

## **Islamic Republic of Mauritania: Poverty Reduction Strategy Paper**

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# ISLAMIC REPUBLIC OF MAURITANIA

Honor – Brotherhood – Justice



## POVERTY REDUCTION STRATEGY PAPER ACTION PLAN 2006–2010

October 2006

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## LISTE DES ABREVIATIONS

ADER	Rural Electrification Development Agency
AMEXTIPE	Mauritanian Agency for Public Work Execution
AMI	Mauritanian Agency of information
AMM	Association of Mayors of Mauritania
ANAPEJ	National Agency of Promoting Youth Employment (Agence nationale de promotion de l'emploi des jeunes)
ANEPA	National Potable Water and Sanitation Agency (Agence nationale de l'eau potable et de l'assainissement)
APAUS	Universal Access promotion Agency
APD	Development Public Aid
APE	Association of Students' Parents
APROMI	Association of Micro-finance's Professional
BAD	African Development Bank
BCM	Central Bank of Mauritania
BIT	International Labor Organization
BNT	National Transport Unit (Bureau national des transports)
BTP	Public Works and Constructions
CAC	Community Alimentation Center (Centre d'alimentation communautaire)
CAMEC	Drugs Supply Center (Centrale d'achat des médicaments)
CCDR	Rural Development Coordination Committee (Comité de Coordination du Développement Rural)
CCLP	Consultative Committee on Poverty Reduction (Comité de Concertation sur la Lutte contre la Pauvreté)
CCP	UDP Coordination Unit (Cellule de coordination du PDU)
CDDP	Community Driven Development Program (Programme de développement rural communautaire)
CDE	Convention on Children Rights (Conventions dans le domaine de l'enfance)
CDHLCPI	Commission on Human Rights, Poverty Reduction and Integration (Commissariat aux droits de l'homme, à la lutte contre la pauvreté et à l'insertion)
CDLP	Consultation committee of Government and Donors
CEP	Poverty Reduction Project Unit
CFPF	Center for Training and Women Advancement (Centre de formation et de promotion féminine)
CFPP	Center for Training and Professional Training (Centre de formation et de perfectionnement professionnel)
CGEM	General Confederation of Mauritania Employers (Confédération générale des employeurs de Mauritanie)
CHN	National Hospital Center (Centre hospitalier national)
CILP	Inter-ministerial Committee of Poverty Reduction (Comité Interministériel de Lutte contre la pauvreté)
CMAP	Mauritanian Center on Policy analysis (Centre mauritanien d'analyse de politiques)
CNC	Center for Community Nutrition (Centre de nutrition communautaire)
CNRE	National Water Resources Center (Centre national de ressources en eau)
CNROP	National Center for Oceanographic and Fisheries Research (Centre national de recherche océanique et de pêche)
CNSS	National Center of Social Security (Caisse nationale de sécurité sociale)
CNTS	National Center of Blood (Centre national de transfusion sanguine)
CRLP	Regional Committee for Poverty Reduction (Comités Régionaux de Lutte contre la Pauvreté)
CSA	Food Security Commission (Commissariat à la sécurité alimentaire)
CSLD	Strategic Framework against Desertification (Cadre stratégique de lutte contre la désertification)
DAO	Bidding Documents (Dossier d'appel d'offres)
DATAR	Directorate of Territory and Regional Action (Direction de l'Aménagement du Territoire et de l'Action Régionale du MIPT)
DCA	Insurance Directorate of MCAT (Direction chargée des Assurances au MCAT)
DGCL	General Directorate of Local Governments of MIPT
DMG	Directorate of Mining and Geology (Direction des Mines et de la Géologie)
EDS	Health and Demographic Survey (Enquête démographique et de santé)
EMEA	Mauritanian survey on Livestock and Agriculture (Enquête mauritanienne sur l'élevage et l'agriculture)
ENER	National Road Maintenance Company (Entreprise nationale d'entretien routier)
EPCV	Survey on Household Living Conditions (Enquête permanente sur les conditions de vie)
FAPONG	NGO's Assistance Fund (Fonds d'appui aux Organisations non gouvernementales)
FRD	Regional Development Fund
FTP	Technical and Professional Training

GIE	Economic Interest Group (Groupement d'intérêt économique)
GNP	Gross National Product
GSM	Global satellite mobile
HCZ	Cheikh Zayed Hospital
HIPC	High Indebted and Poor Countries
IEC	Information – Education – Communication
IGR	General Tax on Incomes (Impôt général sur les revenus)
IMF	International Monetary Fund
IMF	Minimum Presumption Tax (Impôt minimum forfaitaire)
IMFs	Micro-finance Institutions
INAP-FTP	National Agency of Technical and Professional Training
IRB	Tax on Income and Benefit (Impôts sur les revenus et les bénéfices)
ITO	International Trade Organization
ITS	Taxes on Salaries (Impôts sur le traitement et salaires)
LDCs	Least Developed Countries
MAED	Ministry of Economic Affairs and Development
MCAT	Ministry of Trade, Artisan and Tourism
MCE	Exchange Market
MDG	Millennium Development Goals
MDRE	Ministry of Rural Development and Environment
MDRI	Multilateral Debt Reduction Initiative
MEFS	Ministry of Primary and Secondary Education
MESRS	Ministère de l'enseignement supérieur et de la recherche scientifique
MET	Ministry of Infrastructures and Transports
MIPT	Ministry of Interior, Post and Telecommunications
MOUGHATAA	Administrative Department. There are 53 Moughataa réparties in the 12 Wilaya
MPE	Micro and Small Enterprises
MPEM	Ministry of Fisheries and Maritime Economy
MSAS	Ministry of Health and Social Affairs
MTEF	Medium Term Expenditures Framework
NDB	Nouadhibou
NKC	Nouakchott
NTIC	New Technologies of Information and Communication
NUTRICOM	Project of Community Nutrition
OMVS	Organization for the Development of Senegal River
ONS	National Office of Statistics
ONT	National Office of Tourism
PAC	Community Aid Project (Projet d'aide aux communes)
PAN/LCD	Plan d'action national de lutte contre la désertification
PANE	National Action Plan on Environment
PASK	Poverty Reduction Program in Aftout South and Karakoro
PCIME	Integrated Management of Childhood Illnesses
PDC	Community Development Program (Programme de développement communal)
PDIAM	Integrated program of irrigated Agriculture Development in Mauritania
PGE	Project of Environment Management
PIP	Public Investment Program
PNADH	National Program of Human Rights Promotion
PNAN	National Nutrition Action Plan
PNBG	National Action Plan of Good Governance
PNDSE	National Development Program of Education Sector
PNIME	National Integrated Program of Micro and Small Enterprises Promotion
PNLP	National Program Against Malaria
PNLT	National Program against Tuberculosis
PRCSP	Public Sector Capacity Building Sector
PRLP	Regional Program of Poverty Reduction
PRP	Poverty Reduction Program
PRSP	Poverty Reduction Strategy Paper

PRSP	Poverty Reduction Strategy Paper
RGEA	Livestock and Agriculture General Census
RGPH	General Population and Housing Census
SDAU	Urban Development Framework (Schéma de développement et d'aménagement urbain)
SECF	Secretariat on the Status of Women (Secrétariat d'Etat à la condition féminine)
SME	Small and Medium-size Enterprises
SMH	Mauritanian Company of Oil (Société Mauritanienne des Hydrocarbures)
SMI	Small and Medium-size Industries
SNDE	National Company of Water
SNIM	National Industrial and Mining Company
SNIS	National System of Statistics (Système national d'information statistique)
SNMF	National Strategy of Micro-finance (Stratégie nationale de la micro-finance)
SNMPE	National Strategy of Micro and Small Enterprises (Stratégie nationale des micros et petites entreprises )
SOCOGIM	Construction and Real State Management Company (Société de construction et de gestion immobilière)
SOMELEC	Mauritanian Electricity Company (Société mauritanienne de l'électricité)
SONADER	National Rural Development Company (Société nationale pour le développement rural)
SPO	Socio-Professional Organizations
TFP	Technical and Financial Partners
TMM	Maternal Mortality Rate
TPVIH	Rate of HIV/AIDS
TVA	Value Added Tax
UA	Urban Development Agency
UDP	Urban Development Program
UM/MRO	National Currency Unit (Ouguiya)
UNCACEM	National Union of Saving and Loan Associations (Union Nationale des Caisses Agricoles de Crédit et d'Epargne de Mauritanie)
UNDP	United Nations Development Program
USAID	Unites States Agency for International Development
WB	World Bank
WILAYA	Administrative Region. There are 12 wilaya and the district of Nouakchott.
ZEE	Economic Exclusive Zone

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## EXECUTIVE SUMMARY

1. Mauritania is one of the first countries to have adopted, in a participatory manner, the Poverty Reduction Strategy Paper (PRSP), a key documentary component of the country's economic and social development policy, itself based upon a long-term (2015) vision which encompasses full achievement of the Millennium Development Goals (MDGs). The PRSP also sets forth the goals for the initial stage, covering the 2001-2004 period, as well as the strategic themes and priority actions which contribute to their achievement.
2. The evaluation of the first phase of the PRSP and the revision of its goals, strategic objectives, and resulting priority actions, which began in 2005, are drawing to a close even as the country is experiencing special circumstances for at least three reasons.
3. The first of these reasons is the assumption of power on August 3, 2005, by the Armed Forces and Security Forces and the establishment of a transitional government with three major objectives: (i) bolstering the democratic process, importantly including the constitutional amendment to shorten the length of presidential terms (5 years) and limit the number thereof (to two), and the organization of free and transparent elections; (ii) the reform of the justice system; and (iii) improved governance.
4. The second reason relates to the country's entry into the oil era, since February 24, 2006, with the actual production of the first barrels of crude. This surely represents a historical opportunity for the country, so long as the resources generated are used efficiently and precautions are taken to ensure that the rest of the economy is not crowded out.
5. The third reason, finally, relates to the decision of the transitional authorities to conduct a comprehensive revision of the economic and financial data since 1992 so that public policies can now be based on correct information that is not misleading. This version of the PRSP is based on the corrected data emerging from that review, which itself will be the subject of a separate report to be widely disseminated.
6. In this context, the participatory process of revising the PRSP resulted in particular in: (i) the preparation of a new status report on poverty; (ii) an analysis of the strengths and weaknesses of the first phase; (iii) revision of the medium- and long-term objectives; and (iv) the definition of new strategic orientations and a priority action plan for the second phase, which covers the 2006-2010 period.

### *Assessment of the first action plan for 2001-2004*

7. It must be observed that implementation of the first phase of the PRSP was not very satisfactory inasmuch as more than one third of the actions called for were not carried out and many actions were taken that did not contribute directly to meeting PRSP objectives. In this context, the growth rates recorded were below forecast levels (4.6 percent on average for the period, as compared to the anticipated 6 percent) and inflation exceeded forecasts, largely owing to the poor fiscal and monetary policies pursued on the basis of imprecise data. The economic policies followed resulted in an extremely high fiscal deficit (9.9 percent of GDP over the period), the collapse of official reserves (ranging from 0.4 to 1.3 months of non-oil imports), and an unprecedented increase in the money supply.
8. This performance is the consequence of: (i) inappropriate economic policies (because of the use of erroneous data, the fiscal and monetary policies introduced were expansionary

when they should have been restrictive); (ii) low factor productivity; (iii) the limited capacities of private operators; (iv) the inadequacy of the financial system (access to credit, etc.); and (v) insufficient infrastructure.

