COUNTRY STRATEGY PAPER (CSP) 2016-2020

ISLAMIC REPUBLIC OF MAURITANIA

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COUNTRY STRATEGY PAPER (CSP)
2016-2020
ISLAMIC REPUBLIC OF MAURITANIA
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LIST OF ABBREVIATIONS

ADF  : African Development Fund
AfDB  : African Development Bank
AFESD : Arab Fund for Economic and Social Development
ALSF  : African Legal Support Facility
AM  : Annual Meeting
BD  : Bidding Document
CODE  : Committee on Operations and Development Effectiveness
CPIA  : Country Policy and Institutional Assessment
CSP  : Country Strategy Paper
DGIPCE  : General Directorate of Public Investment and Economic Cooperation
EIB  : European Investment Bank
ETTI  : Extractive Industries Transparency Initiative
ENRE-SI  : National Baseline Survey on Employment and the Informal Sector in Mauritania
ESW  : Economic and Sector Work
EU  : European Union
FAPA  : Fund for African Private Sector Assistance
FITI  : Fishing Industry Transparency Initiative
FO  : Farmer Organization
GDP  : Gross Domestic Product
IMF  : International Monetary Fund
IsDB  : Islamic Development Bank
MAED  : Ministry of Economic Affairs and Development
MF  : Ministry of Finance
MRO  : Mauritanian Ouguiya
NTF  : Nigeria Trust Fund
ODA  : Official Development Assistance
OMVS  : Senegal River Development Organization
ONS  : National Statistics Office
ORNA  : North Africa Regional Department
ORTS  : Transition Support Department
PBA  : Performance-Based Allocation
PFPA  : Public Expenditure and Financial Accountability
PHLSS  : Permanent Household Living Standards Survey
PP  : Problem Project
PPF  : Project Preparation Facility
PPPI  : Portfolio Performance Improvement Plan
PPP  : Potentially Problematic Project
PRSP  : Poverty Reduction Strategy Paper
RMC  : Regional Member Country
RWSSI  : Rural Water Supply and Sanitation Initiative
SCAPP  : Accelerated Growth and Shared Prosperity Strategy
SDW  : Sanitation and Drinking Water
SME  : Small- and Medium-sized Enterprise
SNIM  : Société Nat. Industrielle et Minière (National Industrial and Mining Company)
TA  : Technical Assistance
TFP  : Technical and Financial Partner
UA  : Unit of Account
UNDP  : United Nations Development Programme
US  : United States
USD  : United States Dollar
WB  : World Bank
CURRENCY EQUIVALENTS
(January 2016)

Currency = Ouguiya (MRO)
UC 1 = MRO 470.93
UC 1 = EUR 1.27
UC 1 = USD 1.391

WEIGHTS AND MEASURES

1 tonne (t) = 2204 pounds
1 kilogramme (kg) = 2,204 pounds
1 mètre (m) = 3,28 feet
1 millimètre (mm) = 0.03937 inch
1 kilomètre (Km) = 0.62 mile
1 hectare (ha) = 2,471 acres

FISCAL YEAR

1 January - 31 December
EXECUTIVE SUMMARY

1. This Country Strategy Paper (CSP) is the framework for African Development Bank Group intervention in Mauritania for the 2016-2020 period. It replaces the 2011-2015 intervention framework (ADB/BD/WP/2010/218 - ADF/BD/WP/2010/169) that ended in December 2015. Its preparation built on lessons drawn from the Joint CSP 2011-2015 Completion and 2015 Country Portfolio Performance Review (CPPR) Report (ADB/BD/WP/2015/159 - ADF/BD/WP/2015/127). It was prepared in a participatory and inclusive manner, including consultation with CODE on 2 November 2015. Overall, the draft strategic orientation was well received by CODE which, however, recommended that additional support should be given to vulnerable groups and that the gains of the previous strategy should be consolidated.

2. Unlike the previous strategy, CSP 2016-2020 will be implemented within a difficult economic context marked by a fall in the price of the country’s main export product (iron ore). The previous strategy benefited from a favourable economic environment, which helped to achieve significant socio-economic progress, notably an increase in GDP per capita from USD 1 036 in 2010 to USD 1 260 in 2014, the overall downward trend in the incidence of poverty which dropped from 42% in 2008 to 31% in 2014, and an improvement in social indicators (although slow in some cases). CSP 2016-2020 implementation will also benefit from the political and institutional stability that prevailed during the implementation of the previous strategy.

3. CSP 2016-2020 is aimed at supporting Mauritania to improve the living conditions of the people (shared prosperity) and to build the country’s resilience. It is aligned on the Bank’s top five priorities (High 5s) ensuing from the Bank’s Ten-Year Strategy 2013-2022, and with the national development priorities contained in the Government’s General Policy Statement for the 2015-2019 period and the draft “Accelerated Growth and Shared Prosperity Strategy (SCAPP) 2016-2030” validated on 17 September 2015 by the Council of Ministers.

4. Although the country has achieved remarkable progress on the socio-economic front over the last five years and has strengths and opportunities (macroeconomic stability, strategic geographic location, and a great natural resource potential), there are still development challenges to be addressed (insufficient shared growth, chronic food insecurity, very limited access to energy in rural and peri-urban areas, and poor governance). To provide appropriate solutions to the country’s major development challenges and support it to achieve its post-2015 development goals, CSP 2016-2020 is anchored on the following strategic pillars: (i) Promoting Agricultural Transformation (Pillar 1); and (ii) Increasing Power Supply (Pillar 2). These two pillars relate to two of the 17 Sustainable Development Goals (SDGs), namely SDG 2 “End hunger, achieve food security and improved nutrition and promote sustainable agriculture” and SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all”. In addition, the two pillars help to better support the country in achieving its post-2015 development goals. They are areas where the Bank has comparative advantages in Mauritania (better knowledge, expertise, etc.).

5. The CSP 2016-2020 Lending/Grant Programme will be financed with ADF and AfDB private sector window resources. The search for and recourse to other Bank (ADB public sector window, trust fund, etc.) and authorized external sources of financing will be systematic so as to address the constraint regarding low ADF allocations. The Bank will carry out analytical work to support its ongoing country dialogue through its Liaison Office. The Bank will also strengthen the development of synergy and complementarity with other TFPs.

1. INTRODUCTION

1.1 On 11 January 2011, the Bank’s Board of Directors approved the Country Strategy Paper (CSP) for Mauritania for the 2011-2015 period (ADB/BD/WP/2010/218-ADF/BD/WP/2010/169) that ended in December 2015. The CSP 2011-2015, which was aligned on the Third PRSP 2011-2015 Action Plan, focused on two pillars: (i) Infrastructure Development; and (ii) Improvement of Economic and Financial Governance. Through these pillars, the Bank supported efforts made by the national authorities to promote strong and sustainable growth, and improve the living conditions of the people. The CSP mid-term review and country portfolio performance review carried out in 2013 confirmed the relevance of the Bank’s two intervention pillars as initially set out in the CSP. This review also recommended the promotion of inclusive growth, in keeping with the findings and recommendations of the study on growth and employment in Mauritania. In November 2015, CODE approved the Joint CSP 2011-2015 Completion and 2015 Country Portfolio Performance Review Report. The report concluded that overall, the CSP 2011-2015 was implemented satisfactorily and that portfolio performance had improved, despite capacity constraints.

1.2 This document proposes a new Bank Group intervention strategy for Mauritania for the 2015-2020 period. It was prepared through a participatory and inclusive process based on the new approach adopted for preparing CSPs, including prior consultation with CODE. Therefore, the Country Strategy Paper (CSP) 2016-2020 replaces the CSP 2011-2015 on which it is based. It takes into account the guidelines issued by CODE on 2 November 2015 and the lessons drawn from the implementation of the previous strategy. It is aligned on the Bank’s top five priorities (High 5s) ensuing from the Bank’s Ten-Year Strategy 2013-2022, the national development priorities contained in the Government’s General Policy Statement for the 2015-2019 period and the draft “Accelerated Growth and Shared Prosperity Strategy (SCAPP) 2016-2030” validated on 17 September 2015 by the Council of Ministers. This strategy seeks to contribute to improve the people’s living conditions – shared prosperity – and to building the country’s resilience. Hence, CSP 2016-2020 is a continuation of the previous CSP and will assist the national authorities in achieving this development target. The main objective of CSP 2016-2020 is to contribute to promoting sustainable development in Mauritania. From the global perspective, CSP 2016-2020 was prepared within a context marked by the adoption of the seventeen (17) Sustainable Development Goals (SDGs) in September 2015 and the resolutions of COP-21 in December 2015 as well as the approval of African Union Agenda 2063 and the inclusion of the Bank’s Ten-Year Strategy among the High 5s. All these initiatives aim at achieving Africa’s transformation, thus influencing its strategic orientation.

1.3 Besides this introduction, this document comprises four sections. Section 2 assesses Mauritania’s development context and prospects. Section 3 examines its strategic options. It focuses on the assistance that the Bank can provide to the country, in partnership with other development partners, to enable it to achieve shared prosperity and build resilience, as intended by the national authorities for the post-2015 period. Section 4 outlines the Bank Group’s strategy for the 2016-2020 period. Lastly, Section 5 presents the conclusion and recommendation.
II. CONTEXTE DU PAYS ET PERSPECTIVES

2.1 POLITICAL DEVELOPMENTS

2.1.1 After passing through a difficult period from 2005 to 2009, Mauritania regained relative political and institutional stability. The country has made progress in strengthening justice, consolidating democracy (establishment of an Independent National Electoral Commission – CENI, and organization of the 2014 presidential elections and the 2013 council and parliamentary elections in a transparent manner), promoting human rights, consolidating the participatory approach, etc. Concerning elections, President Mohamed Ould Abdel Aziz, who was democratically elected in 2009, was re-elected in June 2014 by about 82% of the vote. However, the “radical” opposition, excluding the Islamist party, Tawassoul, boycotted this election, which recorded a voter turnout of about 56%, as well as the 2013 council and parliamentary elections, due to profound differences of opinion with the Government. To stem the discontent fuelled by union, identity and political demands in 2015, the authorities resumed a series of consultations and dialogue with all stakeholders, including the said “radical” opposition to ease the national political climate. Concerning the promotion of human rights, in August 2015, Parliament passed a law recognizing slavery as a crime against humanity and increasing penalties for this practice.

2.1.2 However, there are still many challenges to be faced to strengthen the political and institutional stability restored in 2009. These include developing a democratic culture, building the capacity of electoral bodies, promoting the ownership of the decentralization process by national entities, limiting the “informal” nature of administrative relations and practices, enhancing transparency in the decision-making process, strengthening the political system which is still influenced by various clans and ethnic allegiances, ensuring the rigorous enforcement of anti-slavery laws, and containing the threat posed by the upsurge in religious extremism.

2.2 ECONOMIC DEVELOPMENTS

2.2.1 Economic Structure and Growth

2.2.1.1 The structure of Mauritania’s economy is still dominated by the extractive industries sector which accounts for four-fifths of total exports, on average, and 30% of budget revenue. Mauritania is the second leading exporter of iron ore in Africa with an annual production of more than 10 million tonnes.

However, the weight of the extractive industries sector remains limited in terms of job creation, accounting for only 4% of the employed labour force. In 2014, extractive industry activities accounted for 11.6% of GDP formation, against 4.6% for agriculture. Nevertheless, the primary sector remains an important pillar of the economy (21% of nominal GDP in 2014). It is driven by the livestock, fisheries and, to a lesser extent, agricultural sectors. Despite the drop in manufacturing output, the secondary sector is also predominant (34.5% of GDP in 2014), thanks particularly to the performance of extractive industries. The tertiary sector, for its part, continued to expand in 2014 to become the leading contributor to GDP formation (39.1%), to the detriment of the secondary sector that is dominated by the “other services” branch and trade, both of which account for 15% of GDP.

2.2.1.2 Since 2000, the country has experienced robust economic growth which, however, is still vulnerable. The average annual growth rate between 2000 and 2014 in real terms was 4.9%. This rate was above 5% between 2012 and 2014, thanks to the mining boom. It rose from 5.7% in 2013 to 6.4%/5% in 2014. On the supply side, growth was driven by: (i) the renewed vitality of the fisheries sector, which represented a little more than 6% of GDP at constant prices in 2014; and (ii) the mining sector, which more than offset the poor performance in oil and manufacturing output. In fact, iron production increased by approximately 14% in 2014. On the demand side, growth was mainly sustained by domestic consumption and a vigorous public investment programme. In 2014, gross investments represented 44.8% of GDP, of which 15.5% for State-funded investments. Given the deteriorating terms of trade due notably to the sharp fall in the price of iron ore as a result of the sluggish global economic environment, the country’s economic growth slowed down in 2015 with an estimated growth rate of 3.1%. This downturn reflects the vulnerability of growth to world commodity prices, particularly iron ore which is the country’s main export product, hence the low diversification and integration of the productive base into the regional and global economies. The previous years also showed that Mauritania’s economic growth is sensitive to climatic conditions (especially drought).

2.2.2 Macroeconomic Management

2.2.2.1 Thanks to prudent macroeconomic management based on a conservative fiscal policy and a cautious and vigilant monetary policy, the country is enjoying macroeconomic stability. Thus, in 2015, inflation was contained at a lower level (1.5%), compared to 2014 (3.5%). This trend was due particularly to a drop in world commodity prices, including food products, and the high volume of domestic grain production. The budgetary position remains sustainable with a manageable overall budget deficit of 2.9% of GDP in 2015, representing an improvement over its level in 2014 (3.7% of GDP). This deficit will be covered mainly by having recourse to accumulated Treasury resources kept in the Central Bank of Mauritania (BCM). Official reserves estimated at USD 809 million, that is about 4.5 months of imports, were still at a comfortable level at end-2015. In 2015, the tertiary sector, which remains the main economic growth driver, representing 44.8% of GDP, continued to experience rapid growth. The current account deficit continued to shrink, standing at 22.2% in 2015 against 30% in 2014, due to the effect of foreign direct investments on macroeconomic aggregates. This trend is expected to continue up to 2017. In 2015, this trend was attributable to the drop in the oil bill and equipment imports, and the accumulation of revenue and current transfers, which more than offset the drop in iron exports and increase in food imports.

2.2.2.2 The level of Mauritania’s public debt, estimated at 93% of GDP as at end-2015, is still high. Despite this debt level, the IMF (Staff Report for the 2015 Article IV Consultation) considers Mauritania’s external debt structure to be sustainable. The trend of Mauritania’s debt ratio was relatively favourable, thanks notably to the results of the review of the country’s national accounts and the assumption of passive debt remission owed Kuwait (estimated at 20.9% of GDP as at end 2015), taken into account in the 2014 IMF Debt sustainability Analysis (DSA).
However, the DSA downgraded the country’s risk of debt distress from “moderate” to “high” because of the new classification of its institutional capacity (low CPIA) and the higher projected new debt disbursements (see Annex 12). Therefore, this review was influenced by the lagged effects of the deterioration of the institutional environment in 2009 on debt thresholds (issues relating to the methodology used by the WB and IMF). The downgrade of the country’s risk of debt distress can limit its external debt capacity. However, the authorities are committed to conducting a cautious external debt policy as well continuing with efforts to improve the institutional environment and stabilize debt levels, including the definitive setting of the passive debt owed Kuwait so as to rapidly return to a moderate risk of debt distress. Special attention should also be paid to strengthening the quality of policies and institutions, particularly debt management capacity. The Bretton Woods institutions (IMF and WB) are already providing assistance to the country in this regard.

2.2.3 Governance

2.2.3.1 The PEFA 2014 assessment shows mixed performance in terms of economic and financial governance. Progress has been made regarding: (i) the stock and monitoring of the payment of expenditure arrears of payment; (ii) the public procurement process; (iii) the timely transfer of funds and communication of reliable information to decentralized services; (iv) the formalization of rules and procedures, and quality of organization of the expenditure chain in internal non-salary expenditure control services; and (v) the scope and quality of and time limit for submitting interim budget execution reports. Besides these five improvement areas, the PEFA assessment shows practically average public finance management performance in the 28 indicators in Mauritania. Hence, it underscores the need to pass and implement a new Organic Law on the Budget Act and new general public accounting instruments are not adapted to the present context. These efforts bore fruit in 2015. According to the Doing Business 2015 Report, Mauritania ranked among the top ten countries that made the most progress in improving their business environment. Thus, the country gained 8 spots, ranking 168th in 2015 - a position that could be improved further. Thanks to its reforms, Mauritania has achieved a remarkable performance in business development where it gained 91 spots, moving to the 70th position in 2015. The country intends to continue its efforts to improve the business climate, particularly regarding insolvency, tax payment, access to electricity, and the protection of minority investors where its performance in the Doing Business ranking is poor. Access to financing, poor infrastructure and corruption are considered as major obstacles to business activities in Mauritania.

2.2.4 Trade and Regional Integration

2.2.4.1 Mauritania’s external trade is still characterized by a high concentration and liberalization of the export regime. The trade deficit remained virtually the same in 2015 compared to its 2014 value, i.e. 14.9% of GDP, against 14.5%. This trend reflects the decline in the value of exports since 2014 due to the drop in iron and gold prices. Performance regarding regional integration is hardly encouraging. Mauritania is a member of the Arab Maghreb Union (AMU), which was established in 1989 and has engineered the signing of many cooperation treaties whose application remains limited. Intra-zone trade is less than 3%. Mauritania’s exports to AMU member countries are very few, standing at 0.1% of the value of total exports in 2013. Despite its potential contribution to the development of trade, integration in the Maghreb remains low. Trade between Mauritania and member countries of the Economic Community of West African States (ECOWAS), of which it ceased to be a member since 2000, is significant (7% of its total exports in 2013). The country’s sub-regional integration is more effective with the Senegal River Development Organization (OMVS) member countries, namely Guinea, Mali and Senegal.

