

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No.: 62413-MR

THE ISLAMIC REPUBLIC OF MAURITANIA

POVERTY REDUCTION STRATEGY PAPER

AND

JOINT STAFF ADVISORY NOTE

June 6, 2011

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without the authorization of the World Bank and the International Monetary Fund.

INTERNATIONAL MONETARY FUND AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ISLAMIC REPUBLIC OF MAURITANIA

Joint Staff Advisory Note on the Third Poverty Reduction Strategy Paper

Prepared by the Staffs of the International Monetary Fund
and the International Development Association

Approved by Patricia Alonso-Gamo and Dhaneshwar Ghura (IMF)
and Obiageli Katryn Ezekwesili (IDA)

June 6, 2011

I. OVERVIEW

1. **The Government of the Islamic Republic of Mauritania's third Poverty Reduction Strategy Paper (PRSP-3) provides a comprehensive framework for implementing an ambitious growth and poverty reduction agenda over the next five years.** It follows and builds on PRSP-1 (2001-04) and PRSP-2 (2006-10), which were not fully operationalized. PRSP-3 (2011-15) is consistent with the policy priorities set out in the current ECF-supported program and contains the same five principal objectives as its predecessor: (i) accelerating economic growth and maintaining macroeconomic stability; (ii) making growth more inclusive; (iii) improving the potential of the Mauritanian people and their access to basic social services; (iv) enhancing governance and institutional development; and (v) improving planning, monitoring and evaluating systems. Learning from the suboptimal implementation and weak monitoring framework of PRSP-1 and PRSP-2, the authorities reinforced the last objective of PRSP-3 to improve the coordination and monitoring systems used to regularly assess the progress of the strategy.

2. **The PRSP-3's updated development perspective and five principal objectives reflect the country's new economic and political realities.** The key events that provide the background to the drafting of PRSP-3 are the democratic elections of a new government in 2009, the global financial crisis, the downward revision of estimated oil resources, and rising commodity prices. The authorities were also determined to learn from past experiences and undertook a comprehensive review of achievements, shortcoming, and remaining obstacles identified during the weak implementation of earlier PRSPs. These lessons are reflected in PRSP-3 through more realistic overall growth objectives; actions to address inclusive growth, with a focus on agricultural development as a means to reduce poverty; a conscious effort to improve the alignment

between budget programming and execution, also through eventually adopting medium-term budget frameworks (MTBF); and a more robust monitoring and evaluation framework.

3. **The authorities consulted extensively with a wide range of stakeholders to ensure the widest possible buy-in for the PRSP process.** The central government consulted with line ministries, local governments, the private sector, and civil society to produce five sectoral strategies, one for each of the PRSP-3's principal objectives. These broad sectoral strategies were the basis of a preliminary draft, cleared by an inter-ministerial committee ahead of a stakeholders' conference organized in Nouakchott in February 2011. The government adopted the final document in April 2011, incorporating some of the comments and suggestions made by stakeholders at the conference. The authorities plan to follow a similar iterative and participative approach during PRSP-3 implementation, especially in the drafting of annual progress reports. This process should regularly involve stakeholders in all evaluation phases to ensure full ownership of the assessment, recommendations, and strategies.

4. **PRSP-3 will serve as a good base for donor coordination and resource mobilization.** The estimated financing costs of the planned initiatives under PRSP-3 amount to about \$9.2 billion, of which about a third has been identified.¹ The authorities expect the PRSP-3 to remain the guiding anchor for donor intervention in Mauritania. During the preparation of the document, the authorities consulted with development partners, who also participated in the stakeholders' conference. The staffs agree that improved coordination and alignment of donors' financial and technical assistance would help reduce transaction costs and ENSURE more efficient strategy implementation. In this regard, the staffs support the government's plan to convene bi-annual donor coordination meetings and to pursue the implementation of the Paris Club Declaration. The staffs also encourage the authorities to develop contingency plans in annual progress reports in the event financial support turns out to be lower than planned.

II. POVERTY DIAGNOSIS AND THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

5. **Mauritania economy is two tiered, with a capital-intensive export sector vulnerable to external shocks and a low-productivity agricultural sector.** This structure has presented a formidable challenge to poverty reduction. The expansion of Mauritania's services industries (particularly transport and telecommunications) and the good performance of the mining sector (particularly iron ore, copper, and gold) drove overall growth during 2006-10. However, these activities had limited spillovers to agriculture, which remains the most important employment sector—60 percent of the population cited agriculture as their main source of income. As a result, agriculture was the smallest contributor to overall GDP growth during the last five years.

6. **The PRSP-3 acknowledges the limited progress in reducing poverty, thus highlighting the country's inability to reach its poverty MDG by 2015.** Between 2004

¹ The remainder is expected to come from additional donor support and new public-private partnership initiatives.

and 2008, the incidence of poverty declined from 47 percent to 42 percent of the population. While this was less than in 2000 when 51 percent of the population was considered poor, continuing on this modest trajectory would make it very difficult to reduce poverty to 25 percent by 2015, the country's MDG goal. PRSP-3 points out that addressing poverty is intimately linked to strengthening the performance of the agricultural sector as almost 60 percent of the rural population was poor in 2008, compared to 21 percent in urban areas. Moreover, rural poverty worsened in the four years to 2008, while urban poverty fell, particularly in the country's capital.

7. **The staffs agree that the slow progress in poverty reduction is due to three main factors.** First, overall economic growth was weaker than expected at the inception of both PRSP-1 and PRSP-2. Second, growth was not sufficiently "pro-poor", which is intimately linked to the poor performance of the agricultural sector. Finally, the country has experienced relatively rapid population growth, leading to an increase in the absolute number of poor people in 2004-08, **DESPITE** the decrease in relative poverty. These factors were made worse by a series of exogenous shocks, both external (food and fuel prices, global financial crisis) and domestic (political instability).

8. **PRSP-3 candidly recognizes the mixed results in achieving the remaining MDGs and highlights the need for renewed focus.** MDG 2 (universal primary education) and MDG 3 (gender equality in primary education) appear achievable because of the significant progress already realized in school enrollment. The prevalence of HIV/AIDS remains below one percent, which is already sufficient to meet the associated MDG. However, MDG 4 and MDG 5, related to child and maternal health, will not be within reach under current policies. In the staffs' view, achieving the MDGs will depend critically on making growth more inclusive through boosting productivity in the agricultural sector and using public resources more efficiently, particularly in the health sector. This would help reduce the large regional disparities for accessing basic health services and infrastructure.

III. STRATEGIC VISION, OBJECTIVES AND IMPLEMENTATION

A. Macroeconomic Framework

9. **PRSP-3 is built on a macroeconomic framework that aims to unlock Mauritania's growth potential, while safeguarding stability.** The macroeconomic objectives for the 2011-15 period set in PRSP-3 are broadly in line with the current ECF-supported program and aim at: (i) lifting average annual real GDP growth to 5.8 percent; (ii) containing annual inflation to below 5 percent; (iii) bringing down the budget deficit (including grants) to below 2.6 percent of non-oil GDP by 2015; and (iv) increasing international reserves to close to 4 months of imports by 2015. While some of these objectives remain ambitious, attaining them in the medium-term is feasible provided the authorities continue to put in place prudent fiscal, monetary, and exchange rate policies, while pressing ahead with their structural reform agenda. This will sustain growth and help mitigate the impact of adverse external developments. Given the country's high vulnerability to external shocks, it would have been important to include in PRSP-3 a sensitivity analysis that highlights downside and upside risk scenarios, as recommended

at the stakeholders' conference. The staffs therefore encourage the authorities to include such analyses in the annual progress reports.

10. **Overall growth projections are mainly driven by rising activity in the service, construction, and mining sectors.** This is consistent with staffs' projections. However, the role of the informal sector, which accounts for up to 30 percent of gross domestic product, could have been analyzed in more depth. Achieving the authorities' growth projections will require successfully **BOOSTING** competitiveness in the private sector, particularly that of small- and medium-sized enterprises and of the service sector, where financial intermediation is supposed to play a leading role.

11. **Planned monetary and exchange rate policies are in line with the listed macroeconomic objectives.** The staffs consider that maintaining inflation below five percent in an environment of high food and energy prices will be challenging. However, the authorities' monetary policy is appropriate for maintaining inflation in single digits. The staffs also agree that the Central Bank of Mauritania (CBM) should only lower interest rates if the inflation outlook **REMAINS** favorable and inflationary pressures in check. In view of the weak transmission mechanism, staffs agree with the CBM's stated option of using reserve requirements to affect credit conditions. Mauritania's Real Effective Exchange Rate remains broadly in line with fundamentals. The authorities' stated commitment to greater exchange rate flexibility is welcome as it will help act as a buffer against external shocks, boost international reserves, and protect international competitiveness.

12. **The envisaged fiscal consolidation is key for maintaining macroeconomic stability and represents an important instrument for poverty reduction.** Total revenue (without grants) is projected to increase 14 percent per year on average, reflecting efforts to broaden the tax base, improved revenue administration, and higher prices for key exports, such as iron ore, gold and fish. On the expenditure side, growth of subsidies to state-owned enterprises and public wages is contained at 3.1 percent per year over 2011-15, down from 9 percent before. Expenditure cuts in these two categories, which are generally associated with an inefficient use of scarce public resources, are appropriate, but policies underlying such cuts need to be identified. This will be particularly important at a time when the cost of generalized and insufficiently targeted subsidies is increasing as a result of rising international food and energy prices. The staffs strongly support the authorities' intentions to scale back generalized price subsidy schemes to improve the existing targeting mechanisms.

13. **A more positive effect of the recent surge in commodity prices is that revenue projections are now stronger than they were at the time of the finalization of PRSP-3.** This creates additional space for adhering to the envisaged fiscal consolidation path while increasing spending on **MUCH** needed infrastructure and poverty reduction. However, the authorities should remain prudent by anchoring their fiscal policy stance on developments in the non-extractive industries, which would help avoid hard budgetary choices in case of a downturn in world commodity markets.

B. Making Growth More Inclusive

14. **The staffs concur with the authorities that the private sector needs to become the source of sustained and inclusive growth.** PRSP-3 identifies weak private sector activity as a major factor that prevented sustaining a robust economic growth momentum. The staffs agree that weak physical and institutional infrastructure, limited access to financial services, an inadequately trained work force, and a burdensome regulatory environment are the proximate causes of private sector underdevelopment.

15. **PRSP-3 seeks to limit corruption and anti-competitive behavior.** A main challenge is to improve the governance of private firms and the regulatory environment to limit inefficient rent-seeking and **CORRUPTION**. The recent adoption of the national anti-corruption strategy is a positive step forward, and the staffs recommend that this strategy be reinforced with strong political commitment. Oligopolistic structures in many key domestic markets interfere with an efficient allocation of resources, limiting productivity and employment growth. The staffs support the government's plan to adopt a strategy to fight against noncompetitive practices, including improving the legal and institutional framework on competition policy.

16. **A large number of policy measures aim to boost private-sector activity.** The staffs agree with the government's plans to adopt an investment code that is in line with most relevant international practices. Further simplification of tax and customs procedures and streamlining the structure of custom duties and tariffs will also help remove growth constraints. Other recommended reforms are: (i) conducting a census of all potential tax payers; (ii) applying the new and much simplified procurement code; and (iii) improving the functioning of the One-Stop Window and other regulations that affect private sector activities, including those **REGULATIONS** captured by the Doing Business Indicators (DBI). Mauritania ranks 165 out of 183 countries in the DBI ratings for 2011, with the DBI for starting a business at 152 and DBI for getting credit at 152. In the staffs' view, detailing and prioritizing the policy reforms suggested in PRSP-3 based on how constraining they are to private sector growth will help channel resources to reforms that yield greatest growth dividends.

17. **PRSP-3 acknowledges that growth is not driven by economic sectors that employ most of the poor.** The most labor-intensive sector, agriculture, is not projected to be a major driving force, which raises questions about the extent to which economic growth, even if it materializes according to projections, will dent poverty. A discussion of the links between the projected sectoral growth pattern and poverty reduction would have helped assess whether the overall growth objective is compatible with the poverty goal. Also, the staffs believe that the analysis **OF THE SECTORAL GROWTH PATTERN WOULD HAVE BENEFITTED FROM A GREATER FOCUS ON THE ROLE** of the informal sector, which includes most of the SMEs active in the country. While the planned 1-2-3 survey of the informal sector is welcome, the staffs would have liked to see a strategic vision of how to improve the business environment and government services so that workers and SME are willing to formalize their economic activities.

18. **Improving the productivity of the agricultural sector is key to poverty reduction.** Acknowledging the challenge, the **AUTHORITIES'** goals are committed to making the sector more modern and productive, while ensuring food security. The staffs support the authorities' emphasis on the importance of developing supportive infrastructure such as irrigation, improving distribution networks, and building capacity. The authorities' plan to establish a regulatory framework for public-private partnerships (PPPs) is welcome and a pre-requisite for any type of PPPs introduced to encourage private investments in irrigation projects.

19. **Inclusive growth requires reinvigorating small- and medium-sized enterprises.** PRSP-3 highlights progress made in improving the environment for SMEs, but notes that it remains constrained by an unfavorable tax regime and high external financing costs. The staffs agree that reforms in these areas should be a priority. The government's efforts to strengthen supervision of micro-finance institutions represent another promising track for supporting SMEs, particularly those that are particularly restricted in their access to finance such as female-operated companies and SMEs in rural areas.

20. **PRSP-3 also underlines the need to enhance social protection.** The staffs welcome the recently completed study on social protection and believe that the forthcoming social protection strategy should consider migrant workers and give prominence to developments in the informal sector. In the staffs' view, updating existing surveys on the most vulnerable population, **SUCH** as the annual World Food Program survey and the more extensive 2008 household survey, is necessary to analyze the most recent poverty developments. The findings can then be used to introduce better targeted social safety nets and assess the effectiveness of any social protection reforms. In light of the recent food crises, the authorities plan to better protect the most vulnerable, including through re-evaluating the existing food subsidy scheme, which is neither well-targeted nor cost effective. The staffs support the authorities' efforts to replace the existing system by a better targeted social safety net in the near term.

21. **In view of rapid population growth and pervasive high unemployment, the staffs support the authorities' intention to improve labor market conditions.** Specific measures include a renewed focus on education and professional training programs to better target skills and knowledge needs of the private sector. The importance of skills development cannot be understated, particularly for the growth of modern agriculture or mining sector that currently recruits abroad to **FILL** vacancies requiring technical skills. Other efforts will focus on fostering entrepreneurship and partnerships with the private sector, and other public policy avenues such as employment through public investment projects. The staffs concur with these objectives and the envisaged reforms to update the implementing regulations associated with the labor code, to revise the general convention on collective bargaining, and to strengthen the role of the inspectors and controllers of the labor administration.

C. Improving the Potential of the Mauritanian People and Access to Basic Social Services

22. **PRSP-3 continues to focus on health and education as key ingredients to sustainable development.** The staffs **STRONGLY** support efforts aimed at closing educational disparities based on gender, socio-economic characteristics, and regions. The emphasis on improving the quality of education at all levels and gearing curricula towards meeting market demands for advanced and technical jobs is also critical. Skill development is crucial for job creation as Mauritania has about 350,000 unskilled youth that did not complete secondary education **WHILE** 65,000 school dropouts enter the labor market annually. On gender, the staffs welcome the authorities' plan to adopt a national strategy for institutionalizing gender issues, followed by a law to implement it.

23. **The staffs also agree on the urgent need to improve access to and quality of health services.** To get within reach of the MDGs related to maternal and infant health, the staffs encourage the government to **DEVELOP** a policy that: (i) enhances training of midwives and nurses and better equipment for emergency care; (ii) improves the incentives of health workers; (iii) has a better balance between increased use of existing services and the construction of new health facilities; (iv) further develops rural outreach through mobile teams and community health workers; and (v) emphasizes demand-side incentives, such as vouchers for pre-natal care and institutional deliveries.

24. **The ongoing public expenditure review in the health sector should provide valuable insights into the quality and efficiency of sectoral expenditures,** thus helping the authorities improve their budget **ALLOCATION** and execution practices. A similar public expenditure review should be undertaken for the education sector.

D. Enhancing Governance and Institutional Development

25. **The government recognizes that governance needs to be strengthened along a number of dimensions:** (i) political and democratic, (ii) local and territorial; (iii) economic; (iv) environmental; (v) **CITIZENS'** control; and (vi) capacity building among public and private actors. In the economic sphere, the staffs welcome the country's expected graduation in 2011 from the Extractive Industries Transparency Initiative (EITI) "candidate country" to "compliant country" status. The staffs also support the government's adoption of a strategy against corruption. The staffs encourage the authorities to move ahead with the implementation of their public finance reform program, which will help strengthen accountability, including external and audit functions. Maintaining and publishing reliable and unified databases on public finances will help show how well public funds are spent, which strengthens transparency and, as a result, accountability. Finally, implementing the new procurement law will increase efficiency and transparency in transactions between the private and public sectors.

26. **PRSP-3 recognizes that adequate policy making requires much improved statistical capacity.** The 2007-2012 and 2012-2015 National Strategies for the Development of Statistics (SNDS) are geared towards strengthening capacity in the public sector to produce reliable statistics in a timely manner. To this end, the

government is progressively moving **TOWARDS** international norms and plans to update existing statistical information through a series of surveys (e.g., a general population census, a census for the rural and agricultural sectors, and surveys on employment in the informal sector, poverty, and infant and maternal health).

E. Strengthening Planning, Monitoring and Evaluation Systems

27. **PRSP-3 candidly notes that the two previous poverty reduction strategies were neither fully implemented nor satisfactorily monitored.** Insufficient coordination between various expenditure plans and budget programming tools (PRSP, MTBF, consolidated investment budget and **BUDGET** law) and inappropriate monitoring and evaluation systems help explain weaknesses observed over the last decade. The staffs therefore strongly encourage enhancing the coordination between budget planning and actual expenditure execution to ensure that budget programming mirrors the country's development goals. The authorities have chosen to streamline the indicators used for PRSP-3 and develop a clear working methodology to select them.² The staffs believe that the proposed indicators capture a wide variety of poverty-relevant developments and urge the authorities to collect the necessary data with the shortest time lags possible. Using a computerized system to capture the life cycle of investment projects will provide the authorities with key inputs for evaluations and assessments.

28. **Regular reporting and close coordination between sectors will inform the annual progress reports.** With the public investment budget representing a key implementation tool for PRSP-3, budget reports will inform each annual progress report. Close coordination between sectors will guide budget implementation throughout the year and lay the basis for future budget **DISCUSSIONS**. The staffs urge the authorities to closely coordinate with all stakeholders to ensure their participation at all stages of the PRSP-3 evaluation phase.

IV. CONCLUSION, RISKS AND ISSUES FOR DISCUSSION

29. **The staffs welcome the elaboration of PRSP-3, which will guide the country in its efforts to sustainably reduce poverty.** The strategy is both comprehensive and ambitious. It aims at: (i) accelerating economic growth; (ii) making growth more inclusive; (iii) realizing the potential of **THE** Mauritanian people; and (iv) improving governance and infrastructure. The staffs welcome the authorities' willingness to learn from the implementation weaknesses of its previous anti-poverty strategies, which led to a renewed focus on monitoring and evaluation.

30. **Successful implementation of PRSP-3 hinges critically on the authorities' ownership and commitment.** Full political support is necessary to protect PRSP-3 from weaknesses that became apparent in **IMPLEMENTING** previous PRSPs. Risks remain plentiful, including terms of trade shocks, regional political turmoil, volatile donor

² 74 indicators were chosen, based mostly on annual surveys or statistical sources. Each indicator is meant to be specific, measurable, achievable, and time bound. The majority of the indicators capture the impact on MDGs, poverty, and macroeconomic stability, while the remaining focus on results at the sectoral levels, progress on large infrastructure projects, and resources spent for monitoring.

financing, low implementation capacity, inadequate prioritization, and insufficient monitoring.

31. PRSP-3 highlights exogenous shocks as serious implementation risks.

Mauritania is vulnerable to both external (terms of trade volatility and volatile donor financing) and domestic (natural disasters such as droughts and political instability) economic shocks. If demand for its main exports—iron ore, copper, and gold—were to fall, government revenue would take a significant hit and external imbalances would grow. Also, if international food and energy prices spike, the government will likely need additional resources to protect the vulnerable. Since there is little fiscal space in the event of stress to replace lost export revenue, public spending and investment plans may have to be revisited in response to any of the above shocks, which would likely jeopardize attaining the objectives outlined in PRSP-3. The staffs agree with the authorities that further efforts in diversifying the export base are necessary to address this vulnerability.

32. The domestic political environment has stabilized following the democratic elections in 2009, but additional social unrest in the region could further increase risks of contagion into Mauritania.

This is especially relevant in view of Mauritania's high unemployment rate among the 15–24 year olds of about 51 percent. Measures in PRSP-3 aimed at alleviating poverty, reducing unemployment through skills developments, and improving access to social services will be essential for reducing political risks further.

33. While political risks have fallen, PRSP-3 implementation will only succeed if the institutional framework remains stable, human capacity strengthens further, and the civil society is engaged on a permanent basis.

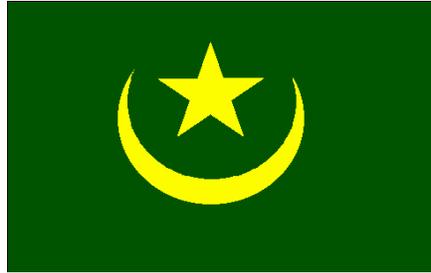
To strengthen ownership and improve the chances of success, the staffs support the plan to anchor PRSP-3 in domestic law. While this step in itself will not guarantee successful implementation, it will legally bind line ministries to pursue the PRSP-3 objectives. The ensuing cooperation between ministries will improve the budget process, which will continue to run in parallel to PRSP-3 implementation. It will be equally important to maintain a collaborative approach in the drafting of the annual progress report, with the core group of officials who prepare the progress report actively engaging both line ministries and stakeholders. Overcoming a legacy of intense internal rivalry between various smaller groups over the country's resources, with resulting political instability, will only be possible by building a broader social consensus and trust. Important segments of Mauritania's population—such as those engaged in agriculture or the unemployed—have not benefited from the natural resource wealth and recent growth, with resources being concentrated in oligopolistic industries and urban elites. Shifting this pattern, as PRSP-3 proposes to do, will require the building of coalitions that are broad enough to include those currently sidelined from the growth process. The formation of these coalitions, in turn, will be facilitated by greater civic engagement in policy dialogue, as well as greater transparency of information pertaining to government revenue and spending and welfare of citizens.

34. **Ensuring a broad social consensus for the envisaged poverty reduction strategy will also make it easier to mobilize donor resources, thus easing financing constraints.** Weak internal capacity represents an additional risk that could prevent an efficient implementation of poverty-related investments. The staffs are encouraged by the authorities' candid acknowledgment of the challenges in this area, and support the remedial measures set out in the context of the Fund's ECF-supported program.

35. **Enhancing productivity of the agricultural sector and better targeting of subsidy schemes represent key near-term priorities.** With agricultural activity concentrated in rural areas where poverty is most prominent, measures to improve irrigation systems and distribution networks for fertilizers could yield large pro-poor near-term dividends. Similarly, the staffs suggest that the ill-targeted subsidy schemes be replaced by better targeted social safety nets that can directly improve the lives of the most vulnerable. Progress in these areas could be included in the first annual progress report.

36. **In considering the authorities' PRSP-3 and its associated JSAN, Executive Directors' views are sought on WHETHER they agree with the overall thrust of this JSAN, particularly:**

- Does PRSP-3 provide a comprehensive framework for implementing Mauritania's growth and poverty reduction agenda?
- Do exogenous shocks represent the key risks to successful implementation?
- Is the emphasis on reinvigorating private-sector activity appropriate for reducing poverty in a sustainable manner?
- Are the envisaged near-term priorities appropriate?



ISLAMIC REPUBLIC OF MAURITANIA

POVERTY REDUCTION STRATEGY PAPER

VOLUME I: PRSP 2006-2010

POST IMPLEMENTATION REVIEW

TABLE OF CONTENTS

EXECUTIVE SUMMARY	15
SECTION I.....	19
INTRODUCTION	20
CHAPTER 1: POVERTY IN MAURITANIA: A SURVEY	22
A. PROFILE AND PATTERNS OF POVERTY	22
a. Income Poverty.....	22
b. The decline in poverty.....	23
c. Spatial differentiation of poverty.....	24
d. Breakdown by socioeconomic group and gender	25
e. Poverty in terms of living conditions	26
B. MAIN FACTORS INFLUENCING POVERTY.....	29
CHAPTER 2: PRSP 2006-2010 IMPLEMENTATION REVIEW	30
A. ACCELERATION OF GROWTH AND STABILIZATION OF THE MACROECONOMIC FRAMEWORK (FOCUS AREA 1)	30
a. Macroeconomic objectives and changes in the main aggregates.....	31
b. Macroeconomic policies for sustainable equilibria.....	34
c. Maximization of the benefits of oil.....	36
d. Fast-tracking financial sector reform.....	37
e. Improving the business climate and promoting SMEs	38
f. Maximizing growth potentials in sectoral policies	40
g. Strengthening the economic role of infrastructure.....	42
B. ANCHOR GROWTH IN THE ECONOMIC SPHERE DIRECTLY BENEFITTING THE POOR (FOCUS AREA 2).....	47
a. Rural development	47
b. Urban development.....	48
c. Promoting microfinance and microenterprises	50
d. Food security	51
e. Targeted poverty reduction programs	52
C. HUMAN RESOURCES DEVELOPMENT AND EXPANSION OF BASIC SERVICES (FOCUS AREA 3)	52
a. Education	53
b. Literacy and traditional education.....	54
c. Technical and vocational training	55
d. Health and nutrition	55
e. Water and sanitation	57
f. Employment	59
g. Population policy	59
h. Culture, youth, and sports.....	59

i. Promoting women and gender equality	60
j. Child welfare policy.....	61
k. Social protection	61
D. IMPROVING GOVERNANCE AND BUILDING CAPACITY (FOCUS AREA 4).....	63
a. Strengthening the rule of law	63
b. Improving environmental governance	64
c. Building public administration capacity	65
d. Efficient and transparent management of public resources.....	66
e. Decentralization.....	67
f. Building capacity for civil society.....	68
g. Promoting communication	68
h. Promoting a participatory approach	69
E. STRONGER LEADERSHIP, MONITORING, EVALUATION, AND COORDINATION (FOCUS AREA 5)	69
a. Institutional mechanism.....	70
b. The monitoring and evaluation system	71
c. Reporting tools.....	71
d. Coordination	71
e. Making the PRSP operational	72
F. THE MILLENNIUM DEVELOPMENT GOALS - STATE OF PLAY	72
ANNEX 1: SUMMARY TABLE OF THE MAIN REFORMS IMPLEMENTED IN THE PERIOD 2006-2010	76
ANNEX 2: PUBLIC INVESTMENT AND FINANCING PROGRAM BY SECTOR 2006–2010.....	80
ANNEX 3: PROGRESS IN ACHIEVING THE MDGS: TRACKING THE MDGS IN MAURITANIA (1990- 2010).....	81
VOLUME II : ACTION PLAN 2011 - 2015	
PREFACE	84
ANALYTICAL SUMMARY	85
INTRODUCTION	90
CHAPTER 1: 2015 STRATEGIC VISION AND CHOICES WITH A VIEW TO 2015.....	91
A. LESSONS LEARNED FROM THE IMPLEMENTATION OF THE PRSP II (2006- 2010).....	91
a. Achievements	91
b. Weaknesses	92
c. Opportunities	92
d. Obstacles	92
B. OVERVIEW	95
C. THE STRATEGIC PILLARS.....	97
D. OVERALL OBJECTIVES AND IMPLEMENTATION TIMELINE.....	98
E. OBJECTIVES AND PRIORITY AREAS FOR 2011-2015.....	98
F. COST, FINANCING, AND PARTNERSHIPS	99

G. RISK ANALYSIS AND RISK REDUCTION MEASURES	100
CHAPTER 2: PRSP III ACTION PLAN (2011-2015).....	103
A. ACCELERATION OF GROWTH AND STABILIZATION OF THE MACROECONOMIC FRAMEWORK (PILLAR 1)	103
a. Stable and sound macroeconomic framework.....	103
b. Furthering structural reform	107
c. Development of growth-supporting infrastructures	110
d. Optimum use of the sources of growth.....	113
B. ANCHORING GROWTH IN THE ECONOMIC ENVIRONMENT OF THE POOR (PILLAR 2)	116
b. Rural development	117
c. National food security policy	118
d. Urban development.....	118
e. Microfinance and microenterprise	120
f. Economic valuation of natural capital.....	121
g. Social protection	121
C. HUMAN RESOURCE DEVELOPMENT AND EXPANSION OF BASIC SERVICES (PILLAR 3)	124
a. Education and training.....	124
b. Health and nutrition	126
c. Employment.....	128
d. Access to water in rural areas.....	129
e. Gender, childhood, and population policies.....	130
f. Culture, youth and sport	132
g. Universal access to basic services.....	133
D. PROMOTING GOOD GOVERNANCE AND CAPACITY BUILDING (PILLAR 4).....	134
a. Improving political and democratic governance	134
b. Strengthening the justice system and the judiciary	136
c. Territorial and local governance	136
d. Economic governance.....	138
e. Environmental governance.....	141
f. Greater public scrutiny of government action	142
a. Communications sector development	142
g. National capacity building for public sector stakeholders.....	143
h. Participatory approach: a committed approach to be sustained.....	144
E. ENHANCED STEERING, COORDINATION, AND MONITORING/ EVALUATION OF THE PRSP III (PILLAR 5)	147
a. Institutional optimization	147
b. Enhancing coordination, alignment, and harmonization	148
c. Operationalizing PRSP III monitoring and evaluation	148
ANNEX 1: MATRIX OF PRSP 2011-2015 MONITORING INDICATORS.....	152

Figures

Figure 1.1 : Poverty incidence rate	24
---	----

Boxes

Box: 1.1 : Poverty patterns 2004-2008	26
Box: 2.1 : The Extractive Industries Transparency Initiative (EITI)	37
Box: 2.2 : Slum upgrading in the major cities	50
Box: 2.3 : Microfinance: a customized legal and regulatory framework	51
Box: 2.4 : Early childhood welfare.....	62
Box: 2.5 : The MDGs: the health challenges	75
Box: 1.1 : Absorptive capacity.....	94
Box: 1.2 : Public-Private Partnership.....	100
Box: 2.1 : Social Protection in Mauritania: Status and Outlook.....	123
Box 2.2 : The PRSP: Towards Greater Gender Inclusiveness	131
Box: 2.3 : Consolidating National Unity	135
Box: 2.4 : Territorial governance.....	138
Box: 2.5 : National Anticorruption Strategy.....	139
Box: 2.6 : Statistical Data.....	141
Box: 2.7 : Communications	143
Box: 2.8 : Main recommendations of the National Consultative Conference	145
Box: 2.9 : Types of indicators	149

Tables

Table 1.1 : Updated poverty thresholds in UM per capita per annum	23
Table 1.2 : Breakdown of the poor population by household type	25
Table 2.1 : Achievement of the objectives for 2006-2010	31
Table 2.2 : Average contribution to growth 2006-2010	32
Table 2.3 : External account 2006-2010	34
Table 2.4 : MDG Education	73
Table 1.1 : Financing Plan for PRSP 2011-2015.....	99
Table 2.1 : . Contribution to growth in percent	104
Table 2.2 : External Account, 2011-2015	105
Table 2.3 : Developments in public finance	106

Acronyms and Abbreviations

ACE	Africa Coast to Europe
ADC	Community Development Association (Association de Développement Communautaire)
ADER	Rural Electrification Agency (Agence d'Électrification Rurale)
ADSL	Asymmetric Digital Subscriber Line
ADU	Urban Development Agency (Agence pour le Développement Urbain)
AEMP	Executive Agency for Microprojects (Agence d'Exécution des Microprojets)
AEP	Safe Drinking Water Distribution System (Adduction d'Eau en Eau Potable)
AFESD	Arab Fund for Economic and Social Development
AGR	Income Generating Activity (Activité Génératrice de Revenu)
AIDS	Acquired Immune Deficiency Syndrome
AIS	Automatic Identification System
AMEXTIPE	Mauritanian Public Works and Employment Executive Agency (Agence Mauritanienne d'Exécution des Travaux d'Intérêt Public et pour l'Emploi)
ANAC	National Civil Aviation Agency (Agence Nationale de l'Aviation Civile)
ANADER	National Agency for the Development of Renewable Energies (Agence Nationale de Développement des Energies Renouvelables)
ANAIR	National Refugee Integration Support Agency (Agence Nationale d'Appui à l'Insertion des Réfugiés)
ANAPEJ	National Youth Employment Promotion Agency (Agence nationale de promotion de l'emploi des jeunes)
ANAT	National Land Use Management Agency (Agence Nationale d'Aménagement des Terrains)
ANEPA	National Safe Drinking Water and Sanitation Agency (Agence Nationale d'Eau Potable et d'Assainissement)
ANRPTS	National Population and Secure Title Registration Agency (Agence Nationale des Registres des Populations et des Titres Sécurisés)
APAUS	Agency for the Promotion of Universal Access to Services (Agence de Promotion de l'Accès Universel aux Services)
APC	Competency-based Approach (Approche Par Compétence)
APROMI	Association of Microfinance Professionals (Association des Professionnels de la Microfinance)
ARE	Regulatory Authority (Autorité de Régulation)
ASECNA	Agency for Air Navigation Security in Africa & Madagascar
ASYCUDA	Automatic System for Customs Data
ATCATF	Land Distribution and Changes in Land and Forest Distribution (Affectation des Terres et Changement d'Affectation des Terres et de la Foresterie)
AVP	Public road accidents (Accidents de la Voie Publique)
BAC	High school diploma (Baccalauréat)
BCM	Central Bank of Mauritania (Banque Centrale de Mauritanie)

BCR	Highway Control Office (Bureau de Contrôle Routier)
BEPC	undergraduate certificate (Brevet d'Etudes du Premier Cycle)
BIC	Industrial and Commercial Profits (Bénéfice Industriel et Commercial)
BMD	Bachelors – Masters – Doctorate
BNP	Banque Nationale de Paris
BTP	Construction and Public Works (Bâtiment et Travaux Publics)
CAPEC	Caisse Populaire d'Epargne et de Crédit
CCIAM	Mauritania Chamber of Commerce, Industry, and Handicrafts (Chambre de Commerce, d'Industrie et d'Artisanat de Mauritanie)
CCLP	Consultative Committee on Poverty Reduction (Comité de Concertation sur la Lutte contre la Pauvreté)
CDHAHRSC	Commission on Human Rights, Humanitarian Action, and Civil Society Relations (Commissariat aux Droits de l'Homme, à l'Action Humanitaire et aux Relations avec la Société Civile)
CDHLCPI	Commission on Human Rights, Poverty Reduction, and Integration (Commissariat aux Droits de l'Homme, à la Lutte contre la Pauvreté et à l'Insertion)
CDLP	Government-Donor Consultative Committee on Poverty Reduction (Comité de Concertation Etat - Donateurs sur la Lutte contre la Pauvreté)
CE	Continuing Education
CEBNF	Center for Non-Formal Basic Education (Centre d'Education de Base Non Formelle)
CECEL	Livestock Savings and Loan Association (Caisse d'Epargne et de Crédit pour l'Elevage)
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEDEF	Convention on the Elimination of All Forms of Discrimination Against Women
CENI	Independent National Elections Commission (Commission Electorale Nationale Indépendante)
CEP	Primary School Certificate (Certificat d'Etudes Primaires)
CFPE	Early Childhood Training Center (Centre de Formation pour la Petite Enfance)
CFPF	Training Center for the Advancement of Women (Centre de Formation pour la Promotion Féminine)
CGA	Licensed Management Center (Centre de Gestion Agréé)
CHME	Mother and Child Hospital Center (Centre Hospitalier Mère et Enfant)
CILP	Interministerial Poverty Reduction Committee (Comité Interministériel de Lutte contre la Pauvreté)
CNAM	National Health Insurance Fund (Caisse Nationale d'Assurance Maladie)
CNARM	National Chamber of Arts and Handicrafts (Chambre Nationale de l'Artisanat et des Métiers)
CNC	National Cardiology Center (Centre National de Cardiologie)
CNCCI	National Consultative Commission on International Trade (Commission Nationale de Concertation sur le Commerce International)
CNHY	National Hydrocarbons Commission (Commission Nationale des Hydrocarbures)

CNO	National Oncology Center (Centre National d'Oncologie)
CNTIE	National Council on Extractive Industry Transparency (Conseil National de Transparence des Industries Extractives)
CPI	Investment Promotion Commission (Commissariat à la Promotion de l'Investissement)
CPM	Monetary Policy Council (Conseil de Politique Monétaire)
CRDES	Regional Economic and Social Development Committees (Comités Régionaux de Développement Economique et Social)
CRENAM	Nutritional Rehabilitation and Maternal Feeding Center (Centre de Récupération Nutritionnel et d'Alimentation Maternelle)
CSA	Food Security Commission (Commissariat à la Sécurité Alimentaire)
CSO	Civil Society Organization
CSP	Personnel Status Code (Code du Statut Personnel)
CTLP	Technical Committee on Poverty Reduction (Comité Technique de Lutte contre la Pauvreté)
CTS	Sectoral Technical Committee (Comité Technique Sectoriel)
CTSDP	Public Expenditure Technical Tracking Committee (Comité Technique Suivi des Dépenses Publiques)
CTSPE	Technical Committee on Economic Program Monitoring (Comité Technique de Suivi du Programme Economique)
CTSPE	Economic Program Monitoring Technical Committee (Comité Technique de Suivi du Programme Economique)
DAPBI	Annual Initial Budget Programming Document (Document Annuel de Programmation Budgétaire Initiale)
DDI	
DGB	Directorate General of the Budget
DGELP	Directorate General of Elections and Public Freedoms (Direction Générale des Elections et Libertés Publiques)
DGPESD	Directorate General of Economic Policy and Development Strategies
DGTT	Directorate General of Land Transport
DGTT	Directorate General of Land Transport (Direction Générale des Transports Terrestres)
DHR	Refined Hydrocarbons Directorate (Direction des Hydrocarbures Raffinés)
EF	Ecological Footprint
EIG	Economic Interest Group
EITI	Extractive Industries Transparency Initiative
ENAMJ	National School of Administration, Magistracy, and Journalism (Ecole Nationale d'Administration et de Magistrature)
ENEMP	National Fishery and Maritime School (Ecole Nationale d'Enseignement Maritime et de Pêche)
ENER	National Road Maintenance Company (Etablissement National de l'Entretien Routier)
ENI	National Teachers' College (Ecole Nationale des Instituteurs)

ENS	Ecole Normale Supérieure (prestigious center of tertiary education for civil servants and academics)
EPA	Economic Partnership Agreement
EPBR	Baie du Repos Port Facility
EPCV	Rolling Survey of Living Conditions (Survey Permanente sur les Conditions de Vie)
EPS	Physical Education and Sports (Education Physique et Sportive)
ESI	Environmental Sustainability Index (Indice de durabilité environnementale)
FADES	Arab Fund for Economic and Social Development
FAO	United Nations Food and Agricultural Organization
FAPONG	NGO Support Fund (Fonds d'Appui aux Organisations Non Gouvernementales)
FFW	Food for Work
FGM	Female Genital Mutilation
FIFA	International Federation of Association Football
FNRC	National Fund for Strengthening Civil Society (Fonds National pour le Renforcement de la Société Civile)
FNRH	National Hydrocarbon Revenue Fund (Fonds National des Revenus des Hydrocarbures)
FRD	Regional Development Fund (Fonds Régional de Développement)
FSAP	Financial Sector Assessment Program
FTP	Technical and Vocational Training (Formation Technique et Professionnelle)
GBV	Gender Based Violence
GC	Consultative Group
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
GDP	Gross Domestic Product
GFEC	Women's Savings and Loan Group (Groupement Féminin d'Épargne et de Crédit)
GIP.SA	Oil Infrastructure Management Company (Gestion des Infrastructures Pétrolières (Société Anonyme))
GIRE	Integrated Water Resources Management (Gestion Intégrée des Ressources en Eau)
GIS-E	Geographic Information System in Education
GSE	Socioeconomic Group (Groupe Socioéconomique)
GSM	Global System for Mobile
GTT	Thematic Technical Group (Groupe Technique Thématique)
HAPA	Press and Audiovisual High Authority (Haute Autorité de la Presse et de l'Audiovisuelle)
HCPI	Harmonized Consumer Price Index
HDI	Human Development Index
HH	Head of Household
HIPC	Heavily Indebted Poor Countries (Pays Pauvres Très Endettés)
HIV	Human Immunodeficiency Virus
HIVPR	HIV/AIDS prevalence rate
HPI	Human Poverty Index (composite index)

ICAO	International Civil Aviation Organization
ICT	Information and Communication Technologies
IDB	Islamic Development Bank
IEC	Information – Education - Communication
IGA	Income generating activity
IJMR	Infant-Juvenile Mortality Rate
ILO	International Labor Organization
IMF	International Monetary Fund
IMF	Minimum Flat Tax (Impôt Minimum Forfaitaire)
IMR	Infant Mortality Rate
IRM	Islamic Republic of Mauritania
ISCAE	Higher Institute of Business Accounting and Administration (Institut Supérieur de Comptabilité et d'Administration des Entreprises)
IsDB	Islamic Development Bank
ISSET	Higher Technological Education Institute (Institut Supérieur d'Enseignement Technologique)
ISPS	International Ship and Port facility Security
ITB	Invitation to Bid
LEHDADE	Poverty Reduction Program in the Southeastern Border Area (Programme de Lutte contre la Pauvreté en Zone Frontalière du Sud Est)
LFI	Initial Budget Law (Loi des Finances Initiales)
LI	Labor Intensive
LMD	Licence – Master – Doctorat (Bachelors – Masters – Doctorate)
LNTP	National Public Works Laboratory (Laboratoire National des Travaux Publics)
M&E	Monitoring and Evaluation
MAED	Ministry of Economic Affairs and Development (Ministère des Affaires Economiques et du Développement)
MAIEO	Ministry of Islamic Affairs and Traditional Education (Ministère des Affaires Islamiques et de l'Enseignement Originel)
MASEF	Ministry of Social Affairs, Childhood, and Family (Ministère des Affaires Sociales, de l'Enfance et de la Famille)
MCAT	Ministry of Commerce, Handicrafts, and Tourism (Ministère du Commerce, de l'Artisanat et du Tourisme)
MCJS	Ministry of Culture, Youth, and Sport (Ministère de la Culture, de la Jeunesse et des Sports)
MCM	Mining Corporation of Mauritania
MCRP	Ministry of Communications and Relations with Parliament (Ministère de la Communication et des Relations avec le Parlement)
MDG	Millennium Development Goals
MDGFund	Millennium Development Goal Fund

MDPMEDD	Ministry in the office of the Prime Minister for Environment and Sustainable Development (Ministère Délégué auprès du Premier Ministre Chargé de l'Environnement et du Développement Durable)
MDR	Ministry of Rural Development (Ministère du Développement Rural)
MDRI	Multilateral Debt Reduction Initiative
MEF	Ministry of Primary Education (Ministère de l'Enseignement Fondamental)
MEF	Ministère de l'Enseignement Fondamental (Ministry of Primary Education)
MEFPNT	Ministry of Employment, Vocational Training and New Technologies (Ministère de l'Emploi, de la Formation Professionnelle et des Nouvelles Technologies)
MEP	Ministry of Energy and Petroleum (Ministère de l'Energie et du Pétrole)
MESS	Ministry of Secondary and Tertiary Education (Ministère de l'Enseignement Secondaire et Supérieur)
MET	Ministry of Equipment and Transport (Ministère de l'Équipement et des Transports)
MF	Ministry of Finance (Ministère des Finances)
MFI	Microfinance Institution
MFPMA	Ministry of the Civil Service and Administrative Modernization (Ministère de la Fonction Publique et de la Modernisation de l'Administration)
MHA	Ministry of Water Works and Sanitation (Ministère de l'Hydraulique et de l'Assainissement)
MHUAT	Ministry of Housing, Urban Development, and Land-use management (Ministère de l'Habitat, de l'Urbanisme et de l'Aménagement du Territoire)
MICO	Oasis Mutual Credit Institutions (Mutuelle des Institutions du Crédit Oasien)
MICS	Multiple Indicator Cluster Survey
MIDEC	Ministry of the Interior and Decentralization (Ministère de l'Intérieur et de la Décentralisation)
MIM	Ministry of Industry and Mines (Ministère de l'Industrie et des Mines)
MJ	Ministry of Justice (Ministère de la Justice)
MMR	Maternal Mortality Rate
MPEM	Ministry of Fisheries and Maritime Economy (Ministère des Pêches et de l'Economie Maritime)
MPN	Nouakchott Fish Market (Marché aux Poissons de Nouakchott)
MSE	Micro and Small Enterprises
MTEF	Medium-term Expenditure Framework
NDB	Nouadhibou
NGO	Non-Governmental Organization
NKC	Nouakchott
ODA	Official Development Assistance
ODHD	Sustainable Human Development Observatory (Observatoire du Développement Humain Durable)
OMRG	Mauritanian Office for Geological Inspection (Office Mauritanienne de Recherches

	Géologiques)
ONISPA	National Sanitation Inspection Office for Fishery and Fish Farming Products (Office National d'Inspection Sanitaire des Produits de la Pêche et de l'Aquaculture)
ONMT	National Labor Medicine Office (Office National de la Médecine du Travail)
ONS	National Statistical Office (Office National de la Statistique)
ONSER	National Office for Water Supply Services in Rural Areas (Office National des Services d'Eau en Milieu Rural)
PANE	National Environmental Action Plan (Plan d'Actions National Environnemental)
PANPA	Autonomous Port of Nouakchott (Port Autonome de Nouakchott dit Port de l'Amitié)
PASK	South Karakoro Development Program (Programme d'Aménagement du Sud Karakoro)
PASOC	Civil Society Support Program (Programme d'Appui à la Société Civile)
PDC	Community Development Program (Programme de Développement au Niveau Communautaire)
PDPAS	Southern Small-scale Fisheries Development Program (Programme de Développement de la Pêche Artisanale Sud)
PDU	Urban Development Program (Programme de Développement Urbain)
PESE	Program for the Eradication of the Vestiges of Slavery (Programme d'Eradication des Séquelles de l'Esclavage)
PGRN	Natural Resource Management Program (Programme de Gestion des Ressources Naturelles)
PNBA	Banc d'Arguin National Park (Parc National du Banc d'Arguin)
PNDSE	National Education System Development Program (Programme National de Développement du Système Educatif)
PNIME	National Integrated Microenterprise Program (Programme National Intégré de la Micro-Entreprise)
PNIME	National Integrated Micro-enterprise Program (Programme National Intégré de la Micro-Entreprise)
PNP	Nonpermanent Staff
PNP	Nonpermanent Staff (Personnel Non Permanent)
PNPo	National Populations Program (Programme National de Populations)
PNSR	National Reproductive Health Program (Programme National de la Santé de la Reproduction)
PPPT	Stonework Development Program (Programme de Promotion de la Pierre Taillée)
PRECAMF	Microfinance Capacity Building Program (Programme de Renforcement des Capacités des Acteurs de la Microfinance)
PRECASP	Public Sector Capacity Building Project (Projet de Renforcement des Capacités du Secteur Public)
PRLP	Poverty Reduction Regional Program (Programme Régional de Lutte contre la Pauvreté)
PRSP	Poverty Reduction Strategy Paper
PSI	Special Intervention Program (Programme Spécial d'Intervention)

RAC	Administrative Command Network (Réseau Administratif de Commandement)
REMOVE	Village Modernization Group (Regroupement Modernisation des Villages)
RGPH	General Population and Housing Census (Recensement Général de la Population et de l'Habitat)
RGUS	General Regulations on Simplified Urban Development (Règlement Général de l'Urbanisme Simplifié)
RMO	Implementation Report
SDAU	Urban Development Scheme (Schéma de Développement et d'Aménagement Urbain)
SIGE	Education Geography Information System (Système d'Information Géographique de l'Education)
SIGP	Geographic Information System for the Oil Sector (Système d'Information Géographique Pétrolier)
SME	Small and Medium-size Enterprises
SMH	Mauritanian Hydrocarbons Corporation (Société Mauritanienne des Hydrocarbures)
SMI	Small and Medium-sized Industries
SNA	National Literacy Strategy (Stratégie Nationale de l'Alphabétisation)
SNDD	National Sustainable Development Strategy (Stratégie Nationale de Développement Durable)
SNDE	National Water Company (Société Nationale d'Eau)
SNDS	National Statistical Development Strategy (Stratégie Nationale de Développement de la Statistique)
SNEA	National Adult Education Strategy (Stratégie Nationale d'Enseignement des Adultes)
SNIG	National Gender Institutionalization Strategy (Stratégie Nationale d'Institutionnalisation du Genre)
SNIM	National Mining Industries Corporation (Société Nationale des Industries Minières)
SNIS	National Health Information System (Système National d'Informations Sanitaires)
SNMF	National Microfinance Strategy (Stratégie Nationale de la Microfinance)
SNMF	National Micro-finance Strategy (Stratégie Nationale de la Micro-Finance)
SNPF	National Strategy for the Advancement of Women (Stratégie Nationale de Promotion Féminine)
SNPS	National Social Protection Strategy (Stratégie Nationale de Protection Sociale)
SNS	National Security Stock (Stock National de Sécurité)
SOMELEC	Mauritanian Electricity Company (Société Mauritanienne d'Electricité)
SOMIR	Mauritanian Refinery Industries Corporation (Société Mauritanienne des Industries de Raffinage)
SONADER	National Rural Development Company (Société Nationale pour le Développement Rural)
SSI	Statistical Information System (Système Statistique d'Information)
STCN	Standard of Training Certification and Watch Keeping
STCW	Standard of Training Certification and Watch Keeping
STD	Sexually Transmissible Diseases

STP	Public Transport Corporation (Société de Transports Publics)
TBA	Gross enrollment rate in the first year of primary education (Taux brut d'accès en première année du fondamental)
TFP	Technical and Financial Partners
TICE	Education Information and Communications Technology (Technologie de l'information et de communication pour l'Education)
TTG	Technical Thematic Group
UM	Mauritanian Unit of Currency
UNCACEM	National Union of Agricultural Savings and Loan Associations of Mauritania (Union Nationale des Caisses Agricoles de Crédit et d'Épargne de Mauritanie)
USD	United States Dollar
VAINCRE	Valuing Equitable Regional Growth Initiatives (Valorisation des Initiatives de Croissance Régionales Équitables)
VEDAN	Violence, Exploitation, Discrimination, and Neglect of Children
WEF	World Environment Fund
WHDR	World Human Development Report
WILAYA	an administrative region governed by a wila
WTC	World Trade Organization
WTO	World Trade Organization
	Information Dissemination and Technology Directorate (Direction de la Diffusion et de l'Informatique)

EXECUTIVE SUMMARY

Mauritania prepared a Poverty Reduction Strategy Paper (PRSP) for the period 2001-2015. It was adopted through a framework law on poverty reduction No. 050/2001 of July 25, 2001. This poverty reduction strategy paper is based on a broadly participatory process and serves as the policy framework for the country's economic and social policies. It is Mauritania's plan for development in the medium and long term, the strategic aim of which is to eradicate poverty and is viewed as a national imperative and enshrined as a priority in all national policies.