9. Moreover, the corrected data on income poverty show that its impact was systematically underestimated owing to the understatement of inflation, which naturally resulted in lower poverty thresholds. However, the major finding reached in the past remains true: poverty has been declining constantly since 1990. Indeed, it fell from 56.6 percent in 1990 to 54.3 percent in 1996, 51 percent in 2000, and 46.7 percent in 2004.
10. With respect to education, some progress was made in terms of access, but the situation as regards retention and the quality of management and steering grew worse. Moreover, the system's capacity to transform resources into results remains low (overall productivity is 1.6 years of school for every 1 percent of GDP, as compared to 1.8 in the African countries eligible for IDA resources).
11. The health situation in Mauritania is characterized by persistently high mortality levels (an infant mortality rate of 78 per 1,000, and infant/child mortality rate of 116 per 1,000, and a maternal mortality rate of 747 per 100,000 live births), despite healthcare coverage within a 5 kilometer radius being available to 67 percent of the population. The epidemiological profile of Mauritania is characterized by the dual presence of infectious and nutritional pathologies, on the one hand, and the health problems associated with sedentary lifestyle and economic development, on the other hand, indicating that the country is passing through an epidemiological transition which makes finding solutions more complex.
12. Access to potable water definitely improved in terms of quantity and quality, inasmuch as the use of indoor faucets increased from 15 percent in 2000 to 18.5 percent in 2004. However, the water issue remains a source of concern in rural areas, where scarcely 14 percent of households have a private spigot. This situation is compounded by problems with the cost of water for those lacking access to the distribution system in urban areas, as prices per cubic meter may be as high as 11 times greater than those posted by the SNDE.

### ***Main findings***

13. Analysis of the implementation of the first phase of the PRSP shows that major shortcomings continue to have a negative impact on its execution. These are, in particular:
  - In the growth area, there are persistent weaknesses in: (i) the level and quality of infrastructure (transportation, energy, telecommunications); (ii) foreign direct investment (excluding oil and SNIM); (iii) the skill levels of human resources and enterprises; and (iv) the level of access to production factors and the productivity of the poor;
  - In the area of access to essential services: (i) retention rates in education that are still low; (ii) a number of health targets that are among the MDGs and which in all likelihood will not be achieved; and (iii) a rate of access to water from an indoor tap that is too low, and persistent disparities in prices in urban areas;
  - As regards governance, there are persistent weaknesses in: (i) the independence and predictability of the court system; (ii) the effectiveness of parliamentary work; (iii) transparency and efficiency in the management of public assets; and (iv) low capacity levels in government, civil society, and the private sector.

14. In addition, the effective implementation of the PRSP was also hampered by the lack of a functional monitoring and evaluation system that can provide relevant information in time to make adjustments on the fly, and thereby ensure the effective steering of economic and social development policy. Finally, poor coordination—not only within the government, but also with the technical and financial partners (TFPs)—contributed to the scattering of efforts and the absence of an integrated approach to development, especially in rural areas, as espoused by the PRSP.

### ***The new long-term vision***

15. The new phase of the PRSP is beginning in a context characterized by: (i) a higher than projected incidence of poverty, owing to the underestimation of the poverty line; (ii) an altered political context, allowing for the hope that the actual implementation of the PRSP will be much more effective; and (iii) Mauritania's entry into the petroleum era. Against this background, it is important in the years ahead to establish the conditions which permit the emergence of an economy that is more open to the outside world and more diversified, able to ensure sustained economic growth in the medium and long terms so as to attain lasting economic and social development enabling the country to achieve the MDGs. However, this vision should go beyond the timeline for the MDGs (2015) and become a stage in a very long-term prospective vision (2030). Meeting the goals will be possible thanks in particular to the rational use of part of the revenue derived from the exploitation of hydrocarbons and the investment of the remainder so as to ensure a regular source of revenue over the longest possible period.

### ***New strategic themes***

16. This vision is based on the four strategic themes identified in the past, which remain relevant: (i) accelerated growth and the maintenance of macroeconomic stability; (ii) anchoring growth in sectors from which the poor derive direct benefit; (iii) developing human resources and improving access to basic services; and (iv) improving governance and building capacities. These themes will be supplemented and supported by a new major focus: enhanced steering, monitoring, evaluation, and coordination.
17. Under the first theme, efforts will target: (i) the introduction of economic policies based on the restoration of the major macroeconomic equilibria; (ii) maximization of the effects of oil exploitation; (iii) reform of the financial system; (iv) significant improvement of the business climate; and (v) strengthening and developing the infrastructures that support growth.
18. The second theme will emphasize the development of productive activities accessible to the poor and adapted to their areas of concentration, including: (i) substantial reduction of the gap in socioeconomic infrastructures; (ii) the promotion of access to suitably tailored financial services; (iii) the development of vocational training and the promotion of SMEs; and (iv) enhanced productivity.
19. The third theme should result in an improvement in the living conditions of the poor in the short term and, in the long term, establish conditions conducive to sustainable growth.
20. The fourth theme will make it possible to: (i) consolidate the rule of law; (ii) improve economic and environmental governance; (iii) move forward with decentralization; (iv) modernize public administration; and (v) advance the participatory approach.
21. Finally, the fifth theme will entail the establishment of a system and suitable mechanisms for coordination, monitoring, and evaluation, thereby permitting the effective steering of economic and social development policy. This includes in particular: (i) improving

coordination within the government so as to ensure the sequenced and integrated implementation of the priority actions; (ii) aligning and harmonizing ODA in accordance with the Paris Declaration; (iii) streamlining existing mechanisms; and (iv) regularly producing relevant information and analyses for use in monitoring PRSP implementation.

### ***Objectives and priorities for 2006-2010***

22. To measure the progress made during the second phase of the PRSP, the government has set the following objectives for 2010: (i) reduce the incidence of poverty to less than 35 percent at the national level, less than 45 percent in rural areas, and less than 15 percent in urban areas; (ii) achieve an average annual economic growth rate of more than 10 percent over the period; (iii) ensure universal access to basic education; (iv) lower the illiteracy rate of adults over 15 years of age to less than 20 percent; (v) increase the rate of primary healthcare coverage within a 5 kilometer radius to 90 percent; (vi) lower the infant mortality rate to less than 60 per 1,000; the infant/child mortality rate to less than 70 per 1,000, and the maternal mortality rate to under 400 per 100,000 live births; and (vii) increase the rate of access to potable water to 48 percent in urban areas and 62 percent in rural and semiurban areas.

### ***Priorities of the PRSP***

23. To achieve the medium- and long-term objectives, execution of the actions called for under the second phase of the PRSP will proceed in keeping with the four following types of priorities:
- **4 priority areas:** education, health, water supply, and infrastructure (transportation, energy, telecommunications, etc.);
  - **2 priority zones:** dry rural areas and underprivileged neighborhoods;
  - **2 priority cross-cutting actions:** (i) preparation of a National Territorial Development Strategy (SNAT) which incorporates a long-term prospective vision for the country (Mauritania 2030) and includes in particular the implementation of the PDALM (already available); and (ii) adoption of the National Environmental Action Program (PANE) as an important milestone in fully recognizing the cross-cutting nature of environmental issues; and
  - **1 priority working method:** concerted, coordinated, and monitored implementation of the PRSP.

### ***The PRSP partnership***

24. Achieving the objectives set will not be possible without establishing a partnership between all the national stakeholders (state, civil society, private sector, Mauritians living abroad, etc.) and the development partners, each where it has a comparative advantage. In the context of this partnership, the state should focus on: (i) consolidating the rule of law; (ii) devising and coordinating policies and strategies; (iii) regulation; and (iv) the establishment of a climate conducive to the development of economic opportunities. Civil society organizations will be called upon to play a more important role, especially as regards: (i) dialogue on public policies; (ii) the promotion of a culture of open and constructive debate; (iii) grassroots development; and (iv) consumer protection. The private sector should expand and strengthen its role as a driving force in the economy, developing a partnership with international businesses, fully engaging in

competition, etc. Finally, in keeping with the Paris Declaration on ODA, the TFPs should assist the country in its development efforts, support its strategic choices, and offer their assistance in accordance with priorities defined by Mauritania.

### ***Financing***

25. The second phase of the PRSP is accompanied by a Medium-Term Expenditure Framework (MTEF) for the 2006-2010 period—and which is now being finalized—which determines the overall cost of the action plan in terms of both current and capital expenditure, and defines the source of the financing needed for its implementation. The overall cost is estimated at UM 1,261 billion, of which about 62 percent will be devoted to current expenditure and about 38 percent to investment. Of this overall amount, UM 1,167 billion (or roughly 92 percent) will be financed with own resources, and UM 94 billion (equivalent to about US\$350 million) will have to be lined up in external financing, in particular from the TFPs. The financial support of TFPs, which will remain necessary for a time, will gradually give way to technical and strategic support, with emphasis on the transfer of technology and know-how.

### ***Risks***

26. There are a number of risks which might impede PRSP implementation. These are, in particular: (i) risks associated with preparation of the PRSP during the transition period; (ii) the continued vulnerability of the economy to exogenous shocks; (iii) insufficient ownership of the new approach; (iv) insufficient capacity to absorb public investments; and (v) the low capacity levels of national stakeholders.

## INTRODUCTION

27. The participatory process of revising Mauritania's first Poverty Reduction Strategy Paper (PRSP) and drawing up its action plan for the 2006-2010 period, which began in late 2004, is drawing to a close in a context in which the country is going through a transitional phase during which the armed forces, security forces, and the government they put in office in August 2005 have taken on the threefold responsibility of: (i) heading up a democratic process that will make it possible to hold genuinely free and transparent elections (presidential, legislative, and municipal); (ii) laying the groundwork for an independent and sovereign system of justice before which all citizens are equal; and (iii) improving economic, financial, and environmental governance.
28. The PRSP revision is being concluded also at a time when oil production is at its start, with the Chinguitty field in operation since February 24, 2006. Mauritania's entry into the petroleum era obviously has significant implications in at least two directions: (i) the significant increase in public expenditure in priority areas; and (ii) the establishment of conditions that can have positive side benefits for the rest of the economy.
29. The transitional government, seeking to take advantage of these two major events in the political, economic, and social history of Mauritania, decided to continue the PRSP process while expanding participation, seeking greater ownership, especially on the part of the sectoral departments, and revising data. This process made it possible to evaluate the first phase of the PRSP (2001-2004), define new objectives, reaffirm and strengthen the strategic orientations, and prepare a priority action plan for the 2006-2010 period.
30. The evaluation of four years of PRSP implementation showed that progress had been made in reducing poverty and improving the living conditions of the people, suggesting that the country is on the proper path for achieving most of the MDGs. For example, the incidence of income poverty fell from 51 percent in 2000 to 46.7 percent in 2004, for an average annual rate of decrease (by about 1 percentage point) that was twice that experienced in the country during the decade of the 1990s (nearly 0.5 percentage point). In addition, progress was made in terms of access to basic education, where the disparity between boys and girls is beginning to turn to the advantage of the latter.
31. However, major shortcomings continue to stymie progress toward achieving the ambitious objectives of reducing poverty and improving the living conditions of the people.
32. For example, the significant increase in extrabudgetary expenditure between 2003 and mid-2004, financed by money creation, brought about a worsening of the public deficit, a weakening of the external position, and inflationary pressures. In the area of accelerating growth, there are persistent weaknesses in the level and quality of infrastructure (transportation, energy, telecommunications), foreign direct investment (excluding oil and SNIM), and the skill levels of human resources and enterprises.
33. In addition, there are still weaknesses in terms of access to essential services, in particular as regards: (i) education, where retention rates are still low; (ii) healthcare, where sectoral targets that are included among the MDGs will in all likelihood not be achieved; and (iii) water supply, with a rate of access to water from an indoor tap that is too low as well as persistent price disparities, especially in urban areas.
34. In the area of governance there are still major shortcomings, in particular as regards: (i) the independence and predictability of the court system; (ii) the effectiveness of parliamentary work; and (iii) transparency and efficiency in the management of public assets. Finally, the limited capacities of government, civil society, and the private sector continue to hamper overall performance in terms of PRSP implementation.
35. Mauritania's new vision for the 2015 timeline and the measures that will be taken to ensure effective execution of the PRSP are based on: (i) the lessons learned from four years of PRSP implementation; (ii) the prospects of a gradual easing of the constraints on financial resources, largely thanks to the new oil revenue and improved economic and financial governance; and