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2.3 SOCIAL CHANGE AND CROSS-CUTTING THEMES

2.3.1 The country’s economic growth is not inclusive. Issues relating to monetary and human poverty linger on despite the encouraging results of the 2014 Permanent Household Living Standards Survey (PHLSS), which estimates the prevalence of poverty at 31% against 42% in 2008. Hence, the Millennium Development Goal (MDG) target of reducing this rate to 28% at end-2015 was not achieved. With a score of 0.506, Mauritania gained 5 spots in the UNDP 2015 Human Development Index (HDI), ranking 156th compared to 2014. Nevertheless, the country is still ranked among low Human Development Index countries. However, income distribution has improved with the Gini Index increasing from 39.7% in 2008 to 34% in 2014 (PHLSS 2014). Many social indicators have also improved. These include: (i) the increase in the proportion of the population with access to a source of drinking water from 32% in 2007 to 58% in 2013; and (ii) the increase in the proportion of households with access to a sanitation system from 21% in 2007 to 35.7% in 2013 (GPHC 2013).

2.3.2 Overall, despite the progress made, social performance is moderate. The unemployment rate which, according to ENRE-SI, was estimated at 10.1% in 2012, against 31.2% in 2008 (PHLSS 2008), increased to 12.8% in 2014. Despite the relatively low level of unemployment, the labour market is still characterized by a high level of job insecurity and informalization. In addition, 46.8% of the employed population in 2014 was uneducated. Likewise, the demand for employment is still dominated by illiterate applicants among the unemployed and the additional annual demand. There is also a real problem of mismatch between training and employment. The unemployment rate is higher for women than for men (12.6% to 8.6%). This is due mainly to the low level of access to education by women and their inadequate qualification to occupy certain positions that require high technical know-how. Despite its good performance in quantitative terms, the educational system is facing serious quality problems related to the performance of the system itself, accessibility and training, and the spatial distribution of teachers.
In the health domain, recent data shows a drop in maternal mortality from 526 deaths per 100,000 live births in 2011 to 583 deaths per 100,000 live births in 2014, far below the 2015 MDG target of 232 deaths per 100,000 live births. Similarly, the reduction in infant mortality between 2011 (118 deaths per 1,000 live births) and 2014 (115 deaths per 1,000 live births) did not guarantee the attainment of the 2015 MDG target of 45 deaths per 1,000 live births. Although HIV/AIDS prevalence among the 15 to 24 age group is estimated at 0.7%, i.e. below 1%, high urbanization poses a major risk for the spread of this scourge. Overall, Mauritania has made considerable efforts regarding health and social welfare in general, and reproductive health in particular. However, the MDGs for this sector were not within its reach.

2.3.3 Gender Issues: despite the progress made by Mauritania in gender promotion, there are inequalities in all development sectors, particularly in the CSP 2016-2020 pillars, namely: agriculture and energy. Farming is the main activity carried out by rural women, but its productivity is still low. Women have difficulty in gaining access to land as well as other factors of production: 56% of them need the guarantee of a third party to conduct a land ownership transaction, 31% are familiar with land allotment procedures and only 18.7% of them own land. Rural women have very limited access to energy, making most of their (house and farm) work tedious. Furthermore, the factors that affect the quality of life of women include: illiteracy, unemployment and precarious employment, relatively high maternal mortality (582 deaths per 100,000 live births in 2013), gender-based violence (excision - 69.4%), early marriage (17.3% of women are married before the age of 15 and 10.8% between the ages of 15 and 18), ignorance of reproductive rights, etc. Gender parity is a reality in primary and secondary education. The ratio of girls to boys in basic education is 1.02. Efforts are being made to achieve parity in higher education, currently at 54.8% for boys and 45.2% for girls. The literacy rate among women aged between 15 and 19 years is 46.3%, while that of men is 69.3%. Women’s participation in politics has improved significantly. Women were appointed to eight out of thirty cabinet positions in the August 2014 Government. This represents 26.6%, against 16.6% previously. Currently, the National Assembly has 31 women members of parliament out of 147 (21%). Nine of the country’s 54 senators are women, representing 16.6%. Internationally, Mauritania has signed and ratified many agreements and treaties guaranteeing gender equality. The national legal framework is also favourable. However, some cultural barriers and the challenge of implementing the laws passed linger on. This explains Mauritania’s ranking in the 46th position out of 52 African countries in the Bank’s Gender Equality Index.

2.3.4 Fragility: according to the Bank’s ranking, Mauritania is not a fragile country. However, like most African countries, it has many sources of vulnerability which should be monitored very closely. These include climate change, historical conflicts between ethnic groups, the precarious conditions under which a segment of the population lives, the growth of factors within the elite due to political manoeuvres, the deterioration of the conditions of refugees and displaced persons, the limitation of public service delivery in some localities with a very low population density per square kilometre, the slavery syndrome, etc. Some of these sources of vulnerability have regional roots that should be addressed in consultation with countries of the region.

2.3.5 Food Security: since the Great Drought of 70s, Mauritania has grappled with recurrent deficits in grain production, with domestic production covering less than 30% of food grain needs. This is due to: (i) climate change; (ii) inadequate and unstable income in rural areas; (iii) supply difficulties due to the country’s large surface area characterized by scattered and disorganized settlements and isolation of inhabited areas; (iv) frequent influx of refugees and displaced persons; and (v) the collapse of family savings, which makes the recapitalization process difficult. According to the World Food Programme – WFP – (2012), 32.3% of Mauritanian households suffer from food insecurity and nearly one million people, 800,000 of them in rural areas and 200,000 in urban areas, are affected by this situation to varying degrees.

The supply and disposition of grains in 2013/2014 showed a deficit of 400,000 tonnes and imports of 508,000 tonnes of grain. Rice production meets about 50% of household consumption needs. Within this context, the bulk of food needs are met by imports (vegetables, grains, etc.). In 2013, moderate and severe food insecurity affected about 16% of the population, 7.2% of them in urban areas and 8.8% in rural areas. Thanks to efforts made particularly to increase farming areas, diversify crops, modernize production tools, and implement the National Food Security Strategy, it is expected that the rate of severe and moderate food insecurity will be reduced to 10.90% of the population by 2020.

2.3.6 Concerning climate change, Mauritania has an arid desert climate and it is exposed to drought, climate change, and various plagues (locust plagues, etc.). As mentioned in the previous paragraph, drought has caused a serious deficit in agricultural production. Climate change has generally resulted in: (i) major disturbances marked by floods; and (ii) the degradation of natural resources. Given its geographical location, the capital, Nouakchott, faces a serious threat of flood as it lies on an extensive depression located more than 70% below sea level. Mauritania’s natural resources and environment are under mounting pressure exerted by climate change because the country’s environmental governance is limited. The country certainly has legal instruments (the Environment Code adopted in 2000, the National Sustainable Development Strategy, the National Environmental Action Plan, the Renewable Energy Promotion Strategy, the Desertification Control Plan, the new Forestry Code, etc.) that rationalize its action in this domain. However, it still faces great challenges related to global warming and its consequences, and environmental protection. The country should also capitalize on regional initiatives such as the Pan African Agency of the Great Green Wall, which seeks to ensure the sustainable adaptation and resilience of populations in the Sahel region, including Mauritania, to the consequences of climate change and desertification as well as security in the zone. During COP21, Mauritania undertook to fully participate in the effort of the international community to reduce greenhouse gas (GHG) emissions by 22.3% by 2030 with respect to projected emissions in that same year. With emissions of about 2 tonnes of CO2-eq per capita, Mauritania’s Nationally Determined Planned Contributions (INDC) is ambitious. Its implementation would help to reduce cumulative emissions of 33.56 million tonnes of CO2-eq between 2020 and 2030. Out of this contribution, 88% is subject to international support (conditional share of the contribution) and 12% could be achieved through the country’s own means (unconditional share of the contribution). To that end, the country plans to strengthen its climate monitoring mechanism to better organize the expected mitigation effort of each of its development sectors, continue to implement its renewable energy development programme, and develop its liquefied gas reserves through power generation.
III. STRATEGIC OPTIONS

3.1 THE COUNTRY’S STRATEGIC FRAMEWORK

3.1.1 As the country’s 2001-2015 PRSP drew to a close in December 2015, an evaluation and several stocktaking surveys, notably the PHLSS 2014, were carried out. These diagnoses show that although the country has achieved significant progress over the last 15 years, there are still development challenges to be addressed (see Sub-section 3.2). To meet these challenges, the Government issued its General Policy Statement for the 2015-2019 period, which hinges on three strategic thrusts, namely: (i) strengthening the foundations of the State and improving public governance; (ii) promoting the emergence of a competitive and shared growth-generating economy; and (iii) development of human resources and expansion of access to basic services. Its main objective is to initiate a harmonious development drive in order to build a strong State that ensures the prosperity of its people.

3.1.2 In addition, a Strategic Development Plan for the 2016-2030 period entitled “Accelerated Growth and Shared Prosperity Strategy (SCAPP) 2016-2030” is being designed. It will build on the Government’s General Policy Statement for the 2015-2019 period, the President’s second term (2014-2019) agenda, the Report on National Consultations on the Post-2015 Development Agenda, sector strategies that have been or are being validated (such as the 2025 Private Sector Development Strategy, the National Strategy for the Sustainable Development of Fisheries and the Maritime Economy 2015-2019, etc.), Sustainable Development Goals (SDGs), and the resolutions of the COP21 Paris Conference whose guiding principles, main objectives and the preparation process were validated by the Council of Ministers on 17 September 2015.

3.1.3 SCAPP 2016-2030 will seek to: (a) build resilience; and (b) promote shared prosperity. It is consistent with the structural transformation of the economy. Its main objectives are to: (i) promote diversified, inclusive, green and sustainable economic growth that reduces inequalities and poverty, creates jobs and combats unemployment in order to enhance resilience and shared prosperity; (ii) reduce poverty and fight against the exclusion of vulnerable groups; (iii) establish an educational system that consolidates national unity and serves as the engine of the country’s socio-economic development; (iv) ensure equitable universal access by the population to health services, nutrition and drinking water; (v) promote respect for and exercise of the political, social, economic and cultural rights of all Mauritians, and strengthen social cohesion; (vi) consolidate political governance in all its dimensions; (vii) develop the agro-pastoral potential and ensure food security; (viii) promote gender-based development; and (ix) improve the performance and impact of public policies.

3.2 CHALLENGES AND WEAKNESSES

3.2.1 There are many impediments to Mauritania’s development. The major challenges include insufficiently shared growth, poor governance, a sub-optimal agricultural sector, an infrastructure gap, etc.

3.2.2 Insufficiently shared growth: this challenge is mainly due to: (i) a growth model driven by the extractive sector (notably mining) that is not capable of creating many job opportunities; and (ii) inadequate basic infrastructure. High job-creating sectors such as agriculture and fisheries that promote inclusive or shared growth continue to grapple with various factors such as climatic conditions, low productivity, etc. In addition, spatial and income inequalities persist (the Gini coefficient was estimated at 34% in 2014). Inadequate basic infrastructure (water, energy and sanitation) limits access to basic services and goods by the population, especially those living in rural and sub-urban areas, resulting in exclusion. Besides efforts made to bridge the infrastructure gap through public investment, the Government has launched several initiatives to promote inclusive growth (the Private Sector Development Strategy, the Social Protection Programme, etc.). It enjoys the support of TFPs such as the Bank and the World Bank.

3.2.3 Poor governance: despite efforts made by the Government, the country continues to face numerous and diverse governance problems, including corruption, institutional weaknesses, insufficient public service delivery, sub-optimal natural resource and public finance management, poor governance of public and semi-public enterprises, poor land governance and inadequate participation of women in the management of public affairs. These problems seriously impede the country’s development and hamper the sharing of growth and the country’s capacity to tackle economic shocks. The Government has initiated programmes to improve the country’s governance with the support of TFPs.

3.2.4 The potential of the agricultural sector (including stockbreeding), which is the largest employer in the country (60% of the labour force), is largely untapped due to many constraints, including low development of the potential of irrigable areas, very poor performance of agricultural development programmes, difficulty that the poor and women have in accessing land (especially rural women for whom farming remains the main economic activity), climate change-related risks and low productivity. Consequently, Mauritania suffers from a perennial shortage of food. Local production varies greatly according to climatic cycles. On average, production covers only 30% of the country’s food needs and 60% of production is from rain-fed farming, which is the main - if not the only - activity of the majority of the rural population. In addition, the shift in the policy of agricultural investment along the valley to export-oriented production has seriously crippled and marginalized the activities of rural smallholders, particularly women who carry out subsistence farming, market gardening and food processing for household consumption. The lack of investment in food production and processing in rural areas has had a negative impact on productivity and food security. To revive the agricultural sector, the National Agricultural Development Plan (PANDA) for the 2015-2025 period is being implemented, with the support of TFPs.

3.2.5 Very limited access to electricity: the electricity access rate in Mauritania is low due to difficulties in expanding the network and the dispersed nature of demand, making interconnection difficult. This rate was estimated at 34% in 2013 (against 24% in 2004). There is wide disparity according to place of residence. In urban areas, the access rate is estimated at 34%, against only 5% in rural (and sub-urban) areas. Power consumption increases by more than 10% annually. Electricity demand (including the national network and the mining industry) is expected to increase from 411 MW in 2013 to between 840 MW and 1 400 MW in 2025 (corresponding to low and high growth scenarios). This trend reveals the need for substantial investments in the sector in view of the installed generation capacity which is estimated at 350 MW, 75% of which is based on heavy fuel oil (pollutant). The cost of electricity generated by the mini-networks serviced at an average of USD 0.54/kWh in 2014, against USD 0.16/kWh for the network managed by the Mauritanian Electricity Corporation (SOMELEC) which is planning to cut production costs by up to USD 0.10/kWh when the Banda gas deposit discovered in 2001 will be used to generate power. However, the rates charged by SOMELEC as approved by the Ministry of Energy, do not enable it to cover all its expenses. SOMELEC faces high technical and commercial losses, forcing it to resort to State subsidies. Furthermore, the review of the sector’s institutional framework underscores the need for better coordination due to the multiplicity of actors, and for capacity building. To address sector difficulties and constraints, there are plans to extend the network from major consumption centres under the “2012 Master Plan for Power Generation and Transmission in Mauritania” and public authorities are encouraging the diversification of sources of power generation, particularly clean energy sources (sun, wind, etc.), and attracting private capital to the sector.

3.2.6 The weaknesses delaying or impeding the country’s development include limited human capacity in the administration (particularly in planning, monitoring and evaluation of investment projects/programmes in ministries, public resource management, public policy implementation, coordination of activities between various actors, etc.) and inadequate capacity to use the financial resources that are mobilized.


3.3 STRENGTHS AND OPPORTUNITIES

3.3.1 In terms of strengths, Mauritania enjoys macro-economic stability and economic vitality, reflected in its robust growth. It also enjoys sub-regional influence through its involvement in conflict resolution and leadership in initiatives such as the Sahel G5. In addition, the country has a strategic geographic location as it lies at the junction between the Maghreb and sub-Saharan Africa.

3.3.2 Regarding opportunities, Mauritania has a natural potential that can help it to calmy address development challenges. Thanks to the Senegal River, it has a significant potential in terms of irrigable land, whose development was initiated following the construction of major dams within the framework of OMVS. Mauritania also has a large livestock potential that enables it to be self-sufficient in red meat. Mauritania’s coastline is one of the world’s richest fishing grounds. Accordingly, the fisheries sector is one of the potential drivers of the country’s economic growth. It is also blessed with extensive mineral resources (iron ore, gold, copper, phosphate, etc.). With an iron ore output of 13 million tonnes in 2014/2015, Mauritania is one of the five leading producers on the African continent. Large gas deposits have been discovered in Banda. The exploitation of this gas could help to generate electricity at low cost and in sufficient quantity to envisage exports to Mali and Senegal. Mauritania’s renewable energy potential is substantial. The solar photovoltaic (PV) potential is estimated at 2 000 to 2 300 kWh per square meter per year (kWh/m²/year).

3.4 RECENT DEVELOPMENTS IN AID COORDINATION AND BANK POSITIONING IN THE COUNTRY

3.4.1 Recent Developments in Aid Coordination/Harmonization

3.4.1.1 The existing mechanism for coordinating official development assistance in Mauritania is governed by Prime Ministerial Decree No. 2015/11 establishing the institutional mechanism for the design, implementation, monitoring and evaluation of the PRSP. This decree repealed and replaces the provisions of Decree No. 2007-103. It abolishes technical working groups (TWGs) and strengthens the sector technical committees placed under the supervision of ministers. Furthermore, national authorities hold quarterly consultation meetings with TFPs in keeping with the recommendations of the Paris Declaration which encourages harmonization, the development of synergies, mutual accountability, etc. These meetings are chaired by MAED (which became the Ministry of Economy and Finance – MEF – on 9 February 2016).

3.4.1.2 The donor community also has a consultation framework for promoting better collaboration in their various thrust areas. This framework is based on ten (10) TFP Sector Coordination Groups covering themes such as the private sector, rural development, economy and finance, etc.

3.4.1.3 Thanks to its physical presence in Nouakchott, the Bank actively participates in the abovementioned aid coordination frameworks. More specifically, it has been contributing to quarterly consultation meetings between the State and TFPs since end-2014. The Bank also participates in the deliberations of five TFP sector coordination groups and co-chairs the Private Sector Group with the World Bank. Therefore, it has established a strategic partnership with the World Bank through joint initiatives to support the Government in promoting PPPs. The Bank, together with the World Bank, EU, UNDP, ONS, and MEF, also participates in the Technical Committee established to advise and assist the Government on its strategic issues and in preparing meetings between the State and Donors (evaluation of PRSP implementation, preparation of the Post-2015 Development Strategy, Doing Business reforms, etc.).

3.4.2 Key Development Partners and their Thrust Areas

3.4.2.1 Mauritania receives multiformated aid from many TFPs. The volume of aid received over the past five years, which is estimated at USD 4.5 billion, is significant considering the size of the country’s economy. The Arab Fund for Economic and Social Development (AFESD) and China are the country’s leading donors, followed by the European Union, the Islamic Development Bank, the World Bank, Spain, Saudi Arabia, France, etc. (Annex 6).