The PRSP is the framework guiding public development policies and ensures consistency among these different policies so the poverty reduction targets can be achieved and living conditions improved for its people. It is a tool and framework for consultation with development partners, which helps secure their co-ownership of the development objectives established by the government authorities. In this respect, it is the: (i) sole medium-term frame of reference for economic and social development policy; (ii) main benchmark for all technical and financial partners (TFPs) in their support to the country; and (iii) appropriate basic tool for mobilizing resources for development financing.

Prepared in the context of the Enhanced Heavily Indebted Poor Countries (HIPC) Debt Relieve Initiative, the PRSP was subject to broad consultations among government agencies, elected representatives, civil society, the private sector, and technical and financial partners. It is therefore the fruit of these consultations held on a national scale. The PRSP, which takes into account the Millennium Development Goals (MDGs) initially comprised four strategic focus areas, which were to: (i) accelerate economic growth and stabilize the macroeconomic framework; (ii) anchor growth in the economic sphere directly benefiting the poor; (iii) ensure the development of human resources and expansion of basic services, and (iv) improve governance and build capacity.

Implementation of the 2001-2015 PRSP was launched with the first four-year action plan covering the period 2001-2004. During this period, the PRSP monitoring and evaluation system was not based—apart from the general guidelines set out in the action plan—on any reference document that clearly established a framework for monitoring and evaluation activities (reporting lines, information and reporting procedures, monitoring and evaluation standards, etc.). For the most part, the monitoring and evaluation system was restricted to the preparation of the annual implementation report (RMO). Nevertheless, implementation of the first action plan was subject to strict monitoring and participatory evaluation, first in the

Technical Thematic Groups (TTGs), followed by the different consultation committees (government – civil society – private sector; government – donors) and finally, in the inter-regional workshops and national consultative assemblies on implementation of the PRSP. Through this process it became possible to produce regularly annual reports on poverty monitoring and implementation of the action plan.

The first action plans were revised using new drafting and monitoring and evaluation methodology, in an approach characterized by the same spirit of consultation and participation. It resulted in the achievements of the objectives and strategic orientations that enabled preparation of the second five-year action plan for the period 2006-2010. To facilitate this revision and with a view to correcting the shortcomings observed, the four initial focus areas, which were still deemed relevant, were maintained and supplemented by a **fifth cross-cutting focus area intended to strengthen leadership, monitoring, evaluation, and coordination.**

With the expiry of the second PRSP action plan, the revision of this plan and preparation of a third PRSP action plan took place in a context characterized by: (i) another edition of the Rolling Survey on Living Conditions of households (EPCV) following on the 2008 EPCV, which revealed the profile and patterns of poverty in the country through basic indicators, such as the impact, depth, and severity of poverty; (ii) the return to constitutional rule through the free and transparent election, on July 18, 2009, of a new President of the Republic based on a program supported by the majority of Mauritians and intended mainly to enable Mauritania to tackle its economic, social, and security challenges; (iii) strong mobilization of partners around Mauritania's priorities at the round table in Brussels on June 22, 2010; and (vi) organization in New York of a global summit on the millennium development goals, coming ten years after the entry into force of the Millennium Declaration, offered a crucial opportunity to governments to assess their level of achievement of the MDGs and to adopt new action plans through which they can be achieved.

This evaluation is a chance to note that Mauritania has made some progress but must still take up major challenges if it is to achieve the objectives established at the outset.

The legacy of PRSP II

One of the facts emerging from the 2008 EPCV was that the incidence of poverty was 42 percent. Though much lower than in 2004 (45.7 percent), that figure was still far from the target set for 2015, which is 25 percent. Furthermore, the pace of poverty reduction picked up by over one percentage point per year over the period 2004-2008. In absolute terms, the low rate of poverty reduction during the period covered by PRSP II was explained primarily by uncontrolled population growth and unequal distribution of the fruits of growth.

Over the period 2006-2010, non-oil economic growth was 3.7 percent and economic growth, including oil revenues, was 4 percent or about half the 9.4 percent growth that had been forecast. This is due to the (i) weak performance of the oil sector; (ii) the international food, energy, and financial crises; and (iii) the different institutional changes that the country underwent during this period. However, it bears noting that a great deal of the achievements were made recently, and that they were made out of the central government's own resources, particularly in the areas of infrastructure and basic services to benefit the poor.

On the social front, developing human resources and providing universal access to basic services for the poor were, together, one of the priorities of the government in the period 2006-2010. In this connection, a review of PRSP II reveals that some advances were made, particularly in education, water, urban development, and gender equity, as well as universal access to basic services.

As regards governance, major progress was made in the following areas: (i) a return to constitutional legitimacy; (ii) the separation between the executive, legislative, and judiciary powers; and (iii) the guarantee of basic, individual, and collective freedoms. Furthermore, significant progress was made in promoting human rights, settling certain humanitarian issues, the resolution of which contributes to the sustainable strengthening of national unity, notably: (i) the organized return of repatriated people and their enjoyment of their full rights; (ii) the criminalization of slavery-like practices; and (iii) settlement of outstanding humanitarian issues through the official recognition of the fact and compensation of victims.

Last, positive developments have also been recorded, in terms of: (i) the alignment of sectoral policies and strategies of the strategic focus areas and objectives of the PRSP with the preparation of three-year action plans; (ii) preparation of a comprehensive Medium-term Expenditure Framework (MTEF) as a programming tool that can help ensure a nexus between the PRSP and the budget; (iii) coordination of Official Development Assistance in line with the Paris Declaration; and (iv) adoption of a participatory and iterative approach to the preparation and implementation of the PRSP.

Main weaknesses

There are a number of technical weaknesses evident in the implementation of the PRSP, notably: (i) weaknesses in planning, monitoring, and evaluation capacity in departments because of shortcomings in the statistical information system; (ii) weakness in mobilizing programmed financial resources because of low absorption capacity; (iii) absence of a results-based management framework; (iv) a lack of ownership of the PRSP process by sectoral departments; (v) the low level of implementation of programmed actions and measures and

the implementation of unplanned actions; (vi) lack of coordination among the central and regional government staff; (vii) low involvement of local authorities in the drafting of regional strategies; (viii) low participation of the people benefiting from the projects designed for them; and (ix) the overlapping of projects in certain places and the failure to seek synergies among the various interventions.

SECTION I

INTRODUCTION

Mauritania prepared its Poverty Reduction Strategy Paper in 2000 for the period 2001-2015, and it was enshrined in 2001 in the framework law on poverty reduction, making the PRSP the benchmark for medium- and long-term economic and social development.

Implementation of the PRSP is ensured through action plans, the first of which spanned four years and covered the period 2001-2004 and the second spanned five years and covered 2006-2010.

Prepared in the context of the HIPC Initiative, the PRSP has always been subject to broad-based consultations based on a participatory approach, involving government agencies, elected representatives, civil society, the private sector, and the technical and financial partners.

Initially, the PRSP comprised four strategic focus areas: (i) accelerate economic growth and stabilize the macroeconomic framework; (ii) anchor growth in the economic sphere directly benefiting the poor; (iii) ensure the development of human resources and expansion of basic services, and (iv) improve governance and build capacity.

During the drafting of the second action plan, 2006-2010, a fifth cross-cutting focus area designed to strengthen steering, monitoring, and coordination was introduced.

In 2010, a further revision was begun with the goal of drafting a third action plan that would cover the period 2011-2015. The revision was based on the review, diagnostic survey, and lessons learned from implementation of the PRSP II, as well as the outlook for the period 2011-2015.

The review of PRSP II showed that over the period 2006-2010 non-oil economic growth was 3.7 percent and economic growth, including oil revenues, was 4 percent or about half the 9.4 percent growth that had been forecast. This is due mainly to the: (i) weak performance of the oil sector; (ii) international food, energy, and financial crises; and (iii) different institutional changes experienced by the country during this period. However, it bears noting that a great deal of the achievements were recently funded from the central government's own resources, particularly in the areas of infrastructure and basic services to benefit the poor.

There are a number of technical weaknesses evident in the implementation of the PRSP, notably: (i) weaknesses in planning, monitoring, and evaluation capacity in departments because of shortcomings in the statistical information system; (ii) weakness in mobilizing the programmed financial resources because of low absorption capacity; (iii) absence of a results-

based management framework; (iv) a lack of ownership of the PRSP process by sectoral departments; (v) the low level of implementation of programmed actions and measures and the implementation of unplanned actions; (vi) lack of coordination among central and regional government staff; (vii) low involvement of local authorities in the drafting of regional strategies; (viii) low participation of the people benefiting from the projects designed for them; and (ix) the overlapping of projects in certain places and failure to seek synergies among the various interventions.

This document is structured into two chapters: (i) the chapter on the 2008 poverty survey, describes the profile, patterns and main factors influencing poverty; (ii) the second chapter presents a review of the implementation of the second action plan of the 2006-2010 PRSP.

CHAPTER 1: POVERTY IN MAURITANIA: A SURVEY

1.1 Poverty is a complex, multifaceted phenomenon. The importance attached to poverty reduction through different development programs requires that a relevant diagnostic survey of poverty trends and the various factors influencing poverty has been conducted.

1.2 Based on the results of the 2008 EPCV, a further poverty survey was conducted. It confirmed the trend toward a decline in poverty since 1990 and prompted the following observations:

- The incidence of poverty in 2008 was 42 percent, a rate that, though lower than in 2004 (46.7 percent), was, however, still far from the target set for 2015, which is 25 percent.
- The data reveal less inequality in income measured by the Gini Index.
- Poverty continues to affect primarily rural areas, but is making inroads into urban areas. The population exodus leading to rapid urbanization fostered the creation of new pockets of poverty in rundown urban areas.
- Poverty seems to affect heads of household equally, regardless of gender. In fact, it is slightly lower among female heads of household (40.3 percent) than it is for male heads of household (42.6 percent)
- Self-employed farmers are still among the socio-economic groups worst affected by poverty with an incidence level in the region of 70 percent.

A. PROFILE AND PATTERNS OF POVERTY

1.3 The poverty profile offers a clear view of its multidimensional character, which manifests itself in three ways: (i) income poverty; (ii) poverty in terms of living conditions; and (iii) poverty in terms of potentials.

a. *Income Poverty*

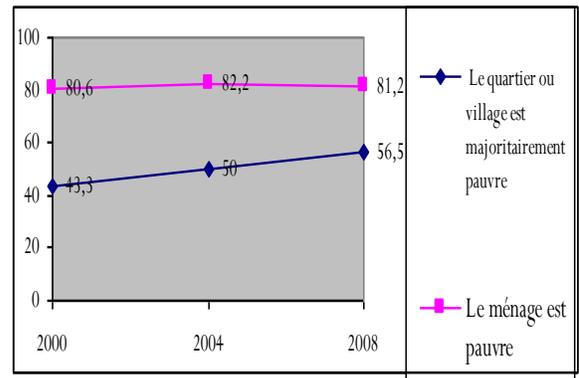
1.4 This is an income-based approach. Income includes everything earned by the individuals living on a regular basis under the same roof and pooling all or part of their personal income. That is what is referred to as a household, even if the set of individuals might consist of only one person. The poverty threshold used for the EPCV surveys, as established by the World Bank is 1 dollar per person per day, at 1985 constant prices. The extreme poverty threshold however corresponds to a level of consumption of 270 dollars per capita per annum. Table 1 shows the changes in the poverty and extreme poverty thresholds applied in Mauritania since 1990 and updated to reflect inflation.

Table 1.1 : Updated poverty thresholds in UM per capita per annum

	Poverty threshold	Extreme poverty
1990	32 800	24 400
1996	58 400	43 450
2000	72 600	54 000
2004	94 650	70 400
2008	129 000	96 000

b. The decline in poverty

1.5 In 2008, 42 percent of Maurititanias were living beneath the poverty line, whereas 25.9 percent of them lived in extreme poverty. The extent of poverty declined, however, compared to 2004 (46.7 percent). The share of poor households fell from 39 percent in 2004 to 35.1 percent in 2008.



1.6 The decline in poverty was less pronounced for the gap indicators, which reflect the trends in inequalities among the poor. Thus,

extreme poverty declined more slowly than poverty, falling from 28.8 percent in 2004 to 25.9 percent in 2008, which is a drop of almost 3 percentage points for the period¹. This rate was lower than the one recorded for the period 2000-2004 (about 6 percentage points). In absolute terms, however, the number of poor Maurititanians continued to grow, affecting 1,319,566 people in 2004 and 1,328,182 people in 2008, due mainly to sustained population growth (2.4 percent) between 1998 and 2000 according to the General Population and Housing Census (RGPH) 2000.

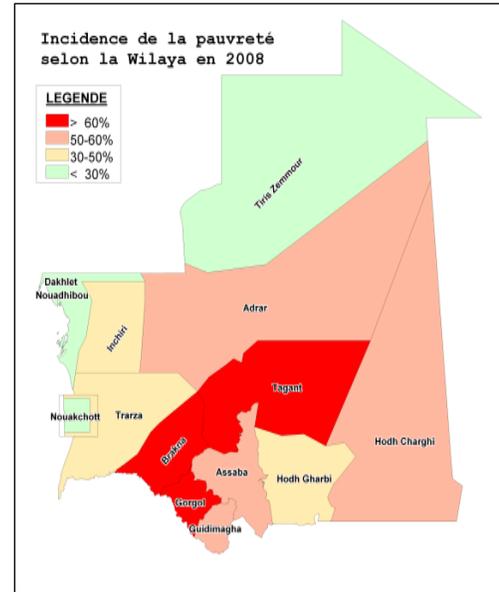
1.7 Perceived poverty was still noticeably at the same level, that is to say, 80.6 percent, 82.2 percent, and 81.2 percent in 2000, 2004, and 2008 respectively. Furthermore, 56.5 percent of heads of household in 2008 thought that their neighborhood or village was poor, whereas only 50 percent of them did in 2004 and 43.3 percent in 2000.

¹ Note however the same rate of change in percentage terms (11.9%) between the area covered and extreme poverty from 2004 to 2008.

c. Spatial differentiation of poverty

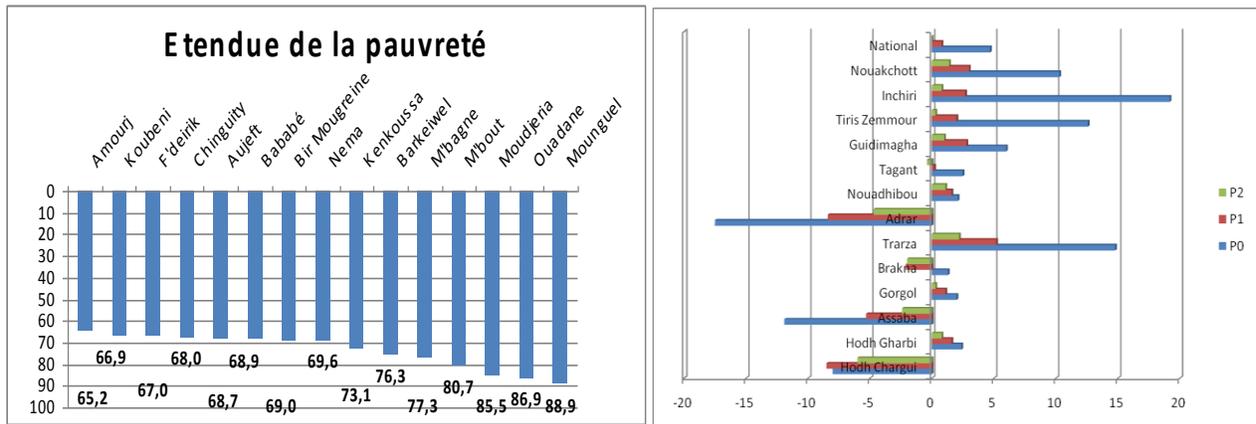
1.8 Income poverty is still primarily a rural phenomenon, with an incidence of 59.4 percent, as against 20.8 percent in urban areas. Furthermore, rural areas are home to over three quarters (77.7 percent) of the country’s poor.

1.9 The data from the 2008 EPCV show that 7 in 13 wilayas (regions) showed poverty prevalence rates of over 55 percent. From a poverty incidence analysis of the wilayas it was possible to classify them into **four main groups**:(i) very poor wilayas with a rate of over 60 percent (Tagant, Gorgol, Brakna); (ii) fairly poor wilayas with indices between 55 percent and 60 percent (Hodh El Charghi, Adrar, Guidimagha et Assaba); (iii) wilayas where the rate is between 30 percent and 50 percent (Hodh El Gharbi, Trarza et Inchiri); and (iv) wilayas where the rate is below 20 percent (Nouadhibou, Tiris-Zemmour et Nouakchott).



1.10 In summary, the areas most affected are l’Aftout, Tagant, Brakna, and the moughataa of Ouadane (Adrar) with poverty incidence rates of over 70 percent.

Figure 1.1 : Poverty incidence rate



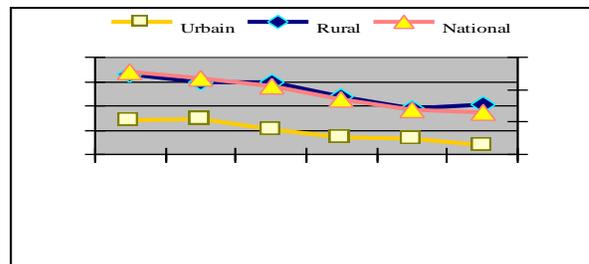
1.11 The analysis in terms of extreme poverty confirms significant gaps within these disparities: the incidence of poverty in the 11 most affected moughataa is over 50 percent.

1.12 Significant gaps can also be observed among the urban population. The incidence of poverty is less high in Nouakchott (15.6 percent) than in other cities (29.7 percent).

1.13 As regards the patterns of poverty, rural poverty increased, whereas urban poverty declined between 2004 and 2008. In urban areas, the incidence of poverty fell 10 percentage points in Nouakchott. Poverty worsened between 2004 and 2008 in three wilayas: Adrar, Assaba, and Hodh El Charghi, where it rose 18, 12 and 8 percentage points, respectively. The wilayas of Inchiri, Trarza, Tiris-Zemmour, and Nouakchott experienced more significant drops in poverty rates, or 19, 15, 13, and 10 points, respectively.

d. Breakdown by socioeconomic group and gender

1.14 Despite the significant drop in poverty in the socioeconomic group of households led by self-employed farmers over the period 2004-2008, this group is still the worst affected by poverty with an incidence of 70 percent, while the group least affected is public sector employees, with a poverty rate of about 22 percent.



1.15 The incidence of poverty does not vary appreciably in terms of who heads the household. It is slightly lower in households where the head is female (40.3 percent) than in households where the head is male (42.6 percent). It varies, nevertheless, according to the classification of the household, with households of the type « couple with children », reporting a high incidence (over 44 percent), whereas households of the type « couple without children » and one-person households seem to fare better (the incidence of poverty is at 11 percent and 13.1 percent, respectively). (See box 1)

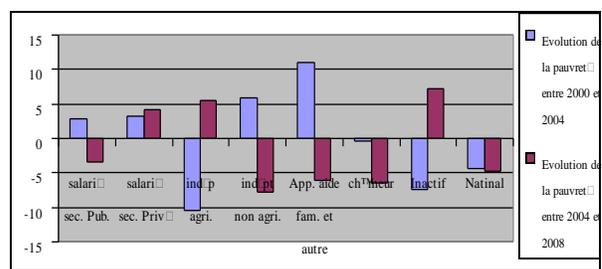


Table 1.2 : Breakdown of the poor population by household type

Type of household	Poor	Non poor	Overall
Single individual	0.2	0.9	0.6
Couple without children	0.4	2.2	1.4
Couple with children	45.6	41.7	43.4
Nuclear single parent	13.7	15	14.4
Extended single parent	10.2	11	10.7
Extended family	29.9	29.1	29.5
Total	100	100	100

Box: 1.1 : Poverty patterns 2004-2008

Poverty is still a rural phenomenon: in 2008, almost 6 in 10 persons living in rural areas lived beneath the poverty line. The incidence of poverty in rural areas increased from 59% in 2004 to 59.4% in 2008, which is a slight increase of 0.4%. There was a more significant increase in the depth and severity of poverty, however, with figures between 2004 and 2008 climbing from 20.6% to 22.3% and from 9.6% to 11.1%., respectively The majority of wilayas, where agropastoral activities are the mainstay, saw an increase in the incidence of poverty especially in the wilayas of Hodh El Chargui (8.3 %), l'Assaba (15.1 %), l'Adrar (11.7 %), Hodh El Gharbi (2.5 %), Tagant (1 %) and Brakna (0.1 %).

In urban areas, the percentage of individuals living below the poverty line fell from 28.9% in 2004 to 20.8% in 2008, which means an 8-point drop in poverty, thus reflecting a clear improvement in living conditions in certain major urban centers, notably Nouakchott, Zouerate , and Akjoujt.

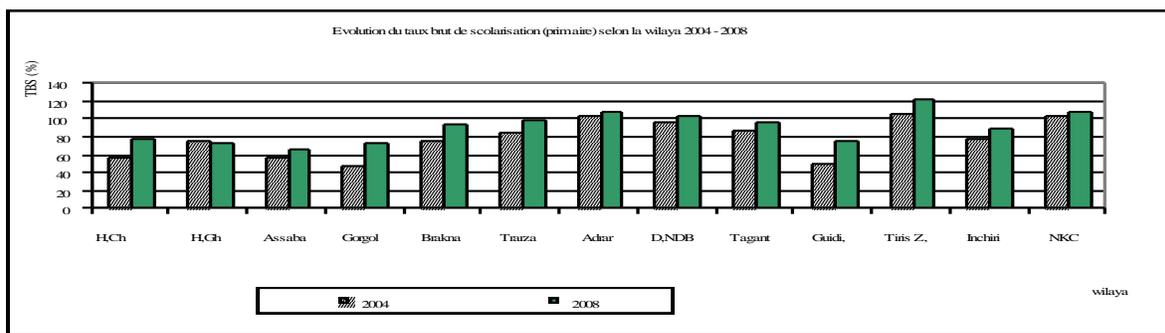
e. Poverty in terms of living conditions

1.16 This approach is based on responses collected from a set of households deemed to be representative of Mauritania's population (in terms of education in the broader sense, health, safe drinking water, housing, etc.).

1.17 *Primary education:* at the national level, the 2008 EPCV estimated the gross enrolment ratio (GER²) at the primary level at 90.9 percent, higher than the ratio in the EPCV 2004 (76.7 percent) and the Multiple Indicator Cluster Survey MICS survey (82.3 percent). In terms of gender, the GER is 93.5 percent for girls and 88 percent for boys.

1.18 Disparities appear when viewed in terms of residential background: the GER is 79.6 percent in rural areas as against 108.5 percent in urban areas. The same disparities can be observed in the wilayas. The wilayas of Hodh El Charchi, Hodh El Gharbi, Assaba, Gorgol, Guidimagha and Inchiri are below the national average, whereas for Brakna, the rate is closer to the national average. Overall, the GER is increasing with the standard of living, that is to say, 72.4 percent among the poorest (1st quintile) and 106.6 percent among the richest (5th quintile).

² Ratio of primary enrolment to national population aged 6 to 11.



1.19 *Secondary education:* there was little change in the GER over the past four years, as it moved from 29.6 percent in 2004 to 30.5 percent in 2008. It is slightly higher for boys (32.7 percent) than for girls (28.4 percent).

1.20 These results point to the persistently high dropout rate existing between the 2 levels of education. When viewed in relation to residential background, disparities are found to exist. The GER is 53.5 percent in urban areas, compared to 12.8 percent in rural areas.

1.21 *Literacy:* 61.5 percent of the population in 2008 were literate adults (15 and over) as against 57.5 percent in 2004. However, this figure conceals the disparities determined by residential background (73.3 percent in urban areas, compared to 50.3 percent in rural areas) on the one hand and gender (70.3 percent for men compared to 54.4 percent for women) on the other. An analysis by wilaya also shows significant disparities, particularly in the variation between 27.3 percent in Guidimagha and 81 percent in Tiris-Zemmour. Other major disparities were also observed nationwide (70.6 percent among the non-poor and 46 percent among the poor).

1.22 *In the field of health,* the morbidity rate increased slightly, climbing from 6.4 percent in 2004 to 7.8 percent in 2008. The rate is higher in rural areas (8.2 percent) than in urban areas (7.3 percent).

1.23 Where immunization coverage is concerned, the percentage of fully immunized children 12 to 23 months old is 68.8 percent. The figure is slightly higher for boys (69.3 percent) than for girls (68.3 percent).

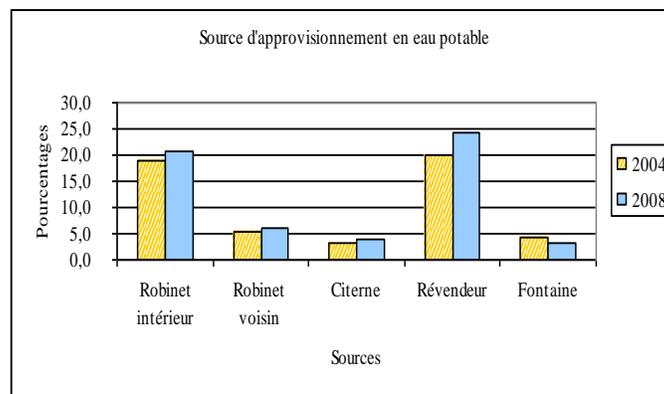
1.24 Furthermore, a review of the results on prenatal care shows an improvement. Whereas coverage was 80.2 percent in 2004, it rose to 87.4 percent in 2008. Nevertheless, disparities exist between the poor (76.6 percent) and the non-poor (94.6 percent). The births assisted by a skilled birth attendant rate improved, climbing from 56.5 percent in 2004 to 60.2 percent in 2008 but remains variable, that is to say, 27.4 percent in poor families and 92 percent for richer Mauritians.

1.25 There is still more progress to be made in ensuring physical accessibility to health services. In fact the results reveal that only 40.3 percent of the population can access a health center within 30 minutes and 67.3 percent live within a 5-km radius of a health facility. The results for malnutrition in children under 5 years of age show a slight drop in chronic malnutrition: 40.3 percent in 2004 compared to 40.1 percent in 2008. Nevertheless, the rate of

severe malnutrition rose from 12.2 percent in 2004 to 15.6 percent in 2008. The same rate was true of underweight children, which was 30.2 percent in 39.4 percent over the same period.

1.26 *As regards access to safe drinking water, huge progress has been made in the past four years, even though there are still improvements to be made: 58.3 percent of households have access to safe drinking water in 2008 as against 52 percent in 2004. Water vendors (24.4 percent) and indoor plumbing (21 percent) are the main sources of supply of safe drinking water.*

1.27 This access when cross-referenced with the standard of living of households shows significant gaps in that 30 percent of poor households have access to drinking water compared to 87 percent of richer households.



1.28 The situation in the wilayas shows some disparities that enable the following differentiations to be made: (i) one group using mostly indoor plumbing, comprising the wilayas of Trarza (51.7 percent), l'Inchiri (48.4 percent), and Dakhlet-Nouadhibou (39.5 percent); (ii) the Northern wilayas, i.e. Adrar, Tiris Zemmour, where cisterns are the primary source, with 33.5 percent et 83 percent respectively; and (iii) finally, the district of Nouakchott, where water vendors are the primary source (74.4 percent).

1.29 *The main types of housing occupied by households in 2008 can be classified into two major groups: substandard dwellings (tents, shacks/huts, baraqes and m'bar) represent 32.5 percent, instead of 33 percent in 2004, and dwellings that could be called houses increased from 67 percent in 2004 to 67.5 percent in 2008. As regards the occupancy status of the houses, it has been observed that the vast majority of households owned their homes (74 percent). This figure fell, compared to 2004, when it was 77,2 percent. Tenants are in second place (almost 12 percent in 2008), which was a slight increase over 2004. The third position is held by households in the process of becoming homeowners (Gazra), or 7,5 percent.*

1.30 In 2008, *the mode of lighting* most widely used nationwide was torches: 51 percent of households. It was followed by electricity, used by 30.6 percent of households. These two modes of lighting were also dominant in 2004, accounting for 51 percent and 24 percent, respectively. Disparities do exist depending on where people live, i.e. in rural areas 4 in 5

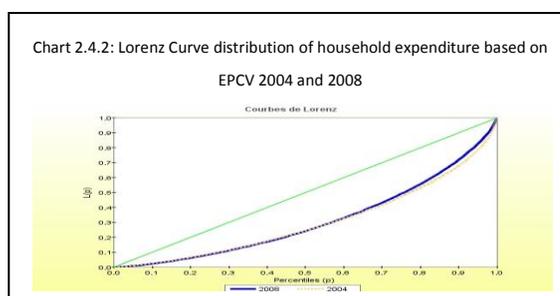
households use torches, whereas in urban areas electricity is most widely used (over 70 percent).

1.31 *The energy most widely used for cooking food in 2008 was butane gas (37 percent of households) compared to 35 percent in 2004. Next is firewood gathered by residents (almost 33 percent of households). In rural areas, the most widely used energy remained gathered firewood (56.6 percent), followed by gas (18.6 percent). In contrast, in urban areas, gas is most widely used (61.6 percent), followed by wood charcoal (31 percent).*

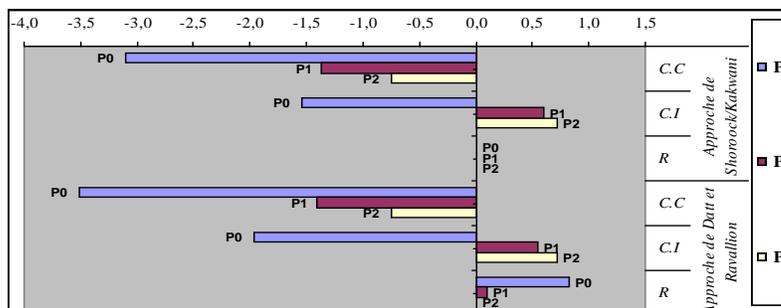
1.32 *The number of homes with lavatories increased: there were 45.7 percent of homes without lavatories in 2008 compared with 48 percent in 2004.*

B. MAIN FACTORS INFLUENCING POVERTY

1.33 Tackling poverty means tackling the factors influencing it. Poverty is the result of the influence of several factors, including geo-natural factors (geographic position, natural resources), demographic factors (high population growth rate) and institutional factors (economic policy management mode).



1.34 The 2008 EPCV also highlighted the following: (i) the decline in poverty over the period 2006-2009 might be explained in part by the execution of major investment projects in the infrastructure and social sector sectors. The establishment of more redistributive policies could have helped reduce the rate of poverty much more significantly; and (ii) the levels of education, literacy, and technical and professional training of individuals and households are some of the factors exerting a real influence on their standard of living.



1.35 The worsening of poverty in absolute terms is due to the redistribution effect (1.5 percent), which, paradoxically, is unfavorable for the poorer segments of the population and is reflected numerically by stagnation in the poverty severity index P_2 . The impact of economic growth also helped reduce poverty (3.1 percent) between 2004 and 2008. Note that the Gini index dropped between 2004 and 2008, from 39 percent to 38 percent.

1.36 The socioeconomic and socio-demographic characteristics are at the heart of the problem of reducing poverty, given the multidimensional character of poverty. In fact, the level of education, level of literacy, and gender of the head of household (HH) are major factors, to

the extent that they affect appreciably the standard of living of households measured by per capita expenditure. The same observation holds true for the size and classification of the household.

1.37 Lastly, other factors were also partly responsible for hampering the efforts made to achieve the poverty reduction targets:

- The rise in inflation in recent years undermined the gains made by households in purchasing power, especially poorer households;
- In rural areas, (i) almost complete dependence of the people on agro pastoral activities, which are contingent on climatic conditions; (ii) the lack of water resources; (iii) lack of access for the poor to land; and (iv) isolated areas of production and the absence of infrastructure to facilitate the marketing of produce;
- In urban areas, (i) uncontrolled sedentarisation; (ii) lack of economic development opportunities; (iii) lack of access for the poor to basic social services (health, education, safe drinking water, etc.) and suitable financial services; and (iv) general substandard living conditions in outlying areas.

1.38 Despite the government's efforts since the 1990s, Mauritania is still one of the world's poorest countries, with 42 percent of its population in 2008 living below the poverty threshold.

1.39 Since the work on poverty began, it became clear that not all strata of the population are affected in the same way. A more accurate appraisal of poverty requires proper targeting of the segments of population most exposed to poverty. Information on the income of the entire population is not often available or practically non-existent. Nevertheless, household surveys made it possible to estimate the level of wellbeing for the different categories of the population and therefore design targeted programs to alleviate poverty.

1.40 Poverty therefore remains a source of grave concern in Mauritania. This situation seems to confirm that the various policy measures implemented thus far have not succeeded in extricating certain strands of the population out of poverty.

CHAPTER 2: PRSP 2006-2010 IMPLEMENTATION REVIEW

A. ACCELERATION OF GROWTH AND STABILIZATION OF THE MACROECONOMIC FRAMEWORK (FOCUS AREA 1)

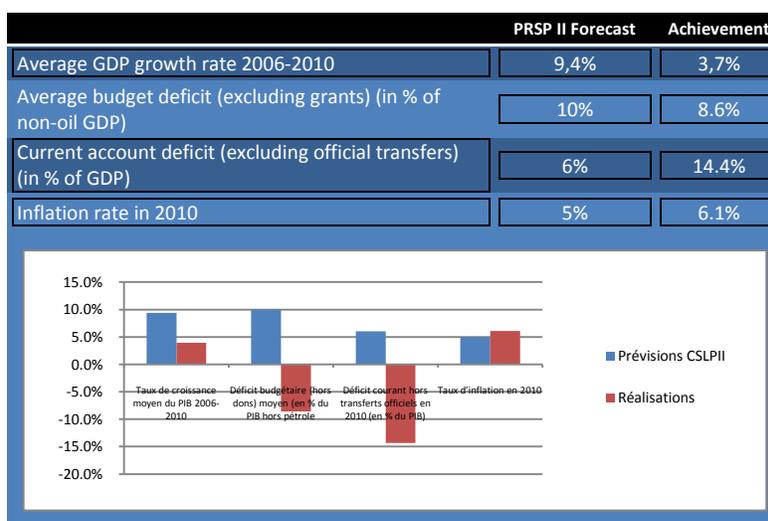
2.1 The government, through this the first of its strategic focus areas, was clear in its resolve to move beyond mere economic recovery during the period 2006-2010 by laying a fresh foundation for progressively strong, sustainable, sustained growth. To achieve this, the public authorities focused on implementing growth-friendly, pro-poor economic policies through: (i) implementing macroeconomic policies geared toward stabilizing the macroeconomic

framework and pushing through comprehensive structural reforms; (ii) financial sector reform to find the appropriate solutions for financing enterprises and helping them do their part to embody the government's determination to make the private sector the engine of growth in coming years; (iii) establishing an appropriate framework to revitalize the private sector and contribute to building a climate conducive to the private investment essential for promoting SMEs; (iii) implementing sectoral policies aimed at promoting potential sources of growth; and (iv) devising policies to support growth, with infrastructure development as the lynch pin of all economic expansion, social welfare, and a more competitive Mauritanian economy.

a. Macroeconomic objectives and changes in the main aggregates³

2.2 On balance, over the period 2006-2010, the macroeconomic objectives established by the government consisted in: (i) bringing the GDP growth rate to 9.4 percent on average over the period 2006-2010; (ii) bringing inflation to under 5 percent by 2010; (iii) containing the budget deficit (excluding grants) to about 10 percent of non-oil GDP on average annually; (iv) bringing the current account deficit excluding official transfers by 2010 to 6 percent of GDP; and (v) increasing foreign currency reserves to 3.7 months of imports by the end of the period.

Table 2.1 : Achievement of the objectives for 2006-2010



2.3 On average, non-oil economic growth between 2006 and 2009 was calculated at 3.2 percent, and 3.7 percent including oil revenues. These results are scarcely enough to reach a third of the PRSP II forecast, which saw a 10.7 percent growth rate over the same period.

2.4 This growth was driven mainly by the tertiary sector, comprising transport, telecommunications, commerce, restaurants, and hotels and other private services, which contributed 1.6 percent during that period, or half of overall growth (3.7 percent). This

³ Sources: Mauritanian authorities, IMF, September 2010

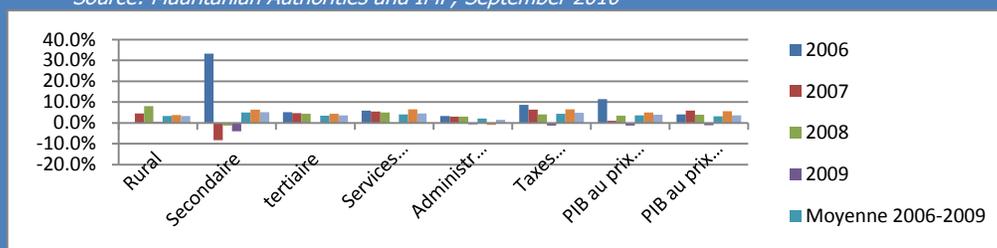
component comprised the bulk of activity in the economy for several years during which a gradual tertiarization of the economy was observed.

Table 2.2 : Average contribution to growth 2006-2010

	2006	2007	2008	2009	Average 2006- 2009	2010*	Average 2006-2010
Rural	0,0%	4,6%	8,1%	0,4%	3,3%	3,9%	3,4%
Secondary	33,3%	-8,2%	-1,2%	-4,1%	4,9%	6,4%	5,2%
Tertiary	5,1%	4,7%	4,5%	-0,3%	3,5%	4,4%	3,7%
Private services	5,8%	5,4%	5,1%	-0,1%	4,1%	6,5%	4,5%
Government agencies	3,4%	2,9%	3,0%	-0,7%	2,1%	-0,9%	1,5%
Indirect taxes	8,6%	6,4%	4,1%	-1,2%	4,5%	6,6%	4,9%
GDP at market price	11,4%	1,0%	3,5%	-1,2%	3,7%	5,0%	4,0%
GDP at market price excluding oil	4,1%	5,9%	3,9%	-1,1%	3,2%	5,6%	3,7%

* Forecast

Source: Mauritanian Authorities and IMF, September 2010



Rural Secondary Tertiary Services Admin Taxes GDP at...price GDP at...price

2.5 The secondary sector, despite its role as a driver of the growth achieved (it contributed 1.1 percentage points), was, however, the decisive factor that compromised the growth target established in PRSP II. Considering the growth rate of 24.2 percent forecast for the period 2006-2009, the sector only grew by 4.9 percent. In fact, after a strong increase of almost 33 percent in 2006 under the effect of an incipient oil industry, the secondary sector followed a downward trend over the entire period covering 2007-2009 (-4.5 percent on average) due to the oil sector's below-par performance, beginning in 2007, and the poor performance of the construction and public works (BTP) sector, particularly in 2008 and 2009 following the slowdown in the rate of execution of infrastructure projects, because of dwindling external financial flows following the various institutional changes the country experienced during the period. Nevertheless, these below-par performances were offset by the good performance of the copper and gold subsectors, which grew an average of 150 percent and 279 percent respectively between 2007-2009, since mining began in 2007 and 2008.

2.6 The primary sector (rural sector), on which over 60 percent of the population depends, contributed the least to overall growth (0.6 percentage point) for the period. This situation is explained in part by the difficulties experienced during the crop year in the irrigated sector in 2009, following the financing problems ensuing from the high rate of non-performing loans at

the National Union of Agricultural Savings and Loan Banks of Mauritania (UNCACEM). These difficulties compounded other more classic difficulties, related to the rainfall deficit, deficiencies in the irrigation system, infrastructure weaknesses, as well as the lack of inputs, and technical and productive skills. The paltry contribution of the rural sector to overall growth is also explained by the lack of integration of the livestock and fisheries subsectors into the economy.

2.7 The inflation rate, resulting from the substantial rise in the price of energy and a number of imported food items, was established at an average of 6.7 percent annually over the period 2006-2007. Nevertheless, in terms of the year on year inflation⁴, the increase in consumer prices slowed appreciably. Inflation therefore fell from 8.9 percent at end-2006 to 7.4 percent at end-December 2007, due mainly to a deceleration in food and transport prices observed during the first quarter of the year and further tightening of monetary and fiscal policy.

2.8 Average annual inflation during 2008 remained stable at 7.3 percent. Nevertheless, in terms of the year on year rate, the rate was 3.9 percent, which is a drop of 3.5 percentage points compared to 2007. The reasons for this are: (i) the measures taken by the government authorities to offset the spike in the prices of staples, and (ii) the implementation of a prudent monetary policy. This downward trend observed in 2008 continued in 2009, during which the rate of inflation was 2.2 percent on annual average.

2.9 The budget deficit excluding oil and grants was on average 60.3 billion UM for the period 2006-2009, corresponding to 8.6 percent of nominal GDP excluding oil. The deficit continued on a fairly steady path over the period although there was a spike because of the implementation of the Special Intervention Program (PSI) to counter the negative effects of the global food crisis. Grants and oil revenues included, the balance would actually be a 38 billion UM surplus per annum over the period. The reason for this is essentially the inclusion of the debt relief under the MDRI in 2006 (242.5 billion UM) and oil revenues.

2.10 The current account balance was in deficit for the entire period, standing at USD 374.5 million (12.1 percent of average GDP). This deficit is significantly higher than the trade balance. The behavior of the current account balance is due essentially to a significant deficit in the balance of services and revenues that it was not possible to offset using the transfer surplus for that period. Indeed, imports of services and revenues (transport, insurance, financial services, travel, interest payments on external debt, etc.) were well in excess of revenues for that period, most of which came from fishing and tourism concessions. These imports stood at an average of USD 719 million, because of the charges linked to the increase in goods imports for the period.

⁴ Change in inflation between two specific months

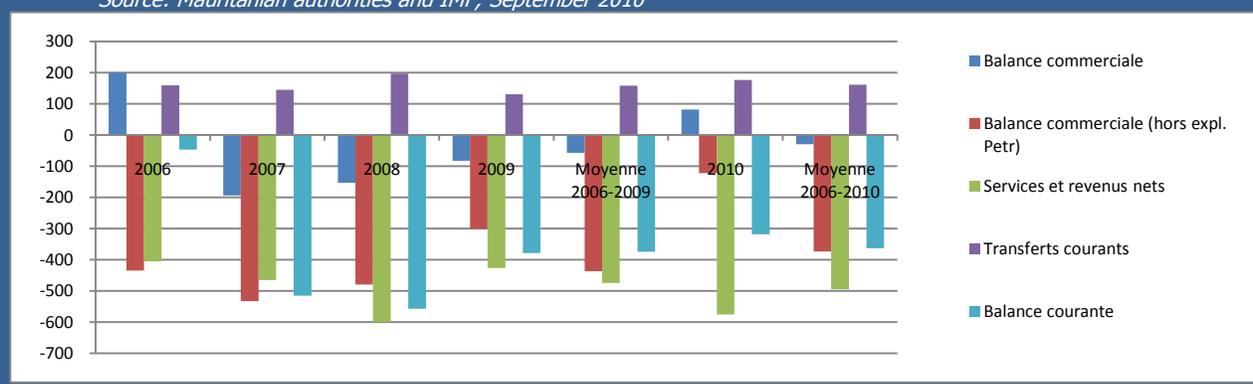
2.11 On the whole, there was a deficit of almost USD 58 million in the trade balance in the period 2006-2009, and USD 437 million, excluding oil exports. An analysis of this balance reveals three trends: (i) the low-key entry into service of the Chinguity oilfield boosted exports nonetheless in 2006; (ii) deficit levels over the period 2007-2009 due to a significant increase in imports and the rise in food prices (purchase of large stocks of foodstuffs following implementation of the PSI). This increase in imports was offset in part by the first exports of gold and copper and favorable prices for iron on the market in 2007-2008; and (iii) a strong reduction in the deficit in 2009, owing to the drop in the import bill, particularly foodstuffs, domestic fuel and oil, even though exports declined.

