and interventions (more than 15 years, of which at least three will be directly related to island economies);</p> <p>Extensive experience in evaluation (more than fifteen years) including experience related to Program-level evaluations and experience managing evaluation teams</p> <p>Experience with multilateral development Banks, especially development operations and evaluation within the context of the African Development Bank.</p> <p>Demonstrated experience in the development of policies concerning biodiversity and climate change</p> <p>Excellent on-site experience in dealing with the contexts and challenges of the development of states that are considered as a part of the Indian Ocean community (over two years).-related organizations.</p> <p>Detailed experience in capacity building in statistics</p> <p>Extensive knowledge of development issues in Southern Africa and the Indian Ocean</p> <p>Language skill: Excellent verbal and written skills in English and French.</p> <p>Proficiency in using computer packages</p> |
| Infrastructure expert (transport, power ) | <p>Degree in engineering with specialization in transport and/or energy infrastructure planning and development</p> <p>At least ten years' experience in, and demonstrated knowledge of, the transport, power, and water/sanitation sectors, including the capability development of agencies created to oversee these sectors.</p> <p>Excellent research and analytical skills, specifically in evaluative research</p>   |
| Macroeconomist/ Governance Expert         | <p>Advanced degree in Economics, public-sector related management or administration</p> <p>Extensive experience and knowledge related to public sector reforms (including legal, electoral, parliamentary), financial management, public expenditures, and institutional capacity development approaches.</p> <p>At least five years' direct experience in the management of state-level development strategies and investment portfolios.</p> <p>At least ten years' experience in the development and analysis of competitiveness-related strategies, including programs at state level, innovation, economic sector development</p>   |

|  |   |
|--|---|
|  | Excellent research and analytical skills, particularly in regard to impact evaluation and capability development at state level   |
| Water supply and sanitation specialist | Advanced degree in domains related to the management of water supply and sanitation systems, public health, or other appropriate training;<br>Experience and knowledge related to the management of power, water or sanitation agencies.<br>Excellent research and analytical skills  |
| Gender expert                          | Advanced degree in social sciences or a domain related to the mainstreaming of gender in international development cooperation interventions,<br>Demonstrated on-the-ground experience in the evaluation of cross-cutting objectives for Bank programs and interventions, including such factors as gender-related institutional reforms, inclusiveness, community activities, regional equality, etc.<br>Excellent research and analytical skills  |
| National expert                        | Advanced degree in economics, development economics, public policy, development evaluation or a related field<br>Extensive experience in evaluation (more than ten years) including experience related to Program-level evaluations<br>Experience with the coordination of development partners and their programs and policies.<br>Excellent knowledge of the country.<br>Demonstrated experience in organizing the logistics for foreign missions and study teams<br>Extensive knowledge of development issues in Mauritius<br>Language skill: Excellent verbal and written skills in English and French. |



**ANNEX of ToR: LIST OF BANK'S OPERATIONS IN MAURITIUS 2009-2018**

| <b>PROJECT NAME</b>   | <b>Status</b> | <b>Approval date</b> | <b>Amount (in UA)</b> |
|---|---------------|----------------------|-----------------------|
| <b>Finance</b>  |               |                      |                       |
| MAURITIUS COMMERCIAL BANK LOC II                                  | Ongoing       | 11/09/2013           | 105,566,894.22        |
| <b>Transport</b>  |               |                      |                       |
| FEASIBILITY STUDY OF THE ISLAND CONTAINER TERMINAL                | Ongoing       | 27/05/2015           | 1,180,000.00          |
| <b>Water Supply and Sanitation</b>                                |               |                      |                       |
| TECHNICAL ASSISTANCE AND CAPACITY DEVELOPMENT FOR DAM DEVELOPMENT | Ongoing       | 22/04/2014           | 300,000.00            |
| WASTEWATER MASTER PLAN STUDY                                      | Closed        | 01/06/2009           | 546,140.89            |
| <b>Power</b>  |               |                      |                       |
| ST. LOUIS POWER STATION REDEVELOPMENT                             | Ongoing       | 25/06/2014           | 82,131,043.70         |
| <b>Social</b>   |               |                      |                       |
| <b>Multisector</b>  |               |                      |                       |
| COMPETITIVENESS AND PUBLIC SECTOR EFFICIENCY (CPSE)               | Completed     | 25/11/2009           | 228,024,491.52        |
| COMPETITIVENESS AND PUBLIC SECTOR EFFICIENCY                      | Completed     | 25/11/2009           | 122,593,267.45        |
| STATISTICAL CAPACITY BUILDING PROGRAM PHASE II (SCB-II)           | Completed     | 03/06/2011           | 490,600.00            |
| MIC GRANT SUPPORTING THE MAURITIUS COMPETITIVENESS AND PUBLIC     | Completed     | 09/02/2010           | 231.888.69            |
| MIC GRANT SUPPORTING DEBT MANAGEMENT                              | Completed     | 09/12/2010           | 281,288.53            |
| <b>TOTAL</b>  |               |                      | <b>541,345,615.00</b> |

### *Annex B: Bibliography*

| <b>Strategic Level Documents</b>   |
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|   |
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| MCB Clean   |
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| Mauritius-Study for a master plan-waste Water                                  |

*Annex C: ToR of Scoping mission*

**AFRICAN DEVELOPMENT BANK GROUP**



**INTER-OFFICE MEMORANDUM**

Date: 12 March 2018

**To :** **Mr. Samson HOUETOHOSSOU**  
Evaluation Officer, BDEV.2

**Mr. Bilal BAGAYOKO**  
Research Assistant, BDEV.2

**From :** **Mr. Madhusoodhanan MAMPUZHASSERIL**  
OIC, BDEV.2

**SUBJECT :** **Evaluation of Mauritius Country Strategy and Program 2009-2018.**  
**Terms of Reference for Scoping Mission, 19<sup>th</sup> to 23<sup>rd</sup> March 2018 in South Africa and Mauritius.**

*U.S.R...*  
*12-3-2018*

**INTRODUCTION**

1. The Independent Development Evaluation function (IDEV) of African Development Bank (AfDB) is conducting an evaluation of the Bank's country strategy and program in Mauritius over the period 2009-2018. The evaluation covers mainly the last two CSPs: 2009-2013 and 2014-2018, and seeks to :
  - assess the development results of the Bank's engagement in Mauritius and how its interventions has been managed;
  - identify the factors/drivers that affect program performance; and
  - suggest lessons and recommendations to inform the design and implementation of the new Country Strategy Paper (CSP).
2. To properly design and plan the evaluation, it is hereby requested that you undertake a scoping mission to South Africa on **19<sup>th</sup> March and to Mauritius from 20<sup>th</sup> to 23<sup>rd</sup> March 2018** in order to consult with the Bank's team working on Mauritius, the Government of Mauritius senior officials and other key stakeholders involved in the cooperation with the Bank.

**OBJECTIVES OF THE MISSION**

3. The objective of the scoping mission is to consult key stakeholders on the scope of the evaluation, and to get a better understanding of the existing data and information gaps

in order to adequately design the evaluation. The mission team will carry out the following tasks:

- i. Consult the relevant Government authorities and development partners on the key questions, design and planning of the country strategy and program evaluation;
- ii. Collect relevant information (on the Bank's interventions, allocation mechanisms and outcome and contextual variables of interest) for the design of the evaluation;
- iii. Conduct interviews with the colleagues in the Southern African Regional Hub, and other relevant stakeholders;
- iv. Validate the Bank's portfolio for the evaluation period and identify the relevant sites to visit during the data collection mission;
- v. Discuss the timing and logistics of the field data gathering mission to be undertaken in April 2018; and
- vi. Check available data (statistics, administrative records) that can be used for assessing development results.

#### **ORGANIZATION OF THE MISSION**

4. The mission will take place from 19<sup>th</sup> to 23<sup>rd</sup> March 2018. The meeting program will be finalized in collaboration with the Bank's Office in Pretoria and the Government of Mauritius focal point for the Bank.
5. The mission team will be in Pretoria on 19<sup>th</sup> March to meet with the task managers working on Mauritius and from 20<sup>th</sup> to 23<sup>rd</sup> March in Mauritius to meet with various stakeholders from the following organizations:
  - a) Ministry of Finance and Economic Development;
  - b) Ministry of Energy and Public Utilities;
  - c) Central Statistics Office;
  - d) Mauritius Port Authority;
  - e) Central Electricity Board;
  - f) Mauritius Commercial Bank;
  - g) Business Mauritius; and
  - h) Development Partners (World Bank, EU, AFD...).

#### **EXPECTED OUTPUTS**

6. Upon your return, you are expected to prepare a Back-to-Office Report highlighting the expectations from the key stakeholders, the challenges for the evaluation and solutions to overcome them, and the next step for the evaluation. All the information collected during the scoping mission will feed into the preparation of the inception report and final data collection mission.

**CC:**

**Ms. Josephine NGURE, Deputy Director General, RDGS**

**Mr. Rakesh NANGIA, Evaluator General**

*Annex D: Programme for scoping mission and beginning Technical mission*



**MEETING SCHEDULE-EVALUATION OF MAURITIUS COUNTRY STRATEGY PAPER  
(key people noted only)**

| Time  | Institutions/Venue   | Briefing Notes   |
|---|--|--|
| <b>19 March, Meetings with SARC</b>   |  |  |
| 1000-1100   | Ms Imen Chorfi<br>Senior Data Analyst and temporary CPO  | Discussion pon Mauritius portfolio   |
| 1100-1200   | Mr Neeraj Vij Private Sector   |  |
| 1400-1500   | Mr. Fernando Balderama Senior Investment Officer   |  |
| 1630-1730   | Mr Neeraj Vij Private Sector (2 <sup>nd</sup> meet)  |  |
| <b>Tuesday, 20 March 2018</b>   |  |  |
| Arrival of BDEV mission team in <b>Mauritius</b> :<br>- M. Samson Kohovi HOUETOHOSSOU, Evaluation Officer<br>- M. Bilal BAGAYOKO, Research Assistant<br>- M. Robert LEBLANC, Consultant |  |  |
| <b>Wednesday, 21 March 2015</b>   |  |  |
| 0900 – 0945   | Briefing with Mauritius Liaison Office Team<br><i>5<sup>th</sup> Floor, Anglo Mauritius House<br/>Port Louis</i>   |  |
| 1000 – 1100   | <b>Mr. A. Ponnusawmy,</b><br>Acting Director, Economic Cooperation and International Affairs<br><b>Ministry of Finance and Economic Development</b><br><i>Government House, PLouis</i> | <ul style="list-style-type: none"> <li>• Have the conditions helped in terms of generating new policy environments</li> <li>• Did the GoM monitor the effects of the budget support?</li> </ul> <p><u>Competitiveness</u></p> <ul style="list-style-type: none"> <li>• How did Bank strategies and interventions actually improve competitiveness?</li> <li>• The idea would be for the Country to jump to an Upper Middle Income Country or High Income Country. Where is the strategy on how to do that?</li> <li>• How has AfDB budget support been used?</li> <li>• Is there any traceability to competitiveness?</li> </ul> |

|   |  |  |
|---|--|--|
|   |  | <u>Education</u> <ul style="list-style-type: none"> <li>How is education (in terms of capacity for competitiveness) been addressed</li> </ul>  |
| 1130 - 1215   | <b>Mrs Doriane Pedaloo</b><br><b>Central Statistics Office</b><br><i>LIC Building, Port Louis</i>  | <ul style="list-style-type: none"> <li>How has AFDB on-lending operations improved competitiveness? Can you show that the borrowers were investing for productivity?</li> <li>What were the pros and cons of the on-lending conditions?</li> </ul> |
| <ul style="list-style-type: none"> <li>Lunch</li> </ul> |  |  |
| 1330 – 1430   | <b>Mr J M Simonet</b><br>Senior Chief Executive<br><b>Ministry of Infrastructure and Land Transport</b><br><i>Moorgate House, Sir William Newton Str, PLouis</i>   | <ul style="list-style-type: none"> <li>The Bank documents refer to ports and roads, but we cannot find how these are leveraged or combined into "competitiveness"</li> </ul>   |
| 1500 – 1600   | <b>Mr Sintah</b><br>Director General<br><b>Mauritius Port Authority</b><br><i>Mer Rouge</i>  | <ul style="list-style-type: none"> <li>What is the status of this investment</li> </ul>  |
| <b>Thursday, 22 March 2018</b>                          |  |  |
| 0900– 1000  | <b>Mr G Gnany</b><br>Head of Strategy<br><b>Mauritius Commercial Bank</b><br>MCB Tower, Port Louis   | <ul style="list-style-type: none"> <li>How has AFDB on-lending operations improved competitiveness? Can you show that the borrowers were investing for productivity?</li> <li>What were the pros and cons of the on-lending conditions?</li> </ul> |
| 1000  | <b>Carina Sugren</b><br><b>Task Manager Governance</b>   | <ul style="list-style-type: none"> <li>Videoconference call to Abidjan</li> </ul>  |
| 1030 – 1130   | <b>Mr. V A Putchay</b><br>Permanent Secretary<br><b>Ministry of Business, Enterprise and Cooperatives</b><br><i>6<sup>th</sup> Floor, Newton Tower, Port Louis</i> | <ul style="list-style-type: none"> <li>What is the Mauritian strategy for the development of the private sector?</li> </ul>  |
| LUNCH   |  |  |



|                               |   |   |
|-------------------------------|---|---|
| 1330 – 1430                   | <p><b>Mrs N Nababsing</b><br/>Senior Chief Executive<br/><b>Ministry of Energy and Public Utilities</b><br/><i>SICOM Tower, Ebene</i></p>           | <p><u>Water:</u></p> <ul style="list-style-type: none"> <li>• Our Water expert is interested in looking at the Bank intervention in the light of a broader sector strategy.</li> </ul> <p><u>Dam Development:</u></p> <ul style="list-style-type: none"> <li>• What is the strategy and how has it been addressed?</li> <li>• Does the Bank focus on capacity or capability?</li> </ul> |
| 1500 - 1600                   | <p><b>Mr S Mukoon</b><br/>Ag. Director General<br/><b>Central Electricity Board</b><br/><i>CEB Corporate Office, Ebene</i></p>                      | <ul style="list-style-type: none"> <li>• Where do we find documented linkages, from credible sources, between power and competitiveness so that we can see how it fits into your national strategies?</li> </ul>  |
| <b>Friday, 23 March 2018</b>  |   |   |
| 0900 – 10.15                  | <p><b>Mr Alex Sienaert</b><br/>Country Representative<br/><b>World Bank</b><br/><i>Medine Mews, La Chaussee, PLouis</i></p>                         | <ul style="list-style-type: none"> <li>• What is the current support of the WB in Mauritius?</li> <li>• What is the role of the AfDB?</li> <li>• What are the areas of collaboration between development partners?</li> <li>• Are there any aid coordination links?</li> </ul>  |
| 1045 – 1200                   | <p><b>Mrs C Umutoni</b><br/>Resident Representative<br/><b>UNDP</b><br/><i>6<sup>th</sup> Floor, Anglo Mauritius, PLouis</i></p>                    | <ul style="list-style-type: none"> <li>• What is the current support of UNDP in Mauritius?</li> <li>• What is the role of the AfDB?</li> <li>• What are the areas of collaboration between the development partners?</li> <li>• Are there any aid coordination links?</li> </ul>  |
| <b>Lunch</b>                  |   |   |
| 1400 - 1500                   | <p><b>Mr Niven Muneesamy (short meeting traffic issue)</b><br/>Secretary<br/><b>MACOSS</b><br/><i>2<sup>nd</sup> Floor, Astor Court, PLouis</i></p> | <ul style="list-style-type: none"> <li>• What aspects do they want the Evaluation to focus on?</li> <li>• What are their interests for this evaluation?</li> </ul>  |
| 1530 onwards                  | Team Briefing   |   |
| <b>End of Scoping Mission</b> |   |   |
| <b>Technical Mission</b>      |   |   |
| Monday 26 March               |   |   |

|                    |   |                                       |
|--------------------|---|---------------------------------------|
| 1330-1530          | <b>Mr K. Guptar and Mr. S Mohajur</b><br>Debt Management Unit<br>Min Finance and Economic Development | Understand use made of Budget Support |
|                    | Team meeting IDEV and Lattanzio   |                                       |
| Tuesday 27 March   |   |                                       |
| 0900-1200          | Meeting of evaluation team and IDEV   |                                       |
| 1330-1430          | Office of Public Sector Governance in Min Justice   |                                       |
| 1530-1630          | Development Cooperation Unit  |                                       |
| Wednesday 28 March |   |                                       |
| 1330-1430          | Central Procurement Board   |                                       |
| 1330-1500          | Debt Management unit  |                                       |
| 1530-1700          | National Productivity and Competitiveness Council   |                                       |
| Thursday 29 March  |   |                                       |
| 0900-12500         | Ndoli Kalumiya<br>Chief Economist AfDB  |                                       |

*Annex E: List of people met during scoping mission*

| <b>LIST OF PERSONS MET</b>                               |                                 |   |  |
|--|---------------------------------|---|--|
| <b>N</b>   | <b>NAME</b>                     | <b>FUNCTION/<br/>STRUCTURE</b>                                  | <b>CONTACT</b>                                   |
| <b>RDGS-PRETORIA</b>                                     |                                 |   |  |
| 1  | Neeraj Vij                      | Private sector Development Officer (PITD)                       | n.vij@afdb.org                                   |
| 2  | Imen Chorfi                     | Senior Data analyst   | i.chorfi@afdb.org                                |
| 3  | Fernando Balderrama             | Senior Investment Officer                                       | f.balderrama@afdb.org                            |
| <b>MAURITIUS</b>   |                                 |   |  |
| <b>AfDB LIAISON OFFICE IN MAURITIUS</b>                  |                                 |   |  |
| 4  | Ndoli Kalumiya                  | Country Economist   | n.kalumiya@afdb.org                              |
| 5  | Mrs Simla Ramsamy               | Operations Assistant  | s.ramsamy@afdb.org                               |
| <b>MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT</b>      |                                 |   |  |
| 6  | Mr A. Ponnusawmy                | Acting Director, Economic Cooperation and International Affairs | Tel: +230 201 2522<br>aponnusawmy@govmu.org      |
| 7  | Mr Satiarajsir Mohajur          | Lead Analyst  | Tel: +230 5765 1836<br>smohajur@govmu.org        |
| <b>CENTRAL STATISTICS OFFICE (CSO)</b>                   |                                 |   |  |
| 8  | Mrs. Cheung Kai Suet            | Director  | Tel: +230 208 1800<br>Lcheung-kai-suet@govmu.org |
| 9  | Mrs. Yasmin CASSIMALLY          | Deputy Director   | Tel : +230 211 1371<br>ycassimally@mail.gov.mu   |
| <b>MINISTRY OF INFRASTRUCTURE AND LAND TRANSPORT</b>     |                                 |   |  |
| 10   | Mr. Parmanand MAWAH             | Deputy Perm Secretary   | Tel: +230 5251 0684<br>pmawah@govmu.org          |
| 11   | <b>MAURITIUS PORT AUTHORITY</b> |   |  |
| 12   | Mr. Shekur Suntah               | Director General  | Tel : +230 2065400<br>s.suntah@mauport.com       |
| 13   | Mr. Shakeel Goburdhone          | Deputy Director-General   | Tel : +230 5256 2199<br>s.goburdhone@mauport.com |
| 14   | Mr. Sandesh Seelochun           | Director, Port Development                                      | Tel : +230 2065400<br>s.seelochun@mauport.com    |
| 15   | Mr. S. Ganga                    | Director, Finance   | Tel : +230 2065400<br>s.ganga@mauport.com        |
| 16   | Mrs Valerie Magembe             | Civil Engineer  | Tel : +230 2065400<br>v.magembe@mauport.com      |
| <b>MAURITIUS COUNCIL FOR SOCIAL SERVICES (MACOSS)</b>    |                                 |   |  |
| 17   | Mr. Niven Muneesamy             | Secretary   | secretarymacoss@orange.mu                        |
| <b>MINISTRY OF BUSINESS, ENTERPRISE AND COOPERATIVES</b> |                                 |   |  |
| 18   | Mr Dhanraj CONHYE               | Deputy Permanent Secretary                                      | Tel : +230 405 3105<br>dconhye@govmu.org         |
| 19   | Mr. T. Ramnarain                | Business&Enterprise Analyst                                     | Tel : +230 405 3105<br>tramnarain@govmu.org      |
| 20   | Mrs U. Dosooye                  | Office Management assist.                                       | Tel : +230 405 3105<br>udosooye@govmu.org        |
| <b>MINISTRY OF ENERGY AND PUBLIC UTILITIES (MEPU)</b>    |                                 |   |  |