3.4.2.2 The operations of key multilateral and bilateral development partners show some degree of complementarity in their activities, particularly the concentration of action on the country’s major development challenges. Thus, their main areas of intervention are infrastructure, which absorbs a little more than half of total aid (51.9%), governance (12.9%), vocational training and employment (6.8%), water supply and sanitation (5.6%), and agriculture (5.2%). On a purely sector basis, the energy sector is the leading beneficiary of aid with 23.9% of total aid, followed by the transport sector (22.1%). AFESD and China play a prominent role in these sectors, each contributing more than USD 500 million. The IsDB is the second largest contributor in the energy sector with about USD 180 million, while the EU is the second largest contributor in the transport sector with about USD 170 million. The Bank is one of the leading contributors in the agricultural sector with USD 34 million, after AFESD and IPAD. Considering its budget support during the 2014-2015 period, the EU plays a prominent role in the governance sector, contributing USD 236 million.

3.4.3 Bank Positioning in the Country

3.4.3.1 The Bank started its operations in Mauritania in 1972. Since then, it has financed 75 operations for a total UA 528 million, 44.6% of them loans from the AFD window, 53.6% ADF grants and loans, and 1.8% NTF loans and grants and other sources. The mining and industry sector was the major beneficiary of Bank financing with about 41% of the total volume of financing, followed by agriculture, governance, water and sanitation, and the social sector with 10% to 13% each.

3.4.3.2 The Bank’s portfolio in Mauritania comprises 10 operations for a total commitment of UA 139 million (see Annex 5). The public sector projects portfolio comprises nine projects, seven of which are financed by the ADF, including a multinational project. ADF financing stands at UA 23.3 million. Support provided through trust funds and other special initiatives amounts to UA 4.35 million, of which an emergency humanitarian assistance operation financed by the Special Relief Fund (SRF), two technical assistance operations financed by FAPA (technical assistance to SNIM) and NEPAD-IPPF (Feasibility Study on the Regional Project to Build the Rosso Bridge) and financing under RWSSI. Currently, the portfolio has only one operation with no sovereign guarantee, namely a UA 111.75 million loan to finance the SNIM Extension Project (Gueuls II).

3.4.3.3 The average age of the Bank’s public sector operations portfolio is 3.2 years. The disbursement rate is 15%. This portfolio has no problem project (PP) or potentially problematic project (PPP). However, it should be noted that a technical assistance operation (financed by FAPA for SNIM) is facing implementation difficulties (due particularly to the poor mastery of Bank procedures).

3.4.3.4 The various portfolio performance reviews show that conditions precedent to first disbursement are not always met on time. Project monitoring and evaluation – by MEF and executing agencies – is also insufficient. Regarding fiduciary aspects, the periodic financial information that should be included in quarterly progress reports (QPRs) is not often exhaustive and audit reports are often submitted late, although their quality has improved. It is also important to mention the recurrent problems regarding the management of special accounts in terms of the eligibility of expenditure charged to the accounts and delays in paying back balances of these accounts for completed projects. Lastly, there are weaknesses in the mastery of Bank procurement procedures, often delaying the implementation of operations.
3.4.3.5 The Bank’s physical presence in Mauritania as reflected in the activities of the Resident Chief Economist and the operationalization of a Liaison Office based in the Ministry of Economic Affairs and Development (now MEF) was warmly welcome by the national authorities and technical and financial partners (TFPs). During the presentation of the report of the Bank portfolio performance review mission in 2014, the Minister of Economic Affairs and Development stated that this physical presence has enabled the Bank to better contribute to aid coordination, to be more visible and to better harmonize its actions with those of other TFPs. It has also helped to strengthen the monitoring of Bank projects, particularly through the introduction of joint quarterly meetings to monitor cooperation between Mauritania and AfDB.

3.4.4 Lessons Learned

3.4.4.1 Lessons Learnt from the Previous Strategy

The review of CSP 2011-2015 implementation and the permanent dialogue with the national party helped to draw the following lessons that proved useful in preparing the new CSP 2016-2020.

• Need to build on CSP 2011-2015 achievements. Given the results already achieved in CSP 2011-2015 areas of intervention (particularly outputs and positioning in such areas), the Bank should build on these achievements during the 2016-2020 period in order to consolidate its position as the Government’s preferred partner, to continue the gradual implementation of the 2013 Road Map for promoting genuine inclusive growth and to foster the transition to green growth. This concern also featured in CODE’s guidelines during the review of CSP 2016-2020 pillars.

• Relevance of non-financing activities. These activities, namely advocacy, policy advice, technical support and non-project/programme capacity building, were instrumental in achieving expected CSP 2011-2015 outcomes. They completed and often supplemented project/programme activities. In this respect, they will be necessary during CSP 2016-2020 implementation.

• Promoting a results culture. To avoid delays in implementing Bank-funded projects/programmes, Bank project/programme teams should increasingly foster a results culture that goes beyond approvals and procedures, and ensure the effective and timely implementation of project/programme activities.

• Need to seek complementarity and create synergies. The limited ADF resources allocated to the country and lack of resources specifically earmarked for ADF countries to carry out engineering and analytical work constitute a major constraint in implementing Bank activities. This constraint can be removed by mobilizing other partners to build strategic partnerships capable of enhancing the impact of Bank operations. In addition, the programme-based approach could be envisaged. Furthermore, the CSP 2011-2015 strategic orientation (with two pillars) was a critical factor in considering the Bank as the preferred partner in promoting inclusive growth since it facilitated and justified the Bank’s multifaceted and gradual action in implementing the 2013 Road Map for promoting more inclusive growth in Mauritania. This approach is expected to inform the 2016-2020 strategy, while remaining selective.

• Far-reaching impact of the Bank’s presence on the ground. The Bank’s presence through its Liaison Office has strengthened the visibility and impact of its operations, and improved dialogue and coordination with other partners. In some cases, its presence has also supported the achievement of CSP outcomes. The momentum it has created is expected to continue during the 2016-2020 programming cycle.

3.4.4.2 Lessons Learned from the Portfolio

• Improvement of portfolio quality: the various country portfolio performance reviews conducted during the 2011-2015 programming cycle showed that enhanced monitoring of projects is a key element for their timely implementation and, consequently, improved performance. Therefore, the Mauritanian authorities have established a monitoring and evaluation unit at MEF, which should be operationalized. The Liaison Office has also been instrumental in monitoring the Bank’s portfolio in Mauritania by assuming leadership in the institutionalization and holding of quarterly meetings on portfolio monitoring and PPIP implementation in Nouakchott. These meetings constitute a platform for dialogue and formulation of proposals between the Bank’s Liaison Office, the Government and Bank Project and Programme Coordinators.

• Need for the appraisal of mature projects: the appraisal of “mature” projects based on recent and quality engineering studies is a key factor in ensuring good quality at entry of operations and their satisfactory implementation, and guaranteeing the achievement of development objectives. More specifically, the conduct of prior engineering studies/analytical work is a decisive factor in the timely and efficient implementation of projects and, thus, a condition for the appraisal of operations submitted to the Bank for financing.
IV. BANK GROUP STRATEGY FOR THE 2016-2020 PERIOD

4.1 RATIONALE FOR BANK GROUP’S INTERVENTION

4.1.1 The Bank’s continuous commitment to help Mauritania in promoting inclusive (or shared) and green growth is largely justified by the challenges and threats facing the country. Despite the economic upturn experienced in recent years and institutional stability, Mauritania continues to face numerous economic and social challenges. The country is plagued by problems that make it vulnerable on many fronts such as low inclusive growth, weak governance, and capacity, etc. (see Sub-section 3.2 on challenges and weaknesses). Growth is still dependent on the extractive sector, which creates few jobs and does not redistribute income. Agricultural production is suffering the effects of extreme weather events (alternating periods of flood and drought), hence the country’s chronic food insecurity and vulnerability to swings in international food markets. Therefore, there is a need for the Bank to support agricultural transformation in Mauritania. To diversify its economy, Mauritania must increase and improve power supply and reduce its cost in view of growing demand for electricity. This will help to end the exclusion of the rural population only 5% of whom have access to electricity, reduce the hardship faced by rural women in their household chores and farm work, and contribute to the reform of COP21 commitments in the event of recourse to clean energy sources (sun, wind, etc.). Consequently, it is important that the Bank contribute to increasing power supply.

4.1.2 The objective of Government action for the post-2015 period is to promote shared prosperity and build the country’s resilience to various shocks. The Bank’s interventions in Mauritania during the new programming cycle (2016-2020) will consist in supporting the country to achieve this development target, in keeping with the Bank’s strategic guidelines. Therefore, the main objective of the CSP 2016-2020 will be to assist Mauritania in achieving more inclusive and green growth at the end of its implementation. The country’s concerns about shared prosperity and its resilience capacity, both of which contribute to achieving sustainable development, are achievable through more inclusive growth and green growth.

4.1.3 This document was prepared following an extensive participatory process and in keeping with the new approach to CSP preparation, including prior consultation with CODE. Dialogue with all Mauritanian stakeholders (the Government, private sector, academia, civil society and beneficiaries of Bank programmes/projects) and TFPs was held on the ground in the second half of July 2015. The outcomes of this dialogue as well as the Joint CSP 2011-2015 Completion and 2015 Country Portfolio Performance Review (CPPR) Report helped to draw very valuable lessons and inform CSP 2016-2020 preparation whose draft pillars were presented to CODE on 2 November 2015. After the meeting held by CODE, dialogue continued with stakeholders in the field and focused on the outcomes of the meeting held by CODE and the key CSP 2016-2020 strategic and operational guidelines. All these communication efforts on CSP 2016-2020 led to its ownership at the national level. This impetus will continue during CSP 2016-2020 implementation.

4.1.4 The guiding principles underlying the new Bank strategy are: selectivity, emphasis on results, partnership, gender promotion, economic efficiency, respect for the environment and equity. Regarding selectivity, the Bank’s operations under the pillars will ensue from a filter (see Annex 4).

4.2 STRATEGIC ORIENTATION

4.2.1 Given the constraints and challenges faced by the country, the Bank’s intervention under CSP 2016-2020 will focus on the following pillars: (i) Promote Agricultural Transformation (Pillar 1); and (ii) Increase Power Supply (Pillar 2). These two pillars are areas in which the Bank has comparative advantage in Mauritania (better knowledge, expertise, etc.). This strategic orientation is the result of extensive consultation with the authorities. It also reflects the priorities identified by the 2013 Road Map for promoting inclusive growth in Mauritania. Furthermore, it is based on the Bank’s strategic frameworks and operational priorities as well as the conclusions of the analytical work carried out by the Government, the Bank and other TFPs (Gender Profile in Mauritania, Study on Growth and Employment Study, Evaluation of PRSP 2001-2015 Implementation, various sector reviews – for instance the Bank’s 2013 energy sector review, the WB study on energy sector subsidies and billing, etc.). This helped to identify priority areas in which the Bank will focus its assistance during the 2016-2020 period. These areas help to build on previous achievements made by the Bank in the country and to promote complementarity and synergy with other development partners to achieve development outcomes. Infrastructure and governance issues (pillars of the previous CSP) are addressed in each CSP 2016-2020 pillar.

Pillar I – Promote Agricultural Transformation

4.2.2 - The Bank’s operations under this pillar will contribute to facilitating transition from a purely traditional agriculture to a more modern and productive agriculture that is competitive on national, regional and international markets. This will help to build the country’s resilience to food insecurity and foster diversified, inclusive, green and sustainable economic growth that reduces inequalities and is geared towards job creation (key objectives 1 and 7 of SCAPP 2016-2030). The Bank’s intervention will be aligned on the guidelines of the Bank’s Strategy for African Agricultural Transformation for the 2016-2025 period, which is being prepared, through two catalysts for agricultural transformation (productivity and infrastructure). Further, it plugs into the Bank’s Youth in Africa Strategy 2016-2025 by promoting youth employment in agriculture. This pillar is also aligned on strategic thrust 2 of the Government’s General Policy Statement for the 2015-2019 period, namely the emergence of an economy that is competitive and generates shared growth. This pillar has linkages with the National Agricultural Development Plan (PANDA) 2015-2025, validated in December 2015, the National Food Security Strategy for Mauritania Vision 2020, and the Action Plan for African Agricultural Transformation adopted in October 2015 in Dakar. It focuses on two (2) thrusts, namely: (i) promoting agricultural value chains; and (ii) developing agricultural production support infrastructure.

4.2.3 Therefore, the Bank will focus particularly on the development of agricultural products by reinforcing storage, packaging and processing (setting up of integrated logistics platforms) and marketing facilities (organization and/or creation of markets for agricultural products, etc.). This will enhance the integration of upstream and downstream production activities. It will strengthen the link between agriculture and industrial and commercial sectors (development of agribusiness and agricultural trade). Prospects for PPPs in the agricultural sector will contribute to stimulating industrial agriculture involving private investment. The Bank will support reforms geared towards the diversification of the Mauritanian economy. The Bank is also planning to: (i) support the development of new irrigation infrastructure in rural areas (dams, water collection facilities, development of farmland, access infrastructure, etc., for the establishment of small-scale irrigation schemes); (ii) develop infrastructure and range management facilities (pastoral boreholes and wells, drinking troughs, agro-pastoral facilities); and (iii) promote the judicious management of natural resources (water, land, etc.) and the employment of youths and women in rural areas.

4.2.4 Bank assistance under this pillar will be provided through: (i) ongoing operations in the agricultural sector such as the Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel (P2RS) which ends in 2020, the components of PNISER which support the agricultural sector; and (ii) operations in the pipeline, such as the Agricultural Sector Transformation Support Project, and budget support. Gender and climate change issues will be systematically mainstreamed into all these operations. Concerning climate change, Bank operations under this pillar will, through water and soil conservation and erosion of dunes and windbreaks, reduce the impact of floods and droughts, control silting in alluvial depressions, promote underground water replenishment and check soil erosion by water.
Concerning gender promotion, special attention will be paid to women’s access to land and other factors of production. Their capacity will be built for the processing, storage and marketing of agricultural products. These operations will be implemented in synergy with those of TFPs such as AFESD, IFAD, WB (especially support to reforms), EU, the Kuwait Fund, etc., which play a significant role in this sector.

Pillar II – Increase Power Supply

4.2.5 Under this pillar, Bank operations will help to translate into action the Government’s strategy, which seeks to increase the population’s access to electricity and ensure secure power supply at low cost to foster the country’s economic development. In so doing, the Bank will align on key objectives 1 and 2 of SCAPP 2016-2020, namely to: (i) promote diversified, inclusive, green and sustainable economic growth that reduces inequalities and poverty, creates jobs and combats unemployment, to enhance resilience and shared prosperity; and (ii) reduce poverty and fight against the exclusion of vulnerable groups. This pillar is also in line with strategic thrust 2 of the Government’s General Policy Statement for the 2015-2019 period, which targets the emergence of a competitive and shared growth-generating economy.

The Bank’s action under this pillar is consistent with the orientations of its New Deal on Energy for Africa for the 2016-2025 period notably through flagship renewable energy development programmes and promotion of energy efficiency. The Bank’s action is also in sync with COP21 resolutions, among others.

4.2.6 Through this pillar, the Bank will significantly contribute to increasing the electricity access rate by financing the hybridization of mini-networks in rural areas in Mauritania. Hybrid mini-networks (diesel and renewable energy – PV or wind) have many advantages compared with the conventional mini-networks that operate only with diesel. First, the cost of power generation is low, estimated at USD 0.4/kWh (without subsidies), against USD 0.54/kWh for conventional mini-networks. Hybrid mini-networks also promote public utility and private sector models that can be implemented through public-private partnerships. In addition, hybrid mini-networks fall within the framework of the strategic option adopted by national authorities to increase the share of renewable energy in the national energy mix to at least 20% by 2020 (the share in 2015 is estimated at 15%). Lastly, the use of hybrid mini-networks will enable Mauritania to honour its COP 21 commitments in terms of reducing its GHG emissions by 22.3% in 2030, compared with projected emissions in the same year. The hybridization of conventional mini-networks (diesel) in rural areas, whose unit cost is estimated at about USD 600,000, can be financed with the “limited” ADF performance-based allocation for Mauritania.

4.2.7 Bank operations under this pillar will also strengthen sector governance, particularly the renewable energy resource sub-sector. In this regard, the Bank will contribute to improving the coordination of actions in the sub-sector and building human and institutional capacity for improved operation of hybrid mini-networks. Women in rural areas will benefit in many ways from hybrid mini-network installation. Access to power in rural areas will not only reduce household expenditure, but also afford women more time to engage in income-generating activities. Thus, access to electricity will improve the living conditions of women and empower them economically.

4.2.8 Bank action under this pillar is consistent with the operations of other partners. Thus, the Bank encourages the coordination of TFPs in this sector. The TFPs financing off-grid electrification initiatives in Mauritania include UNDP, GEF, the International Renewable Energy Agency (IRENA), the Abu Dhabi Fund for Development (ADFD) and AFD, with the latter providing USD 25 million to finance the Kiffa hybrid power plant. UNDP and AFD are in the process of approving a project worth approximately USD 9 million to finance the installation of mini-networks using hybrid technologies in four localities in Mauritania. The Bank may also contribute to financing the interconnection of the national electrical network to the OMVS network in the event of eligibility to the ADB public sector window.

4.2.9 The Bank will build on its previous and ongoing operations in this sector and in related domains. In this regard, the following can be mentioned: (i) the interest shown by the AfDB Window and ALSF in financing the restructuring and implementation of the “Banda Gas-to-Power” Project, which is being designed; and (ii) the strategic partnership between the Liaison Office (with the support of the Regional PPP Hub in Tunis) and the World Bank to assist the country in establishing an appropriate legal, institutional and regulatory framework for PPP promotion, etc.

4.2.10 The two pillars proposed for this strategy paper are also consistent with the Bank’s strategic and operational orientations contained in the High 5s, the Bank’s Strategy for the 2013-2022 period, the Bank’s Gender Strategy for the 2014-2018 period and the Jobs for Youth in Africa Strategy 2016-2025. Thus, CSP 2016-2020 Pillar 1 is aligned on the Bank’s second High 5 “Feed Africa”, as well as with the action points of the October 2015 Dakar Conference. CSP 2016-2020 Pillar 2 is in keeping with the Bank’s first High 5, “Light up and power Africa”. The two CSP 2016-2020 pillars are designed to achieve the main objectives of the Bank’s Strategy for the 2013-2022 period (inclusive growth and transition to green growth). The lines of credit that the Bank could put at the disposal of Mauritanian financial institutions will contribute to supporting the development of the country’s private sector, including activities under the two pillars.