Table 2.3 : External account 2006-2010

	2006	2007	2008	2009	Average 2006-2009	2010*	Average 2006-2010
Trade balance	200	-193,71	-153,55	-82,81	-57,5	81,3	-29,8
Trade balance (excl. oil production)	-434,8	-532,4	-479,4	-300,8	-436,8	-122,5	-374,0
Net services and revenues	-405,4	-465,7	-600,3	-426,9	-474,6	-576,1	-494,9
Current transfers	158,7	144,3	196,6	130,8	157,6	176,3	161,3
Current balance	-46,7	-515,2	-557,3	-378,9	-374,5	-318,4	-363,3

**Forecast*

Source: Mauritanian authorities and IMF; September 2010



Trade balance Trade balance excl. oil Net services and revenues Current transfers Current balance

2.12 As regards transfers, the average level of transfers was USD 158 million. Nevertheless, private transfers remained practically stable at USD 69 million per annum, whereas official transfers trended differently over the period, given the steady decline in assistance under the HIPC, which dwindled from USD 14.3 million in 2006 to USD 6 million in 2009.

b. Macroeconomic policies for sustainable equilibria

2.13 During the period 2006-2010, the fiscal policy had been considered as a major matter to be addressed, with three objectives in mind: (i) to strengthen the achievements made under the tax reform in order to maintain the upward trend in non-oil tax; (ii) to control public expenditure through rational management of the new fiscal margin generated by oil revenues; and (iii) to improve the targeting and effectiveness of public expenditures.

2.14 As far as the management of public resources is concerned, the following actions were taken: (i) deconcentration of the authorization process; (ii) establishment of the RACHAD system; (iii) introduction of the Annual Initial Budget Programming Document (DAPBI); (iv) deconcentration of financial control; and (v) drafting (still underway) of a budget nomenclature in line with the IMF's government finance statistics manual. The establishment of secondary authorization strengthened the transfer of power to authorize payments, which has been in the experimental phase since 2008 in the wilaya of Nouadhibou. Recently, authorization to make payments for the armed forces and security forces (Army, Gendarmerie, National Guard, Traffic Squad) was regularized with the definitive abandonment of military subauthorizations and the delegation of authorization powers for military expenditures, including wages.

2.15 On the public expenditures and fiscal management side, the main achievements were notably in the following areas: (i) the revision in 2006 of the public accounting regulations; (ii) limits on procedures for expenditure waivers (MF order 2007); (iii) drafting of several procedures manuals and auditing tools; (iv) the launch of a process of establishing accrual basis accounting; (v) including recurrent items in Ministries' budgets (hemodialysis, non permanent staff (PNP), operation Ramadan...), previously carried under the Chapter « Common expenditures »; and (vi) fewer in-kind expenditures in the form of transport and housing allowances in 2010, with the aim of making management of these types of public expenditures transparent and to guarantee equity in their distribution.

2.16 Several other reforms were undertaken under the 2010 budget law. The highlights were: (i) the restructuring (still underway) of the payroll based on the results of the head count of government officials and employees through the elimination of phantom employees, redundancies, and the perks granted to certain government employees who are no longer entitled to them; (ii) elimination of the government's water and electricity grants to employees, and replacing them with a lump-sum allowance for eligible government officials; (iii) discontinuing the practice of carrying fuel and vehicle maintenance expenses in the government budget and replacing them with a transportation allowance to all officials; and (iv) rescindment of all housing agreements, starting in July 1, 2010, and payment of a non-housing allowance to all officials.

2.17 As far as monetary and credit policies are concerned, efforts to stabilize prices continued and were supplemented by: (i) an easing of conditions for financing the economy, which was reflected in the decision made by the Monetary Policy Council (CPM) to lower the rates for repurchase of treasury bills, which serve as the Central Bank's key rate, from 14 percent to 12 percent in October 2007, and from 12 percent to 9 percent in November 2009; (ii) the establishment of a Council for Monetary Policy, chaired by the governor of the BCM, entrusted with defining the Bank's monetary policy; (iii) an overhaul of the operational framework for the monetary policy, which was embodied by the adoption of a new set of regulations and a new procedures manual for the money market; (iv) the creation of new market intervention instruments (BCM bonds, Certificates of deposit, and treasury bills), and the expansion of the money market to encompass all economic agents, who are now provided

with an appropriate framework for treasury management; (v) creation of BCM bonds designed to bolster the operational independence of the monetary policy by enabling the Central Bank to use its own securities to regulate liquidity in the banking system; and (vi) establishment of a committee to coordinate monetary and fiscal policy.

2.18 On the exchange policy front, action was taken in the following areas: (i) external trade arrears were cleared; (ii) starting October 2006, all restrictions on payments of current transactions were lifted; and (iii) establishment in January 2007, of a currencies market, which signaled a turning point in Mauritania's exchange policy.

c. Maximization of the benefits of oil

2.19 When the second action plan under the PRSP was launched, it coincided with the start of activity in the oil industry. This shift led government authorities to make managing all aspects of the oil sector both a core and a crosscutting issue in PRSP II, inasmuch as it is likely, given its economic, financial, social and environmental impact, to have a major influence on the strategic focus areas of the National Poverty Reduction Strategy. Government authorities therefore geared their action for the period 2006-2010 toward the five following areas: (i) planned development of oil prospecting and production; (ii) monitoring production, costs, and contractual obligations; (iii) optimal management of oil revenues; (iv) preventing potential negative effects on the environment; and (v) taking the subregional dimension into account.

2.20 The following achievements were made in the area of unprocessed hydrocarbons over the period 2006-2010: (i) exploration of the coastal basin, although only 7 exploratory wells were drilled between 2006 and 2010; (ii) intensification of exploration activity in the Taoudéni basin since 2006 with several thousand kilometers of 2D seismic drilled by Total and Repsol; (iii) the start of exploratory drilling by Total in the Ta8 block and a 3D seismic survey carried out by Wintershall; (iv) the signing under more favorable conditions for the government of riders for the extension of the exploration period of Petronal and Dana in offshore Block C6 in 2009 and Block 1 in 2010, respectively, to increase the chances of fresh discoveries for Petronal and to confirm the state of the fields for Dana; (v) publication of figures for the oil subsector as part of the Extractive Industries Transparency Initiative (EITI) in the report of the national EITI commission, for the 2006 budget year (**See box 2**); (vi) establishment in 2006 of the National Hydrocarbons Revenue Fund (FNRH) and an upgrade of its role to include supervision of oil revenue management based on the principles of transparency and good governance; and (vii) the transformation of the SMH into a state-owned corporation with publicly funded capital to provide the government with more expertise for auditing and monitoring the oil industry.

Box: 2.1 : The Extractive Industries Transparency Initiative (EITI)

The Mauritanian government, considering the major role that mining and oil industries play in the economic and social development of the country and concerned to guarantee total transparency in the investment and utilization of financial resources generated by these sectors, acceded on September 25, 2005 to the Extractive Industries Transparency Initiative (EITI), launched at the World Summit on Sustainable Development in Johannesburg in September 2002. The application of these principles of this initiative fosters transparency in the use of revenues from the mining and oil industries.

Mauritania joined this initiative in a global context of government measures taken in recent years to institute transparent regulations in the management of mining and hydrocarbons and to help those sectors better contribute to securing economic growth, distributing the revenues, and reducing poverty, which still affects approximately 42 percent of Mauritians. In so doing, the government authorities are seeking to forestall the missed opportunities that other countries have experienced in making effective use of their natural resources.

With a view to transparency and effectiveness, government revenues from hydrocarbons are therefore deposited into an open account held with a reputable banking establishment. A National Council on Extractive Industry Transparency (CNTIE) was established, by Decree 2006-001 of January 13, 2006. With a membership comprising representatives of government agencies and civil society, under the decree it has been entrusted with the task of:

- Ensuring the regular publication in a form accessible to the public, information on the tax revenues collected from oil, gas, and mining operations.
- Recruiting, in compliance with international standards, an independent expert to reconcile payment statements issued by extractive corporations and those issued by the central government.
- Drafting an action plan with measurable objectives and an implementation schedule.
- Ensuring that civil society participates actively throughout the entire process and that it contributes to the public debate.

By publishing the annual reports, the CNTIE provides Mauritians with essential information on the revenues accruing to government from the exploitation of the mining and industrial sectors. This information, which is reconciled by an internationally renowned consulting firm recruited through a bidding procedure, is testimony to the strategic importance of these sectors, especially in terms of their contribution to the government's budget.

The first National Report, drafted by the International firm Ernst and Young and published in March 2007, covers the data from 2005: the report is devoted primarily to the National Mining Industries Corporation (SNIM), given that oil production in the Chinguetti oilfield did not begin until February 2006 and that for the other mining operators M.C.M (AKJOUJT) and T.M.L (TASIAST), their production was not scheduled to begin before 2006 and 2007, respectively. The second report, in 2006, drafted by the same international firm and published in July 2007 included data from both subsectors of mining and hydrocarbons, thus affording a more balanced view of these two strategic sectors in Mauritania's economy. It emerged from the report that mining and oil contributed over 80 percent of the country's export revenues and over 38 percent of non-grant fiscal revenue.

d. *Fast-tracking financial sector reform*

2.21 The challenge of accelerated economic growth and a competitive private sector can be successfully tackled only if there is a healthy, competitive, and effective financial sector. It is with this in mind that government authorities established as their main objective the modernization of the financial sector through the following priority actions: (i) adoption of a new banking law; (ii) instituting a system in which enterprises would produce reliable financial statements and in which auditors and external auditors would certify only accounts in good order; and (iii) setting up new banks, preferably with a reputable partner with proven experience.

2.22 As far as the banking sector and the regulatory and institutional aspects are concerned, the government authorities succeeded in: (i) carrying out an organizational restructuring of the BCM; (ii) setting up a clearinghouse at the BCM agency in Nouadhibou; (iii) establishing a training institute for banking in Nouadhibou; and (iv) adopting Ordinance N° 2007-020 of March 13, 2007 on the regulations for credit institutions and the main implementing provisions.

2.23 Other steps were taken in the banking sector to: (i) institute an effective maximum global rate in a bid to help improve access for economic agents to financing from banks and eliminate possible abuse; (ii) create a deposit guarantee fund as part of the policy to strengthen the banking system; (iii) establish an international audit of the banks; (iv) establish an audit of the post office's financial services; (v) diversify the banking system by strengthening competition (approval for the opening of a branch of Qatar National Bank, opening of an Islamic bank under the auspices of the IDB and the purchase of 60 percent of the corporate equity of BNP Mauritanie by a foreign operator); and (vi) development of a Strategic Plan for the BCM to cover the period 2008-2012 with a view to supporting and guiding the economic and financial development of the country, especially by ensuring coherence among the necessary reforms.

2.24 The central bank took a number of measures geared to improving the performance of the system and means of payment, including: (i) a revision of the regulatory framework and the introduction of disciplinary measures to ensure normal operation of the clearinghouse; (ii) a study on standardization in the banking and financial sector to lay the groundwork for a teleclearing system within a maximum of two years; (iii) adoption of Ordinance 2006-031 on payment instruments and electronic commerce; (iv) adoption of the rules for interbank operations; (v) development and rollout of a security system meeting international standards at the premises of the electronic cash center; (vi) development and rollout of an interbanking telecommunication network in the form of a fiber optic ring linking all the banks; (vii) setting up and entry into service of a center for the personalization of certified banking cards; (viii) launch of a communication campaign on the use of bank cards for making payments; (ix) introduction of an electronic cash solution was introduced offering nationwide interbanking and the acceptance/issuance of international bank cards; (x) issuance of 22 000 interbanking cards that can be used for payment and withdrawal; (xi) connection of all banks the electronic cash center; (xii) adoption of the legal provisions regulating the use of international banking cards and the tourist allocation (available only through the use of these cards); and (xiii) linking of the electronic cash center to the VISA INTERNATIONAL network (purchases/withdrawals).

2.25 An advisory commission was set up for the insurance industry and the terms of reference for the diagnostic survey of the sector were finalized.

e. *Improving the business climate and promoting SMEs*

2.26 Inasmuch as deepening of the reforms required to create a *business-friendly environment* and promoting investment are, together, a sine qua non for making the economy competitive, government authorities focused their action on the following main priorities: (i) improving the legal environment for business by tackling anticompetitive practices; (ii) adopting

business friendly tax and customs policies; (iii) providing institutional support for developing commerce; (iv) putting measures in place to support Mauritanian SMEs in industry, handicrafts businesses, and SMEs in the construction and public works sector; (v) strengthening consultation mechanisms and economic monitoring tools; and (vi) reforming the financial sector.

2.27 *Improving the legal environment for business* involved the following actions: (i) training judges and commercial court registrars; (ii) conducting a study on the rules governing the operation of the central trade register at the Mauritania Chamber of Commerce, Industry, and Handicrafts (CCIAM); (iii) providing support for setting up a Mediation and Arbitration Chamber at the CCIAM; (iv) drafting an order on the organization and operation of the central trade register; and (v) organizing a Commercial Bank/Justice Sector seminar.

2.28 Tax and customs policies were further adapted and simplified through the introduction of the following measures: (i) the threshold for the lump sum tax on industrial and commercial profits was raised from 3 to 6 million ouguiyas (depending on the sector) to a uniform threshold of 30 million ouguiyas; (ii) the rules for the minimum flat tax (IMF in the French) were simplified with across the board taxation of all businesses with a lump sum tax, which is 2.5 percent of turnover, while the tax on industrial and commercial profits was set at 25 percent of businesses' profits; and (iii) the lump sum regime was made declarative and not presumptive, based on a declaration made on a simple form. In addition to all these actions, tax centers were established at the Tax Administration and tasked with simplifying relations with taxpayers.

2.29 The entry into service of the ASYCUDA++ system is designed to increase revenue by putting in place several regulatory measures (Budget Law, Tariff schedules, Regimes, etc.) and by applying the procedures across the board to all the bureaus that have been computerized.

2.30 Institutional support for developing trade involved major undertakings, notably: (i) promoting regulations governing consultations and trade negotiations by setting up the National Consultative Commission on International Trade (CNCCI); (ii) setting up the National Steering Committee for the Economic Partnership Agreement (EPA); and (iii) conducting a 2009 feasibility study into setting up an Export Promotion Center to help improve the competitiveness of Mauritanian businesses; (v) organizing a series of seminars and training, information, and awareness raising workshops on the Economic Partnership Agreement, the WTO Agreements, trade negotiations and systems of trade preferences of which Mauritania is a beneficiary; (vi) strengthening ownership of the Integrated Framework, and of commerce in general by government agencies, the private sector, and civil society; (vii) further mainstreaming the commercial dimension into the national development strategy; (viii) ensuring the enhanced positioning of the CCIAM as a key player in the development and promotion of the private sector; (ix) development of the trade strategy for 2007-2015; and (x) building capacity at the CCIAM.

2.31 The supporting measures for Mauritanian SMEs were strengthened by: (i) the enactment of the law on standardization and quality promotion; (ii) the setting up a national

system for standardization and quality promotion; (iii) the creation of new industrial facilities, especially in the agrifood and construction material industries; (iv) studies into setting up a metrology laboratory and supporting the development of quality infrastructure; (v) the setting up of an industrial information system (industrial enterprise database); (vi) the development and validation of a priority action plan to implement the industrial strategy; (vii) the development of a program to restructure and upgrade industrial enterprises; (viii) the institution of legal provisions to regulate the recording of industrial activities; (ix) the development of product specifications for the bottled water and baking industries, and for conducting surveys and enforcement drives; (x) the adoption of a decree establishing an Economic Enterprise Support Commission designed to support businesses in difficulty; and (xi) the organization of several editions of the National Inventors and Technological Innovation Show and campaigns to raise awareness of industrial property.

2.32 The consultation and economic monitoring tools were strengthened through the: (i) establishment of an institution in charge of promoting local and foreign private investment, to serve among other things as a forum for government/private sector consultation; and (ii) the inauguration in 2007 of the Presidential Investment Council, which is designed to be a platform for direct engagement between local and international investors and the President of the Republic.

f. Maximizing growth potentials in sectoral policies

2.33 In a bid to maximize the growth potentials in the lead sectors (mining, fisheries, tourism, and handicrafts), the 2006-2010 PRSP was supported by more effective sectoral policies.

2.34 The strategic guidelines for the *mining sector* for the period addressed the following main focus areas: (i) updating the legal framework; (ii) institutional support; (iii) enhancing data on the geological structure; and (iv) promoting mining with a view to diversifying national mining production.

2.35 The main undertakings in the mining sector during implementation of the second PRSP action plan involved: (i) improvements to the legal and regulatory framework, notably the 2008 mining law, which was revised in 2009, as well as drafting of the provisions for its implementation; (ii) institutional reform, in particular the creation of the Directorate of the Mines Police to inspect and monitor the activities of mining concerns, and institutional strengthening of the mining administration's agencies; (iii) improvement of geological infrastructure, mainly the airborne geophysical survey of 72 percent of Mauritania's surface area on a scale of 1:500,000 and the geophysical survey of 56 percent of the territory on a scale of 1:200,000 for the most prospective metallogenic parts; (iv) promotion of mining with efforts to raise awareness among mining companies and foreign investors through actual participation in many regional and international events as well as assisting foreign investors when they visit Mauritania to familiarize them with the business environment and our country's mining potential; and (v) prospecting, research, development, and actual mining, with over 150 exploration permits issued to some fifty mining concerns.

2.36 For the *fisheries sector*, the objectives established for the period 2006-2010 were to: (i) preserve fish stocks; (ii) further mainstream fisheries in the economy; (iii) preserve the environment and marine and coastal ecosystems; and (iv) promote an appropriate institutional and regulatory framework, founded essentially on maximizing the value of its human resources and an effective monitoring and evaluation system.

2.37 Over the period 2006-2007, efforts undertaken to realize the above-mentioned objectives yielded the following achievements: (i) preparation of a management and development plan for small scale and inshore fishing; (ii) enhanced surveillance through monitoring in the ports; (iii) adoption of a management plan for octopus fishing, and drafting of a management plan for shrimping; (iv) adoption of an International Ship and Port facility Security (ISPS) code for the safety of port facilities; (v) implementation of the master plan for Mauritanian coastal management and development; (vi) setting up of maritime credit; (vii) ensuring the National Fishery and Maritime School (ENEMP's) compliance (under agreement STCW-95); (viii) signing of the maritime collective bargaining agreement; (ix) dredging of the small-scale fisheries port for the Baie du Repos Port Facility (EPBR); (x) completion of construction of the training and social development centers for small-scale and inland fisheries; (xi) establishment of the national health inspection bureau for fisheries and aquaculture products (ONISPA); and (xii) the holding of an open forum for the fisheries sector.

2.38 The following achievements were recorded for the period 2008-2010: (i) the start of implementation of the management plans for octopus fishing; (ii) launch of initiatives to develop fisheries infrastructure; (iii) development of landing sites; (iv) the emergence of poles of development for small-scale fisheries; (v) Phase II of the fisheries surveillance and monitoring project; (vi) purchase of supplies for EPBR; (vii) implementation of the second phase of the Southern Small-scale Fisheries Development Program (PDPAS); (viii) extension/reconditioning of EPBR's jetty and equipment; (ix) establishment of the fund for studies/ Ministry of Fisheries and Maritime Economy (MPEM); (x) equipping the small-scale fisheries training centers; (xi) providing support for the monitoring and evaluation system; (xii) execution of the ENEMP promotion program; (xiii) providing support for fisheries research; (xiv) ensuring the Nouakchott fish market is compliant with prevailing standards; and (xv) improvement of health inspection of fisheries products.

2.39 *Regarding the tourism sector*, the priorities established by government authorities over the period of implementation of PRSP II covered the following areas: (i) supporting the institutional framework; (ii) strengthening the legal framework; (iii) developing tourist attractions; (iv) developing service quality; and (v) promoting tourism through the implementation of a marketing plan, which made it possible to address the communication deficit.

2.40 In this connection, the government's efforts made it possible to: (i) develop a tourism development strategy; (ii) develop some tourist attractions, particularly the Arquin National Park and the Diawling National Park; (iii) promote service quality through training for specialized guides; (iv) implementation of a marketing plan through which it was possible to

reduce the communication deficit; (v) participation in several specialized expos and fairs in Europe and Africa; and (vi) the organization in 2008 in Paris of open days on Mauritania.

2.41 *Regarding the handicrafts subsector*, the SME support measures were strengthened by the following achievements: (i) the establishment of a handicrafts code; and (ii) establishment of handicrafts socioprofessional organizations which became, and are still now, key actors in the sector, i.e. a National Arts and Crafts Chamber (CNARM), three National Federations and thirteen Regional Arts and Crafts Federations.

g. *Strengthening the economic role of infrastructure*

2.42 *The infrastructure sector* is an important element in development, from both the point of view of economic growth and poverty reduction. For that matter, infrastructure plays a double role in development: (i) it has a positive effect on reducing the costs of the factors of production, i.e. energy supply, transport of goods and passengers, communications, etc.; (ii) it is an effective means of reducing inequalities and helps indirectly reduce poverty.

2.43 Providing the country with an efficient road system that meets its economic, environmental and social needs remains a major objective of the sectoral strategy. In order to satisfy the country's transport needs, several modes are used: road (the dominant mode), rail, air, rivers, and the sea.

2.44 As far as road transport is concerned, programming for the period 2006-2010 addressed the following areas: (i) strengthening the transport liberalization process begun in October 2005; (ii) improving road maintenance under contracts programmed between the government and the National Road Maintenance Establishment (ENER); and (iii) undertaking new road investment programs designed to provide access to isolated areas throughout the country and strengthen Mauritania's connection to other infrastructure in the subregion.

2.45 Where air transport is concerned, the priorities established were as follows: (i) ensure the National Civil Aviation Agency (ANAC) is fully established and operational; (ii) improvement of the regulatory framework; and (iii) upgrading of airport capacity.

2.46 In terms of maritime and waterway transport, the authorities decided on the following objectives: (i) increasing the sectors development capacity; and (ii) improving the competitiveness of the Autonomous Port of Nouakchott where the bulk of the country's commercial activities are concentrated.

2.47 In the area of rail transport, the Nouadhibou-Zouerate line was scheduled for maintenance as part of iron ore transport initiatives.

2.48 In the land transport sector, and from an organizational and institutional point of view, work undertaken was geared to: (i) closing down the Transport Bureau with a view to improving the quality of the service offered to customers; (ii) resuming driver's license

examinations that had been temporarily suspended; (iii) printed instead of handwritten driver's licenses; (iv) providing and installing signaling at the "black spots" in the greater Nouakchott area; (v) resuming technical inspections after a long suspension, while awaiting the award of the concession for conducting technical visits as a public service as part of the reform; (vi) setting up a highway control office (BCR) within the Directorate General for Road Transport (DGTT); (vii) starting work at the public works laboratory on regulating the manufacturing of license plates and certification; (viii) preparing and providing all ministry departments and other relevant agencies with a compendium of legal provisions (orders) implementing Decree No. 2007-006 of January 5, 2009 on the road code; (ix) starting design work on the casualty accident report form; (x) organizing brainstorming days on the land transport sector; (xi) establishment of a Public Transport Corporation (S.T.P.) and adoption of its articles of association; and (xii) establishment of a regulatory authority for the sector.

2.49 In terms of infrastructure development, significant progress has been made, notably: (i) the handover of construction work on the PK32-M'Bégnik stretch (of the Rosso-Bogué road) and continuation of work on the Rosso-PK32 stretch and the road network in the town of Rosso; (ii) continuation of construction work on the Kaédi-M'Bout-Selibaby-Gouraye road; (iii) completion of work on the Lekraa Lakhdhar works, bridge building to provide access to Barkéol and completion of the work to open up access to Bénichab, (iv) paving over 80 km of roads in Nouakchott; (v) building urban road networks in Akjoujt, Nouadhibou, and Zouerate; (vi) starting rehabilitation and extension works on the Kiffa-Tintane road; (vii) identification of stretches of road for rehabilitation in 2010 by the Akjoujt Mining Company (MCM), which committed to rehabilitating 30km of the Nouakchott-Akjoujt road each year; (viii) completion of the feasibility and execution studies for the Tidjikja-Kiffa and Kiffa-Sélibaby-Malian Border roads, the Nouakchott ring road, and Phase I of the Aftout access road program; (ix) evaluation of the bids for the building of the road from Atar to Tidjikja; (x) updating of the survey of the Nouakchott – Rosso road and finalization of the invitation to bid for the approval and start of survey work on the following stretches of road: Tintane – Néma, Néma-Bassiknou-Vassala-Malian Border, and Néma-Amourj-Adel Bagrou; and (xi) improvement of road maintenance using the financial resources of the ENER within the framework of the Government/ENER program contracts.

2.50 In the aviation subsector, recent developments included: (i) winding up of Air Mauritanie; (ii) creation of two airlines (Mauritania Airways and Mauritania Airlines International); (iii) an assessment of the institutional and legal environment of the aviation subsector; and (iv) strengthening management of Mauritania's air space from a regional air traffic control center in Nouakchott.

2.51 In a bid to safeguard and upgrade airport infrastructure, the areas of focus were: (i) a technical survey of the new Nouakchott airport; (ii) rehabilitation and strengthening of the Nouakchott, Nouadhibou, and Sélibaby airports; and (iii) construction (still underway) of a new control tower in Nouakchott. The work undertaken on the regulatory framework governing

security and aviation operations (Civil aviation code and implementing regulations) is still underway.

2.52 In the maritime subsector, recent developments included progress on the legislative and regulatory framework through: (i) the drafting of a national plan for search and rescue of human lives at sea; (ii) a revision of the Ports Code; and (iii) reform of the Merchant Marine Code.

2.53 The following outcomes were noted in the area of port infrastructure: (i) an increase in 2009, of the annual tonnage of the Autonomous Port of Nouakchott (the Port of Friendship) (PANPA) compared to 2008; (ii) ISPS certification for PANPA and implementation of the ISPS code; (iii) increased protection against incursions via the footbridge and stronger perimeter fencing of the port's premises; (iv) construction and entry into service of a maritime surveillance post on the wharf; (v) expert reports on the metal works on the bridge and the quay; (vi) installation of the marking buoy for the turning basin; (vii) installation of a customer area; (viii) organization of two marketing drives at the Bamako and Kayes fairs; (ix) reconditioning of the weighbridge; (x) new marking buoys; (xi) installation of the Automatic Identification System (AIS) system; (xii) launch of a study of the development plan and a technical and financial review of PANPA; (xiii) start of work on expansion of PANPA; and (xiv) start of rehabilitation works on the Rosso unloading docks.

2.54 As far as building capacity for security and maritime safety is concerned, the main outcomes were in the following areas: (i) installation of a rescue unit in Nouadhibou and staging areas and Tiwilit and Legweichichi; and (ii) establishment of a database on maritime incidents.

2.55 Infrastructure and *national energy resource* shortfalls led the government authorities to establish the following as their main objectives for the period 2006-2010: (i) boosting electricity supply and electricity connection rates for its population; (ii) promoting rural electrification and renewable energies; (iii) implementing a policy based on supplying more high performing energy options that offer efficiency, reliability, and viability for all forms of energy; (iv) ensuring an uninterrupted supply of liquid hydrocarbons in competitive, healthy, and perfectly safe conditions for people, property, and the environment; (v) increasing supplies of butane gas so as to reduce demand for forest fuels; and (vi) building capacity in the sector.

2.56 *On the electricity front* and in an urban area adversely affected by the recurring difficulties experienced by Mauritania Electricity Corporation (SOMELEC), the main outcome was the implementation in October 2007 of a restructuring plan for the company. The first set of emergency measures taken under this plan focused on a review of rates, subsidies, an increase in capacity, and the upgrading of key installations. Furthermore, the restructuring of the electricity sector and SOMELEC was helped greatly by the creation of the National Agency for the Development of Renewable Energies (ANADER), project manager for all major renewable energy contracts. Furthermore, an emergency investment program launched by the government will make it possible to boost the production capacity of the grid by 56W. The increase in electricity production and distribution capacity made the following possible: (i)

complete electrification of Nouakchott's neighborhoods and the districts of Nbeika, Sava, Choum, Arr, Wompou, and Dafort; (ii) construction (still underway and scheduled for completion by end-2011) of a 36MW plant and the 33Kv closed loop around Nouakchott, expansion of the Nouadhibou plant, electrification of the last 6 moughataa administrative capitals (Amourj, Barkéol, Boumdeid, M'Bagne, Moudjéria, and Ould Yengé); and (iii) the arrival of electricity in the new towns of Rosso, Tintane, neighborhoods in Nouadhibou, Néma, Kaédi, d'Adel Bagrou, El Ghayree, Kamour, etc.

2.57 For the first time in the delegation of public services, the reform adopted in 1998 was implemented and local private operators were granted concessions for network operation and technical and commercial management of solar kits. This approach was intended to leverage public resources to attract private investment in a sector that is ostensibly unprofitable, which would make it possible to reduce government outlays and free up resources to boost access to energy. Despite the sharp spike in the price of hydrocarbons, local private investors retained their interest in this type of new activity.

2.58 In the area of energy management, an area of concern for government authorities during the period of the second PRSP action plan, the energy supply policy involved identifying beneficiaries and the area of intervention for "operation butanization" (in the *Triangle de l'Espoir* or Triangle of Hope).

2.59 As far as refined hydrocarbons are concerned, implementation of the second action plan under the PRSP led to the following outcomes: (i) enactment of an oil law, which provides for a regulatory mechanism embodied by the National Hydrocarbons Commission (CNHY); (ii) adoption of a decree regulating the licensing criteria for hydrocarbons processing; (iii) segmentation of the butane gas market, which cleared the way for new private operators with huge supplies of cylinders; (iv) the adoption of several regulatory provisions, notably decrees establishing the pricing elements for petrol and butane gas; (v) service station surveys; (vi) establishment of a solidarity fund, through which 6 billion ouguiyas were generated in 2009 for the government budget; and (vii) incorporation in 2009 of a new company, GIP-SA, to rehabilitate and manage intake, transfer, and storage infrastructure at the Nouadhibou refinery, through a partnership between the Mauritania Refinery Industries Corporation (SOMIR) (30 percent) and the National Mining Industries Corporation (SNIM) (70 percent). This partnership will make it possible to mobilize about UM 9 billion to carry out these works and address the issue of securing Mauritania's supplies.

2.60 *In the area of telecommunications*, four main objectives were established: (i) developing telecommunications infrastructure; (ii) strengthening the institutional framework; (iii) boosting ICT use; and (iv) fostering competition and improving service quality.

2.61 In the area of telecommunications infrastructure, more fixed and mobile networks were rolled out between 2006 and 2010 throughout the national territory.

2.62 Several outcomes from efforts to strengthen the institutional framework bear noting: (i) the development of interactive tools (email, Internet, Intranet, helpdesk), thanks to which exchanges between various government directorates became possible; (ii) the development of an IT platform for government departments (Datacenter, equipment procurement, expansion of the high speed Intranet); (iii) the development of information systems (electronic mail management, drafting of IT blueprints for ministerial departments), which improve efficiency in government departments; (iv) the development of major portals in Internet technologies, (public service, management of departments' action plans, competition management, etc.); and (v) establishment of an economic interest group (EIG) comprising the three telecommunications operators and MAURIPOST to implement and manage the project to connect the country to the ACE submarine cable.

2.63 On the ICT development front, the telecommunications sector experienced significant growth, especially in GSMs, where the number of subscribers exceeded two million, with annual growth of more than 35 percent; (ii) broadband service grew with the entry into service of ADSL lines and 3G in certain regional capitals; and (iii) teledensity reached 70 percent in 2008.

2.64 In terms of enhancing competition and improving service quality, implementation of PRSP II enabled: (i) the granting of a 3rd GSM license; (ii) three operators to secure a global (Fixed-Mobile-Internet) license; (iii) enhanced competition among mobile operators, especially in terms of rates, with the advent of a third carrier; and (iv) improvements to be made in the quality of service from the carriers.

B. ANCHOR GROWTH IN THE ECONOMIC SPHERE DIRECTLY BENEFITTING THE POOR (FOCUS AREA 2)

2.65 As the other profiles have shown, poverty in Mauritania is first and foremost rural. The review of this focus area will concentrate on the rural sector, which provides a livelihood for over 60 percent of Mauritians and is one of the main sources of economic growth.

a. Rural development

2.66 Many initiatives were undertaken over the period 2006 -2010. Nevertheless, the fact that they were implemented had little impact on the fundamental objectives, which are to: (i) foster growth in this sector so as to assure Mauritania's food security; (ii) assure equitable access to resources; (iii) increase the supply and availability of the goods and services needed to develop the sector; (iv) improve the capacity for managing integrated and inclusive rural development; and (v) strengthen the mechanism for monitoring serious diseases, such as avian flu, etc.

2.67 The absence of a clear medium and long-term strategic vision explains in large part the difficulties experienced by the sector in the past few years. For that matter, since the sectoral strategy was drafted in 1998 and reviewed in 2001, no strategic approach for the sector has been developed despite the stocktaking exercise conducted in 2007 and the sectoral policy memorandum prepared in 2009. The findings from these exercises were intended for use in developing a strategy that could pave the way for comprehensive development of the various value chains at a time the 2007-2008 food crisis and other recent exogenous shocks exposed the vulnerability of countries such as Mauritania.

2.68 As far as *agriculture* is concerned, the actions undertaken in the course of this period involved: (i) land use planning and management and rehabilitation of 6,300 hectares of irrigated land over the period of PRSP II; cereal production averaged 151,000 metric tons annually, covering approximately 30 percent of the country's cereal needs; (ii) improving supply and marketing by providing access to isolated farmlands through construction of 83 km of dirt roads atop dykes in the oasis zone, feeder roads and bridges in the valley (21 bridges et 5 access alleys), increasing storage capacities and developing tailor made credits; (iii) implementation of a major support program for the sector under the Special Intervention Program (PSI) of which one of the major components was the irrigation sector; (iv) debt clearance for small farmers operating in the sector by means of a government buy-out of over UM 7 million of their debt with a view to improving the economic lot of the farmers; (v) establishing the Agricultural Works Corporation (SNAT); (vi) implementing a program to protect crops against animal incursions by fencing 14000 ha with barbed wire using local manpower paid out of the project's funds; and (vii) implementation of annual crop pest control programs (desert locusts, locusts, corn stalk borers, etc.). In addition to these actions, efforts were undertaken to protect crops against animal incursions, especially in rain-fed agriculture areas.

2.69 In the area of *oasis agriculture* it bears emphasizing the significant support provided to Oasis Mutual Credit Institutions (MICO) through training and close supervision. Furthermore, a major water control program consisting in sinking wells and constructing sills to slow the water flow rate was implemented.

2.70 Regarding *livestock rearing*, the main issue remains a lack of integration between the agriculture and livestock rearing sectors despite the policy letter issued for the livestock-rearing subsector since 2004. Under PRSP II, the following actions were implemented: (i) veterinary infrastructure was put in place (111 vaccination yards; 28 veterinary pharmacies; 107 pastoral wells; 40 pastoral reserves); (ii) implementation of programs to develop fodder growing (fodder growing on 180 ha); (iii) implementation of a genetic improvement program in the cattle and poultry value chains; (iv) organization of annual cattle prophylaxis campaigns with a vaccination coverage rate against the major diseases moving from 52 percent in 2005 to 94 percent in 2009; as well as (v) the completion of studies on the red meat value chain and the milk producing areas in the south. Other actions were implemented or are in process, which will make it possible to enhance the value added by the sector (central cattle market in Nouakchott and the establishment of the livestock farmers credit union).

2.71 As far as rural planning and development is concerned, several actions were undertaken to manage rainwater and irrigation: 20 dams and 14 sills were built; protective dykes were built, dykes and diguettes reinforced, the dead arms of the river at Koundi and N'Diorol were recalibrated and 159 km of outfall tubes built. Rural development also includes maintenance and upgrading of dams, dykes, and diguettes during preparation for crop years in the various growing areas.

2.72 All value chains in the rural sector are still subject to constraints however. Among the constraints are the lack of organization among producers, lack of accountability, lack of clear policy on research, training, and outreach, and on land use management.

b. *Urban development*

2.73 The action plan of the PRSP for the 2006–2010 period was based on the following focus areas: (i) infrastructure development in urban agglomerations; (ii) economic development of towns and cities; (iii) improving urban management; and (iv) strengthening coordination and capacity building among those involved in implementation in these focus areas.

2.74 In terms of *town planning*, the period saw clear institutional improvements that provided significant political impetus to the sector, which paved the way for: (i) completion of land restructuring and consolidation in the Kebba of El Mina, which helped provide land tenure to over ten thousand households, who were settled on appropriate sites and provided with basic services; (ii) the launch of three major operations to restructure squatter settlements in Nouakchott (Hay Saken for 6000 households, Arafat) and Nouadhibou; (iii) approval of the town-planning code as well as drafting of the implementing provisions; (iv) approval of the general construction regulation; (iv) an inventory of land reserves in Nouakchott and

Nouadhibou; (v) urban police actions to prevent squatting; (vi) resettlement of occupants of the *blocs rouges* buildings as a prelude to developing a modern downtown area, on which design studies are being carried out; (vii) the start of urban renewal operations in Rosso, Tintane, and the new moughataa of Dhar; and (viii) providing new land-tax bases, in particular by creating a new commercial and industrial zone to encourage investment and other bases that can provide a way to address specific constraints (settling the *blocs rouges* issue in Nouakchott; resettlement of people affected by restructuring programs in squatter settlements).

2.75 Despite the still low supply of housing solutions, significant progress has been made, especially: (i) the completion and marketing of the 1050 housing-unit program carried out by SOCOGIM in collaboration with local banks; (ii) the construction of 2100 housing units for social housing between 2006 and 2008 in Nouakchott and Nouadhibou; (iii) the construction of about 1000 housing units in Nouakchott, essentially through private real estate developers through agreements with the government; (iv) the completion and partial marketing of 1485 serviced lots in Nouakchott, and a program to develop 884 lots earmarked for social housing and now under construction in Nouakchott (El Mina); (v) the award of land concessions to private international developers to expand the housing market; (vi) the establishment of ISKAN, a company formed from a merger between SOCOGIM and ANAT as a mechanism to develop the sector; (vii) approval of a strategic development plan for administrative buildings and a housing strategy; and (iv) the adoption of measures that will help remove the bottlenecks in the construction and public works sector and promote the use of local materials.

Box: 2.2 : Slum upgrading in the major cities

The period between 1960 and 2010 was one of major changes in Mauritania, in terms of the distribution of its population across the country's territory, but also within the urban agglomerations. These changes thus thrust the country once and for all into the category of urban countries, in that its urban population has grown steadily to reach almost 1,939,000 inhabitants in 2010, or 60 % of the total population, estimated at 3,300,000 habitants.

These figures exemplify the rapid growth of the cities, the pauperization of huge swathes of the population living on the outskirts of the cities, pressure on urban equipment and infrastructure, as well as the increased demand for housing and access to basic services. In Nouakchott alone, the population in squatter settlements was estimated in 2008 at 194,000 inhabitants (25 % of the city's total population) or approximately 38,800 households occupying an area of 1072 hectares.

The determination of the government authorities to clear squatter settlements and offer people there more decent housing conditions led to the development and implementation of integrated restructuring programs for these neighborhoods.

These programs were aimed at reducing the effects of poverty and to tackle vulnerability in urban areas by offering needy segments of the population: (i) land tenure; (ii) access to decent housing and suitable social infrastructure; and (iii) access to simplified housing and small business loans.

The first of these operations was carried out between 2003 and 2007 in El Mina, in the form of a pilot operation. This operation helped guarantee land tenure to over 16,000 households and implement a major construction program (facilities and infrastructure) costing almost 4 billion ouguiyas.

Subsequently, the government opted for a more affordable participatory approach that emphasizes administrative and communal authorities action to rehabilitate the other squatter settlements of Nouakchott and Nouadhibou.

This approach heavily involves representatives of segments of the population in awareness raising, information, and identification of the households concerned. This is the approach adopted in restructuring the Arafat squatter settlement and that also made it possible, between 2008 and 2010, to restructure the Hay Saken squatter settlement, with its almost 6000 households.

c. Promoting microfinance and microenterprises

2.76 Over the period 2006-2010, the essential objective defined in the national microfinance promotion strategy adopted in 2003 focused on developing a savings and loan culture customized to the needs of poorer segments of the population. The main challenge is to foster the emergence of a viable and lasting MFI network covering the entire territory.

2.77 The breakdown of public-private sector operators in this area does not yield an exhaustive assessment, although it is clear that microfinance activity grew by leaps and bounds buoyed by growing demand and a plethora of approaches and players (CAPEC, MICO, Beit El Maal, Nissa Bank, GFEC, etc.). A review of the most important activities carried out between 2006 and 2010 shows the following: (i) an increase during the period of the number of users, which went from 94,000 in 2004 to 185,000 users in 2009; (ii) an increase in the stock of credit distributed, which rose from 7.41 billion ouguiyas in 2006 to 18.9 billion ouguiyas by end-December 2009, which is a progression of 155 percent; (iii) the increase in deposits over the same period was 154 percent compared with 2006. These deposits were calculated at 5.4 billion UM in 2010; (iv) in the area of micro financing for women, financing of 436 projects in

2006 and 4,475 projects by the Nissa-Bank totaling 505,898,381 ouguiyas; (v) issuance through Beit El Maal, a fledgling institution under the Twize Program, of over 70,000 microcredits for income generating activities in Nouakchott and Nouadhibou totaling over one billion ouguiyas; and (vi) adoption of a special legal and regulatory framework and the organization of a nationwide campaign to raise awareness of the framework.

Box: 2.3 : Microfinance: a customized legal and regulatory framework

Developing microfinance is a key focus area of the government's strategy to anchor growth in the economic sphere directly benefiting the poor. In fact, microfinance development is an essential component of the national financial system, in that it contributes to diversification of the system and allowing the vast majority of citizens to benefit from financial services geared toward them, given the role of MFIs in developing a culture of savings and of financing of Micro and Small Enterprises (MSEs) and Income Generating Activities (IGA) for population segments that have no access to banking services.

Mindful of the importance of this sector, the government authorities in 2007 began a review of the legal and regulatory framework for microfinance. It was against this backdrop that a new law (Ordinance No. 005/2007) was enacted, as well as its implementing provisions (4 instructions from the Governor of the BCM were issued). This regulatory framework made it possible to: (i) to separate out those provisions governing the microfinance sector from those governing banks and financial institutions by establishing more regulations that are better suited for the sector with emphasis on more transparency and professionalism; and (ii) to put an end to the monopoly wielded by the cooperatives and credit unions by opening up the profession to other legal entities, notably business corporations (classified under category B) and NGOs, development projects, and associations (classified under Category C).

Under this new regulatory framework existing institutions had their licences renewed under Law 008/98. Renewal of their licences was granted based on two criteria set out in the Ordinance, namely: (i) yearly audits to verify actual activity; and (ii) observance of the declarative obligations required by the BCM.

d. Food security

2.78 In addressing *food security*, the action plan for the 2006-2010 PRSP was built around four complementary focus areas: (i) promoting lasting solutions to food insecurity; (ii) strengthening the early warning system; (iii) improving intervention capacity; and (iv) improving coordination and capacity building for those involved in implementation in those focus areas, while taking into account the recommendations in the national nutrition development policy.

2.79 In the absence of a food security strategy, an initial outline of which had been made in 2004, the main actions undertaken between 2006 and 2010 addressed the following: (i) creation of over 3,500 village security stocks in rural areas, ensuring that food is available and in close proximity; (ii) replenishment of the national food security stock; (iii) implementation of a program of local development promotion projects (execution of 256 food security micro projects); (v) distribution of food to the neediest (32,000 tonnes); (vi) execution of safety net

programs for vulnerable population segments (478 IGAs); (viii) subsidized sales of staples under the PSI (44 000 tonnes); (ix) implementation of a nutrition program (465 Community Feeding Centers, 1,460 CRENAM and 10 school canteens); and (x) rehabilitation of storage infrastructure (20 warehouses with a 1000- tonne capacity and 15 with 200-tonne capacity).

e. Targeted poverty reduction programs

2.80 Targeted poverty reduction programs are generally implemented by government structures on the ground (police stations, ANAIR, etc.) for vulnerable and sensitive segments of the population (the indigent, beggars, graduates, returnees etc.).

2.81 The PRSP action plan for 2006-2010 emphasized on refocusing these programs based on four essential guiding principles: (i) targeting; (ii) an integrated approach; (iii) a participatory approach; and (iv) systematic use of project managers.

2.82 The following was made possible as a result of programs implemented during the period 2006-2010: (i) setting up of social and community infrastructure (health and education); (ii) improved access to basic services (safe drinking water, electricity); (iii) construction of water infrastructure and improving access to isolated areas; (iv) securing employment for young graduates; (v) financing of income-generating activities; and (vi) assistance to the vulnerable (beggars, the handicapped, refugees, persons suffering from the after effects of slavery...) as well as assistance to victims of disaster.

2.83 Generally, these programs were developed and implemented using a participatory approach involving all central, regional, and local actors (departments, territorial administration, elected representatives, civil society, beneficiaries, and development partners) at all levels of the project cycles.

C. HUMAN RESOURCES DEVELOPMENT AND EXPANSION OF BASIC SERVICES (FOCUS AREA 3)

2.84 Mindful of the interdependence between the success of growth acceleration policies, anchoring growth in the economic sphere directly benefitting the poor, and the need for developing human resources and broadening access for the poor to basic services, the government maintained this focus area at the core of its priorities in the PRSP.

2.85 In this connection, the second PRSP action plan covering the period 2006-2010 defined eleven priority areas with strong poverty reduction potential and disparities. They are: (i) education; (ii) literacy; (iii) technical and vocational training; (iv) health and nutrition; (v) water and sanitation; (vi) employment promotion; (vii) population policy; (viii) promoting women and gender equity; (ix) child welfare; (x) social protection; and (xi) universal access to basic services.

a. *Education*

2.86 The objective of the education sector, for the second phase of the PRSP, was to produce human capital capable of fostering the country's economic and social development. It was intended that this objective would be achieved through implementation of a strategy structured around: (i) boosting the possibilities for education by restructuring the educational options available (public and private alike) to better meet demand; (ii) enhancing the quality of education; (iii) improving internal and external efficiency so as to provide highly qualified workers to boost productivity in the traditional sector, foster its development, and meet the needs of a modern sector that will have to expand in the coming decades; and (iv) improve and strengthen the management and leadership of the educational system.