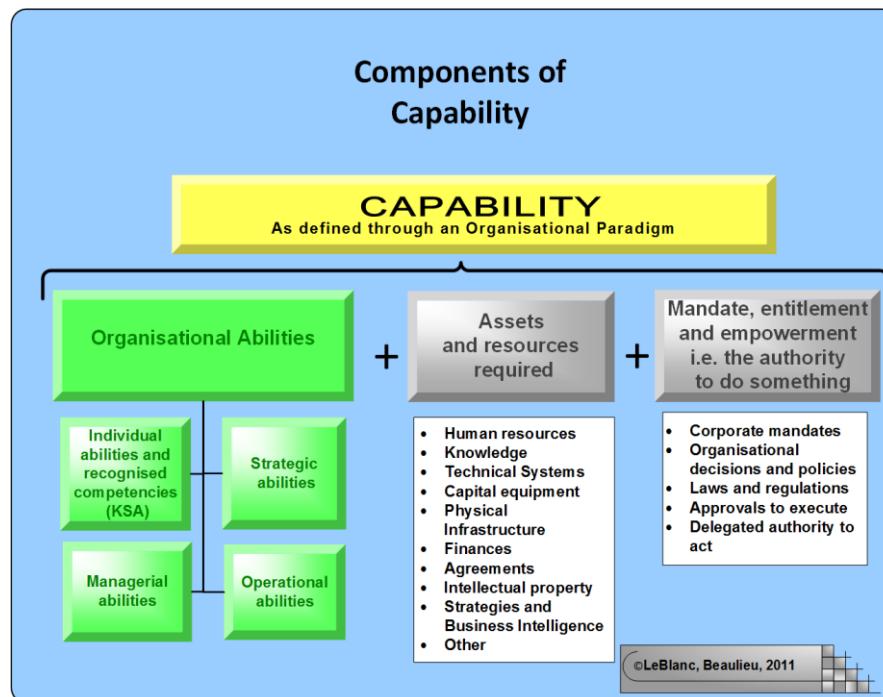
|   |                                       |   |  |
|---|---------------------------------------|---|--|
| 21  | Mr R. Bikoo                           | Director General                        | Tel : +230 405 6700<br>r.bikoo@govmu.org                 |
| 22  | Mrs N. Nababsing                      | Senior Chief Executive                  | n.nababsing@govmu.org                                    |
| 23  | Mr B. Mungrah                         | Treasurer                               | Tel : +230 405 6702<br>adbool.mungrah@ceb.intnet.mu      |
| 24  | Mr. D Jinerdes                        | Deputy Perm Secretary                   | Tel : +230 405 6705<br>djinerdes@govmu.org               |
| 25  | Mr. A. Beetur                         | Lead Engineer                           | Tel : +230 405 6700<br>abeetur@govmu.org                 |
| <b>CENTRAL ELECTRICITY BOARD (CEB)</b>                        |                                       |   |  |
| 26  | Mr. Kesnalall Balgobin                | Chief Financial Officer                 | Tel : +230 5256 3781<br>kesnalall.balgobin@ceb.intnet.mu |
| 27  | Mr. Abdool Bashir Mungrah             | Acting Treasurer                        | Tel : +230 5942 5898<br>abdool.mungrah@ceb.intnet.mu     |
| 28  | <b>WORLD BANK OFFICE IN MAURITIUS</b> |   |  |
| 29  | M. Alex Sienaert                      | Senior Country Economist                | Tel: +230 203 2521<br>asienaert@worldbank.org            |
| 30  | Erik Von Uexkull                      | Investment Climate                      | Tel: +230 203 2521<br>jvonuexkull@worldbank.org          |
| <b>UNDP REPRESENTATIVE OFFICE</b>                             |                                       |   |  |
| 31  | Mrs. Christine N. Umutoni             | UN Resident Coordinator                 | Tel : +230 212 3726<br>Christine.umutoni@one.un.org      |
| <b>ECONOMIC DEVELOPMENT BOARD OF MAURITIUS</b>                |                                       |   |  |
| 32  | Mr. Ken Poonosamy                     | Deputy Chief Executive Officer          | Tel : +230 5252 5088<br>ken@edbmauritius.org             |
| <b>MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT(MOFED)</b>    |                                       |   |  |
| 33  | Mr. K Guptar                          | Financial Adviser, Debt management Unit | Tel : +230 201 3015<br>kguptar@mail.gov.mu               |
| 34  | Mr. S. Mohajur                        | Lead Analyst                            | smohajur@govmu.org                                       |
| <b>OFFICE OF PUBLIC SECTOR GOVERNANCE</b>                     |                                       |   |  |
| 35  | Mr. Sho Fung                          | LFGA                                    | Tel : +230 404 2400<br>shofung@govmu.org                 |
| <b>DEVELOPMENT COOPERATION UNIT</b>                           |                                       |   |  |
| 36  | Mr. K Guptar                          | Financial Adviser, Debt management Unit | Tel : +230 201 3015<br>kguptar@mail.gov.mu               |
| 37  | Mr. S. Mohajur                        | Lead Analyst                            | Tel : +230 201 3015<br>smohajur@govmu.org                |
| <b>CENTRAL PROCUREMENT BOARD (CPB)</b>                        |                                       |   |  |
| 38  | Mr. Kreetykant Dosieah                | Chief Executive                         | Tel : +230 4659300<br>kdosieah@cpb.mu                    |
| 39  | Mr. Krishna Mauremootoo               | Vice Chairperson                        | Tel : +230 4659300<br>kmauremootoo@cpb.mu                |
| 40  | Mr Hirendranath Rambhojun             | Vice Chairperson                        | Tel : +230 4659300<br>hrambhojun@cpb.mu                  |
| 41  | Mrs Sharda Dindoyal                   | Member                                  | Tel : +230 4659300<br>sdindoyal@cpb.mu                   |
| 42  | Mr Kirsley Bagwan                     | Member                                  | Tel : +230 4659300<br>kbagwan@cpb.mu                     |
| <b>REGIONAL MULTIDISCIPLINARY CENTRE OF EXCELLENCE (RMCE)</b> |                                       |   |  |
| 43  | Mr. Prakash Hurry                     | Officer in charge                       | Tel: +230 59418300<br>oic@rmce.org.mu                    |

| <b>NATIONAL PRODUCTIVITY AND COMPETITIVENESS COUNCIL (NPCC)</b> |                               |  |   |
|---|-------------------------------|--|---|
| 44  | Mr Dev Appalswamy             | Director Capacity Development          | Tel : +230 467 7700<br>dev@npccmauriti.us.com       |
| 45  | Mrs Padmini Khurtoo-Busgeet   | Productivity Executive                 | Tel : +230 467 7700<br>pbusgeet@npccmauriti.us.com  |
| 46  | Mrs Hemlata Ramsok            | Lead Research and Knowledge Management | Tel : +230 467 7700<br>hramsohok@npccmauriti.us.com |
| 47  | Mr. Thierry Marechal          | Creativity and Design Specialist       | Tel : +230 467 7700<br>tmarechal@npccmauriti.us.com |
| <b>AfDB EVALUATION TEAM</b>                                     |                               |  |   |
|   | <b>Samson K. Houetohossou</b> | Evaluation Officer                     | s.houetohossou@afdb.org                             |
|   | <b>BILAL M. BAGAYOKO</b>      | Research Assistant                     | b.bagayoko@afdb.org                                 |
|   | <b>Robert Leblanc</b>         | Consultant                             | robert@familleleblanc.ca                            |
|   | <b>Paul Beaulieu</b>          | Consultant                             | beaulieu.paul@videotron.ca                          |

### Annex F: Brief Comparison of Capabilities and Capacities

By starting from the organisational paradigm for management, it is considered logical that to achieve outcomes, the organisations involved must decide how they will organise (mix, acquire, etc.) **assets and resources**; individual, managerial, strategic and operational **abilities**<sup>33</sup>, as well as any **entitlements, authorities and delegations** they may have in order to be able to meet expected performance levels. When organized decisions (i.e. designed, mixed, orchestrated, grouped, deployed, etc.) to enable a functional or socio-technical system to perform, the integrated groupings are called the **capabilities** of the organisation, and they are characterized in large measure by a) what they can produce, b) how much they can produce in a given time period or space boundary, and c) whether they are sufficient to enable the organizations to achieve expected performance levels. The following diagram illustrates the integration of the key elements that produce capabilities.

Figure 1: Components of Capability



Specific capabilities are thus generated through the optimal arrangement and deployment of:

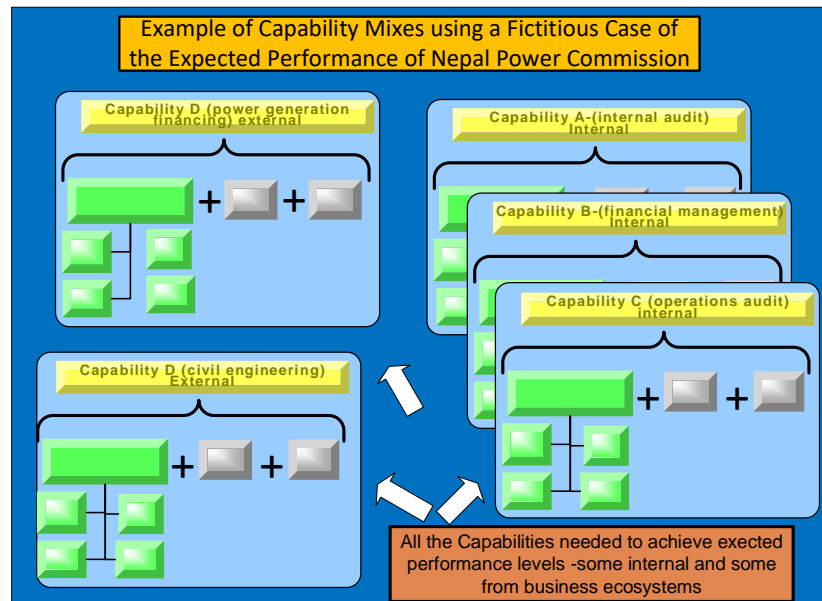
- Effective operational, managerial, strategic and individual abilities with an organisation
- Assets and consumable resources that are required to support the human-based efforts
- Empowerment, formally assigned through mandates, delegation of power and authority to act; they epitomize the strategic engagement of owners and stakeholders.

When organizations judiciously mix and match capabilities, they expect to be in a position to execute their strategy and perhaps (if their assumptions are correct) reach their expected outcomes. The vast majority of these capabilities are internal to the organization, but some may not be. The following simplified diagram illustrates this concept using as an example a fictitious Electricity Authority. The diagram illustrates how, for that particular example, a number of internal capabilities must be complemented by externally supplied external capabilities. The internal capabilities must be adequate, appropriate and sufficient to be "mixed" with the right blend of external capabilities to

<sup>33</sup> Modern andragogy notes that an ability has a connotation of knowledge built into it. Generally, abilities require Knowledge, Skills and Attitudes in combination. "Far too often, the instructional strategies used with adult students are informed largely by a "pedagogical" teaching paradigm...lecture content delivery does not necessarily achieve crucial transfer of learning (Lang, 2006), much less personal transformation. Conversely, "andragogical" curricular methods, characterized as the art and science of teaching adults (Knowles, 1984), informs yet a different teaching and learning paradigm, one where students' needs, knowledge and experience largely dictate what the form and content of the curriculum will offer ... (Howell, 2001)" Quoted in "Adult learners and the dialectic process: A validating constructivist approach to learning transfer and application", Chaves, C. A., "Journal of Workforce Education and Development, Vol. 3, Issue 1

generate the “performance” that is required of the organization (Nepal Electricity Authority), eventually at the outcome level.

**Figure 2: Example of how individual capabilities combine to generate the organizational capability required to achieve expected outcomes**



Source: adapted from Beaulieu and LeBlanc 2011

It is capabilities (not capacity) that give to an organization and/or institution the effective power to deliver enduring outcomes in relation to its mandate. Capacities are a measure of the extent to which the various components of the capabilities of an organization produce what they are designed to produce. **Capabilities** must be the focus of **capacity development** efforts and these must be tightly linked to clearly identified development outcomes (and impacts). The quality of the identification and specification of these capabilities is determinant for the effectiveness of development co-operation.

Capabilities must constantly evolve. They usually are shared within networks of organizational units and/or organizations, meaning that each organization does not need to possess all the elements of the level of capacity it needs; it can, and in fact rely on elements elsewhere to function at appropriate levels. Capabilities are subject to erosion (ex. employees leave or computer programs need to be upgraded) and/or to leverage effects (ex. when a partner in the network improves its own capability, thereby improving that of other network partners).

For a given organizational entity its **capacity** will be the resulting effect generated from the assemblage, orchestration, mobilization and manifestation of its **capabilities** (abilities, assets, resources and mandates). Capacity will be dependent on a number of factors that can increase or constrict the level (proportion) that can actually be generated. The capacity indicates the level of effectiveness of an organization at whatever level is being examined: the organization, of a division or a sub-unit. The capacity ratio can refer to an organizational or individual level and moreover can refer to sub-sets or sub-functions at the individual, organizational or enabling environment levels.

*Annex G: Theory of Change approach that will be used in this mandate*

As specified in the TOR, (p. 1), a Theory of Change (ToC) approach has been employed in this mandate. Lattanzio, (and its experts proposed for this mandate), have found that most evaluations use ToC synonymously with results-chain analysis, in that the approach used there stops at diagrammatically presenting the various logic hierarchies (inputs, outputs, outcomes, impacts) without context, assumptions or reference to dependencies on other stakeholders (or partners) required to achieve the expected results (at any level). Those types of analyses provide snapshots of the parts of the puzzle, without explaining WHY and HOW the higher-level effects are expected to happen. In other words, why was it believed that the combination of systems of activities and inputs, transformed into outputs and managed in a particular way, would achieve the outcomes that were sought? In the same way, the analysis of a comprehensive ToC during a summative evaluation should bring out the weaknesses and strengths of the logic, and if the evaluation shows that an intervention was a success then the ToC will help to identify WHY it is a success. If it is not, then the ToC will help identify WHY NOT.

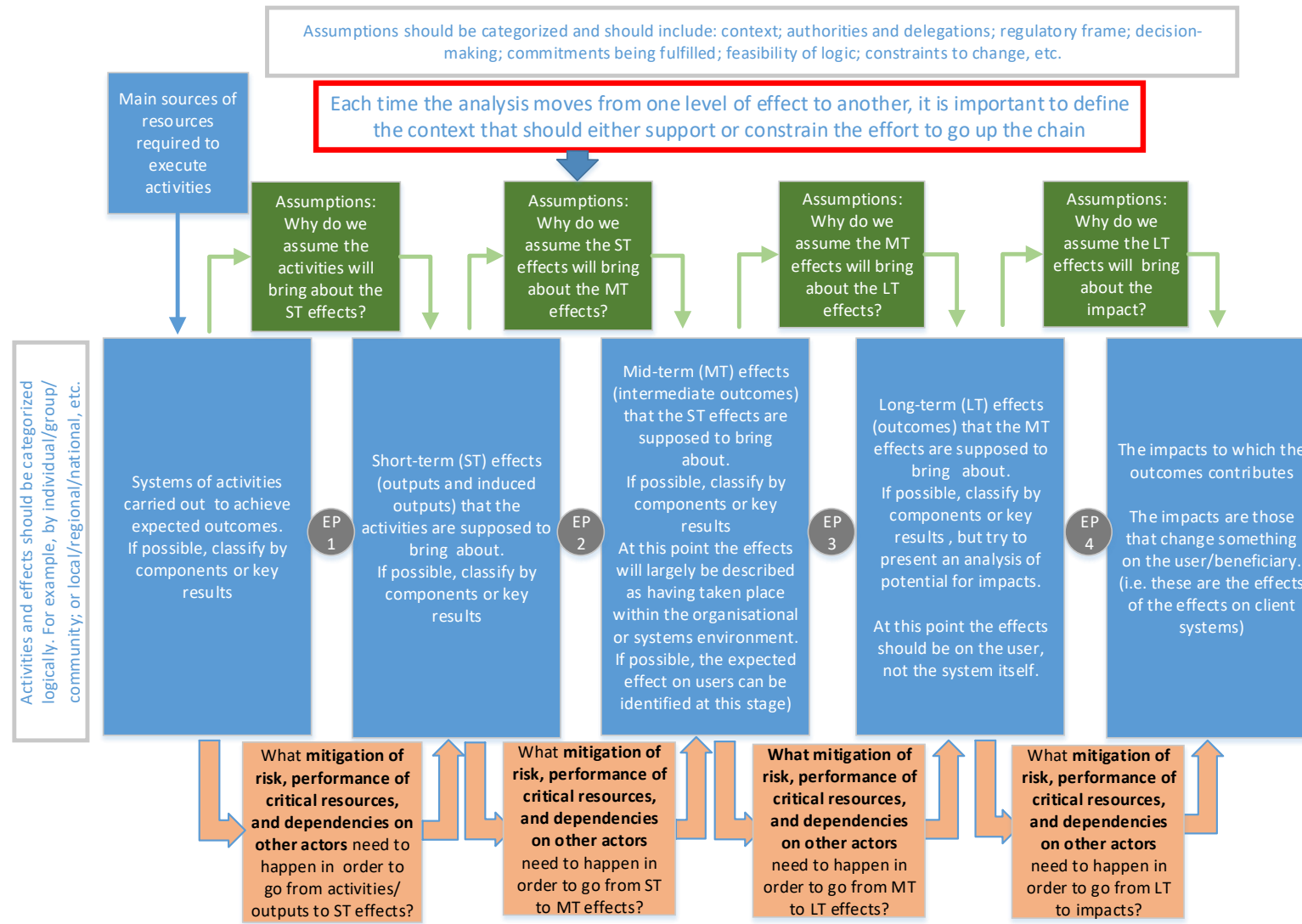
The real value-added of a ToC is the understanding that the achievement of outcomes and impacts depends on the effects that an intervention will generate or have on the user/beneficiary, and not on the improvement of systems (public) performance. The latter is a means not an end. So a ToC must answer the question: "Will the Theory/strategy presented bring about the sustainable change that is wanted in the outcomes and impacts.