4.3 EXPECTED OUTCOMES AND TARGETS

4.3.1 Pillar I : Promote Agricultural Transformation

Thrust 1 - Promote agricultural value chains

4.3.1.1 Outcome 1 – Increased value added of the agricultural sector: to achieve this outcome, the Bank will work towards sustaining and improving production (plant, animal and fish) systems and increasing and diversifying agricultural production (key sectors: rice, wheat, maize, horticulture commodities, etc.). The Bank will also support reforms geared towards promoting the diversification of the Mauritanian economy (especially land reforms, the institution of an appropriate institutional and fiscal framework for PPPs in all key diversification sectors, etc.). This will reduce the high dependence on the mining sector. The development of value chains will lead to the transformation and enhancement of the value of agricultural products, thus facilitating the linkage between agriculture and the industrial and trade sectors.

Thrust 2 – Develop agricultural production support infrastructure

4.3.2.1 – Outcome 3 - Improved access to electricity in rural and peri-urban areas

To achieve this outcome, the Bank will promote the installation of hybrid mini-power networks in half a dozen localities (wind power plants and/or solar panels, and construction of mini-transmission and distribution networks). To operationalize these hybrid mini-networks, the Bank will ensure the prior establishment of a proper functional mechanism. It will also contribute to: (i) building the capacity of the entities or teams responsible for managing hybrid mini-networks; and (ii) establishing the institutional framework for the regulation of the renewable energy sub-sectors. The gender dimension will be mainstreamed into these Bank operations.
**4.4 FINANCING, AND LENDING, ANALYTICAL WORK SUPPORT AND ADVISORY PROGRAMME**

4.4.1 – Financing of the CSP 2016-2020 and lending/grant operations: the lending/grant programme will be financed with ADF-13, ADF-14 and ADF-15 resources. Given the limited amount of these resources (UA 15 million for the performance-based allocation – PBA – for the ADF-13 cycle), ADF annual allocations will serve more as a lever to mobilize supplementary or complementary resources within the framework of co-financing. Based on a conservative assumption, the expected ADF performance-based allocation resources during the CSP period would be UA 25 million. The search for and recourse to trust funds and other funds (NTF, Climate Change Facility, etc.) will be systematic in order to also address the insufficient ADF allocations. Recourse can be made to the AfDB public window to finance some sovereign projects, but it is not certain. The Government has submitted a request to the Bank for access to this window, following the introduction in May 2014 of the possibility for ADF-only countries to benefit from the AfDB window to finance some eligible public sector projects. The examination of this dossier has been suspended pending an improvement in the country’s debt distress risk to an acceptable level (moderate or low). Recourse to the AfDB “non-sovereign guarantee” window will also be envisaged for operators eligible for this window to support the Bank’s action under the two strategy pillars. In this regard, special attention was paid to the prospect of using the Bank’s new financial instruments (notably Partial Risk Guarantee and Partial Credit Guarantee), and continuing cooperation with SNIM which is a traditional customer of the Bank. Despite a gloomy international mining market, this approach has already helped to identify an operation together with SNIM, which is included in the pipeline. Private sector operations could take the form of lines of credit, partial guarantees, or senior loans. For their part, public sector operations will be in the form of concessional loans for investment projects and grants for institutional support and technical assistance operations.

4.4.2 - Non-lending operations: the Bank will continue to provide policy/budget advice to the Government and, in collaboration with other development partners, build human and institutional capacity to overcome the weaknesses described in paragraph 3.2.8. The technical assistance will enable the Government to prepare projects, support project implementation, support the implementation of reforms, and build institutional capacity in line with the sector and thematic priorities of the new CSP. The Bank will also carry out analytical work to support policy dialogue. Economic and sector work (ESW) on the determinants of agricultural productivity will be carried out in 2017 and another on the scope of structural transformation in 2019. The first ESW relates to CSP Pillar I, while the second ESW concerns both pillars of the CSP. Moreover, Mauritania could participate in a regional project on the study on sustainable land governance in Africa. Discussions on whether or not to implement this project is ongoing under the auspices of the Bank’s Research Department.

4.5 MONITORING AND EVALUATION OF BANK GROUP INTERVENTION

4.5.1 CSP 2016-2020 implementation will be monitored and evaluated on the basis of the results-based logical framework (Annex 1), which is aligned on the strategic and operational frameworks of the country and the Bank, particularly regarding expected outputs and outcomes (results). Reporting on various projects (outputs and outcomes) will be coordinated together with the General Directorate of the IPCEs of MEF and the National Statistics Office. Annual country portfolio performance reviews will inform the Bank during operations review and implementation of activities planned. The CSP mid-term review in 2018 and CSP completion report in 2020 will assess the strategy’s outcomes at mid-term and completion.

4.6 COUNTRY DIALOGUE ISSUES

4.6.1 The Bank plans to continue dialogue with national authorities, especially through its physical presence on the ground. Dialogue issues will focus notably on portfolio performance, the country’s commitment capacity, the establishment of a project reserve and the promotion of inclusive and green growth. Concerning portfolio performance, special attention will be paid to programme and project implementation monitoring and evaluation, and management of special accounts. Regarding the country’s commitment capacity, the Bank continues to monitor Mauritania’s debt distress risk. In connection with the promotion of inclusive and green growth, the Bank will specifically monitor various factors of the country’s vulnerability (environmental, political, economic and social vulnerability).

4.7 MAIN RISKS AND MITIGATION MEASURES

4.7.1 The factors of endogenous and exogenous risks that could impede CSP 2016-2020 implementation mainly relate to: (i) the resurgence of sources of socio-political vulnerability; (ii) dwindling public resources due particularly to the fall in world iron prices which could undermine the Government’s capacity to pay its counterpart contribution for project financing; (iii) the adverse effects of climate change; (iv) weak governance and fiduciary management (cf. Conclusions of the Country Fiduciary Risk Assessment in Annex 11), which could impede the smooth implementation of Bank-funded operations; and (v) weak capacity of local public works enterprises to satisfactorily execute contracts, in a context where the Bank plans to focus its intervention on irrigation and energy infrastructure.

4.7.2 The first risk will be mitigated by building the country’s resilience and social cohesion capacity, carrying on and prioritizing reforms and their scheduling to ensure shared prosperity. To prevent the resurgence of sources of socio-political vulnerability, the Bank strongly encourages participation and consultation in its operations/initiatives, and in its dialogue with all stakeholders. In addition, the Bank is paying special attention to vulnerable groups, especially youths and women, and encouraging other development partners to do the same. To mitigate security-related sources of vulnerability, the regional approach through the Sahel G5 is encouraged to pool countries’ resources to enhance the efficiency of actions to be carried out. The second risk can be reduced by redoubling efforts to balance the budget, given that revenue is less than projected, improving the efficiency of public expenditure, and building a budgetary framework that takes into account non-renewable resources, with an integrated stabilization fund that facilitates gradual fiscal adjustments, and efforts to diversify and integrate the productive base. More specifically, the IMF is encouraging and supporting the country to adopt the aforementioned budgetary framework, which will contribute to preventing cycles of expansion and recession due to the volatility of revenue derived from the exploitation of natural resources. Given the country’s context, the Bank can be more flexible with Mauritania regarding the requirements of counterpart contribution in project financing. The third risk can be mitigated by ensuring long-term food security and resilience to climate change as well as targeted social safety nets that incorporate risk management and adaptation to climate change. In this regard, the Bank plans to develop an agricultural strategy that can contribute to the regeneration of resilient infrastructure. The fourth and fifth risks can be mitigated by targeted national capacity building programmes for government departments and enterprises. In this connection, examples include ongoing institutional support which seeks to build government capacity in public investment programming and management (PAGIP).

5. CONCLUSION ET RECOMMENDATION

5.1 This CSP was prepared through a broad-based participatory process. It derives from Mauritania’s and the Bank’s strategic and operational frameworks; it seeks to support the country in its efforts to promote shared prosperity and to build its resilience during the 2016-2020 period. In this regard, its programme focuses on: (i) promoting agricultural transformation; and (ii) increasing power supply.

5.2 The Boards of Directors are requested to consider and approve Mauritania’s CSP 2016-2020

### Goal: Promote Value Chains

<table>
<thead>
<tr>
<th>Problem: Heavy dependence on mining sector</th>
<th>Problem: Lack of incentive for PPIs</th>
<th>Problem: Land-related problems</th>
<th>Problem: Low private sector involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution of the agricultural sector to GDP increases from 3% to 5%</td>
<td>Access to land facilitated</td>
<td>Institutional and fiscal framework contains operational PPIs</td>
<td>Land and PPI reforms initiated</td>
</tr>
</tbody>
</table>

### Threat 1 - Promote Value Chains

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Achievement (expected at the end of the CSP period in 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High productivity agriculture sub-sectors</td>
<td>Building of agricultural products, processing, and marketing infrastructures</td>
</tr>
<tr>
<td>High productivity agriculture sub-sectors</td>
<td>Buildings of agricultural products, processing, and marketing infrastructures</td>
</tr>
</tbody>
</table>

### Goal: Develop Value Chains in the Agricultural Sector, Including Stable-pastoral and Fish Farming Activities

<table>
<thead>
<tr>
<th>Problem: Unfavorable environment to production activities in all sub-sectors (storage, processing and marketing)</th>
<th>Problem: Low productivity in agricultural sub-sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the income of agricultural producers in the project area</td>
<td>Operational and fiscal framework contains operational PPIs</td>
</tr>
</tbody>
</table>

### Mid-term Outcomes (expected at the end of the CSP period in 2016)

<table>
<thead>
<tr>
<th>Land reforms initiated</th>
<th>Operational support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building of agricultural products, processing, and marketing infrastructures</td>
<td>Land and PPI reforms initiated</td>
</tr>
</tbody>
</table>

### Annex

**Table 1: Promote Agricultural Transformation in Mauritania**

<table>
<thead>
<tr>
<th>Country/Development Goals</th>
<th>Problem: Lack of facilities for conservation, processing and marketing of agri-pastoral and fishery products.</th>
<th>Problem: High agricultural production loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the income of agricultural producers in the project area</td>
<td>Improvement of the income of agricultural producers in the project area</td>
<td>Building of agricultural products, processing, and marketing infrastructures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mid-Term Outcomes (expected at the end of the CSP period in 2016)</th>
<th>Mid-Term Outcomes (expected at the end of the CSP period in 2018)</th>
<th>PPIs Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of logistics platforms for developing agricultural products</td>
<td>Establishement of logistics platforms for developing agricultural products</td>
<td>National Agricultural Fund (NAF) and National Project (PAMPEJ)</td>
</tr>
<tr>
<td>Agricultural processing</td>
<td>Agricultural processing</td>
<td>Programmes to Build Resilience to Food and Nutrition insecurity in Mauritania (PRIPR) and Inclusive Growth Promotion Support Project (PAGOCI)</td>
</tr>
</tbody>
</table>

### Mid-Term Outcomes (expected at the end of the CSP period in 2018)

<table>
<thead>
<tr>
<th>Land reforms initiated</th>
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</tr>
</thead>
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</thead>
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<tr>
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<tr>
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</table>

### Mid-Term Outcomes (expected at the end of the CSP period in 2018)

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</table>

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</thead>
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### PPIs Operations

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</tr>
</thead>
<tbody>
<tr>
<td>Inclusive Growth Promotion Support Project (PAGOCI)</td>
<td>Inclusive Growth Promotion Support Project (PAGOCI)</td>
</tr>
</tbody>
</table>
### Pillar II: Increase Power Supply

<table>
<thead>
<tr>
<th>Problem</th>
<th>Demand for electricity on the increase and above installed capacity</th>
<th>Access to electricity in rural and peri-urban areas improved</th>
<th>Hydropower mini-networks established and operational in half a dozen rural and peri-urban areas</th>
<th>Financing agreement finalized and effective</th>
<th>Project to Construct Hybrid Mini-Networks in Rural and Peri-urban Areas (approval scheduled for 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural and periurban electrification insufficient</td>
<td>Proportion of renewable energy in the energy mix on the increase</td>
<td>Windmill and/or solar panel operation and maintenance guides available</td>
<td>Contracts for the construction of hybrid mini-networks negotiated, signed and effective</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor renewable energy sub-sector coordination</td>
<td>Sub-sector regulation improved</td>
<td>Persons involved in mini-networks management trained (30% of them women)</td>
<td>Technical support for the renewable energy sub-sector regulation institutional framework</td>
<td></td>
</tr>
</tbody>
</table>

| Country |Achievement of Development Objectives
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Electricity networks established and effective</td>
<td>Proportion of renewable energy in the energy mix on the increase</td>
<td>Windmill and/or solar panel operation and maintenance guides available</td>
<td>Persons involved in mini-networks management trained (30% of them women)</td>
</tr>
</tbody>
</table>
**ANNEX 2: Mauritania’s Comparative Socio-Economic Indicators**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Mauritania</th>
<th>Africa</th>
<th>Developed Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Human Development
- **Life Expectancy at Birth**
  - Mauritania: 70.4
  - Africa: 66.5
  - Developed Countries: 81.3

### Demographic Indicators
- **Birth Rate**
  - Mauritania: 43.2
  - Africa: 44.1
  - Developed Countries: 9.9

### Education
- **Primary School Enrollment**
  - Mauritania: 94.9
  - Africa: 60.4
  - Developed Countries: 97.0

### Health
- **Mortality Rate**
  - Mauritania: 28.2
  - Africa: 43.9
  - Developed Countries: 8.8

### Income
- **GDP per Capita**
  - Mauritania: 1,330
  - Africa: 1,380
  - Developed Countries: 11,300

---

**ANNEX 3: Mauritania’s MDG Status**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target: Reduce extreme poverty and hunger</th>
<th>1990</th>
<th>2001</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employment to population ratio, % (last 5 years)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

---

**MDG 1: Ensure a full and productive life for all**

- **Income per Capita**
  - Mauritania: 1,330
  - Africa: 1,380
  - Developed Countries: 11,300

---

**MDG 2: Achieve universal primary education**

- **Primary School Enrollment**
  - Mauritania: 94.9
  - Africa: 60.4
  - Developed Countries: 97.0

---

**MDG 3: Promote gender equality and empower women**

- **Female Enrollment in Primary School**
  - Mauritania: 60.2
  - Africa: 58.3
  - Developed Countries: 97.0

---

**MDG 4: Reduce child mortality**

- **Under-5 Mortality Rate**
  - Mauritania: 30.0
  - Africa: 43.9
  - Developed Countries: 8.8

---

**MDG 5: Improve maternal health**

- **Maternal Mortality Ratio**
  - Mauritania: 500
  - Africa: 550
  - Developed Countries: 10

---

**MDG 6: Ensure environmental sustainability**

- **Forest Area (as % of total land area)**
  - Mauritania: 9.5
  - Africa: 60.0
  - Developed Countries: 3.0

---

**MDG 7: Promote sustainable economic growth and employment**

- **GDP per Capita (constant 2005 US$)**
  - Mauritania: 1,330
  - Africa: 1,380
  - Developed Countries: 11,300

---

**MDG 8: Develop a global partnership for development**

- **Official Development Assistance**
  - Mauritania: 49.7
  - Africa: 73.3
  - Developed Countries: 1.1

---

**MDG 9: Combat HIV/AIDS, malaria, and other diseases**

- **Life expectancy at birth**
  - Mauritania: 68.7
  - Africa: 63.9
  - Developed Countries: 81.3

---

**MDG 10: Reduce the proportion of people in poverty by at least half**

- **Poverty Head Count Ratio**
  - Mauritania: 29.3
  - Africa: 43.9
  - Developed Countries: 8.8

---

**MDG 11: Achieve full and productive employment**

- **Employment to population ratio**
  - Mauritania: 100
  - Africa: 100
  - Developed Countries: 100

---

**MDG 12: Ensure sustainable management of all natural resources**

- **Energy Consumption**
  - Mauritania: 7.5
  - Africa: 78.2
  - Developed Countries: 3.0

---

**MDG 13: Control of climate change**

- **Greenhouse Gas Emissions**
  - Mauritania: 100
  - Africa: 100
  - Developed Countries: 100

---

**MDG 14: Substantially reduce the proportion of people in poverty**

- **Income per Capita (constant 2005 US$)**
  - Mauritania: 1,330
  - Africa: 1,380
  - Developed Countries: 11,300

---

**MDG 15: Achieve a full and productive life for all**

- **Life Expectancy at Birth**
  - Mauritania: 70.4
  - Africa: 66.5
  - Developed Countries: 81.3

---

**MDG 16: Ensure access to basic sanitation and drinking water**

- **Child Mortality Rate**
  - Mauritania: 28.2
  - Africa: 43.9
  - Developed Countries: 8.8

---

**MDG 17: Promote a new partnership for development**

- **Official Development Assistance**
  - Mauritania: 49.7
  - Africa: 73.3
  - Developed Countries: 1.1
ANNEXE 4 – Programme indicatif de prêts/dons

4.1 – Sur Financement FAD pour le nouveau DSP (DSP 2016-2020)

N.B: It should be noted that two ADF operations under the preceding CSP (CSP 2011-2015) initially scheduled for 2015 will finally be submitted for approval in 2016 because there were delays in their preparation. These are: (i) the Project to Support Micro-, Small-, and Medium-Size Enterprises, and Youth Employment (UA 5.1 million); and (ii) the Rosso Bridge Construction Project (UA 2.25 million – regional operation). These projects will be based on the Bank’s new strategic guidelines (notably the High 5s) and the pillars of Mauritania’s CSP 2016-2020. Hence, PAMPEJ is linked to Pillar 1 through the promotion of youth employment in agri-business. Similarly, by easing the circulation of persons and goods in the valley region (Mauritania’s breadbasket), the Rosso Bridge Construction Project will contribute to boost agricultural production and support the transformation of Mauritania’s agriculture. In this way, the Rosso Port Construction Project ties with Pillar 1 of CSP 2016-2020. In addition, concerning the Project to Construct Hybrid Mini-Networks in Rural and Peri-urban Areas scheduled for 2015 will finally be submitted for approval in 2016 because there were delays in their preparation.