- (iii) advances made with the participatory process, in particular with the institutionalization of participation and the promotion of citizen control of public actions.
36. The PRSP now sets the objectives of reducing poverty from 46.7 percent in 2004 to 35 percent in 2010 and 25 percent in 2015. It also establishes objectives most of which are more ambitious than those of the Millennium Development Goals (MDGs), including universal education by 2008, etc.
  37. Achievement of these objectives will be sought through the same strategic orientations as in the past: (i) accelerated growth with the maintenance of a stable macroeconomic framework; (ii) anchoring growth in sectors from which the poor derive direct benefit; (iii) developing human resources and broadening access to essential services; and (iv) improving governance and building capacities. However, these orientations will be supported by a fifth major theme: improved steering, monitoring and evaluation, and coordination, in particular through the establishment of a rigorous and hands-on monitoring and evaluation system which guarantees the regular availability of reliable data that allow for effective and coordinated steering of PRSP implementation.
  38. These strategic orientations will be pursued under two five-year action plans, the first of which covers the 2006-2010 period. In this context, emphasis will be placed on building greater consensus and on the full involvement of all stakeholders in respect of three requirements: (i) the development of areas with growth potential, while protecting and regenerating the environment; (ii) preservation of macroeconomic equilibria; and (iii) execution of the planned actions in accordance with the four following types of priorities:
    - **4 priority areas:** education, health, water supply, and infrastructure (transportation, energy, telecommunications, etc.);
    - **2 priority zones:** dry rural areas and underprivileged neighborhoods;
    - **2 priority cross-cutting actions:** (i) preparation of a National Territorial Development Strategy (SNAT) which incorporates a long-term prospective vision for the country (Mauritania 2030), with the implementation of the PDALM (already prepared); and (ii) adoption of the National Environmental Action Program (PANE); and
    - **1 priority working method:** concerted, coordinated, and monitored implementation of the PRSP.
  39. The cost of this action plan is estimated at UM 1,261 billion, of which UM 1,167 billion will be financed with own resources, and UM 94 billion (equivalent to about US\$350 million) will have to be lined up in external financing. The financial support of TFPs, which will remain necessary for a time, will gradually give way to technical and strategic support, with emphasis on the transfer of technology and know-how.



# 1 POVERTY IN MAURITANIA: AN UPDATE

40. Because the transitional government wanted to base economic and social development policy on accurate diagnoses of the real situation in the country, it decided to embark on an in-depth revision of the data from 1992 to 2005 in cooperation with its development partners, in particular the IMF. In this connection, the revision of the series on Consumer Price Indexes (CPI or HCPI) revealed inflation rates that were higher than those published in the past. Consequently, the poverty lines for the years in which phases of the Ongoing Survey of Living Conditions (EPCV) were conducted (1996, 2000, and 2004) had to be revised upwards, which naturally led to higher rates of income poverty.
41. This chapter addresses anew, point by point, the assessment and analyses used as a basis for the first PRSP, incorporating the corrected data.
42. The revised poverty data still point up the four main facts that determined the options under the first PRSP:
  - ***About one person out of two is living in poverty.*** A proportion of this magnitude (46.7 percent in 2004) requires strong mobilization around more systematic, better coordinated, and more intense PRSP implementation, in order to create the conditions for reducing poverty more quickly.
  - ***Poverty is continuing to decrease and the pace of the decrease appears to be picking up.*** The latest poverty profile confirms a continuous decrease in poverty since 1990, with an average annual pace of poverty reduction which appears to have picked up between 2000 and 2004 (over 1 percentage point per year) by comparison with the 1990-2000 period (nearly 0.5 percentage point). The growth recorded during the 2000-2004 period thus had a significant effect on poverty even though it fell short of the objectives. However, the data show some stagnation in inequalities as measured by the Gini index, which probably contributed to impeding more rapid poverty reduction. Stronger growth and improvement in pro-poor actions should result in more definite impacts.
  - ***Poverty continues to be mainly a rural phenomenon and calls for targeted responses.*** Although the rural population is continuing to decline as a consequence of rapid urbanization, three out of four poor people live in rural areas and account for an even higher percentage of extreme poverty. In addition, there are persistent disparities, especially between the river areas and dry areas. Furthermore, poverty continues to affect the underprivileged urban neighborhoods. These findings demonstrate the need for conducting targeted, integrated, and coordinated policies with respect to rural development and urban development, policies which fully take local development dynamics into account.
  - ***Poverty is a multidimensional phenomenon.*** It concerns incomes, living conditions, and potentials at one and the same time. Poverty reduction efforts must therefore simultaneously address these various manifestations through actions affecting the overall environment, production conditions, living conditions, and sociocultural behaviors.

## 1.1 PROFILE AND DYNAMICS OF POVERTY

### Definition and measurement of poverty

43. Poverty is a multidimensional phenomenon which manifests itself primarily in three forms: (i) income (monetary) poverty; (ii) poverty in terms of living conditions (access to basic services such as education and healthcare); and (iii) poverty in terms of potentials (wealth, environment, etc.). Income poverty is measured by means of Foster-Greer-Thorbecke indexes, which refer in particular to the incidence of poverty ( $P_0$ : proportion of the population with a level of expenditure below the poverty line), the depth of poverty ( $P_1$ : the relative differential between the average expenditure of the poor and the poverty line), and the severity of poverty ( $P_2$ : a gap indicator similar to  $P_1$  but which gives more weight to the expenditure of the poorest).

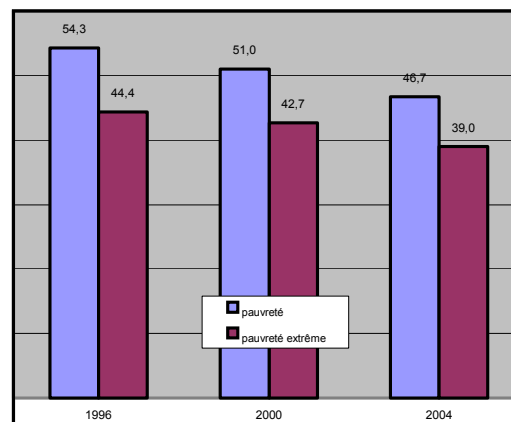
44. A poverty line specific to Mauritania has yet to be defined. The poverty line used for the EPCV surveys is US\$1 per person per day, at constant 1985 prices. The extreme poverty line corresponds to a consumption level of US\$270 per person per year (the table opposite shows the values in ouguiyas).

Year	Poverty line	Extreme poverty line
1988	32,800	24,400
1996	58,400	43,450
2000	72,600	54,000
2004	94,600	70,400

## Income poverty

### *The reduction in poverty*

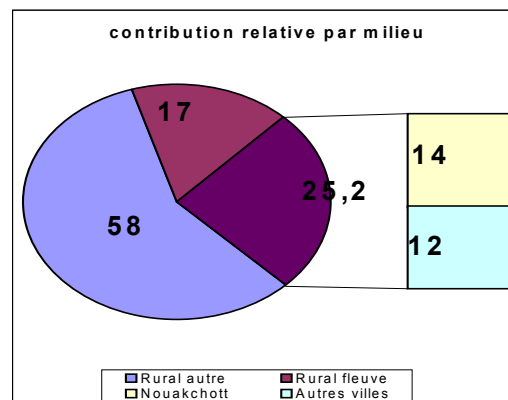
45. In 2004, slightly less than half of all Mauritians (46.7 percent) were living below the poverty line, while nearly a third were in extreme poverty. The extent of poverty has declined, however, by comparison with 2000 (51 percent). Expressed in terms of households, the proportion of poor households dropped from 42.7 percent in 2000 to 39 percent in 2004.



46. The decrease in poverty is even more pronounced for the gap indicators, which reflect trends in inequality among the poor. Thus, extreme poverty has decreased more rapidly than poverty, dropping from 34.1 percent in 2000 to 27.9 percent in 2004, a decline of more than 6 percentage points over the period. This was three times the pace recorded for the 1996-2000 period (2 percentage points). In other words, the decrease in poverty was more pronounced in the poorest segments of the population than it was in the 1996-2000 period. In absolute terms, the number of poor people continued to increase, from 1,279,987 in 2000 to 1,319,566 in 2004, this because of: (i) the steady pace of population growth (2.4 percent); (ii) the insufficient growth rates during the period; and (iii) the failure to anchor such growth in the areas of direct benefit to the poor.
47. Despite this increase in the number of poor, it will be possible to achieve the goal of reducing the incidence of poverty by half from its 1990 level (56.6 percent). It would even be conceivable in the economic and political circumstances in which Mauritania is now evolving for it to achieve results exceeding those of the MDGs, this owing to the economic opportunities offered by oil exploitation, but also because of the improvement in economic governance resulting from a genuinely democratic system.
48. This said, the perception of poverty shows a slight increase, given that 82.2 percent of households in 2004 consider themselves to be poor as compared to 80.6 percent in 2000. Moreover, 50 percent of heads of household consider their village or neighborhood to be poor, a figure which was only 43.3 percent in 2000.

### *The spatial differentiation of poverty*

49. The data from the EPCV-2004 survey show that 7 wilayas out of 13 have poverty rates higher than 50 percent (see map). Income poverty is still, however, primarily a rural phenomenon, with an incidence of 59 percent as compared to the 28.9 percent for urban areas.
50. Roughly three quarters of Mauritania's poor (74.8 percent) live in rural areas. Within the rural areas, however, there are sharp disparities between the "Rural Fleuve" area (Senegal River

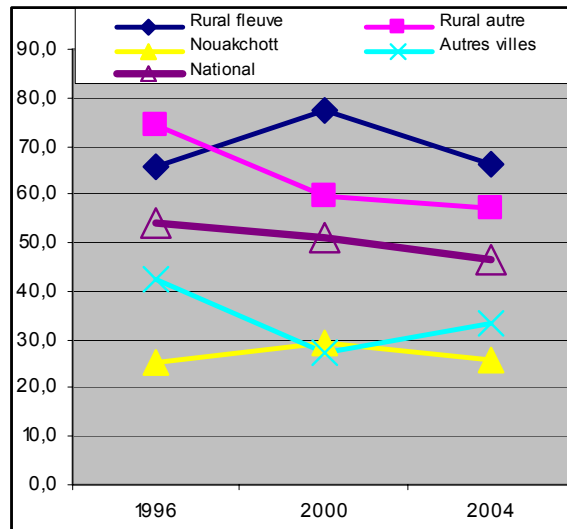


valley) where the poverty rate is 66.3 percent, and the “Rural Other” areas (dry areas), where it is 57.2 percent. By itself, the latter area accounts for more than 57.9 percent of the poor. More specifically, the regions most affected by poverty are the Aftout area—which straddles the wilayas of Assaba, Gorgol, Guidimagha, and Brakna—and the Rkiz moughataa (Trarza) and Moudjeria moughataa (Tagant): in these areas, the incidence of poverty exceeds 70 percent.