For the Mauritius evaluation, Lattanzio will use the following model and logic for the ToC approach (see the diagram below).

At its core is the value-added that comes from managing inputs and activities so that they generate the appropriate set of outputs that the ToC dictates is needed. These outputs are then transformed internally so that they can be used more effectively to generate short-term and mid-term effects on users and beneficiaries. The mid-term effects are adjusted, managed and complemented so that they generate expected effects in the long-term, leading to impacts once the beneficiaries have internalised them. A simple example is the following:

Lawyers hired as prosecutors and funding provided for training in corruption prosecution (inputs) will result in lawyers who have more knowledge and skills and reach a capability level of ability (i.e. trained corruption practice lawyers, or outputs). The ministry of justice uses these better-trained resources to put together a Corruption prosecution unit (induced outputs): short-term effect. That Unit generates protocols and begins to identify individuals who should be brought to justice, leading to awareness that the country is serious about prosecution and a higher risk of being brought to justice, so corruption practices diminish in scope (intermediate outcomes): medium-term effect. After a number of years, the population of the country believes, assumes and requests that those who engage in corruption will eventually get caught and punished, so behaviour changes in the police, the general population, the contracting agencies, etc, leading to further reductions: Long-term effects. This, in time, leads to greater equity among various classes of citizens and more money being available and spent on social programs, providing a higher standard of living and public services integrity: Impact





\*EP=Evaluation process that will enable managers to analyse progress from one level to another

\*\*A separate document can be generated if this diagram becomes too wieldy. If so, show the logic here and add details in the document

## Outline of the Logic of a Theory of Change Analysis

LeBlanc/Beaulieu 2017 ®

The Theory of Change approach identifies what these results are supposed to be, and then explains HOW to ensure that that “theory” is brought about. It identifies what contexts will need to be in place so that each successive level of results is generated (ex. to get from capability to prosecution requires a framework for criminal code violations in corruption). The ToC analysis also identifies the assumptions that are made between result levels (ex. in our example above, what assumptions are made to make us believe that the ministry will let prosecutors identify possible transgressors?). When is the regulatory framework going to be approved? Will the police be objective and collaborate or will they be obstacles to investigation and prosecution? Will the oversight committee set up to manage the investment meet as required and make the decisions required even if they are politically difficult?

The ToC also identifies what risks are likely to arise as the intervention evolves and what mitigation measures may be required. The performance levels of critical resources must also be defined as the evolution takes place so that the intervention can call on those levels of performance to move ahead. Because Bank interventions are not stand-alone “events” but rely on actions and resources from key players such as governments and other donors, these need to be well defined and managed to ensure they are there when needed.

It is worth noting that the ToC is not all about the delivery system, but the effects that the changes in the delivery system will have on users and beneficiaries. That transition is most important as the result chain focusses on Mid-term and long-term effects, so the ToC will generate a need to measure those effects and analyse the performance of the intervention so that adjustments can be made.

The experience of the Team shows that all the information required for this type of ToC analysis is not likely to be already available in existing documents, so the Team Leader will work with the Chief Economist, and key stakeholders to develop a “reconstructed ToC” that shows the change theory at the Programme level. Each expert will work with their Bank Counterparts (and GoM officials) to develop a ToC for their respective sector(s). This might translate into the construction of difficult-to-recognise ToCs. To avoid this, the methodology used for ToC development will be as participatory as possible, to keep the analysis within the scope of the evaluation. More generally, the whole evaluation process will be as **participatory** as possible. In addition to the need for direct input from key stakeholders, both within the Bank and in Mauritius, to co-analyse the Theories of Change, the buy-in from key stakeholders from the outset will ensure clear focus, a set of **shared expectations** and suitable methods and tools. In addition, as far as possible in the timeframe of the field phase, the team will seek opportunities for the final beneficiaries of the Bank’s engagements to feed into the evaluation.

These reconstructed ToC will be invaluable in bringing to the fore why the programmes and interventions were successful or not and, importantly, what lessons can be learned. They will form the backbone of the evaluation analysis, especially in regard to the scoping and design of the answers to the evaluation questions, judgment criteria and indicators. The **Theory of Change (ToC)** approach proposed in this document will enable the Carvalho, S. and H. White. (1997) ‘Combining the quantitative and qualitative approaches to poverty measurement and analysis, Technical Paper 366. The World Bank: Washington D.C. Team to understand whether and to what extent the Bank contributed to complex positive change processes in the Mauritius society and economy. In practice, the team will have started to develop the various ToC’ analyses before arriving in Mauritius, as the initial efforts. Even during the preparation of the Inception Report, will be directed towards analysing the *rationale*, i.e. the potential *long-term vision*, underlying the Bank’s support to that Country. The evaluation will use the ToC approach to provide a solid logic and strategy basis to assess whether the overall logic of the Bank’s engagement was sound. Our team will pay specific attention to core factors that did (and may continue to) affect the achievement of the Bank’s strategy objectives. As noted in the diagram above, the Team will thus investigate the interplay between **internal and external factors** that have helped, or not, to bring about change, and what effect the having, or not having of these factors in play has influenced the achievement of expected outcomes. Moreover, and importantly, the Team should be able to identify WHERE in the change logic, these factors were effective or not. This will allow us to better understand the context from which outcomes have emerged and thus facilitate the identification of what contribution the Bank’s support has actually provided to Mauritius’ development.

As part of the ToC approach, the conclusions and recommendations of the team, both in terms of the “programme” and the “sectors” will reflect the design logic and reality of the ToC.

**As noted previously, the lending and non-lending actions of the Bank do not happen in a hermetic environment. Other players (donors and government, for example) influence the expected outcomes, and the Bank always works through others in its programmes. The extent to which the Bank has influenced the achievement of results will require Contribution analysis** It is useful to note that this should be seen as not just a matter of the degree to which the Bank can “take credit” for results achieved. Rather, this analysis directly sheds light on the role of the Bank’s engagement both in the support provided via specific programs and program elements, and as a partner and actor in socio-economic change. Assessing the added value of the Bank’s support entails both assessing the contribution of specific Bank’s interventions, and of linking these contributions to an overarching picture (provided in large part by the ToC and its analysis. In this way, a comprehensive contribution story can be investigated, set out and reported. A strong **intellectual and analytical rigor** will characterise our work, also considering that to clearly untangle the actual contribution of the Bank’s support, in a context where several actors (including the Government itself) and major events may affect the country’s own path, would probably be quite challenging.

The diagram above indicates that there can and should be evaluation processes (See “EP” in the diagram) in place to be able to see and gather evidences if the logic that was in place actually produces the effects that are wanted. Different evaluative processes are used at different stages because the data required is different. Measuring efficiency of outputs to inputs, for instance, requires different metrics and indicators that measuring the generation of mid-term outcomes. As an illustration, the following processes could be used<sup>34</sup>

| Stage in ToC result chain | Examples of evaluative processes  | Focus of inquiry or strategic concern   |
|---------------------------|---|---|
| EP1:                      | <ul style="list-style-type: none"> <li>• Project management activity reporting</li> <li>• Financial data</li> <li>• Supervisory processes</li> <li>• Performance system data for quantitative data</li> <li>• Organisational process changes and adaptations</li> <li>• Output measurement and observation</li> <li>• Contribution of outputs to organisational or programme capacity (throughput)</li> </ul> | <ul style="list-style-type: none"> <li>• Compliance to plans</li> <li>• Compliance to procedures and goals</li> <li>• Work plan adequacy (time and budget)</li> <li>• Resource planning and re-allocation</li> <li>• Assessment of management ability</li> <li>• Identification of weaknesses and constraints in executing system and organisation</li> </ul> |
| EP2:                      | <ul style="list-style-type: none"> <li>• Efficiency and effectiveness monitoring</li> <li>• Behavioural dynamics and observation</li> <li>• Outcome harvesting</li> <li>• Most significant change methodology</li> <li>• Performance assessment</li> </ul>  | <ul style="list-style-type: none"> <li>• Intervention re-design or adjustment</li> <li>• Priority changes</li> <li>• Reality check on logic</li> <li>• Needs coherence</li> </ul>   |
| EP3:                      | <ul style="list-style-type: none"> <li>• Outcome harvesting</li> <li>• Most significant change</li> <li>• Perception assessment</li> <li>• Surveys and internal validation</li> <li>• Case studies</li> </ul>   | <ul style="list-style-type: none"> <li>• Social policy</li> <li>• Effectiveness of strategy</li> </ul>  |

<sup>34</sup> Treasury, H.M.. (2003). The Green Book on Appraisal and Evaluation in Central Government. London: HMS  
 Cohen, W. M. and D.A. Levinthal, (1990). Absorptive capacity: a new perspective on learning and innovation. Administrative Science Quarterly , 35 (1), 128-152;  
 Arnold, E. (2013). A Trace of Hindsight: Evaluation and the Long Term Impacts of R&D (Presentation). OECD Evaluation Conference. Paris: OECD, and  
 Young, J. (2008). Strategies for Influence and policy Relevance,. London: Overseas Development Institute

|       |   |   |
|-------|---|---|
|       | <ul style="list-style-type: none"> <li>• Programme evaluation</li> <li>• Performance assessment</li> <li>• Livelihoods approaches</li> </ul>  |   |
| EP 4: | <ul style="list-style-type: none"> <li>• Tracing (follow the resource and its use)</li> <li>• Systems analysis</li> <li>• Outcome harvesting</li> <li>• Action research techniques</li> <li>• Monetising for impact analysis</li> <li>• Case studies</li> <li>• Partial impact assessment based on limited selection of outcomes</li> <li>• Performance improvement metrics</li> <li>• Programme Evaluation</li> <li>• Livelihood approaches</li> </ul> | <ul style="list-style-type: none"> <li>• Relevance</li> <li>• Level of influence</li> <li>• Social policy</li> <li>• Existentialism applied to organisational mandates</li> </ul> |

The ToR for this mandate calls for an evaluability assessment to be performed so that an analysis can be presented to the Bank at the end of the scoping mission that deals with an impact evaluation of the Bank's support to competitiveness. The impact assessment itself would draw on the Theory of change approach (theory-based impact evaluation) and would use it as the backbone approach: The main steps would be:

- **Map out the causal chain (programme theory).** Generate a highly-detailed causal chain (programme theory) from existing programme documents, agreements, MoU, contracts, work plans or similar documents. Based on ToC diagramme above, add-in the various other elements such as assumptions, risks and dependencies. Then validate the expanded ToC with the Bank and key ministries/agencies in order to ensure that this programme theory represents the original intent and logic of the investment decision. All the foregoing relate to competitiveness and will include lending and non-lending actions of the Bank. The dependencies and critical resource elements of the ToC will, by necessity, include the "theory" of how and if the GoM, private sector, development partners, and other players were to influence the expected outcomes.

When one considers the broad reach and scope of the Bank's interventions and actions in "competitiveness" in Mauritius, it becomes clear that the impact evaluation will need to drill down into a smaller sample of interventions and actions. What this will look like cannot be defined at this stage, but the Team will prepare material for IDEV that will propose options. It is equally clear to the Team that the sample must represent a significant policy and strategy domain for the Bank. So the sample used to study the impact of the Bank in "competitiveness" has to be broad and comprehensive enough to be worth investing in an impact evaluation. In practice this selection will be based on some form of typology based on the study of the case that is presented in the ToC.

- **Understand context:** for each step in the logic chain, a history and document based contextual analysis will be undertaken. Of particular interest is the establishment of a comprehensive baseline that will likely have to be more detailed than the one used in the interventions because the latter will not include assumptions, dependencies and other critical factors.
- **Define and integrate heterogeneity factors.** At this point the Team will begin to "question" the various assumptions, beliefs and design decisions that formed part of the interventions under review. The opportunities and constraints of competitiveness for the Country in its prioritized sectors, the likelihood of innovation by its commerce-driven sectors, the likelihood to secure qualified resources (human and financial as well as other resources), the political decisions and their impact (private ownership by non-residents and non-citizens for example) and other stakeholders will be examined.
- **Rigorous evaluation of impact using an appropriate counterfactual.** An impact assessment or evaluation must compare something to something else. In this case our evaluation will compare what the outcomes would have been in the selected "sample" without the Bank contribution, to what the contribution has provided in terms of value to users and beneficiaries.

A number of quantitative and qualitative methods exist to do this. For example, if the data exists, the evaluation could adapt Propensity-score matching (PSM), a quasi-experimental approach to

estimate the difference in outcomes between beneficiaries and non-beneficiaries influenced by the Bank's contribution (who would be a "beneficiary" will need to be worked out). Given the data, econometric analysis could be an option. In practice, and based solely on the Mauritius documentation available to date, it would seem likely that the evaluation would combine both quantitative and qualitative approaches; overall, the latter would provide the context and the causal analysis and the former the scope of the change.

When considering ways to combine quantitative and qualitative methods and data, it is important to be aware of their comparative advantages and to recognise that 'strong fences make good neighbours' (Appleton and Booth, 2005)<sup>35</sup>. While quantitative methods produce data that can be aggregated and analysed to describe and predict changes in variables based on the performance of other variables, only qualitative research can probe and explain those relationships and explain contextual differences in the quality of those relationships. Qualitative research is able to use social analytical frameworks to interpret observed patterns and trends—including analysis of socially differentiated outcomes—and therefore to analyse competitiveness as a dynamic process rather than a static outcome. One rapidly growing area of data for qualitative analysis is political economy analysis, which was operationalised by DFID, The Netherlands and the UNDP through the Drivers of Change/SGACA initiatives for country system analysis, widely used for analysis of sector and policy reform in PSIA and which is now being applied to 'problem-focussed' analysis such as the one integrated into Problem-Driven Iterative Adaptation (PDIA)

Without these analytical insights into the complex 'missing middle' between interventions and impacts, evaluators and policy analysts alike tend to make 'interpretive leaps' of analysis based on what is measured (and not, for example, on what the outcomes would or should be in an evolving and dynamic context such as that found for "competition and growth". The danger here is that what is not quantifiable becomes unimportant while 'what is measurable and measured then becomes what is real and what matters' (Chambers, 1995, 8)<sup>36</sup>. Conversely, if qualitative research inductively throws up interesting, often surprising and sometimes counterintuitive relationships and patterns, quantitative research is then able to ask 'how much?' and establish how confident we can be in these 'working hypotheses'. This iterative relationship between describing and explaining provides the key to effective combination of methods and data, and that is what the team proposes to use as an approach.

With this recognition that qualitative and quantitative methods and data are often more powerful when combined, at different levels and in different sequences, we can categorise different ways of combining and sequencing. Carvalho and White (1997, 18)<sup>37</sup> usefully describe three ways of combining the best of qualitative and quantitative approaches:

- (1) integrating methodologies for better measurement,
- (2) sequencing information for better analysis, and
- (3) merging findings for better action.

The evaluability assessment will examine which approach should be used in this case.

- **Rigorous factual analysis and reporting:** The team will then use the data from both its qualitative and quantitative analyses to present to IDEV a narrative description of the impact, its characteristics and its contributing factors, along with a detailed annex of evidence to support the findings
- **Validation:** The Team will validate these findings and conclusions in Mauritius and in South Africa. A proposal on how and when to do that will be presented to IDEV.

<sup>35</sup> Appleton, S. and D. Booth. (2001). 'Combining participatory and survey-based approaches to poverty monitoring and analysis'. Background Paper for Workshop held in Entebbe, Uganda 30 May-1 June 2001. Overseas Development Institute: London

<sup>36</sup> Chambers, R. (1995) 'Poverty and livelihoods: Whose reality counts?', IDS Discussion Paper No. 347, IDS: Brighton

<sup>37</sup> Carvalho, S. and H. White. (1997) 'Combining the quantitative and qualitative approaches to poverty measurement and analysis', Technical Paper 366. The World Bank: Washington D.C.