4.2 – AfDB Financing for the New CSP (CSP 2016—2018)

4.3 – Selectivity filter based on the following criteria:

- Strategic alignment of proposed operations with national development priorities and the Bank’s 2013-2022 Strategy based on the High 5s
- Significant anchor to inclusive and/or green growth promotion
- Appropriate response to the country’s major development challenges
- Great potential for mobilizing additional resources or partnership for co-financing
- The Bank’s comparative advantages in the area
- Great potential for building on Bank achievements and operations in Mauritania
- The status of the portfolio in the sector benefiting from the operation

(x) Resources under ADF-13 (2014-2016) to be committed in 2016
(xx) ADF-14 (2017-2019) indicative resources
**ANNEX 7: 2015 PORTFOLIO PERFORMANCE IMPROVEMENT PLAN**

<table>
<thead>
<tr>
<th>Challenge/Problem Identified</th>
<th>Action Required</th>
<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
<th>Entity Responsible</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve project design quality</td>
<td>The implementation and/or adoption of institutional and fiduciary arrangements, loan and grant conditions, etc. should take into account lessons learned from Bank operations in the country sector.</td>
<td>Projects commence on time and complete before 2016. The implementation reports submitted quarterly.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
<td>AfDB/MAED/PIU</td>
<td>2016</td>
</tr>
<tr>
<td>Reduce project implementation timeframes</td>
<td>Prepare performance contracts for PIU staff with clearly defined objectives. Implementations milestones are reduced.</td>
<td>Projects are completed on schedule.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
<td>AfDB/PIU</td>
<td>2016</td>
</tr>
<tr>
<td>Ensure project requirements</td>
<td>Organize training sessions on Bank rules and procedures (government, financial management, etc.).</td>
<td>Better knowledge of ADR procedures by project implementers.</td>
<td>Number of active projects for which disbursements are uninterrupted for a period of more than 180 days.</td>
<td>AfDB</td>
<td>2016</td>
</tr>
<tr>
<td>Improve project monitoring</td>
<td>Organize quarterly portfolio coordination and monitoring meetings.</td>
<td>Better coordination between the various stakeholders.</td>
<td>Number of quarterly meetings involving the Bank, MAED, and executing agencies.</td>
<td>MAED/PIU</td>
<td>Quarterly 2016</td>
</tr>
<tr>
<td>Reinforce field mission efficiency</td>
<td>Ensure that supervision missions are multidisciplinary.</td>
<td>Easier implementation of supervision mission recommendations.</td>
<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
<td>Permanent</td>
</tr>
</tbody>
</table>

**ANNEX 6: AREAS OF INTERVENTION OF THE MAJOR TFPs (AMOUNT IN USD MILLION)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAURITANIE</td>
<td>2016.00</td>
</tr>
<tr>
<td>Case Study</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges/Problem Identified</th>
<th>Action Required</th>
<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
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<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
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</table>

**ANNEX 8: 2015 PORTFOLIO PERFORMANCE IMPROVEMENT PLAN**

<table>
<thead>
<tr>
<th>Challenge/Problem Identified</th>
<th>Action Required</th>
<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
<th>Entity Responsible</th>
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</thead>
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<tr>
<td>Improve project design quality</td>
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<td>AfDB/MAED/PIU</td>
</tr>
<tr>
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<td>Prepare performance contracts for PIU staff with clearly defined objectives. Implementations milestones are reduced.</td>
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<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
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<td>Number of quarterly meetings involving the Bank, MAED, and executing agencies.</td>
<td>MAED/PIU</td>
</tr>
<tr>
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<td>Easier implementation of supervision mission recommendations.</td>
<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
</tr>
</tbody>
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**ANNEX 9: 2015 PORTFOLIO PERFORMANCE IMPROVEMENT PLAN**

<table>
<thead>
<tr>
<th>Challenge/Problem Identified</th>
<th>Action Required</th>
<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
<th>Entity Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve project design quality</td>
<td>The implementation and/or adoption of institutional and fiduciary arrangements, loan and grant conditions, etc. should take into account lessons learned from Bank operations in the country sector.</td>
<td>Projects commence on time and complete before 2016. The implementation reports submitted quarterly.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
<td>AfDB/MAED/PIU</td>
</tr>
<tr>
<td>Reduce project implementation timeframes</td>
<td>Prepare performance contracts for PIU staff with clearly defined objectives. Implementations milestones are reduced.</td>
<td>Projects are completed on schedule.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
<td>AfDB/PIU</td>
</tr>
<tr>
<td>Ensure project requirements</td>
<td>Organize training sessions on Bank rules and procedures (government, financial management, etc.).</td>
<td>Better knowledge of ADR procedures by project implementers.</td>
<td>Number of active projects for which disbursements are uninterrupted for a period of more than 180 days.</td>
<td>AfDB</td>
</tr>
<tr>
<td>Improve project monitoring</td>
<td>Organize quarterly portfolio coordination and monitoring meetings.</td>
<td>Better coordination between the various stakeholders.</td>
<td>Number of quarterly meetings involving the Bank, MAED, and executing agencies.</td>
<td>MAED/PIU</td>
</tr>
<tr>
<td>Reinforce field mission efficiency</td>
<td>Ensure that supervision missions are multidisciplinary.</td>
<td>Easier implementation of supervision mission recommendations.</td>
<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
</tr>
</tbody>
</table>

**ANNEX 10: 2015 PORTFOLIO PERFORMANCE IMPROVEMENT PLAN**

<table>
<thead>
<tr>
<th>Challenge/Problem Identified</th>
<th>Action Required</th>
<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
<th>Entity Responsible</th>
</tr>
</thead>
<tbody>
<tr>
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<td>AfDB</td>
</tr>
<tr>
<td>Improve project monitoring</td>
<td>Organize quarterly portfolio coordination and monitoring meetings.</td>
<td>Better coordination between the various stakeholders.</td>
<td>Number of quarterly meetings involving the Bank, MAED, and executing agencies.</td>
<td>MAED/PIU</td>
</tr>
<tr>
<td>Reinforce field mission efficiency</td>
<td>Ensure that supervision missions are multidisciplinary.</td>
<td>Easier implementation of supervision mission recommendations.</td>
<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
</tr>
</tbody>
</table>

**ANNEX 11: 2015 PORTFOLIO PERFORMANCE IMPROVEMENT PLAN**

<table>
<thead>
<tr>
<th>Challenge/Problem Identified</th>
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<th>Expected Outcome</th>
<th>Verifiable Indicators</th>
<th>Entity Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve project design quality</td>
<td>The implementation and/or adoption of institutional and fiduciary arrangements, loan and grant conditions, etc. should take into account lessons learned from Bank operations in the country sector.</td>
<td>Projects commence on time and complete before 2016. The implementation reports submitted quarterly.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
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</tr>
<tr>
<td>Reduce project implementation timeframes</td>
<td>Prepare performance contracts for PIU staff with clearly defined objectives. Implementations milestones are reduced.</td>
<td>Projects are completed on schedule.</td>
<td>Number of projects for which PDs are validated and operational at the time of financing approval by the Bank.</td>
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</tr>
<tr>
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<td>AfDB</td>
</tr>
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<td>Improve project monitoring</td>
<td>Organize quarterly portfolio coordination and monitoring meetings.</td>
<td>Better coordination between the various stakeholders.</td>
<td>Number of quarterly meetings involving the Bank, MAED, and executing agencies.</td>
<td>MAED/PIU</td>
</tr>
<tr>
<td>Reinforce field mission efficiency</td>
<td>Ensure that supervision missions are multidisciplinary.</td>
<td>Easier implementation of supervision mission recommendations.</td>
<td>Number of supervision missions involving GOIP, and BCO.</td>
<td>AfDB</td>
</tr>
</tbody>
</table>
### ANNEX 8: Country’s Progress Towards Achieving the Millennium Development Goals

#### Key:
- Goal not achieved
- Goal not achieved, but significant improvement made
- Goal achieved

<table>
<thead>
<tr>
<th>MDG</th>
<th>Country Progress</th>
<th>MDG Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDG 1 – Eradicate Extreme Hunger and Poverty</td>
<td>Poverty Index (%)</td>
<td>1990</td>
</tr>
<tr>
<td></td>
<td>Prevalence of child malnutrition (%)</td>
<td>96.6</td>
</tr>
<tr>
<td></td>
<td>47.6</td>
<td>23.3</td>
</tr>
<tr>
<td>MDG 2 – Achieve Universal Primary Education</td>
<td>Enrollment ratio in primary education (%)</td>
<td>49.0</td>
</tr>
<tr>
<td></td>
<td>Primary education completion ratio (%)</td>
<td>49.3</td>
</tr>
<tr>
<td>MDG 3 – Promote Gender Equality and Empower Women</td>
<td>Ratio of girls to boys in primary education</td>
<td>0.73</td>
</tr>
<tr>
<td>MDG 4 – Reduce Child Mortality</td>
<td>Child mortality (per 1,000 live births)</td>
<td>137</td>
</tr>
<tr>
<td>MDG 5 – Reduce Maternal Mortality</td>
<td>Maternal mortality (per 100,000 live births)</td>
<td>930</td>
</tr>
<tr>
<td>MDG 6 – Combat HIV/AIDS, Malaria and other Diseases</td>
<td>Number of malaria cases (per 1,000)</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>HIV/AIDS prevalence rate</td>
<td>4-5%</td>
</tr>
<tr>
<td>MDG 7 – Ensure Environmental Sustainability</td>
<td>Proportion of people with access to drinking water (%)</td>
<td>37</td>
</tr>
</tbody>
</table>
ANNEX 11: CONCLUSIONS OF COUNTRY FIDUCIARY RISK ASSESSMENT – January/February 2016

1. Introduction

The main objective of Country Fiduciary Risk Assessment (CFRA) is, firstly, to assess the fiduciary risk inherent in each public finance management sub-system of a country, with a view to using it in implementing Bank-financed projects, and, secondly, to identify capacity building needs. This assessment covered Mauritania’s main public finance management systems, namely budget preparation and budget execution control, cash management, accounting management and financial information, internal control, external audit, procurement management and the fight against corruption. The assessment was conducted in accordance with the relevant new Bank guidelines and, notably, the April 2014 CFRA User Guide. It was based on the most recent diagnostic reports, especially Mauritania’s 2014 PEFA as well as regulatory instruments, guidelines and reports provided by the Mauritanian Administration or available on its websites, particularly that of the Treasury. It was also based on the conclusions of working sessions with the General Directorates of the former Ministry of Finance (MF), the former Ministry of Economic Affairs and Development (MAED) as well as the Public Procurement Regulatory Agency (ARMP), the National Public Procurement Control Board (CNCMP) and three (3) of the seven (7) existing Tenders Boards (CPMP). A complete and detailed version of the CFRA report is also available.

2. Main Conclusions: Bank Fiduciary Strategy in Mauritania

The Bank’s fiduciary strategy in Mauritania aims at strengthening the financial governance system through budget discipline, transparency, accountability and effective delivery of public services to citizens. It is part of the operationalization of the commitments of the Paris Declaration on Technical and Financial Partner (TFP) Aid Effectiveness. Also, taking into account the conclusions of the country fiduciary risk assessment conducted in January 2016 which shows a "substantial" fiduciary risk level regarding financial management, and a "moderate" risk level concerning procurement, the strategy is based on the following analyses:

- the recommended level of use of the public finance management system, including the public procurement system;
- the recommended level of use of the public procurement system;
- Bank support for public finance management reforms, including public procurement; and
- Bank support for portfolio performance and individual project management.

2.1. Recommended Level of Use of Country Public Finance Management System

The Government of Mauritania has adopted a strategic direction by preparing a Public Finance Management System Reform Master Plan (SDR-GFP) and an Operational Reform Plan (POR), while establishing a Public Finance Studies and Reform Unit (CERTIF). This institutional and operational mechanism for ongoing reforms addresses some significant fiduciary risk factors identified by this assessment. However, the reforms will require a lot of time to produce full outcomes. The fiduciary risks that the Bank must face in programme-based support operations (PSOs) should not be under-estimated, namely those relating to budget support operations, the key Bank approval fiduciary elements of which will be based on the improvement of the capacity of control institutions (Audit Bench, IGF, etc.) and the public expenditure administrative channel. Each public investment operation included in the CSP will undergo an assessment that will propose appropriate measures for mitigating the fiduciary risks specifically identified regarding the said operation.
In that connection, this CFRA will be the fiduciary risk management framework for all Bank operations during the CSP period. It will be updated and adapted to the implementation specificities of each operation during the CSP period.

If, despite the substantial level of risk associated with the use of the public finance management system, PSOs are proposed under the CSP, the Bank will re-
serve the right to systematically request an audit of the financial flows of the support operations and/or the performance of programmes that it deems necessary, based on the situation of the inherent fiduciary risk level and risks related to financial flows and cash management.

For public investment operations, the Audit Bench’s capacity building needs are such that the Bank cannot use any audit entity other than accounting firms to carry out financial and compliance audits during the CSP period. Also, with the exception of the cash sub-system, the use of national PFM rules, procedures and practices in designing and implementing Bank-fi-
nanced public investment projects cannot be envis-
age at the moment owing to the substantial fiducia-
ry risk level of each of the other sub-systems. In fact, only the cash sub-system globally and coherently has a moderate fiduciary risk level and, consequently, can be used through, for example, the opening of special accounts for public investment projects at the Central Bank of Mauritania (BCM).

2.2. Recommended Level of Use of Country Procurement System

Mauritania has made significant qualitative progress in the area of public procurement since the reform started in 2010 and the entry into force of a new sys-
tem in 2012. This opinion is shared by most of the available recent diagnostic reports on the country, in-
cluding PEFA 2014. The system’s legal and regula-
tory framework was assessed by the Bank in 2012 to determine whether or not to use it for local competi-
tive biddings financed with its resources. The assess-
ment revealed that Mauritania’s Public Procurement Code was based on international standards and complies with the principles of free access to public procure-
ment, equal treatment of bidders and transparent procedures. Save for a few relatively minor diver-
gence, the procedures contained in the public procure-
ment legal and regulatory framework in Mauritia-
nia were, on the whole, deemed compatible with the Bank’s procurement rules and procedures, and with related international best practices. This diagnosis en-
abled the signing on 4 February 2015 of a letter of agreement between the Bank and Mauritania on the use of Mauritanian procedures for Bank-financed lo-
cal competitive bidding for the procurement of goods and works.

During the new CSP period, the Bank will imple-
ment its operations in accordance with its new pro-
curement policy approved on 14 October 2015 and which will help to go beyond the mere use of national procedures. The new policy offers the possibility of using the entire national system (procedures and ins-
titutions). Its application will help to better optimize the use of resources thanks to a dynamic and diffe-
rentiated approach based on a good cost-quality ratio obtained through a better adaptation to procurement needs and objectives. In view of applying this new policy and probably using the Mauritanian public procurement system for some transactions, the Bank will (in collaboration with the Mauritanian Govern-
ment) carry out the following prior assessments: (i) assessment of the national public procurement system using the OECD/DAC methodology adapted by the Bank; (ii) assessment of the risks specific to the areas of focus included in this CSP; (iii) market analysis for goods, services and works to be procured, etc. These assessments will help to identify and mitigate risks according to the country, sector and project real-
ities and the transaction concerned, and to select the most appropriate procedure taking into account the country’s development goals.

2.3. Bank Support for Public Finance Management Reforms, including Public Procurement

The Bank will continue to contribute to establishing an efficient and transparent public finance manage-
ment system that is gradually aligned on international standards and aimed at promoting a culture of results and ensuring public expenditure efficiency. It will undertake to monitor the establishment of the PFM regulatory framework. This will mostly entail: (i) ac-
celerating the promulgation of the draft of the new Or-
ganic Law on the Budget Act billed for June 2016 and preparing the provisional schedule for its entry into force; and (ii) accelerating the ongoing revision of the General Public Accounting Regulations (GPAR) that should incorporate convergence towards IPSAS, the asset dimension and the institutionalization of the COFOG classification. In addition, the Bank will fo-
cus its support operations in the following areas:

- Establishment of an institutional schedule formali-
zing the organization of budget preparation;
- Performance-based budgetary approach;
- Building the capacity (staff strength, training in stock accounting and working tools) of the Assets Di-
rectorate set up in 2008 within the General Directo-
rate of State Property and Assets;
- Building the capacity of the General Inspectorate of Finance (IGF) and the Audit Bench;
- Incorporation of public investment expenditure financed with eternal resources into RACHAD and recording it in Beit El Mel;

2.4. Bank Support for Portfolio Performance and Individual Project Management

The Bank will continue to encourage the application of rules and procedures, and perpetuate best practices in fiduciary management for better project and pro-
gramme performance. This Bank objective will be achieved through the following activity thrusts:

- Provide counselling and technical assistance to executing agencies for the resolution of general or specific project or programme fiduciary management problems;
- In close collaboration with the Programme Ma-
nager and the Project or Programme Officers, ensure that projects and programmes submit audit reports within the deadline prescribed by the Bank;
- Organize fiduciary clinics to address the infor-
mation or training needs of project or programme executing agencies, MEF senior officers and external auditors;
- Take the initiative to establish harmonized fidu-
ciary management mechanisms in projects and pro-
grammes co-financed with other TFPs;
- Use reliable national fiduciary management sys-
tems in implementing Bank public investment opera-
tions.