2.87 Efforts were continued during implementation of PRSP II to build/rehabilitate infrastructure for schools and training and recruit and train teaching staff

2.88 In *primary* education, enrolment increased appreciably from 465 887 pupils in 2005/2006 to 512 998 pupils in 2008/2009, which is a growth rate of 10 percent from one period to the next. The number of schools reached 3 793 compared with 2 980. Private schools accounted for 7 percent in 2006 and 10 percent in 2009.

2.89 The gross enrolment ratio (GER) at the basic level, which was 96.9 percent in 2006, was at 99 percent in 2009, thus outperforming the target of 98 percent set in 2010. The boy/girl ratio is slightly in favor of the girls (50.4 percent). The retention rate is still low, in that only approximately 61 percent of pupils complete their primary education. The likelihood of completing primary education is higher for boys (42 percent) than for girls (34 percent). The GER target in 2010 was achieved in all the wilayas, except Gorgol (90.09 percent) and Hodh Charghi (86.8 percent).

2.90 At the *secondary* level (first cycle), the GER dropped, from 27.7 percent in 2006 to 22.9 percent in 2009, reflecting the same downward trend observed in the percentage of pupils promoted from primary to secondary schools: 56 percent in 2006 as against 36.7 percent. There was a contraction of 15 percent in secondary school enrolment over the same period, with a GER of 32.8 percent for boys and 28.4 percent for the girls. A drop in the quality of education at this level was also observed, as illustrated by the poor BEPC and Baccalauréat examinations. The implementation of the reform exposed a dire need for science teachers capable of teaching in French.

2.91 In terms of *tertiary education*, several reforms were introduced, specifically: (i) implementation of the Bachelors-Masters-Doctorate (LMD) system; (ii) appointing university authorities through elections; and (iii) adopting several regulatory provisions (on the status of teachers and researchers, operations at the National Higher Education Board, etc.).

2.92 Furthermore important actions were carried out, namely: (i) establishment of a medical faculty; (ii) establishment of a Higher Institute of Business Accounting and Administration

(ISCAE); (iii) establishment of a Higher Institute of Technological Education in Rosso (ISET); and (iv) start of construction on the new Nouakchott university campus.

2.93 Male/female parity has not been achieved in this subsector, because girls account for less than a quarter of enrolment. In addition, the lack of internal effectiveness is the main characteristic of this level of the education system, if the particularly high failure rate is anything to go by. In fact, over three quarters of students enrolled in first year repeat their first year and the overall repeat rate at the University of Nouakchott for the 2008/2009 academic year was 59 percent.

2.94 Quality wise, despite the significant increase in the number of students enrolled, tertiary education in Mauritania is still suffering from low internal and external effectiveness. Regarding internal effectiveness, the failure rates are relatively high. Regarding external effectiveness and despite the lack of recent data, the available data show high unemployment rates among University of Nouakchott graduates.

2.95 The main factors explaining the lack of success in higher education are for the most part linked to the very academic nature of the courses taught, the lack of scientific research, underequipped workshops and laboratories and the non-involvement of the private sector.

b. *Literacy and traditional education*

2.96 As regards *literacy*, the objectives of PRSP II were to: (i) enable all Mauritians 14 years and over to master reading and arithmetic; (ii) improve retention rates in primary schools; (iii) strengthen initial literacy through post literacy and basic income-generating, activity-oriented vocational training; and (iv) develop writing through self-directed training.

2.97 Although the literacy situation changed for the better in recent years, as exemplified by the improvement in the overall literacy rate (61.5 percent in 2008 as against 57.5 percent in 2004), the fact remains that it falls short of the levels originally hoped for. As far as equity is concerned, real disparities continue to be observed between men and women (70.3 percent and 54.4 percent, respectively) and between their residential background (73.3 percent in urban areas as against 50.3 percent in rural areas). Nevertheless, the intensification of efforts both upstream (primary schools) and downstream (working people who are still illiterate) are sure to help improve the success rate in tackling this scourge, which still affects a large proportion of the country's working age population.

2.98 Over the period 2006-2010, action was geared toward: (i) implementing a vast program of awareness raising campaigns and literacy courses for tens of thousands of persons (40,250 adults are now literate); (ii) constructing over 1,600 classrooms for literacy classes; and (iii) implementing a media-based literacy program, which reached over 6,100 adults, 97 percent of which were women, in addition to a special literacy program for 1000 women.

2.99 In a bid to address *traditional education*, efforts were geared toward building 10 model mahadras with accommodation for students and making the traditional curricula available on line.

2.100 Regarding *Islamic affairs*, several discussion forums were organized in Mauritania as well as in neighboring African countries (44 preaching missions in 11 countries) during the month of Ramadan, or for the Koran recital competition or preparation of the logistics for the annual pilgrimage. The training sessions and capacity building workshops that were organized helped improve the skills of imams and religious leaders. Substantial support was put in place to ensure the proper functioning of 514 mosques and 350 mahadras and guarantee payment of the allowances of 4,593 imams.

2.101 The guidance provided to the sector yielded positive results, in particular: (i) the strengthening of the regulatory framework organizing the waqf and compulsory alms and (draft decrees prepared, stalls built at the El Mina market, revitalization of the publishing unit, drafting of requests); and (iii) a study carried out on the restructuring of the ISERI to institute, inter alia measurement of the LMD system

c. *Technical and vocational training*

2.102 Regarding technical and vocational training: the objectives were: (i) to carry out far-reaching reforms focused at the institutional level on unifying leadership for the sector; (ii) improving governance of the Technical and Vocational Training FTP system; and (iii) revive the forums for government-employer consultation (National FTP Board).

2.103 The achievements in this area are as follows: (i) increased capacity in training centers; (ii) refurbishing of facilities in several training streams; (iii) training of scores of teaching and management staff; (iv) setting up and outfitting by the SNIM (still underway) of a technical and vocational training center; (v) development of over 24 training programs based on the Competency-based Approach (APC); (vi) experimental implementation of these new programs was completed for the *brevet technique* (BT) diploma in the tertiary sector and is being extended to the CAP diploma; (vii) setting up a twinning arrangement for implementation of the quality process; and (viii) on-the-job training for over 2,700 persons.

d. *Health and nutrition*

i. *National health policy*

2.104 The *health* policy pursued had the following main objectives: (i) improve life expectancy and quality for Mauritians by reducing overall mortality and morbidity, particularly maternal and infant and child mortality and morbidity; (ii) increase the interval between pregnancies and reduce the overall fertility rate; (iii) mitigate the impact of endemoepidemic diseases, including HIV/AIDS and emerging diseases on the country's psychological and socioeconomic development; (iv) reduce hunger and malnutrition among the population, in particular among

the vulnerable; (v) guarantee access for children in difficulty and vulnerable groups to effective, sustainable, basic services adapted to their needs; (vi) strengthen community participation in developing and managing strategies for access to basic services; and (vii) improve intersectoral coordination.

2.105 An analysis of Mauritania's health situation shows persistently high maternal, infant, and infant-child mortality rates, which are, respectively, 686 for every 100.000 live births, 122‰, and 77‰. With these rates, and based on the findings of the national MDG monitoring report published in 2010, and given the current pace of change in the indicators, only the MDG on combating AIDS can be achieved by the 2015 deadline if sustained efforts are made. However, it is unlikely that the targets geared to reducing child mortality and improving maternal health will be reached in 2015.

2.106 In terms of health coverage, 67 percent of Mauritians have access to a health facility within a radius of 5 km, but the spatial breakdown is uneven, i.e. 98 percent in Nouakchott, as against 52 percent in Hodh El Gharbi. In response to this situation, extensive strategies have been developed for health coverage, flat fees for obstetrical care, with a view to reducing substantially the proportion of people without easy access to a health facility and who generally live in poor rural, remote, or isolated areas.

2.107 Health coverage was strengthened, thanks to: (i) construction of a regional hospital in Zouerate and 33 health posts; (ii) rehabilitation of 8 health post; (iii) outfitting of 4 regional hospitals and 45 health posts; and (iv) establishment of three specialized hospitals (CNC, CNO, CHME), conversion of four regional hospitals into general hospitals. Communications equipment was also provided, as well as automotive equipment (ambulances, light vehicles, and all-terrain vehicles).

2.108 In the fight against disease, the main preventive, curative, and supportive care and attention actions to reduce maternal and infant-child mortality and morbidity focused on: (i) extending the flat fee for obstetrical care to the three eastern wilayas (the two Hodhs and l'Assaba), to Nouadhibou, Gorgol, and Brakna; (ii) ensuring regular immunization campaigns for children under 5 years; (iii) providing insecticide-treated mosquito nets; (iv) organizing awareness raising campaigns among the people; (v) free treatment of obstetric fistula; and (vi) training of health practitioners: physicians (obstetrician-gynecologists, urologists, and pediatricians), midwives, assistant birth attendants, and nurses.

2.109 Nevertheless, the current status of the fight against disease is characterized by the absence of an effective strategy for developing quality services capable of providing rapid relief to suffering patients, especially children and expectant mothers. Consequently, few people seek care at health facilities (0.6 contacts per person per year), hence the rise in the numbers of some patients turning to hospitals abroad or traditional medicine, in the case of the poor. It bears noting that there is a huge delay in the implementation of the community approach.

2.110 In order to improve performance in the sector, the following main actions were undertaken: (i) drafting and adoption of a three-year action plan for 2010 -2012; (ii) formulation of the action plan for achieving the MDGs; (iii) review of the 2009-2011 MTEF; and (iv) organization of annual reviews of the sector and strengthened supervision and monitoring of actions.

ii. Nutrition policy

2.111 In the area of *nutrition*, the main initiatives involved: (i) developing a national community nutrition program; and (ii) implementation of a national program to change nutritional habits in communities; it involved opening 194 community nutrition centers (CNC) in seven wilayas with a high prevalence of malnutrition to serve 9 857 pregnant women and 12 504 breastfeeding women. As a result of these CNC, 18 693 children were able to have their growth monitored.

2.112 This new thrust was further strengthened by: (i) the development and validation of a national communication strategy to modify behavior toward nutrition; (ii) establishment of the National Nutritional Development Board and its Standing Technical Committee and regional commissions; (iii) human resources capacity building in the regional coordination centers in the areas of nutrition and communication (recruitment of 14 specialists in nutrition and communication and training of 194 nutrition practitioners); (iv) implementation of the joint program for acceleration of funding of the fight against malnutrition in the southeast; and (v) implementation of the national protocol for treatment of severe malnutrition, and the national strategy for the feeding of nursing infants and preschool children and directives for vitamin A supplements.

*e. **Water and sanitation***

2.113 The 2006-2010 PRSP action plan singled out one overall objective for the *water and sanitation* sector, which was to improve in terms of quantity and quality at affordable prices sustainable access for all to water and sanitation. This objective was to be realized through work on the following strategic focus areas: (i) improving access to safe drinking water; (ii) an inventory and the protection water resources; (iii) improving sanitation; (iv) promoting public-private partnerships; and (v) building capacity in the sector.

2.114 Some progress was made possible in addressing the issue of safe drinking water, in that 58.3 percent of households had access in 2008, compared with 52 percent in 2004.

2.115 In urban areas, 35 percent of households were connected to the public drinking water supply network through a private connection (35 percent in cities, including Nouakchott, managed by SNDE and 38 percent in cities managed by ANEPA). Although SNDE is the sole supplier of potable water in urban areas, for 62 percent of households, the principal mode of access to water remains water carts and water vendors. In areas lacking in basic services, especially in Nouakchott, Atar , and Rosso, the main mode of water supply is water carts for 84

percent of households and only 5 percent have access to a service line piping water into their homes.

2.116 Nevertheless, water consumption levels have not changed compared with 2006: 46 liters/day/person for households with a private service line and 18 liters/day/person for customers of water carts and other vendors. The dominant mode of access to water resources is pumpless wells for rural households (49.2 percent), whereas reliance on vendors is the most widespread supply source in urban areas (62 percent), and yet significant initiatives have been taken to develop the sector as a whole and more specifically to improve access to safe drinking water.

2.117 In terms of physical action in recent years the following projects and programs were implemented, including these in particular: (i) the water points project in the Sahel; (ii) projects to combat the guinea worm; (iii) the safe drinking water component of the Lehdada project; (iv) continuation of work on the Aftout Essahili project; (iv) outfitting of 350 water points; (v) completion of the project to strengthen the catchment areas of Aioun and Timbedra; (vi) piped water supply of the city of Nouadhibou, as well as strengthening and production and distribution in the cities of Bababé, Djiguenni, Kobenni, Bassikounou, Maghama, and Kankossa; (vii) continued execution of the Safe Drinking Water Distribution System (AEP) river project (21 stations); and (vi) implementation of emergency and priority in 2007-2008.

2.118 At the institutional and regulatory levels, several implementing provisions under the water code were adopted, in particular the decree creating the National Water Board and setting forth the terms and conditions for the organization and operation of the Board and the decree setting forth the conditions for the establishment of strategic water preservation zones. Furthermore, ANEPA was converted into a public entity and named the National Rural Water Services (ONSER). This agency is entrusted with ensuring safe drinking water supply in rural areas, monitoring management and maintenance of water installations and infrastructure in rural and semi-urban areas.

2.119 Conducting an inventory and ensuring the protection of water resources are of critical importance in a context such as Mauritania where water resources are scarce. In this connection, the following actions were implemented: (i) inventories of existing water points were carried out; and (ii) fresh resources were developed.

2.120 Sanitation, long the Cinderella of the sector, has come in for attention again in the recent past, which paved the way for a number of actions geared to the: (i) establishment of a National Sanitation Bureau; (ii) construction of 30 new area drains; (iii) procurement of two water ditch diggers; (iv) implementation of pilot projects for the manufacture of sanitation equipment (in compliance with the prevailing standards); (v) bypass works on the Nouakchott Polyclinic; (vi) rehabilitation of the Nouakchott filtration plant; and (vii) building of sewerage networks in Rosso, Aleg, and Kaédi.

2.121 Nevertheless, the sanitation situation is still characterized by low access to latrines (45.7 percent of households nationwide). In rural areas 68 percent of households do not have latrines. In urban areas, 56 percent of households have latrines and only 13.6 percent have flush toilets.

2.122 As far as promoting public-private partnerships is concerned, the following actions were implemented: (i) application of the procedures for outsourcing public water supply; and (ii) among the activities carried out by operators practicing differentiated prices per meter cube, establishment of a water rate schedule.

f. *Employment*

2.123 Regarding employment, during the period 2006-2010, the objectives of PRSP II were to: (i) maximize job creation; (ii) organize the labor market; and (iii) improve the quality of jobs.

2.124 In this connection, the main actions carried out covered the following: (i) development of an employment strategy; (ii) incorporation of the decentralized approach to employment in regional poverty reduction strategies; (iii) promotion of self-employment through the financing of entrepreneurial projects and counseling and advisory services for unemployed graduates; (iv) organization of internships for job seekers; (v) start-up of activities under the Micro-finance Capacity Building Program (PRECAMF); (vi) expansion of activities under the highly labor-intensive Stonework Development Program (PPPT) to several wilayas; and (vii) the launch and extension of the National Integrated Micro-enterprise Program (PNIME).

g. *Population policy*

2.125 In terms of population policy, the objectives established in PRSP II were to: (i) reduce the overall fertility rate from 4.7 to 4.2; (ii) build capacity to implement and monitor the population policy; (iii) ensure harmonious regional development that encourages people to remain in their home towns and places of origin; and (iv) reduce gender inequalities.

2.126 In this connection, change in the main population indicators was observed to be slow, particularly overall fertility and the rate of contraception use, which have been virtually stable for the past ten years: the overall fertility rate was 4.6 percent in 2007, compared with 4.7 percent in 2000; contraception use increased slightly but remains among the lowest in the world, i.e. 9.3 percent in 2007 as against 5.1 percent in 2000.

h. *Culture, youth, and sports*

2.127 The sectoral strategy for *culture* sought to achieve the following three main objectives: (i) to promote culture and the arts; (ii) to conserve and promote cultural heritage; and (iii) to promote publishing and public readings.

2.128 The main achievements in this area are the: (i) enactment of a law to protect intangible heritage; (ii) organization of annual cultural festivals and interregional cultural tournaments; (iii) implementation of conservation plans and master plans for ancient cities, such as Koumbi Saleh, Aoudaghost, and Aghreijitt; and (iv) establishment of a system of micro credits to finance arts and crafts and heritage-related trades.

2.129 On the *youth and sports* front, the objectives established in the second PRSP action plan were to: (i) address the specific needs of youths; and (ii) promote high-level competition sports.

2.130 As far as youths are concerned, the following actions were carried out: (i) creation of several counseling centers to raise awareness among youths of certain scourges such as drugs, STDs, HIV/AIDS and clandestine migration; (ii) training of outreach officers, trainers in peer education, and peer counselors (over 500 officers and counselors trained); (iii) construction and rehabilitation of youth centers (Tidjikja, Atar, Aleg, and Selibaby; and (iv) establishment of a national youth network.

2.131 The following initiatives were taken in the area of *sports*: (i) organization of a National General Assembly on youth and sport; (ii) training of 80 physical education and sports (EPS) class teachers to teach discipline in secondary schools and universities; (iii) building of an multisports stadium in Kaédi and a stadium in Nouadhibou (where turf is currently being laid as part of the FIFA GOAL project); (iv) development and outfitting of a sports facility for women's sports by the Olympic Complex Office; and (v) upgrading the Olympic Complex Office to FIFA standards.

i. Promoting women and gender equality

2.132 As far as *promoting women, early childhood, and social protection* are concerned, the plans under PRSP II were to: (i) boost women's participation in the economy; (ii) improve access for women to basic social services; (iii) promote women's right to political and social participation; (iv) develop behavioral change strategies; (v) build the department's institutional capacity; (vi) improve the supply and quality of early childhood education and care for children with special needs; (vii) develop a national social protection strategy; and (viii) provide better medical care and education to vulnerable groups—the handicapped, children in difficulty, women heads of household, the elderly—and offer them an environment enabling their integration and socioeconomic development.

2.133 Regarding promoting women and gender, some progress was recorded with 50.4 percent of primary school enrolment girls, 18 percent of members of parliament women (Senate and National Assembly) and 30 percent in the municipal councils. In addition, in 2007, several women had assumed positions of leadership such as hakems and walis and 20 percent of ministerial portfolios were occupied by women in 2009. In contrast, there is still progress to be made in secondary and tertiary education, literacy, employment, the fight against genital mutilation, early marriages, etc. In fact, the GER in secondary schools is 28.4 percent for girls,

compared with 32.8 percent for boys; enrolment of women in tertiary education is still under 25 percent, while illiteracy and unemployment continue to affect 45.6 percent and 42 percent of women, respectively. By the same token, practices such as female circumcision and early marriages remain widespread in Mauritanian society.

j. *Child welfare policy*

2.134 The following actions were implemented in the area of child welfare: (i) the adoption in 2006 of a national child welfare development policy; (ii) improvement of preschool education coverage across the different modes of education and child care, which reached 7 percent in 2009 as against 5 percent in 2005; (iii) construction and equipment of premises for the Early Childhood Training Center; (iv) recruitment and training of a core of trainers, training of 485 kindergarten caregivers and 250 community kindergarten teachers; (v) construction/rehabilitation and buildout of 16 regional early childhood resource centers; (vi) opening of 23 public kindergartens and development of a national preschool program custom designed for Mauritanian children; (vii) creation and outfitting in 2007, of a center for the protection and social integration for children victims of VEDAN, thus strengthening arrangements for their protection; (viii) construction of a center for the integration and readaptation of children who have run afoul of the law; and (ix) execution of a program to compensate and integrate 463 former child jockeys working in the United Arab Emirates and support for strengthening basic social services in their places of origin.

2.135 The regulatory framework governing early childhood was strengthened by: (i) the adoption of an ordinance for the suppression of crimes against children; (ii) the training of judges, court officers and social workers; (iii) creation of a police division to deal with minors; and (iv) drafting and adoption of a decree establishing alternative measures to the detention of minors.

k. *Social protection*

2.136 In addressing *social protection*, the prime imperative was to develop a national social protection strategy (SNPS), which takes fully into account the multidimensional nature of the issue. Concurrent with the drafting of the SNPS, work on social action and the safety net for the most vulnerable was to be continued, as well as actions that would pave the way for mechanisms for risk sharing in health.

2.137 The objectives of PRSP II were to: (i) evaluate and revise the existing legal framework to gear it toward promoting and protecting the rights of all vulnerable groups; (ii) develop infrastructure in a more centralized and equitable fashion by enabling rural areas to benefit from it; (iii) strengthen coordination among the various actors involved in the social sphere; and (iv) improve the capacities of deconcentrated social services.

2.138 Actions were implemented in these areas, namely: (i) the expansion of infrastructure for children with special needs (schools and centers for the blind and deaf mute) and the

enrolment of 500 handicapped children; (ii) capacity building for associations catering to the handicapped and distribution of several batches of appropriate material (500 wheelchairs, 200 crutches, 200 white canes); and (iii) care for the sick and indigent.

Box: 2.4 : Early childhood welfare

An assessment of the second phase of the PRSP shows that the childhood dimension has undergone substantial changes in terms of the political, strategic, and institutional vision. Efforts were focused, during the period, on improving the overall framework for developing early childhood and defining strategic guidelines for protecting and promoting children's rights. Several child welfare provisions were thus enacted, among them Law N° 2007-042 of September 3, 2007 making slavery a crime; Ordinance N° 2005-015 of December 5, 2005 for the prosecution of crimes against children and Law N° 2003-025 of July 17, 2003 to punish crimes of human trafficking.

On the international scene, Mauritania also ratified the international and regional human rights and children's rights conventions, the most important of which are: (i) the Convention on the Rights of the Child (ii) the Additional Protocol to the United Nations Convention on Transnational Organized Crime; (iii) ILO Convention No. 138 (1973) Concerning the Minimum Age for Admission to Employment; (iv) ILO Convention No. 182 (1999) Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour; (v) the African Charter for the rights and welfare of the child; and (vi) the Protocol on the African Charter on Human and Peoples' Rights, on Establishing an African Court of Human and Peoples Rights.

The framework for protecting the rights of the child was strengthened through the drafting and validation of a national strategy for the social protection of children and the design of a protection system geared toward a reform of the National Child Welfare Board and the setting up of regional platforms for consultations on children's rights protection.

Despite the determination of government authorities exemplified by these new provisions, the indicators are still cause for concern, especially in terms of child survival (an infant mortality rate of 122 for every 1000 births in 2007—MICS 2007), developing early childhood education (only 7 percent of children in the 3-6 year age group have access to education and preschool child care). Indicators on children without family support, victims of violence, abuse, or discrimination, are also cause for concern: the 2007 MICS survey estimates that 16.4 percent of children between 5 and 14 work and that over 100 children live in the streets sometimes or always and that 6 percent of beggars are children.

This alarming situation must prompt the inclusion of early childhood in the social protection strategy.

Universal access to basic services

2.139 The main objective established in PRSP II regarding universal access to basic services is to support the development policies for each sector (telecommunications, ICTs, electricity, water, and sanitation) through policies and programs aimed at improving access to these services, especially in favor of poorer populations and areas.

2.140 In this connection, the actions taken in the period between 2006 and 2010 involved: (i) setting up 14 thermal power plants and 7 others are being built in several locations throughout the country; (ii) decentralized rural electrification (through solar kits) in 24 communes with installation and project management of over 4,320 solar kits; (iii) the building of 5 functional platforms in 5 locations in Brakna; (iv) the setting up of 53 AEP networks in several wilayas in the country; (v) the outfitting of 42 wells; (vi) continuation of construction and connection works on 42 water towers; (vii) the setting up of 4 GMPES booths in 4 locations; (viii) creation of an Internet access and training center in El Mina; and (ix) invitations to bid for construction

of the stretches of unpaved roads linking Néma to Oualata and for the stretches of unpaved roads between Koubeni, Medbougou, Voulanya, Touil, and Tintane.

D. IMPROVING GOVERNANCE AND BUILDING CAPACITY (FOCUS AREA 4)

2.141 The following strategic approaches had been established under PRSP II: (i) strengthening the rule of law; (ii) improving environmental governance; (iii) building government capacity; (iv) support for decentralization; (v) effective management of public resources; (vi) capacity building for civil society; (vii) promoting communication; and (viii) promoting a participatory approach.

2.142 Since 2008, these approaches were strengthened as a result of the firm resolve of the President of the Republic to make good governance a major focus area for government authorities' action.

a. *Strengthening the rule of law*

2.143 Regarding *public freedoms, strengthening democracy and transparency in citizens' choices*, the last five years saw the holding of multiparty and transparent presidential, legislative, and municipal elections. Many parties were recognized, including those that for a long time had been prevented from carrying out their activities. The electoral system was improved appreciably with the introduction of voting by Mauritians resident abroad and the establishment of an Independent National Elections Commission (CENI), with successfully oversaw all the voting that took place (presidential, legislative, and municipal elections). The voters' lists and results of the various elections were published on the Internet, which contributed significantly to the credibility of the elections, as did reliance on local and foreign observers.

2.144 *National unity and social cohesion*, central pillars of the rule of law, were promoted through specific measures to settle humanitarian issues arising from the events of 1989 (signing of memoranda of understanding between government authorities and eligible beneficiaries, as well as with the United Nations High Commission for Refugees) and the organization of the return and reintegration of Mauritians displaced beyond the country's borders following the events. In addition, Law 2007-048 of September 3, 2007 outlawing slavery and punishing slavery-like practices coupled with the implementation of a Program to Eradicate the Legacy of Slavery (PESE) designed to help, through the financing of specific projects, improve the living conditions in the vulnerable communities affected and enable their sustainable integration into economic and social life.

2.145 On the *justice* front, substantial work was carried out on writing codes and building capacity through: (i) the adoption of important provisions, such as the law making the above-mentioned slavery-like practices a crime, the law on the illegal trafficking of migrants, the main procedural provisions and special statuses, and the decree creating legal aid offices; (ii) upgrading the quality of human resources through the recruitment of judges and court

registrars. This effort was further strengthened through the establishment of a National School of Administration, Magistracy, and Journalism (ENAJM); (iii) facilitating access for litigants, especially poorer litigants, to law and justice through the adoption of decrees on the structure and operation of legal aid offices and on the rate schedules for legal fees, the creation of legal aid clinics in judicial subdivisions and distribution of satchels for judges; (iv) improvement in the functioning of the institutions in charge of justice for minors and the conditions for the detention of minors, while putting specific mechanisms in place for their reintegration; (v) the construction of four departmental courts in Nouakchott, construction of the seat of the Supreme Court, the court house in Kiffa, resumption of work on the Nouadhibou and Aleg court houses; and (vi) strengthening monitoring through an Inspectorate General at all levels of the legal and judicial system.

2.146 As far as *Human Rights* are concerned, and in addition to the above-mentioned actions, (the Law making slavery a crime, the PESE program, return and reintegration of returnees), the actions carried out essentially involved setting up a National Human Rights Commission, the reports of which are published regularly. The legal texts establishing the National Human Rights Commission (CNDH) were also revised to strengthen the Commission's capacity for action and upgrade it to the same level as its counterparts throughout the world.

2.147 Parliament's capacities and scope for intervention were also strengthened through an increase in budgetary resources, further work on targeted support projects run by development partners and the setting up of a High Court of Justice whose role is to apply penalties to members of parliament who have been found guilty of breaches in the course of duty, thus demonstrating in law and in practice, that the principle of accountability applies to all.

b. *Improving environmental governance*

2.148 The measures taken in this area covered: (i) including the environmental dimension in public policies; (ii) strengthening the institutional and regulatory framework of the sector; (iii) stanching the loss of natural resources; (iv) institutional reform; (v) climate change; (vi) biodiversity; and (vii) international commitments.

2.149 As far as mainstreaming the environmental dimension into public policies is concerned, efforts in this area resulted in: (i) a comprehensive analysis of the environmental governance system in all ministerial departments with environment-related activities. Based on the assessment of the strengths and weaknesses of the procedures, actors, policies, programs and projects, institutional and legal reforms were proposed (directives for the integration of the environment in public policies, revision of the framework law on the environment, etc.); (ii) capacity building for environmental assessment stakeholders as one way of integrating the environment; and (iii) drafting the first agendas 21, tools for planning sustainable development activities on the scale of the moughataa.

2.150 The initiatives to stem the loss of natural resources were focused on: (i) carrying out a series of economic analyses of promising forestry subsectors to identify non-wood forestry

products in the wilayas of Guidimaka and Hodh El Gharbi; and (ii) setting up a national branch office of the Mauritania-Senegal Regional Biodiversity Project, which carried out joint actions with cooperatives to implement development plans for classified forests, wetlands, and forestry pasture trails, in addition to supporting income-generating activities and promoting forestry by-products.

2.151 Regarding institutional reform, actions were geared to: (i) establish a ministerial department in charge of the environment, whose responsibilities were subsequently expanded to encompass sustainable development; (ii) adoption of the National Environmental Action (PANE), the National Sustainable Development Strategy (SNDD) and the action plan for risk and natural disaster management; and (iii) carry out a strategic environmental and social assessment of activities in the oil industry, the effects of which will influence the timing of the next program schedule.

2.152 As far as climate change is concerned, in addition to implementation of its National Adaptation Action Plan through the launch of its priority project to support adaptation of agricultural production systems vulnerable to climate change, Mauritania placed special emphasis on preserving the city of Nouakchott against encroaching sand and flooding.

2.153 In the field of biodiversity, above and beyond the annual campaigns to combat brush fires, it bears noting that work was carried out on Mauritania-Senegal biodiversity in the form of inventories and mapping.

2.154 Lastly, the country discharged its international obligations under the fourth Operational Phase (OP 4) of the GEF Small Grants Program, the United Nations Framework Convention on Climate Change, the Convention on Biodiversity, the Montreal Protocol, and the Kyoto Protocol, and the participation of a high-level delegation in the Copenhagen Summit in December 2009.

c. Building public administration capacity

2.155 In this area, the following were established as the main objectives in the second action plan under the PRSP: (i) to strengthen the institutional and organizational framework; (ii) to ensure optimal management of the government's human resources; and (iii) to improve the quality of service to the public.

2.156 In a bid to achieve the above-mentioned objectives, the government authorities focused their action on the following areas over the period 2006-2010: (i) start of the work to restructure the civil service following the civil service head count; (ii) strengthening human resources in the sectors of education, health, and customs administration; (iii) adoption and enforcement of special statuses for National Security and Civil Protection staff; (iv) revision of the status of university lecturers with a view to promoting scientific research; (v) publication online of the list of administrative formalities, public service portals, and the government's electronic platform; (vi) preparation of a list of specifications for the establishment of an integrated government staff management system; and (vii) recruitment and training (still

underway) of 500 government employees at ENAJM with a view to filling upcoming vacancies left by staff taking retirement in several sectors of the civil service.

2.157 Other action was focused on: (i) modernizing territorial administration through the continuation of the program in which residences were built for the administrative authorities, premises were built for the Prime Ministers Office and a host of ministries and government agencies financed from the central government budget or in partnership with friendly countries; (ii) the start of programs to modernize the Administrative Command Network (RAC) and; (iii) renewal of the motor vehicle fleet and increased appropriations for operations.

d. *Efficient and transparent management of public resources*

2.158 In pursuit of this goal, the following main objectives were established in PRSP II: (i) to improve the efficiency and transparency in the management of public resources; and (ii) to include explicitly in public policies the themes of tackling corruption, misappropriation of public resources, and the relationship between citizens and government.

2.159 In terms of fiscal programming and execution, the emphasis was placed on: (i) having Parliament present and adopt annual laws and regulation; (ii) pursuing reforms geared to the deconcentration of the functions of authorizing officers, financial controllers, and accountants in all central and regional entities; (iii) development of an integrated government finance information system; and (iv) creation of a pilot Economic Program Monitoring Technical Committee (CTSPE) at the BCM, which should pave the way for improving collaboration and exchanges among all stakeholders with roles in reporting economic data and building capacity in the various agencies involved in government finance.

2.160 In terms of management of government assets and tax affairs, efforts were geared toward setting up an accrual accounting system, restructuring land ownership and a number of tax administration reforms, including the creation of a large taxpayer bureau, changing to a functional administration based on the size of the taxpayer, and improved taxation of the informal sector, reducing the tax rate, partial or full exemption for pharmaceuticals and staples, and a cut in rates on various types of income.

2.161 In addition to the above-mentioned efforts, the imperatives of a rationalized and restructured management system had repercussions on the public administration. In this connection, it bears noting that hundreds of phantom positions in the civil service were purged following the head count and cross-checking exercises that had been carried out, vehicles previously assigned to government employees were transferred, housing and other allowances allocated to civil servants were restructured, the allowances and other perquisites afforded to the administrators of public institutions and semipublic companies were established by decree, and diplomatic representations were restructured, thus enabling the redeployment of diplomatic posts with a view to greater diplomatic presence for Mauritania and cost savings.

2.162 These measures are in addition to those aimed at improving revenues, among other things. One such measure is the revision of agreements with mining and oil companies, which helped raise the country's share in revenues from copper and gold mining. Note that the National Committee on the Extractive Industries Transparency Initiative (EITI) already published its 2006 report and began work on preparing audit reports on FY07 and FY08. These reports will afford the Mauritanian public essential information on revenues collected by the government from mining and oil production and how they are used.

2.163 In this connection, a draft law embodying the Government Procurement Code was also adopted kicking off a major reform of the national procurement system. This also includes the strengthening of human and other resources of control organs, which include the Court of Auditors, whose statutes have been reviewed to increase its independence and boost the number of its chambers, the Government Inspectorate, the Inspectorate General of Finance, and the internal inspection units of the ministries. Through these efforts, the Treasury was able to collect huge sums of money and several important cases were prosecuted, thus sending a clear message that there would be no more impunity and that public finances need to be properly managed.

2.164 Furthermore, a remarkable effort was made in the fight against corruption and the misappropriation of public goods through the punishment of any proven cases of misappropriation or mismanagement and through several awareness-raising campaigns against mismanagement and corruption. In this regard, The National Strategy for the Fight Against Corruption (SNLC) was adopted. This strategy includes a detailed action plan with a view to the eventual elimination of corruption in all spheres of society.

2.165 From as far back as 2007, a law on financial transparency in public life was adopted. Under this law, all public officials occupying positions in which they managed public resources or which would become sources of illegal personal enrichment were required to declare their assets. This process did not yield any results, because the national commission in charge of implementing it was given very few resources with which to work. The government authorities are currently reviving the commission with a view to the sustainable implementation of the provisions of the law.

e. Decentralization

2.166 Taking the decentralization process further was one of the major directions in PRSP II, given the key role that decentralized stakeholders play in the economic and social development process.

2.167 The major achievement in terms of decentralization was the adoption at the April 22, 2010 sitting of the Council of Ministers of the "Decentralization and Local Development Policy Declaration", which reaffirms the political resolve to make decentralization an irreversible choice. More specifically, the declaration will be incorporated in the Territorial Local Government Code, a draft of which has been completed. Note also continued efforts to

increase appropriations to the Regional Development Fund (FRD) as part of improvements in financial transfers to the communes. By the same token, it bears noting that more and more communes are being involved in the development process, through their participation in selecting which investments will be made in their territories for which they are responsible, and their monitoring role in the investment process as project owners or beneficiaries is strengthened

2.168 This progress in deepening decentralization was strengthened by advances made in the field of land use planning and development, including: (i) the adoption and enactment of the framework law on land use planning and development; (ii) the drafting of regulatory provisions on land use planning and development, as well as the setting up of agencies provided for in the framework law on land use planning and development, in particular the National Observatory on Land Use Planning and Development; (iii) the launch of the Interim Program for Joint Development of the Karakora Basin; and (v) the launch of a pilot support program for sedentarisation, specifically in Hodh el Gharbi.

f. *Building capacity for civil society*

2.169 Civil society organizations have developed significantly in recent years and are increasingly involved in government authorities' economic and social initiatives. Their role as a countervailing force and monitor of government action is becoming increasingly accepted.

2.170 The main objectives established in the PRSP II action plan were to: (i) build civil society capacity, specifically through revision of the approval procedures; (ii) ensure actual implementation of the NGO Support Fund (FAPONG); (iii) develop and implement a broad-based capacity building program; and (iv) provide technical and logistical support to the civil society Cyberforum.

2.171 As far as the actions implemented are concerned, they involved; (i) developing a civil society strategy; (ii) setting up or consolidating civil society capacity building programs (PASOC, FAPONG, etc.); and (iii) modernizing the legal framework for civil society by drafting additional provisions to establish appropriate legal remedies.

g. *Promoting communication*

2.172 Mindful of the importance of communication in consolidating the rule of law and ensuring that good governance is firmly rooted, the second PRSP action plan was aimed at pooling, organizing, and coordinating all national efforts to promote communication.

2.173 In this area, the efforts undertaken involved the: (i) establishment of the Press and Audiovisual High Authority (HAPA); (ii) adoption of several legal and regulatory provisions (press freedom, liberalization of the electronic media, public assistance for the press, press cards, etc.); (iii) launch of the process of opening up government-owned media to political parties and civil society; (iv) setting up a second television station (TVM-Plus); (v) conversion of

the second station of Radio-Mauritanie into a rural radio station for awareness raising and outreach to promote development; (vi) establishment of Radio Koran; (vii) continuation and increase of printing subsidies for newspapers; (viii) organization of briefing sessions for journalists; (ix) support of organizations representing media workers; and (x) setting up of focal points in charge of communication in all ministerial and similar departments.

h. Promoting a participatory approach

2.174 Promoting the participatory approach in all cycles of public policy-making and development is a major imperative in the design and implementation of the PRSP, given its: (i) contribution to creating a climate of good governance; (ii) role in maximizing Mauritians' full potential; and (iii) enhancing the impact of public policies.

2.175 In this regard, under PRSP II, the government's intention was to deepen the participatory process at the central, regional and local levels.

2.176 Nevertheless, the different institutional changes occurring during the period 2006-2010 hindered the proper functioning of the participatory drafting process for annual reports on implementation of PRSP II.

2.177 The sole implementation report covering the period 2006-2007 was completed using the participatory approach, involving all stakeholders in all their diversity (central government and territorial administrations, communes, civil society organizations, and the private sector, resource persons, and development partners) in meetings of the Sectoral Technical Committee (CTS), Technical Thematic Groups (TTGs), consultation committees and interregional workshops.

2.178 This review covering the entire period of PRSP II was drafted using the same participatory approach and culminating in a National General Conference in February 2011, which was open for the first time to political parties.

E. STRONGER LEADERSHIP, MONITORING, EVALUATION, AND COORDINATION (FOCUS AREA 5)

2.179 The various PRSP action plans that have been implemented since 2001, did not yield any notable progress in terms of monitoring and evaluation, despite the mechanisms that had been defined and set out regularly in the implementation reports. The lack of meaningful progress in this key area of development prevents government agencies and policy makers from making the adjustments needed to drive the development actions and policies and strategies implemented.

2.180 The shortcomings noted in the area of monitoring and evaluation and coordination prompted government authorities to place the emphasis, in the design phase of the 2006-2010 PRSP, on the need to take appropriate measures in this focus area, with a view to providing a clearer grasp of the level of effectiveness of government action.

a. *Institutional mechanism*

2.181 The drafting of the second PRSP action plan featured a new strategic focus area geared toward strengthening leadership, monitoring, evaluation, and coordination, which completes the four initial focus areas of the PRSP. In pursuance of this aim, a decision was taken to pursue the following measures: (i) establish a TTG dedicated to monitoring and evaluating implementation of the PRSP; and (ii) develop a National Statistical Development Strategy that includes monitoring and evaluation indicators for the PRSP and the MDGs.

2.182 Subsequently, Decree 2007-103 setting out the composition of the institutional mechanism for designing and monitoring the PRSP was adopted. The decree provides for a leadership, coordination, and monitoring and evaluation system, with clearly defined boundaries.

2.183 However, this mechanism has not operated on a regular basis and its operations were limited to one-off instances when the PRSP implementation review and monitoring documents were drawn up. In fact, the weaknesses and loopholes it was supposed to address subsisted, namely: (i) the lack of regular updates of the reporting tools; (ii) the lack of a monitoring and evaluation culture in departments; (iii) the non-binding role of the PRSP in sectoral programming; and (iv) the lack of stakeholder ownership of the process.

2.184 Some of the main causes of such dysfunctions are: (i) the lack of regularity in the operation of the CTS and TTGs, whose work is hampered by constant reshuffling of staff positions and changes in the configuration of certain ministerial departments; (ii) the inefficiencies of monitoring and evaluation staff; (iii) a data system based on often too-generic and hard to enter indicators; and (iv) insufficient operationality of the existing sectoral planning and monitoring staff.

2.185 Other no less important causes also bear noting: (i) local governments and deconcentrated staff are practically absent from the institutional evaluation mechanism and the civil society, which is showing signs of interest is still fragile; (ii) on the whole, administrative data systems are weak and do not constitute an operational priority, even though it is mentioned in the statistical development strategy; and (iii) there is no system in place yet for establishing genuine benchmark scenarios before policies, programs, and projects are implemented.

b. *The monitoring and evaluation system*

2.186 In this area, the results recorded during the period 2006 - 2010 are weak and fall short and involve the three components of the monitoring and evaluation system: (i) implementation of the PRSP; (ii) monitoring of poverty; and (iii) evaluation of the PRSP.

2.187 Monitoring of implementation of PRSP II was intended to cover the following: (i) changes in allocations of credits, in particular, how much of it was used and how it was used; (ii) the implementation status of planned activities; and (iii) the degree of achievement of the established objectives based on the monitoring of the indicators.

2.188 Activity monitoring was not systematic and in most cases restricted to *ad hoc* missions prompted by the development partners. This situation impacts heavily on the quality of PRSP implementation reports.

2.189 Of the 253 indicators selected for monitoring PRSP, only 38 percent of them had been filled in for the reference year established as 2004. The relatively low number of indicators filled in is attributable to the low relevance and ill-suitedness of certain indicators to the national context and to the failure of the national statistical system to fill them in.

c. *Reporting tools*

2.190 In PRSP II, the reporting tools proposed were the: (i) resource monitoring tables; (ii) quarterly sectoral priority action monitoring log; (iii) quarterly background paper and interim report; (iv) annual PRSP implementation report; and (v) evaluation reports on the impact of the PRSP.

2.191 Among these various tools, only one Implementation Report was drawn up in 2008; it covered the period 2006-2007. The shortcomings observed in the monitoring of the PRSP are genuine and resulted mainly in the implementation of many actions that had not been provided for in PRSP II, to the detriment of some priority actions.

d. *Coordination*

2.192 In this area, the emphasis was supposed to be placed on the following objectives: (i) streamlining the Government-TFP dialogue mechanism; (ii) strengthening programming and management of government finances (including procurement procedures); (iii) improving coordination of development partners and harmonization of their procedures; and (iv) focusing on monitoring and evaluation-related aspects.

2.193 Coordination of government action is assessed as weak and restricted to drawing up sectoral action plans since early 2006. Furthermore, failing a proper operation plan for the PLRPs, the Regional Poverty Reduction Committees were unable to play the role devolved of coordinating development actions at the regional level.

2.194 Streamlining of the Government-TFP dialogue mechanism led to the organizing of several meetings and discussions with Mauritania's development partners: the Advisory Group for Mauritania in December 2007, meetings of Arab and Islamic donors in March 2008, then, in November 2010, the Brussels Round Table in June 2010 preceded by several preparatory meetings to ensure concerted action at the Round Table, to review the PRSP, and to draft the third action plan for 2011-2015, etc.

2.195 In terms of strengthening programming and management of government finances, it bears noting that despite the preparation of PRSP II, a comprehensive MTEF in 2007, a PIP and budget laws, there has been no proper alignment between these different programming instruments. Nevertheless, this shortcoming will be corrected as part of the preparation of PRSP III and the other programming instruments (MTEF, PIP, LFI). As far as the management of government finances is concerned, several reforms were initiated in coordination with the TFPs and will be addressed in a government finance blueprint.

2.196 Furthermore, the law establishing the Government Procurement Code was enacted, the National Anti Corruption Strategy was adopted by the Council of Ministers, and the revision work on the Investment Code is at an advanced stage.

2.197 Regarding enhanced coordination between development partners and harmonization of their procedures, despite the determination shown by these partners, a great deal remains to be done in this area.

e. Making the PRSP operational

2.198 Making PRSP II operational was intended to be the result of three main actions: (i) ongoing updating of sectoral and thematic reports to align them with the guidelines set out in the PRSP; (ii) making the PRSP operational at the regional level through the PRLPs; and (iii) making the PDCs operational with a view to implementing the PRLPs at the level of the communes.

2.199 Apart from the drafting and updating of some PRLPs and PDCs, no meaningful progress has been made in these areas.

2.200 The PRSP does not yet allow for an ex-ante impact assessment of the reforms envisaged so as to better guide public expenditure and, more important, identify the subgroups of the poor population targeted for poverty reduction.

F. THE MILLENNIUM DEVELOPMENT GOALS - STATE OF PLAY

2.201 Mauritania acceded to the Millennium Declaration proclaimed in 2000 and incorporated the Millennium Development Goals in its development policies and programs. Indeed, the attainment of these objectives established for 2015 coincides with the implementation period for the PRSP (2001-2015) and was incorporated into the PRSP. There are eight objectives,

namely: (i) to halve extreme poverty and hunger; (ii) provide universal primary education; (iii) promote gender equality and empower women; (iv) reduce child mortality; (v) improve maternal health; (vi) combat HIV/AIDS, malaria, and other diseases; (vii) ensure environmental sustainability; and (viii) develop a global partnership for development.

2.202 Success in achieving these objectives is therefore closely linked to implementation of the PRSP, which was hampered by: (i) international crises (the food and energy crisis, financial crisis, and global warming crisis); (ii) institutional changes in the country during this period; (iii) problems of low capacity in successive governments and; (iv) lack of alignment of the programming tools (PRSP, MTEF, PIP, and LFI).

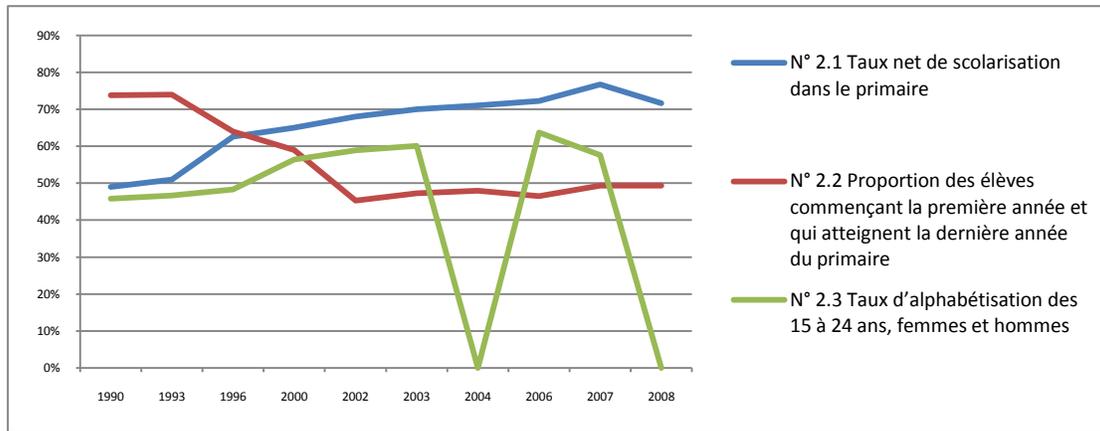
2.203 Nevertheless, despite these difficulties, the country is poised to achieve some of the Millennium Development Goals. As far as other targets are concerned, it is progressing, although there are areas where progress is far less than needed and that call for changes in direction and the redoubling of efforts.