## Annex H: Indicative programmes of investment and Projects undertaken in both CSPs

### Tentative programme presented in the Bank's CSP 2009-2013

| Title                        | CSP       | Financing source | Year | UA millions   | sector               |
|------------------------------|-----------|------------------|------|---------------|----------------------|
| <b>Pillar I</b>              |           |                  |      |               |                      |
| MIC Grant RMCE               | 2009-2013 | grant            | 2010 | 0,13          | regional integration |
| Container terminal expansion | 2009-2013 | lending          | 2010 | 58            | port                 |
| East-coast trunk road 2/     | 2009-2013 | lending          | 2011 | 11            | roads                |
| Wind farm (PPP)              | 2009-2013 | lending          | 2011 | 22            | power                |
| <b>Pillar II</b>             |           |                  |      |               |                      |
| MIC Grant Sewerage plan      | 2009-2013 | grant            | 2009 | 0,6           | water                |
| MIC grant MTR ICT strategy   | 2009-2013 | grant            | 2010 | 0,2           | ICT                  |
| MIC Grant gender             | 2009-2013 | grant            | 2010 | 0,2           | Gender               |
| Budge support (I,II, III)    | 2009-2013 | lending          | 2009 | 466           | multi sector         |
| Plaines Wilhelms             | 2009-2013 | lending          | 2011 | 46            | sewerage             |
| <b>TOTAL CSP 2009-2013</b>   |           |                  |      | <b>604,13</b> |                      |

Source: AfDB CSP 2009-2013, sectors are provided by the document

### Tentative programme presented in the bank CSP 2014-2018

| Title   | CSP       | Financing source | Year      | UA millions | sector                         |
|---|-----------|------------------|-----------|-------------|--------------------------------|
| <b>Pillar I</b>   |           |                  |           |             |                                |
| Enhancing competitiveness (PBO) (Policy reform collaboration with WB, AFD and EU26)   | 2014-2018 | lending          | 2015      | 100         | Infrastructure                 |
| Investing in education technology and PPPs to improve learning outcomes and skills development  | 2014-2018 | lending          | 2014      | 79          | Skills & Technology            |
| TA to build capacity for infrastructure investment (PPPs) and Procurement efficiency improvement  | 2014-2018 | grant            | 2014      | 1.2         | Infrastructure                 |
| TA to review the GoM's strategic investment plan for its national energy production mix and recommend policy targets for renewable energy | 2014-2018 | grant            | 2015      | 0.9         | Infrastructure/ Climate change |
| TA to address non-revenue water and provide dam experts   | 2014-2018 | grant            | 2015      | 1.0         | Infrastructure                 |
| TA for strengthening spatial planning capacity and intergovernmental coordination   | 2014-2018 | grant            | 2015      | 0.8         | Infrastructure                 |
| <b>Pillar II</b>  |           |                  |           |             |                                |
| Line of Credit  | 2014-2018 | lending          | 2013/2014 | 98          | Private sector                 |
| Equity Fund   | 2014-2018 | lending          | 2013/2014 | 10          | Private sector                 |
| TA to enhance education technology and PPPs to improve learning outcomes and skills development   | 2014-2018 | grant            | 2013/2014 | 1.2         | Skills & Technology            |
| TA for assessing framework for on-line learning at UoTM and support MITD business plan  | 2014-2018 | grant            | 2014      | 1.1         | Skills & Technology            |
| TA to RMCE and MOFED  | 2014-2018 | grant            | 2015      | 1.2         | Skills & Technology            |
| <b>Analytical work</b>  |           |                  |           |             |                                |
| Diagnostic on multi-modal, climate resilient transport solutions (WB collaboration)   | 2014-2018 | trust funds      | 2014      | 0.2         | Infrastructure                 |
| Spatial analysis of land use systems and potential environmental threats  | 2014-2018 | trust funds      | 2015      | 0.2         | Infrastructure                 |
| Baseline study on e-education and adaptive learning   | 2014-2018 | trust funds      | 2015      | 0.2         | Skills & Technology            |
| <b>TOTAL CSO 2014-2018</b>  |           |                  |           | <b>287</b>  |                                |

Source: AfDB CSP 2009-2013, sectors are provided by the document

*Annex I: List of Bank's operations (grants and loans) in Mauritius (2009-2018)- ACTUAL*

| Fin. project   | Project Name   | Type  | Sector Name     | Status of | ApprDate   | Netloan/ committed | Disb.Ratio | TSK MANAGER NAME     | Business partner Name                    | Dur.ext |
|--|--|-------|-----------------|-----------|------------|--------------------|------------|----------------------|--|---------|
|  | <b>Country Strategy Paper 2009-2013</b>                      |       |                 |           |            |                    |            |                      |  |         |
| <b>PILLAR I I Reduce Structural Bottlenecks to Competitiveness and Trade.</b>        |  |       |                 |           |            |                    |            |                      |  |         |
| P-MU-HAB-002   | MAURITIUS COMMERCIAL BANK LOC II                             | loan  | Finance         | OnGo      | 11/09/2013 | 84.978.011,90      | 75         | BANDA Jonathan       | The Mauritius Commercial Bank Limited    | 2,63    |
|  |  | loan  | Finance         | OnGo      | 11/09/2013 | 21.244.503,00      | 100        | BANDA Jonathan       | The Mauritius Commercial Bank Limited    | 0,00    |
| P-MU-K00-005   | COMPETITIVENESS AND PUBLIC SECTOR EFFICIENCY (CPSE)          | loan  | Multi-Sector    | COMP      | 25/11/2009 | 224.909.411,49     | 100        | SUGDEN Carina        | GOVERNMENT OF MAURITIUS MINISTRY OF FINA | 2,58    |
|  |  | loan  | Multi-Sector    | COMP      | 25/11/2009 | 123.998.878,91     | 100        | SUGDEN Carina        | GOVERNMENT OF MAURITIUS MINISTRY OF FINA | 2,58    |
| P-MU-KA0-001   | MIC GRANT SUPPORTING THE MAURITIUS COMPETITIVENESS AND PUBLI | grant | Multi-Sector    | COMP      | 09/02/2010 | 231.888,69         | 100        | SUGDEN Carina        | GOVERNMENT OF MAURITIUS MINISTRY OF FINA | 2,67    |
| P-MU-KA0-002   | MIC GRANT SUPPORTING DEBT MANAGMENT                          | grant | Multi-Sector    | COMP      | 09/12/2010 | 281.288,53         | 100        | SUGDEN Carina        | GOVERNMENT OF MAURITIUS MINISTRY OF FINA | 0,92    |
| <b>PILLAR II: Enhance Public Sector Efficiency and Basic Social Service Delivery</b> |  |       |                 |           |            |                    |            |                      |  |         |
| P-MU-K00-006   | STATISTICAL CAPACITY BUILDING PROGRAM PHASE II (SCB-II)      | grant | Multi-Sector    | COMP      | 03/06/2011 | 490.600,00         | 100        | MUWELE Besa          | CENTRAL STATISTICS OFFICE (CSO)          | 1,00    |
| P-MU-EB0-007   | MIC GRANT WASTEWATER MASTER PLAN STUDY                       | grant | Water Sup/Sanit | CLSD      | 01/06/2009 | 562.890,00         | 100        | OGAL Nancy           | GOVERNMENT OF MAURITIUS MINISTRY OF FINA | 1,25    |
|  | <b>Country Strategy Paper 2014-2019</b>                      |       |                 |           |            |                    |            |                      |  |         |
| <b>Pillar 1: Building Infrastructure and PPPs:</b>                                   |  |       |                 |           |            |                    |            |                      |  |         |
| ...  | MAUBANK LIMITED MAURITIUS SME BANK*                          | loan  | Finance         | APVD      | 11/12/2017 | 76.923.076,90      | 0          | NUMASAWA K.          | n/a                                      | 0,00    |
| P-MU-FA0-002   | ST. LOUIS POWER STATION REDEVELOPMENT                        | loan  | Power           | OnGo      | 25/06/2014 | 82.641.116,60      | 74,81      | WUBESHET ZEGEYE      | Central Electricity Board                | 1,00    |
| P-MU-DD0-001   | FEASIBILITY STUDY OF THE ISLAND CONTAINER TERMINAL           | grant | Water / Ports   | OnGo      | 27/05/2015 | 1.180.000,00       | 0          | KATALA Jumbe Naligia | MAURITIUS PORTS AUTHORITY                | 0,00    |
| <b>Pillar 2: Deepening Skills and Technology Development</b>                         |  |       |                 |           |            |                    |            |                      |  |         |

|              |   |       |                 |      |            |            |       |                 |   |      |
|--------------|---|-------|-----------------|------|------------|------------|-------|-----------------|---|------|
| P-MU-EAZ-001 | TECHNICAL ASSISTANCE AND CAPACITY DEVELOPMENT FOR DAM DEVELOPMENT | grant | Water Sup/Sanit | OnGo | 22/04/2014 | 300.000,00 | 14,62 | ASSEFAW Mecuria | Ministry of Energy and Public Utilities | 2,00 |
|--------------|---|-------|-----------------|------|------------|------------|-------|-----------------|---|------|



*Annex J: Evaluation Matrix*

| Evaluation Question and sub-questions (SEQ) if any  | Judgment Criteria  | Key generic indicators <sup>38</sup>  | Data sources  |
|---|--|---|---|
| <p><b>EQ 1. To what extent have the Bank's country strategies and operations been aligned to Mauritius development needs and its own strategies and priorities, including competitiveness? (RELEVANCE)</b></p>  | <p>JC 1.1. Country strategies and Bank operations have been aligned with Mauritius' development needs and development strategies and priorities.</p> | <ul style="list-style-type: none"> <li>• Strategy and target correlation between GoM poverty-reduction strategies and development plans and AfDB CSPs</li> <li>• AfDB operational policies correlate with defined strategies and plans of GoM</li> <li>• AfDB operational policies support development realities of GoM</li> <li>• AfDB Country strategies and Bank operations are aligned with the needs of beneficiaries</li> <li>• Bank interventions, when viewed at a sector performance level in the country, are aligned with its country strategy and priorities</li> </ul> | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• AfDB SAP</li> <li>• GoM documents</li> <li>• Interviews with AfDB and GoM personnel</li> <li>• Interviews with donors and other stakeholders</li> </ul>  |
|   | <p>JC 1.2. The CSP, its resulting interventions, and non-lending activities are aligned with Bank policies</p>                                       | <ul style="list-style-type: none"> <li>• Beneficiary impact analyses (or equivalent) inform CSP and intervention design</li> <li>• M and E systems of AfDB contain means to measure progress on beneficiary needs</li> <li>• Non-lending activities reflect the strategies and plans of the Bank</li> <li>• Intervention design contains analyses that compare country strategies (CSP) to result framework of intervention</li> <li>• New operations rated satisfactory</li> </ul>   |   |
| <p><b>EQ 2: To what extent has the design and internal management of the Bank's strategic direction in Mauritius reflected a clear, viable and coherent path for achieving development outcomes in a changing national and international context? (RELEVANCE)</b></p> | <p>JC 2.1. The Bank has contributed to the achievement of the desired outcomes within the priorities of the GoM in terms of competitiveness.</p>     | <ul style="list-style-type: none"> <li>• The Bank has a clear and logical strategy that reinforces competitiveness in the country</li> <li>• The Bank and GoM coordinate their efforts with respect to the execution of competitiveness plans.</li> <li>• The Bank has helped the GoM to coordinate its efforts at the national, regional and global levels</li> </ul>  | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• Statistics from OECD, WB, others</li> <li>• GoM documents</li> <li>• Interviews with AfDB and GoM personnel</li> <li>• Interviews with donors and other stakeholders</li> <li>• Interviews with energy and port parastatals</li> </ul> |
|   | <p>JC 2.2. The Bank has applied selectivity in designing its country portfolio so that it focused on areas where it brings added value?</p>          | <ul style="list-style-type: none"> <li>• Average CSP rating (from Bank Readiness review)</li> <li>• Selection of interventions is based on a clearly defined comparative advantage</li> </ul>   |   |
|   | <p>JC 2.3. Taken as a whole, the Bank's interventions have been coherent and were well-coordinated internally</p>                                    | <ul style="list-style-type: none"> <li>• Interventions are sufficient to contribute to the realisation of GoM objectives</li> <li>• Internal strategies and plans are documented for sector and inter-sector leverage (ex. Budget support or commercial loans having effects on agriculture, social services, trade etc.?)</li> </ul>   |   |

<sup>38</sup> Specific sector indicators are provided in Annex K

|  |   |  |   |
|--|---|--|---|
| <p><b>EQ 3: To what extent has the Bank contributed to the achievement of development objectives and results? (EFFECTIVENESS)</b></p> <p><b>SEQ:</b> Have infrastructure and PBO addressed development objectives?</p> | <p>JC 3.1. The Bank's interventions in sectors other than "multisector" achieved their expected results (intermediate outcomes and outcomes), specifically in terms of expected effects on target beneficiaries</p> <p>JC 3.2. The Bank's interventions in the "multisector sector" contributed to the achievement of higher-level (outcomes and impacts) development objectives, both intended and unintended.</p> | <ul style="list-style-type: none"> <li>• Expected effects from each intervention stated, monitored and achieved</li> <li>• Specific sector targets for Bank defined: ex. Power, Governance, Regional integration, Water etc.</li> <li>• Note: sector-specific indicators will be added to this list.</li> </ul><br><ul style="list-style-type: none"> <li>• "Completed operations rated as satisfactory" index<sup>39</sup></li> <li>• Ex post evaluations of interventions</li> <li>• Statistics support the achievement of expected outcomes</li> </ul>  | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• GoM documents</li> <li>• CSO stats</li> <li>• Interviews with AfDB and GoM personnel</li> <li>• Interviews with donors and other stakeholders</li> <li>•</li> </ul>  |
| <p><b>EQ 4: Is it likely that the benefits realised as a result of Bank interventions will continue to exist once its support is completed (SUSTAINABILITY)</b></p> <p><b>SEQ:</b> How was sustainability managed?</p> | <p>JC 4.1 Benefits gained from completed projects (i.e. the effects of completed projects have continued to exist in the long-term (five years or more) even though the Bank's interventions are completed</p> <p>JC 4.2 Benefits gained from ongoing interventions will likely continue to exist once the Bank's interventions are completed</p>   | <ul style="list-style-type: none"> <li>• Existence of intervention and sector sustainability plans</li> <li>• Clear definition as to accountability for sustainability</li> <li>• Follow-up (M and E) actions and execution of sustainability commitments, including financial</li> <li>• Evidence of internal sustainability support</li> <li>• Sustainability of climate and biodiversity based on solid science at individual and sector levels</li> <li>• The GoM has absorbed the results of the interventions (ownership) and has provided for their sustainability (ex. financially, organizationally, policy)</li> </ul><br><ul style="list-style-type: none"> <li>• Existence of intervention and sector sustainability plans</li> <li>• Clear definition as to accountability for sustainability</li> <li>• Follow-up (M and E) and execution of sustainability commitments, including financial.</li> <li>• Existence of sustainability actions in place at least 48 months before end of intervention</li> <li>• Completed Operations with Sustainable Outcomes Rating (COSOR)</li> <li>• Analysis and follow-up of COSOR</li> </ul> | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• Project completion and supervision reports</li> <li>• GoM documents</li> <li>• CSO stats</li> <li>• Interviews with AfDB and GoM personnel</li> <li>• Interviews with donors and other stakeholders</li> </ul> |
| <p><b>EQ 5: To what extent are key cross-cutting policy objectives of the Bank (in terms of inclusiveness and</b></p>  | <p>JC 5.1. The Bank's interventions have been <u>inclusive</u> with respect to demographic considerations (i.e., bringing prosperity by expanding the economic</p>  | <p>Below is a sampling of the type of indicators that might be used for this JC. The list will be reduced to 5-6 indicators and will reflect the existing practices for sector-specific evaluations wherever possible. We assume that we are dealing with the AfDB's CCO, and not those of the GoM.</p> <ul style="list-style-type: none"> <li>• Life expectancy</li> <li>• Enrolment in education (gross and net enrolment ratios)<sup>41</sup>. Graduation ratios</li> </ul>   | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• GoM documents</li> <li>• CSO stats</li> <li>• Interviews with AfDB and GoM personnel</li> </ul>  |

<sup>39</sup> Operations Evaluation Department

<sup>41</sup> Part of UN Human Development Index

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| <p><b>a sustainable environment) mainstreamed within the Bank's interventions?</b><br/>Notes : <sup>40</sup>;<br/><b>(TRANSVERSAL ISSUES)</b></p> <p><b>SEQ:</b> How did the Bank manage transversal issues?</p> | <p>base across the barriers of age, gender, youth)</p>  | <ul style="list-style-type: none"> <li>• Enrolment and graduation rates in TVET institutions, as a share of total students enrolled in primary or secondary institutions.</li> <li>• Unemployment rates disaggregated, by various classifications such as looking or not for work, age brackets, gender, etc.</li> <li>• Women's and youth participation in the labour market.</li> <li>• Average salaries by gender and age</li> <li>• Gender-sensitive Country Institutions Index <sup>42</sup> and its component parts,</li> <li>• Access to finance for business</li> <li>• Gender-informed design in results framework</li> <li>• New projects with gender informed design (with sub indicators)</li> </ul>   | <ul style="list-style-type: none"> <li>• Interviews with donors and other stakeholders</li> <li>• Meetings with NGO or NSA</li> </ul> |
|  | <p>JC 5.2. The Bank's interventions have been <u>inclusive in terms of regional disparity</u> (i.e., expanding the economic base across all regions where poverty is most prevalent.)</p> | <ul style="list-style-type: none"> <li>• Access to basic services including water sources; improved sanitation facilities; education facilities and services;</li> <li>• Improvements in population in GDP per capita; Population living below poverty line; Gini index calculations or equivalent;</li> <li>• Access to power; Access to markets and services through road networks (road density as a proxy)</li> <li>• Share of services in rural versus urban contexts</li> <li>• Percentage of people below poverty line</li> <li>• Country Policy and Institutional Assessments ratings</li> <li>• Access to finance (adults that have accounts in financial institutions)<sup>43</sup>;</li> </ul>  |   |
|  | <p>JC 5.3. The Bank's interventions are managed in a manner that will ensure that they are <u>environmentally sustainable</u> and/or support the transition to green growth.</p>          | <p>Note: the scoping mission and a preliminary document review will determine the most useful indicators to use for this JC. The following are possible candidates. Five or six indicators will be retained</p> <ul style="list-style-type: none"> <li>• Food insecurity: Percentage of population at risk of caloric inadequacy<sup>44</sup></li> <li>• Resilience to water shocks <sup>45</sup></li> <li>• Env. management plans included in all stages of project planning and contracting</li> <li>• Reporting on env. risk mitigation plans</li> <li>• Env monitoring by intervention steering committee (refer to agendas and minutes)</li> <li>• Independent audits or monitoring of environmental plans within interventions</li> <li>• Capability assessments for environmental stewardship (policy) and operational management (interventions)</li> <li>• Documented tie-in between interventions and green growth strategies and plans</li> <li>• Agricultural value-added per agricultural worker as a proxy for green growth</li> <li>• New projects with climate-informed design (with sub-indicators for share of projects that included satisfactory actions to mitigate against impacts of climate change, climate variability, extreme weather events and biodiversity loss</li> </ul> |   |

<sup>40</sup> We will use the definition of "inclusiveness" accepted by the Bank in the "One Bank Results Measurement Framework 2013-2016"

<sup>42</sup> Of the OECD

<sup>43</sup> Global Findex Database for example

<sup>44</sup> Millennium Dev Goal Indicator for goal 1, target c (FAO)

<sup>45</sup> FAO Aquastat

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|  |   | <ul style="list-style-type: none"> <li>Premiums for Interventions that actually promote green growth</li> </ul>  |   |
| <b>EQ 6: To what extent have the Bank's interventions in Mauritius been successful in economically converting resources into expected results in a timely manner? (EFFICIENCY)</b> | JC 6.1 Resources and inputs <u>provided</u> to GoM through the Bank's support are economically converted to results   | <ul style="list-style-type: none"> <li>Development resources recorded on budget<sup>46</sup></li> <li>Operations no longer at risk ratio</li> <li>Operations at risk</li> </ul>  | <ul style="list-style-type: none"> <li>AfDB documents</li> <li>AfDB SAP</li> <li>GoM documents</li> <li>CSO stats</li> <li>Interviews with AfDB and GoM personnel</li> <li>Interviews with donors and other stakeholders</li> </ul> |
|  | 6.2 The Bank's interventions are implemented in a <u>timely</u> manner (from the perspective of the beneficiary or implementing agency) and in compliance with the Bank's operational standards                 | <ul style="list-style-type: none"> <li>Predictable disbursements</li> <li>Use of country systems (PFM and procurement)</li> <li>Time to first disbursement</li> <li>Disbursement ratio of ongoing portfolio</li> <li>Time for procurement of goods and works</li> <li>Time for approving operations</li> <li>Time from identification to first disbursement</li> <li>Extent of projects managed entirely from field</li> <li>Administrative cost per UA 1 million planned</li> <li>Cost of preparing lending project or grant project</li> <li>Cost of supporting project planning</li> <li>Cost of supporting project implementation</li> </ul> |   |
|  | JC 6.3 The GoM and intervention <u>partners and stakeholders meet their commitments</u> as planned (ex. delivery of national commitments/contributions and short comings in performance by national partner(s)) | <ul style="list-style-type: none"> <li>Mention of non-compliance in steering and management meetings</li> <li>Intervention reports and evaluations are positive concerning non-Bank contributions and compliance.</li> </ul>   |   |
| <b>EQ 7: To what extent has the Bank been successful in influencing policy</b>   | JC 7.1. The Bank actively engaged in and influenced policy definition through the provision of relevant dialogue (advice) that has  | <ul style="list-style-type: none"> <li>Expressions of the strategic nature of policy dialogue</li> <li>Diversity of policy dialogue effort, geared to objectives</li> <li>Perception of usefulness of policy dialogue by cooperation partners</li> <li>Perception of policy dialogue by GoM officials</li> <li>Examples of effects of policy dialogue</li> </ul>   | <ul style="list-style-type: none"> <li>AfDB documents</li> <li>GoM documents</li> <li>Interviews with AfDB and GoM personnel</li> </ul>   |