51. An analysis in terms of extreme poverty confirms the magnitude of these disparities: in this case, the dry rural areas account for 61 percent of the people living in extreme poverty, while 16 percent are in the river area.

52. Large differentials are also observed within the urban population. The incidence of poverty is lower in Nouakchott (25.9 percent) than in other cities (33.4 percent). There is a gap of 10 to 40 points between the group made up of the cities of Assaba, the Center, the North, and Nouakchott, on the one hand, and the cities along the river or in the South-Southeast, on the other hand, where the incidence of poverty exceeds 40 percent.

53. In terms of dynamics, rural poverty has declined whereas urban poverty has increased. In urban areas, the incidence of poverty dropped by 3.3 percentage points in Nouakchott while the situation grew worse in the other cities. In rural areas, the trend is more contrasted: incidence decreased by 10.8



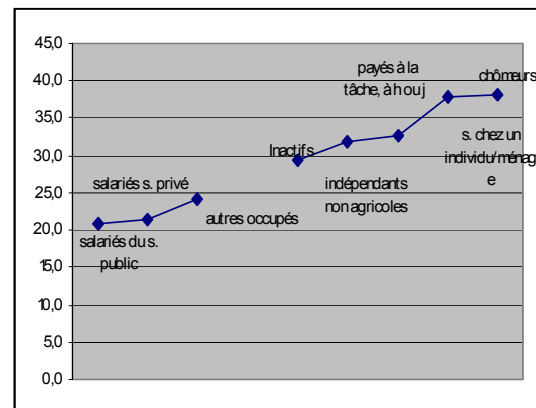
percentage points in the Senegal River valley, while it dropped by only 2.5 percentage points in the “Rural Other” area (see Box 1). The reduction in extreme poverty occurred in all regional strata except for the “Other Cities” category. It is more pronounced in the “Rural River” and “Rural Other” areas, which show decreases of 10.4 percentage points and 3.8 percentage points, respectively. Regionally, poverty increased in 7 wilayas out of 13 over the 2000-2004 period.

### Differentiation by socioeconomic group and gender

54. Despite the significant decline in poverty among the socioeconomic group of households headed by self-employed farmers over the 2000-2004 period, this group is the one most affected by poverty, followed by that of family workers, with incidences in excess of 60 percent. The data also show disparities by zone. Thus, in rural areas, those most well-off are public sector wage earners, among which the poverty rate is still 42 percent, or 20 percentage points higher than among their counterparts in urban areas. The other groups in rural areas have equally high incidences of poverty, which even exceed 70 percent among those paid by the piece, hour, or day.

55. Furthermore, in urban areas there is a sizable disparity between wage-earners in the formal sector and others: the former have poverty rates in the 20-25 percent range, while the other groups have rates ranging from 32 percent to 39 percent.

56. The incidence of poverty has risen by about 3 percentage points among public sector wage-earners in urban areas, and 7 percentage points among the nonagricultural self-employed there. In rural areas, there is slippage among private sector wage-earners, the nonagricultural self-employed, and family workers.



57. The incidence of poverty varies depending on the gender of the head of household. It is slightly higher among households headed by women in Nouakchott (26.2 percent if the head of household is male, 25 percent if it is female) and in the “Rural Other” area (57.9 percent as compared to 52.9 percent). However, the disparity is greater in the “Rural Other” area (65.9 percent if the head of household is male, and 70.3 percent if it is female) and in the other cities (31.9 percent as compared to 39.9 percent). Monogamous households headed by men have a higher incidence of poverty than those headed by women (41.1 percent and 38.8 percent, respectively).

**Box 1: Dynamics of poverty in rural areas, 2000-2004**

The aim of this box is to propose explanations for the decline of poverty in rural areas, particularly the sizable decrease in the “Rural River” zone over the 2000–2004 period.

**Dynamics of poverty in the “Rural River” area**

This zone is made up of the valley communes alongside the river, which are part of four wilayas: Gorgol, Brakna, Trarza, and Guidimagha.

Poverty incidence in the zone decreased from 77.1 percent in 2000 to 66.3 percent in 2004, a drop of 14 percent. The data further show that this drop is not confined to the river area. Indeed, the dry areas of these wilayas also experienced a comparable decline of 11.6 percent. This finding is confirmed by the regional trend. Overall, there is a decline in poverty of 10.1 percent. All wilayas in the zone contributed with the exception of Brakna, where there was a 4.4 percent increase in poverty, the outcome of a 19.9 percent increase in its riverside portion and a decline of 23.9 percent in its dry areas.

The agricultural sector is the largest source of employment in the river area, where it accounts for 46.9 percent of jobs. Its weight is particularly important in the wilayas of Gorgol and Guidimagha, where the figures are 55.3 percent and 70.1 percent, respectively. Moreover, heads of household, who contribute the most to household income in 90 percent of households, work first and foremost in the agricultural sector. In consequence, the agricultural plays a preponderant role in the poverty situation in the river area, as well as beyond it in all four wilayas concerned.

Analysis of the trend for agricultural production of rainfed crops over the 2000-2004 period alongside the poverty trend in the four wilayas in question shows a negative correlation between the two: an increase in production is accompanied by a decrease in poverty. The wilayas where poverty decreased had pronounced increases in terms of agricultural output. By way of illustration, the Guidimagha wilaya, which recorded the greatest increase in agricultural production (+164 percent) had a significant decrease in poverty (24 percent). In Gorgol wilaya, which ranked second with an increase in agricultural production of 58 percent, poverty dropped by 14.5 percent. These two wilayas with the greatest production increases were the ones that had the largest numbers of persons employed in the agricultural sector in relative terms. In contrast, in Brakna there was a significant decrease in agricultural production (66 percent) from the riverside area (Walo), alongside an increase in the production from the flats, which occurred exclusively in the “rural other” area. This could well explain the contrasting poverty trends observed in the two zones of the wilaya’s rural area. Production from irrigated agriculture, which accounts for about 60 percent of the total, increased in a comparable manner in each wilaya. Overall, growth was 28.6 percent over the 2000-2004 period.

In conclusion, the reduction in poverty observed in the “rural river” area appears to be largely attributable to the performance of rainfed agriculture.

**Dynamics of poverty in the “Rural Other” area**

The “rural other” zone consists of the rural areas of the remainder of the country (excluding the river valley). This area had a relatively modest reduction in poverty by comparison with that in the “rural river” area. The incidence of poverty fell from 59.7 percent in 2000 to 57.2 percent in 2004, a relative decline of 4.2 percent. This drop is the outcome of: (i) a decline in poverty in the dry area of the Hodh El Gharbi, Assaba, Gorgol, and Brakna wilayas; and (ii) an increase in poverty in the dry areas of the other wilayas.

The poor in this zone are distributed as follows: 15 percent in the Hodh Chargui wilaya, 14 percent in Assaba, and the remaining poor, at about 10 percent each, in the Hodh El Gharbi, Gorgol, Brakna, Trarza, Tagant, and Guidimagha wilayas. The changes observed in the zone are basically dampened by the increases recorded in the two wilayas of Hodh Chargui and Tagant.

It bears noting that the greatest drop in rainfall recorded during the 2000-2004 period was in Tagant.

On the other hand, the increase in poverty in the Hodh Chargui wilaya, in contrast to the neighboring wilayas, appears to be attributable to the poor quality of the EPCV-2000 data for that wilaya (see the box on data quality).

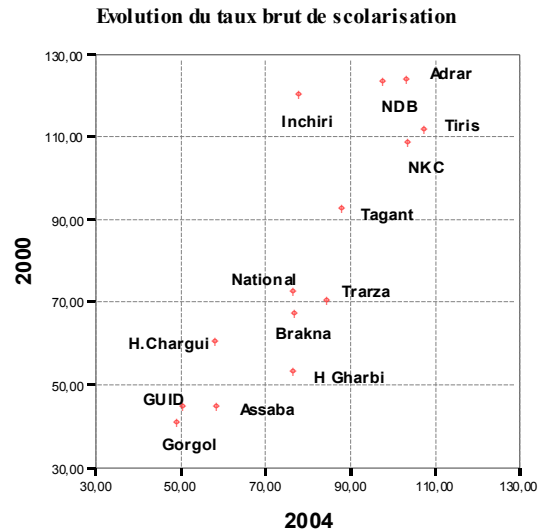
## Poverty in terms of living conditions

### Education

58. Execution of the first phase of the PRSP was characterized by positive developments in the education sector, where the gross enrollment ratio in primary school (basic education) rose from 71.6 percent (2000/2001) to 76.7 percent (2004/2005). The data indicate spectacular gains by girls as compared to boys nationwide; the gross enrollment ratio of girls exceeded that of boys by 4.5 percentage points in 2004, reversing the situation observed in 2000 (70.7 percent as against 72.4 percent). The gross enrollment ratio in secondary school also showed substantial progress, rising from 19.4 percent in 2000 to 29.6 percent in 2004, with the figures slightly higher for boys.

59. The disparity between areas continues to be quite pronounced, as the gross enrollment ratio is 102.6 percent in urban areas and only 62.4 percent in rural areas. Moreover, analysis reveals that sizable disparities persist between wilayas: the gap between the extremes is roughly 58 percentage points (49.3 percent for Gorgol as compared to 107.6 percent for Tiris-Zemmour). All efforts notwithstanding, four wilayas may be regarded as less educated than before, namely Hodh Chargui, Assaba, Gorgol and Guidimagma.

60. The education statistics continue to be higher for children from comfortable financial circumstances. Indeed, there is a significant 40-percentage-point gap between the gross enrollment ratios of the first and fifth quintiles. The gap even reaches 50 points among girls.



#### Box 2: Comparison of EPCV-2004 data and MEN data

With the exception of the gross enrollment ratio for basic education, EPCF-2004, especially the second round, shows results for the main indicators that are comparable with the data of the Ministry of National Education (MEN) for 2004/05.

For the enrollment ratio the gap between the two sources is roughly 10.7 percentage points (84.4 percent according to the results from the second round of the survey, as compared to 95.1 percent according to the ministry's data). Despite this gap, both sources confirm that the gross enrollment ratio for girls is higher than for boys, and the rankings of the wilayas are largely the same using the same indicator.

For the gross enrollment ratio in secondary school, in 2004/05 the gap between the two sources is less than 3 percentage points (27.4 percent according to the survey and 29.8 percent according to the MEN).

The values reported by the two sources for grade repetition rates are comparable. For basic education there is a very slight difference between the repetition rate estimated by the survey in 2004/05 (10 percent) and that estimated on the basis of MEN data (10.3 percent). At the secondary level, the difference for 2003/04 is on the order of 3 percentage points (17 percent as against about 14 percent).