The public procurement system is facing major ma-
nagement challenges. It lacks an exhaustive inte-
grated information system (IS) for collecting reliable statistics for decision-making and a training strate-
gy whose implementation will help to satisfactorily address stakeholders’ weak capacity, which is a major concern in the country. During the period covered by CSP 2016-2020, Bank support for the procurement system will take the form of technical assistance and/ or components incorporated into the governance and institutional support projects aimed at: (i) financing equipment to deploy the information system (IS) being studied; (ii) supporting issues relating to dema-
teralized procurement (electronic signature, e-pro-
curement, etc.); and (iii) training stakeholders in the various themes, including public procurement audit.
Mauritania has embarked on a public finance management reform process, and in 2012, the General Directorate of Financial Supervisory Authority undertook concrete actions to identify the State’s contributions in public establishments, establish a centralized database on their financial status and design a computer application to predict budget execution. The report on the execution of the State budget as at 30 June presents the amount of investment budgeted for the year but does not fully respond to the public’s information needs. Appropriation bills are not accompanied by sufficient information on corporate actions regarding the State’s contributions in public establishments. The General Directorate of Financial Supervisory Authority is undertaking concrete actions to identify the State’s contributions in public establishments and design a computer application to predict budget execution. The entire project aid is not managed according to national procedures in the sense that the programme is not transparent and that operational and financial information is not available to the public. The programme is not fully operationalized in 2015 with a preference for daily management. The cash flow manual is an appropriate and reliable system for managing resources flows and assistance fund disbursements.

<table>
<thead>
<tr>
<th>Systems and Sub-systems</th>
<th>Capacity Building Resources</th>
<th>Initial Risk</th>
<th>Mitigation Measures</th>
<th>Residual Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Management</td>
<td></td>
<td></td>
<td></td>
<td>M</td>
</tr>
<tr>
<td>2.1 The capacity of the cash management sub-system is sufficient to manage resource flows and assistance fund disbursements.</td>
<td>1.35</td>
<td>Cash flows operate on a cash flow manual that complies with the operational regulation or its equivalent. The processing of projects financed by multinational organizations is carried out by a regulatory instrument and is only used for budget projections and not for budget execution. The programme is not operationalized in 2015 with a preference for daily management. The cash flow manual is an appropriate and reliable system for managing resources flows and assistance fund disbursements.</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>2.2 The Single Treasury Account is an appropriate and reliable means of managing assistance funds.</td>
<td>2.84</td>
<td>The Single Treasury Account is appropriate and reliable for financial management and is only used for budget projections and not for budget execution. There is a cash flow plan implemented in 2011 based on the Budget Act, and broken down into quarterly, monthly, weekly, and daily components. The plan was operationalized in 2015 with a preference for daily management. The cash flow manual is an appropriate and reliable system for managing resources flows and assistance fund disbursements.</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Accounting and Financial Reporting</td>
<td>1.5</td>
<td>Summary and detailed account balance statements according to the accounting plan are submitted and approved by the Minister of Finance. The plan is not consistent with national or international information quality and financial transparency standards (PSAR standards).</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td>2.1 The capacity of the accounting management sub-system is sufficient to manage transactions and serve as a basis for drawing up exhaustive financial reports in due course.</td>
<td>1.35</td>
<td>The Single Treasury Account is appropriate and reliable for financial management and is only used for budget projections and not for budget execution. There is a cash flow plan implemented in 2011 based on the Budget Act, and broken down into quarterly, monthly, weekly, and daily components. The plan was operationalized in 2015 with a preference for daily management. The cash flow manual is an appropriate and reliable system for managing resources flows and assistance fund disbursements.</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>2.2 The financial management information systems are sufficiently flexible to meet specific report preparation requirements, and are governed by procedures that ensure compliance with prescribed deadlines and the frequency of information produced.</td>
<td>1.5</td>
<td>Summary and detailed account balance statements according to the accounting plan are submitted and approved by the Minister of Finance. The plan is not consistent with national or international information quality and financial transparency standards (PSAR standards).</td>
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<td></td>
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<td>S</td>
<td></td>
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</tbody>
</table>

The reform undertaken by the Government includes improving accounting, information and financial report quality in terms of content and frequency of production of such information. DOTCPA, with the support of the departments concerned, prepared a draft revision of the General Public Accounting Regulatory (GPAR) which takes into consideration the assets dimension of State accounting and refers to the provisions of the draft GPAR being prepared. There will be substantial discussions between the Bank of Mauritania and the Central Bank of Mauritania.
Insufficient intervention resources and tools (control manuals and tools, information and archiving systems and sub-systems), ISC has the capacity to ensure effective control, and reduces the technical supervision of the activities of controllers and the economic control function falls under the Ministry of Finance and the ministry where it is required.

The capacity of the internal control institutions is appropriate. Regarding salary expenditure, an ongoing IGF mission at the salary department has revealed that the network of Ministerial Financial Controllers (MFCs) currently being developed in Mauritania (ISGAD) provides for the revision of the finance control legal framework and organization in Mauritania.

Little coordination with internal control institutions (like the General Directorate of the Audit Bench), but there is no entity to discharge that duty. The mechanisms for uniformization of their tools such as procedures manuals. The organization chart of the Ministry of Finance shows that the General Directorate of the Audit Bench and the General Directorate of the General Inspection of Public Administration (IGE) have no mandate to ensure appropriate recording and data protection against deliberate manipulation and/or accidental data loss or corruption.

The accounting systems are partly documented and partly unprogrammed. The state budgetary and financial accounting system comprises an integrated fixed assets module. SYGAD (DDE) must maintain up-to-date files on the state property and keep a proper record of all assets. It uses SYGAD and the Integrated Data system (DDE) to manage debt. However, it has not yet been able to link these two systems. Experience sharing with other audit benches has increased. Coordination with IGF has started and helped to avoid control overlapping. The Public Finance Management System Reform Master Plan (SDFR) provides for a building and sub-systems.

Risk

<table>
<thead>
<tr>
<th>Systems and Sub-systems</th>
<th>Building Resources</th>
<th>Initial Risk</th>
<th>Mitigation Measure</th>
<th>Residual Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. External Audit</td>
<td></td>
<td>0.9H</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1. BC enjoy the level of independence required to efficiently discharge its duties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2. BC has the openly required to discharge its audit duty</td>
<td>0.75</td>
<td>Experience sharing with other audit benches has increased.</td>
<td>S</td>
<td></td>
</tr>
</tbody>
</table>
### Procurement System Performance Table

<table>
<thead>
<tr>
<th>Sub Indicator</th>
<th>Conditions to be Fulfilled</th>
<th>Fulfilment Level</th>
<th>Sub Indicator</th>
<th>Conditions to be Fulfilled</th>
<th>Fulfilment Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1a</strong> Field and Scope of Application of the Legislative and Regulatory Framework</td>
<td>(a) The system of legislative and regulatory standards is well defined and organized in a hierarchical manner (law, decree, regulations, procedures, etc.) and the order of precedence is clearly defined</td>
<td>YES</td>
<td>(b) All laws and regulations are published and easily accessible to the public free of charge</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) It takes into account goods, works and services (including consultancy services) under all procurements financed with funds from the national budget</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2b</strong> Procurement Methods</td>
<td>(a) The authorized procurement methods are clearly defined at an appropriate hierarchical level, as well as the conditions under which each of these methods can be used, including a condition stipulating approval by a civil servant who is held responsible</td>
<td>YES</td>
<td>(b) Procurement through open competitive bidding is the procurement method by default</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Public opening of bids, according to a defined and reported procedure, immediately after bid submission deadline</td>
<td>YES</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1. Legal and Regulatory Framework

- **(a)** The evaluation criteria must be consistent with the decision and clearly defined beforehand in bidding documents, in such a way that the said decision is taken solely on the basis of criteria outlined in the bidding documents.  
  - **Yes**
  - **(Sec. 18 of the Law)**

- **(b)** The criteria that are not evaluated in monetary terms are, as much as possible, evaluated on the basis of elimination factors.  
  - **Yes**
  - **(Sec. 18 of the Law)**

### 2. Bid Evaluation and Contract Award Criteria

- **(c)** The evaluation of proposals relating to consultancy services given enough importance to quality and regulates the manner in which prices and quality are taken into consideration.  
  - **YES**

### 3. Rules Relating to Advertisement and Deadlines

- **(d)** The splitting of contracts to limit competition is forbidden.  
  - **Yes**
  - **Dec. 31**

- **(e)** It is compulsory to publish the tender notice for any contract that is subject to call for open competitive bidding.  
  - **YES**

### 4. Submission, Receipt and Opening of Bids

- **(f)** The equality and confidentiality of bids are ensured prior to the opening of bids and the disclosure of specific and sensitive information during the reading of minutes is forbidden.  
  - **YES**

### 5. Complainant

- **(g)** The framework provides for the right to review granted to participants in a procurement process.  
  - **YES**

### 6. Legal Framework

- **(h)** The legal framework complies with the requirements that make it compulsory for the procurement agency to respond to requests for review, accompanied by an administrative review by an independent body established by the said agency, which has the power to take express measures, including the right to judicial review.  
  - **YES**

- **(i)** The framework provides for cases that can be reviewed.  
  - **YES**

### 7. Complaints

- **(j)** It sets standards for publication of decisions by the procurement agency and the administrative review body.  
  - **YES**
<table>
<thead>
<tr>
<th>1st. Participation Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) It stipulates that registration, where necessary, does not constitute an obstacle to participation in bidding and does not impose compulsory association with other enterprises</td>
</tr>
<tr>
<td>(b) It provides for exclusions in case of criminal or fraudulent activities and administrative banning pursuant to the Law. In a regular procedure or law on business relations.</td>
</tr>
<tr>
<td>2nd. Standard Bidding Documents (for Goods, Works and Services)</td>
</tr>
<tr>
<td>(a) Standard calls for tendering and bidding documents are provided for a wide range of goods, works and services procured by government bodies</td>
</tr>
<tr>
<td>(b) There is a set of standard and compulsory provisions or models in the legal framework designed to be used in documents prepared for competitive bidding</td>
</tr>
<tr>
<td>2d. Bidding Documents</td>
</tr>
<tr>
<td>(a) Bidding documents are updated and responsibilities for their preparation and updating are clearly defined</td>
</tr>
</tbody>
</table>

### Pillar II: Procurement Activities and Market Practices

| (a) The country has a law on arbitration | YES\(^{**}\) |
| (b) The law is consistent with generally accepted practices concerning the neutrality of arbitrators, the regular application of the law, and the binding nature of the ruling | NO\(^{**}\) |
| (c) The country admits international arbitration for international competitive bidding as common practice | YES\(^{**}\) |
| (d) The country has a process for compelling this aspect of contract management and handling contract execution problems | YES |

### Pillar III: Procurement Activities and Market Practices

| (a) All suppliers, regardless of nationality, are treated fairly and objectively | YES |
| (b) The country accepts international arbitration as a means of settling disputes because of the binding nature of such agreements | YES |

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Note: \(^{**}\) indicates specific criteria or conditions that may apply.
### Settlement Procedures
(e) The other dispute settlement provisions comply with standard international formulations (examples of best international practices include standardized bidding documents of IFIs)

| YES |

### Pillar IV: Procurement System Integrity and Transparency

#### 10a
(a) Decisions are adopted based on available information, and the final decision may be reviewed and ruled upon by a higher body or authority having enforcement powers under the law

| YES |

#### 2a
(a) Legal and Regulatory Framework for Combating Corruption, Conflicts of Interest and Ethical Behaviour

| YES |

#### 3a
(a) The procurement law or regulations duplicate this chapter's provisions and give precise instructions on how to incorporate this issue into bidding documents. Bidding documents contain appropriate provisions on fraud and corruption

| YES |

### Pillar III: Achievement Level

| Overall Risk Level Associated with Pillar III |
| Moderate |

### Pillar IV: Achievement Level

| Risk Level Associated with Pillar IV |
| Substantial |

### Niveau de risque

| Faible | Modéré | Substantiel | Élevé |

| Faible | Modéré | Substantiel | Élevé |

**Légende visuelle:**
- Faible
- Modéré
- Substantiel
- Élevé
END NOTE

1. There are a few contradictions between these instruments that require urgent correction after 4 years of implementation.


3. In practice, the Central Bank and SNN are exempted by a law (Banking law and an international establishment contract). However, following a Government decision, the Ministry of Defence has been removed from the list of the law establishing CIMP, even for non-security expenditures, in violation of the provisions of the law.

4. Article 13 of Decree No. 2011-180 of 07/07/2011 PM.

5. See Chapter 3. Part III of the Law establishing CIMP and Chapter 1 of Decree No. 2011-180 of 07/07/2011 PM. However, there is no indication as to conditions for using CIMP rather than (IUS).

6. Article 15(5) of Decree No. 2011-180 of 07/07/2011 PM.


8. Article 20 of Decree No. 2011-180 of 07/07/2011 PM.

9. Article 25 (negotiation to advertise) of Decree No. 2011-180 of 07/07/2011 PM.

10. Article 26 of Decree No. 2011-180 of 07/07/2011 PM.

11. Article 36 of Decree No. 2011-180 of 07/07/2011 PM concerning the organization and functioning of ARMP.

12. See Article 27 of Decree No. 2011-180 of 07/07/2011 PM.

13. No formal requisites to take the matter up with the contracting authority (CA) before CIMP. However, this is not forbidden in practice, the CA is always entitled either before or during the review of the compliant pursuant to the provisions of Article 41 of Decree No. 2011-111 concerning the organization and functioning of ARMP. The petition is then examined by CIMP, which is an independent administrative administration of the decisions of which are binding (Article 35 of the law establishing CIMP)


15. Articles 37 and 38 of Decree No. 2011-111 concerning the organization and functioning of ARMP.

16. Articles 3. 23. 24 and 35 of Decree No. 2011-180 of 07/07/2011 PM are (i) Article 27 - The certification of technical capacity; and (ii) Article 28. Again, the reasons that could explain the use of simplified consultation and direct contract are given in Sections 30 and 31 of the law establishing CIMP (‘the Law’).

17. Article 1 of Decree No. 2011-180 of 07/07/2011 PM.

18. Available EOs, although used by most contracting authorities, do not yet have the legal status of standard document designed for mandatory use. In fact, as stipulated in Article 11 of Decree No. 2011-111, the content of general documents (GCO; CCG and CCT), which are part of EOs can only be specified by regulation, which is not yet the case. The order by the Prime Minister which will solve the problem is awaited.

19. Article 2(3) of the Law states a principle, but does not provide for any mechanism for its implementation.

20. Article 1(3) of Decree No. 2011-111.

21. No indication as to how we select basically by quality and often use both technical quality and cost.

22. Article 23 of Decree No. 2011-180 of 07/07/2011 PM.

23. Article 12 to 16 of Decree No. 2011-180 deals with the issue. However, it is necessary to reformulate some procedures for selecting consultants to avoid confusion during their application (the case of selection based on a determined budget is crucial).


25. Article 12 to 16 of Decree No. 2011-180 deals with the issue. However, it is necessary to reformulate some procedures for selecting consultants to avoid confusion during their application (the case of selection based on a determined budget is crucial).


27. Although the regulatory instruments are used in most cases, they are not yet standardized and harmonized, and are existing in the order by the Prime Minister to acquire such status.

28. Law No. 2006-08 of 11 January 2007 instituting the Arbitration Code provides for terms and conditions for seeking internal and external arbitration.

29. The law on arbitration incorporates some divergent provisions (including the modifications of arbitral awards on appeal, and non-enforcement from the point of view of the arbitrators’ autonomy) in relation to international standards.

30. The CCGA provides arbitration by the United Nations Commission on International Trade Law or the International Chamber of Commerce for foreigners.

31. Article 41 of Decree No. 2011-111.

32. The law introduces a standard and robust procedure. It does not have a mechanism for monitoring the implementation of recommendations. It is characterized by: (i) insufficient qualified human resources; (ii) profile mismatch for some missions; and (iii) absence of any tools such as a control and/or auditors’ guide, a procedure manual, standard TFRs and standard audit report-models. A pre-notice audit of contracts by CIMP is not yet a reality.

33. Article 52 of Decree No. 2011-111.

34. Article 44 of Decree No. 2011-111.

35. Article 37 of Decree No. 2011-111.

36. Article 41 of Decree No. 2011-111.

37. Conflict of interest is not well covered. Individual consequences and penalties for civil servants are not explicit and merely refer to other instruments.

ANNEX 12: CONCLUSIONS OF MAURITANIA’S DEBT SUSTAINABILITY ANALYSIS PUBLISHED BY THE IMF IN FEBRUARY 2015

Summary: Mauritania’s risk of debt distress is rated high due to a breach of the debt-to-GDP ratio threshold under the baseline scenario. This represents a downgrade from the moderate risk of debt distress at the time of the 2012 Debt Sustainability Analysis. The downgrade is mostly due to a combination of higher projected debt disbursements and a more stringent level of the policy dependent debt thresholds as measured by the World Bank CPIA score. The expected resolution of bilateral debt relief with Kuwait and a hike in export-led growth are projected to lower Mauritania’s debt level and enhance the capacity of carrying debt over the next years; however, strengthening the quality of policies and institutions—and particularly debt management capacity—will prove critical to rapidly revert to a moderate risk of debt distress. Overall, external debt dynamics tend to follow public debt dynamics, while private sector debt represents a modest portion of external debt.

1. Mauritania’s risk of external debt distress has increased due to a combination of the reclassification of its institutional capacity and higher projected new debt disbursements. The new institutional capacity classification has resulted in lowering of Mauritania’s debt thresholds, including from 40 to 30 percentage points for the ratio of the present value of PPG external debt to GDP. As a result of a baseline breach due to a lower threshold, the risk of debt distress has increased from moderate to high. In addition, the projected disbursement path in the coming years will increase PPG external debt level. The projected KIA debt relief will not, in itself, resolve breaching the threshold for the ratio of PV of PPG external debt to GDP. In the medium term, increased exports and the resulting output growth should decrease the country’s debt burden. The outlook would worsen substantially should the projected increases in exports and the subsequent higher growth and improvements in current account balances not materialize, in particular due to delays to or cancellations of mining capacity expansion plans.