<sup>46</sup> Global Partnership Monitoring Framework Indicator 6

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| <p>through dialogue supported by the provision of non-lending actions including expert advice and analysis (knowledge products)? (KNOWLEDGE AND POLICY ADVICE)</p>   | <p>been incorporated into policy decisions</p>   | <ul style="list-style-type: none"> <li>GoM capability to use policy dialogue as a strategic tool</li> </ul>  | <ul style="list-style-type: none"> <li>Interviews with donors and other stakeholders</li> <li>Interviews with project executing agencies and parastatals</li> </ul>   |
|  | <p>JC 7.2 The Bank provided appropriate and adequate analytical work in support of its interventions, positioning and policy advice?</p>   | <ul style="list-style-type: none"> <li>New economic and sector papers produced</li> <li>Perceived value of advice</li> <li>Capability of GoM to generate evidence-based analysis for policy dialogue with the Bank or Financial or Technical Partners</li> </ul>   |   |
| <p><b>EQ 8: To what extent are the Bank's interventions coordinated with other donors and stakeholders in a way that improves efficiency and enables complementarity? (COORDINATION):</b><br/>SEQ: How did the Bank manage Partnerships, Harmonisation and Leverage?</p> | <p>JC 8.1. The Bank's processes and interventions are harmonized with those of other donors (avoiding duplication, simplifying procedures etc.).</p>                               | <ul style="list-style-type: none"> <li>Level of complementarity between donors</li> <li>Joint evaluations and reviews</li> <li>Joint strategic planning</li> <li>Joint undertakings managed jointly</li> <li>Use of non-Bank processes</li> </ul>  | <ul style="list-style-type: none"> <li>AfDB documents</li> <li>Interviews with AfDB personnel</li> <li>Interviews with donors and other stakeholders</li> <li>Interviews with project executing agencies and parastatals</li> </ul> |
|  | <p>JC 8.2. The Bank's interventions and resources are influencing other stakeholders (including donors) to become involved in the sectors selected by the Bank in its CSPs t s</p> | <ul style="list-style-type: none"> <li>Cases where new (non-traditional) sources of funding have been forthcoming based on opportunities with the Bank</li> <li>Recent changes in membership in sector management fora,</li> </ul>   |   |
| <p><b>EQ 9: To what extent has the Bank managed its interventions and programmes, as well as its own internal processes, in a way that focusses on results<sup>47</sup> and knowledge management best practices in terms</b></p>   | <p>JC 9.1. The Bank has successfully implemented management systems that focus on results and allow learning from past experience?</p>   | <ul style="list-style-type: none"> <li>Intervention design is RBM-based</li> <li>Monitoring systems focus on results</li> <li>Reporting mechanisms are results based</li> <li>Oversight is done at result levels</li> <li>Lessons learned are used at each stage of the programme and project cycles.</li> </ul> | <ul style="list-style-type: none"> <li>AfDB documents</li> <li>GoM documents</li> <li>Interviews with AfDB and GoM personnel</li> <li>Interviews with project executing agencies and parastatals</li> </ul>                         |
|  | <p>JC 9.2 The Bank has supported the development of national capacities and management systems that focus on results</p>   | <ul style="list-style-type: none"> <li>Results-based capacity development efforts for GoM that are related to outcome improvement</li> </ul>   |   |

<sup>47</sup> The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.

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| <p>of “lessons Learned” ?<br/>(MANAGING FOR DEVELOPMENT RESULTS: RBM, Drivers of success and Lessons Learned)</p>                           |   |   |  |
| <p>EQ 10: To what extent has Mauritius participated in and shown leadership in the partnership it has with Bank? (BORROWER PERFORMANCE)</p> | <p>JC 10.1. Mauritius has shown “ownership” of the banks strategic planning processes (mainly through the development of the CSPs</p> | <ul style="list-style-type: none"> <li>• Mauritius has participated in the development of the CSP by providing guidance documents and acting jointly with the Bank in undertaking the final selections and choices required.</li> </ul>   | <ul style="list-style-type: none"> <li>• AfDB documents</li> <li>• GoM documents</li> <li>• Interviews with AfDB and GoM personnel</li> <li>• Interviews with donors and other stakeholders</li> <li>• Interviews with project executing agencies and parastatals</li> </ul> |
|   | <p>JC 10.2 Mauritius has shown that it has “ownership” of the development interventions it does in partnership with the Bank</p>      | <ul style="list-style-type: none"> <li>• Mauritius has participated in and shown interest in intervention selection, design and feasibility analysis</li> <li>• Mauritius has coordinated and collaborated with the Bank in setting up AfDB operations including being able to manage procurement and contracting guidelines of the Bank</li> <li>• Mauritius has complied with AfDB loan covenants and conditionalities, and has provided counterpart funding and support on a timely basis</li> <li>• Mauritius has supported bank interventions through the setting up of RBM-based supervision and monitoring systems and the sharing of data on a timely basis.</li> </ul> |  |

*Annex K : Key questions to ask stakeholders, classified by Evaluation Question*

This annex contains typical questions that team members can ask to gather information they need to provide evidence to support their answers to the various EQ. These questions (below) must be supplemented by sector-specific questions that each Team Member will generate. There are two parts to this annex: the first is eight overall questions and the second is an EQ-by-EQ matrix.

**Overall questions:**

1. Can you briefly describe, in your own words, what was the nature of the support provided to you from the Bank?
2. Was the support sufficient to generate results you sought?
3. Was the support appropriate in terms on its nature (funding, AT equipment etc.), timing, and quantity. etc. ?
4. Can you compare the expected results and the actual results? What worked well? What were challenges? What did not work so well?
5. Are the results sustainable?
6. The Competitiveness and Public Sector Efficiency (CPSE) project disbursed less than 80%. Can you explain why?
7. The exports and Doing business outcomes of the CPSE were not achieved as planned. What effect did this have on your future planning?
8. Do you know of any attempts by the Bank or the GoM to link your project with another Bank project? Ex. Tie budget support assistance to auditor general support?

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| EQ   | Judgment criteria   | Specific questions relating to JC, and sector related indicators   |
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| <p><b>EQ 1. To what extent have the Bank's country strategies and operations been <u>aligned</u> to Mauritian development needs and its own strategies and priorities? (RELEVANCE)</b></p> | <p>JC 1.1. Country strategies and Bank operations have been aligned with Mauritius' <u>development needs</u> and development strategies and priorities.</p> | <ul style="list-style-type: none"> <li>• What is the extent of the strategy and target correlation between GoM poverty-reduction strategies and development plans and AfDB CSPs</li> <li>• Do the AfDB operational policies correlate with defined strategies and plans of GoM</li> <li>• Do AfDB operational policies support development realities of GoM</li> <li>• Are AfDB Country strategies and Bank operations aligned with the needs of beneficiaries</li> <li>• Are Bank interventions, when viewed at a sector performance level in the country, are aligned with its country strategy and priorities</li> <li>• Was the contribution of the Bank useful in meeting your needs ? How?</li> <li>• Did your needs change over the life of the Bank contribution and did the Bank adjust to that?</li> <li>• What are the <u>criteria of good governance</u> that GoM should be able to better perform following the AfDB's support to GoM's governance interventions?</li> <li>• How the AfDB support for Debt Management improved the GoM's capabilities for <u>effective good governance</u>?</li> <li>• How the <u>Statistical capacity building</u> supported by AfDB improved the <u>governance capabilities</u> of the GoM? In which functions and for which effects?</li> <li>• How the <u>Statistical capacity building</u> supported by AfDB improved the capabilities of the GoM to better support and manage the <u>results and processes</u> of its competitiveness development interventions?</li> <li>• Do the supports provided by the AfDB to GoM in <u>competitiveness development</u> contributed to the advancement of GoM strategy and intervention plan for the country's competitiveness improvement?</li> </ul> <p><b>Specific Energy-related Indicators:</b><br/>AfDB operational policies correlate with defined strategies and plans of GoM<br/>AfDB operational policies support development realities of GoM</p> <p><b>Specific Governance indicators:</b></p> <ul style="list-style-type: none"> <li>• Key-macro economic indicators of the last three triennial period og Mauritius economy</li> <li>• Performance of the Min. Finance in terms of the unused budget support transferred to Bank of Mauritius</li> </ul> <p>List of factors used by BoM for the monitoring of Mauritius competitiveness</p> |

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|  |   | <ul style="list-style-type: none"> <li>• What are your evaluations of the effects resulting from the key skill-shortages for technical and key-sectors competencies on Mauritius economy?</li> <li>• Do you evaluate the effects of GoM's interventions about key-human resources shortage? What are the results?</li> <li>• List and descriptive data on development interventions for the advancement of competitiveness (national and sector-based)</li> <li>• List of effects measured and resulting from these interventions</li> <li>• List of lessons learned from these evaluations and induced new-redesigns of intervention</li> </ul> <p><b>Specific WATSAN indicator:</b></p> <ul style="list-style-type: none"> <li>• Documents showing the GoM plans and the Bank's strategies</li> </ul> |
|  | <p>JC 1.2. The CSP, its resulting interventions, and non-lending activities are aligned with <u>Bank policies</u></p> | <ul style="list-style-type: none"> <li>• Has there been a beneficiary impact analyses (or equivalent) to inform CSP and intervention design</li> <li>• Do the M and E systems of AfDB contain means to measure progress on beneficiary needs</li> <li>• Do non-lending activities reflect the strategies and plans of the Bank</li> <li>• Does the intervention design contains analyses that compare country strategies (CSP) to result framework of intervention</li> <li>• In the Bank system what is the ratio of "New operations rated satisfactory"</li> </ul>  |

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| <p><b>EQ 2: To what extent has the <u>design and internal management of the Bank's strategic direction</u> in Mauritius reflected a clear, viable and coherent path for achieving development outcomes in a changing national and international context?</b><br/>(RELEVANCE)</p> | <p>JC 2.1. The Bank has contributed to the achievement of the desired outcomes within the priorities of the GoM in terms of competitiveness.</p> | <ul style="list-style-type: none"> <li>• Does the Bank have a clear and logical strategy that reinforces competitiveness in the country</li> <li>• Do the Bank and GoM coordinate their efforts with respect to the execution of competitiveness plans.</li> <li>• Has the Bank helped the GoM to coordinate its efforts at the national, regional and global levels</li> <li>• What were the net effects at the outcome level to which the Bank might have contributed?</li> <li>• Were you aware of any Bank strategy that specifically dealt with helping you with competitiveness</li> <li>• How were the Bank's plans and yours, with respect to competitiveness, coordinated?</li> <li>• How did the bank contribute to international and regional goals you might have had in competitiveness</li> </ul> |
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|  |   | <ul style="list-style-type: none"> <li>• Has the AfDB provided you with a clear description of performance criteria and outcomes to be targeted about the good <b>governance improvements</b> that should result from the financed and supported activities?</li> <li>• Does the AfDB provided you with a clear description of performance criteria and outcomes to be targeted from your interventions for <b>competitiveness development</b>?</li> </ul> <p><b>Specific Energy-related Indicators:</b><br/>         Has there been a beneficiary impact analyses (or equivalent) to inform CSP and intervention design<br/>         Do the M and E systems of AfDB contain means to measure progress on beneficiary needs<br/>         What were the net effects at the outcome level to which the Bank might have contributed?<br/>         Does the AfDB provided you with a clear description of performance criteria and outcomes to be targeted from your interventions for competitiveness development?</p> <p><b>Specific Governance related indicators</b></p> <ul style="list-style-type: none"> <li>• List and descriptive data on development interventions for the advancement of competitiveness (national and sector-based)</li> <li>• List of effects measured and resulting from these interventions</li> <li>• List of lessons learned from these evaluations and induced new-redesigns of intervention</li> </ul> |
|  | <p>JC 2.2. The Bank has applied selectivity in designing its country portfolio so that it focused on areas where it brings added value?</p> | <ul style="list-style-type: none"> <li>• What is the Average CSP rating (from Bank Readiness review)</li> <li>• Has the selection of interventions and their design been based on a clearly defined comparative advantage</li> <li>• What was the added value of the Bank in its dealing with you</li> <li>• Did the Bank provide sufficient and appropriate resources to help meet your plans and resolve any important bottlenecks to competitiveness</li> <li>• To what extent did you receive “think tank” or “policy “ support in addition to your direct contribution</li> </ul> <p><b>Energy-specific questions:</b></p> <ul style="list-style-type: none"> <li>• What happened to the (2009-13 CSP) 25-40 MW wind farm and its proposed AfDB funding?</li> <li>• What happened to the (2009-13 CSP) energy efficiency plan, and it being implemented/adopted?</li> <li>• What happened to the (2009-13 CSP) Energy Investment Plan review, including revised policy targets on renewable energy?</li> </ul> <p><b>Specific Energy-related Indicators:</b></p> <ul style="list-style-type: none"> <li>• Selection criteria for choice of investments to do</li> </ul>  |

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|  |  | <ul style="list-style-type: none"> <li>Reasons why the projects identified that were not done were dropped.</li> </ul> <p><b>Specific WATSAN indicators</b></p> <ul style="list-style-type: none"> <li>Interventions in Watsan &amp; port development are based on a clearly defined comparative advantage</li> </ul>  |
|  | <p>JC 2.3. Taken as a whole, the Bank’s interventions have been coherent and were well-coordinated <u>internally</u></p> | <ul style="list-style-type: none"> <li>Were the interventions sufficient to contribute to the realization of GoM objectives</li> <li>Were Internal strategies and plans documented for sector and inter-sector leverage? (ex. Budget support or commercial loans having effects on agriculture, social services, trade etc.?)</li> </ul> <p><b>Specific Energy-related Indicators:</b></p> <ul style="list-style-type: none"> <li>Examples of meetings and documents to link energy with other sectors of Bank involvement</li> </ul> <p><b>Specific WATSAN indicators</b></p> <ul style="list-style-type: none"> <li>Sector interventions in Watsan &amp; port development are sufficient to contribute to the realisation of GoM objectives</li> </ul> |

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| <p><b>EQ 3: To what extent has the Bank contributed to the achievement of development objectives and results? (EFFECTIVENESS)</b></p> | <p>JC 3.1. The Bank’s interventions in sectors other than “multisector” achieved their expected results (intermediate outcomes and outcomes), specifically in terms of expected effects on target beneficiaries</p> | <ul style="list-style-type: none"> <li>Were expected effects from each intervention stated, monitored and achieved?</li> <li>Can we get a copy of those results?</li> <li>Were specific sector targets for Bank defined: ex. Power, Governance, Regional integration, Water etc.</li> <li>What are the effects that resulted from the grant provided by AfDB to support the development of GoM’s debt management capabilities? Were these been measured?</li> <li>What are the effects that resulted from the loan provided by AfDB to support the development of GoM’s statistical capabilities? Were these been measured?</li> <li>What are the effects that resulted from the loan provided by AfDB to support the development of the SMEs competitiveness? Were these been measured?</li> <li>Note: sector-specific indicators will be added to this list.</li> </ul> <p><b>Energy-specific research questions</b></p> <ul style="list-style-type: none"> <li>How was the AfDB funding of the PLPS (Port Louis Power Station) initiated?</li> <li>Was the PLPS project ranked by AfDB against more direct RE focused support options?</li> <li>Did AfDB funding of the PLPS change its overall design, generation capacity, engine/fuel specifications, or environmental and social settings or monitoring?</li> <li>What added value did AfDB funding bring to the (PLPS) repowering project?</li> <li>What did AfDB do to address the objections by local community groups to the PLPS project?</li> </ul> |
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|  |  | <p><b>Specific Energy-related Indicators:</b></p> <ul style="list-style-type: none"> <li>• Increased supply of electricity, including renewable energy</li> <li>• Energy gap reduced by 25-40MW</li> <li>• Energy efficiency plan implemented/adopted</li> <li>• Energy Investment Plan review completed, including revised policy targets on renewable energy</li> <li>• Reduced GHG Emissions</li> <li>• Other Environmental &amp; Social Gains</li> <li>• Additionally of Funding Provided</li> </ul> <p><b>WATSAN related indicators</b></p> <ul style="list-style-type: none"> <li>• Water: Dams are constructed and maintained according international standards</li> <li>• Water sewerage: Investments are rationally planned to achieve a 50% coverage of the population</li> <li>• Transport: Port-Louis Port i) is able to cope with increased flows of export and import, ii) contributes to the emergence of new growth drivers</li> </ul> <p><b>Governance related indicators</b></p> <ul style="list-style-type: none"> <li>• List and descriptive data on development interventions for the advancement of competitiveness (national and sector-based)</li> <li>• List of effects measured and resulting from these interventions</li> <li>• List of lessons learned from these evaluations and induced new-redesigns of intervention List of SMEs financed (and in process of financing)</li> <li>• Increased of commercial capabilities for the financed SMEs measured following these financial interventions</li> <li>• List of performance indicators used for the monitoring of these investments</li> <li>• List of the enabling effects that were generated from the TA received</li> <li>• The effective results being measured: factors and effects</li> <li>• CPIA indices as applied to Mauritius</li> <li>• World Economic Forum Index as applied to Mauritius</li> </ul> <ul style="list-style-type: none"> <li>• List of the enabling effects that were generated from the TA received (all orgs).</li> <li>• The effective results being measured: factors and effects (TA all orgs)</li> </ul> <p>Min Good Gov and Reform:</p> <ul style="list-style-type: none"> <li>• List of effects induced from TA in ministries reforms</li> <li>• List of factors used for the monitoring of these induced effects</li> </ul> <p>Learning process implemented for the improvement of these reforms</p> |
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|  |   | <p><b>Specific Banking sector indicators</b></p> <ul style="list-style-type: none"> <li>• Appraisal matrix showing selection criteria</li> <li>• Follow-up supervision memos from AfDB and Banks</li> <li>• Analysis of support to competitiveness</li> <li>• SMEs financed (and in process of financing)</li> <li>• BANKS: Increased of commercial capabilities for the financed SMEs measured following these financial interventions</li> <li>• SME BANKS: List of performance indicators used for the monitoring of these investments</li> <li>• SME BANKS:List of SMEs financed (and in process of financing)</li> <li>• SME BANKS:Increased of commercial capabilities for the financed SMEs measured following these financial interventions</li> <li>• SME BANKS:List of performance indicators used for the monitoring of these investments</li> <li>•</li> </ul>  |
|  | <p>JC 3.2. The Bank's interventions in the "multisector sector" contributed to the achievement of higher-level (outcomes and impacts) development objectives, both intended and unintended.</p> | <ul style="list-style-type: none"> <li>• What does the "Completed operations rated as satisfactory" index<sup>48</sup> say about the sectors</li> <li>• Were there any Ex post evaluations of interventions</li> <li>• What statistics support the achievement of expected outcomes</li> <li>• Did you have in place an M and E system that collected and analysed data relating to higher-level results?</li> <li>• Did you do any internal evaluation reporting?</li> <li>• To what extent were "Results" monitored?</li> <li>• Were there any unintended results?</li> <li>• How did the experience with the Bank define your plans for "post Bank" operations (lessons Learned)?</li> </ul> <p><b>Governance/competitiveness specific indicators</b></p> <ul style="list-style-type: none"> <li>• Key-macro economic indicators of the last three triennial period of Mauritius economy</li> <li>• Performance of the Min. Finance budget support unused and transferred to Bank of Mauritius</li> <li>• List of factors used by BoM for the monitoring of Mauritius competitiveness</li> </ul> |