The major difference between the two sources hence is for the gross enrollment ratio in basic education. In the absence of any information about the confidence interval for the survey, there are three possible sources for the gap:

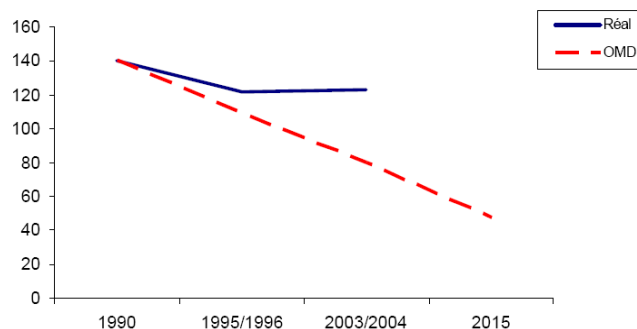
- Underestimation of the school-age population (children ages 6 to 11), based on population projections prepared by the United Nations and used by the MEN for calculating the gross enrollment ratio;
- Overestimation of the school-age population (those eligible for basic education) based on the school census conducted annually by the MEN;
- Problems in respect of ages not smoothed and reporting errors. Age smoothing resulted in a gain of 4 percentage points over the gross enrollment ratio from the first round.

61. Literacy improved somewhat during the implementation period of the first PRSP, with the adult illiteracy rate (for those age 15 and up) dropped from 47 percent<sup>1</sup> in 2000 to 42.5 percent in 2004.<sup>2</sup> The rate shifted in a different way depending on gender, registering an improvement for men (-9.5 percentage points) as compared to a slight deterioration for women (+5.2 percentage points). The literacy rate varies widely depending on standard of living: in 2004, it was 38.4 percent for the poorest (1<sup>st</sup> quintile) and 73.2 percent those most well-off (5<sup>th</sup> quintile).

### Health

62. Despite the inadequate volume of data and the uncertain reliability of the available information, the various health indicators were stagnant overall. Thus, the EMIP survey (2003-2004) shows that the child mortality rate has changed little since 1990. The situation is slightly better in the case of the infant mortality rate, which improved from 122 per 1,000 in 1996 to 116 per 1,000 in 2004. The fertility rate stabilized at about 4.6 for the 2000-2004 period, and the prevalence of HIV/AIDS among pregnant women also remained relatively stable at about 0.5 percent.

Taux de mortalité infanto-juvénile: Réalisations comparées à l'objectif OMD  
(selon les données officielles)

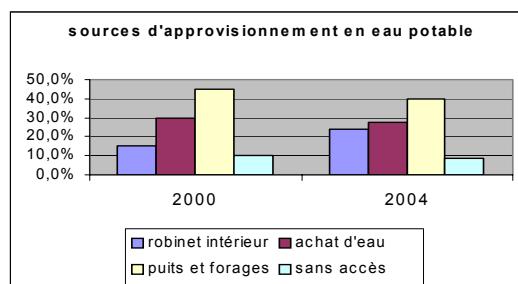


According to SNIS data and the health map, 67 percent of the population lives within a 5 kilometer radius of a healthcare facility. However, the rate of use of local facilities within 5 kilometers from home is down, dropping from 73 percent to 58.2 percent between 2000 and 2004, respectively. The decline is particularly pronounced in rural areas (55 percent in 2000 and 34.5 percent in 2004). This situation is attributable in part to the location of facilities in localities which patients do not wish to frequent for various reasons, as well as to the availability of the type of care sought, the quality of personnel, and the quality of the services offered in the facility in question. This situation illustrates the fact that the availability of a health facility near the people cannot by itself resolve the access problem. Involvement of the people when sites are selected, and in the management of the structure and the quality of services, are every bit as important.

63. Vaccination coverage remains below the objectives pursued, especially in rural areas, despite the spectacular increase recorded between 2000 and 2004, when coverage more than doubled from 31.9 percent to 79 percent. The disparity by area of residence is relatively sizable (86.4 percent for urban areas, as against 74.1 percent for rural areas). Moreover, maternal mortality remains one of the major public health challenges owing to persistent weaknesses in: (i) prenatal consultations; (ii) contraceptive use; and (iii) childbirths assisted by trained personnel, for which rates improved by only 2 percentage points during the period.
64. There are also other factors working against rapid improvement in respect of healthcare: (i) inadequate prevention and treatment of infectious diseases; (ii) insufficient availability of essential drugs; (iii) the poor fit between personnel qualifications and assignments, associated with training, compensation, and motivation issues; and (iv) the stagnation in real terms of public expenditure on health.

### Potable water

65. Access to potable water has considerably improved by comparison with the situation in 2000. The proportion of households using indoor taps increased



<sup>1</sup> RGPH-2000.

<sup>2</sup> The EPCV data show that there has been no progress, but the literacy rates calculated in 2000 were overestimated because the question on literacy was not asked of persons who had attended school.

from 15.4 percent in 2000 to 18.9 percent in 2004, while the percentage of households obtaining water supplies from wells and resellers decreased, from 45 percent to 39.4 percent for wells, and 24 percent to 20 percent for resellers. However, this situation masks disparities between wilayas. Thus, Nouakchott and Dakhlet-Nouadhibou rely principally on resellers of water (63.8 percent and 32.4 percent, respectively), while the other wilayas, outside that of Trarza where more residents obtain their water from indoor taps (43.9 percent), principally rely on wells.

66. Water consumption has trended downward, dropping in Nouakchott from 40 liters/day in 1998 to 29.7 liters/day in 2003. While there is a 10 point gap between the cold and hot seasons, consumption in the underprivileged neighborhoods (Gazra and Kebba) is comparable to that recorded in some middle-income developed neighborhoods. In these neighborhoods, the price of water is about UM 1,280 per cubic meter (depending on the season), or more than 10 times greater the amount paid by subscribers to the SNDE network. In rural areas, water supplies are still obtained under questionable hygienic conditions, in that only 12 percent of the people get their water from secure sources.

### *Housing*

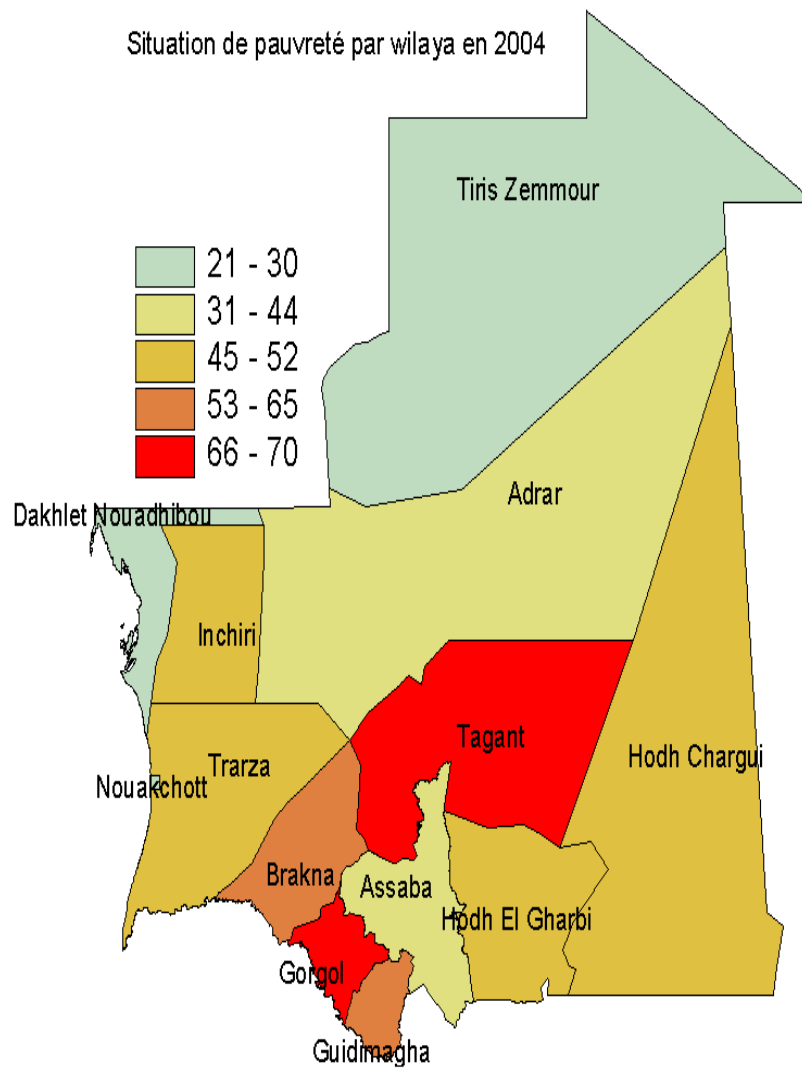
67. Over three quarters of households own the housing units they inhabit, a situation that remained stable over the 2000-2004 period. This said, despite efforts to improve neighborhoods, particularly in Nouakchott, a third of all Mauritanian households continue to live in substandard housing (tents, shacks, or huts). This proportion is 13 percent in urban areas as compared to 46.8 percent in rural areas. As regards lighting, the proportion of households connected to the electricity grid increased from 18 percent in 2000 to nearly 24 percent in 2004, largely the result of the positive trend in urban areas, up more than 8 percentage points over the period. The use of gas as a cooking fuel also became more widespread, increasing from 28 percent in 2000 to 35 percent in 2004. In contrast, access to adequate sanitary facilities (sewers, septic systems, or latrines) remained virtually unchanged.

## 1.2 MAIN DETERMINANTS OF POVERTY

68. The multidimensional nature of poverty makes it difficult to determine with precision all the factors behind it. It is reasonable to conclude that geographic and natural factors (geographical location, natural resources, etc.), demographic factors (a younger and younger population that is growing rapidly), and administrative factors (limited capacity to manage economic policy, limited capacity for strategic planning, etc.) are so many obstacles to reducing poverty rapidly. Are they, however, its main causes? The analysis of EPCV data, notwithstanding the doubts that remain as to their quality (see Box 3), makes it possible to identify some essential determinants of poverty which, if addressed, could result in a significant reduction in poverty.
69. First, the decline in poverty over the period of implementing the first PRSP could be associated mostly with **growth**. Indeed, the reduction might have been even greater had the growth been accompanied by more redistributive policies. Indeed, according to EPCV data, growth by itself would have reduced poverty by 6.1 percentage points, while the negative effect of increased equality worked in the opposite direction, increasing it by 1.8 percentage points. However, the slight increase in inequality as measured by the Gini index (from 39 percent to 39.3 percent) fortunately did not basically undermine the relative improvement in the situation of the poor, as evidence by the declines in the depth index (-18 percent) and severity index (-29 percent).
70. Next, it is clear that **socioeconomic characteristics** are at the heart of the problems associated with reducing poverty, given its multidimensional nature. Indeed, the level of education, degree of literacy, and gender of the head of household are preponderant factors, as they have a significant influence on household living standards as measured by per capita expenditure. The same observation holds true for household size and the number of employed persons in the household.
71. Finally, **other factors** also contributed to hampering the efforts deployed to achieve poverty reduction goals:
  - The rise in inflation in recent years jeopardized the gains in household purchasing power, especially among the poorest;

- In rural areas, such factors are: (i) the almost total dependence of the people on agro-pastoral activities, which are subject to weather conditions; (ii) the lack of water resources; (ii) limited access to land on the part of the poor; and (iv) the isolation of production areas and the absence of infrastructures facilitating the marketing of products;
- In urban areas, such factors are: (i) the phenomenon of uncontrolled sedentarization; (ii) the lack of opportunities to engage in economic activities; (iii) the poor access by the poor to basic social services (healthcare, education, potable water, etc.) and suitably adapted financial services; and (iv) the widespread precarious living conditions in the peripheral neighborhoods.