2.204 In fact, the MDGs can be reached in terms of universal access to primary education (the second goal), which is a remarkable breakthrough, in that the net enrolment ratio in primary schools was a mere 48 percent in 1990.

Table 2.4 : MDG Education

Indicators	1990	1993	1996	2000	2002	2003	2004	2006	2007	2008
N° 2.1 Net enrolment ratio in primary education	49%	51%	62,6%	65%	68%	70%	71%	72,2%	76,7%	71,6%
N° Proportion of pupils starting grade 1 who reach last grade of primary	73,8%	74%	64%	59%	45,3%	47,3%	48%	46,5%	49,3%	58,5 %
N° 2.3 Literacy rate of 15-24 year-olds, women and men	45,8%	46,7%	48,3%	56,4%	58,9%	60,1%	69,7%	63,7%	57,6%	77,5%

Source. Provisional MDG Report - March 2010



- 1.1 Net enrolment ratio in primary school
- 1.2 Proportion of pupils starting grade 1 who reach the last year of primary
- 1.3 Literacy rate of 15-24 year olds, women and men

2.205 In the education sector, girl/boy parity in primary education, which was 0.72 in 1990 was already achieved in 2000/2001 (component of objective 3).

2.206 As far as water is concerned, it is possible that the proportion of the population with access to an improved drinking water source (satisfactory) can reach 74 percent in 2015, whereas the proportion was 37 percent in 1990, which would bring it in line with MDG Goal 7.

2.207 Last, the indicators available on HIV/AIDS, malaria, and tuberculosis, (MDG Goal 6) show that these diseases are no longer progressing and that is possible to reverse the trend towards their expansion and achieve the corresponding MDGs.

2.208 Nevertheless, the latest report on the MDGs (in 2009) shows that significant progress has been made in other areas but not enough to achieve the MDGs (**See Box 6**).

2.209 Those areas are: (i) poverty reduction (reduced from 57 percent in 1990 to 42 percent in 2008); (ii) the girl/boy parity in secondary schools has still not been achieved (33 percent for boys as against 28 percent for girls in 2008); and (iii) the participation of women in policy making, which improved remarkably since 2006 and needs further work to achieve the target.

2.210 In contrast, for the last group of goals, the situation is still worrying and progress has not been satisfactory. The MDGs in question are 4 and 5 on maternal and child health. In fact, the child mortality rate, which was 122‰ in 2007 is still far from the target set for 2015, which is 45‰ and in terms of maternal mortality, the rate is 686 for every 100,000 live births, whereas the target set for 2015 is 232.

2.211 The scenario is the same for reproductive health, where the contraception prevalence rate for married women between 15 and 49 years of age was only 9 percent in 2008, whereas the target set was 100 percent.

Box: 2.5 : The MDGs: the health challenges

The situation in Mauritania with regard to the attainment of the MDGs is particularly worrying in the health sector where the country has the highest maternal and child mortality rates in the subregion, that is to say, 686 deaths for every 100,000 live births for women and 122 deaths for every 1000 births for children in 2007 compared with the targets of 232 and 45, respectively, by 2015. Furthermore, the contraception prevalence rate for married women between 15 and 49 years was only 9 percent in 2008, whereas the target was 100 percent.

As far as maternal mortality is concerned, a host of factors explain the high level of the maternal mortality ratio: (i) home deliveries without specialized assistance, where the national rate is estimated at 39,2 percent; (ii) insufficient technical support at all levels; (iii) early pregnancies, pregnancies at close intervals, and repeated pregnancies; (iv) illiteracy and poverty; and (v) low access to high quality maternal care for at-risk pregnancies, especially in cases where a Caesarian section is needed.

The establishment of the mother and child hospital center and application of an obstetrical flat fee across the board will contribute appreciably to improving the situation. The measures already taken will be strengthened by the following main measures: (i) a better functional coverage of health facilities geographically ((reaching) the most remote or isolated locations); (ii) managing fertility (availability of resources and trained personnel); (iii) availability of medicines and qualified caregivers to tackle the above-mentioned most frequent causes of maternal mortality, especially hemorrhaging and eclampsia; (iv) enhanced anti-malaria prophylaxis for pregnant women; (v) free treatment where there are signs of malnutrition during prenatal examinations; (vi) intensification of IEC activities to address behaviors linked to social gender relationships; and (vii) training for surgeons and their assignment to health facilities.

On the child mortality front, an analysis of available data shows that the largest infant-child mortality gaps are linked to living conditions and nutrition, mothers' level of education, residential background, and the wealth index.

It follows from the trends in pediatric health and from an analysis of the main causes of infant and infant-child mortality that efforts must be geared toward: (i) reducing poverty and malnutrition; (ii) making immunization programs effective and universal, so as to reverse the trend observed between 2004 et 2008. This will require ensuring better participation of population groups, better monitoring and periodic evaluations of their real impact; (iii) the availability of services adapted to the specific needs of children, including pediatric emergencies. This will require the presence of pediatricians, infrastructure, and proper equipment and comprehensive treatment of the main causes of child mortality: IRAs; diarrheas and malaria; (iv) active involvement of communities in the programmed activities and use of IEC techniques to promote positive changes in attitudes, mindsets, and behaviors; and (v) improvement in prevention levels by making changes in children's environments and hygiene. The main change is improved access to safe drinking water and sanitation.

As far as universal access to reproductive health for married women is concerned, access to contraception is adversely affected by: (i) unhelpful mindsets in certain religious milieux; (ii) unavailability of contraceptives; (iii) low technical capabilities of service providers; (iv) lack of IEC; and (v) the lack of interest on the part of civil society in addressing these issues.

The work carried out has allowed for certain measures to be taken: (i) establishment of the National Reproductive Health Program (PNSR); (ii) the inclusion of contraceptives in the list of essential medicines; (iii) celebrating RH week since 2003; and (iv) capacity building for family planning service providers.

For the future, efforts will be focused essentially on: (i) continuing and consolidating the measures already taken, especially those aimed at the most vulnerable; and (ii) intensification of awareness raising campaigns on the importance of reproductive health.

Annex 1: Summary table of the main reforms implemented in the period 2006-2010

1. Fiscal policy

- Promulgation of a new Government Procurement Code (2010);
- Further deconcentration of the functions of authorizing officers, financial controllers, and accountants in all central government and regional entities;
- Development of an integrated government finance information system;
- Drafting of a template for budget forecasting and universal application of the MTEF;
- Modernization of the tax administration and reform of the tax system;
- Rewriting of the legal provisions;
- Revision chart of the Government Chart of Accounts and the introduction of an accrual accounting system;
- Amendment of the government accounting regulations in 2006;
- Limits imposed on recourse to exceptional procedures for public expenditures (2007 MOF order);
- Performance assessment of government finance management in 2008 (PEFA);
- Splitting the Ministry of the Economy and Finance into two separate departments;
- Restructuring (still underway) of the government payroll to eliminate phantom positions, redundancies and the perquisites afforded to certain government employees, who are no longer entitled to them;
- A head count of government officials and employees as well as efforts to reconcile the civil service nominal roll with the payroll;
- Elimination of the government's water and electricity grants to employees, and replacing them with a lump-sum allowance for eligible government officials;
- Discontinuing the practice of carrying fuel and vehicle maintenance expenses in the government budget and replacing them with a transportation allowance for all officials;
- Rescinding of all housing agreements, starting in July 1, 2010, and payment of a non-housing allowance to all officials.

2. Monetary policy and financial sector reform

- Continuation of a prudent monetary policy to control inflation;
- Improve and diversify credit mechanisms;
- Improve banking services penetration by increasing access to financial services and transparency of information, and by developing means of payment;
- Organizing operations on the currencies market;
- Lowering of the repurchase rate for Treasury bills, which serve as the key rate for the Central Bank, from 14 percent to 12 percent in October 2007 and from 12 percent to 9 percent in November 2009;
- Setting up of a Monetary Policy Board chaired by the Governor of the BCM and entrusted with setting monetary policy;
- Restructuring of the monetary policy operational framework, which saw the adoption of a new set of regulations and a new manual of procedures;
- The creation of new intervention instruments (BCM bonds, Certificates of deposit, and Treasury bills) and expansion of the monetary market to all economic operators, who now have an appropriate framework for treasury management;
- Creating BCM bonds geared to strengthening the operational independence of the monetary policy by enabling the central bank to use its own securities to regulate liquidity in the banking sector;
- Setting up of a Monetary and Fiscal Policy Coordination Committee;
- Paying off of external commercial arrears;
- Lifting since October 2006 of all restrictions on payments of current transactions;
- Establishment in January 2007 of a foreign exchange market, which signaled a turning point in Mauritania's foreign exchange policy.

3. Development of the private sector and foreign trade

- The entry into service of the ASYCUDA ++ system (2010) was designed to increase revenues by putting in place a raft of regulatory measures (Budget law, tariff schedules, régimes, etc.) and by universal application of the procedures in all computerized offices;
- The threshold for the lump sum taxation of industrial and commercial profits (BIC) was raised from between 3 and 6 million ouguiya (depending on the sector) to a uniform threshold of 30 million ouguiya;

- The rules of the minimum flat tax (IMF) were simplified with all companies subject to a uniform lump sum tax of 2.5 percent of turnover (2010) and the tax on the BIC was established at 25 percent of commercial profits;
- The lump sum system is declarative and not presumptive, with declarations made using a simple form;
- Promotion of the regulation of consultations and trade negotiations by establishing the National Consultative Commission on International Trade (CNCCI),
- Establishment of the National Steering Committee for the Economic Partnership Agreement;
- Promulgation of the law on the standardization and promotion of quality;
- Establishment of a national system for standardization, promoting quality and creation of new industrial units;
- Establishment of an industrial information system;
- Development of a program to restructure and upgrade industrial enterprises;
- Establishment of legal provisions governing the registration of industrial activity;
- Adoption of a decree establishing an Economic Enterprise Support Commission designed to support companies in difficulty and forestall their bankruptcy;
- Establishment of a handicrafts code;
- Setting up of socioprofessional handicrafts organizations;
- Drafting of the law on PPPs and revitalization of the Government-Private Sector Consultation Committee.

4. Mining sector

- Improvement of the legal and regulatory framework, especially the 2008 Mining Law, which was revised in 2009, as well as its implementing regulations;
- Institutional reform, in particular, the establishment of the Directorate of Mines Police.

5. Fisheries sector

- Adoption of an ISPS code for the security of port facilities;
- Signing of the maritime collective bargaining agreement.

6. Tourism handicrafts trade sector

- The setting up of legal frameworks and institutional reforms to ensure proper supervision of the sectors;
- Development of the 2007-2015 commercial strategy and tourism strategy.

7. Hydrocarbons sector (exploitation)

- Promulgation of a hydrocarbons law, which set up a regulatory mechanism with the creation of the National Hydrocarbons Commission (CNHY);
- Adoption of a decree regulating the licensing criteria for hydrocarbons processing;
- Adoption of several other regulatory provisions, notably the decrees establishing the pricing elements for fuel and butane gas (decrees 2006-030 of April 28, 2006, 137-2008 of June 10, 2008, 2007/041 of February 1, 2007 and 2009-024 of January 26, 2009).

8. Transport sector

In the **land transport subsector**:

- Drafting and distribution to all ministerial departments and other relevant agencies of a compendium of implementing provisions (orders) for Decree No. 2007-006 of January 5, 2009 on the Road Code;
- The establishment of a Public Transport Corporation (STP) and adoption of its articles of incorporation.

In the **maritime subsector**:

- Revision of the Ports Code;
- Reform of the merchant marine.

In the **aviation subsector**:

- Establishment in 2009 of Mauritania International Airlines, a government-owned airline.

9. Rural development

- Drafting of two implementing provisions under the livestock and pastoral code.

10. The environment

- Creation of a Ministry in charge of the Environment and Sustainable Development, which succeeds the State Secretariat in charge of the Environment;
- Adoption of the PANE and SNDD.

11. Water and sanitation sectors

- Adoption of decrees implementing the water code;
- Creation of an EPIC in charge of the operational aspects of sanitation.

12. Education sector

- Overhaul of the regulatory framework for tertiary education;
- Establishment of new tertiary institutions (ISET, ISCAE);
- Launch of the restructuring process for initial training for teachers based on an organizational audit of teacher training institutions.

13. Health sector

- Development and adoption of the National Pharmaceutical Policy;
- Development and adoption of a National Child Survival Strategy;
- Development and adoption of the Integrated Strategy to Combat Non-Communicable Diseases;
- Mutualization and risk sharing.

14. Social affairs, child welfare, and the family

- Ratification of the International Convention on the Rights of Persons with Disabilities and its optional protocol;
- Ratification of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW);
- Ratification on the Convention on the Rights of the Child;
- Adoption of a gender strategy and framework law;
- Establishment in 2008 of a national committee to fight against GBV, including FGM in 2008

15. Islamic affairs, traditional education, and literacy sector

- Adoption of the National Literacy Strategy (SNA)

16. Culture, youth, and sports sector

- Review of the legal framework governing the activities of the associative movement operating in the culture, youth, and sports sectors;
- Adoption of the African Youth Charter;
- Drafting of legal provisions necessary for the establishment of a fund to support the development of culture, youth, and sports activities.

17. Urban development, housing, land use planning and development

- Revision of the regulatory provisions organizing the ADU;
- Development and adoption of the regulatory provisions governing land use planning and development;
- Adoption of the legal provisions regulating the architectural profession;
- Drafting of a Construction Code and its implementing provisions;
- Drafting and adoption of the implementing provisions on Public Project Ownership;

- Adoption of implementing provisions under the General Construction Regulations;
- Revision of the law on property development;
- Redesign and finalization of the institutional structure of BEIT EL MALE under the Twice social housing program;
- Drafting of implementing provisions under the urban development code, including the RGUS.

18. Employment, vocational training, and new technologies

- Revision of the main legal provisions governing management of foreign labor;
- Aligning government procurement and project execution procedures with LI specifications.

19. Food security

- Reform of the consultation-coordination mechanism;
- Creation of an independent agency to manage micro projects (Micro Projects Executive Agency–AEMP).

20. Human rights, humanitarian action, and relations with civil society

- Adoption of Law 2007-048 of September 3, 2007 making slavery a crime and punishing slavery-like practices;
- The signing of a memorandum of understanding between government authorities and individuals awaiting settlement of humanitarian claims;
- Establishment of a National Human Rights Commission.

21. Justice

- Promulgation of the law making slavery-like practices illegal;
- Promulgation of the law on the illegal trafficking in migrants;
- Revision of the procedural provisions and special statutes (organization of the courts, civil and criminal proceedings, status of judges, and status of court registrars);
- Drafting and adoption of the decree on the structure and operations of legal aid offices;
- Drafting and adoption of the decree establishing legal fees;
- Creation of legal aid clinics in judicial subdivisions;
- Distribution of case loads for judges.

22. Homeland administration and decentralization

- Study carried out on a redrafting of the founding provisions of the Territorial Administration in 2008, which was intended to lead to a draft law;
- The preparation of draft provisions on the structural review of the Territorial Administration (role and responsibilities of the administrative authorities to bring them in line with the context resulting from the many significant changes our country has undergone since the 1980s, related to the DE concentrated services of central government and other local partners, role in the local development process, and delimitation of the administrative divisions);
- Design of the draft of special statuses for personnel of the Territorial Administration with an emphasis on the Administration's role as territorial judge, which preserves the statutory rights of the personnel in charge of territorial command;
- Adoption of important legal provisions (illegal trafficking of migrants, legal aid offices);
- Establishment of the CENI in 2009;
- The return to constitutional order after the elections of July 18, 2009.

23. Communication

- Adoption of a law on the liberalization of the electronic media;
- Creation of the Press and Audiovisual High Authority (HAPA);
- Establishment of Radio Koran;

Annex 2: Public investment and financing program by sector 2006–2010

(in millions of UM)

SECTORS	2006	2007	2008	2009	2010
Rural development	7 423	12 513	17 769	19 179	12 994
Industrial development	9 165	13 426	14 979	15 397	13 123
SNIM	3 500	3 500	3 861	4 938	5 327
Territorial development and land use planning	31 136	41 356	90 885	105 020	112 418
Human resources	9 252	12 409	16 132	16 318	8 227
Institutional development	1 466	2 571	6 947	7 339	7 055
Multispectral projects 1/	7 258	8 724	9 700	28 494	15 022
Total investment	69 200	94 500	160 273	196 685	174 165
Central government	42 613	61 939	90 286	114 128	100 294
SONADER	1 659	3 552	3 026	2 048	858
Semipublic institutions	21 428	25 509	63 099	75 571	67 687
SNIM	3 500	3 500	3 861	4 938	5 327
Financing	69 200	94 500	160 273	196 685	174 165
Central Government	42 613	61 939	90 286	114 128	100 294
Domestic resources	22 062	31 924	40 448	57 504	50 618
Grants	6 204	10 576	20 686	20 544	15 286
Loans (including Q.Grants)	14 347	19 439	29 153	36 080	34 390
SONADER	1 659	3 552	3 026	2 048	858
Domestic resources	689	652	337	306	658
Grants	0	0	0	0	0
Loans (including Q. Grants)	970	2 900	2 689	1 742	200
Semipublic institutions	21 428	25 509	63 099	75 571	67 687
Domestic resources	5 464	5 759	9 179	8 747	13 766
Grants	87	1 500	4 040	185	1 935
Loans (including Q.Grants)	15 877	18 250	49 880	66 639	51 986
SNIM	3 500	3 500	3 861	4 938	5 327
Savings
Grants	3 500	3 500	3 861	4 938	5 327
Loans (including Q.Grants)	0	0	0	0	0
Memorandum entry					
Domestic resources	28 215	38 335	49 964	66 557	65 042
External financing	40 985	56 165	110 309	130 128	109 124
Grants	9 791	15 576	28 586	25 667	22 547
Loans (including Q.Grants)	31 194	40 589	81 723	104 461	86 576

Annex 3: Progress in achieving the MDGs: Tracking the MDGs in Mauritania (1990- 2010)

Goals	Targets	Indicators	Initial result	Current result	MDG goal in 2015	Likelihood of achievement
1. Eradicate extreme hunger and poverty	Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1. Proportion of population below \$1 (PPP) per day	56,6%	42%	28,3%	Unlikely
		2. Poverty gap ratio (Incidence x depth)	15,9%	6,1%	-	
		3. Share of poorest quintile in national consumption	4,6%	6,3%	9,2%	
	Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	4. Employment to population ratio	na	27%	100%	
		5. Proportion of own-account and contributing family workers in total employment	na	69,6%		
		6. Unemployment rate	na	31,2%	<20%	
	Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	7. Prevalence of underweight children under-five years of age	47%	39,4%	23,5%	
2. Achieve Universal Primary Education	Target 2: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	8. Net enrolment ratio in primary education	49%	73%	100%	Likely
		9. Proportion of pupils starting grade 1 who reach last grade of primary	73,8%	49,3%	100%	
		10. Literacy rate of 15-24 year-olds, women and men	45,8%	77,5%	100%	
3. Promote Gender Equality and Empower Women	Target 3.: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	11. Ratio of girls to boys in primary, education	0.72%	1.02%	1	Likely
		12. Proportion of seats held by women in national parliament	na	19%	50%	
4. Reduce Child Mortality	Target 4: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	13. Child-infant mortality rate at the national level (per 1000)	137	122	45	Unlikely
5. Improve maternal mortality	Target 5A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	14. Maternal mortality ratio (for every 100 000 births)	930	686	232	Unlikely
	Target 5.B: Achieve, by 2015, universal access to reproductive health	15. Proportion of married women (15-49) using a contraceptive method	5%	9%	100%	

6. Combat HIV/AIDS, Malaria and Other Diseases	Target 6: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	16. HIV/AIDS prevalence among population aged 15-49 years		0.6%	< 1%	Likely
		17. Of the total, number of deaths of children under 5 due to malaria		6%		
7. Ensure Environmental Sustainability	Target 7.A: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	18. Proportion of land area covered by forest	0.4%	0.2%		Unlikely
		19. CO2 emissions, total, (in Mt)	2.6	2.6		
	Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	20. Proportion of terrestrial and marine areas protected	na	0.6%		
	Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	21. Proportion of population using an improved drinking water source	37%	62%	82%	
22. Proportion of population using an improved sanitation facility		na	21,8%			

Volume II : Action Plan 2011 - 2015

PREFACE

As it embarks upon its third PRSP action plan covering the period 2011-2015, the Islamic Republic of Mauritania intends to promote a new development thrust hinging on strong, redistributive, and pro-poor economic growth as outlined by the President of the Republic, Mr. Mohamed Ould Abdel Aziz, who has made improving the population's living standards a key pillar of his five-year program.

To that end, reducing poverty, strengthening national unity, furthering our democracy, enhancing the competitiveness of our economy, equitably sharing the wealth produced, developing the infrastructures to support growth, reforming our education and health systems, ensuring good governance, and combating corruption are some of the priorities and the challenges the government will address.

This action plan was prepared on the basis of an uncompromising evaluation of the outcomes of implementing the 2006-2010 PRSP, which taught some valuable lessons and pointed out the constraints that undermine the effectiveness of the public policies implemented.

The process of preparing the PRSP III was participatory, involving the administration, elected officials, the political parties, civil society stakeholders, the private sector, and technical and financial partners. I wish to take this opportunity to thank everyone for their unflagging efforts and their contribution to the evaluation of the implementation of the PRSP implementation from 2006 to 2010 and the action plan for 2011-2015.

This participatory approach will also be used in implementing the current action plan to guarantee achievement of the set objectives. It goes without saying that the enhancement of our absorptive capacity, the mobilization and good management of domestic resources, private sector development, and the mobilization of resources from our development partners are prerequisites for optimal implementation of the action plan.

Aware that corruption and poor management compromise the effectiveness and the impact of public policies on poverty reduction, the government, for its part, is committed to taking the appropriate measures to ensure transparency in the management of public resources in strict adherence to the principles of good governance set forth in the National Anti-Corruption Strategy adopted in December 2010.

Lastly, it should be noted that this PRSP III action plan will be the main point of reference for government action during the period 2011-2015.

The Prime Minister

Dr. Moulaye ould Mohamed Laghdhaf

Analytical Summary

Mauritania prepared a Poverty Reduction Strategy Paper (PRSP) for the period 2001-2015 adopted under antipoverty framework law 050/2001 of July 25, 2001. This poverty reduction strategy paper is based on a largely participatory process and is the frame of reference for formulating economic and social policies. It is the country's medium- to long-term development plan, with a strategic scope targeting the eradication of poverty as a national imperative and topmost national policy.

The PRSP is the frame of reference for the government's development policies and aligns these disparate policies with the goals of poverty reduction and improved standards of living for the population. It is a tool and a framework for consultation with development partners to obtain their buy-in for the development objectives defined by the authorities with their associated impact and performance indicators. As such it is (i) the single medium-term frame of reference for economic and social development policy; (ii) the main benchmark for all technical and financial partners in providing assistance to the country; and (iii) the appropriate basic instrument for mobilizing resources to finance development.

Prepared within the context of the Enhanced HIPC Initiative for the Heavily Indebted Poor Countries, the PRSP is the subject of broad-based consultation involving the administration, elected officials, civil society, the private sector, and the technical and financial partners. It is therefore the product of this nationwide consultation. The PRSP, which takes into account the Millennium Development Goals (MDGs), was initially based on four strategic pillars: (i) accelerating economic growth and stabilizing the macroeconomic framework; (ii) anchoring growth in the economic environment of the poor; (iii) developing human resources and improving access to basic services; and (iv) enhancing governance and building capacity.

Implementation of the 2001-2015 PRSP started with the first four-year action plan for 2001-2004. During this period, the PRSP monitoring and evaluation system was not based—except for some general guidelines set out in the action plan—on any reference documents establishing a framework for monitoring and evaluation activities (division of labor, procedures for information sharing and reporting, standards for monitoring and evaluation, etc.). For the most part, the monitoring and evaluation system is limited to the process of preparing the annual status report (RMO). However, the implementation of the first action plan was subject to close monitoring and participatory evaluation, first within the thematic technical groups (GTT), then within the different stakeholder committees (government-civil society-private sector, government-donor), and lastly in the work of the interregional workshops and national consultative conference meetings on the implementation of the PRSP. This process made it possible to regularly produce annual progress reports on poverty monitoring and action plan implementation.

The first action plan was reviewed on the basis of a new drafting and monitoring/evaluation methodology using an approach that was imbued with the same spirit of consultation and participation. The result was a set of updated objectives and strategic guidelines, which were used to prepare a second five-year action plan for 2006-2010. In light of the review and in order to fill the gaps that were detected, the initial four pillars, which still apply, were extended to the new plan and a fifth cross-cutting pillar was added to enhance steering, monitoring, evaluation, and coordination.

Upon expiration of the second PRSP action plan, a review was conducted and the third PRSP action plan was drafted in a context marked by: (i) a new diagnosis of poverty in light of the 2008 EPCV (household survey), which demonstrated the profile and dynamics of poverty in the country through such fundamental indicators as incidence, depth, and severity of poverty; (ii) the return to normality in constitutional life with the free and fair election on July 18, 2009 of a new President on a platform embraced by the majority of Mauritians, with the primary objective of enabling Mauritania to rise to the economic, social, and security challenges it faces; (iii) the strong rallying of Mauritania's partners around the country's priorities during the Brussels Roundtable of June 22, 2010; and (vi) the organization in New York of the World Summit on the Millennium Development Goals, 10 years after the implementation of the Millennium Declaration, which provided a much-needed opportunity for governments to evaluate the degree to which the MDGs have been achieved and to adopt new action plans for their achievement.

It is in this context that the PRSP action plan for the period 2011-2015 was prepared, with a view to equipping the country with a development plan to implement the President's Program and to mobilize resources from development partners to finance its development strategy.

The participatory process of reviewing the PRSP resulted in the following, inter alia: (i) analysis of the strengths and weaknesses of implementation of the second PRSP action plan; (ii) review of the medium- and long-term objectives on the basis of a new vision for the economic development of Mauritania; and (iii) preparation of an action plan for the period 2011-2015.

This plan seeks to consolidate the achievements made under the PRSP II while stressing the acceleration of growth and redistribution of its benefits to intensify poverty reduction efforts and continue Mauritania's progress towards attainment of the Millennium Development Goals (MDGs).

Vision for 2015

Based on the foregoing and on the President's electoral platform, which has the support of the majority of the population, Mauritania will be promoted as a modern country that is

administratively and economically sound, decentralized, politically stable, and well-integrated into the concert of nations.

In keeping with the principles of sustainable development, each Mauritanian must be given access to: (i) the individual and political security that comes from developing the rule of law, accountability, participation, efficiency, and transparency; (ii) education, vocational training, and paid employment; (iii) quality medical care, both preventive and curative; (iv) basic food, including safe drinking water; and (v) a healthy natural environment.

The government action informed by this overall vision will be based on three pillars: (i) government reform to reclaim the State, halt the decline of its authority, stem the drift of its institutions, and correct the weaknesses in its administrative capacity; (ii) implementation of structural, political, and strategic reforms related to accelerate growth, further reduce poverty, achieve food security, and protect the environment; and (iii) respect for human principles, in particular the promotion of equity and equal opportunity for different social brackets and genders, participation of the population and civil society in the formulation, execution, and monitoring/evaluation of development policies and programs, and transparency of the procedures and tools for managing public resources.

Strategic pillars

The PRSP III is based on five strategic pillars, which are mutually reinforced to achieve the central objective of strong, sustained, and poverty-reducing growth.

The first pillar aims to accelerate economic growth, which is the basis of all poverty reduction, to improve the competitiveness of the economy, and to reduce its dependence on exogenous factors. Within this framework, emphasis will be placed on: (i) strengthening structural reforms; (ii) improving the business climate; (iii) developing-growth supporting infrastructure; and (iv) developing sources of growth.

The purpose of the second pillar is to anchor growth in the economic environment of the poor by developing the growth potential and productivity of the poor. This redistribution of the benefits of growth is intended to promote the sectors that directly benefit the poor and the areas in which they are concentrated. To that end, action will be taken in the following areas: (i) promoting economic activity in rural areas; (ii) achieving food security within the framework of a coherent national policy covering all dimensions of the problem; (iii) urban development; (iv) increased access by the poor to appropriate financial services and SME promotion; (v) development of the environment as an economic resource that can contribute to poverty reduction; and (vi) social protection for the most underprivileged groups.

The third pillar is aimed at developing human resources and facilitating access to basic infrastructure. This pillar is the one which, in the long-term, will have the greatest effect on

poverty, through its impact on productivity and its improvement of the living conditions of the poor. Within this framework, efforts will focus on: (i) promoting the system of education and training; (ii) developing the health system and services and improving the nutritional status of the population; (iii) job promotion; (iv) improving access to safe drinking water and rural areas; (v) promoting gender equity, protecting child welfare, and defining and implementing a population policy; (vi) promoting culture, youth, and sports; and (vii) improving universal access to basic services.

The fourth pillar targets the promotion of real institutional development supported by good governance and the full participation of all stakeholders in poverty reduction. With a view to consolidating previous achievements, planned actions will target the following areas: (i) enhancing political and democratic governance; (ii) strengthening the justice system and the judiciary; (iii) consolidating territorial and local governance; (iv) strengthening economic governance; (v) reinforcing environmental governance; (vi) entrenching practices of public oversight of government actions; (vii) developing the communications sector; (viii) capacity building for government stakeholders; and (ix) promoting a participatory approach.

The fifth and final pillar reflects the specifics of efficient and effective implementation of the PRSP. It will emphasize steering, monitoring, evaluation, and coordination. To that end, efforts will revolve around: (i) implementing an optimal institutional mechanism; (ii) enhancing coordination, alignment, and harmonization; and (iii) operationalizing the monitoring and evaluation of the PRSP III.

Priority objectives for the period 2011-2015

In keeping with Mauritania's vision for 2015, and taking account of the macroeconomic outlook and sectoral development priorities, the main objectives to be achieved upon completion of the 2011-2015 action plan are the following: (i) reduce the incidence of poverty to 25 percent, and rural poverty to 35 percent; (ii) raise per capita GDP to over USD 1374, the GDP growth rate to 4.7 percent, and the investment rate (in percent of GDP) to 28.1 percent; (iii) contain the inflation rate at 5 percent; (iv) provide universal access to quality primary education for a minimum period of 9 years and reduce the illiteracy rate among adults aged 15 and over to 15 percent; (v) provide 100-percent health coverage within a 5 km radius and reduce the infant mortality rate to 40 percent, the infant-juvenile mortality rate to 55 percent, and the maternal mortality rate to less than 300 per 100,000, and reverse the rising trend of the HIV/AIDS epidemic until its prevalence is no more than 1 percent in the general population; and (vi) raise the rate of pipe-borne water hookups (in rural and urban areas) to 74 percent (see Annex 1).

Priority issues and areas

These objectives will be sought by implementing policies and programs to address the following priority areas: (i) education, health, water works and sanitation, infrastructure,

food security, and the environment; and (ii) the two priority areas previously identified in the PRSP II, and which are still of concern, namely, rural areas and urban slums.

Cost of financing the 2011-2015 action plan

The overall cost of financing the third PRSP action plan is estimated at **UM 2,549,212.84 million**, or **USD 9,242.98 million**. The financing scheme is as follows:

Table 1: PRSP 2011-2015 Financing Plan

Total Cost of PRSP III Action Plan (in UM millions)	PIP (public)	PPP (private)	Total	Breakdown Obtained/ Required
Total amount in UM	1 709 948,04	839 264,80	2 549 212,84	
<i>Financing obtained</i>	696 172,79	112 240,00	808 412,79	32%
<i>Financing required</i>	1 013 775,25	727 024,80	1 740 800,05	68%
Total amount in USD (1 USD = UM 275.8)	6 199,96	3 043,02	9 242,98	
Public/private breakdown	67%	33%		

Implementation, Monitoring, and Evaluation

The first two PRSP action plans were based on an extensive matrix of indicators, which were difficult to track given the large number of indicators for which no information was available.

In light of past experience, the authorities decided to take a new approach to operationalizing the annual monitoring of PRSP III implementation by establishing a more relevant monitoring and evaluation system based on actual achievements.

INTRODUCTION

Mauritania prepared a Poverty Production Strategy Paper (PRSP) for the period 2001-2015, adopted by poverty reduction framework law 050/2001 on July 25, 2001. This poverty reduction framework is based on a broadly participatory process and is the frame of reference for economic and social policy making. It is the country's medium- and long-term development plan, with a strategic mandate to eradicate poverty as a national imperative and the top priority of all national policies.

The PRSP is implemented through action plans. The first four-year plan covered the years 2001 to 2004 and the second five-year plan covered the period 2006-2010.

Prepared under the Enhanced HIPC (Heavily Indebted Poor Countries) Initiative, the PRSP has always been subject to broad-based consultation and a participatory approach involving the administration, elected officials, civil society, the private sector, and technical and financial partners.

At the outset, the PRSP was based on four strategic pillars: (i) acceleration of economic growth and stabilization of the macroeconomic framework; (ii) anchoring growth in the economic environment of the poor; (iii) developing human resources and expanding basic services; and (iv) promoting good governance and capacity building.

With the preparation of the second action plan 2006-2010, a fifth cross-cutting pillar on steering, monitoring, evaluation, and coordination was introduced.

An assessment of the PRSP II 2006-2010 shows that economic growth averaged 3.7 percent (nonoil) and 4 percent (including oil), which is less than half the projected level of 9.4 percent. The situation is due mainly to: (i) poor performance in the oil and mining sectors; (ii) the international food, energy, and financial crises; and (iii) the various institutional changes in the country over the period. However, it should be noted that there have been a number of recent accomplishments, funded with the government's own resources, particularly in the areas of infrastructure and basic utilities serving the poorest population groups.

This newly revised PRSP is intended to present a third action plan covering the period 2011-2015. The review is based on stock taking, diagnosis, information drawn from the implementation of the PRSP II and sets out the planned actions for 2011-2015, taking account of the MDGs and following the guidelines of the President's program. The new version is the result of a broader based **participatory exercise** in strategic planning, in which all segments of Mauritanian society and Mauritania's technical and financial partners took part.

This document is divided into two chapters. The first chapter concerns the **strategic vision and choices with a view to 2015**, including the main lessons drawn from the PRSP II, the general strategic vision for Mauritania's development, the mobilization of resources to finance the strategy, as well as an analysis of the risks that could hamper implementation of the action plan. The second chapter presents the five strategic pillars, which will guide the government's actions during the period 2011-2015.

CHAPTER 1: 2015 STRATEGIC VISION AND CHOICES WITH A VIEW TO 2015

A. LESSONS LEARNED FROM THE IMPLEMENTATION OF THE PRSP II (2006- 2010)

Lessons were learned from the implementation of the PRSP II in relation to achievements, weaknesses, opportunities, and obstacles.

a. *Achievements*

1.1 PRSP action plan implementation over the past 10 years has resulted in progress in the area of **public finance** through the preparation of the MTEF, greater deconcentration of payment authorization and financial control, and improvements in taxation (simplification of procedures and reduction of rates, creation of a Large Enterprise Directorate within the General Directorate of Taxes to collect taxes, and revitalization of tax offices).

1.2 In addition to these advances, the **civil service reform** process was started (with the census of government workers and the introduction of a new benefits system). Justice system reform was also continued, with the introduction of new legislation (law condemning slavery practices, on the illegal trafficking of migrants, revision of procedural texts and particular articles of law), capacity building for judicial system personnel, increased access to the justice system through the adoption a decree establishing legal aid offices and their operating rules and another decree governing legal fees.

1.3 Other advances should also be noted, namely: **the drafting of a national anti-corruption strategy**, which was adopted and is to be implemented under the PRSP III; the launch of a far-reaching process to incorporate environmental issues in public policy; the strengthening of institutions that monitor public finance; the implementation of the EITI Initiative; a number of actions to improve the investment climate; and the adoption of a new government procurement code.

1.4 In the field of education, the achievements made over the past 10 years at the primary level must be consolidated and expanded to the other levels of education.

1.5 With respect to the health sector, achievements in combating HIV/AIDS, malaria, and tuberculosis are to be consolidated and the sector's budgetary resources are to be increased in pursuit of the approach started by the President of the Republic in 2009.

1.6 **In the area of land-use management**, significant strides were made in: (i) opening up isolated farming areas (construction of the Rosso-Boguee and Kaédi-Gouraye routes); (ii) providing access to safe drinking by implementing ambitious programs in rural and urban areas (Aftout Essahili project); (iii) rebuilding slum areas through housing construction (Hay Saken, El Mina in Nouakchott, and Nouadhibou); (iv) improving the power supply through

investments by SOMELEC; and (v) urban sanitation and development projects to noticeably improve the quality of life of the population.

b. **Weaknesses**

1.7 Many weaknesses have compromised the results of the PRSP action plans: (i) failure to align the various programming tools (PIP, MTEF, initial budget law) with the guidelines and objectives of the PRSP; (ii) shortcomings of the statistical information system and insufficient planning, monitoring, and evaluation capacity at the departmental level; (iii) failure of the sectoral departments to take ownership of the process; (iv) poor execution of planned actions and measures and implementation of unplanned actions; (v) inadequate mobilization of programmed financial resources; (vi) lack of coordination between central and regional government units; (vii) little involvement of local authorities in preparing regional strategies; (viii) low levels of participation by beneficiary populations in projects that concern them; (ix) project overlap in certain places and failure to seek synergies between the various types of intervention; (x) overestimation of oil sector prospects leading to some inappropriate decisions regarding public finances, which were difficult to reverse; and (xi) the absence of results-based management.

c. **Opportunities**

1.8 Mauritania has some **natural resource potential**, which it can use to address the major challenge of development and poverty reduction armed with a number of assets. Indeed, the Senegal River offers great potential for land irrigation, which is beginning to be tapped with the building of several large dams within the framework of the Organization for the Development of the Senegal River (OMVS).

1.9 Mauritania is also a major livestock rearing country, which would make it self-sufficient in red meat.

1.10 With respect to fishery resources, the Mauritanian coast is reputed to have one of the largest stocks of fish in the world. Industrial fisheries export 800,000 metric tons of fish per year, while small-scale fisheries export 80,000 metric tons per year.

1.11 Mauritania has considerable mining resources; the mining sector demonstrates enormous potential. With exports of 11 million metric tons of iron ore in 2008, the country is the second largest exporter of this mineral in Africa. It also has considerable potential for mining gold, copper, phosphate, etc. In terms of energy, Mauritania has become a modest oil producer and current research already suggests that the country's oil and gas prospects are promising.

1.12 Mauritania's capacity to better manage its resources and distribute the income generated will be a determining factor in its economic and social development.

d. **Obstacles**

1.13 **In the area of economic governance**, particularly as it relates to corruption, the main international indicators (Doing business, Transparency International, etc.) place Mauritania in the group of countries that requires significant improvements in their quality of governance. This situation largely explains the poor performance of public policy. Specific

attention must be paid to the quality of governance in the administration and the justice system (in particular with respect to inadequate laws, human resources, and infrastructure, and excessive red tape, etc.).

1.14 ***With respect to local and territorial governance***, it should be noted that the reforms have had little or no economic or social impact on entities in the communes because institutional and organizational mechanisms are deficient and there is limited ability to mobilize resources, manage municipalities, or partner with civil society stakeholders. In addition to this, no land-use management plan is in place that would allow for rational, balanced, and equitable development that would erase spatial inequalities in the medium to long term. The regional poverty reduction programs, representing the regional breakdown of the PRSP, have not been implemented.

1.15 ***The Mauritanian economy has a dual nature; it is both*** (i) a modern economic structure (mines, extractive industries, fisheries), which is the engine of growth, largely dependent on exports, and plays little or no role in the redistribution of wealth; and (ii) a subsistence economy, essentially based on rainfed agriculture, livestock rearing, and related activities, and small-scale fishing on the coast and inland, which does not meet the population's food needs and is the main cause of rural poverty when performance is poor.

1.16 The heavy tax burden, high cost of credit, and the level of competition encourage the development of informal activities in the services sector, with little or no knock-on effects and having an impact on employment that is limited to the Nouakchott, Nouadhibou, and Zouerate basins.

1.17 ***The country's heavy external dependence and its vulnerability to external shocks*** is apparent in its: (i) official development assistance (ODA), which represented about 12 percent of GDP in 2007; (ii) the concentration of its exports on a limited number of commodities (iron and other metals, fishery products, oil) whose price fluctuations have a major destabilizing impact on public finances and the balance of payments; and (iii) structural food dependence, which clearly shows that rural development strategies, despite substantial financing, have not produced the expected results.

1.18 ***The private sector is scarcely competitive***. This situation is a result of: (i) the absence of an appropriate financial market for developing business initiatives; (ii) limited access to credit (at high interest rates), especially for SMEs; and (iii) low levels of public and private saving, which do not allow commercial banks to capture the long-term resources they must have in order to finance investment projects.

1.19 ***The capacity for absorbing foreign aid*** is insufficient owing to limited capacity, administrative red tape, the three-pronged problem of laxism, corruption, and impunity, and difficulties in implementing the recommendations of the Paris Declaration on ODA management (coordination, alignment, harmonization, ownership, etc.) (see Box 1).

1.20 ***Growth-supporting infrastructure (transport, electricity, ICTs) is lacking***. This places considerable constraints on the development of trade, increases production costs, makes the country unattractive to foreign capital, and limits the competitiveness of the national economy.

Box: 1.1 : Absorptive capacity

A country's absorptive capacity is its ability to disburse funds and implement projects and programs effectively. Inadequate absorption of financing that has been obtained results in suboptimal use of official development assistance and negates the joint efforts of governments and their technical and financial partners. Mauritania's limited absorptive capacity is often raised in dialogue with technical and financial partners. Indeed, the annual rate of disbursement of public investment in Mauritania rarely exceeds 60 percent. This rate would have been much higher if certain bottlenecks were removed. And there are bottlenecks at the various stages of project and program preparation and execution:

- **At the stage of project or program identification and formulation**, the main bottlenecks are the following: (i) there is no portfolio of available and researched projects because the studies were undertaken only after the financing agreement was signed; (ii) public investments are not well programmed resulting in a lack of coordination between the PRSP, MTEF, PIP, and the initial budget; (iii) the flawed national statistical system and the lack of tools available to monitor impact indicators make it impossible to establish a baseline situation; and (iv) the human resources in the various departments are not sufficiently skilled to prepare sectoral strategies, identify projects, and negotiate and mobilize financial resources.
- **At the project and program implementation stage**: the bottlenecks are at various levels:
 - **In the project management unit**: the constraints are: (i) the multiplicity of project management units, which cannot all be supervised by the government; (ii) the project manager's ignorance of donor procedures, which often results in ineligible expenditure and time wasted; (iii) government procurement procedures involving much red tape and lacking transparency, which cause delays and result in unreliable assessments; (iv) the nonexistence of organization charts for projects resulting in hirings that do not meet rational needs; and (v) the lack of annual quantified objectives and an approved budget, which deprive the project of a reference framework for planning actions throughout the year.
 - **In the administration (control of the work and the product)**, the main bottlenecks are the following: (i) delays in mobilizing the national counterpart; (ii) slow implementation of the recommendations of the Paris Declaration, especially with respect to alignment and harmonization procedures; and (iii) failure to establish a culture of monitoring and evaluation practices in the administration.
 - **In enterprises and executing agencies** two bottlenecks can be pointed out: (i) the limited capacity to master the administrative and technical concepts of ITBs, especially for large infrastructure projects; (ii) the dearth of technical, financial, and human capacity in enterprises, which is needed to execute any contracts awarded; and (iii) the lack of expertise among auditors to conduct careful expense audits.
 - **With respect to the TFPs**: (i) the mismatch between the procurement practices of each partner and national procedures; (ii) the unpredictability of the aid given the long decision-making process for approval of projects and programs; (iii) the delays in obtaining no objection responses from TFPs during the execution stages of projects and programs; and (iv) the lack of locally-based representation of certain partners, which complicates the technical, administrative, and financial monitoring of projects.
- **At the project monitoring/evaluation stage**. The main bottlenecks are (i) the inadequate physical monitoring system; and (ii) the flawed mechanism for financially monitoring projects.

The bottlenecks at these different levels have an adverse effect on the pace of project execution, in particular: (i) delays in project execution; (ii) cost overruns and reassessment of financial plans; (iii) expiry of grace periods before completion of the project; (iv) payment of commissions to secure credit that is never used; and (v) dwindling funding flows from donors.

Sustained efforts are therefore required to implement public investment programs and involve actions on various fronts to improve the economy's absorptive capacity and achieve the development objectives set in the PRSP III. Key measures should include, in particular: (i) the establishment of a research fund to prepare, identify, and formulate projects and programs; (ii) implementation of the recommendations of the Paris Declaration on the harmonization of procedures and alignment of aid with national priorities; (iii) recruitment of a project team on the basis of competency criteria using a performance contract and an evaluation of staffing needs; (iv) establishment of a financial, accounting, and technical framework for projects financed with external resources; (v) the preparation of annual work programs and budgets for projects; (vi) setup of a unit in the MAED to monitor the auditing of projects financed with external resources; (vii) institutionalization of project monitoring/evaluation; (viii) capacity building for national enterprises through the TFPs on their staff and through partnerships with foreign enterprises; (ix) submission of a biannual report by the MAED to the Council of Ministers on ongoing investment projects; and (x) creation of a Government-Donor Committee to monitor implementation of the financing intended for public investment programs.

1.21 The natural resource environment continues to deteriorate under the impact of the increasing pressures of climate change, socioeconomic development, and population growth. The degradation of ecosystems is harmful to rural populations and the decrease in biodiversity has seriously affected their income generating activities. The poorest populations have been the hardest hit. These latter, who are already severely

disadvantaged, will become increasingly vulnerable to natural disasters, such as floods and droughts, and to any other shock that could threaten their means of subsistence and would undermine their food security. These developments have resulted in poor performance in the area of environmental governance, which ranks Mauritania 161st out of the 163 countries classified in the 2010 EPI index.

B. OVERVIEW

1.22 The overarching vision guiding the national strategy is based first and foremost on the consolidation of national unity, future economic and social development, improvement of the living conditions of urban and rural populations, and entrenchment of democracy, along with mutually beneficial regional and international cooperation.