2. Given the challenges of reducing debt rapidly, Mauritania needs to continue improving its institutional environment to quickly return to a moderate risk of debt distress. An anticipated debt relief and a hike in export-led growth are projected to lower Mauritania’s debt level and enhance the capacity of carrying debt over the next years; but debt management capacity needs to be strengthened. Given that under the baseline a breach of a threshold occurs for the duration of the projection period, Mauritania could gain substantially from a stronger institutional environment to increase the debt tolerance level. Within the categories of institutions considered by the CPIA score, Mauritania has largest scope for improvement in debt policy, financial sector, social protection and transparency in the public sector. The country should therefore, among other measures, double its efforts to implement a social protection framework that would help the socially vulnerable. Elsewhere, following the recommendation of the recent FSAP exercise should aid Mauritania in improving its financial sector institutions.

3. Recent technical assistance from AFRICTAC-West provides recommendations to improve debt management practices which both bear on the overall CPIA score and is directly linked to Mauritania’s debt management capacity. The technical assistance mission assessed that debt management in Mauritania is fragmented and the relevant operational responsibilities are shared and duplicated. The authorities should therefore reorganize the functions of the various departments of the Ministry of Economic Affairs and Development, Ministry of Finance and the Central Bank that participate in debt management to increase the efficiency and coordination in debt contraction and management.

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4. The authorities do not agree with the reclassification of the country’s quality of policies and institutions into the weak category as a function of the past CPIA scores, which has a direct bearing on the change in the country’s risk of external debt distress from medium to high. In particular, they believe the methodology in the joint Bank-Fund Debt Sustainability Framework for low-income countries places too much weight in its assessment of institutional quality on the past and too little on the present. The country’s institutional quality is being downgraded at a point in time when the CPIA has both been increasing for 3 consecutive years and has risen above the 3.25 minimum level required for medium quality of institutions. This means that the risk of the external debt distress is being increased while the actual institutional quality is improving and the macroeconomic environment remained stable.

ANNEX 13: GENDER ANALYSIS IN MAURITANIA

1. To support the Country Strategy Paper 2016-2020 preparation process, a gender analysis was conducted to present Mauritania’s gender disparity situation and propose concrete actions that could be taken into account in Mauritania’s Strategy Paper.

2. Mauritania has made undeniable progress in the areas of human development and gender equality. Such progress bears testimony to strong political will and the ambition to align with the international gender context have led institutionally to the creation of a Secretariat of State in charge of women’s empowerment which, in 2007, became a full-fledged ministry. Concerning strategies and policies, many instruments in favour of women, children and the family have been adopted. In addition, international conventions on women’s protection and development have been ratified, albeit at times with reservations. However, the major event that has marked the legal and social situation in the past years in Mauritania is the adoption of the Code on Personal Status (PSC) or the Family Code, just like in the other neighbouring Maghreb countries (Morocco, Tunisia and Algeria). The National Gender Institutionalization Strategy (SNIG) was also adopted in March 2015.

3. A multi-cultural and multi-ethnic country, Mauritania links the Arab Maghreb to sub-Saharan Africa. It is composed of various Arab and black African communities which all share the same religion, Islam. Besides religion, the various ethnic groups (Moors, Peuls, Soninkes, Wolof, etc.) that live in Mauritania share the same pyramidal social organization characterized by stratification based on specialization and hierarchical order of the various social groups (noble warriors and marabouts, non-nobles, lower castes, freed slaves and dependants). Marked by a strong gerontocratic character, such social organization determines the roles, rights, duties and levels of participation of men and women in social life. As a result, the status of men and women is strongly influenced by religion, but also by the customs and traditions of the various social groups, and varies from one community to another and from one social class to another.

4. Since the end of the 1980s, political and economic orientations have constantly insisted on women’s empowerment, often linked to child protection and preservation of the family. Such political will and the ambition to align with the international gender context have led institutionally to the creation of a Secretariat of State in charge of women’s empowerment which, in 2007, became a full-fledged ministry. Concerning strategies and policies, many instruments in favour of women, children and the family have been adopted. In addition, international conventions on women’s protection and development have been ratified, albeit at times with reservations. However, the major event that has marked the legal and social situation in the past years in Mauritania is the adoption of the Code on Personal Status (PSC) or the Family Code, just like in the other neighbouring Maghreb countries (Morocco, Tunisia and Algeria). The National Gender Institutionalization Strategy (SNIG) was also adopted in March 2015.

5. This document analyses issues relating to gender promotion in the pillars of the Bank’s 2016-2020 strategy for Mauritania, namely «Promote Agricultural Transformation» and «Increase Power Supply», and proposes ways and means of including them in the implementation of the strategy.

A. Gender and Agriculture

The agricultural sector accounts for 6% of GDP, which is very low considering the huge investments made and the fact that agriculture employs about 60% of the population. Women’s activity in rural areas is notably concentrated in the low-productivity agri-cultural sub-sector. They are particularly involved in soil post-preparation (sowing, weeding, harvesting, transportation, storage, processing and harvest conservation) and other tasks (weeding, thinning out, bird hunt, etc.), besides child care, for which they are exclusively responsible.

Market gardening, which has intensified over the past decades following long periods of drought, is an activity traditionally reserved for women who practise it within the framework of cooperatives. This has helped to significantly improve feeding and the living conditions of the population. Despite their heavy presence in agriculture, women hardly own land. According to the only survey on women’s access to land ownership conducted in 2002 by SECF, women do not easily have access to land: 56% of them need the endorsement of a third party to carry out a land transaction, only 31% of them are informed of land grant procedures and 18.7% are landowners. Livestock farming accounts for 14% of GDP and women are heavily present in the sub-sector where they milk and water cattle and small ruminants, provide them with veterinary care, and process and market dairy products. They still practise small livestock breeding and poultry farming, which provide them with a modest source of income that they can personally control.

B. Gender and the Legal Framework in Mauritania

6. Mauritania’s clear and constant determination to eradicate disparities suffered by women is expressed through its legal arsenal. The country is signatory to many conventions on respect for human rights in general, and women’s rights in particular. These include the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which was ratified, except for some articles that run counter to the prescriptions of Islam, precisely Articles 13 and 16. 7. Nationally, Mauritania’s Constitution of 20 July 1991 considers women as citizens in their own right and recognizes gender equality in all areas. The Code on Personal Status adopted in 2001 is the cornerstone of the national legal mechanism based on Islamic law principles which are the source of legislation in Mauritania. It governs all issues relating to the private sphere (family, marriage, divorce, guardianship of children, succession, etc.). It is a collection of all the provisions of the sharia (malikite rite) relating to personal status. However, despite its progressive character and advances (marriage age set at 18 years for boys and girls, marriage contract with the possibility for the wife to refuse polygamy, authorization for women to continue studies or carry on professional activities, etc.), it is quite revelatory of the powerful patriarchal, ideological and cultural trends that continue to perpetuate the idea of women being perpetual “minors”.

8. Examples of this situation include:

The reassertion of matrimonial guardianship (wilaya; “the guardian is compulsorily of male sex” Art. 9);

• The authorization given to guardians (weli) to marry off physically challenged persons (including minors) where such guardians “consider it of obvious gain” (Art. 6); and the equating of silence to acquiescence (“silence on the part of the young girl shall be tantamount to consent”) (Art.9);

• The non-subjection of polygamy to authorization by the judge (it suffices for the woman not to oppose during the establishment of the marriage contract) (Art. 28);

• The confirmation of the exclusive authority of the husband over the family (Art. 56);

• The consolidation of the power to repudiate («disolution of the marriage on grounds of the husband’s unilateral will») (Art. 83);

• The non-transmission of the nationality of the Mauritanian mother.
Penal legislation is characterized by the absence of specific provisions on violence against women and any incrimination of discrimination against them:

- Domestic violence, (conjugal violence and sexual abuse, in particular) are not punished;
- Sexual harassment at work and in school, fondling, marital rape and physical and psychological violence related to the practice of force-feeding do not feature in the list of violations of the dignity and physical integrity of women;
- The practice of excision on minors is punished only where «it causes harm to the child» ;
- Where they do exist, penalties for violence against women are rarely applied. In the case of rape, the women victims are themselves liable to punishment for «zina» (sexual intercourse out of wedlock);
- Therapeutic abortion is not allowed and is punished in the name of Islam in Section 293 of the Penal Code.

Mauritania’s legal framework has recorded remarkable progress, but it is still handicapped by provisions that place women in an obviously vulnerable position, which is detrimental to their development. The CSP, which is a significant step towards building a modern and organized Mauritanian society based on gender mainstreaming in sector ministries are insufficient. Employment and salary. Article 37(1) of the Collective Code ensures gender equality in recruitment, employment and salary. Article 37(1) of the Collective Agreement stipulates that: “for equal working conditions and output, classification and salary shall be equal for all irrespective of their origin, sex, age and status”.

Law No. 2004-015 instituting the Labour Code ensures gender equality in recruitment, employment and salary. Article 37(1) of the Collective Agreement stipulates that: “for equal working conditions and output, classification and salary shall be equal for all irrespective of their origin, sex, age and status”.

Marketplaces have significantly improved over the past few years due especially to the inclusion of women in the economic and social development; the National Gender Strategy adopted in 2003. All these commitments besides the National Women’s Empowerment Strategy adopted in 1995 and updated in 2005, aimed at defining and promoting a coherent national women’s empowerment approach; the 2009-2012 National Action Plan for Rural Women designed to take into account the specific needs of rural women in the country’s economic and social development; the National Gender Institutionalization Strategy (SNIG) adopted in March 2015 with the aim of ensuring gender mainstreaming in all the development sectors in order to guarantee women’s empowerment and gender equality; and lastly, the National Microfinance and Micro-enterprise Strategy adopted in 2003. All these commitments bespeak the extent of the measures taken by the Government to mainstream gender in national policies and strategies. However, the results recorded in the area of gender mainstreaming in sector ministries are insufficient.

D. Gender and Public and Private Sector Employment

E. Gender and Participation in Decision-making Bodies

Progress has been made in promoting women’s participation in elective positions. Following the adoption in 2006 of the ordinance on the promotion of women’s involvement in the policy decision-making process which imposed a minimum quota of 30% women’s representation in each municipal and legislative list, the results of the 2006 municipal and legislative elections recorded more than 30% of women municipal councillors and 19% of women Members of Parliament (20 women for 95 men, against 3 in the last Assembly) and 9 women Senators for 56 men (against 3 in the last Senate). Out of 216 councils, four are headed by women, three of them in Nouakchott and one in the rural area, compared to one female mayor in 2004.

Following political dialogue between the majority and the opposition in 2011, measures conducive to the election of women within parliamentary institutions (National Assembly and Senate) were recommended, leading to increased women’s participation in the November 2013 legislative elections. Hence, 22.4% at the National Assembly MPs and 16% of Senators are women. In the ministries in 2015, there were 9 women ministers out of 30, representing 30% and 7 women secretaries-general out of 30, representing 23%. In the media, 2 TV channels out of 6 are managed by women (the national channel and a private channel), that is 33%.
F. Gender, Education, Science and Technology

20. Human resource development and universal access to basic social services, particularly education and health, are among the priorities of the Strategic Framework for Poverty Reduction (SFPR). As concerns basic education, the considerable effort made by the authorities has helped to reach a 100% gross enrolment rate (GER). This has led to the effective presence of young girls in classes, especially in primary schools. Currently, the parity threshold has exceeded the 100% target (103.8% for girls against 96.5% for boys in 2011-2012). This means that there is a higher number of girls than boys in primary schools.

21. In secondary schools, the number of boys was slightly higher in 2011-2012, that is 54.8% for boys and 45.1% for girls. The gap is wider in higher education with 18% of girls compared to 82% of boys. These figures and percentages show a decline in the number of girls as one goes up the educational ladder. In addition, there is a high school drop-out rate among girls for various socio-cultural reasons – priority given to boys, early marriages, gender-based violence such as sexual harassment in school, lack of parental trust in the few boarding facilities for their girls, unequal distribution of schools and absence of support measures (separate toilet, school transport). To further increase girls’ enrolment, a gender counselling position was created in 2007.

22. A comparison between student populations in the various faculties reveals a low number of girls in science and technology. Girls seem to show a higher interest in human and social sciences (23% and 39%), compared to economics and law (14% and 22%), pure science and technology (8% and 12%). Literacy rate stands at 46.3% among women aged 15 to 19 years, and the illiteracy rate is 69.3% among women aged 45 to 49.

G. Gender and Health

23. Regarding reproductive health and family welfare, Mauritania has made remarkable progress as a result of a political will expressed through the adoption of various generations of the Strategic Framework for Poverty Reduction, which have made health, in general, and reproductive health, in particular, a priority. Though undoubtedly considerable, these efforts have not enabled the achievement of the health-related Millennium Development Goals (see paragraph 2.3.2 of the document).

24. Early marriage is an observable phenomenon in Mauritania, with a slight regression according to generation. In 2010, 7.3% of women aged 15 years to 19 years were married before the age of 15 years, against 38.7% of women aged 40 to 49 years, and only 28.1% of women aged 15 to 19 years (17.3% before 15 years and 10.8% after 15 years) were married before the age of 20 years, compared to 64.2% of women aged 40 to 49 years (38.7% before 15 years, 13.4% between 15 and 18 years and 12.1% between 18 and 20 years).

25. Generally, the prevalence of HIV/AIDS is stable, increasing from 0.57% in 2007 to less than 1% in 2011. However, it stands at above 5% in the at-risk population category. Although prevention and screening have now been incorporated into health and reproductive health services, only 29.6% of women consulted know where to carry out the HIV test and the risk of contracting the disease is high. This risk is inherent in some lingering practices such as early marriages, excision, tattooing, frequent divorces and remarriages, hidden or apparent polygamy, as well as shared use of sharp objects.

26. The MICS 2011 survey had revealed that only 6.3% of women aged between 15 and 24 years had an in-depth knowledge of HIV/AIDS transmission methods and only 2 out of 5 women know that the disease can be transmitted to the child. The poor information of youths about sexual health, the inadequate consideration of the multi-sector dimension of HIV/AIDS control and the insufficient resources allocated to the HIV/AIDS sector have increased the factors of the spread of this pandemic.

I. CONCLUSION AND RECOMMENDATIONS

Conclusion

29. Mauritania has made progress in gender mainstreaming at the policy, strategy and legal level. However, implementing this process still seems to be hampered by the weak institutional framework, lack of coordination, and synergy between the various institutional players, the multiplicity and opaqueness of sources of positive law and its poor application, especially regarding issues relating to the rights of women.

30. At the sector level, there has been remarkable progress, but there are lingering weaknesses, especially in disaggregated statistics and their consideration in development actions. Consequently, socio-cultural concepts continue to consider women as «inferior» beings who cannot become the equal of men. In addition, there is slow reconciliation of the requirements of modern life that is rather in favour of human rights, and strong patriarchal traditions that tend to oppress women.

To overcome these impediments, the following recommendations are proposed:

Recommendations

- Carry out advocacy with the Government to improve women’s access to land ownership and factors of production;
- Develop irrigation facilities and reserve 30% of them for women;
- Incorporate literacy education and reproductive health awareness-raising, and the prevention of early marriages and gender-based violence into Bank projects;
- Reduce poverty and unemployment among women by promoting SMEs and women entrepreneurship;
- Facilitate women’s access to financial services.

ANNEXE 14 – VULNERABILITY FACTORS AND RESILIENCE OPPORTUNITIES

I. Introduction

Mauritania is facing many structural, economic, socio-political, climate and regional security challenges that present potential risks of vulnerability. There are major vulnerability factors that may undermine the country’s political stability and sustainable development. The notion of vulnerability refers to the State’s capacity to mobilize the resources required to meet the basic needs of the population. Vulnerability is manifested more especially by the conduct of economic, political and social activities that weaken the social fabric, reduce the effectiveness of development policies and, sometimes, lead to destructive internal conflicts. The causes and characteristics of Mauritania’s vulnerability are numerous and may be classified as follows: (i) environmental; (ii) institutional; (iii) structural; (iv) social; and (v) security/regional.

II. Factors of Vulnerability

A. Geographic Location and Climate Vulnerability

2. Mauritania covers a surface area of 1 030 700 square kilometres with varying climatic zones, and is facing massive urbanization. More than a quarter of the country’s population (estimated at 3.9 million in 2014) is concentrated in Nouakchott, the capital, which is currently facing a serious climate threat linked to marine incursion, rising water table and floods. The new trend in rainfall, following years of drought poses risks of sanitation network dysfunction, serious destruction of infrastructure, loss of life or abandonment of some areas of the city such as the ‘Concorde’ neighbourhood in 2007. As a result, this recent phenomenon of climatic variation in Mauritania (floods in Nouakchott and recurrent drought in the regions of the North) increases vulnerability and the cyclic nature of food and humanitarian crises that the country has to tackle. Such environmental fragility engenders several social impacts: population displacements and inter-community tensions, etc.
B. Political Governance

3. Mauritania’s political situation is relatively stable, with steady progress in democratic governance. President Mohamed Ould Abdel Aziz who was re-elected on 21 June 2014 for a second five-year term, has regained legitimacy. However, this improvement in political governance is limited by weak institutional and administrative capacity. The various regimes that preceded him were characterized by ethnic and racial tensions between the Arab and non-Arab language groups (that is, between the Moorish and Haratin populations, on the one hand, and the Peul, Wolof, Soninké and Bambara populations, on the other hand), a patronage system dominated by the ruling party and backed by the Army, and endemic corruption. Ultimately, these socio-political rifts have weakened the Government’s institutional capacity to sustainably fulfill the fundamental economic functions of the State, provide basic social services, especially in outlying areas, and enforce the rule of law. These factors are further compounded by lack of competent human resources that reduces the effectiveness of Government action in the exercise of its functions. This situation further limits the Government’s capacity to meet the expectations and needs of an impoverished population.

4. To remedy these institutional weaknesses, re-build trust in Government institutions, fight corruption and meet the structural challenges that have exacerbated the vulnerability of the State, the Mauritanian Government has initiated various programmes such as the introduction of a new code of ethics for civil servants, the establishment of the Investigation Unit of the Office of the Inspector General, and the modernization of the country’s administrative system and financial institutions. However, these programmes have not always been successfully implemented due to the country’s limited capacity.