<sup>48</sup> Operations Evaluation Department



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| <p><b>EQ 4: Is it likely that the benefits realised as a result of Bank interventions will continue to exist once its support is completed (SUSTAINABILITY)</b></p> | <p>JC 4.1 Benefits gained from completed projects (i.e. the effects of completed projects have continued to exist in the long-term (five years or more) even though the Bank’s interventions are completed</p> | <ul style="list-style-type: none"> <li>• Is there an intervention-level and sector sustainability plan</li> <li>• Were you provided with a clear definition as to accountability for sustainability</li> <li>• Can you describe any follow-up (M and E) actions and execution of sustainability commitments, including financial</li> <li>• Is there evidence of internal sustainability support</li> <li>• Was sustainability of climate and biodiversity based on solid science at individual and sector levels</li> <li>• Has the GoM has absorbed the results of the interventions (ownership) and has provided for their sustainability (ex. financially, organizationally, policy)</li> </ul> <p>For more questions, see JC 4.2</p> <p><b>Specific Energy-related Indicators:</b></p> <ol style="list-style-type: none"> <li>1. intervention-level and sector sustainability plan</li> <li>2. follow-up (M and E) actions and execution of sustainability commitments, including financial</li> <li>3. Sustainability of climate and biodiversity based on solid science at individual and sector levels</li> <li>4. GoM has absorbed the results of the interventions (ownership) and has provided for their sustainability (ex. financially, organizationally, policy)</li> <li>5. Long-term sustainability of equipment and facilities</li> <li>6. Technical choice made for project versus other options (such as moving the plant elsewhere</li> <li>7. Environmental standards reached or not (Bank and Country)</li> <li>8. Operational efficiency of rehabilitated facility</li> <li>9. Cost of new facility outputs</li> </ol> <p><b>WATSAN-Specific indicators</b></p> <ul style="list-style-type: none"> <li>• The GoM has absorbed the results of the interventions (adoption of port study and wastewater master plans, ownership of capacity building activities on dams) and has provided for their sustainability (ex. financially, organizationally, policy, PPPs)</li> </ul> <p><b>Specific Governance indicators</b></p> <ul style="list-style-type: none"> <li>• List of the enabling effects that were generated from the TA received</li> </ul> <p>The effective results being measured: factors and effects</p> |
|   | <p>JC 4.2 Benefits gained from ongoing interventions will likely continue to exist once the Bank’s interventions are completed</p>   | <ul style="list-style-type: none"> <li>• Were there intervention-level and sector sustainability plans</li> <li>• Were you provided with clear definitions and responsibilities as to accountability for sustainability</li> <li>• Was follow-up (M and E) done for the execution of sustainability commitments, including financial.</li> <li>• Is there evidence of sustainability actions in place at least 48 months before end of intervention</li> </ul>   |

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|  |  | <ul style="list-style-type: none"> <li>• What is the Completed Operations with Sustainable Outcomes Rating (COSOR) for the project</li> <li>• What is the result of your analysis and follow-up of COSOR</li> <li>• Were the results achieved with the help of the Bank sustainable?</li> <li>• How did the GoM mainstream or integrate the results?</li> <li>• What were the main challenges to sustainability</li> <li>• How did you monitor sustainability?</li> <li>• Can you explain how you and the Bank were mutually accountable?</li> <li>• How will the GoM be monitoring the sustainability of the SME's competitiveness development resulting from the loans provided to these SME's through the AfDB loan for SME's competitiveness development? (through the Bank LOC)</li> <li>• How GoM will be monitoring the sustainability of the new statistical capacity resulting from the TA for national statistical capabilities development supported by the AfDB?</li> </ul> <p>How GoM will be monitoring the sustainability of the new capacity resulting from the TA for debt management capabilities development supported by the AfDB?</p> <p><b>Specific Energy-related Indicators:</b></p> <ol style="list-style-type: none"> <li>1. intervention-level and sector sustainability plan</li> <li>2. follow-up (M and E) actions and execution of sustainability commitments, including financial</li> <li>3. Sustainability of climate and biodiversity based on solid science at individual and sector levels</li> </ol> <p>GoM has absorbed the results of the interventions (ownership) and has provided for their sustainability (ex. financially, organizationally, policy)</p> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Wastewater master Plan financed, implemented, monitored, updated</li> <li>• Port feasibility study integrated into MPA master plan, financed, implemented</li> <li>• Knowledge transfer in dams' construction and maintenance secured within Water Resource Unit/MEPU</li> </ul> <p>PPPs integrated into GoM infrastructure development policy</p> <p><b>Specific Governance related indicators</b></p> <ul style="list-style-type: none"> <li>• List of SMEs financed (and in process of financing) Business Mauritius</li> <li>• Increased of commercial capabilities for the financed SMEs measured following these financial interventions Business Mauritius.</li> <li>• List of performance indicators used for the monitoring of these investments Business Mauritius.</li> </ul> |
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| <b>EQ 5: To what extent are key cross-cutting</b> | JC 5.1. The Bank's interventions have been inclusive with respect to | Below is a sampling of the type of indicators that might be used for this JC. The list will be reduced to 5-6 indicators and will reflect the existing practices for sector- |
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| <p><b>policy objectives of the Bank (in terms of inclusiveness and a sustainable environment) mainstreamed within the Bank's interventions?</b></p> <p>Notes : <sup>49</sup>;<br/><b>(TRANSVERSAL ISSUES)</b></p> | <p>demographic considerations (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender, youth)</p>  | <p>specific evaluations wherever possible. We assume that we are dealing with the AfDB's CCOs, and not those of the GoM.</p> <ul style="list-style-type: none"> <li>• Life expectancy?</li> <li>• Enrolment in education (gross and net enrolment ratios)<sup>50</sup>. ? Graduation ratios?</li> <li>• Enrolment and graduation rates in TVET institutions, as a share of total students enrolled in primary or secondary institutions. ?</li> <li>• Unemployment rates disaggregated, by various classifications such as looking or not for work, age brackets, gender, etc. ?</li> <li>• Women's and youth participation in the labour market. ?</li> <li>• Average salaries by gender and age?</li> <li>• Gender-sensitive Country Institutions Index <sup>51</sup> and its component parts?</li> <li>• Access to finance for business?</li> <li>• Gender-informed design in results framework?</li> <li>• New projects with gender informed design (with sub indicators)?</li> <li>• Were the Bank actions or support likely to have any effect on inclusiveness (age, gender) and how was this managed?</li> </ul> <p><b>Specific Energy-related Indicators:</b></p> <ul style="list-style-type: none"> <li>• Inclusivity-informed design in energy results framework?</li> <li>• Management structures and processes for Bank actions or support to energy sector likely to have any effect on inclusiveness (age, gender) and how was this managed?</li> <li>• Future projections of demand are inclusive</li> </ul> <p>Specific WATSAN-related indicators</p> <ul style="list-style-type: none"> <li>• Social targets/distribution of Bank's infrastructure projects</li> </ul> |
|   | <p>JC 5.2. The Bank's interventions have been <u>inclusive in terms of regional disparity</u> (i.e., expanding the economic base across all regions where poverty is most prevalent.)</p> | <p>In terms of the XXX intervention or sector, can you describe how it changed:</p> <ul style="list-style-type: none"> <li>• Access to basic services including water sources; improved sanitation facilities; education facilities and services?</li> <li>• Improvements in population in GDP per capita; Population living below poverty line; Gini index calculations or equivalent?</li> <li>• Access to power; Access to markets and services through road networks (road density as a proxy)?</li> <li>• Share of services in rural versus urban contexts?</li> <li>• Percentage of people below poverty line?</li> <li>• Country Policy and Institutional Assessments ratings?</li> </ul>   |

<sup>49</sup> We will use the definition of 'inclusiveness' accepted by the Bank in the "One Bank Results Measurement Framework 2013-2016"

<sup>50</sup> Part of UN Human Development Index

<sup>51</sup> Of the OECD

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|  |  | <ul style="list-style-type: none"> <li>• Access to finance (adults that have accounts in financial institutions)<sup>52</sup>; ?</li> <li>• Were the Bank actions or support likely to have any effect on regional disparity and how was this managed?</li> </ul> <p><b>Specific Energy-related Indicators:</b></p> <ul style="list-style-type: none"> <li>• Disparity-informed design in energy results framework?</li> <li>• Management structures and processes for Bank actions or support to energy sector likely to have any effect on disparity?</li> <li>• Future projections of demand are inclusive</li> </ul> <p><b>Specific WATSAN indicators</b><br/>Spatial distribution of Bank's infrastructure projects</p>  |
|  | <p>JC 5.3. The Bank's interventions are managed in a manner that will ensure that they are <u>environmentally sustainable</u> and/or support the transition to green growth.</p> | <ul style="list-style-type: none"> <li>• Resilience to water shocks <sup>53</sup>?</li> <li>• Env. management plans included in all stages of project planning and contracting?</li> <li>• Reporting on any risk mitigation plans ?</li> <li>• Env monitoring by intervention steering committee (refer to agendas and minutes) ?</li> <li>• Independent audits or monitoring of environmental plans within interventions?</li> <li>• Capability assessments for environmental stewardship (policy) and operational management (interventions) ?</li> <li>• Documented tie-in between interventions and green growth strategies and plan?</li> <li>• Agricultural value-added per agricultural worker as a proxy for green growth?</li> <li>• New projects with climate-informed design (with sub-indicators for share of projects that included satisfactory actions to mitigate against impacts of climate change, climate variability, extreme weather events and biodiversity loss?</li> <li>• Premiums for Interventions that actually promote green growth?</li> <li>• Were the Bank actions or support likely to have any effect on environment and climate change and how was this managed?</li> </ul> <p><b>Specific Energy-related indicators</b></p> <ul style="list-style-type: none"> <li>• Environment -informed design in energy results framework?</li> <li>• Management structures and processes for Bank actions or support to energy sector likely to have any effect on environment and climate change?</li> <li>• Future projections of demand take environment into account</li> <li>• Env. management plans included in all stages of project planning and contracting?</li> <li>• Reporting on any risk mitigation plans ?</li> </ul> |

<sup>52</sup> Global Findex Database for example

<sup>53</sup> FAO Aquastat

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|  |  | <ul style="list-style-type: none"> <li>• Independent audits or monitoring of environmental plans within interventions?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Extent and scope of Environmental and Social impact assessments for infrastructure projects</li> <li>• Independent monitoring of environment management plans for infrastructure projects</li> </ul>  |
| <p><b>EQ 6: To what extent have the Bank's interventions in Mauritius been successful in economically converting resources into expected results in a timely manner?</b></p> | <p>JC 6.1 Resources and inputs <u>provided</u> to GoM through the Bank's support are economically converted to results</p>   | <ul style="list-style-type: none"> <li>• Were development resources recorded on budget<sup>54</sup> ?</li> <li>• What is the "Operations no longer at risk" ratio?</li> <li>• What would you say were the main advantages and disadvantages of working with the Bank in terms of process management?</li> <li>• How was risk managed in practice</li> <li>• Would you say that the Bank was flexible in its approach and did it put into place mechanisms and processes that reflected your level of capability to manage them?</li> </ul> <p><b>Energy-related indicators:</b></p> <ul style="list-style-type: none"> <li>• Time to react to specific requests for implementation processes</li> <li>• Time to respond to financial processes</li> <li>• Timeliness of response and of disbursements</li> <li>• IRR or other financial ratios for efficiency, both pre and ost project intervention</li> </ul> <p><b>Specific Governance indicators</b></p> <p>f Efficiency measures related to the development of Mauritius competitiveness and the impact of each on GoM intervention planning and policies, specifically those levels expected in approval docs</p> <ul style="list-style-type: none"> <li>• Efficiency measures related to the development of Mauritius SMEs and the impact of each on GoM intervention planning and policies</li> </ul> |
|  | <p>6.2 The Bank's interventions are implemented in a <u>timely</u> manner (from the perspective of the beneficiary or implementing agency) and in compliance with the Bank's operational standards</p> | <ul style="list-style-type: none"> <li>• Were disbursements predictable to you as a beneficiary</li> <li>• Did the project use country systems (PFM and procurement) ?</li> <li>• What was the time to first disbursement?</li> <li>• What was the disbursement ratio of ongoing portfolio?</li> <li>• How predictable was the time for procurement of goods and works?</li> <li>• How long did it take to approve operations?</li> <li>• How much time elapsed identification to first disbursement?</li> <li>• What was the extent of projects managed entirely from field?</li> <li>• What were the "Administrative cost per UA 1 million planned" ?</li> <li>• What were the "Cost of preparing lending project or grant project" ?</li> <li>• What was the "Cost of supporting project planning) ?</li> </ul>  |

<sup>54</sup> Global Partnership Monitoring Framework Indicator 6

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|  |  | <ul style="list-style-type: none"> <li>• What were the “Cost of supporting project implementation”</li> <li>• Were decisions required of the Bank provided when needed?</li> <li>• Were disbursements provided in a timely manner?</li> <li>• Were the costs involved in dealing with the Bank more or less the same as that of dealing with other funding agencies?</li> </ul> <p><b>Energy-related indicators</b></p> <ul style="list-style-type: none"> <li>• What was the time to first disbursement?</li> <li>• What was the disbursement ratio of ongoing portfolio?</li> <li>• How predictable was the time for procurement of goods and works?</li> <li>• How long did it take to approve operations?</li> <li>• How much time elapsed identification to first disbursement?</li> <li>• What was the extent of projects managed entirely from field?</li> </ul> <p><b>Specific Watsan-related indicators</b></p> <ul style="list-style-type: none"> <li>• Time for procurement of goods and works</li> <li>• Time for approving operations</li> <li>• Time from identification to first disbursement</li> </ul>  |
|  | <p>JC 6.3 The GoM and intervention partners and stakeholders meet their <u>commitments</u> as planned (ex. delivery of national commitments/contributions and short comings in performance by national partner(s))</p> | <ul style="list-style-type: none"> <li>• Was there any mention of non-compliance in steering and management meetings?</li> <li>• Were Intervention reports and evaluations positive concerning non-Bank contributions and compliance?.</li> <li>• How often and on what basis did you and the Bank meet for supervision or management purposes? (Ongoing management) ?</li> <li>• In terms of Bank supervision, how would you characterize or describe that? For example, describe a typical supervision mission</li> <li>• Overall, how difficult was it for you to meet your commitments? Were there issues and how were they resolved?</li> <li>• How and If, did donor coordination take place</li> <li>• In terms of competitiveness development how were different categories of stakeholders (Private sector, SOE, etc.) mobilized.... And did the Bank support you in this?</li> </ul> <p><b>Specific QATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Steering of studies (Wastewater master plan, Port feasibility study) by MEPU and MPA respectively; adoption</li> <li>• Procurement and management of TA (Panel of experts for dams).</li> </ul> |
| <p><b>EQ 7: To what extent has the Bank been successful in</b></p> | <p>JC 7.1. The Bank actively engaged in and influenced policy definition through the provision of relevant dialogue</p>  | <ul style="list-style-type: none"> <li>• In your view what were some manifestations of the strategic nature of policy dialogue ?</li> <li>• Was there a diversity of policy dialogue effort, geared to objectives?</li> </ul>  |

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| <p><b>influencing policy through dialogue supported by the provision of non-lending actions including expert advice and analysis (knowledge products) ?</b><br/> <b>(KNOWLEDGE AND POLICY ADVICE)</b></p> | <p>(advice) that has been incorporated into policy decisions</p>   | <ul style="list-style-type: none"> <li>• What was the Perception of usefulness of policy dialogue by cooperation partners?</li> <li>• What was the perception of policy dialogue by GoM officials?</li> <li>• Can you provide examples of effects of policy dialogue?</li> <li>• What was the GoM’s capability to use policy dialogue as a strategic tool?</li> <li>• To what extent did the Bank and the GoM (you) engage in policy dialogue?</li> <li>• With respect to policy dialogue with the Bank, were other donors involved as well (i.e. coordination) ?</li> <li>• Did you perceive the Bank as having a plan for dialogue? How was the policy dialogue and development advise performed with respect to the AfDB and your organization in the domain of:             <ul style="list-style-type: none"> <li>a. Debt management and good governance?</li> <li>b. National statistical capabilities?</li> <li>c. Country competitiveness development?</li> </ul> </li> </ul> <p><b>Energy-related indicators</b></p> <ul style="list-style-type: none"> <li>• Existence of a policy strategy or plan for energy transformation and RE</li> <li>• Manifestations of the strategic nature of policy dialogue in energy sector ?</li> <li>• Diversity of policy dialogue effort in energy sector, geared to objectives?</li> <li>• Perception of usefulness of policy dialogue by cooperation partners in energy sector ?</li> <li>• Examples of effects of policy dialogue in energy sector ?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Existence, nature and scope of policy dialogue in port development, wastewater policy and water resource management</li> <li>• Expressions of the strategic nature of policy dialogue</li> <li>• Diversity of policy dialogue effort, geared to objectives</li> <li>• Perception of usefulness of policy dialogue by cooperation partners</li> <li>• Perception of policy dialogue by GoM officials</li> <li>• Examples of effects of policy dialogue</li> <li>• GoM capability to use policy dialogue as a strategic tool</li> </ul> <p><b>Specific Governance indicators</b></p> <ul style="list-style-type: none"> <li>• Results of TA and other advisory services</li> <li>• Results of ASLF interventions</li> <li>• Dialogue with the Min FED on policy issues</li> <li>• Examples of policy modifications as a result of Bank interventions</li> </ul> |
|   | <p>JC 7.2 The Bank provided appropriate and adequate analytical work in support of its interventions, positioning and policy advice?</p> | <ul style="list-style-type: none"> <li>• What new economic and sector papers were produced?</li> <li>• Can you describe the perceived value of advice?</li> </ul>   |