1.23 Generally speaking, Mauritania is looking squarely forward to the future in its quest for political stability. The return to political normalcy has created a climate in which democratic values can take root. Mauritania is currently one of the rare countries in the Third World where there is freedom of the press. Political parties and labor unions openly operate and make their demands.

1.24 This national consensus, together with solidarity and active international mobilization, provided a peaceful climate for the latest presidential elections which, in the opinion of the majority of national and international observers, were free and fair.

1.25 In addition to consolidating national unity, Mauritania is determined to face the unprecedented threats of terrorism, transborder crime, and illegal immigration. This battle is being waged on several fronts and requires an infusion of resources and a ramping up of skills in our armed and security forces if we are to face these new challenges.

1.26 With respect to culture and ideology, the country has made a number of efforts to demystify and rebut extremism by organizing dialogues, seminars, and awareness programs.

1.27 Based on the principle that political stability is primarily a matter of economic development, which targets, among other priorities, sustainable economic growth that creates jobs and reduces poverty, a rise in the standard of living of the population, especially the poorest people, economic diversification, the creation of an environment conducive to private investment by nationals and foreigners, human resource development and poverty reduction, the government made important inroads into these areas as soon as it took office. It should also be noted that against this backdrop a new approach is being used to combat corruption, which demands respect for public property and puts an end to impunity.

1.28 It is therefore clear that the country is facing a number of major challenges, which it must address if it hopes to achieve its principal objective of eradicating poverty.

1.29 In the economic sphere, the country is facing a number of serious challenges, in particular food insecurity, the vulnerability of economic growth to external shocks, little diversification of the production system, inadequate transport infrastructure, dysfunctional

public institutions, poor public expenditure management, and a lack of competitiveness in the private sector.

1.30 In the social sphere, the reduction of inequalities, treatment of the vestiges of slavery, rehabilitation of the judicial system, consolidation of national unity, and access to quality health and education services are some of the many challenges Mauritania must face.

1.31 With respect to the environment, the country has felt the full force of climate change, which requires the adoption of a new development model that effectively incorporates environmental questions in public policy thereby ensuring that economic growth is sustainable.

1.32 In light of the foregoing, and in keeping with the President's electoral platform, which the majority of the population supported, the image of Mauritania to be projected is that of a modern country that is administratively and economically sound, decentralized, politically stable, and well integrated into the concert of nations.

1.33 In a context of sustainable development, the country must enable each Mauritanian to have access to: (i) individual and political security by valuing such principles as the rule of law, accountability, participation, effectiveness, and transparency; (ii) education, vocational training, and gainful employment; (iii) quality medical care, both preventive and curative; (iv) basic foods, including safe drinking water; and (v) a healthy natural environment.

Within the framework of this overall vision, the actions of the State will be based on three pillars:

1.34 **Overhauling government** to improve its image by stemming the tide of its declining authority, institutional drift, and inadequate administrative capacity. To that end, the following actions will be taken: (i) consolidate and ensure the continuity of the country's institutions; (ii) strengthen national unity; (iii) establish a modern and competent civil service serving the public; (iv) establish a strengthened and equitable judicial system to serve the citizens; (v) protect fundamental rights and freedoms; and (vi) strengthen pluralism and freedom of expression.

1.35 The broad scope of these projects should enable the government to efficiently perform its other strategic, stabilizing, and regulatory functions and to guarantee solidarity.

1.36 **Structural reforms, policies, and strategies will be implemented** with particular emphasis on the acceleration of growth, the further reduction of poverty, food security, and environmental protection. In that connection, and in addition to the steps mentioned above for overhauling government, special attention will be paid to: (i) efficient land-use management and development of socioeconomic infrastructures; (ii) optimum use of natural and environmental resources with a view to reducing poverty and better controlling the effects of climate change; (iii) diversification of the production base; (iv) creation of an environment conducive to private sector development; (v) human resource development; (vi) job promotion; and (vii) improvement of access to basic social services.

1.37 ***Respect for fundamental human principles*** in particular: (i) promoting social and gender equity and equal opportunity; (ii) participation of the population and civil society in the formulation, execution, and monitoring/evaluation of development policies and programs; and (iii) transparency in the procedures and tools of public resource management.

C. THE STRATEGIC PILLARS

1.38 The 2001-2015 PRSP was initially based on four broad strategic pillars, which are mutually reinforcing and converge to achieve the set objectives.

1.39 The first pillar targets accelerated economic growth, which is the basis of all poverty reduction, as well as improved economic competitiveness, and reduced dependence on exogenous factors. This pillar will contribute in two ways to poverty reduction: (i) through its direct and indirect effects (ripple effects) on the creation of new jobs and income; and (ii) through the subsequent impact on the government's fiscal revenue, which could then be used to support the sectors that are directly pro-poor. Owing to the specialization of the Mauritanian economy, with its concentration on sectors that produce little or no ripple effects, the second effect will probably be greater in the short term.

1.40 The second pillar aims to develop the growth potential and productivity of the poor by promoting the sectors that directly benefit them and the areas where they are concentrated. This pillar, which is based on public investment programs, will help reduce inequalities and expand the resource base of the poor.

1.41 The third pillar is intended to develop human resources and improve access to basic services. It is this pillar that, in the long run, will have the most significant effect on poverty through its impact on productivity and its improvement of the living conditions of the poor. Access to education and health, in particular, considerably reduces the vulnerability of the poor.

1.42 Lastly, the fourth pillar is aimed at promoting real institutional development based on good governance and on the full participation of all poverty reduction stakeholders.

1.43 These pillars are completed by a fifth, which targets the enhanced steering, implementation, monitoring/evaluation, and coordination of the PRSP.

1.44 The third PRSP action plan for 2011-2015 reaffirms the relevance of the five strategic pillars of the PRSP and gives substance to the President's election campaign platform.

1.45 In that connection, key features of the design and implementation of the third PRSP action plan will be include: (i) the harmonization of PRSP actions with the President's campaign promises, in particular those related to good governance, the reduction of poverty and exclusion, and infrastructure development; (ii) the alignment of programming tools (PIP, MTEF, LFI); (iii) the constant search for ways of improving absorptive capacity; and (iv) actual implementation of an efficient system for project and program monitoring/evaluation.

D. OVERALL OBJECTIVES AND IMPLEMENTATION TIMELINE

1.46 The poverty reduction strategy spans 15 years, during which time the full impact of all the policies will be felt. Of course, the various pillars of the strategy cannot all be implemented at the same time or at the same pace. Priorities must be set, given the constraints with respect to resources, implementation capacity, and even the relevance of the policies and programs. Furthermore, the strategy itself is a process of iterations, which draw on past experience with its implementation, a better understanding of poverty and the national economy, the evaluation of its impact on different programs, and the opinions of the various stakeholders. The strategy is therefore implemented in a series of three stages: (stage 1: PRSP I (2001-2004); stage 2: PRSP II (2006-2010); stage 3: PRSP III (2011-2015).

1.47 *The long-term general objectives set in 2001 were:* (i) reduce the incidence of poverty to less than 25 percent by 2015; (ii) reduce the incidence of poverty in rural areas to less than 35 percent; (iii) raise GDP per capita to more than USD 2000; (iv) provide universal access to quality primary education for a minimum of nine years; (v) reduce the adult literacy rate in the over-15 age group to less than 15 percent; (vi) provide universal access to primary health care within a radius of 5 km; (vii) reduce the infant mortality rate to less than 40 percent, the infant-juvenile mortality rate to less than 55 percent, and the maternal mortality rate to less than 300 per 100,000; (viii) reverse the trend in the spread of the HIV/AIDS epidemic until its prevalence in the general population is less than 1 percent; (ix) increase the supply of safe drinking water in rural areas to 65 percent; (x) raise the coverage of rural and semi-urban areas supplied with safe drinking water to 74 percent; and (xi) increase food self-sufficiency.

E. OBJECTIVES AND PRIORITY AREAS FOR 2011-2015

1.48 In keeping with Mauritania's vision for 2015 and taking into account the macroeconomic outlook and sectoral development priorities, the main objectives for executing the 2011-2015 action plan are as follows: (i) reduce the incidence of poverty to 25 percent and the incidence of rural poverty to 35 percent; (ii) raise per capita GDP to over USD 1,374, the GDP growth rate to 4.7 percent, and the investment rate (in percent of GDP) to 28.1 percent; (iii) maintain the inflation rate at 5 percent; (iv) provide universal access to quality primary education for a minimum of nine years, and lower the adult illiteracy rate in the 15+ age group to 15 percent; (v) provide 100 percent health coverage within a radius of 5 km; (vi) reduce the infant mortality rate to 40 percent, the infant-juvenile mortality rate to 55 percent, and the maternal mortality rate to 300 per 100,000 and reverse the trend in the spread of the HIV/AIDS epidemic to a prevalence of less than 1 percent in the general population; and (vii) increase hookups to pipe-borne water in rural and urban areas to 74 percent (see Annex 1).

1.49 These objectives are to be achieved through the implementation of policies and programs geared towards: (i) the priority areas of education, health, water and sanitation system, infrastructure, food security, and the environment; and (ii) the two priority areas already identified in the PRSP II and which are still pertinent, namely: rural areas and urban slums.

F. COST, FINANCING, AND PARTNERSHIPS

1.50 To implement the action plan, **UM 2,549,212.84 million**, namely **USD 9,242.98 million** must be mobilized and a new partnership formed to fully mobilize and coordinate all the national stakeholders (governments, civil society, the private sector, diaspora, etc.) and the technical and financial partners (TFPs). The financing scheme is as follows:

Table 1.1 : Financing Plan for PRSP 2011-2015

Total cost of PRSP III action plan (in UM millions)	PIP (public)	PPP (private)	Total	Ratio obtained/sought
Total amount in UM	1 709 948.04	839 264.80	2 549 212.84	
<i>financing obtained</i>	696 172.79	112 240.00	808 412.79	32%
<i>financing sought</i>	1 013 775.25	727 024.80	1 740 800.05	68%
Total amount in USD (1 USD = UM 275.80)	6 199.96	3 043.02	9 242.98	
Public/private ratio	67%	33%		

The matrix of priority actions is presented in Annex 3.

1.51 The government will focus on better regulation of economic activity, steering the design and implementation of economic policies and development strategies, and establishing a climate conducive to the development of economic opportunities. Civil society will play a major role in the public policy dialogue, promoting a culture of democratic and constructive debate of opposing ideas, grassroots development, and consumer protection. The private sector will strengthen its role as the engine of growth, develop partnerships with international investors, and participate fully as a competitor. Finally, it is expected that the technical and financial partners will assist the country in its development efforts, will support its strategic choices, and will provide their assistance based on national priorities.

1.52 In addition to clearly defining the role of each national stakeholder and building its capacity, emphasis will be placed on revitalizing all the structures mentioned in the PRSP institutional mechanism, in particular the government-private sector-civil society consultative committee on poverty reduction (CCLP), and the government-donor consultative committee on poverty reduction (CCEDLP).

1.53 Furthermore, special attention will be paid to implementing a new form of partnership between the government and its development partners, in the spirit of the Paris Declaration on ODA. When these partners are called to align their support with the strategies and policies defined by the government, the States will define a framework for evaluating the results and impacts of public policies in conjunction with both donors and recipients. The replacement of project assistance with budget support will be a key element in more efficiently coordinating the activities of all the parties involved.

1.54 Public-private partnerships are envisaged in the PRSP 2011-2013 financing scheme (See Box 2).

Box: 1.2 : Public-Private Partnership

For a long time, the government was the principal player in development, taking charge of the design, financing, and management of the public investment program. But the scarcity of government resources, the national development role assigned to the private sector, and the need to provide a quality public service have driven the authorities to explore new ways of executing development projects.

The PPP contracts, which are an alternative method of financing, are a useful addition to the range of resources available to the government to govern in a more effective and cost-effective manner.

These contracts, which are based on the assumption of private sector efficiency, are not intended to replace traditional and proven tools, such as government procurement or public service designations. They would enable the government to provide citizens with better service at a lower cost.

The studies carried out identified new forms of project execution under public-private partnerships. Such partnerships would handle large infrastructure projects and could take different forms: BOT (Build Operate Transfer); BLT (leasing contract with option to buy), leasing (delegated management) etc.

This type of partnership also makes it possible **to better assess the bankability of projects** (securitization and investment guarantees, project asset guarantees, project funding guarantees, etc.).

Public-private partnerships will be a new tool to provide infrastructure, reduce the high cost of factors of production, and thereby improve the business climate.

In addition, this type of partnership will enable the government to better target its resources to the social sectors (education, health, etc.) and to reduce the public debt.

The authorities have begun reform to establish a regulatory framework specifically designed to develop public-private partnerships.

G. RISK ANALYSIS AND RISK REDUCTION MEASURES

1.55 In raising the resources and seeking the leverage it needs to meet the current challenges facing Mauritania, the government will draw on its many assets and progress achieved, but will not lose sight of the risks related to the implementation of the policy mix set out in this action plan.

1.56 The identification and analysis of the sets of risk related to the policies and measures defined in the action plan make it clear which path needs to be followed to address these risks in the event that some adjustment and/or new direction is required.

1.57 **Risks related to the vulnerability of the national economy to exogenous shocks** in particular, the demand for and prices of the major export products. The Mauritanian economy will be hard hit by the slowdown in the world economy through: (i) the drop in international commodity prices, which will cause a serious deterioration in the terms of trade and a considerable decrease in government revenue; (ii) the decline in the foreign demand for all main export products, particularly iron and fish; and (iii) the scarcity of international capital, which may delay the startup of our major mining and infrastructure projects.

1.58 In order to protect the poorest population groups from the fallout from such situations, the government will continue its efforts to strengthen the social protection

system and will examine ways and means of establishing a more targeted system by implementing economic policies to reduce the vulnerability of the Mauritanian economy while safeguarding macroeconomic stability.

1.59 Risks associated with the limited capacity to absorb financing: insufficient absorption of the funding received is a major risk that could prevent optimal use of official development assistance and negate the joint efforts of the government and its technical and financial partners. This risk will have negative repercussions on the pace of project execution and therefore the achievement of poverty reduction goals.

1.60 To alleviate this constraint, and in addition to the measures it has already taken, the government will set up an operational committee to monitor projects. Its main tasks will be to: (i) report on the development of a portfolio of projects; and (ii) propose appropriate measures to accelerate the pace of project execution. A research fund to guarantee the maturity of projects will also be established.

1.61 Risks related to security problems, primarily terrorist threats, in particular in sensitive areas (military or economic targets): as a result of its exceptional geographic position, Mauritania must change its geopolitics to that of a frontline State, which, like all countries in the euro-Mediterranean and Sahel regions, face emerging terrorist threats. Extremist terrorists seek to transform Mauritania into a safe haven and a rear base.

1.62 The consolidation of national unity, the promotion of economic and social development, and political democratization, together with mutually beneficial regional and international cooperation will be the main pillars of the national strategy that will be defined to counteract this threat.

1.63 Risks related to natural disasters: in particular global warming and its consequences (flooding, desertification, etc.) as well as swarms of locusts, and their impact on the rural economy, which provides sustenance for a large share of the population.

1.64 The government, with the support of its partners, will make efforts to draft and implement the new national strategy to reduce disaster related risks, which include an early warning system.

1.65 Risks related to a lingering backward mentality in particular in rural areas. These risks are related to: (i) the low level of education of the population, which reduces the impact of health promotion activities as does the lack of accessibility by the majority of the population to information and to the adoption of positive attitudes towards health; and (ii) sociocultural burdens, which are at the root of certain harmful health behaviors in some population groups, in particular women and children. This is the result, inter alia, of the persistence of certain detrimental traditional practices, such as food taboos, the practice of excision, and domestic violence.

1.66 To face this challenge, the government, through joint action, will intensify its awareness campaigns to provide information, education, and communicate messages about the dangers these practices pose to the achievement of the poverty reduction objectives and the MDGs.

1.67 **Risks related to the lack of ownership of the PRSP by the administration:** this risk is related to the failure of government agencies to use the PRSP as a frame of reference for the economic and social development of Mauritania by 2015.

1.68 The government will take the necessary measures to comply with the provisions of the framework law on poverty reduction 050/2001 of July 25, 2001 and to operationalize the various consultative frameworks (CTS, GTT, CTLP, etc.) and the mechanisms for monitoring and evaluating the PRSP III.

CHAPTER 2: PRSP III ACTION PLAN (2011-2015)

A. ACCELERATION OF GROWTH AND STABILIZATION OF THE MACROECONOMIC FRAMEWORK (PILLAR 1)

2.1 The third action plan of the 2011-2015 PRSP continues along the guidelines of the second PRSP II action plan. With respect to Pillar 1, the guidelines established as priority objectives the creation of conditions conducive to reducing poverty and improving the living conditions of the population through: (i) a stable and sound macroeconomic framework; (ii) the deepening of structural reforms and renewal of incentive systems; (iii) the development of growth supporting infrastructure; and (iv) optimal use of the sources of growth.

a. *Stable and sound macroeconomic framework*

i. *Macroeconomic objectives for 2011-2015*⁵

2.2 In 2010, global nonoil growth is estimated at 5.6 percent, based on: (i) the upward trend of commodity prices and the resurgence of global demand; (ii) the measures planned by the authorities to support the 2010/2011 harvest; (iii) SOMELEC's increased power supply capacity; and (iv) the recovery of the construction and public works sector. Inflation is estimated 6.1 percent for 2010. The budget deficit excluding oil is expected to turn out at 3 percent of nonoil GDP, as a result of revenue strengthening and expense control measures. The current account deficit should amount to 8.8 percent of GDP as opposed to 12.5 percent in 2009. This improvement is the result of the expected growth in the export sector and the upward trend of commodity prices (iron, copper, gold). Foreign exchange reserves will also amount to 2.5 months of imports at end-2010 as opposed to 2.2 months at end-2009.

2.3 In the medium term, the government's fundamental objective will be to create the conditions for poverty reduction and improvement of the population's standard of living. To that end, the authorities intend to pursue macroeconomic policies and structural reforms in 2011-2013 to: (i) average annual GDP growth rate of 5.8 percent; (ii) contain the inflation rate at 5 percent per year; (ii) reduce the budget deficit, including grants, to 2.6 percent of nonoil GDP on average over the period; and (iii) raise foreign exchange reserves to the equivalent of almost 4 months of imports by 2015.

2.4 The growth profile determined for the period 2011-2015 (5.8 percent per year) is conservative and does not include the possible exploration of oil wells other than the Chinguetti oilfield, or the impact of investment projects that are not yet fully financed.

2.5 The main determinants of growth are in the tertiary sector. Transportation/telecommunications, business/hotels, and banking and insurance services will account for 0.5 percent, 0.7 percent, and 0.8 percent of growth, respectively, over the period 2011-2015.

⁵ Sources: autorités mauritaniennes, septembre 2010

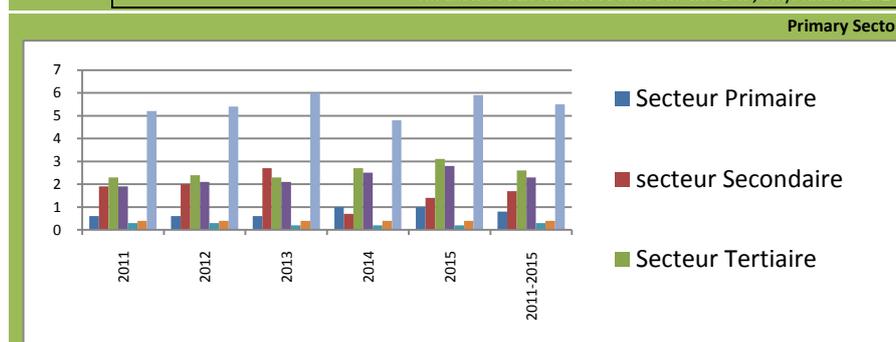
2.6 The secondary sector will be the second determinant of growth in the medium term. Its contribution to medium term growth (2 percent) on average over the period will be mainly the result of: (i) actual production under the Guelb II project, which should increase SNIM output to over 15 million metric tons per year, accounting for 1 percent of growth; (ii) the development of activities in the construction and public works sector (average contribution of 0.5 percent) through the execution of major investment projects in the transport, urban development, and rural development sectors; and (iii) resumption of the operations of industrial plants, which will contribute 0.4 percent of growth, fueled by the positive impact expected from the SOMELEC recovery plan, and increased supply of water drawn from the river (Aftout Essahli Project), and better regulation of the cost of factors of production.

2.7 The rural sector will account for 0.7 percent of overall growth, a clear improvement on previous action plans (0.3 and 0.6 percent). In the coming years, the sector will benefit from sectoral investment programs aimed at improving the living conditions of the rural population. This new thrust has already been started by the authorities, particularly in agriculture. Based on the experience of previous PRSPs, this thrust will place focus primarily on pro-poor growth with a view to reducing rural poverty.

Table 2.1 : . Contribution to growth in percent

	2011	2012	2013	2014	2015	2011-2015
Primary Sector	0,6	0,6	0,6	1	0,8	0,7
Secondary Sector	1,8	1,6	2,5	2,9	1,1	2,0
Tertiary Sector	2,3	2,4	2,3	2,7	2,3	2,4
Private Sector	1,9	2,1	2,0	2,5	1,7	2,0
Public Administration	0,3	0,3	0,3	0,2	0,6	0,3
Indirect Taxes	0,6	0,6	0,8	1,1	0,5	0,7
GDP at market prices	5,2	5,2	6,2	7,8	4,7	5,8

Source: Mauritanian Authorities and IMF, September 2010



[Translator's Note: Legend of embedded Excel table above: Blue=Primary Sector, Red=Secondary Sector, Green=Tertiary Sector]

2.8 The policy of controlling inflation will be vigorously pursued and combined with prudent monetary policy, fiscal policy, and exchange policy. Actions in this context will include, in particular, better regulation of domestic trade coupled with proper consultation and communication with stakeholders, and the increase, diversification, and distribution of food production, in order to reduce the vulnerability of the country to food price shocks on the international market.

2.9 Indeed, food and oil prices may pose the risk of increasing inflation. However, the authorities will take the necessary measures to maintain the inflation rate at about 5 percent.

ii. *External sector*

2.10 In the area of merchandise trade, the trade balance is expected to yield a surplus of USD 163.7 million on average over the period 2011-2015, as opposed to a deficit of USD 29.8 million over the previous period. This will be the result of the combined effect of the increased supply of the mining sectors, extraction industry, and fisheries and the expected rise in prices on the international market. When the Guelb II Project comes on stream, it will be a determining factor in the composition of Mauritania's foreign trade during the second half of the period. Excluding the SNIM, the trade balance will register a deficit of USD 1,010.3 million. Given the small contribution expected from the petroleum sector, the deficit will be larger than it was in the previous period, when it averaged USD 684 million.

2.11 The average current account deficit will improve, amounting to USD 253.4 million as opposed to USD 363.3 million over the period 2006-2010. This situation will result mainly from the good performance of exports between the two periods, rising from USD 1,569 million to USD 2,297 million on average. That notwithstanding, the balance of services and income deficit will worsen over the two periods, moving from USD 495 million to USD 581 million between 2006 and 2010. The main reasons for the decline in the balance of services and income will be freight costs, averaging an increase of 27.2 percent between the two periods owing to the steady import rate, and interest on the debt, which will rise 194 percent (from an average of USD 4 million to USD 29 million). The current account deficit over the period 2011-2015 will be mostly offset by long-term official borrowing totaling USD 194 million and by direct investment of USD 167 million per year over the period, of which 27 percent will correspond to oil exploration investments. The overall balance will register a surplus of USD 56 million over the period.

Table 2.2 : External Account, 2011-2015

	2011	2012	2013	2014	2015	2006-2010	2011-2015
Trade Balance	62.1	-4.9	131.0	293.3	337.0	-29.8	163.7
Trade Balance, excluding SNIM	-1050.8	-1075.2	-1009.4	-1016.6	-899.7	-684.2	-1010.3
Net Services and Income	-573.1	-580.8	-594.4	-583.8	-573.9	-494.9	-581.2
Current Transfers	191.805	161.172	147.101	163.666	256.828	161.2	164.1
Current Balance	-319.2	-424.6	-316.3	-126.7	-80.0	-363.3	-253.4

Source: Mauritanian Authorities and the IMF; September 2010



[Legend: Navy=Balance of trade; Red=Balance of trade excl. SNIM; Green=Net services and income; Purple=Current transfers; Light blue=Current account balance]

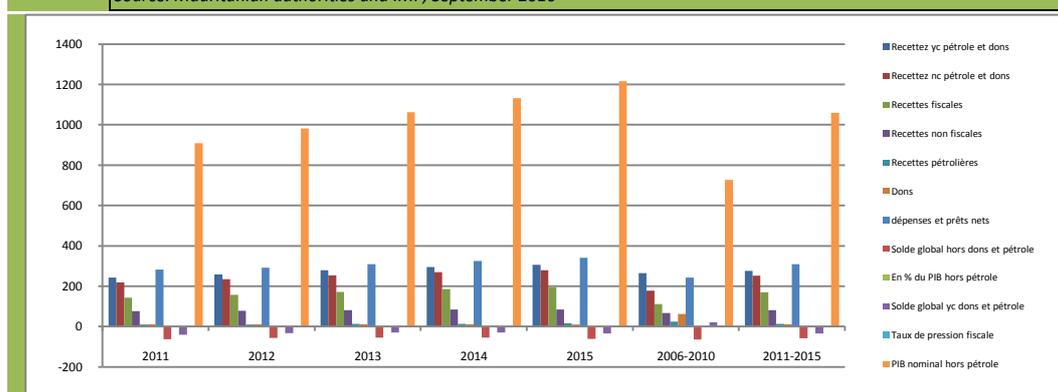
iii. Basis of fiscal policy for the period 2011-2015

2.12 The medium-term guidelines for *fiscal policy* will advocate continuing measures to expand the tax base and strengthen tax and customs administration. These measures will make it possible to increase tax revenue by 8 percent on average between 2011 and 2015. Despite the quasi-stability of income from fishing—about UM 41 billion per year since 2010—nontax revenue will increase by an average of 2.6 percent per year over the same period, amounting to UM 82.4 billion as opposed to UM 69 billion between 2006 and 2010. This rate of growth will result in an increase in the dividends from public enterprises, which will increase steadily from UM 14 billion on average over the period 2006-2010 to UM 22 billion per year from 2011 to 2015. This performance will be the result of the effects of the measures to improve the governance of public enterprises, with which performance contracts will be signed to restore financial balance and increase the contribution of these enterprises to the economy.

Table 2.3 : Developments in public finance

	2011	2012	2013	2014	2015	2006-2010	2011-2015
Revenue including oil and grants	257.0	255.9	272.2	280.9	306.1	265.4	274.4
Revenue, not including oil and grants	227.3	233.4	249.4	257.9	282.5	180.2	250.1
Tax revenue	146.1	156.8	170.2	177.5	187.7	110.8	167.7
Nontax revenue	81.1	76.5	79.2	80.5	94.8	69.4	82.4
Oil revenue	10.1	10.5	10.8	11.0	16.4	24.5	11.7
Grants	19.6	12.1	12	11.9	7.3	60.8	12.6
Net expenses on loans	286.2	283.3	297.4	297.8	313.1	244.8	295.6
Overall balance excluding oil and grants	-58.9	-49.9	-48.0	-39.9	-30.6	-64.7	-45.5
In percent of nonoil GDP	-5.5 percent	-4.4 percent	-4.0 percent	-3.1 percent	-2.2 percent	-8.6 percent	-3.9 percent
Overall balance including grants and oil	-29.2	-27.3	-25.2	-17.0	-7.0	20.6	-21.1
Tax burden	13.6 percent	14.00 percent	14.3 percent	13.7 percent	13.8 percent	14.9 percent	13.9 percent
Nonoil nominal GDP	1072	1124	1191	1297	1361	752.1	1208.9

Source: Mauritanian authorities and IMF; September 2010



[Legend from top to bottom: Revenue incl. oil and grants; Revenue excl. oil and grants; Tax revenue; Nontax revenue; Oil revenue; Grants; Expense and net lending; Overall balance excl. grants and oil; In percent of nonoil GDP; Overall balance incl. grants and oil; Tax burden; Nonoil nominal GDP]

Total revenue (excluding grants and oil) should increase on average by about 14 percent per year to UM 282.5 billion in 2015.

2.13 Public expenditure will increase to UM 296 billion over the period from UM 245 billion in 2006-2010. The "operating expenses" component will decrease to 3.1 percent on average between 2011 and 2015, down significantly from the 2006-2010 period (9.4 percent per year). This slowdown will be the result of a reduction in the subsidies granted to public enterprises and efforts to streamline civil service pay. Wages and salaries are estimated 8.4 percent per year over the period, in percent of nonoil GDP, as opposed to 9.3 percent on average from 2006 to 2010, representing a decline of close to 1 percentage point per year. However, compared with tax revenue, salaries remain as a relatively stable 60 percent of expenditure in the two periods. Investment spending will account for about UM 89 billion per year over the period, as opposed to an average of about UM 61 billion between 2006 and 2010. The increase in this type of expenditure, in a context of transparency and efficiency, will be used to increase poverty reduction spending. Sixty-four percent of investment spending over the period 2011-2015 will be financed with domestic resources. Foreign financed investment expenditure, i.e. 36 percent of investment expenditure on average, will decline by 3.4 percent per year over the period. To keep up the level of investment required for the poverty reduction strategy, substantial efforts will be needed to mobilize concessional financing.

(upto here)

A statistical supplement is attached as Annex 4.

b. *Furthering structural reform*

2.14 Improvement of the investment climate and private sector development remain a priority objective of the government for the years to come. Deepening reforms and strengthening transparency, adopting measures to support SMEs/SMLs and tax reform to support private sector activity, implementing legal, judicial, and regulatory reform, taking measures to modernize the financial sector, and action to foster trade relations and ensure all open competition are some of the key elements for promoting and encouraging business and stimulating private investment.

iv. Private sector development

2.15 Private sector activity will be developed through the following measures: (i) preparation of a private sector development strategy that removes the constraints on growth and competitiveness in this national sector and is conducive to increased foreign direct investment; (ii) establishment of a strategy to stimulate private investment in irrigated farming with a view to channeling considerable financial flows towards clean, large-scale investment projects (national and international); (iii) completion of the Investment Code, which will provide the country with a coherent and comprehensive act law that covers all the benefits, incentives, and guarantees provided to investors; (iv) simplification of administrative procedures and formalities and shortening of time these procedures take thanks to the revitalization and expanded functions of the one-stop shop; (v) implementation of an integrated program to develop and upgrade Nouadhibou Bay; and (vi) support for SMEs/SMLs.

v. *Reform of incentive systems*

2.16 With respect to tax policy, emphasis will be placed on: (i) simplifying the tax regime; (ii) building administrative capacity in tax analysis, audit/verification, and collection; (iii) establishing links between compliance with tax regimes and access to financing and to government contracts; (iv) reinforcing the rights, guarantees, and remedies of taxpayers; (v) reducing business tax prepayments to 1 percent in favor of periodic installments; (vi) establishing a transparent threshold to distinguish small enterprises from microenterprises; (vii) creating authorized management centers (CGA) to support microenterprises, based on a flat rate, starting with the preparation of a proper mechanism (setting the tax rebate offered to participating microenterprises and the obligations of the CGAs); (viii) simplifying procedures for the startup and operation of microenterprises; and (ix) improving the formal access of microenterprises to government contracts and financing.

2.17 The action to be taken concerning the legal framework for business includes: (i) establishing of a suitable legal and institutional framework for the development of public-private partnerships; (ii) strengthening the contribution of the sector to compliance with contracts and collection of claims; (iii) reviewing sectoral codes (for example, the Business Code, Labor Code) with a view to adapting the general provisions of the Investment Code to the specific conditions of the different sectors, through particular clauses that address different types of activities and the actual needs of operators; and (iv) strengthening the judicial system in accordance with the action plan of the final report on the justice system (November 2005).

2.18 To improve access to bank credit, particularly for small and medium-size enterprises, the financial sector will take the following action: (i) build the capacity of SMEs to produce reliable financial statements; (ii) establish a central office for managing financial information (credit bureau); (iii) strengthen regulation and supervision of the sector; and (iv) implement the action plan included in the 2006 FSAP.

vi. *Establishment of procedures to facilitate financing the economy*

2.19 To translate the government's vision, which is to make the private sector the engine of growth in the coming years, the financial sector will have to be organized to provide appropriate solutions for financing SMEs/SMIs. To that end, the authorities expect to implement reforms over the next few years to facilitate access to financial services in a competitive environment. These reforms will be centered on strengthening the legal and regulatory framework of the financial sector, enhancing the transparency of accounting practices in the sector, improving the reliability of financial statements, building the capacity of the various financial institution supervisory agencies, and implementing anti-money laundering regulations.

2.20 The BCM will continue its reforms to modernize and customize monetary policy instruments by the following means: (i) securitization of BCM claims on the Treasury to give the issuing institution operational autonomy and to enable it to more effectively conduct monetary policy through the controlled management of liquidity (this reform will increase the money supply by about 7 percent over the period, as opposed to 16 percent over the

previous period); (ii) implementation of a remote clearing system that makes better use of the electronic banking data in the central bank's clearinghouse with a view to enhancing the transparency of the interbank market, and improving its payment systems.

2.21 The BCM will continue its flexible interest rate rollback policies based on a careful examination of their impact on the external accounts. A reduction of the required reserve ratio is another option that could be explored. Irrespective of the choice of instrument, the BCM will raise its lead rate at the first sign of inflationary pressure on the exchange market. BCM capacity building efforts will be continued through: (i) human resource development; (ii) the establishment of an integrated information system by end-2012; and (iii) the development of a central banking corporate culture within the BCM.

2.22 The opening of the banking sector to foreign competition will be continued and measures to include new establishments on the landscape (leasing, factoring, risk capital companies) will be adopted to broaden access to the bank credit.

2.23 As a more flexible exchange rate is needed to increase monetary policy efficiency and facilitate adjustment in the wake of external shocks, the purpose of the reform will be essentially to modernize the exchange market so that it will develop, over time, into a delocalized interbank exchange market in which the Central Bank would only play a supervisory role.

2.24 The possible rise in food and oil prices runs the risk of increasing inflation. However, the authorities will take the necessary measures to keep the inflation rate below 5 percent. The BCM will try to ramp up its liquidity management efforts, in particular by better coordinating monetary and fiscal policies.

vii. Greater liberalization of business activities

2.25 To develop domestic trade and increase free competition in a sustainable manner, significant legal and economic reforms will be implemented during the period 2011-2015, in particular by: (i) defining systems to protect private ownership rights; (ii) recognizing business enterprises established as partnerships, corporations, and sole proprietorships; (iii) implementing mechanisms that foster capital formation (sale of securities, issuance of debt, provision of collateral); (iv) adopting measures to facilitate the disposal of assets through bankruptcy procedures; (v) devising strategies against noncompetitive practices; (vi) defining a legal framework to regulate the granting of official assistance; and (vii) developing and implementing a legal framework for competition.

2.26 These reforms will be laid out in a law that specifically addresses competition and its implementing decrees and an independent competition agency will be set up to enforce the law and to manage and implement a program to control official assistance.

2.27 To reduce the vulnerability of external trade to exogenous shocks, and to develop trade relations, the following objectives will be pursued: (i) open up new markets through a policy of diversifying export markets for Mauritanian products, in particular, the very dynamic markets of the emerging countries; and (ii) foster growth and trade diversification based on comparative advantage.

2.28 These objectives will be attained through the following priority actions: (i) revival of the Government-Private Sector Consultative Committee; (ii) implementation of the Enhanced Integrated Framework (CIR) comprising a National Coordination Committee, a program management unit, and the trade dispute arbitration center; and (iii) creation of an export promotion agency under a public-private partnership.

c. Development of growth-supporting infrastructures

2.29 Mauritania is extremely deficient in growth-supporting infrastructures, particularly in the areas of transportation, energy, and telecommunications.

2.30 In light of these findings, the government is committed to allocating substantial resources to the development of efficient infrastructures under the current action plan. This will facilitate the provision of efficient and competitive services resulting in better market supply, reduced production costs, and increased economic activity. Mauritania will be able to better benefit from its favorable geographic position as the link between sub-Saharan Africa and the Maghreb and its proximity to the growth markets, in particular the Mediterranean basin, which would compensate for the small size of its own market. The growth objectives for this action plan can only be achieved through such key infrastructure sectors as transport, energy, and ICTs.

viii. Development of the land, port, and air transport sector

2.31 The government knows that, given the vast size of the territory and its rough terrain, the development of transport infrastructure is essential to promoting trade, reducing production costs, enhancing the competitiveness of the national economy, and reaching rural or isolated areas where the poor population is concentrated and which also have considerable production and growth potential.

2.32 With that knowledge, government authorities will take action in the area of land transport to achieve the following objectives: (i) improve the institutional organization of the sector; (ii) modernize infrastructure development; (iii) improve the economic competitiveness of services; and (iv) build capacity in the sector.

2.33 To improve institutional organization and build capacity in the sector, the main measures envisaged will address the following: (i) support for reform of the land transport subsector; (ii) establishment of a fund for MET studies; (iii) continuation of the project providing technical assistance and institutional strengthening in the transport sector (PATRIST); and (iv) capacity building in the transport sector.

2.34 With respect to extending the road network, the action plan will cover the following activities: (i) construction of the Tidjikja-Kiffa-Kankossa-Selibaby-Kayes route; (ii) construction of the Kseir-Torchane-Choum route; (iii) construction of the Atar-Tidjikja route; (iv) construction of the Nema-Bassiknou-Fassala route; (v) construction of the Triangle de l'Espoir Road; (vi) construction of the Nouakchott Beltway; (vii) resumption and completion of the Kaédi-Mbout-Sélibaby-Gouraye route; (viii) work on the urban road system in Nouakchott; (ix) construction of the Ouèfia-Keur Macène, Aouènatt Zbel-Djiguenni, Akjoujt-Benichab-route Nouadhibou-Nouakchott, Lexeiba-Mounguel, Tintane-Ain Farba , routes; (x)

construction of the Carrefour Madrid interchange; (xi) repair of the Dalot de Kamour; (xii) work on the urban road systems of Kaédi, Nouadhibou, and Rosso; and (xiii) construction of the Néma-Amourj-Mali border route.

2.35 The following road rehabilitation work is planned: (i) continued road maintenance on the Nouadhibou-Nouakchott and Aioun-Gogui arteries; (ii) rehabilitation of the Boutilimit-Aleg route; (iii) rehabilitation of the Kiffa-Tintane segment of the l'Espoir route; (iv) rehabilitation and widening of the Nouakchott-Rosso route; and (v) rehabilitation of the Kaédi-Boghé and Néma-Tintane arteries. In addition to these actions, a major program to provide access to rural areas will be implemented.

2.36 As the plans to expand the road network are ambitious, the authorities will pay special attention to road maintenance in the short run by allocating sufficient resources in the state budget, in addition to amounts refunded to the government by the SNIM as part of the onlending of SYSMIN⁶ and FLEX⁷ funds. A long-term goal is to create a Road Maintenance Fund to ensure that financing for road maintenance is always available.

2.37 With respect to other modes of transportation, attention will be given to the following aspects:

- Over the next five years, the following priority actions will be taken in the airport subsector: (i) airport security equipment will be acquired; (ii) airports in the interior of the country will be brought up to standard; and (iii) the new Nouakchott international airport will be built under a public-private partnership. Actions taken in the field of meteorology will include: (i) outfitting weather stations; (ii) installing observation instruments across the country; and (iii) building the National Meteorological Office.
- The modernization and development of *maritime and river infrastructure* will be addressed through: (i) the project to expand the Autonomous Port of Nouakchott/PANPA; (ii) redefining the PANPA port area and elevating the Nouakchott-Rosso and Wharf-Rosso roads to serve as a protective perimeter in the event of flooding; and (iii) construction of a container terminal in Nouakchott;
- The railway system could be developed by building a railroad between Kaédi and Nouakchott under a public-private partnership.

ix. *Improvement and diversification of electrical energy production*

2.38 With a view to economic recovery, the government will pay particular attention to developing energy as a factor of production during the 2011-2015 period. The main objective is to enhance and diversify the energy supply in order to meet the needs of households and enterprises. To do so, and in order to better diversify the power supply, it is necessary to tap all potential energy sources in the country.

⁶ **SYSMIN:** Mineral Export Revenue Stabilization System

⁷ **FLEX:** the flex mechanism related to vulnerability (V-FLEX). It is the European Union's rapid response tool to assist the countries most affected by the economic slowdown owing to their inability to withstand external shocks.

2.39 The main vehicle for improving the power supply will be public-private partnerships, through which the following priority actions will be taken: (i) construction of a wind power plant with an overall capacity of 100 MW in Nouadhibou; (ii) building of solar power plants in Kiffa , with an overall capacity of 50 MW and in the Dhar and the Triangle de l'Espoir regions; (iii) construction of a multiphase 350-700 MW gas power plant in NKC, including an initial 120 MW biofuel/HFO phase.

2.40 To improve access to electricity, government authorities will focus on the following actions: (i) electrification of districts on the periphery of Nouakchott and Nouadhibou and of new towns; (ii) building of a power line from Nouakchott to Nouadhibou; (iii) electrification of the valley along the two arteries of the Rosso-Boghé and Boghé-Sélibaby intersection; (iv) integration of prepayment systems in Nouakchott; (v) execution of the 24 CLM/Phase II electrification program; (vi) construction of power plants in towns in the interior; (vii) construction of photovoltaic power stations and power grids; and (viii) implementation of a national energy efficiency and energy control program to save up to 45 percent of the new energy production resources.

2.41 In all these actions, the opportunities offered by the Carbon Fund's Clean Development Mechanism will be explored.

x. Improved access to ICTs

2.42 With respect to modern telecommunications, which are a very important support service and factor of production for most economic operators, the government will establish the following main objectives for the period 2011-2015: (i) increase the country's overall connectivity and its use of ICT services; (ii) optimize the use of information systems; (iii) enhance the contribution of ICTs to the health and education sectors; (iv) improve the postal service; and (v) improve leadership of the sector.

2.43 Achieving these objectives will reinforce the communications infrastructure, develop online services, facilitate electronic transactions, and promote the country's entry into the information society.

2.44 The following priority actions are planned for 2011-2015: (i) connection of the country to the World Wide Web by submarine cable; (ii) connecting certain administrative regions (*wilayas*) nationally by fiber-optic cable; (iii) establishment of an ICT outreach fund and capacity building to develop the digital economy; (iv) implementation of specific programs to promote ICT use; (v) development of distance medicine and distance education projects to enhance the contribution of ICTs to the health and education systems; and (vi) expansion of the postal service to all regions of the country.

2.45 In addition, the action plan for the sector includes the renewal of the programs proposed for the previous period. Attention will be focused on e-business and e-Tijara programs and the creation of ICT firms, although very little progress has been made to date. These programs will be implemented in close coordination with the comprehensive strategy to support SMEs.

d. Optimum use of the sources of growth

2.46 A sound macroeconomic framework, far-reaching structural reforms, the creation of an appropriate framework to revitalize the private sector, and an ambitious infrastructure development policy are some of the elements that will help significantly accelerate economic growth. However, the government must combine them with the implementation of sectoral policies for efficient management of the country's natural resources and potential. These policies will cover the following productive sectors in particular: oil, mines, fisheries, tourism and handicrafts, industry, agriculture, and livestock rearing.

xi. Oil

2.47 In the crude oil and gas subsector, mainly programs executed by private operators under revamped contractual arrangements were considered. It should therefore be noted that: (i) contractors in zones A, B, and C6 will concentrate their efforts on drilling three wells and assessing the discoveries in Thiof, Tevet, and Labeidna, for example; developing Banda to supply a 350 MW⁸ gas plant to bridge the energy gap and to maintain production at a rate that exceeds the profitability threshold; (ii) the first onshore exploration wells will be drilled; and (iii) operators will be given incentives to maximize their drilling operations for exploration and valuation.

2.48 In addition, the following geological actions are planned in the oil sector: (i) a geographic information system (GIS) for oil; (ii) a reliable and automated oil registry, which will be at the core of decision on granting exploration permits; and (iii) a petroleum database.

xii. Mining sector

2.49 The government's main objective in mining is to continue its efforts to support the sector in its role as a vehicle of economic growth and poverty reduction. To that end, the following priority actions are planned: (i) diversify activities by seeking new mining resources; (ii) increase mining production by exploiting new mines and expanding existing mines; (iii), double the volume of investment in research; and (iv) create 15,000 jobs in the mining sector by 2015 as opposed to 11,000 in 2010 by supporting the establishment and development of new enterprises.

2.50 These actions will be accompanied by measures to improve the institutional framework and build capacity in the sector, in particular: (i) institutional strengthening of the mining sector, phase III (PRISM III); (ii) enhanced policing of mines; (iii) technical capacity building for the Mauritanian Office for Geological Exploration (OMRG); and (iv) establishment of a mining school.

xiii. Fisheries sector

2.51 The general objectives in the fisheries area are: (i) efficient management and sustainable income; and (ii) greater integration of the sector into the economy to optimize

⁸ This is the first phase. The final phase will have an output of 700 MW.

the socioeconomic contribution to be had from each of its industries. This sector should also be a driving force in combating food insecurity.

2.52 These objectives are broken down into the following specific targets: (i) sustainably develop demersal and pelagic fisheries; (ii) conduct more in-depth research to better understand resources and the environment, and to assess permissible potential or quantities that can be fished annually without jeopardizing the replenishment of stocks; (iii) strengthen surveillance to protect the national waters; (iv) implement an appropriate management system based on monitoring and adjusting fishing capacity and tax reform tailored to the conditions of the sector; (v) monitor and adjust fishery capacity; (vi) develop emerging fisheries (clams, anchovies, sea cucumbers, algae); (vii) develop shipment infrastructure and land facilities as well as related activities; (viii) develop products and improve their competitiveness; (ix) improve the performance of the national fleet; (x) promote small-scale, coastal, and continental fishing; (xi) promote the consumption of fish nationally; (xii) protect the marine environment, habitats, and the shoreline; (xiii) develop fish farming; and (xiv) promote investment in the sector.

2.53 To attain the above-mentioned goals, the government will take action to implement the following priority programs: (i) construction of four integrated development clusters for small-scale and coastal fishing on the southern shoreline; (ii) expansion of the Nouadhibou port; (iii) development of the business cluster at the small fishing port of Tanit; (iv) construction of a pelagic complex in Nouadhibou; (v) completion of the trawling operation to remove trash and debris from the Nouadhibou bay; (vi) extension/renovation of the floating devices and equipment at the small fishing port of Nouadhibou; (vii) connection of key business clusters to the water supply system and major roads; and (viii) support for the CASAMPAC training program.

xiv. Tourism and handicrafts

2.54 Owing to its geographic location, Mauritania offers tourists a varied landscape, a rich cultural and natural heritage, and genuine tourism potential. Based on this assessment, the government intends to promote this sector over the next five years, to develop its potential for job creation and poverty reduction while respecting the principles of sustainable development.

2.55 The following priority measures are intended to achieve this objective: (i) the implantation of basic infrastructure, particularly for vocational training, with the creation of a hotel school; (ii) diversification of the tourism product by launching new destinations; (iii) the establishment of a fund to support local operators in the sector with training; (iv) the implementation of specialized financing mechanisms and tax incentives; (iv) support for the development of sustainable tourism with a high level of value added for the local population and domestic tourism; (v) the creation of ecolodges in natural parks; and (vi) the large-scale advertisement of Mauritania as a destination.