Poverty situation by wilaya in 2004





### Box 3: Quality of EPCV data

The information obtained from a survey based on sampling is subject to two types of errors: sampling errors and measurement errors. The former do skew estimates, but to a considerably lesser extent than the latter. Sampling errors are well known to statisticians inasmuch as they are associated with the problems of selecting a representative sample of the population.

However, measurement errors are associated with the conduct of data collection and exploitation. They represent first and foremost human errors that can be reduced by means of rigorous control measures at all stages of the survey.

The quality of the data varies depending on the various phases of the EPCV conducted in 1990, 1996, 2000, and 2004. A study evaluating the data quality of EPCV-2000 identified various kinds of measurement errors in all phases of that survey. That study also made it possible to compare the two phases of the EPCV from 2000 and 1996, and the results favor the 1996 survey.

This lack of reliability is attributable to a number of factors, including:

- The lack of competent personnel at all levels (preparatory stage, training, data gathering, supervision, oversight, input and computer processing);
- The absence of continuous supervision and oversight of all stages in the field and during data input;
- Manual input that was not adequately assisted;
- Use of part of the second round to make corrections in the data from the first round, whereas the published results pertained solely to the first round.

These measurement errors were reflected in some inconsistencies found in the results, notable among which are:

- The failure of the benefits/incidence analysis in the healthcare area, owing to the fact that the health data were unreliable at the regional level;
- The situation of Hodh Chargui, for which the incidence of poverty is too low by comparison with those recorded in the other wilayas in the east, for which there is no valid explanation;
- The problem of explaining the increase in poverty in the river area (from 65.5 percent in 1996 to 77.1 percent in 2000), even though the zone benefited from sizable public investments and community-level organization is more prominent than elsewhere.

However, as regards the 2004 survey, there were a number of factors which contribute to the production of reliable data while reducing measurement errors:

- The institutional approach: the survey was entrusted to a Technical Committee assisted by a Specialized Technical Group (GTS) made up of representatives of member structures;
- The CWIQ methodology with electronic input (via optical scanner), making it possible to reduce manual input errors and speed the processing of data;
- A program was developed to ensure improved supervision of work;
- A workshop on correcting errors in consistency on the basis of the questionnaire, logical consistency tests, and supervision reports.

In addition, sampling errors are a decreasing function of sample size; the larger the sample, the lower the sampling error. It bears noting that the sampling error in respect of the incidence of poverty at the national level is 5 percent in 1996, 4 percent in 2000, and 3 percent in 2004.

## **2 SUMMARY OF PRSP IMPLEMENTATION FROM 2001 THROUGH 2004: STRENGTHS, WEAKNESSES, MAIN LESSONS LEARNED**

72. The first stage of the PRSP had identified the priority actions to be carried out during the 2001-2004 period to achieve the medium-term objectives determined in accordance with the four strategic themes defined as follows: (i) to increase the rate of growth and maintain a stable macroeconomic framework; (ii) ensure that growth is anchored in the economic environment of the poor; (iii) develop human resources and expand basic services; and (iv) achieve good governance and capacity building.
73. At the end of the first PRSP period, it has to be said that the intended priority actions have not been implemented completely satisfactorily. Indeed only 61.5 percent of actions were actually executed, while about 22 percent of actions are in progress, and almost 16.5 percent were not carried out. Further, several actions that were not programmed and that are not directly contributing toward the PRSP objectives were also carried out, thereby undermining the status which the PRSP theoretically enjoys as the exclusive programming framework.
74. In addition, the performance rating system with regard to execution of priority actions assigns an overall grade of 1.45,<sup>3</sup> confirming a performance that is above-average, but nonetheless inadequate. The review of the ratings by strategic theme shows that they vary from 1.28 for theme 4 to 1.59 for theme 2, or an almost 25 percent difference in performance in favor of the efforts to ensure that growth has its foundations in the economic environment of the poor. There are also even greater disparities in the execution of the priority areas, with the health sector scoring the highest rating (1.64)<sup>4</sup> and the water sector achieving a low rating (0.89) despite the fact that it is clearly a high priority sector.<sup>5</sup>
75. Although this situation has partly weakened the prospects for full attainment of the agreed objectives, it has nonetheless not prevented various overall improvements in poverty and living conditions of the populations from taking place, albeit without removing the main obstacles to economic and social development in Mauritania.
76. This chapter aims to review the main actions implemented, the results to which they have contributed, and the remaining constraints (i) in the area of growth and the macroeconomic framework; (ii) in the PRSP priority areas (education, health, water systems, rural development, and urban development of vulnerable districts); (iii) in the cross-cutting themes of the PRSP; and (iv) in the area of governance and capacity building. The review also discusses the participatory approach and the regionalization of the PRSP, and provides an update on financial execution. Finally, it draws the main lessons learned from four years of PRSP implementation.

### **2.1 GROWTH AND THE MACROECONOMIC FRAMEWORK**

#### **Macroeconomic framework**

77. The first PRSP action plan covering the 2001-2004 period, prepared on the basis of partly incorrect data, set ambitious objectives in terms of the following: (i) growth rate (7 percent a year), which is considerably above previous rates; (ii) inflation rate (2.4 percent in 2004); (iii) current

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<sup>3</sup> A rating of 2 is given for an action that is actually executed, a rating of 1 for an action in progress, and a rating of 0 for an action that has not been implemented. The overall rating is the average.

<sup>4</sup> The execution of an action does not necessarily mean that it enables the intended objective to be achieved, as it often happens that, to achieve a given objective, it is necessary to start various actions concomitantly, and this has not always been the case.

<sup>5</sup> Assessment could be made simpler by estimating the rate of execution of each action (using a number between 0 and 1). For the time being, the information required for that is not yet available.

account deficit (14.7 percent of GDP in 2004); (iv) budget deficit (3 percent by 2004); and (v) external reserves (6 months equivalent of imports of goods and nonfactor services).

78. **Economic growth** remained high in the 2001-2004 period at an average rate of 3.7 percent in real terms. However, this level is below the initial forecasts of the PRSP (+6 percent a year over the period) considered necessary to achieve the poverty reduction objectives. Nevertheless, the results for 2003 and 2004 (5.6 percent and 5.2 percent) were close to the revised PRSP forecasts (+5.8 percent). Economic growth was boosted mainly by the exceptional results of the construction and public works sector (+15.1 percent on average for 2001-2004), and transport and telecommunications (+14.7 percent). These two sectors together contributed nearly 14 percent of GDP over the period. By contrast, domestic output was affected by the negative performance of agriculture (-8.2 percent), the manufacturing industries (-4.1 percent), and, to a lesser degree, by the weak growth in mining (+1.6 percent) and livestock farming (+1.1 percent). The share of the mining sector in GDP fell below the 12 percent level, while agriculture contributed only 3.3 percent of GDP.
79. **Inflation** went off track following the second half of 2003. Over the whole period, the average annual rate of inflation was estimated at 7.2 percent. Period-end inflation (16.1 percent year on year at end-December 2004) is far removed from the initial or the revised PRSP targets (2.4 percent and 3.7 percent, respectively, for 2004 inflation). The various factors leading to this trend have already been mentioned, namely: agro-climatic shocks, shifts in the ouguiya/euro exchange rate, expansionary fiscal and monetary policies, and the soaring world oil price.
80. The **current account deficit** excluding official transfers deteriorated during the period (except for 2002), and hit record levels in 2003 (US\$293 million) and particularly in 2004 (US\$610 million). The average deficit over the period was 23.7 percent of GDP.
81. The overall **budget deficit** excluding grants over the period was 11.5 percent of GDP. The revised data show that the deficit increased very significantly from 1999 (UM 23.5 billion) and 2000 (38.5 billion), reaching 41.1 billion, or 14.3 percent of GDP for the first PRSP execution year. The reduction noted in 2002 (22.6 billion) was followed by another deterioration in 2003 (55.6 billion). The austerity measures that began as of mid-2004 reduced the deficit for that last year (31.6 billion, or 8.0 percent of GDP).
82. For the period as a whole, the average level of **gross official reserves** – excluding the oil account – remained very low, varying between 0.4 and 1.4 months of imports (excluding oil), which is a level considerably away from the PRSP target (6.4 months by 2004 for the revised target).
83. **Fiscal and monetary policies** remained expansionary, thereby acting as a stimulus to inflation, in particular from the third quarter of 2003, and leading to a sharp rise in domestic credit, specifically for financing the budget deficit. Nevertheless, as of the second half of 2004, the conduct of monetary policy improved so as to support the exchange rate, relieve pressure on imports, and promote the rapid replenishment of official reserves. The main monetary aggregates thus continued to grow at a high rate that was considerably above the PRSP targets. Money supply (M2) increased by 24.3 percent a year on average over the 2001-2004 period (rising 76.5 percent between end-2001 and end-2004), and credit to the private sector expanded by 17.4 percent on average over the same period.
84. With regard to **external government debt**, Mauritania managed to reach the Enhanced HIPC (Heavily Indebted Poor Countries) Initiative completion point in June 2002. In view of this, Mauritania's total foreign debt was relieved by US\$622 million in net present value (NPV) terms, or 50 percent of the amount outstanding, thus providing a sound base for its long-term viability. The outstanding debt amounted to 137.6 percent of GDP in 2004, compared with 177.5 percent in 2001; and the debt service (after relief), as a percentage of exports, fell sharply from 23 percent to 9.1 percent during the 2000-2004 period. In addition, the authorities entered into debt relief agreements with almost all the multilateral creditors and with the majority of bilateral partners. The Debt Management Financial and Analysis System (DMFAS) software is in the process of being installed at the relevant agencies (Central Bank of Mauritania (BCM) and Ministry of Finance) to address the issues of debt management and unification of the database.