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|   |   | <ul style="list-style-type: none"> <li>• What was the capability of GoM to generate evidence-based analysis for policy dialogue with the Bank or Financial or Technical Partners?</li> <li>• Are you aware of any analytical documents that the Bank may have prepared for Mauritius? Did you request any analytical support that was, or was not, provided?</li> </ul>  |
| <p><b>EQ 8: To what extent are the Bank's interventions <u>coordinated with other donors and stakeholders</u> in a way that improves efficiency and enables complementarity?</b></p>  | <p>JC 8.1. The Bank's processes and interventions are harmonized with those of other donors (avoiding duplication, simplifying procedures etc.).</p> <p>JC 8.2. The Bank's interventions and resources are influencing other stakeholders (including donors) to become involved in the sectors selected by the Bank in its CSPs</p> | <ul style="list-style-type: none"> <li>• Can you describe the level of complementarity between donors</li> <li>• Were there any joint evaluations and reviews?</li> <li>• Was there any joint strategic planning?</li> <li>• Overall, were there any examples where the AfDB uses non-Bank processes?</li> <li>• Is harmonisation between donors an issue in Mauritius? If so, is there an element of harmonization in place to which the Bank responds?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Level of complementarity between donors</li> <li>• Joint evaluations and reviews</li> <li>• Joint strategic planning</li> <li>• Joint undertakings managed jointly</li> <li>• Use of non-Bank processes</li> </ul> <ul style="list-style-type: none"> <li>• Were there cases where new (non-traditional) sources of funding have been forthcoming based on opportunities with the Bank?</li> <li>• Can you describe any recent changes in membership in sector management fora?</li> <li>• Did you witness any donor leveraging of funding that had the Bank as its focus ?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Cases where new (non-traditional, PPPs) sources of funding have been forthcoming based on opportunities with the Bank</li> <li>• Recent changes in membership in sector management fora,</li> </ul> |
| <p><b>EQ 9: To what extent has the Bank managed its interventions and programmes, as well as its own internal processes, in a way that focusses on <u>results</u><sup>55</sup> and <u>knowledge management best practices in terms of "lessons Learned"</u> ?</b></p> | <p>JC 9.1. The Bank has successfully implemented management systems that focus on results and allow learning from past experience?</p>  | <ul style="list-style-type: none"> <li>• Was intervention design RBM-based?</li> <li>• Did monitoring systems focus on results?</li> <li>• Were reporting mechanisms results based?</li> <li>• Was oversight done at result levels?</li> <li>• What lessons learned were used at each stage of the programme and project cycles?.</li> <li>• Does GoM use Results-Based Management overall? Was the Bank management of its contribution to you based on results?</li> <li>• Were supervision missions concerned with results? Describe.</li> <li>• Resulting from the policy dialogue with AfDB and from the implementation of the supported interventions, were there lessons learned? As a result of these lessons learned were there any changes made to action plans?</li> </ul>   |

<sup>55</sup> The team intends to focus on result levels that are beyond the mere production of outputs, as the objective of the Bank is to contribute to outcomes, not outputs.



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|   |  | <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Intervention design is RBM-based</li> <li>• Monitoring systems focus on results</li> <li>• Reporting mechanisms are results based</li> <li>• Oversight is done at result levels</li> <li>• Lessons learned are used at each stage of the programme and project cycles</li> </ul>   |
|   | <p>JC 9.2 The Bank has supported the development of national capacities and management systems that focus on results</p>             | <ul style="list-style-type: none"> <li>• What results-based capacity development efforts were put into place with the GoM that are related to outcome improvement?</li> <li>• Did the Bank help you or anyone else to develop RBM-based capacities and systems?</li> <li>• Did the Bank and you set up a knowledge-based activity?</li> <li>• Where did the design of your actions originate? Best practices?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Results-based capacity development efforts for GoM that are related to outcome improvement</li> </ul>   |
| <p><b>EQ 10: To what extent has <u>Mauritius participated in and shown leadership</u> in the partnership it has with Bank's</b></p> | <p>JC10.1. Mauritius has shown "ownership" of the banks strategic planning processes (mainly through the development of the CSPs</p> | <ul style="list-style-type: none"> <li>• Did Mauritius participate in the development of the CSP by providing guidance documents and acting jointly with the Bank in undertaking the final selections and choices required?.</li> <li>• Were you involved in any way in helping the Bank to develop its CSPs for Mauritius?</li> <li>• Have you proposed any changes that the Bank might make in terms of policies or processes ?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> <ul style="list-style-type: none"> <li>• Mauritius has participated in the development of the CSP by providing guidance documents and acting jointly with the Bank in undertaking the final selections and choices required.</li> </ul>  |
|   | <p>JC 10.2 Mauritius has shown that it has "ownership" of the development interventions it does in partnership with the Bank</p>     | <ul style="list-style-type: none"> <li>• Describe how Mauritius participated in and shown interest in intervention selection, design and feasibility analysis ?</li> <li>• Did Mauritius coordinate and collaborate with the Bank in setting up AfDB operations including being able to manage procurement and contracting guidelines of the Bank?</li> <li>• Has Mauritius complied with AfDB loan covenants and conditionalities, and has it provided counterpart funding and support on a timely basis?</li> <li>• Did Mauritius support Bank interventions through the setting up of RBM-based supervision and monitoring systems and the sharing of data on a timely basis. ?</li> <li>• How have you been involved in intervention selection, design and feasibility analysis?</li> <li>• How have you been involved in helping to set up the Bank processes and management systems in your field?</li> </ul> <p><b>Specific WATSAN-related indicators</b></p> |

|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"><li>• Mauritius has participated in and shown interest in intervention selection, design and feasibility analysis</li><li>• Mauritius has coordinated and collaborated with the Bank in setting up AfDB operations including being able to manage procurement and contracting guidelines of the Bank</li><li>• Mauritius has complied with AfDB loan covenants and conditionalities, and has provided counterpart funding and support on a timely basis</li><li>• Mauritius has supported bank interventions through the setting up of RBM-based supervision and monitoring systems and the sharing of data on a timely basis.</li></ul> |
|--|--|--|

## *Annex L: PROJECT PERFORMANCE ASSESSMENT FOR PUBLIC SECTOR PROJECT. Rating Guidance Note*

### 1. RELEVANCE

This section should cover both: (i) the relevance of project objectives; and (ii) the relevance of project design. The relevance assess the degree to which the projects objectives and design remain valid and pertinent as originally planned or as subsequently modified owing to changing circumstances within the immediate context and external environment of that project.

Accordingly, the relevance of the objectives and design are assessed at the time of evaluation – not project appraisal. While the evaluation may note that the project objectives and design were relevant at project appraisal, it should assess and rate the extent to which project objectives and design remained relevant towards the evaluation year.

#### a.) Relevance of project objectives

The relevance of objectives assesses to what extent the project purpose as specified in the RLF was aligned with the Bank’s CSP and the applicable sector strategies, the country’s development strategies and the beneficiary needs from design/approval to completion (including any adjustments that were made to the project in view of changes in the applicable policy environment, such as project restructuring).

Any inconsistencies between the country, Bank and beneficiary priorities should also be reflected upon and reported. The assessment also considers the extent to which the project’s development objective was clearly stated and focused on outcomes and the realism of the intended outcomes in the project setting. For PBOs, it will be particularly important to ensure alignment with the Poverty Reduction Strategy paper (PRSP), Performance Assessment Framework (PAF) or applicable country and Bank sector strategies.

To assess alignment to the national development strategy/plan and to other relevant national sector and thematic strategies it is expected that AfDB project documentation sets out how the proposed Bank operation will contribute to specific national development objective(s), usually time bound and quantified.

For multinational and regional operations, regional development strategies, regional integration roadmaps, etc. should be used as reference for alignment. The preparation and adoption status of the source of alignment should be specified, as well as the eventual endorsement by partners, the period covered by the strategy, its priorities, pillars and key objectives with quantitative targets if available, and the main implementation issues highlighted in the latest review or progress report. Fragile states, often countries coming out of conflict, may not have a PRSP or national development plan in place or such development planning tools may be under preparation at a time when a project is prepared and expected to be presented to the Board for consideration. In such cases, alignment to country transitional results frameworks or interim strategies at the national or sector levels, often available, should be demonstrated together with appropriate references to the Bank’s interim strategy or country dialogue note.

The following rating scale applies:

**6 – Highly Satisfactory:** It is demonstrated that the project objectives doesn’t have any shortcoming in their alignment with: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs.

**5 –Satisfactory:** It is demonstrated that the project objectives have minor shortcomings in the alignment with: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs.

**4 – Moderately Satisfactory:** It is demonstrated that the project objectives have moderate shortcomings in the alignment with: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs

**3 – Moderately Unsatisfactory:** It is demonstrated that the project objectives have significant shortcomings in the alignment with one of the following: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs.

**2 – Unsatisfactory:** It is demonstrated that the project objectives have major shortcomings in the alignment with two of the following: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs.

**1 – Highly Unsatisfactory:** It is demonstrated that the project objectives have severe shortcomings in the alignment with all of the following: i) the Bank’s CSP, ii) applicable Bank sector strategies, iii) the country’s development strategies, and iv) the beneficiary needs.

#### **b.) Relevance of project design to achieve those objective**

This criterion assesses the soundness of the project design and the timing of eventual adjustments that were made during implementation in the scope, implementation arrangements, or technical solutions, to ensure the achievement of the intended results (outcomes and outputs). For PBOs an assessment will be made on the relevance of the prior actions, the policy dialogue and the extent to which the operation could have been more pro-poor in its design and implementation.

The relevance of project design should consider: (i) the extent to which the project’s objectives are clearly stated and focused on outcomes as opposed to outputs; (ii) The realism of intended outcomes in the country’s current circumstances also is assessed; (iii) the quality of risk assessment (assumptions made in the logic model); (iv) the extent to which project design adopted the appropriate solutions to the identified problems; (iv) the relevance of modifications made to project design; (v) the circumstances prevailing at the time of the evaluation. Evaluator should assess to what extent potential negative impacts were identified, their likelihood of occurring and how they might be avoided.

The rating is based on the following scale:

**6 – Highly Satisfactory:** The project design was fully conducive to achieving the project results. The original design was solid and remained appropriate throughout implementation; no adjustments to the scope, implementation arrangements or technical solutions were required to ensure the achievement of the intended outcomes and outputs.

**5 – Satisfactory:** The project design was largely conducive to achieving the project results. The original design was solid and remained appropriate throughout implementation; minor adjustments to the scope, implementation arrangements or technical solutions were required to ensure the achievement of the intended outcomes and outputs.

**4 – Moderately Satisfactory:** The project design was moderately conducive to achieving the project results. The original design was to some extent, sound and remained appropriate throughout implementation; adjustments to the scope, minor implementation arrangements or technical solutions were required and they were carried out in a timely manner to ensure the achievement of the intended outcomes and outputs.

**3 – Moderately Unsatisfactory:** The design was somewhat conducive to achieving the project results. The original design was either weak or lost its relevance during implementation; major adjustments to the scope, implementation arrangements or technical solutions were required during implementation, but these were done with substantial delays which negatively affected the achievement of the intended outcomes and outputs.

**2 –Unsatisfactory.** From approval to closure, the design was marginally conducive to achieving the project results. The original design was weak and remained irrelevant. Major adjustments to the scope, implementation arrangements or technical solutions were required during implementation, but these were not done which negatively affected the achievement of the intended outcomes and outputs.

**1 – Highly Unsatisfactory.** The project design was fully not conducive to achieving the project results. The original design was weak and remained irrelevant during implementation. Major adjustments to the scope, implementation arrangements or technical solutions were required

during implementation, but these were not done which negatively affected the achievement of the intended outcomes and outputs.

## 2. EFFECTIVENESS

The assessment of Effectiveness tests the validity of the anticipated links between the project's activities, outputs, and intended outcomes (the results chain). Actual, expected and unintended results of an operation are included in the assessment of Effectiveness. For PBOs the assessment should not only review the extent to which outputs were delivered (i.e. agreed-upon policy reforms took place), but also the degree to which complementary measures necessary for their implementation occurred (eg. public awareness, policy dialogue and institutional arrangements).

### a.) Achievement of outputs

The assessment of outputs is based on the output execution ratio (see table below) and the quality of outputs. It should consider the planned (targets) and actual output or those who are considered on track to be reached. In determining the final rating, no formula based on a pre-determined weight applied to individual outputs is undertaken. If possible, select no more than 10 output indicators in the RLF and to take into account the relative importance of the various components of the project in their selection. Any selection need to be clearly justified.

The overall output rating is based on the percentage of outputs (output execution ratio) that reached or are on track to meet the end of project target.

The following table demonstrates what is expected:

| Major Activities | Expected Outputs | Actual Outputs | Outputs execution rate | Outputs quality assessment |
|------------------|------------------|----------------|------------------------|----------------------------|
|                  |                  |                |                        |                            |
|                  |                  |                |                        |                            |

The following rating scale applies:

**6 – Highly Satisfactory:** Based on the output execution ratio all the project output targets were reached or are considered on track to be reached by the end of the project in accordance with quality standards.

**5 – Satisfactory:** Based on the output execution ratio between 90% and 99% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that the end of project targets could be achieved in accordance with quality standards.

**4 – Moderately Satisfactory:** Based on the output execution ratio between 75% and 89% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were implemented in a timely manner to ensure that the end of project targets could be achieved in accordance with quality standards.

**3 – Moderately Unsatisfactory:** Based on the output execution ratio between 50% and 74% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions for off track indicators were not implemented in a timely manner to ensure that the end of project targets could be achieved.

**2 – Unsatisfactory:** Based on the output execution ratio between 35% and 49% of the project output targets were reached or are considered on track to be reached by the end of the project. Corrective actions were not implemented and closely monitored for off track indicators. Poor performance jeopardized the achievement of one or more outcomes of the project.

**1 – Highly Unsatisfactory:** Based on the output execution ratio less than 35% of the project output targets were reached or are considered on track to be reached by the end of the project. Poor performance jeopardized the achievement of most expected outcomes and the possibility of stopping or suspending the project considered.

## b.) Achievement of outcomes

Outcomes are assessed against the project's objectives as contained in the Project Appraisal Report (PAR). The assessment of outcome puts is based on the direct and intermediate outcomes stated in the retrospective project logic model. If the statement of project objectives in the appraisal documents is unclear or is focused on outputs rather than outcomes, the evaluator reconstructs an outcome-oriented statement of objectives using the project's results chain, performance indicators and targets, and other information including country strategies and interviews with government officials and AfDB staff. The anticipated links between the project's activities, outputs, and intended outcomes are summarized in the project's results chain. The results chain is taken from the PAR. If the results chain is absent or poorly defined, the evaluator constructs a retrospective results chain from the project's objectives, components, and key performance indicators.

The evaluator should make sure that data collection remains open to unintended results that have not anticipated by including some open-ended questions in interviews and questionnaires, and by encouraging reporting of unexpected results. Unexpected benefits, once known about, can be designed into future interventions.

The ECG's 'Big Book on Evaluation Good Practice Standards'<sup>56</sup> recommends the following approach in this area:

- i. Assess the causal chain in relation to the needs of the target population, collaborating with stakeholders and experts.
- ii. Examine the critical assumptions and expectations inherent in the project's design, reviewing the logic and plausibility of the results chain. Again, this is done in collaboration with stakeholders.
- iii. Use available research evidence and practical experience elsewhere, comparing the project with projects based on similar concepts.
- iv. Observe the project in operation, focusing on interactions that were expected to produce the intended outcomes.

For PBOs the assessment should not only review the extent to which outputs were delivered (i.e. agreed-upon policy reforms took place), but also the degree to which complementary measures necessary for their implementation occurred (eg. public awareness, policy dialogue and institutional arrangements). Since PBOs are typically joint with other donors and RMC governments and are implemented through country systems, it may be difficult to attribute a direct link between the specific inputs of the Bank Group (and those of other partners) and the expected results. Therefore, the progress will be measured in terms of the collective efforts of the RMC and other partners, where applicable, while taking into account other external factors.

The following rating scale applies:

**6 – Highly Satisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that all intended project outcomes were achieved or are likely to be achieved.

**5 – Satisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that most (75%) intended project outcomes were achieved or are likely to be achieved.

**4 – Moderately Satisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that a substantial (50%-74%) intended project outcomes were achieved or are likely to be achieved.

**3 – Moderately Unsatisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that few (25-49%) intended project outcomes were achieved or are likely to be achieved.

<sup>56</sup> <https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>

**2 –Unsatisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that few (5-24%) intended project outcomes were achieved or are likely to be achieved.

**1 – Highly Unsatisfactory:** Taking into account the latest value of the outcome indicators and the analysis of other relevant exogenous risks/factors and assumptions, it is plausible to expect that very few (<5%) of the intended project outcomes were achieved or are likely to be achieved.

### 3. EFFICIENCY

The Efficiency assessment attempts to answer two questions: (i) Did the benefits of the project (achieved or expected to be achieved) exceed project costs; and (ii) Were the benefits of the project achieved at least cost? Cost-benefits analysis helps to address the first question. To address the second question a cost-effectiveness analysis is carried out. Good practices suggest also the, In addition to the traditional measures of efficiency (cost-benefit analysis and cost-effectiveness analysis), the Efficiency assessment considers aspects of project design and implementation that either contributed to or reduced efficiency (Timeless and Implementation progress) to the extent they are not already captured in the evaluation's cost-benefit or cost-effectiveness analysis.

#### a.) Cost-Benefit Analysis

Cost-benefit analysis is carried out to the extent that data is available. Where financial and/or economic internal rates of return can be re-estimated at post-evaluation, the details would be presented in appropriate appendixes. These appendixes would present a comprehensive evaluation of the rates of return and the underlying assumptions and the methodology adopted in sufficient detail. The sensitivity analysis indicates the key variables used and the underlying rationale and assumptions for using them. If time series data are used in the projections, such statistical data should be included in the appendix as table(s). Sensitivity tests on EIRR based on possible changes in key assumptions should also be carried out.

The validity of the cost-benefit analysis conducted at appraisal/mid-term review and completion is re-assessed at post-evaluation. It is a recommended to use the same model that was developed at appraisal.

For PBOs a quantitative assessment will be done if an Economic Rate of Return (ERR) was calculated at appraisal, if an *independent* assessment has been done (for example in existing joint evaluations) with regards to the contribution of policy reforms to economic growth this can be used (if not applicable, indicate N/A for this criterion).

**For Economic Performance.** The following rating scale applies:

**6 – Highly Satisfactory:** If EIRR is equal or above the opportunity cost of capital.

**5 – Satisfactory:** If (90% of the opportunity cost of capital  $\leq$  EIRR < the opportunity cost of capital)

**4 – Moderately Satisfactory:** If (80% of the opportunity cost of capital  $\leq$  EIRR < 90% of the opportunity cost of capital).