C. Economic Vulnerability

5. Mauritania’s economy is insufficiently diversified, heavily dependent on mining exports, and consequently not resilient to external shocks. Iron ore accounts for about 40% of Mauritania’s exports, followed by other special metals (gold and copper), fish and seafood. Any reversal in the global situation, especially mining resources (iron and gold), has a strong impact on the country’s economic performance. The primary sector, which is a major source of employment, is very vulnerable to irregular rainfall and world prices. The secondary (manufacturing, construction and civil engineering) and services sectors, which have the potential of becoming growth drivers, are, however, impeded by lack of infrastructure, poor business environment and weak human capital.

6. Despite Government’s efforts to develop infrastructure and improve the business climate, there is need to deploy action on several fronts to open up the entire country. The country is also facing the challenge of devolution from the capital towards the regions. All the regions have administrative and judicial entities, but most of them lack efficient staff and/or financial resources to function more optimally, thereby reducing equitable access to institutional, economic and social resources. Such deficit is likely to exacerbate social tensions, and may be a major obstacle to social inclusion and Mauritania’s sustainable economic development.

7. A major challenge faced by Mauritania is to diversify its production value chain while focusing on sectors that can create greater economies of scale, integrate global value chains and increase employment opportunities, especially for youths. In this regard, manufacturing, construction, fisheries and services are very promising sectors.

D. Social Tensions

8. Mauritania has ethnic and racial lines that have generated social tension since the early years of its independence, especially following the policy of “Arabization” of the educational system. Arabization led to conflicts between the majority Arab language ethnic group composed of Moors and Haratinins (the latter are Arabic-speaking and descendants of former slaves), and minority Afro-Mauritanians (Peul, Wolof, Soninké and Bambara). These ethnic tensions resurfaced in the 1980s following agrarian reforms and the border dispute between Mauritania and Senegal.

9. Mauritania officially abolished slavery in November 1981. In March 2007, national legislation was broadened to include the penalization of slavery. In 2015, the country adopted a new law to reinforce the penalization of slavery by considering it as a crime against humanity, and doubling the criminal penalties against their perpetrators. Despite all the efforts made by the Government to fight slavery, this scourge and its scars persist, albeit in smaller proportions. Therefore, it remains a constant challenge. The Government is aware of this reality and is of the view that the country’s social cohesion is to some extent contingent on its resolution.

10. Mauritania has indeed made progress with respect to poverty reduction (a reduction of the poverty rate from 42% to 32% between 2008 and 2014) and the educational system, which recorded an enrolment rate of 97% in 2013. Nevertheless, there are still wide disparities between regions and the sexes. There are also regional disparities manifested by tensions linked to the geographic allocation of budget resources, the distribution of public employment, and the allocation of land for agriculture and stockbreeding and physical territorial development. Social fragility is also manifested by tensions related to lack of economic opportunities for the growing and young population.

E. Regional Instability

11. Mauritania is highly exposed to regional instability owing to its geographic location and geopolitical commitment. Threats from various terrorist groups operating in the Sahelian zone create an unstable security situation that requires huge investments in armed forces to ensure border security. These threats could jeopardize progress made, notably to strengthen security and consolidate the State. Regional instability has also led to an increased influx of refugees (particularly from Mali), with political and economic consequences.

12. Another phenomenon that could affect the country’s stability is the risk of increasing radicalization, especially among youths. Like most Sahel countries, Mauritania has also suffered from terrorist attacks on its territory and organized transnational crimes. However, Mauritania has made remarkable progress to combat terrorism and has been able to neutralize terrorist threats in the country. For example, its anti-terrorist strategy, which is based on a multi-pronged approach to contain the spread of violent extremism, encourages Imams and other Muslim religious leaders to engage in theological debates on violence and rebellion in Islamic law. To more efficiently combat extremism, Mauritania has obtained resources to modernize its military equipment and improve the capacity of the army. The country has also adopted a new anti-terrorist legislation to strike a balance between security and the rule of law to better implement anti-terrorist laws. The various anti-terrorist programmes have enabled the arrest and rehabilitation of many extremist Mauritians, as well as the de-radicalization of potential recruits.

13. If structural factors such as corruption, socio-economic discrimination, youth unemployment and governance are not well addressed, all the initiatives implemented to control extremism will be limited. Other internal factors such as ethnic and racial inequalities, unequal distribution of public resources and slow Government action to address social inequalities compound the frustrations of a young population that is drawn into unlawful acts or extremist utterances. The solutions to this radicalization are not new, but require an enhanced multi-faceted approach to fight against extremism, while strengthening governance by investing in neglected areas, improving social justice and ensuring equitable access to economic opportunities.
III. Reinforcing Vulnerability Resilience Levers: Roles TFPs in Mauritania, including the Bank

14. The various institutional, structural, social and environmental vulnerabilities can stir up social unrest and encourage demands for better political governance. In fact, human frailty and demographic pressure, combined with inadequate access to basic services, limited institutional capacity and climate risks are vectors of fragility for the country. Consequently, solutions must not only take into account the complex nature of these factors, but also better target operational interventions and financial assistance. Investments and/or interventions must lay emphasis on risk regions and sectors.

15. For the Bank, the promotion of inclusive and green growth constitute the major objective of its new strategy in Mauritania. Bank support for the country’s development policy for the 2016-2020 period will be based on two pillars, namely promoting agricultural transformation (Pillar I) and increasing power supply (Pillar II). By laying the foundations for sustainable economic development, these intervention pillars address some economic, social and environmental vulnerability factors as they enable economic diversification, job creation, food security, access to basic services and the opening up of vulnerable regions. This new strategic thrust recommends synergy between the Bank’s High 5s (Light up and power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the quality of life for the people of Africa) and harmonization with the various technical and financial partners (TFPs) in order to build Mauritania’s resilience to fragility and conflicts.

16. However, the areas of intervention are vast and complex. This limits the scope of a single approach. To consider all the opportunities that can contribute to building the country’s resilience, an approach targeting the interventions of the various technical and financial partners in the vulnerable regions and sectors would also be pertinent. In particular, there is need to:

- Enhance the efficiency and professionalism of the public administration:
  - Building the capacity of administrative and tax institutions, and establishing an efficient institutional framework for justice (through institutional support projects) will help improve the country’s resource management and reduce corruption.
  - Establishing a professional framework for the public administration (through human capacity building projects) will help build an efficient administration that is independent of political power.
  - Open up sensitive regions by developing infrastructure and implementing the decentralization agenda:
    - Further extending the road network will open up the regions, facilitate trade, create job opportunities and ensure the presence of the State throughout the national territory.
    - Devolving powers and resources to the regions and councils will contribute to improving public action, facilitate access to basic services and accelerate the decentralization of tax control.
  - Reinforce sector governance support by:
    - Building the capacity of sector organizations and agencies to plan, manage and mobilize resources for sector programmes;
    - Involving the population in the review of investment implementation to ensure greater transparency and better access to services.
- Prevent and/or settle conflicts:
  - The capacity of non-State entities and/or traditional mechanisms to manage conflicts between communities and grazers and farmers, or land disputes is a major asset for security and the rule of law in rural areas.

ANNEX 15 – MAURITANIA’S ELIGIBILITY FOR BUDGET SUPPORT

<table>
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<th>Conditions</th>
<th>Key Points</th>
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<td>Government’s commitment to poverty reduction</td>
<td>Since 2000, the Government has remained highly committed to reducing poverty following the design of the 2001-2015 Poverty Reduction Strategy Paper (PRSP). The PRSP takes advantage of the virtue of the Framework Law on Poverty Reduction (No. 050/2001 of 25 July 2001) as the medium- and long-term economic and social development benchmark (by 2015). Its implementation was conducted through three action plans: the first, a four-year plan, covered the 2001-2004 period; the second, a five-year plan, covered the 2006-2010 period. The third is the current plan covering 2011-2015. Initially (2001-2006), the PRSP identified four strategic thrusts: (i) accelerating economic growth and stabilizing the macroeconomic framework; (ii) anchoring growth in the economic environment of the poor; (iii) developing human resources and expanding basic services; and (iv) improving governance and building capacity, to which a fifth thrust has been added under the 2006-2010 and 2011-2015 Action Plans (strengthening management, monitoring, evaluation and coordination). The PRSP implementation has enabled the country to significantly reduce the incidence of poverty from 42% in 2006 to 31% in 2014. The extreme poverty index has also fallen. In 2015, the Government released its “2015-2019 General Policy Statement”, which is based on three thrusts, with focus on monetary and human poverty. The country is finalizing its 2016-2030 Accelerated Growth and Shared Prosperity Strategy (SCAPP). SCAPP aims to build resilience and promote the people’s well-being. Mauritania’s economy has been hit by the drastic decline in the price of iron ore, the country’s main export product. After the prosperous era driven by the boom in commodities and marked by an annual growth rate of over 5%, Mauritania posted a non-extractive GDP growth of 2% in 2015 against 6.6% in 2014. Due to falling mining revenue, the overall fiscal deficit (excluding grants) increased to 5.6% of non-extractive GDP against 4.1% in 2014. However, thanks to counter-cyclical policies taken by the Government, several macro-economic gains have been preserved. Thus, inflation has been contained, at a level lower (about 1%) than in 2014 (3.5%). The current account deficit has been narrowed (due to lower oil prices), from 30% of GDP in 2014 to 22.2% in 2015. Official reserves have remained at a comfortable level as at end 2015, estimated at USD 809 million, that is, 6.8% of non-extractive imports (5.5 months of imports), against USD 839.1 million, or 4.7 months of imports in 2014. Thanks to the exploitation of the Guelb II mineral deposits (a new mining field), the revival of manufacturing activities and intensification of structural reforms, economic prospects remain promising in the short-term. The IMF projects 4.1% growth in real GDP in 2016. The country’s political and institutional situation has been stable since 2009. The country has made progress in terms of strengthening the legal system and consolidating democracy (creation of CIEN, transparency in the organization of the 2014 presidential and municipal elections as well as parliamentary elections in 2013), promotion of human rights, consolidation of the participatory approach, etc. Conscious of the unease generated by union, identity and political demands, the Government relaunched consultations and dialogue with all stakeholders in 2015, including with the “radical” opposition to appraise the national political climate. As regards, the promotion of human rights, Parliament in August 2015 voted a law recognizing slavery as a crime against humanity, which increases the penalties for this practice. With regard to security and migration, despite the progress demonstrated by the absence of terrorist attacks in the country since 2011 due to the securing of borders and thanks to an appropriate legal framework (2010 Anti-Terrorism Act), Mauritania, due to its location as a gateway between the Maghreb and sub-Saharan African, still faces security challenges (trans-border crime committed by terrorist groups, arms and drug trafficking, and illegal immigration) whose solutions in part require a regional approach. This justifies the creation in 2014 of the Sahel G5, which brings together six countries, namely Burkina Faso, Mauritania, Mali, Mauritania, Niger and Chad, the objective of which is to pool the resources of these countries to strengthen security and promote their development. Due to its commitment to fight terrorism, Mauritania has positioned itself as a key partner of the United States and Europe in the fight against terrorism in the Sahel region.</td>
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The Assessment of Fiduciary Risk and review of Mauritania’s public finance management system conducted in January 2016 highlighted a “substantial” level of fiduciary risk for financial management, and “moderate” for procurement (see Annex 11).

Due to the substantial risk associated with the use of the public finance management system, the Bank recommends a systematic audit of financial flows of budget support and/or performance of the programmes it deems necessary, based on the level of existing fiduciary risks and those related to financial flows and cash management, while using Programme-Based Operations (PBO) in the CSP.

For public investment transactions, the capacity building needs of the Court of Auditors are such that they do not allow the Bank to use any other control structure than accounting firms to conduct financial audits and compliance during the CSP period. Similarly, with the exception of the cash sub-system, the use of Financial Planning and Management (FPM) national rules, practices and procedures in the design and implementation of Bank-financed public investment projects is, for now, not possible due to the substantial level of fiduciary risk of each of the other sub-systems. Actually, only the treasury sub-system is in all its entirety and consistency, presents a moderate level of fiduciary risk and therefore can be used, for example, to open special accounts for public investment projects at the Central Bank of Mauritania (BCM).

Mauritania has made significant qualitative progress in the area of public procurement following reforms in 2010 and the implementation of a new system in 2012. During the CSP period, the Bank will carry out operations in accordance with its new procurement policy approved on 14 October 2015, which will enable officials to go beyond the simple use of national procedures. The new policy offers the possibility of using the entire national system (procedures and institutions). It should be noted that since January 2015, it was agreed that national procurement procedures be used for national tenders in Bank-financed projects.

In recent years, TFP coordination in Mauritania has improved significantly. The current development aid coordination mechanism in Mauritania is governed by Prime Ministerial Decree No. 2015/11 on the organization of the RSP institutional formulation, implementation and monitoring/evaluation mechanism. This Decree repeals and replaces the provisions of Decree 2007-103. It establishes the abolition of Technical Thematic Groups (TTG) and strengthens Sectoral Technical Committees placed under Ministers. In addition, national authorities organize quarterly consultation meetings with TFPs, with MAED (renamed Ministry of Economy and Finance -MEF: since 9 February 2016) chairing, in the spirit of Paris Declaration recommendations which promote harmonization, development of synergies, mutual responsibility, etc.

END NOTE

For example, the EC has awarded the country a €25 million grant to finance the Project to Build Institutional Capacity to Improve Agricultural Resilience. The World Bank is financing the Regional Solid Pastures Support Project. The IADB is financing the Project to Build Resilience to Food Insecurity to the tune of MRO 6.5 billion.

For example, the public utility will invest in mini-network installation, while a local private company (or the user community) will be responsible for general routine management, maintenance and operation. This arrangement optimises mini-network operation.

Mauritania generally obtains mainstream ADR performance-based allocation (PIA), which currently accounts for UA 15 million. Arab Banks (AFED, SFD, etc.) and SFD are financing the construction of network transmission lines and the strengthening of electrical grid interconnection. In this regard, the SFD and Mauritania concluded a MRO 17 billion financing agreement on 3 March 2016 to finance the project to construct a high-tension transmission line between Nouadhibou and Nouakchott, thus bringing SFD’s contribution to this project to MRO 50 billion. In February 2016, AFED and Mauritania concluded a MRO 33 billion loan agreement to finance the project to strengthen the electrical grid interconnection between the country and Senegal (Nouadhibou-Timbuktu line).


The PIFP Report 2014 rates Mauritania B (second best score possible) on the public procurement indicator. There are a few contradictions between these assumptions that require urgent correction after 4 years of implementation. 


In practice, the Central Bank and SNIM are exempted by a law (Standing law and an international establishment convention). However, following a Government decision, the Ministry of Finance has been removed de facto from the law establishing CMP, even for non-security expenditures, in violation of the provisions of the law:

- Article 13 of Decree No. 2011-130 of 07/07/2011 PM See Chapters I, Part III of the Law establishing CMP and Chapter I of Decree No. 2011-130 of 07/07/2011 PM. However, there is no indication as to conditions for using LCB other than ICB.

- Article 12(2) of Decree No. 2011-130 of 07/07/2011 PM Direct contracting represents a small number (2012: 0.66%; 2013: 4.37%; 2014: 17.93%; 2015: 6.77%)
- Article 29 of Decree No. 2011-130 of 07/07/2011 PM
- Article 35 (obligation to advertise) of Decree No. 2011-130 of 07/07/2011 PM
- Article 38 of Decree No. 2011-130 of 07/07/2011 PM
- Article 26 of Decree No. 2011-130 of 07/07/2011 PM
- Article 36 of Decree No. 2011-131 concerning the organization and functioning of ARMF
- See Article 25 of Decree No. 2011-130 of 07/07/2011 PM
- No formal pre-require to take the matter up with the contracting authority (CA) before ERP. However, this is not forbidden (a practice, the CA is always solicited either before or during the revision of the complaint) pursuant to the provisions of Articles 41 of Decree No. 2011-131 concerning the organization and functioning of ARMF. The petition is then examined by ORD, which is an independent administrative institution the decisions of which are binding (Section 12 of the law establishing CMP)
- Article 30 of Decree No. 2011-130 of 07/07/2011 PM
- Articles 37 and 35 of Decree No. 2011-131 concerning the organization and functioning of ARMF
- Articles 1, 26, 25, 24 and 23 of Decree No. 2011-130 of 07/07/2011 PM (see (i) Article 25 - The justification of ministerial capacity; and (ii) Article 24. Also, the reasons that could explain the use of simplified consultation and direct contracting are given in Sections 30 and 31 of the law establishing CMP (“the Law”)
- Section 5 of Decree 2011-130 of 07/07/2011 PM
- Available RFDs, although used by most contracting authorities, do not yet have the legal status of standard document designed for mandatory use. In fact, as stipulated in Article 41 of Decree No. 2011-130, the content of general documents (GCY CCTG and CCT) which are part of BDEs can only be specified by regulation, which is not yet the case. The order by the Prime Minister which will solve the problem is awaited.
- Article 2 (1), Par. 5 of the Law states a principle, but does not provide for any mechanism for its implementation. Article 1 of Decree No. 2011-111.
END NOTE

Article 1(3) of Decree No. 2011-111:

No indication as to when to use selection based exclusively on quality and when to use both technical quality and cost.

Article 22 of Decree No. 2011-180 of 07/07/2011 PM.

Articles 15 to 16 of Decree No. 2011-146 deal with the issue. However, it is necessary to reformulate some procedures for selecting consultants to avoid confusion during their application (the case of selection based on a determined budget is crucial).

Article 22 of Decree No. 2011-180 of 07/07/2011 PM.

Although BIDs approved by the regulatory board are used in most cases, they are not yet standard and mandatory, and are awaiting the order by the Prime Minister to acquire such status.

Ann No. 2000-06 of 18 January 2000 amending the Arbitration Code provides for terms and conditions for seeking internal and international arbitration.

The law on arbitration comprises some divergent provisions (including the modification of arbitral award on appeal, and non-neutrality from the point of view of the arbitrators’ nationality) in relation to international standards.

The CCAG prescribes arbitration by the United Nations Commission on International Trade Law or the International Chamber of Commerce for foreigners.

Article 43 of Decree No. 2011-111

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