## Policies in the main exporting sectors

85. In the first PRSP, three main sectors had initially been targeted, specifically: mining, fisheries, and tourism. (The feasibility of developing the Chinguitty oil field was confirmed after the PRSP was adopted.) The systematic search for new sources of international competitiveness was also expected to involve agriculture and livestock products.
86. The *mining* sector is one of the main drivers of Mauritania's economic growth. Its position was strengthened in recent years, reflecting the impact of a dynamic mining policy aimed at improving the attractiveness of the sector for private investors, diversifying mining production, and thereby reducing the economy's vulnerability. The following three priorities were identified for the 2001-2004 period: (i) strengthen the new legal framework; (ii) continue the current prospecting programs; and (iii) implement investment programs to streamline and increase the productivity of the National Industrial and Mining Company's (SNIM's) activities.
87. These policies were implemented as follows:
  - *Strengthening of the legal framework*: A model mining agreement was prepared in consultation with all the operators in the sector and this was adopted in 2002. Various other new regulations were promulgated, relating to quarries, mining customs and tax systems, mining taxes and fees, and the environment.
  - *Mapping work*: Significant geological mapping operations were started in the period, leading to the execution of the geophysical survey from the air for the north and the south of Mauritania (2003), and to the drafting of the 1:500,000 scale map of the whole of Mauritania and of 39 maps with a scale of 1:200,000 of the areas of high mining potential (2003).
  - *Mine prospecting*: Prospecting operations were stepped up during the period, reflecting the attractiveness of the sector to foreign investors. Consequently foreign direct investment (FDI) in prospecting rose from US\$10 million in 1999 to US\$15 million in 2001 and US\$12.2 million in 2004. The number of new prospecting licenses went up from 46 (end-2000) to 92. This increase in licenses went hand in hand with a diversification of operators (6 in 1999, 13 in 2001, and 19 in 2004).
  - *Promotion of the sector*: There was a high level of promotion activity, particularly through participation in various regional and international events.
  - *The SNIM's investment program*: The SNIM continued its investments in the entire export process (extraction, crushing, railroad, port), including the spiral workshop project (completed in 2003), overhaul of plant and equipment, launch of the work to extend the mining port, etc. In total, therefore, UM 17.5 billion of investments were made in the 2001-2004 period.
  - *Projects to develop gold, copper, and phosphate resources*: The following were the most notable features of the period: (i) the sale in 2002 of the Société Arabe des Mines de l'Inchiri (SAMIN) to a foreign investor and the start in 2003 of the work to rehabilitate the Akjoujt copper mine; (ii) the start in 2003 of the work for the feasibility study on the gold at Tasiast; and (iii) in 2003, the execution of the study of the Bofal railroad plan.
88. Overall, the sector's development can be viewed as encouraging in many respects. However, some weaknesses were found with regard to promotion and supervision of the mining sector, which are handled by a central government that is inadequately equipped with human and material resources. In addition, the expected impact of the SNIM's investment program is proving slow to materialize. The poor performance of the mining company in terms of volumes is admittedly counterbalanced by a favorable world economic climate (high level of demand driven by China and the emerging countries, favorable exchange rate), thereby allowing production to increase significantly in value terms.
89. The government's sectoral strategy for *fisheries* set forth in the PRSP is based on three pillars: (i) rational management of fishery resources; (ii) the development of local processing of fisheries products; and (iii) the development of small-scale (artisanal) and coastal fishing.
90. The following actions were implemented during the 2001-2004 period:

- *Fisheries research*: (i) building the capacity of the Mauritanian Institute for Oceanographic and Fisheries Research - IMROP (which succeeded the National Center for Oceanographic and Fisheries Research (CNROP) in 2002); and (ii) developing the marine surveys (242 on average annually).
  - *Management and development of fisheries*: (i) adoption and promulgation of the Fisheries Code and its implementing decree (2002); and (ii) preparation of the plans for managing the priority fisheries (small-scale and coastal fishing, and shrimp fishing).
  - *Maritime security and surveillance*: (i) updating the legislation on monitoring and surveillance (now extended to include small-scale fishing); (ii) harmonization of the Fisheries Code and the law governing the Banc d'Arguin National Park (PNBA); (iii) establishing a satellite system for tracking ships; (iv) preparing the Marine Environment Code; (v) establishing a maritime search and rescue center; and (vi) finalizing the feasibility study on the removal of the wrecks in the bay of Nouadhibou, and actually putting together the financing.
  - *Training*: (i) setting in motion the activities of the National School of Fishing and Marine Studies (ENEMP) in Nouadhibou; (ii) training artisanal fishermen and women in processing as part of Artisanal Fishing projects in the south (financed by the African Development Bank - AfDB) and of the Legweichich project supported by the Spanish foreign aid agency.
  - *Operation, development, and promotion of fishing*: (i) implementing measures to limit the fisheries effort; and (ii) entering into a new fisheries agreement with the European Union in 2001.
91. At the same time, significant investments were made, in particular in the Nouadhibou autonomous port and the artisanal fishery facilities there. A project pertaining to the focal point for artisanal and coastal fishing development at PK144 was also started and various studies were carried out with a view to implementing new port infrastructures (deep-sea fish landing port, small-scale and coastal fishing port at Tanit and creation of fishing villages along the coast, extension of the landing facilities of the Nouadhibou autonomous port (PAN)).
92. In addition to implementing these actions, the sector had two major successes, namely: (i) making a considerably higher contribution to fiscal revenues than those forecast in the PRSP (UM 61.7 billion over the 2001-2003 period, compared with UM 37.2 billion forecast); and (ii) achieving export targets in value terms (+3 percent a year as set out in the PRSP).
93. By contrast, there were noticeable shortfalls in the following areas:
- Despite a slight decline in the ships involved and the resource management adjustment measures undertaken, there was an increase in the fisheries effort that led to overfishing of cephalopods and the main coastal demersal target species.
  - Although one of the PRSP's objectives was to strengthen national value added in the sector (catch and processing), Mauritania's fishing fleet has become increasingly marginal in terms of catches (8 percent), of fiscal revenues (less than 10 percent), and of share of catches processed before export (10 percent).
  - Other weaknesses remain, in particular with regard to: (i) the information system; (ii) the delay in preparing the Community Aid Project (PAC) development plan; (iii) the low level of resources mobilized for the promotion of export products and upgrading of capacity with regard to health standards, specifically EU standards; and (iv) lack of design and planning capacity for sectoral development actions.
94. As regards *tourism*, the highlighting of Mauritania's tourist development potential was set as one of the priorities to boost economic growth and strengthen the country's external position. Over the period under review significant progress was made in the following areas: (i) *institutional*: a National Tourism Office (ONT) was set up in 2002 and became operational from 2003 onward; (ii) *vocational training*: a training centre for the hotel and tourist trade (Institut Supérieur de Tourisme) was set up in 2003; (iii) *information and promotion*: a Mauritanian tourism internet

portal was set up (2003); and (iv) *infrastructures*: subregional connection roads were constructed, the airports at Néma and Tidjikja were expanded, and the feasibility study for the Nouakchott international airport was completed (2003).

95. The figures for the sector are also fairly encouraging and show a degree of dynamism among private-sector operators. During the period under review the sector saw a significant increase in the flow of tourists with approximately 12,000 tourists arriving by charter flight in 2004-2005 compared with just over 8,000 in 2000-2001; however, the rate of growth slowed in the last few years. The sector has about forty hotels (2,500 beds) and just under a hundred inns and apartments. There are also about 150 licensed travel agencies.
96. Nevertheless, the summary of the first action plan identifies various weaknesses, specifically:
  - The sector suffers from a lack of coordination of institutional activity (Directorate of Tourism (DT), ONT, Ministry for Sport and Youth Culture (MCJS)) and from confusion regarding the respective areas of authority of the ONT and the DT.
  - The study on the implementing legislation relating to Law 96.023 aiming to improve the regulatory framework was indeed carried out in 2003, yet its recommendations were never followed up.
  - With regard to strategy, the Master Plan for Tourism prepared as of 2002 has still not been validated. By the same token the discussions on cultural tourism (workshop in 2004) as well as on the interactions between the development of tourism and the preservation of heritage (study) did not lead to actual measures being undertaken.
  - Continuity of financing for training actions does not appear to be assured.
  - In more general terms, significant constraints remain, namely: (i) the lack of infrastructure (in terms of hotels, roads, energy, etc.); (ii) the low level of professionalism of Mauritanian tourist trade operators and poor availability of qualified human resources; (iii) inadequate promotional activity and investment; and (iv) low-grade presentation of the sites and poor care of the environment.
97. The PRSP did not specifically cover the *hydrocarbons* area (crude oil and natural gas). However, various major developments have taken place in the intervening period. There was an increase in exploration activity in the offshore sedimentary basin, leading to the announcement of the finding of oil in 2001. In 2003, the production test of the Chinguitty oilfield resulted in the announcement that it was commercially viable and the first operating license was granted in May 2004 to the company, Woodside Petroleum. An environmental impact study was carried out in 2004 and production at Chinguitty started on February 24, 2006. At present half of the offshore blocks have been allocated, encompassing all of the deep water offshore blocks. In addition onshore exploration began as of 2002. The outlook for new fields entering production is now assured for the next few years.
98. The intensification of oil research, promotion, and exploration activities can be seen to a great degree as the result of consistent policy of the Mauritanian government in this sector. For about ten years now, the government has taken a series of structural measures designed to create a secure and rewarding business framework. These include the oil code of 1988, the model contract in 1994, considerable lowering of the tax on business profits (BIC) and exemption from Value Added Tax (VAT) and customs duties, a reformed investment code made more attractive to FDI, and a legal framework supporting the observance of contracts and partnership agreements). The sector has also developed in the institutional and legal context. A Ministry of Energy and Oil was set up in 2004. A national hydrocarbon company (SMH) replaced the Chinguitty project group. Finally, a plan to train senior managers and technical staff in the sector was undertaken using financing from lump-sum allocations obtained as part of the signing of the production-sharing agreements.
99. However, during the first stage of the PRSP, and despite the progress mentioned above, the management of the sector suffered from the lack of a strategic vision and insufficiently transparent

methods. This led to arbitrariness in the management of the sector, to the point that a significant share of the data relating to this sector was withheld from the parliament and part of the government.

### **The financial sector**

100. Mauritania's financial system is characterized by a low level of bank penetration among the population (approximately 125,000 accounts for 3 million inhabitants) and the predominant use of cash. Further, there are still several areas in which banking regulations fall short of generally accepted minimum standards, although banking supervision has made significant progress in recent years.
101. In addition, the system continues to be dominated by the *commercial banks*. The system is underdeveloped both quantitatively and qualitatively. The commercial banks are almost all affiliated with the groups they serve. This leads to various breakdowns that adversely affect the security of depositors, undermine the proper functioning of the economy, and harm the country's standing in the eyes of international investors.
102. *Microfinance* is still emerging, in that the main players do not yet have an optimal organizational structure, which leads to the fact that many licensed institutions are ignored while a significant share of the activity takes place outside the regulatory framework. The institutions are heavily dependent on external financing, both to support credit activity and for their capital needs.
103. By contrast, the success of several (and in some cases innovative) experiments, the strong motivation of the operators involved, and customer expectations provide strong support to the development of the sector. A sector strategy was adopted in 2003, aiming to resolve its main problems.
104. Although the *insurance sector* has enjoyed strong growth over the 2001-2004 period (averaging 23 percent a year), it does not play a major role in the Mauritanian financial sector. The total volume of annual premiums is only about US\$10 million, representing insurance penetration of 0.75 percent of GDP and a density of US\$3.4 dollars for each inhabitant. These two indicators are lower than those for the Maghreb countries, but comparable to those for the other countries in the subregion.
105. Access to financial services remains limited by the level of poverty and the high cost of financial services. Thus, only 4 percent of the population have a bank account or use bank credit, while microfinance is used by about 3 percent of the population. Another feature of the financial system is the fact that branches and ATMs are heavily concentrated in urban centers, similar to various other countries of the subregion. There is also high concentration in microfinance with more than 54 percent of the institutions located in Nouakchott and Nouadhibou.

### **Stimulating the private sector**

106. Significant progress was recorded in many aspects of private sector promotion during the 2001-2004 period, such as:
  - The continuation of the privatization process with some successes (telecommunications), but also some failures (electricity);
  - The gradual establishment of new private operators as part of the service outsourcing systems for handling universal access services (potable water supply (DWS), rural electrification, etc.);
  - The rise of foreign direct investment; the flow of foreign direct investment (FDI) has practically tripled in two years, rising from US\$118 million in 2002 to US\$300 million in 2004. Apart from Nigeria (2,127 million), Mauritania is in second place for the whole of West Africa, behind Côte d'Ivoire and far ahead of its direct neighbors.<sup>6</sup> However, the main body of investment is related to oil exploration;
  - The improvement of the legal and regulatory framework for business;

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<sup>6</sup> Source: World Investment Report, 2005, United Nations Conference on Trade and Development (UNCTAD).