**3 – Moderately Unsatisfactory:** If (60% of the opportunity cost of capital  $\leq$  EIRR < 80% of the opportunity cost of capital).

**2 – Unsatisfactory:** If (40% of the opportunity cost of capital  $\leq$  EIRR < 60% of the opportunity cost of capital).

**1 – Highly Unsatisfactory:** If EIRR is less than 40 % of the opportunity cost of capital.

#### For Financial Performance

Projects, which involve an entity that operates on a commercial basis or otherwise depends on cost recovery for sustainability, should undertake financial analysis to establish that, under a set of plausible assumptions, the entity will eventually be able to self-finance its activities.

The financial viability of revenue earning projects is determined on the basis of the project itself, not on the basis of the operations of the entity that owns or operates the project. The principal comparison is between the Financial Internal Rate of Return (FIRR) which represents the rate of return earned on the project and the Weighted Average Cost of Capital (WACC) for the project. If

the rate of return exceeds the cost of capital to finance the project it meets the test of financial viability. The following rating scale applies:

- 6 – Highly Satisfactory:** If  $(FIRR \geq 1.25 \times WACC)$ .
- 5 – Satisfactory:** If  $(1.1 \times WCC \leq FIRR < 1.25 \times WACC)$
- 4 – Moderately Satisfactory:** If  $(WCC \leq FIRR < 1.1 \times WACC)$
- 3 – Moderately Unsatisfactory:** If  $(0.85 \times WCC \leq FIRR < WACC)$
- 2 – Unsatisfactory:** If  $(0.7 \times WCC \leq FIRR < 0.85 \times WACC)$
- 1 – Highly Unsatisfactory:** If  $FIRR < 0.7 \times WACC$ .

#### b.) Cost-Effectiveness

The analysis considers the cost of alternative ways to achieve project objectives, unit costs for comparable activities, sector or industry standards, and/or other available evidence of the efficient use of project resources. Since one objective of providing funds as PBO rather than project is to reduce transaction costs, evidence can be collected to assess whether this has happened.

#### a.) Timeliness

The timeliness of project implementation is based on a comparison between the planned and the actual period of implementation from the date of signature. For PBOs, the timely releases of the tranche(s) are assessed through this criterion. The following rating scale applies:

- 6 – Highly Satisfactory:** The ratio of planned implementation time (as per PAR) and actual implementation time from the date of effectiveness is expected to be  $>1$ .
- 5 – Highly Satisfactory:** The ratio of planned implementation time (as per PAR) and actual implementation time from the date of effectiveness is expected to be 1.
- 4 – Satisfactory:** The ratio of planned implementation time (as per PAR) from the date of effectiveness and actual implementation time from the date of effectiveness is expected to be  $<1$  and  $\geq 0.90$ .
- 3 – Moderately Unsatisfactory:** The ratio of planned implementation time (as per PAR) from the date of effectiveness and actual implementation time from the date of effectiveness is expected to be  $<0.90$  and  $\geq 0.80$ .
- 2 – Unsatisfactory:** The ratio of planned implementation time (as per PAR) from the date of effectiveness and actual implementation time from the date of effectiveness is expected to be  $<0.75$  and  $\geq 0.80$ .
- 1 – Highly Unsatisfactory:** The ratio of planned implementation time (as per PAR) from the date of effectiveness and actual project implementation time from the date of effectiveness is expected to be  $<0.75$ .

#### b.) Implementation progress (IP)

The IP rating will be derived from the IPR that shall be updated in tandem with the PCR preparation. The IP rating takes into account all applicable IP criteria assessed under each of the three main categories: i) compliance with covenants (project covenants, environmental and social safeguards and audit compliance), ii) project systems and procedures (procurement, financial management and monitoring and evaluation), and iii) project execution and financing (disbursement, budget commitments, counterpart funding and co-financing). The simple arithmetic average of the individual ratings is calculated to derive the final rating. The overall IP rating is provided as follows:

- 6 - Highly Satisfactory:** The average rating of applicable IP criteria ratings is comprised between 3.5 and 4. The implementation processes have for the most part been highly satisfactory and has to lead to the anticipated results.
- 5 - Highly Satisfactory:** The average rating of applicable IP criteria ratings is comprised between 3 and 3.49. The implementation processes have for the most part been highly satisfactory and has to lead to the anticipated results.
- 4 - Satisfactory:** The average rating of applicable IP criteria ratings is comprised between 2.5 and 2.95. The implementation processes has for the most part been satisfactory and has for the most part lead to the anticipated results.



**3 - Satisfactory:** The average rating of applicable IP criteria ratings is comprised between 2 and 2.49. The implementation processes has for the most part been satisfactory and has for the most part lead to the anticipated results.

**2 - Unsatisfactory:** The average rating of applicable IP criteria ratings is comprised between 1.5 and 1.95. Several dimensions of implementation processes have not been satisfactory which has jeopardized the achievement of some project results.

**1 - Highly Unsatisfactory:** The average rating of applicable IP criteria ratings is comprised between 1.0 and 1.49. Most dimensions of implementation processes have not been satisfactory which has jeopardized the achievement of project results.

#### 4. SUSTAINABILITY

The assessment of sustainability considers the extent to which the project has addressed risks during implementation and put in place mechanisms to ensure the continued flow of benefits after completion. It should also evaluate risks to the sustainability of development outcomes and/or the project's benefits, including the resilience to exogenous factors. The overall rating of the sustainability outcome is the mean of the rating of the following four criteria: i) technical viability; ii) financial and economic sustainability, iii) institutional sustainability and strengthening of capacities, iv) Political and governance environment, (v) ownership and sustainability of partnerships vi) environmental and social sustainability and (vii) Resilience to exogenous factors and risk management.

##### a.) Technical Soundness

The criterion assesses the extent to which the project achievements rely on sound technology using inputs efficiently and providing productivity gains. It includes operation and maintenance (O&M) facilitation, availability of recurrent funding, spare parts, workshop facilities etc.)

**6 – Highly Satisfactory:** There is a low likelihood that the achievement of the project results is adversely affected by factors related to the technical design of the project. Reasons for this could include the following: the operation is technically simple; it was informed by extensive analytical work; the client and the Bank have extensive experience with similar projects or programs; and its economic benefits depend almost entirely on operation specific factors that can be effectively addressed in the operational design.

**5 – Satisfactory:** There is a likelihood that factors related to the technical design of the program or project may adversely impact the achievement of the project results. Such factors could include the following: the project is technically moderately complex; it was informed by adequate analytical work; it has a small number of components and sub-components; the client or the Bank has some experience with similar operations; and the technologies and processes used in the design have been successfully used elsewhere. The operation's economic benefits depend primarily on factors that can be adequately addressed in the design.

**4 – Moderately Satisfactory:** There is a moderate likelihood that factors related to the technical design of the program or project may adversely impact the achievement of the project results. Such factors could include the following: the project is technically moderately complex; it was informed by adequate analytical work; it has a small number of components and sub-components; the client or the Bank has some experience with similar operations; and the technologies and processes used in the design have been to some extent successfully used elsewhere. The operation's economic benefits depend primarily on factors that can be adequately addressed in the design.

**3 – Moderately Unsatisfactory:** There is a moderately substantial likelihood that factors related to the technical design of the program or project may adversely impact the achievement of the project results. Such factors could include the following: the project is technically complex; it was informed by limited analytical work; it has several components and subcomponents; the client or the Bank has limited experience with similar operations; and the design incorporates or relies on relatively new technologies and processes, which do not yet have a sufficient record. It may also be the case that r the project's economic benefits to some extent depend on external factors that cannot be controlled through the operational design.

**2 – Unsatisfactory:** There is a substantial likelihood that factors related to the technical design of the program or project may adversely impact the achievement of the project results. Such

factors could include the following: the project is technically complex; it was informed by limited analytical work; it has several components and subcomponents; the client or the Bank has limited experience with similar operations; and the design incorporates or relies on relatively new technologies and processes, which do not yet have a track record. It may also be the case that the project's economic benefits significantly depend on external factors that cannot be controlled through the operational design.

**1 – Highly Unsatisfactory:** There is a high likelihood that factors related to the technical design of the program or project may severely impact the achievement of the project results. Such factors could include the following: the project is of high technical complexity; it was not informed by strong analytical work; it has a large number of components and subcomponents; the client or the Bank has no experience designing similar operations; the design incorporates or relies on untested or unfamiliar technologies and processes; and making adjustments to the operation's design would be very difficult and costly. It may also be the case that the project's economic benefits are largely dependent on factors project activities may not be realistic or cannot be properly calibrated.

#### **b.) Financial and Economic Viability**

This criterion assesses the extent to which funding mechanisms and modalities (eg. tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits after project completion, with particular emphasis on financial sustainability. For PBOs the assessment should focus on the financial sustainability of the reforms, as well as the Bank's policy dialogue to promote financial sustainability of the reforms. The rating is essentially qualitative using the following scale:

**6 – Highly Satisfactory:** The project has put in place **robust** mechanisms for economic and financial sustainability that are very likely to ensure the continued flow of benefits associated with the project after completion.

**5 – Satisfactory:** The project has put in place **sufficient** mechanisms for economic and financial sustainability that are deemed sufficient to ensure the continued flow of benefits associated with the project after completion.

**4 – Moderately Satisfactory:** The project has put in place **moderate** mechanisms for economic and financial sustainability that are deemed sufficient to ensure the continued flow of benefits associated with the project after completion.

**3 – Moderately Unsatisfactory:** The project has put in place **few** mechanisms for economic and financial sustainability, but they are not expected to be sufficient to ensure the continued flow of benefits associated with the project after completion.

**2 – Unsatisfactory:** The project has put in place **very few** mechanisms for economic and financial sustainability, but they are not expected to be sufficient to ensure the continued flow of benefits associated with the project after completion.

**1 – Highly Unsatisfactory:** The project has not put in place any mechanisms for economic and financial sustainability, and the flow of benefits associated with the project are not expected to continue after completion.

#### **c.) Institutional sustainability and strengthening of capacities**

The criterion assesses the extent to which the project has contributed to strengthen institutional capacities - including for example through the use of country systems - that will facilitate the continued flow of benefits associated with the project. An appreciation should be made with regards to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of the operation. For PBOs this should include an assessment on the contributions made to building the capacity to lead and manage the policy reform process; as well as the extent to which the political economy of decision making was conducive to reform, the Government's commitment to reform and how the design reinforced national ownership. The rating is based on the following scale:

**6 – Highly Satisfactory:** The project was critical in building or strengthening institutional capacities in the concerned sector / area of intervention. Country systems and capacities are excellent and sufficient to ensure the continued flow of benefits associated with the project after completion.

**5 – Satisfactory:** The project significantly contributed to strengthening institutional capacities in the concerned sector / area of intervention. Country systems and capacities are very good and deemed sufficient to ensure the continued flow of benefits associated with the project after completion.

**4 – Moderately Satisfactory:** The project moderately contributed to strengthening institutional capacities in the concerned sector / area of intervention. Country systems and capacities are good and deemed sufficient to ensure the continued flow of benefits associated with the project after completion.

**3 – Moderately Unsatisfactory:** The project marginally contributed to strengthening institutional capacities in the concerned sector / area of intervention and/or parallel systems had to be used. Country systems and capacities remain moderately weak and are deemed insufficient to ensure the continued flow of benefits associated with the project after completion.

**2 – Unsatisfactory:** The project very marginally contributed to strengthening institutional capacities in the concerned sector / area of intervention and/or parallel systems had to be used. Country systems and capacities remain weak and are deemed insufficient to ensure the continued flow of benefits associated with the project after completion.

**1 – Highly Unsatisfactory:** The project did not contribute to strengthening institutional capacities in the concerned sector / area of intervention and or parallel systems had to be used intensively. Country systems and capacities are **very weak** and not able to ensure the continued flow of benefits associated with the project after completion.

#### **d.) Political and governance environment**

This criteria assesses the extent political and governance developments that could impact the government's priorities with respect to the project. This includes (but is not limited to) upcoming elections or an impending change in government; and other factors that could impact the political commitment to the operation or operational engagement and the political decisions required for sustainability of project results (including laws and the provision of counterpart financing). Special attention should be paid to fraud, corruption and other unethical practices resulting from governance failures.

**6 – Highly Satisfactory:** There is a low likelihood that political factors could adversely impact the project results. The political and governance situation does not represent a risk to the project results thanks to political stability, consensus on development priorities, a strong anti-corruption and ethics environment and high levels of transparency, accountability and participation. All relevant political decisions (including approval of laws and regulations) have been taken and cannot be reversed easily.

**5 – Satisfactory:** There is a likelihood that political and governance factors could adversely impact the project results. At the program level, the political context is relatively stable and not likely to significantly affect the project results. The government has a clear set of development priorities, which are generally supported across the political spectrum and are consistent with the program. Adequate anti-corruption and public sector ethics regulations exist and are generally enforced.

**4 – Moderately Satisfactory:** There is a moderate likelihood that political and governance factors could adversely impact the project results. The political context is relatively stable and not likely to significantly affect the project results. The government has a clear set of development priorities, which are generally supported across the political spectrum and are consistent with the program. Adequate anti-corruption and public sector ethics regulations exist and are to some extent enforced.

**3 – Moderately Unsatisfactory:** There is a substantial likelihood that political and governance factors could significantly impact the project results achievement. The project results could be impacted by significant political uncertainty or transition. This may include post-conflict countries that have achieved some level of political stability; or countries that enjoy a period of relative stability but have a history of endemic political upheaval with negative effects on the operational engagement. Likewise, the government has taken initial steps to improve transparency, accountability and participation, but with limited impact.

**2 – Unsatisfactory:** There is a major likelihood that political and governance factors could significantly impact the project results achievement. The project results could be impacted by

significant political uncertainty or transition. This may include post-conflict countries that have achieved some level of political stability; or countries that enjoy a period of relative stability but have a history of endemic political upheaval with negative effects on the operational engagement. Likewise, the government has taken initial steps to improve transparency, accountability and participation, but with limited impact.

**1 – Highly Unsatisfactory:** There is a high likelihood that political and governance factors could severely impact the project results. The project results could be derailed by a high degree of political instability, fragility, uncertainty or transition. The country may be undergoing conflict or may have recently emerged from conflict, and the political context is fragile. The government's development priorities are unclear. Anti-corruption and public sector ethics regulations do not exist or are not enforced.

#### e.) **Ownership and sustainability of partnerships**

The assessment determines whether the project has effectively involved relevant stakeholders, promoted a sense of ownership amongst the beneficiaries (both men and women) and put in place effective partnerships with relevant stakeholders (e.g. local authorities, civil society organizations, private sector, donors) as required for the continued maintenance of the project outputs. For PBOs, the assessment should include the extent to which the Government conducted extensive consultations during the preparation and implementation of the PRSP and the extent to which the Bank supported the Government in deepening the consultation processes. The rating is largely qualitative using the following scale:

**6 – Highly Satisfactory:** The project has been highly effective at involving all the relevant stakeholders and there is a strong sense of ownership amongst the beneficiaries. Effective partnerships with relevant stakeholders (eg. local authorities, civil society organizations, private sector) have been put in place to ensure the continued maintenance and management of project outputs.

**5 – Satisfactory:** The project has been effective at involving most stakeholders and promoting a sense of ownership amongst the beneficiaries. Partnerships with relevant stakeholders have been put in place and are deemed sufficient to ensure the continued maintenance and management of project outputs.

**4 – Moderately Satisfactory:** The project has been to a moderate extent effective at involving some stakeholders and promoting a sense of ownership amongst the beneficiaries. Partnerships with relevant stakeholders have been put in place and are deemed somewhat sufficient to ensure the continued maintenance and management of project outputs.

**3 – Moderately Unsatisfactory:** The project has involved only a small number of stakeholders and there is limited ownership amongst the beneficiaries. No or marginally effective partnerships with relevant stakeholders have been put in place and are not considered sufficient to ensure the continued maintenance and management of project outputs.

**2 – Unsatisfactory:** The project has involved only a small number of stakeholders and there is limited ownership amongst the beneficiaries. No or marginally effective partnerships with relevant stakeholders have been put in place and are not considered sufficient to ensure the continued maintenance and management of project outputs.

**1 – Highly Unsatisfactory:** The project has not been effective at involving the relevant stakeholders and there is no sense of ownership amongst the beneficiaries. No partnerships with relevant stakeholders have been established to ensure the continued maintenance and management of project outputs.

#### f.) **environmental and social sustainability**

This criterion would normally only apply to Environmental Category I and II projects. It assesses the extent to which the environmental and social mitigation/enhancement measures of the project were implemented, the capacity of country institutions and systems and the availability of funding to ensure the environmental and social sustainability of the operation. The Environmental and Social Safeguards rating in the IPR should be used as a guidance. The rating is largely qualitative using the following scale:

**6 - Highly satisfactory.** The ESMP has been implemented in a timely and satisfactory manner; institutional capacity is strong and there is sufficient funding to ensure the environmental and social sustainability of the operation.

**5 – Satisfactory.** The ESMP has largely been implemented in a timely and satisfactory manner; institutional capacity and funding are deemed sufficient to ensure the environmental and social sustainability of the operation.

**4 – Moderately Satisfactory.** The ESMP has largely been implemented in a timely and satisfactory manner; institutional capacity and funding are deemed moderately sufficient to ensure the environmental and social sustainability of the operation.

**3 – Moderately Unsatisfactory.** The ESMP has been implemented with major delays or somewhat in an unsatisfactory manner; institutional capacity and funding are deemed moderately insufficient to ensure the environmental and social sustainability of the operation.

**2 – Unsatisfactory.** The ESMP has been implemented with major delays or in an unsatisfactory manner; institutional capacity and funding are deemed insufficient to ensure the environmental and social sustainability of the operation.

**1 – Highly unsatisfactory.** The ESMP has not been implemented; institutional capacity and funding are not available to ensure the environmental and social sustainability of the operation.

#### **g.) Resilience to exogenous factors and risk management**

This criteria assesses the extent to which the achievements depend on exogenous factors, such as the terms of trade, the world market prices or the political situation in neighboring countries.

**6 – Highly Satisfactory:** The project achievements did not depend on any exogenous factors or/and have low risks to achieving the intended results.

**5 – Satisfactory:** The project achievements very marginally depend on exogenous factors or/and have very marginal risks to achieving the intended results.

**4 – Moderately Satisfactory:** The project achievements marginally depend on exogenous factors or/and have marginal risks to achieving the intended results.

**3 – Moderately Unsatisfactory:** The project achievements to some extent depend on exogenous factors or/and have sufficient risks to achieving the intended results.

**2 – Unsatisfactory:** The project achievements substantially depend on exogenous factors on exogenous factors or/and have major risks to achieving the intended results.

**1 – Highly Unsatisfactory:** The project achievements highly depend on exogenous factors on exogenous factors or/and have very significant high risks to achieving the intended results.