2.56 The government intends to take the following actions to promote handicrafts: (i) drafting and validation of a national strategy to develop handicrafts and review of the craft code to adapt it to the context of the sector; (ii) establishment of an arts and crafts training and development center; and (iii) furnishing of regional craft houses.

xv. *Industry*

2.57 Confident that the development of the industrial sector will contribute to strong economic growth that will generate value-added, create employment, and therefore help reduce poverty, the government's main objective will be to gradually increase the industrial sector's input in the national economy.

2.58 The following priority actions are planned: (i) raise the volume of investment in industry; (ii) increase the number of manufacturing industries by establishing supporting infrastructure and other support structures for industrial development; (iii) increase direct employment in the sector from 9,000 in 2010 to 19,500 by 2015; (iv) raise the value of industrial production by improving the sector's competitiveness; (v) enhance business support and advisory services and efficient institutional and operational leadership; (vi) boost tax revenue by developing the industrial fabric; (vii) improve the productivity of units of production and the competitiveness of their products to broaden access to the domestic, regional, and international markets; (viii) build the capacity of the Information Dissemination and Technology Directorate/Ministry of Industry and Mines (DDI/MIM); and (ix) conduct a performance study of industrial zones.

xvi. *Agriculture and livestock rearing*

2.59 The rural sector (crop and animal farming) plays two roles in the country's development: an **economic role**, through its support for the creation of value added and the acceleration of growth, and a **social role** in the rural area, which has the highest concentration of poor people in Mauritania.

2.60 This distinction is the reason for discussing the economic dimension under this pillar and leaving the social dimension to be discussed under pillar 2 on anchoring growth in the economic environment of the poor.

2.61 The long-term goal for **agriculture** is to modernize the sector and make it more productive and competitive in the national, regional, and international markets.

2.62 To that end, the following specific objectives are to be achieved by 2015: (i) produce enough grain nationally to meet at least 50 percent of the domestic demand for grain and 100 percent of the demand for certain produce (potatoes, onions); (ii) cut refined sugar imports in half by introducing sugarcane and its industrialization; and (iii) expand the wheat crop growing area on irrigated land.

2.63 To meet these objectives, the intervention will be two-pronged: irrigated farmland will be developed and public-private partnerships will be promoted.

2.64 **Development of irrigated agriculture:** the targeted growth potential will be achieved by promoting rice farming on at least 45,000 ha and providing incentives for crop diversification through the introduction of fruit, vegetable, fodder, and agroforestry crops.

2.65 In this context, the main actions to be taken are: (i) rehabilitation of the Boghé pilot unit (CPB); (ii) rehabilitation of the large R'kiz estate; (iii) rehabilitation of the Gorgol II pilot estate (PPG-II); (iv) development of the eastern basin of the R'kiz Lake; (v) development of

water works systems in the valley; (vi) implementation of a sustainable flood recession farming project; (vii) construction and rehabilitation of rainwater harvesting systems; (viii) development of the MAHMOUDA ponds; (ix) development and implementation of a strategy for hydro-agricultural infrastructure; (x) agrarian and state land reform by mapping out structures, particularly for the upper valley; (xi) development of produce farming (onion, potato, okra, and other farms); (xii) implementation of the crop pest strategy (for locusts, birds, typha, etc.); (xiii) development of the seed production industry; and (xiv) availability of specialized and diversified agricultural loans.

2.66 Promotion of public-private partnerships (PPP): public-private partnerships are an innovative development financing resource. They provide a means of increasing and diversifying agricultural production and transferring technology to our farmers. These partnerships have begun to be used by private investors to introduce wheat, groundnuts, and sugar cane.

2.67 Over the next five years, the following actions will be implemented: (i) preparation of an irrigation master plan to develop growth industries in agriculture (rice, produce, etc.) and for dairy and poultry farming on irrigated land; (ii) development of 20,000 ha in Brakna to cultivate wheat, potatoes, onions, and alfalfa; (iii) development of 11,000 ha in Gorgol Chickadee to produce sugarcane and extract 126,000 metric tons of refined sugar and other byproducts (fodder, ethanol, etc.).

2.68 The goal for **livestock rearing** is to better integrate the subsector in the economy by strengthening the strategic role it plays in food security and poverty reduction.

2.69 The following specific objectives will be sought: (i) promote exports of red meat; (ii) satisfy 50 percent of the demand for milk through domestic production; and (iii) meet consumer demand for white meat and poultry products based on domestic production.

2.70 To reach these goals, the following actions will be taken: (i) implement the National Livestock Development Program; (ii) establish a livestock loan that will be offered by a specialized financial unit; (iii) pursue the project to build an agro-pastoral complex (dairy plant, modern abattoir, tannery, etc.); (iv) construct a quality control laboratory for animal products; (v) establish a national animal health program; (vi) a program to increase herd productivity through artificial insemination; and (vii) a capacity building program for public- and private-sector stakeholders.

B. ANCHORING GROWTH IN THE ECONOMIC ENVIRONMENT OF THE POOR (PILLAR 2)

2.71 Strong and accelerated growth does not necessarily guarantee poverty reduction for two main reasons: (i) the sectors of the Mauritanian economy that typically drive economic growth are usually outward oriented and have little or no direct impact on the poor population; (ii) the geographic areas where the poor are concentrated are unable to reap the rewards of growth as a result of a number of structural, technical, and organizational constraints.

2.72 Aware of this reality, the government is firmly committed to continuing and further developing policies that seek to anchor growth in the economic environment of the poor. In

the short term, improvements will have to be made in the capacity to respond to crises (food, for example) or to develop microprojects to execute actions that would have an immediate poverty reducing effect (income generating activities, safety nets, sectoral financing initiatives in agriculture, etc.). The public amenities deficit will then have to be quickly bridged and the necessary channels developed to target the benefits of growth so that the areas and activities where the poor population is concentrated can receive the necessary direct investment to improve the living conditions of this population.

2.73 The goal will then be to make poverty reduction strategies a genuine tool for reducing inequities and creating a framework conducive to the equitable redistribution of the benefits of growth, which requires the development of channels for redistributing the nation's wealth.

2.74 To that end, the steps to be taken during the 2011-2015 period will be in the following areas: (i) rural development; (ii) food security; (iii) urban development; (iv) microfinance and microenterprise; (v) development of the economic potential of the environment (productive capital); and (vi) social protection.

b. Rural development

2.75 The rural development strategy for 2015, which remains in force, revolves around five major objectives: (i) promoting growth in the sector to provide the country with food security; (ii) equitable access to resources; (iii) increased supply and availability of the goods and services needed for sustainable development of the sector; (iv) capacity building to manage an integrated and participatory rural development; and (v) a stronger surveillance system for serious diseases (Rift Valley fever, bird flu, etc.).

2.76 These guidelines will be implemented through the action plan described above under the pillar "Acceleration of growth and stabilization of the macroeconomic framework" and by strengthening the social role of the rural sector, which is the majority employer in rural areas and an important pillar for improving the population's food security, particularly in groups that practice rainfed farming and/or raise livestock domestically or on a large scale livestock, which will be discussed in greater detail below.

2.77 In the next five years, emphasis will be placed on: (i) preparing and implementing a hydro-farming infrastructure development strategy (dams, watersheds, dykes/levees, etc.), which will target the construction/rehabilitation of over 150 water catchment facilities and will develop large ponds and wetlands; (ii) providing support to farmers to increase the yield of different farming systems in the rainfall belt; (iii) develop and strengthen growth industries in dry areas (poultry farming, red meat, milk, forestry products, dates, produce, etc.); (iv) better targeting and harmonization of policies to provide official assistance and incentives to operators; (v) revitalizing research, training, and dissemination activities by implementing the project to rehabilitate the *Ecole Nationale de Formation et de Vulgarisation Agricole* in Kaédi (ENFVA); (vi) establishing a true seed production industry on rainfed and irrigated land.

2.78 As the intention of the government authorities is to make agricultural and livestock production two of the main instruments for reducing food insecurity, the operationalization and coordination of these approaches will help to prepare and implement a national food security policy within the framework of the **global food security strategy**, which will take into account all the sectoral and crosscutting aspects of the problem.

c. National food security policy

2.79 Given the structural character of food insecurity in Mauritania, the frequency of natural disasters, and the limited, one-off responses to the signs of food crisis, it is necessary for the country to have a genuine national food security policy, which will be prepared and implemented during the period of the 2011-2015 PRSP III. It is also imperative that the government authorities continue to implement programs to reduce the vulnerability of poor populations to exogenous or endogenous shocks and to manage emergencies and crises.

2.80 The objectives of the 2006-2010 PRSP remain valid for the new action plan. However, all the sectors and subsectors that are directly or indirectly concerned will have to become more involved in national food security policy.

2.81 This approach will include, inter alia: (i) promoting lasting solutions to the development of food security; (ii) strengthening the early warning system; (iii) building capacity for emergency and crisis response and management; and (iv) enhancing stakeholder coordination and capacity building.

2.82 Against this backdrop and in addition to the problems of production, marketing, producer autonomy, vulnerability of households and production systems, markets, and prices, the national food security policy must take into account the following: (i) the need to regularly produce reliable information on food security by reviving and strengthening the food security observatory and ensuring that it functions as an independent and autonomous agency; (ii) strengthening targeted food security programs and consolidating intervention mechanisms; (iii) implementing food crisis safeguard mechanisms by establishing and maintaining food security stocks; (iv) improving the nutritional status of vulnerable groups; (v) developing autonomous program implementation capacity (human resources, fleet of automobiles, warehouses, etc.); (vi) starting up the Humanitarian Action Fund; (vii) implementing the program to build crisis response capacity; (viii) defining and implementing new humanitarian action programs targeting specific groups (mendicants, children, senior citizens, etc.); (ix) refurbishing and expanding storage capacity; (x) executing an emergency aid program; and (xi) implementing the WFP country program (Water Resources segment).

d. Urban development

2.83 The living conditions of the urban population must be improved in light of the increasing influx of migrants from the interior. The growth of such cities as Nouakchott and Nouadhibou in recent years requires that the government authorities implement an

ambitious urban development program to provide water, sanitation, and housing services to the newly populated districts.

2.84 The specific guidelines for this area for the years to come are: (i) to control, monitor, and regulate urban sprawl using the appropriate functional tools for town planning and development; (ii) to undertake the urban renewal of slum areas with a view to incorporating them into regular city districts; (iii) to support urban economic development so that cities can become genuine engines of economic growth and sustainable development; (iv) to improve access to basic services; (v) to develop marketable, residential real estate; (v) to build the capacity of the public and private stakeholders involved; and (vi) to improve the urban environment.

2.85 The aim of urban development investment projects would therefore be to improve the living conditions of the population in Nouakchott and the towns in the interior. In addition to the benefits resulting from capacity building projects in electrical energy production⁹, emphasis will be placed on: (i) improving access to housing; (ii) implementing an urban development policy; and (iii) improving access to water and constructing urban sanitation systems.

xvii. Housing and habitat

2.86 The overall goal is to improve the living conditions of the population by making decent low-cost housing available and providing proper amenities and infrastructure.

2.87 The approach in this area will focus mainly on: (i) adopting and implementing a national housing strategy; (ii) significantly increasing the supply of housing; (iii) encouraging real estate development, with a view to quickly providing a diverse supply of dwellings at a cost that is accessible to households; (iv) continuing and expanding the “Twize” low-cost housing program to the major urban areas; and (v) implementing a system for financing housing taking into account the needs of households, as well as those of real estate developers.

2.88 The strategic guidelines will become priority actions for the period 2011-2015 with a view to improving the performance of the housing and urban development sectors.

2.89 The following actions will be taken in this area: (i) adoption of a national housing strategy; (ii) execution of a program to build 4,000 houses; and (iii) improvement of 6,000 plots.

xviii. Construction and urban development

2.90 In the construction sector, priority will be given to the following actions: (i) improving the supply of public buildings; (ii) preserving and maintaining the stock of state buildings; (iii) strengthening the institutional and regulatory framework for construction; and (iv) mitigating the effects of bottlenecks in the construction and public works sectors through capacity building efforts in the sector’s administrative agencies, better quality

⁹ See section 1.3

control of public works, establishment of support structures, especially in a national standardization agency, and raising the average level of education and training of skilled technicians in all construction and public works specializations.

2.91 Priority actions in the area of urban development will include: (i) rehabilitation/urban renewal of the town of Tintane; (ii) upgrading of the slum areas of major cities; (iii) continued implementation of the urban development program; (iv) enhanced town planning and urban management using appropriate tools and increasing the number of inspectors; (v) design and implementation of an amenities, urban renewal, and modernization program for the country's major cities; (vi) development of downtown Nouakchott; and (vii) preparation of a shoreline development plan for Nouakchott.

2.92 A MHUAT research fund will be established to build institutional and regulatory capacity for urban development.

xix. Water and sanitation in urban areas

2.93 The following urban water resources projects are planned: (i) expansion and rehabilitation of the water supply system in Nouakchott to maximize the benefits of the Aftout Essahili project; (ii) expansion of the systems in certain towns in the interior (Akjoujt, Kiffa, Kaédi); and (iii) research into and implementation of the Kiffa Safe Drinking Water Distribution System from the Mare de Kankossa.

2.94 Efforts by the authorities to improve sanitation conditions over the next five years will make it possible to: (i) undertake research and projects to connect the Socogim Tevragh-Zeina segment to the waste treatment plant; (ii) implement the Rosso town sanitation project; and (iii) construct the sanitation system for the city of Nouakchott.

e. Microfinance and microenterprise

2.95 Given that microfinance is the principal vehicle for funding income generating activities in poor areas, the government adopted a national microfinance strategy in 2003, which is still applicable to the third PRSP action plan.

2.96 The objective is to have a viable and permanent microfinance sector in the private sector and integrated with the financial sector, which is diverse in terms of its institutional makeup and the products and services it offers. The sector must also be innovative, meet the fundable demands for microfinance services, have national coverage, and operate in an appropriate and friendly political, legal, regulatory, and fiscal environment.

2.97 The three immediate objectives of the PRSP III are as follows: (i) apply the provisions of the legal and regulatory framework adopted in 2007; (ii) enhance the professionalism and sustainability of MFIs to provide a more diverse and comprehensive supply of microfinance products and services; (iii) implement an institutional framework for the efficient and joint management of the National Microfinance Strategy (SNMF) and link it to the national micro- and small enterprise strategy.

2.98 The following actions will be taken during the period 2011-2015: (i) strengthen the effectiveness of IGA programs; (ii) continue to implement the integrated national program to support micro- and small enterprise; (iii) execute the capacity building project in microfinance sector; (iv) revise the SNMF action plan; (v) build the technical and financial capacity of MFIs; (vi) set up savings-and-loan mutual societies in rural areas; (vii) create a structure for refinancing microfinance institutions; (viii) construct a tax regime specifically for MFIs in compliance with order 2007/005; (ix) establish broad categories for grouping MFIs (this procedure, which has already been initiated, should be completed in 2011); (x) establish an information center specifically for MFIs; (xi) adopt, disseminate, and implement a chart of accounts specific to microfinance; (x) build microfinance supervision capacity in particular by establishing a corps of inspectors that would work exclusively on the sector; and (xi) revive APROMI.

f. *Economic valuation of natural capital*

2.99 One of the main challenges of the 2011-2015 PRSP is to include natural resources in the productive fabric of the national economy and tap their potential for production, creation of value added, and contribution to economic growth, in particular poverty reduction, given the obvious production/consumption links between the areas where poverty is concentrated and natural resources. This further strengthens the argument that environmental sustainability is directly linked to pro-poor economic growth.

2.100 The strategy to develop natural capital in the 2011-2015 PRSP will consist mainly of: (i) meeting the bulk of the needs of the poor from their natural environment; (ii) reducing the economic cost of environmental degradation; and (iii) developing sustainable financing mechanisms for the environment in keeping with the principles established in the national strategy for sustainable development.

2.101 This new approach will be reflected in an action plan based on the following key pillars: (i) valuation of the diverse uses of ecosystems and timber; (ii) introduction of emerging financing mechanisms to guarantee the resource sustainability and help mitigate the negative effects of climate change; (iii) promotion of endogenous pastoral species in large pastoral spaces rich in biomass that can be used as feed for large-scale livestock farming; (iv) development of the contribution of natural capital to national wealth by regularly evaluating stocks of natural resources that produce flows of goods and services; and (vi) highlighting the economic yield of ecological investments by analyzing the effects of the sectoral policies implemented at the national and local levels.

g. *Social protection*

2.102 Social protection is an instrument of inter- and intragenerational solidarity or between those that have immediate needs and those that do not. Indeed, it is an effective means of combating poverty and redistributing the benefits of growth.

2.103 The government's major concern in combating exclusion and poverty will take the form of significant efforts in the area of social protection. These efforts will encompass all

measures designed to protect the population, in particular the most disadvantaged groups, from social risks of all kinds.

2.104 The overall objective of the current PRSP action plan will be improvement of the standard of living of the poor and advancement of the disabled. To that end, the government authorities will focus their action on three basic areas: (i) providing assistance for the poor and poverty management; (ii) insurance; and (iii) job security.

2.105 With respect to providing assistance and managing the indigent population, the priority measures will include: (i) the formulation, adoption, and implementation of a national social protection strategy; (ii) the implementation of an economic development program for disadvantaged groups and the preparation and implementation of a national strategy for the advancement of disabled persons; (iii) continued execution of the program to reduce panhandling; (iv) implementation of the conflict prevention program and strengthening social cohesion; and (v) continued implementation of the program to eradicate the vestiges of slavery.

2.106 As regards insurance, the national health insurance fund (CNAM), established in 2005 to provide health coverage for civil servants and military personnel, will be expanded to include employees of public-sector establishments and national enterprises.

2.107 In the area of job security, the National Social Security Fund (CNSS) will revise its founding documents to adapt them to changes in the country's socioeconomic context. There are also plans to consider extending its scope to cover additional health insurance branches and pensions.

2.108 These measures will be underpinned by: (i) enhancing the institutional and regulatory framework for social protection; and (ii) capacity building for the decision-makers and stakeholders in the field of social protection.

Box: 2.1 : Social Protection in Mauritania: Status and Outlook

Social protection is covered in the 2006-2010 PRSP, both as an area of and an approach to poverty reduction that focuses intersectoral efforts on reducing vulnerability. The concept of social protection is based on three action areas: social action to provide better medical and education services for vulnerable groups; safety nets, which must provide special treatment for persons who, as a result of their situation, are unable to take advantage of the various opportunities provided by public policies; and, finally, risk sharing mechanisms in the area of health.

In Mauritania, efforts have already been made to conceptualize social protection, implement social protection initiatives in response to crises, and to develop the social security system and medical risk sharing mechanisms. In addition, actions and strategies to extend social services to the most vulnerable population groups and to provide support in the form of safety nets for at-risk households and individuals have been implemented.

With respect to the advancement of disabled persons, Mauritania ratified the International Convention on the Rights of Persons with Disabilities and its Optional Protocol. It adopted an ordinance concerning the advancement and protection of persons with disabilities (2006-043 of November 23, 2006) and the relevant implementing legislation has been drafted. Despite these efforts, the social protection system in Mauritania is still weak. The vulnerable populations are not properly targeted, as a result of which the existing programs do not fully cater to the most needy segments of the population. Very limited resources are allocated to social protection and the structures responsible for social protection are weak. Most of the efforts to date are piecemeal, scattered, and disconnected as there are no proper coordination mechanisms.

In order to more thoroughly understand the existing social protection mechanisms and programs, a study has just been completed. It analyzed the social protection systems in Mauritania, assessed priority needs for strengthening the existing system, and made preliminary recommendations to guide the government and its partners in preparing a national social protection strategy, underpinned by programs targeting vulnerable population groups.

The study recommends expanding the formal social security system to gradually cover the most vulnerable groups. To that end, recent analyses, reviews, and experimental strategies should be taken into account. In the area of health, it was suggested that health services should be made more affordable for the most vulnerable groups. The question of adequate and equitable financing for a system that is accessible to all should be at the heart of any national debate on social protection in the health sector.

Nutrition and food security are other social protection priorities in view of the country's acute problems in these areas. It is a question of both preventing and managing food and nutrition crises. It is recognized that an integrated response at the national level must include a program of subsistence support for the poor, targeted social assistance, and nutrition support and prevention activities for the most vulnerable groups.

With respect to the social vulnerability of children, the recommendations are to strengthen institutional and human capacities, improve coordination and the legal framework for child protection, and to increase the resources allocated to programs for protection against violence, exploitation, abuse, and neglect.

The contribution of the education sector to child social protection was analyzed, and specific measures targeting the most vulnerable children were recommended. The principles of education for all involve specific policies and strategies to provide universal education services and eliminate disparities in terms of access and quality.

The employment sector has a major role to play in social protection given the high unemployment rate, which is a major cause of impoverishment and unsafe living conditions. The importance of creating potential links and synergies between employment and social protection strategies is also emphasized.

The report examines the social protection aspects of the various national programs designed to provide universal access to basic social services (water and sanitation, electricity, housing) and to meet the specific needs of vulnerable groups through targeted programs.

Based on the review of fiscal trends, the study recommends increasing budget appropriations for social protection. The resources mobilized could be used to implement a program of direct cash transfers to vulnerable households. This option, which has already been specifically recommended in several areas (nutrition, food security, and child protection), seems to be highly advisable based on the conclusions of a recent feasibility study.

Lastly, it is strongly recommended that an institutional mechanism to coordinate social protection in Mauritania be established to promote and strengthen the intersectoral coordination needed for a successful national social protection strategy.

C. HUMAN RESOURCE DEVELOPMENT AND EXPANSION OF BASIC SERVICES (PILLAR 3)

2.109 The ambitious goals of accelerated and redistributive growth can only be attained if the appropriate policies to provide the country with skilled human capital are formulated and implemented.

2.110 Human resource development and the expansion of basic services is a key pillar of effective poverty reduction. Indeed, improvements in these areas would provide human capital that offers individuals the opportunity to better exploit their economic, social, cultural, and political potential.

2.111 It is now accepted that a sound primary education is both an end in itself for the person receiving it and asset for increasing labor productivity and for improving the health of the individual and those around him.

2.112 Improved access to safe drinking water and a proper sanitation system complements and enhances the opportunities provided by the health system. But health services and good quality water can only be provided if the appropriate infrastructure is available and managed by well-trained personnel.

2.113 The studies carried out in this area establish a correlation between the level of access to basic social services and the degree of poverty of the populations concerned. Also, combating the most widespread pathologies (malaria, acute respiratory infections, diarrhea, etc.), eradicating all forms of child labor, promoting gender by involving more women in public sector management, and strengthening national solidarity with the poorest segments of the population are the conditions for balanced and sustainable development.

2.114 Based on these findings, and in keeping with the priority assigned to the social sectors in the previous PRSP action plans, the government will place particular importance on the development of the following fundamental sectors: (i) promotion of an education and training system; (ii) development of a healthcare system and improvement of the nutritional status of the population; (iii) employment promotion; (iv) improvement of access to safe drinking water in rural areas; (v) promotion of gender equity, protection of children, and formulation and implementation of a population policy; (vi) promotion of culture, youth, and sport; and (vii) enhanced universal access to basic services.

a. Education and training

2.115 Education and training efforts will focus on consolidating achievements and correcting dysfunctions in the following areas: (i) primary education; (ii) post primary education; (iii) tertiary education; (iv) technical and vocational education; (v) traditional teaching; and (vi) literacy.

i. Basic education

2.116 At the elementary level, and in compliance with the Millennium Development Goals (MDGs), the main objective is to guarantee that all Mauritanian children have a complete and good quality primary education.

2.117 This goal be achieved by pursuing the following specific objectives: (i) improving the education offered by reorganizing the private and public school system to better meet demand, in order to increase retention rates at the primary level to 79 percent in 2015; (ii) eliminating gender disparities in all *wilayas* and between socioeconomic groups or by residential address; (iii) improving the quality of education at the primary level; and (iv) enhancing leadership of the system by introducing results-based management.

2.118 The priority actions to be taken to attain these objectives are as follows: (i) support basic education; (ii) improve access to primary education; (iii) educate girls and support universal population and family life education (EMP/EVF); (iv) support the national education system development program; (v) outfit primary schools; (vi) provide schools for disadvantaged groups; (vii) produce textbooks and teaching aids; (viii) restructure basic teacher training; and (ix) upgrade the qualifications of primary school teachers.

ii. Secondary education

2.119 The objectives in the area of secondary education target the following: (i) improving and increasing enrollment capacity; (ii) raising the quality of education and its relevance to jobs and developing acquisitions; and (iii) improving coordination with the branches of tertiary education.

2.120 To attain these objectives, the following priority actions are planned: (i) improve access and equity in secondary education; (ii) purchase school furniture and laboratory equipment; (iii) develop scientific research; (iv) train and retrain teachers in scientific disciplines; (v) equip all schools with canteens and allow the underprivileged to access secondary education; (vi) increase the enrollment capacity of secondary schools; and (vii) increase the demand for schooling (educational materials and teaching aids).

iii. Tertiary education

2.121 The main objective of efforts in this area is as follows: to restructure and improve the provision and quality of tertiary education.

2.122 The provision of tertiary education will be restructured and improved by taking the following action: (i) building and outfitting of a new modern campus for the Université de Nouakchott; (ii) construction and equipment of a site for ISCAE; (iii) establishment, construction, and equipment of a university in Kiffa; (iv) restructuring and diversification of the provision of tertiary education by developing professionalism in industry, offering distance education, developing on-the-job continuing education, and implementing a scholarship management policy; (v) creation of the conditions for increasing the provision of quality, private, tertiary education by developing the legal and institutional framework, establishing a partnership between the State and private institutions, and introducing private sector development incentives; (vi) improving of the quality and efficiency of tertiary education/ISET in Rosso; and (vii) implementing the project to strengthen tertiary education.

iv. Technical and vocational training

2.123 The technical and vocational training efforts will have the following basic objective: to increase and diversify the provision of such education and improve its quality and relevance.

2.124 The quality and relevance of training will be enhanced through: (i) the establishment of a structure for training instructors and management personnel; (ii) the continual updating of programs and introduction of new programs using a competency-based approach; and (iii) the pursuit and consolidation of a quality-based approach in training institutions.

2.125 Technical and vocational education will be increasingly diversified and its quality improved by: (i) increasing its relevance and effectiveness; (ii) diversifying the provision of technical vocational training through the creation of three new institutions providing training in construction of public works, information and communications technologies, and tourism/hotel industry, and the establishment of training centers based on the economic reality of the regions, including a model educational cluster for agricultural and rural economy trades; (iii) implementing a technical and vocational training support project.

v. Traditional education

2.126 The main objectives of Islamist and traditional education are: (i) to include traditional education in the provision of basic education for all, in particular at the preschool and primary levels and in adult literacy; and (ii) to allow traditionally educated students to seamlessly transfer into different levels of the formal education system.

2.127 The objectives for this area will be achieved by implementing the following priority actions: (i) establishing a structure for the training and development of imams; (ii) building and outfitting mosques and waqf complexes; and (iii) strengthening the decentralized structures of traditional education.

vi. Literacy policy

2.128 Emphasis will be placed on achieving the following priority objectives in literacy: (i) strengthening leadership and management of literacy programs; and (ii) developing and diversifying literacy efforts, especially through outreach actions as part of the strategic objective of "education for all" and improving the efficiency of initiatives to reduce illiteracy and to streamline the management and coordination of the literacy program.

b. Health and nutrition

i. Health policy

2.129 The health sector priority for the next five years is to review the national health policy and to draft and implement the resulting National Health Development Plan.

2.130 In order to improve the quality of public healthcare, the government is taking the following strategic approach: (i) improving universal access to quality healthcare; (ii) ramping up the multi-targeted war on disease; and (iii) reforming the national health system.

2.131 To improve universal access to quality healthcare, planned priority actions will cover: (i) enhanced referrals and counter referrals (purchasing ambulances and other appropriate resources); (ii) acquisition of biomedical devices and equipment for healthcare institutions; (iii) greater use of health services; (iv) improved performance of the health system; (v) support for reproductive health; (vi) construction and rehabilitation of health structures to provide 90 percent health coverage within a radius of 5 km by 2015 (building and outfitting hospitals in Rosheso, Kaédi, and Selibaby).

2.132 The goal of the war on disease is to reverse the current trend and to further reduce the degree of morbidity and mortality of diseases, so as to decrease maternal, neonatal, and infant-juvenile mortality. The maternal mortality rate will be decreased from 686 to 282 deaths per 100,000 live births and the infant mortality rate will be reduced from 122 to 45 deaths per 1,000 live births. To that end, the government will focus on the following priority actions: (i) continued implementation of the anti-malaria project; (ii) implementation of the anti-HIV/AIDS strategic framework; (iii) implementation of reproductive health strategies (roadmap to reduce maternal and neonatal mortality and strategy to ensure good reproductive health outcomes); (iv) continued efforts to combat tuberculosis; (v) implementation of a national infant survival strategy, promotion of good hygiene practices, water treatment and conservation, sanitation, and other strategies targeting transmissible diseases; (vi) adoption and implementation of a strategy against transmissible diseases; and (vii) reinforcement of intersectoral actions in the areas of hygiene and sanitation.

2.133 The government plans to continue its reform of the national health system to build the necessary capacity for action in to achieve the MDGs by 2015. To that end, the priority action for the period 2011-2015 is to conduct health studies and research through: (i) the preparation and implementation of the National Health Development Plan; (ii) the reinforcement of health funding mechanisms to considerably increase the share of health and nutrition sector the national budget; (iii) annual updates of the Medium-Term Expenditure Framework (MTEF) for the health sector; (iv) revitalization of the cost recovery system and subsidization of basic health services for the poor; (v) expansion of the coverage of the National Health Information System (SNIS) to include the hospital system, private sector, and community services; (vi) assistance to the private sector as required under terms of reference that meet the standards; (vii) improved budget execution through better organization of the government procurement process and accounting and financial management; and (viii) capacity building for monitoring/evaluation and research in public health.

ii. Nutrition policy

2.134 Nutrition is one of the major determinants of the health of mothers, newborns, and children. The government's main objective under the current action plan would be to improve the nutritional status of the population by implementing the following priority actions: (i) updating the national nutrition policy and adopting an intersectoral action plan for nutrition; (ii) implementing the national strategy for infant survival and development; (iii) implementing the national protocol governing acute malnutrition, the national infant and young child feeding strategy, and the directives for vitamin A supplementation; (iv)

operationalization of coordination and monitoring/evaluation mechanisms in the field of nutrition; (v) building the skills of nutrition experts; (vi) institutionalization of a system of appropriate nutrition monitoring and surveillance; and (viii) accelerated promotion of infant and young child feeding to prevent micronutrient deficiencies, including food fortification.

c. *Employment*

2.135 As one of the main instruments of poverty reduction, employment is at the heart of the concerns of the government authorities with respect to development and poverty reduction strategies. Indeed, the issue of employment must be addressed on two levels.

2.136 The first level is growth and the revitalization of the private sector, which will be given a central role to play in job creation to complement the government's potential in this area.

2.137 At the second level, employment, which is a key factor in the development of human capital, will be addressed in terms of the challenge of absorbing the masses of youth that arrive on the labor market every year.

2.138 The problem is particularly acute in light of the rapid growth of the employment-age population, the failure of the education system to adapt, and the inability of the productive sector to offer job opportunities.

2.139 In this context, the following objectives will be sought: (i) include the "job creation" dimension in planning the public expenditure budget; (ii) enhance the professional skills of job seekers to improve their chances of finding employment; (iii) promote employment through partnerships with the private sector and using innovative approaches and hiring incentives; (iv) create an employment-friendly environment by establishing an appropriate legal framework, and financing mechanisms; and (v) build capacity for coordination, steering, programming, and monitoring/evaluation in the sector.

2.140 These objectives will be achieved by implementing the following priority actions: (i) designing and implementing an employment information system; (ii) promoting the employment of youth (ANAPEJ); (iii) increasing and diversifying the provision of technical vocational education; (iv) implementing a program to develop EIGs; and (v) building and renovating administrative buildings using a labor-intensive approach.

2.141 Capacity building measures for stakeholders in the employment sector will include: (i) strengthening the national capacity for placement and self-employment of the unemployed based on their profile and skill set; and (ii) establishment of a research fund in the department responsible for employment.

2.142 The priority objectives for labor and social welfare are to modernize the labor administration and subordinate structures (CNSS, labor inspectorate, ONMT, etc.), to outfit occupational medicine units, and to support the establishment of labor union representation.

d. Access to water in rural areas

2.143 The indicators of access to the safe drinking water show that much work still needs to be done to create lasting improvements in public access to this basic service, which continues to be inadequate and to seriously hamper poverty reduction. To meet this challenge and to achieve the MDGs, in its 2011-2015 PRSP, the government set itself the objective of making lasting improvements in access to safe drinking water and sanitation in terms of quantity, quality, and affordable prices.

2.144 Furthermore, by adopting the MDGs, Mauritania set two goals for 2015, namely: (i) to supply water to half of the population that had difficulty accessing safe drinking water in 2009; and (ii) to supply water to more than one third of the increased population between 2009 and 2015, namely 1.2 million people.

2.145 This general objective will be achieved through the following specific targets: (i) improving access to safe drinking water; (ii) assessing water resources; (iii) developing surface water; (iv) promoting public-private partnerships in the area of water resources; and (v) building the capacity of the various players in the sector.

i. Improving access to safe drinking water

2.146 The following priority actions will target access to water with a view to achieving the national and international goals, in particular the MDGs, to which the country is committed: (i) access to safe drinking water in Maghta Lahjar and Chegar; (ii) provision of safe drinking water to 200 localities with more than 500 inhabitants in rural areas; (iii) implementation of an emergency water resources program; (iv) execution of the Dhar project to provide safe drinking water; (v) rehabilitation of the water distribution systems in towns in the interior; (vi) integrated management of water resources; (vii) implementation of the program to establish and equip water points; (viii) implementation of the AEPA project in rural areas of the south; (ix) completion of the Aftout Chergui projects (AEP from Foug Gleita); (x) implementation of the river water project; (xi) completion of the water resources component of the Indian program; and (xii) construction of AEPs in localities and Aftout Essahili.

ii. Greater understanding and appreciation of water resources

2.147 With respect to understanding water resources, planned activities will include: (i) promoting integrated water resource management (GIRE); (ii) encouraging transfers of water resources from surplus areas to deficit areas through aqueducts; (iii) conducting new general hydrogeological studies in different areas of the country; (iv) mapping water resources in each *wilaya* using the appropriate scale; and (v) establishing protective parameters to strategically safeguard wellfields in large cities and secondary towns.

2.148 In developing surface water, emphasis will be placed on: (i) structuring projects to mobilize surface water (dams, catchment basins, etc.); (ii) greater investment in mobilizing surface water to meet the demand of the different users; (iii) human resource training in surface water management and treatment; and (iv) designing a database and a geographic information system on surface water resources.

2.149 In rural and semiurban areas, the establishment of the rural National Water Services Office (ONSER) will improve the water supply, optimize resources, and reduce the number of operators, while ensuring greater participation on the part of the public through water management committees.

2.150 The main actions to promote public-private partnerships are: (i) ensuring the sustainability of investments; and (ii) efficiently managing water infrastructures.

2.151 Lastly, all these strategies and actions will be supported by capacity building for stakeholders, which will include: (i) establishing human, material, and financial resources to enable the central departments in the Ministry of Water Resources and Sanitation and the communes to manage projects; (ii) hiring more skilled personnel in the decentralized units; (iii) developing the support and advisory services provided by the regional units to the communes for implementing safe drinking water and sanitation projects.

e. Gender, childhood, and population policies

2.152 Socioeconomic factors still affect the status of women. These factors affect their chances of obtaining an education, thereby limiting their capacity to participate in socioeconomic life, compromising their productivity, and hindering poverty reduction efforts. It should be noted that the precarious health of women and young girls results in a high level of maternal mortality and high fertility rates associated with limited access to modern contraceptive methods. These factors are some of the reasons why the government authorities are paying special attention to gender in the 2011-2015 PRSP.

i. Advancement of women and gender equity

2.153 In this context, the main objective for the advancement of women and gender equity is to help Mauritanian women to be free of all economic and social constraints that hinder their development by enabling them to acquire the skills to actively and effectively participate in and contribute to the country's economic and social development.

2.154 This general objective will be achieved by implementing the following actions: (i) adoption of the National Gender Institutionalization Strategy (SNIG); (ii) preparation, adoption, and dissemination of a framework law on gender; (iii) inclusion of gender in program monitoring/evaluation; (iv) combating gender-based violence, including female genital mutilation; (v) support for rural women through production initiatives; (vi) support for the Training Center for the Advancement of Women (CFPF); and (vii) establishment of the "Nevagha" Pension Guarantee Fund.

2.155 These measures will be accompanied by actions within the framework of: (i) implementation of the IEC/MASEF unit capacity building program; and (ii) implementation of a capacity building and empowerment program for women. **(Box 2.2)**

Box 2.2 : The PRSP: Towards Greater Gender Inclusiveness

With respect to gender, the advancement of women, and the family, the strategic guidelines of the PRSP are focused on improving the status of women, institutionalizing the gender approach, and safeguarding the family by: (i) increasing the participation of women in the economy; (ii) increasing the access to basic social services; (iii) promoting their right to participate in the political and social process; and (iv) developing positive behavioral change strategies revolving around on the dissemination of the Personal Status Code (CSP) and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

The promulgation of texts condemning discrimination against women, in particular the CSP (2001), Labor Code (2004), and ratification of the CEDAW (2001) represented significant legislative progress in the advancement of women. This progress has spread to of such areas as the participation of women in politics, the institutionalization of gender, and the access of women to education, vocational training, and factors of production. It is also important to mention the emergence of a true awareness of gender issues at various levels through the introduction of the 20-percent quota for women in elective office, and the acknowledgment and tackling of some subjects that have long been taboo, such as gender-based violence, including female genital mutilation.

Efforts to integrate gender into public policies across the board have been evident at various levels, in particular: (i) taking gender into account in the process of reviewing the PRSP II (2006-2010); updating the National Strategy for the Advancement of Women and the drafting and of implementation of the National Family Policy and the National Reproductive Health Program (PNSR); (iii) the preparation of an action plan for rural women in 2008; (iv) the official adoption of the national strategy against FGM in 2009; and lastly (v) the National Gender Institutionalization Strategy (SNIG) in 2009.

At the economic level, there was progress in the areas of microfinance, with the distribution of large loans to finance women's projects by GFEC and Nissa Bank, institutions, which specialize in microfinance for women. Furthermore, under the productive family program, the government finances IGAs that benefit women. Nonetheless, it is important to note that despite these advances, the gender discrimination gap in terms of civil, social, economic, and political rights remains. To better address the crosscutting nature of the gender and poverty issue, it is important to take the following action: (i) include gender in all national and regional poverty reduction programs; and (ii) improve microfinance programs that fund the establishment of micro- and small enterprises and extend them to women in the poorest households. With a view to consolidating and preserving the gains made in promoting and establishing a climate favorable to gender equality and equity, it is imperative to adopt and implement the National Gender Institutionalization Strategy (SNIG), which is geared towards combating any lingering discrimination, as defined by the international conventions and domestic standards on human rights and the rights of women and girls, and to make it possible for different categories of women to effectively and actually enjoy their rights.

ii. Child protection policy

2.156 Aware that the protection of the underprivileged, in particular young children, is an effective means of combating exclusion and poverty, the government has established as a key strategic guideline for the next five years, the development, protection, and promotion of the rights of the child.

2.157 This objective will be achieved through the following priority actions: (i) improved access to preschool education; (ii) support for the implementation of a system of training staff specializing in special education for preschool through the Early Childhood Education Centers (CFPE); (iii) support for the development of preschool education; and (iv) creation of a center for the protection and social integration of children.

2.158 The legal and regulatory framework for protecting infants will be reinforced by: (i) preparing a regulatory and normative framework for preschool; (ii) implementing child protection systems (VEDAN) in the various *wilayas*; (iii) preparing a general code on the

rights of the child; and (iv) widespread regional movements to promote the rights of the child.

iii. Population policy

2.159 One of the objectives of the National Population Policy Statement, adopted in 1995 and updated in 2005, which clearly states the importance of considering demographic variables in preparing development plans and programs to reflect the relationship between the social, economic, and population dimensions, is to contribute to poverty reduction by changing mindsets and reproductive behaviors that could cause couples to significantly increase their use of modern contraceptive methods and to decrease the incidence of early marriage.

2.160 The priority objectives already defined in the second PRSP action plan are still valid and target: (i) the reduction of the composite fertility index from 4.7 to 4.2; (ii) building capacity to implement and monitor the Population Policy Statement; (iii) balanced regional development that allows people to remain on their land; and (iv) the reduction of gender inequality.

2.161 These strategic objectives will be attained by: (i) adopting an updated Population Policy Statement and regional action plans; (ii) implementing an IEC strategy in reproductive health; (iii) increasing the use of reproductive health services; (iv) economic advancement for women; (v) collecting reliable and updated statistical information on population indicators taking the gender and regional dimensions into account; (vii) considering the relationship between population and development; (viii) mobilizing funds to finance the national population program (PNP); and (ix) strengthening coordination mechanisms between the National Population Commission and support structures.

f. Culture, youth and sport

i. Cultural development policy

2.162 Culture, which is a factor in social cohesion, has enormous poverty reducing potential, especially since the tourism it can generate creates jobs and wealth. With this in mind and in order to promote our country's cultural values, the government has set the following main objectives: (i) develop national cultural assets; (ii) promote and develop a culture rooted in the values of the society; and (iii) factor culture into economic and social development.

2.163 These objectives will be attained through the following priority actions: (i) the construction of the house of culture; (ii) the establishment of a National Music Institute; (iii) execution of the program "Heritage, Tradition, and Creativity for Sustainable Development in Mauritania;" and (iv) establishment of a National House of Fine Arts, which would house a theater, a conservatory of music, and an art school.

ii. Youth and sport

2.164 In a predominantly young population, the lack of occupations or employment, which characterizes the youth, exacerbates its dependence and poverty. To correct the situation and to make our youth the life force and the future of the nation, the government has

retained the following objectives in its 2011-2015 PRSP: (i) safeguard the youth from the threat of drugs, STDs, and HIV/AIDS; (ii) protect young people from deviant behaviors such as extremism and illegal immigration; and (iii) implement a policy of youth mobilization and training through socio-educational and sporting activities.

2.165 The main objectives will be achieved through the following priority measures: (i) creation of a sporting complex, which includes a covered multipurpose room with a capacity of 3,000, an olympic-sized pool; (ii) development of the fitness trail in Nouakchott in the beach area; (iii) construction of an olympic complex seating 20,000 in Nouakchott; (iv) promotion of sporting activities; and (v) rehabilitation and construction of sporting facilities in the *wilayas* and *moughataas*.

2.166 Given the crosscutting and multisectoral nature of the issue, the youth will benefit from the effects of the programs implemented in the employment, health, education, and vocational training sectors.

g. Universal access to basic services

2.167 Public access, particularly by the poor, to basic services (telecommunications, ICTs, electricity, water, sanitation), remains a strategic priority in the PRSP III and complements the actions planned in the sectoral policies and strategies.

2.168 The objective is to allow the population located in isolated and/or remote areas to benefit from the appropriate integrated services and specific infrastructures that are essential for improving their living conditions.

2.169 This objective will be attained through: (i) providing water and sanitation to 300 towns, each with a population of over 500 inhabitants, located in the same place as the areas to be electrified; (ii) the development of local or regional energy sources (gas and hydroelectricity, in particular) and renewable sources (wind, solar, and biofuel, in particular) for a more balanced energy mix; (iii) expanded rural electrification by developing hybrid grids tailored to the number of inhabitants in each locality; (iv) electrification of 108 localities in nine of the most underserved wilayas and support for collective and private initiatives in 192 localities, mainly villages with a population of 500-1200 inhabitants or poor periurban districts; (v) launching of a national butanization program with a view to poverty reduction and environmental conservation; (vi) national fiber-optic connections for the wilayas; (vii) implementation of an ICT dissemination fund and capacity building; (viii) installation of 120 public telephone booths in certain towns with populations of 25,000-100,000 inhabitants.

D. PROMOTING GOOD GOVERNANCE AND CAPACITY BUILDING (PILLAR 4)

2.170 Aware of the relevance of the interactions between growth, its redistribution, and human capital, the government knows that good governance guarantees the effectiveness of action by the public authorities as it establishes the conditions for broad-based participation by all stakeholders in the development process and also creates an environment that is eminently conducive to investment, wealth creation, and improving the competitiveness of the national economy with a view to reducing poverty.

2.171 Thus, the successful implementation of the PRSP for 2011-2015 will depend on good governance based on best practices and on capacity building efforts for the various stakeholders involved.

2.172 Interpreting governance in the broad sense of the term, the government authorities considered that the consolidation of mechanisms, principles, and practices of good governance would enable the State to put national resources to optimal, efficient, and effective use. The government's action will therefore hinge on the following areas: (i) political and democratic governance; (ii) improving the quality of the justice system in service to the public; (iii) territorial and local governance; (iv) economic governance; (v) environmental governance; (vi) the monitoring of government action by the public; (vii) capacity building for public sector stakeholders; and (viii) strengthening the participatory approach.

a. Improving political and democratic governance

2.173 This process will be consolidated with the implementation of the PRSP III, which has the following objectives: (i) to consolidate democracy and promote human rights; (ii) to strengthen the justice system and the judiciary; and (iii) to consolidate national unity.

i. Democratic governance and human rights

2.174 In spite of the universal foundations of the principles of human rights and freedoms, good governance can only come out of a local context in which it is used in the service of development. Therefore, and according to the new interpretation of development, accelerated and redistributive economic growth can be predicated on thoughtful democratic governance. The promotion of democratic governance and the establishment of law and order is an integral part of this process.

2.175 With respect to consolidating democracy, planned actions will revolve around: (i) improvement of the legal framework for political parties and associations; (ii) codification of the electoral system; (iii) exploration of the possibility of maintaining the CENI as a permanent structure; (iv) popularization of the concepts of democracy and civil liberties; (v) organization of regular annual reviews of voter rolls; (vi) updating of the system for processing election data; and (vii) capacity building for the Houses of Parliament by modernizing infrastructure and equipment, implementing an efficient information and communications system, developing certain services, such as translation, electronic voting, the record of parliamentary debates, documentation, and international interparliamentary exchanges.

2.176 The following priority actions will be taken in the area of human rights: (i) promotion of the national humanitarian action policy; and (ii) enhanced recognition and enforcement of human rights.

ii. Consolidating national unity

2.177 To consolidate national unity (see Box 5), planned actions will include: (i) the preparation of the national strategy to eradicate the vestiges of slavery; (ii) continuation of the program for the eradication of the vestiges of slavery; (iii) continuation of the program to receive and reintegrate repatriated Mauritians; and (iv) construction of consolidation of rural infrastructure in the Lehdada area.

2.178 In addition to consolidating national unity in the country, the government will take steps to address the unprecedented threats of terrorism and illegal immigration, drug trafficking and transborder crime. Actions in this context will focus on: (i) preparing and implementing a national migration management strategy; (ii) enhancing the resources and skills of the armed and security forces; (iii) continuing the National Humanitarian Mine Removal Program for Development and implementing the National Anti-mine Strategy, which hinges on three pillars: removal of mines from mined areas, education about the dangers of mines and explosive remnants of war (ERWs), assistance for the victims of mines, and national anti-mine capacity building; (iv) increasing cooperation at the regional and

Box: 2.3 : Consolidating National Unity

National unity and social cohesion, the central pillars of law and order, have been promoted through specific measures to settle unresolved humanitarian issues after the events of 1989 (signing of the memorandum of understanding between the government authorities and stakeholders, and highly symbolic gestures, such as the prayer for the missing, led by senior government officials in March 2009) and organization of the return and reintegration of the majority of displaced Mauritians outside the national borders after the event. The government, in conjunction with elected officials, political parties, and civil society organizations, played a leadership role in the returns, which started in January 2008 under the tripartite Treaty signed between Mauritania, Senegal, and the HCR.

The National Agency to Support the Integration of Refugees (ANAIR) was established in 2008 as part of this operation. In addition to welcoming and meeting the immediate needs of the people concerned, this agency designed a program to support returnees and local development (PIDL) and assist with the successful, long-term reintegration of the citizens. The program, which will be implemented over a total of 36 months (2011-2013), includes components of basic infrastructure, agricultural-forestry-pastoral activities, income generating activities, and low-cost housing.

In addition to welcoming and reintegrating over 20,000 returnees, the most important and most symbolic event in terms of strengthening and consolidating national unity was the President's visit to Kaédi, during which he stated the government's willingness to resolve all pending human rights problems using a conciliatory approach that combines justice with national unity.

In the same spirit of consolidation of national unity, Mauritania is committed to an ambitious program of achieving national objectives in the areas of poverty reduction and exclusion, as stated in the PRSP, under Pillar IV on good governance. The programs implemented in this area are intended to help the country meet the requirements of international conventions, in particular those concerning the protection of human rights (nondiscrimination, eradication of the vestiges of slavery, etc.).

The efforts made in this area will focus on strengthening dialogue, given its decisive impact on consolidating peace, through the establishment of consultative forums and conflict management mechanisms at the national and local levels. They also target mindset change to help build confidence in the government, which is the only entity that can guarantee national cohesion.

b. *Strengthening the justice system and the judiciary*

2.179 The third action plan of the Poverty Reduction Strategy Paper creates a special space for the justice system through the general objective of improving the quality of justice as a public service. This will be based on the following specific objectives: (i) consolidation of the judicial system; (ii) greater access to the justice system for the public; (iii) capacity building for judicial system employees; and (iv) better working conditions in the prisons and better living conditions for detainees.

2.180 The consolidation of the justice system will be achieved through law reform, which will include: (i) the adoption of a law on property rights; (ii) updating laws and thematic studies; (iii) review of the order on judicial protection of children to introduce provisions regarding child witnesses and child victims and the adoption of all its implementing decrees; and (iv) the drafting of a children's code.

2.181 Legal remedies and access to the justice system for the public will be improved by means of the following priority actions: (i) improving the performance of judges and court clerks; (ii) establishing a Judicial Training Institute; (iii) improving the quality of justice as a public service; and (iv) supporting the judicial sector.

2.182 Capacity building efforts for judicial system stakeholders will be implemented by improving the quality of human resources through: (i) the startup of the new judicial training structure; and (ii) implementation of the program to modernize the ENAJM (construction, equipment, program review).

2.183 Working conditions in the prisons and the living conditions of detainees will be improved by implementing the following priority actions: (i) improvement of working conditions in the justice system; (ii) completion of the construction of the main building of the Supreme Court, the Kiffa hall of justice, and the prison in Nouadhibou; (iii) acquisition of surveillance equipment; (iv) more hygienic conditions for detainees; (v) construction of the women's prison in Nouakchott; (vi) building of a prison in Aleg; and (vii) updating of Ministry of Justice infrastructure.

c. *Territorial and local governance*

2.184 Cognizant of its obligation to create conditions conducive to successful democratic governance at the regional and local levels, the government intends to undertake a decentralization effort that encompasses interregional complementarities and cohesion, harmony and balance in sharing the functions and resources among the various local governments, authorities, and institutions, and broad-based delegation of powers by the central government in a context of efficient territorial and local governance. The government will therefore take action in the following areas: decentralization, land-use management, and delegation of central powers **(see Box 6)**.

iii. Decentralization and deconcentration

2.185 Decentralization actions make reference to the decentralization and local development policy statement adopted in April 2010, which has the following pillars: (i)

strengthening and consolidation of the institutional decentralization process; (ii) promotion of local development; (iii) financial capacity building for local governments; (iv) increase in the geographical scope of decentralization; and (v) greater mobilization and education of the public.

2.186 These main pillars are an indication of the future decentralization and local development strategy, which will be implemented initially through the Local Authority Code (*Code des Collectivités Territoriales*). In addition, best practices in the various areas will be used and disseminated and a system to monitor and evaluate the implementation of decentralization and local development will be prepared and introduced. It will be the common instrument used for steering the process and measuring its outcomes and impact. This strategy will be consolidated by furthering specific programs, in particular PERICLES, VAINCRE, and ART GOLD.

2.187 With respect to deconcentration, the modernization of local government will be the central issue. In the coming years, emphasis will be placed on: (i) researching and implementing a coherent system of partitioning land; (ii) improving the working conditions of the authorities by adopting more appropriate staff rules in the short run; (iii) implementing a recovery program to rehabilitate the administrative archives in local districts; (iv) building and/or rehabilitating the offices and residences of government officials; and (v) refurnishing temporary housing, and updating automobile fleets, office wear, and other accessories.

iv. Land-use management

2.188 Regarding land-use management, the strategic choices are set out in framework law 2010-001 of January 7, 2010 governing spatial organization, support for at-risk territories, local development, and the creation and/or reinforcement of business clusters.

2.189 Planned actions in this area will include: (i) the definition and implementation of a land-use management and regional action; (ii) full implementation of the legal and institutional framework; (iii) introduction of strategic and operational tools; (iv) promotion of regional action by implementing specific programs and local business clusters; and (v) funding and expansion of programs and projects, such as PDU, VAINCRE, and PASK by implementing new stages to improve the living conditions of target populations through better governance and management of local development.

Box: 2.4 : Territorial governance

The challenge of land-use management in Mauritania is closely linked to the many challenges of economic and social development policy, in particular poverty reduction, environmental protection, resource development, and management of urban sprawl and rural exodus.

In a country marked by persistent physical constraints and accelerated urban sprawl, the territorial governance issue poses the particular problem of government action in the context of restructuring and opening access to territories by the authorities.

Against this backdrop, the government made the primary objective of its PRSP II action plan to implement efficient, balanced, and equitable land-use management policies with a view to eliminating spatial inequalities in the medium to long term.

More specifically, this involves (i) the adoption and promulgation of framework law 2010-01 on land-use management of January 7, 2010 governing spatial organization, support for at-risk territories, local development, and the establishment and/or improvement of business clusters; (ii) the drafting of a regulatory text on land-use management and establishment of the structures indicated in the framework law on land-use management, in particular the National Land-use Management Observatory; (iii) preparation of the terms of reference for a national land-use management scheme in a participatory process; (iv) a study on settlements and the key pillars of a national settlement policy; (v) launching of the interim program for the joint development of the Karakoro basin; and (vi) the launching of a pilot program on settlements, particularly in Hodh El Gharbi.

The third PRSP action plan will consolidate the achievements of the past and will emphasize: (i) the definition and implementation of a land-use management and the regional action policy; (ii) full implementation of the legal and institutional framework for land-use management; (iii) implementation of strategic and operational tools for land-use management; (iv) promotion of regional action through the implementation of the REMOVE program and local business clusters; and (v) continued capitalization and expansion of such programs as the PDU, VAINCRE, and the PASK project by launching a second phase to improve the living conditions of target populations through better governance and local development.

d. *Economic governance*

2.190 The soundness of a country's governance system is measured in part by its ability to sustainably and effectively manage its resources and in part by its capacity to anticipate, forecast, and plan.

2.191 Economic governance will also be fostered by pursuing the following specific objectives: (i) efficient and transparent management of public resources and combating all forms of corruption and mismanagement; (ii) improved planning and programming; and (iii) development of statistical and information systems.

i. Efficient and transparent management of public resources

2.192 With respect to the efficient and transparent management of public resources, the action plan includes: (i) preparing and validating a master plan for public finance reform; (ii) streamlining and simplifying the authorization, verification, and payment processes; (iii) redirecting and moralizing expenditure by allocating funding for specific operations to the relevant ministerial departments; (iv) increasing the efficiency of government expenditure on transportation and housing for civil servants and government officials; (v) modernizing the customs and tax administrations to provide reliable customs clearance by automating and improving procedures and by implementing a complete and coherent audit system; (vi) implementing a new procurement code; and (vii) strengthening budget monitoring institutions, namely the Court of Accounts (*Cour des Comptes*), Inspector General's Office (*l'Inspection Générale d'Etat*), financial comptroller's office (*l'Inspection Générale des Finances*), and internal inspectorates in the ministerial departments.

2.193 Combating corruption is a priority for the government. To that end, an anticorruption strategy adopted by the government is intended to end impunity and limit opportunities for evasion, fraud, and misuse of public resources. Planned actions revolve around a broad communication and awareness campaign, preventive measures, sanctions, and international cooperation under international and African anticorruption treaties. (See Box 7).

Box: 2.5 : National Anticorruption Strategy

Given its insidious nature, corruption flourishes in the shadows of dysfunctional government entities and especially in a culture of impunity and feeble political will. It undermines the quality of services, causes inefficient resource allocation, leads to tax evasion, is an obstacle to competition and investment, compromises the development process, and adversely affects the quality of life of citizens, particularly the most vulnerable. The economic costs are compounded by no less harmful sociopolitical effects related to the erosion of the government's legitimacy, the climate of laxism, unaccountability, and the blocking of any attempt to introduce an efficient system of governance. Social cohesion is thereby weakened and public and private funds are comingled, thereby jeopardizing the success of the government's missions.

As recent studies show, corruption is still present in Mauritania despite the process to democratize political life, the implementation of programs that support good governance and regulatory and supervisory institutions, the growing role of civil society, and the country's adoption of several international conventions. However, reducing corruption is imperative for economic development, social cohesion, the credibility of institutions, and the sustainability of the democratic system. It is therefore a key element in the broader efforts of good governance, efficient public sector management, economic and social development, and poverty reduction.

For these reasons and within the framework of the President's electoral program, the government intends to place the fight against corruption at the center of its actions. This is the backdrop against which this phase of the PRSP concerning the National Anticorruption Strategy will be implemented.

This action plan is the response to a pressing need expressed by the public and arising from the country's international obligations under the anticorruption conventions it has signed and ratified, in particular the United Nations convention and the African Union convention. It revolves around a broad communication and awareness campaign, preventive measures, sanctions, and international cooperation.

In the area of communications/awareness, emphasis will be placed on sensitizing economic operators and the population to the ill effects of corruption and introducing the anticorruption campaign into school and professional curricula.

In terms of prevention, measures will relate to information and awareness for citizens, the identification and treatment of the sectors most affected by corruption, the cleanup of government procurement procedures, the implementation of appropriate procedures for follow-up of the reports of supervisory agencies, enforcement of legal obligations, strict account keeping requirements for economic operators, and greater vigilance.

With respect to sanctions, the rule of law must be restored, impunity eradicated, sanctions must be codified, completed, and systematically applied, and a system of prosecuting anticorruption cases established.

Planned international cooperation measures include the transposition of international standards into domestic legislation and increased transparency in the management of income from the extractive industries, as well as enhanced cooperation with all countries in fighting economic and financial crimes.

Monitoring/evaluation mechanisms to achieve these goals are envisaged in the strategy, which contains a series of immediate actions and a medium-term action plan (2011- 2014). These mechanisms operate on two levels: (i) the Corruption Observatory, an NGO; and (ii) a monitoring committee, a mixed organization with representatives of government and other stakeholders that is in charge of preparing an annual progress report on implementation of the strategy.

2.194 Other important measures are also planned in the areas of: (i) foreign aid coordination; (ii) government asset management; and (iii) public enterprise rehabilitation.

2.195 Priority actions for the coordination of foreign aid will include: (i) support for programming public investments and establishing effective operational mechanisms to ensure that national commitments are honored under financing agreements within the framework of investment planning; (ii) better coordination of foreign assistance, particularly by establishing permanent monitoring and coordination structures; (iii) development of an integrated foreign aid information system and dissemination of reports on that aid; (iv) implementation of more effective mechanisms for joint management of programs and projects with technical and financial partners, in the spirit of the Paris Declaration on the alignment and harmonization of official development assistance; and (v) a gradual shift towards budgetary support and away from the project approach.

2.196 Plans for managing state assets include: (i) the use of accrual-based accounting; (ii) capacity building in the Directorate General of Government Property through the introduction of a land information system cum national land register; (iii) continuation of operations to reclaim/develop state lands, particularly in the city of Nouakchott; (iv) development of Nouadhibou bay; and (v) operations to inventory land holdings and map out state lands in the regional capitals.

2.197 With respect to the rehabilitation of public enterprises, beyond the government's settlement of its arrears the following will be emphasized: (i) more effective management by revising the texts that date back to 1990; (ii) strengthening of program contracts; (iii) adoption of codes of good conduct; and (iv) standardization of data collection and fiscal forecasting methods.

ii. Resource planning and programming

2.198 Planning and programming actions will include: (i) the review of the organic law on the budget with a view to aligning all the different economic and financial programming tools (PRSP, MTEF, PIP, and initial budget law); (ii) outline of a financial program to make economic forecasts that are consistent with the different real sector, fiscal, balance of payments, and monetary sector aggregates; (iii) improvement and refinement of the tools used for estimates and forecasts of economic growth; (iv) construction of an econometric model to project the impact of public policy on poverty; (v) drafting of a social accounting matrix before preparing the general equilibrium model, in order to better understand the impact of economic and trade policy; (vi) capacity building for staff in the areas of macroeconomics and statistics; and (vii) implementation of permanent public policy assessment tools.

iii. Statistical information

2.199 To improve the production of administrative statistics, special attention will be paid to: (i) carrying out the planned activities in the National Statistical Development Strategy (SNDS 2011-2015) particularly with respect to capacity building in the monitoring/evaluation units of the sectoral departments; (ii) continuation of past economic monitoring efforts with a view to renewing the harmonized CPI; (iii) development of various economic monitoring

tools; and (iv) organizational and institutional reform of the National Statistical Office (ONS) **(see Box 8)**.

Box: 2.6 : Statistical Data

Statistical information is a key decision-making tool as it constitutes a **frame of reference** for diagnostic analysis, measuring progress, and predicting the future.

Therefore, a reliable information system is key to the formulation and implementation of a policy of good governance that would help improve the design and operationalization of national development strategies (to reduce poverty and attain the Millennium Development Goals).

To that end, the updated National Statistical Development Strategy for 2007-2012 takes into account the statistical information needs for monitoring and evaluation of the PRSP III and the MDGs. By harmonizing and integrating statistical programming with economic planning, one can arrive at a workable monitoring/evaluation system that provides real steering and decision-making tools.

Statistical programming is taken into account in the SNDS 2011-2015, which includes: (i) a framework for technical and institutional coordination, as indicated in the provisions of Law 2005-017 of January 27, 2005 on government statistics and its implementing decree establishing a National Statistical Council (CNS); (ii) a coherent framework for mobilizing resources; (iii) a vision and a framework for continued dialogue with all stakeholders; and (iv) a statistical capacity building tool to raise national data production to the standard required as a result of the country's participation in the IMF's General Data Dissemination System (GDDS) since 2004.

Implementation of the SNDS for 2011-2015 will improve the performance of the national statistical system, enhance its coordination and its ability to provide statistical information to satisfy the monitoring/evaluation requirements of the PRSP III and the MDGs.

e. Environmental governance

2.200 Combating global warming and sustainable environmental management are key pillars of governance at the heart of the strategic vision underlying the 2011-2015 PRSP. In that connection, the government will prioritize environmental governance by actively seeking to understand the environmental and climatic problems related to the various sectors.

2.201 The main objectives will therefore consist of: (i) taking into account climate risk and sustainable land and natural resource management in development strategies and programs; (ii) improving environmental governance; and (iii) building national capacity to monitor climate change.

2.202 Climate risk and sustainable land and natural resource management will be incorporated into development strategies and programs through the following actions, inter alia: (i) development of natural productive capital; (ii) sustainable land and natural resource management; (iii) soil remediation; (iv) integrated management of water resources, fishery resources, forests, and ecosystems paying special attention to natural sites in wetlands; (v) biodiversity conservation; and (vi) increased involvement of stakeholders from the river resources sector in managing these resources.

2.203 The following priority measures will be taken to strengthen environmental governance: (i) support for environmental Information-Education-Communication, supported by an updated legal base, an improved institutional mechanism for the sector, and an environmental action plan that is firmly tied to the GDDS; (ii) equipment of a national laboratory for environmental monitoring and tracking; (iii) an assessment of the

risk of water pollution in the Senegal river as part of the Aftout Essahili project; (iv) setup of a wetlands observatory in Mauritania; (v) establishment of protected areas, in particular Guelb Richat; (vi) better protection of pasture land and prevention of bushfires, in particular by establishing a permanent structure to deal with these two key problems; (vii) rehabilitation and conservation of classified forests while promoting the planting of trees adapted to dry lands, which will also contribute to the Grande Muraille Verte greening project; and (xiii) implementation of the shoreline environmental project.

2.204 The following actions will be taken to monitor climate change: (i) continued pilot projects to protect against coastal erosion and to protect Nouakchott against the rising level of the sea and from silting through the Nouakchott anti-silting project; (ii) incorporation of risk and natural disaster management in sectoral policies; and (iii) providing the relevant entities with the means to address issues such as migration and climate change, programs on renewable energy (solar, wind, biomass, biofuel), energy efficiency and energy management (buildings, equipment, transport).

f. Greater public scrutiny of government action

2.205 Democracy is strengthened by effectively involving civil society, a stakeholder that can really play the role of counterpoint by influencing the actions and decisions made in defining, implementing, and monitoring development policies.

2.206 The process of preparing the PRSP has from the outset, involved civil society in the formulation, implementation, and monitoring of its different action plans.

2.207 In this context of public scrutiny of government action and in order to develop an organized civil society, fully aware of its responsibility for governance, the following priority actions will be taken over the next five years: (i) support for non-state actors; (ii) continuation of the NGO professionalism support fund (FAPONG); (iii) implementation of phase II of the FAPONG; (iv) execution of a project to support civil society and good governance; and (v) strengthening of civil society in rural areas.

2.208 In addition, and beyond the adoption of a specific law organizing NGOs and associations, which is being prepared, planned actions will include: (i) independent mapping of CSOs led by a committee of civil society and government representatives, to monitor the technical and financial partners of the CSOs; (ii) establishment of a national civil society capacity building fund (FNRC/SC); (iii) creation of a structure called “Dar el Moujtama Elmedeni” (the Civil Society House) equipped with a working documentation center; (iv) setup of a mechanism to monitor the activities of international NGOs and to partner them with local organizations to carry out field activities; (v) facilitating the access of CSOs to loans from banks and microfinance institutions; and (vi) the study to set up an independent civil society observatory.

a. Communications sector development

2.209 To be effective and sustainable, poverty reduction must be a collective effort that involves motivating the different stakeholders to participate in planned actions and projects. To that end, communications efforts will include (**see Box 9**): (i) liberalization of

the audiovisual sector; (ii) preparation of a media development strategy; (iii) support for labor organizations and communications networks operating in the sector; (iv) acquisition of a digital network of 35 multichannel terrestrial broadcasting stations (TNT); (v) activation of a national FM relay network with coverage of rural towns; (vi) digitalization of the Radio Mauritania sound archives; and (vii) preparation and implementation of a communications for development strategy (revolving around the PRSP process), with action plans targeting multiple actors, including administrations, executing agencies, civil society, beneficiaries, partners, etc..

Box: 2.7 : Communications

To promote a democratic culture and take ownership of development policies, major changes have taken place in the area of communications over the period 2006-2010, particularly in the legal and regulatory framework and at the institutional level. This is the framework for the following measures: (i) establishment of a governing body for the press and audiovisual media (HAPA); (ii) adoption by the government of several draft laws (freedom of the press, liberalization of the audiovisual media, official assistance for the press, press credentials); (iii) opening up official media to political parties and civil society; (iv) establishment of a second television network (TVM plus), transformation of the second Radio-Mauritanie into a rural radio station used for public awareness and development promotion; (v) assistance for printing newspapers, organization of training sessions for journalists; and (vi) establishment of focal points in charge of communications in all ministerial departments and similar agencies.

Another major component is the parliament's adoption of a law on audiovisual communications.

The main purpose of this law is to liberalize the audiovisual media, remove censorship, and turn the mass media that are dependent on the government into public service institutions. This would allow the audiovisual media to become more professional, develop the practice of democracy, modernize national life, and stimulate the economic and social development of the country. During the third phase of the PRSP, and beyond the current liberalization of the audiovisual sector, activities are planned to advance ongoing reforms, to prepare and implement a communications for development strategy, to draft a media development strategy, to support labor unions and communications networks operating in the sector, and to monitor and evaluate the services provided by the mass communications media.

g. National capacity building for public sector stakeholders

2.210 By consolidating the mechanisms, principles, and practices of good governance mentioned above, the government plans to further entrench the spirit of public service in the administration and to substantially improve its performance in a framework of thoughtful administrative governance. The planned objectives are as follows: (i) improve the institutional and organizational framework; (ii) develop human resources; (iii) improve the quality of public service and customer relations; and (iv) develop information and communications technologies.

2.211 To strengthen the institutional and organizational framework, planned actions will include: (i) reorganization of government agencies based on a comprehensive audit that will analyze the functions and duties of the government, administrative organization, and procedures on the basis of strategic objectives; (ii) determination of rules of deconcentration in support of decentralization; (iii) streamlining, formalization, and automation of procedures and methods of government agency management.

2.212 With respect to human resource development, emphasis will be placed on: (i) implementing legal provisions to harmonize and simplify the civil service compensation

system, adoption of specific rules and regulations, and confirmation of nonpermanent staff; (ii) implementation of a code of good conduct; (iii) preparation of a manual of procedures for human resource management and an information guide on regulations and ethics for government employees; (iv) establishment of a forward-looking system for managing recruitment and staffing; (v) preparation and implementation of in-service training programs for government employees; and (vi) establishment and implementation of the system for evaluating the performance of civil servants and government agencies and its use in awarding distinctions, promotions, and salary increases.

2.213 In addition, planned measures regarding the institutional and organizational framework and human resources must contribute to the improvement of the quality of public service. This will be achieved by a series of actions relating to: (i) the drafting of a priority plan to replenish and maintain equipment in government agencies and to adapt the government capital budget to new investment needs; (ii) simplification of administrative procedures and formalities; (iii) establishment of communication mechanisms between government agencies and users (creation of working customer service centers, information and assistance to the public, and development of instruments to monitor public opinion by conducting a survey to establish a baseline for the reform); (iv) drafting of a public service charter; (v) reorganization and digitalization of administrative archives; (vi) institutionalization of the requirement to respond to the customer requests and to take administrative action; (vii) execution of the public sector capacity building project; and (viii) execution of the modernization program.

2.214 Lastly, with respect to strengthening the use of ICTs, which are determining factors by way of their impact on the performance and quality of government service provision, emphasis will be placed on the following actions: (i) incorporation of the central government in the broadband network so that it can share (messaging, IP telephony, scheduling, e-mail management) and use sectoral information systems, which are managed in a pool to reduce costs and compensate for the dearth of highly qualified personnel; (ii) expansion of the government agency intranet in Nouakchott and in the interior; and (iii) modernization of RAC services.

h. Participatory approach: a committed approach to be sustained

2.215 The process of drafting the current PRSP action plan was participatory and involved all the development stakeholders, with a view to its ownership by the executing agencies.

2.216 The participatory approach used throughout its preparation involved four levels of broad-based consultation: (i) the **Interministerial Poverty Reduction Committee (CILP)**, a space for dialogue and exchanging ideas on leadership. This committee is in charge of implementing and supervising the process of formulation, execution, and monitoring/evaluation of the PRSP; (ii) **the different technical committees (CTLP, CTS, GTT, etc.)**, which provide a broad framework for dialogue and exchanging views at the technical level; (iii) the **permanent consultative mechanisms** (Government-Private Sector-Civil Society Consultative Committee, Government-Donor Consultative Committee), which are intended to establish real and ongoing consultation between all stakeholders well beyond the process of formulating and implementing the PRSP and concerning all questions related to the

economic and social development of the country; and (iv) the National Consultative Conference, which met on February 12-13, 2011 in Nouakchott and formed a broader consultative framework for all the stakeholders involved in economic and social development problems. The participants at this conference were representatives of central government, the *wilayas (walis)*, other deconcentrated government units, parliamentarians, local elected officials, as well as representatives of the political parties, private sector, university professors, the press, civil society, and Mauritania's technical and financial partners (TFPs).

2.217 The participants in the National Conference made recommendations, which were recorded in a detailed report. This report made it possible to identify the main recommendations concerning areas that had not been addressed in the initial version of this action plan. These recommendations are discussed in **Box 10**. The institutional mechanism is presented in Annex 2.

Box 2.8 : Main recommendations of the National Consultative Conference

The main **recommendations** made by the participants in the National Consultative Conference of February 2011 are broken down by pillar and subject area of the PRSP as follows:

Pillar I. Acceleration of Economic Growth and Stabilization of the Macroeconomic Framework

Macroeconomic framework: the action plan should have presented at least two scenarios, best case and worst case.

Deepening structural reform: the following is recommended: (i) activate the BCM unit responsible for the settlement of productive sector debt; and (ii) protect infant industries.

Development of growth supporting infrastructures: in the transport development sector: an indicator of its development over the period should be developed.

With respect to ICTs, the reinvestment of ICT revenue should be better targeted to make a greater contribution to growth.

Optimum use of the sources of growth: the following is recommended (i) take practical measures to better integrate the industrial fishing sector into the economy; (ii) further encourage investment in tourist accommodation facilities (hotel infrastructure); and (iii) create a fund to finance craft activities.

Agriculture and livestock: the following is recommended: (i) take practical measures to better integrate livestock and agriculture; (ii) implement agricultural projects on schedule; (iii) expand monitoring/evaluation to all types of farming (irrigated and rainfed); (iv) establish a high-quality seed market; (v) build the capacity of livestock farmers and pastoral organizations; and (vi) consolidate and increase measures to improve the relationships between crop and animal farmers.

PILLAR II. Anchoring growth in the environment of the poor

National food security policy: the following is recommended: (i) diversify income sources in rural areas to better meet food needs; and (ii) implement appropriate natural disaster prevention and crisis response mechanisms.

Urban development: the following is recommended: (i) accelerate the improvement of slum areas and seek synergies among stakeholders; (ii) design, systematize, and implement urban management and regulation tools; and (iii) clarify the functions and powers of the various stakeholders in urban areas.

Microfinance and microenterprise: promote the development of microfinance services the national level, especially in rural areas.

Social protection: improve social protection (health coverage).

PILLAR III. Human resource development and expansion of basic services:

Education: the following is recommended: (i) outreach to qualified retired teachers to bridge the skills gap; (ii) use the school map in planning new schools; (iii) create the conditions for providing education in isolated areas; (iv) create better school groupings to improve resource efficiency; and (v) establish school canteens in all the wilayas.

Health and nutrition: the following is recommended: (i) redeploy medical specialists to the country areas; (ii) revitalize the primary health care system with community participation (at the moughataa level); (iii) consider the size of the moughataa population in sharing health infrastructure resources; (iv) take more decisive action

to prevent certain illnesses, such as viruses, including hepatitis; and (v) provide the health centers in the moughataas with ambulances to reduce the maternal infant mortality rate and increase the logistical resources of hospitals for epidemiological surveillance.

Access to water in rural areas: the following is recommended: (i) enhance coordination among the different stakeholders in the water resources area; and (ii) equitably distribute water works infrastructure across the different regions of the country.

Gender, childhood, and population policy: the following is recommended: (i) step up efforts related to the gender strategy to capitalize on the achievements made under the PRSP II; and (ii) encourage the widespread provision of preschool education in all the moughataas.

PILLAR IV. Improve governance and capacity building:

Political and democratic governance: the following is recommended: (i) develop national languages; (ii) promote civil liberties and human rights; (iii) include conflict prevention in policies to consolidate national unity; (iv) review the electoral system with a view to abandoning proportional representation and the national slate; and (v) accelerate decentralization reform to promote democratic practices.

Economic governance: the following is recommended: (i) increase the impact of natural resource use and distribute wealth more fairly; (ii) adopt the framework law for the national anticorruption strategy; and (iii) increase employee income (salaries and benefits).

Environmental governance: the following is recommended: (i) take into account the recent institutional review of the environmental sector; (ii) set up a specific plan for the environment and explore all environmental financing mechanisms; (iii) make the population aware of the staged implementation of environmental impact studies; and (iv) include the environmental component in all development projects.

Enhance public scrutiny of government action: the following is recommended: (i) build the capacity of all stakeholders involved in implementing development programs; (ii) increase the involvement of CSOs in the design, monitoring, implementation and development programs; and (iii) develop professionalism within the CSOs.

National capacity building for public sector stakeholders (improvement of administrative governance): the following is recommended: (i) introduce skill sets and qualification criteria as the basis for recruitment to administrative positions; and (ii) systematically apply the principle of punishments and rewards.

Communications: the following is recommended: (i) increase the level of financial resources allocated to the communications sector; and (ii) expand the coverage of public financing to private sector stakeholders in the communications field.

PILLAR V. Enhanced steering, coordination, and monitoring/evaluation of the PRSP:

Monitoring and evaluation: the following is recommended: (i) entrust the work of the Sectoral Technical Committees (CTS) to the divisions that prepare the monitoring and evaluation schedule in the sectoral departments; (ii) make greater use of the statistics available from administrative sources in PRSP monitoring; and (iii) include foreign financing flows in the battery of reporting tools.

E. ENHANCED STEERING, COORDINATION, AND MONITORING/ EVALUATION OF THE PRSP III (PILLAR 5)

2.218 There is a growing awareness of the importance of capacity building for evaluating public policies and programs. This awareness is the result of a number of converging factors including: (i) substantial changes in development frameworks (MDGs, PRSP/DSRP, NEPAD, etc.) and ODA modalities (Paris Declaration, Africa Initiative), which included the evaluation process as a core component of public policies and their strategic management; (ii) a growing demand for evaluation from governments, development partners, and evaluation professionals; (iii) emphasis on national capacity building and on improved knowledge organization and management; and (iv) increasing demand by civil society for information on public policy outcomes and impact.

2.219 These considerations are also currently warranted in Mauritania as it has undertaken major reforms to reduce poverty, ensure good governance, and in particular combat corruption, provide good public financial management, and improve public policy effectiveness.

2.220 The first two PRSP action plans were based on an extensive matrix including indicators that were difficult to use because many of them were not reported.

2.221 Drawing on their past experience and with a view to actually monitoring PRSP III implementation on an annual basis, the authorities decided to take a new approach and established a more relevant monitoring/evaluation system based on real progress.

2.222 This new approach is designed to: (i) optimize the existing institutional mechanism; (ii) design and implement mechanisms to better coordinate the actions of all poverty reduction stakeholders (government, elected officials, private sector, civil society, and development partners); and (iii) bring on stream, an efficient and system for monitoring and evaluation of regular reporting tools.

a. *Institutional optimization*

2.223 The participatory approach to optimizing the institutional mechanism has been maintained but there are plans to differentiate the procedure used in the midterm review, which mainly covers the various dimensions of poverty, from the procedure used to prepare status reports on PRSP implementation.

2.224 To streamline mechanisms in the interest of good governance, monitoring and evaluation will be made mandatory by revising the existing legal and regulatory framework and adapting it to the needs of the PRSP monitoring and evaluation system. At present, this framework includes primarily: (i) the framework law on poverty reduction; (ii) the decree establishing a PRSP steering mechanism; and (iii) the National Statistical Development Strategy.

2.225 In that connection, the following action will be taken: (i) analysis of the weaknesses of the current mechanism; (ii) capitalizing on the success of other countries in this area; (iii)

organization of a consultation between all the stakeholders involved; and (iv) preparation and adoption of the framework law on monitoring/evaluation in Mauritania.

2.226 For greater efficiency, the CTSs will be chaired by the heads of the programming and monitoring units in the sectoral departments. Given the importance of the CTSs in collecting and processing sectoral data, the meetings of these committees will be held regularly. The documents establishing these committees and determining their procedures will be revised for this purpose.

2.227 To that end, the physical and human resources of the PRSP Coordination Unit will be increased.

b. *Enhancing coordination, alignment, and harmonization*

2.228 Government action under the PRSP III will be coordinated by the PRSP units identified in Decree 2007-103, namely the CILP, which is chaired by the Prime Minister, and the CTLP. A biannual coordination meeting between the government and the TFPs is scheduled and consultation between the government, private sector, and civil society will be improved by reviving the committee established for that purpose.

2.229 With respect to the alignment and harmonization of external assistance, the government will continue its efforts to implement the Paris Declaration, in particular by: (i) updating and executing the national action plan to implement the Paris Declaration; (ii) preparing a master plan of public financial reform; (iii) implementing reforms whereby the country would gain access to budgetary support, which would replace the project approach in the long term; (iv) aligning all programming tools (PRSP, MTEF, PIP, LFI); and (v) coordinating with the TFPs through regular meetings (biannual monitoring meetings, consultative groups, roundtables, etc.).

c. *Operationalizing PRSP III monitoring and evaluation*

i. Rationale

2.230 Based on experience, the following was decided: (i) to reduce the number of indicators; (ii) to rely on a variety of available indicators, be they surveys or annual administrative statistics; (iii) to ensure that each indicator has a baseline and a target value; (iv) to draw up a matrix of indicators that would evolve over time; and (v) to improve the quality of the documentation on each indicator used.

Box: 2.9 : Types of indicators

The tracking matrix initially included **74 indicators**. The assumption is that only existing indicators that meet the customary standards are to be used. In other words, they must be:

- **Specific**—properly described and understandable;
- **Measurable**—quantifiable in terms of quantity and quality;
- **Attainable/ambitious**, in light of the resources and strategies used;
- **Realistic**, in light of the baseline situation;
- **Temporal**—including a baseline situation before 2011 and a target situation in 2015 after implementation of the PRSP III.

2.231 There are four types of the indicators:

- **Impact indicators (30)**, including:
 - 19 for the Millennium Development Goals (MDGs);
 - 6 for monitoring the poverty profile;
 - 5 for monitoring the macroeconomic framework;
- **Output indicators (28)** to assess major developments in sectoral strategies;
- **Performance indicators (13)** to measure the physical progress of large infrastructure projects in the areas of health, urban development, roads, education, and energy;
- **Input indicators (3)** to assess the efforts made by the government in such key sectors as health and education.

2.232 The matrix of indicators is attached as Annex 1.

ii. Changes in the matrix of indicators

2.233 The goal is to have a matrix that will respond to the monitoring/evaluation needs of the strategy paper without the risk of unreported indicators. In light of the fact that all the PRSP areas are not covered by an output or performance indicator, it was determined that the matrix would be evolving.

2.234 It is understood that if the current indicators meet the established criteria, they can be used in the basic matrix as part of the monitoring/evaluation mechanism of the strategy and that no backtracking, namely the subsequent removal of an indicator, is possible.

2.235 An ongoing dialogue with the sectoral departments, particularly at the time of the yearly or mid-term evaluations, will make it easier to jointly update the matrix of indicators. Sectors such as the justice system, decentralization, social protection, or even road transport will be given special attention so that indicators to measure their performance and output can be identified.

iii. Reporting tools

2.236 Reporting tools are used to regularly provide reliable information to decision-makers and other PRSP stakeholders, so that they can determine the level of mobilization of resources, the degree of implementation of planned actions, and any possible program slippage, etc.

2.237 In the first stage, and to ensure that each indicator is properly used and understood by producers and users throughout the process of PRSP implementation, a **data sheet** will

be immediately drawn up for each indicator by the Ministry of Economic Affairs and Development.

2.238 This datasheet will include the following information at a minimum: (i) basic information (name, targeted objectives, etc.); (ii) a method of developing the indicator and its quality (data collection method, calculation, frequency, breakdown, etc.); (iii) executing agencies; (iv) interpretation modalities; (v) possible data series; and (vi) comments and other information.

2.239 The **consultative frameworks** for collecting statistical data that are soon to be formalized with the sectoral departments would enable the relevant structures of the MAED to periodically prepare status reports on the progress of certain actions carried out by the departments, to provide a preliminary assessment of the expected performance of the indicators.

In a second stage, an information system based on the following tools will be implemented:

- **Input tables (*tableaux de suivi des ressources*)** giving a relatively detailed view of budget execution. They will be prepared on a monthly, quarterly, and annual basis and will be used for the biannual consultative meeting of the different PRSP stakeholders. These tables will be managed by the Ministry of Finance, which will transmit them to the MAED for use in monitoring and implementing public policy.
- **Quarterly sectoral indicators (*tableau de bord trimestriel sectoriel*)** for monitoring priority actions are the responsibility of the CTSs. These indicators will include: (i) status report on the implementation of sectoral priority actions; (ii) quarterly reportable indicators; (iii) overall comments on expenditure execution; and (iv) recommendations for making short-term decisions.
- **The executive summary (*note de synthèse*)** will be prepared biannually on the basis of the input tables and quarterly sectoral indicators of priority actions. The summary will report and comment on the main outputs over the six-month period (overall and sectoral rates of physical progress in priority actions, rate of expenditure execution), and will concentrate on critical areas, which may require immediate decisions. It is the responsibility of the relevant MAED units.
- The Annual Report on PRSP implementation takes stock of performance for the year and the revised schedule of priority actions for the remaining years covered by the action plan.
- The PRSP impact assessment reports will be prepared in 2013 and at the end of the third phase of the PRSP in 2015.

A consultative process will be used to validate the annual impact assessment reports.

iv. Data sources

2.240 The indicators in the matrix are reported on the basis of two data sources: (i) the indicators calculated from surveys; and (ii) the indicators calculated annually or within the year as administrative statistics.

2.241 With regard to surveys, the following actions are planned for the period 2011-2015: (i) the Rolling Survey of Living Conditions (EPCV) in 2012; (ii) the “1 2 3” Survey of the informal sector; (iii) the employment survey in 2012; (iv) the annual food security, business, and agricultural sector surveys; and (v) the MICS Surveys in 2011 and 2015.

2.242 The following censuses are also planned: (i) the General Population and Housing Census (RGPH) in 2011; and (ii) the agro-pastoral census in 2013.

Annex 1: Matrix of PRSP 2011-2015 Monitoring Indicators

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
				Year	Amount	Year	Amount	
1	MILLENNIUM DEVELOPMENT GOALS							
1.1	Incidence of poverty	Survey	Impact	2004	46.70 %	2008	42%	25%
1.2	Share of the poorest quintile in national consumption	Survey	Impact	2004	6.7%	2008	6.30%	>10%
1.3	Poverty gap (Incidence x Depth)	Survey	Impact	2004	7%	2008	6.10%	4%
1.4	Proportion of households living in slums	Survey	Impact	2004	33%	2008	32.50%	0%
1.5	Net rate of enrollment in primary school (TNS)	Survey	Impact	2004	40.2%	2009	73%	85%
1.6	Ratio of girls to boys in primary school	Survey	Impact	2004	99%	2009	102%	100%
1.7	Rate of retention at the end of the primary level	Survey	Impact	2004	38.90%	2009	61%	79%
1.8	Ratio of girls to boys at the secondary level	Survey	Impact	2004	85%	2009	85%	100%
1.9	Adult illiteracy rates (ages 15+)	Survey	Impact	2004	42.50%	2008	38.50%	15%
1.10	Adult female illiteracy rates (as opposed to adult males) (ages 15+)	Survey	Impact	2004	17.3	2008	15.50%	5%
1.11	Infant mortality rate (per mil)	Survey	Impact	2000	87	2007	77	40
1.12	Infant-juvenile mortality rate (per mil)	Survey	Impact	2000	135	2007	122	55
1.13	Maternal mortality rate (per 100.000)	Survey	Impact	2000	747	2007	686	300

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
1.14	HIV/AIDS prevalence rate	Survey	Impact	2004	0.5%	2008	0.50%	<1%
1.15	Malnutrition rate (weight for age) among children under age 5	Survey	Impact	2004	30.2%	2007	29.8%	10%
1.16	Proportion of the population with access to a source of safe drinking water in rural and semi-urban areas	Survey	Impact	2004	52%	2008	62%	74%
1.17	Proportion of households with access to an improved sanitation system	Survey	Impact	2004	19.7%	2008	21.8%	70%
1.18	Acreage of protected lands to preserve biodiversity (in thousands of ha)	Survey	Impact	-	-	2000	1232	20600
1.19	Holding transparent elections	Survey	Impact	-	-	2009	1	2
2	POVERTY MONITORING INDICATORS							
2.1	Extreme poverty index	Survey	Impact	2004	28.80%	2008	26.80%	16%
2.2	Number of poor people (in thousands)	Survey	Impact	2004	1 320	2008	1 284	924
2.3	Depth of poverty	Survey	Impact	2004	15.30%	2008	14.5%	7%
2.4	Severity of poverty	Survey	Impact	2004	6.90%	2008	6.9%	4%
2.5	Gini Index	Survey	Impact	2004	39.30%	2008	38%	40.50%
2.6	GDP per capita in USD	Annual	Impact	2004	542	2009	940	1 374
3	MACROECONOMIC INDICATORS							
3.1	Average annual GDP growth of the country	Annual	Impact	2004	5.2	2009	-1.2%	4.7%

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
3.2	Average budget deficit (excluding grants and oil) (in percent of nonoil GDP)	Annual	Impact	2004	-8.0%	2009	-8.0%	-2.2%
3.3	Current deficit excluding official transfers (in percent of GDP)	Annual	Impact	2004	-38.7%	2009	-14.6%	-2.9%
3.4	Inflation rate	Annual	Impact	2004	10.4	2008	7.3%	5.0%
3.5	Gross reserves (in months of imports)	Annual	Impact	2004	0.6	2008	2.1	2.8 (2013)
4	OUTPUT INDICATORS							
4.1	Number of tourists	Annual	Output	2004	40 000	2008	72 000	100 000
4.2	Available beds (accommodation capacity)	Annual	Output	2004	1410	2008	9503	15 000
4.3	Length of paved roads (in KM)	Annual	Output	-	-	2005	2012	4858
4.4	Length of repaired roads (in KM)	Annual	Output	-	-	2006	990	1200
4.5	Time needed to establish a business	Annual	Output	2004	60 days	2008	10-30 days	5-10 days
4.6	Doing Business Classification of Mauritania	Annual	Output	-	-	2010	166	156
4.7	Coverage of the country's grain needs with domestic production	Annual	Output	-	-	2009	30%	50%
4.8	Immunization coverage by herd (CBPP)	Annual	Output	-	-	2009	90%	100%
4.9	Gross enrollment rate (GER) in primary school	Annual	Output	2004	95.10%	2009	99%	100%
4.10	Standard deviation of wilaya GERs	Annual	Output	-	-	2007	12%	5%
4.11	Gross enrollment rate (GER) in the first cycle of secondary school	Annual	Output	-	-	2009	23%	32%

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
4.12	BAC (high school diploma) pass rate	Annual	Output	-	-	2009	17%	30%
4.13	Number of graduates of technical and vocational schools and centers	Annual	Output	2004	999	2008	1470	2868
4.14	Health coverage within a radius of 5 KM	Annual	Output	2004	40.60%	2007	40.30%	100%
4.15	Ratio of nurses to the population	Annual	Output	-	-	2010	1 per 1.593	1 per 1.414
4.16	Immunization coverage rate of for PENTA 3 under the EPI (infants 0-23 months)	Annual	Output	2004	79%	2008	68.80%	95%
4.17	Tuberculosis treatment success rate	Annual	Output	-	-	2009	69%	85%
4.18	Number of Internet subscribers	Annual	Output	-	-	2008	9693	400 000
4.19	Number of telephone subscribers per 1,000 inhabitants	Annual	Output			2008	628	900
4.20	Proportion of seats held by women in the national parliament	Annual	Output	2004	2%	2008	18%	35%
4.21	Tax burden	Annual	Output	2006	17.20%	2009	14.10%	16.10%
4.22	Number of private radios and televisions	Annual	Output	-	-	2010	0	3
4.23	Number of developed women-owned businesses	Annual	Output	-	-	2010	20	100
4.24	Number of students in tertiary education	Annual	Output	-	-	2009	15200	15800
4.25	Confirmed morbidity rate for malaria	Annual	Output	2004	-	2009	22%	n.a.
4.26	Number of employees insured by the CNSS	Annual	Output	-	-	2009	45000	47 000
4.27	Share of renewable energy in national electricity production	Annual	Output				<1%	15%

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
4.28	Buffer stock levels (in metric tons)	Annual	Output				0	20000
5	INPUT AND PERFORMANCE INDICATORS							
5.1	Status of the Nouakchott sanitation project	Annual	Performance	2010	0%			100%
5.2	Status of the water supply system construction project in Nouakchott	Annual	Performance	2010	0%			100%
5.3	Status of the Université de Nouakchott campus construction project	Annual	Performance	2010	0%			100%
5.4	Status of the Nouakchott-Rosso road rehabilitation project	Annual	Performance	2010	0%			100%
5.5	Status of the Atar-Tidjikja road construction project	Annual	Performance	2010	0%			100%
5.6	Status of the health center construction, rehabilitation, and equipment project	Annual	Performance	2010	0%			100%
5.7	Status of the Aftout Chergui project	Annual	Performance	2010	0%			100%
5.8	Status of the Nouakchott power plant project	Annual	Performance	2010	0%			100%
5.9	Status of the Nouadhibou wind farm construction project	Annual	Performance	2010	0%			100%
5.10	The entity established to lead public finance reform operates normally and meets every year at least once a quarter and the SDR-GFP is compliant and satisfactorily implemented.	Annual	Performance	2010	No			Yes
5.11	Establishment and proper operation of an IT department in the MoF	Annual	Performance	2010	No			Yes
5.12	Audits of the main IT applications and the MoF's IT master plan have been completed	Annual	Performance	2010	No			Yes

Ref	Indicator	Type	Category	Baseline		Current status		Targets for 2015
	and are being implemented under the authority of the tax department (DGI)							
5.13	The TSA was reintroduced	Annual	Performance	2010	No			Yes
5.14	Share of health spending in the government budget	Annual	Input	2006/2009	4.50%			8-10%
5.15	Current expenses of the MEF in as a percentage of the government's current expenditure (excluding debt)	Annual	Input	2009	9.60%			10%
5.16	FRD funds (in UM millions)	Annual	Input	2004	2700	2009	3000	3 500