- The existence of genuinely dynamic activity in several sectors (telecommunications, construction and public works, food, etc.), the creation of new enterprises, and the realization of significant investments in various existing enterprises;
  - The effects of the tax reform, both with regard to reducing transaction costs (through various measures helping to simplify the taxation of enterprises), and in terms of the tax burden (a reduction of 15 points in the business tax rate - BIC).
107. Nevertheless, the economy remains poorly diversified, hampered inter alia by anticompetitive practices, by the banking sector's ineffectiveness in its role in supporting investments, and by the absence of effective systems and strategy to assist enterprises.

### **Improving competitiveness and integration**

108. A study on the competitiveness of the economy, its integration with world trade, and the impact on poverty was conducted in 2001, with the technical support of the agencies of the Integrated Framework for Trade-Related Technical Assistance for Least Developed Countries. After a survey of all of the export opportunities available to Mauritania and their comparative advantages, an action plan structured around four key themes was adopted by the government in April 2002 and incorporated into PRSP priority program for the 2002-2004 period. A round table was held subsequently in November 2002 to mobilize the necessary financing.
109. While the process enjoyed significant resources at the beginning, it must be said that: (i) the financial resources to ensure the implementation of the action plan have been limited; (ii) the monitoring system (technical monitoring committee and four technical groups) has not worked; and (iii) no assessment has been undertaken in three years to evaluate the progress achieved. Apart from the areas already addressed, the measures taken since the adoption of the plan have been of limited scope.
110. Overall, the period was characterized by the conduct of various reforms (external taxation, arrangements to promote the mining sector, etc.) and the implementation of significant investments (telecommunications, energy, mines, and transport infrastructures, etc.) aimed at making the Mauritanian economy more competitive. The indicators relating to factor costs show contrasting trends in this regard (see box 4).

#### **Box 4: Comparative trend of factor costs**

- *Average productivity per unit of labor* (Current GDP/employed labor force) grew strongly. Although it overtook that of Mali in 2003 (by 37 percent), it remains more than 70 percent below average productivity in Senegal.
- The *average monthly wage* (measured by the ratio of the total wage bill to the number of staff in the civil service) rose sharply between 2000 and 2003, following successive wage increases. The minimum wage, which rose at an annual rate of 13 percent, is said to have been about US\$74 in 2004 in Mauritania (compared with US\$47 in Mali and US\$93 in Senegal).
- *Unit labor costs measured as* the average wage in relation to labor productivity, despite a fall in the 2000-2003 period (-3.6 percent a year), now exceed the levels of Senegal and even of Mali.
- *Telephone communications costs* dropped in relative terms due to the effect of deregulation of the telecommunications sector. In 2004 the average cost of a local call was 67 percent lower than in Senegal (but 33 percent higher than in Mali).
- *Energy costs* followed a favorable trend, as the cost of a unit of electricity consumed in 2004 was at least 64 percent less than that in Mali and Senegal.
- There is also a positive development as regards *taxation*. In 2003, the rate of VAT was 14 percent in Mauritania compared with 18 percent in Senegal and 20 percent in Mali. The maximum rate applicable to customs duties was 20 percent in Mauritania as against 25 percent in the two neighboring countries.
- Port fees are two to two and a half times greater at Nouakchott than in the subregion, while handling charges are four to eight times higher.

*Source: Rapport CMAP sur les sources de la croissance, 2005 (Mauritanian Center for Policy Analysis Report on the sources of growth, 2005).*



## Infrastructures that drive and support growth

111. The development of economic infrastructures (electricity, roads, airports, ports, telecommunications, and new information and communication technologies - NICTs) is essential to the development of trade and to strengthening the competitiveness of the Mauritanian economy. In this respect the PRSP strategy has two complementary parts. The first part, relating to institutions, aims to clarify the responsibilities of the government and of the private sector, as well as to involve the latter to a greater extent in the financing of infrastructure. Here the emphasis is placed on completing the deregulation and privatization reforms in the telecommunications, energy, and aviation sectors. The second part relates to the implementation of consistent investment programs and to the associated strengthening of efficacy of government resources allocated to basic infrastructures.
112. In the PRSP, the development of the *transport* infrastructures is expected to produce results not only in developing national and regional trade and reducing production costs, but also in strengthening Mauritania's competitiveness, and integrating rural pockets of poverty into the mainstream.
113. Poor—or nonexistent—coordination of the port system constitutes one of the constraints impeding this sector's development. This poor coordination leads to an increase in costs and thus to a lack of competitiveness at the regional level. Port fees are two to two and a half times greater at Nouakchott than in the subregion. Handling charges are four to eight times higher. The development of a public/private partnership in this sector, in particular through an appropriate management system (Build-Operate-Transfer - BOT), specifically for the autonomous port of Nouadhibou will help to attract the financing needed to develop the sector so that it can contribute to the country's economic development. If such solutions are not implemented, fishery products will continue to be transshipped out at sea, thereby depriving the Mauritanian economy of very significant growth potential, and an important share of the port traffic will be diverted to neighboring countries, particularly to Senegal.
114. Investments in **road infrastructure** over the 2001-2004 period went into increasing the size of the current road network (10,297 km) and further efforts to improve the state of the roads. The projects carried out during the four years under review led to total investment spending of UM 22.4 billion. This spending, affecting just over 1,500 km of roads, went into, among other things, road maintenance, the repair of various sections of the route de l'Espoir (*road of hope*) and the construction of the Aioun-Nioro, Rosso-Boghé (currently underway), Tiguent-Nimjatt, and Nouakchott-Nouadhibou highways. At the same time, UM 2 billion were invested over the 2000-2004 period in urban roads, mainly in Nouakchott. Furthermore, road maintenance remains a priority for the sector.
115. However, these favorable indicators must not mask the persistence of significant problems:
  - Road transport has continued to be hindered during the period by outmoded laws and regulations and the de facto monopoly resulting from the composition of the National Transport Unit (BNT). It is only very recently that new prospects have opened up with the transitional government's adoption of an action plan for the reform of road transport;
  - The secondary road network is still extremely disadvantaged (60 percent of the dirt roads are passable, albeit with severe risk of breaking down in the rainy season);
  - The major roadworks are still essentially carried out by foreign enterprises;
  - Resources allocated to the sector in recent years have not reflected the objectives and strategies identified for the sector.
116. Despite the efforts undertaken, the **airport infrastructure** fails to meet international standards with regard to capacity, safety, and comfort. The available data do not indicate a high level of growth in traffic, as passenger numbers and aircraft movements have only grown by 5 percent and 7 percent, respectively, between 2000 and 2003. The main airport-related investments carried out in the 2001-2005 period consisted of the strengthening and development of various infrastructures in the hinterland (the airports at Atar, Aioun, Néma, Tidjikja, and Zouérate) in the amount of approximately UM 4.3 billion. Apart from Atar airport, which mainly receives charter flights from

Europe, the economic rate of return on these investments is questionable, in that traffic at these airports is almost negligible and there is nothing to indicate that it will reach significant levels in the medium term. Further, the study on the construction of the new international airport at Nouakchott was carried out and the construction financing was mobilized.

117. In addition, with regard to **other modes of transport**, investments relating to port and river infrastructure have been limited, while the high costs of sea freight continue to have a major negative impact on Mauritania's development. Achievements in this context have mainly concerned studies on: (i) the creation of a coastal fishing port at Tanit; and (ii) the development of a deep-sea fishing port at Nouadhibou. Finally, the Nouadhibou-Zouérate rail link benefited from the SNIM's rehabilitation and modernization program.
118. In the area of **hydrocarbons**, the high level of dependency with regard to imports of oil-related products continues to apply. Three priorities were highlighted for the first PRSP action plan, specifically: (i) continuing the deregulation policy with a view to optimizing supply conditions; (ii) reviewing the prices applicable to the entire process (import, transport, and distribution) and issuing new safety standards; and (iii) completing the current investment program at Nouakchott.
119. The implementation of these priorities led principally to the following results:
  - The deregulation of import, storage, and distribution of oil-related products was enshrined in the promulgation of the law on hydrocarbons (2002). A competitive process, renewable every two years, is now proposed to select the international operator to supply Mauritania with oil-related products; this will all be under the aegis of a national commission for hydrocarbons tasked with regulating this subsector.
  - The project to secure oil-related product supplies led to a clear improvement in the country's supply system with: (i) the construction of a berth in a sheltered area (southern area); (ii) the establishment of a storage area for oil-related products at Nouakchott and pipes for transferring fuel and butane gas to the depots; and (iii) the completion of the construction of a new hydrocarbon depot at Nouakchott with a capacity of 60,000 cubic meters, expandable to 120,000 cubic meters.
120. However, there are still various significant weaknesses in the area:
  - the very run-down condition of the storage and receiving facilities at the Nouadhibou refinery;
  - the high freight costs between NDB and NKC due to the ship anchorage reception capacity, which can only accept small tankers (a maximum of 6,000 metric tons (MT));
  - persistent tensions with respect to the supply of the southern area due to the low volumes routed from Nouadhibou by a small tanker in the face of ever-increasing demand, in particular for diesel oil;
  - supply to the inland area of the country hampered by an insufficient and nonstandard tank truck fleet in very poor condition;
  - service stations that are not evenly sited throughout the country and ill-equipped for smooth distribution;
  - abnormally high growth in consumption of diesel oil (due to the proliferation of imported used vehicles) and the increase in harmful emissions related to the type of fuel used.
121. Various problems, often of a similar nature, can be seen for gas-related products:
  - The SOMAGAZ installations are poorly sited (damp) and run down at Nouakchott and at Nouadhibou, which are, nevertheless, the main distribution centers;
  - The fleet of tank truck fillers is dilapidated, the cylinders are in poor condition, and there is no buffer stock. There is also a lack of technical standards and rules of operation and management in the industry;
  - The butane gas distribution network has various weaknesses. In particular, the absence of sustainable sales networks of butane gas equipment in the inland area of the country, and a price policy that is unfavorable to the development of butane gas in rural areas lead to a punitive cost for the populations living in these areas. In fact, Nouakchott and Nouadhibou account for 94 percent of national consumption;

- The implementing legislation on the establishment of price ceilings has not been adopted;
  - Finally, SOMAGAZ still has a de facto monopoly at the various levels of the supply chain (supply, filling of cylinders, sales, and distribution of butane gas).
122. In the *electricity* subsector, significant investments aimed at increasing energy supply and improving universal access to electricity have been implemented since 2001. The supply situation in the major urban centers was improved by the commissioning of the Manantali power station, the connecting of the cities of Nouakchott, Rosso, Kaédi, and Boghé to its network and the expansion of the thermal power station at Nouakchott (installation of two power units of 7 MW each).
123. Other features of the period under review were the start-up of the grid electrification program of 17 towns (including 15 district (*moughataa*) capitals of the 24 not yet networked for electricity) and the signing of the public contract for the electrification work for the valley area on the Rosso-Boghé line. The period saw the start of the rural electrification programs undertaken by the Rural Electrification Development Agency (ADER) and the Agency for Universal Access to Services (APAUS), respectively, which have already provided almost 4,100 households with individual solar kits.
124. The main outcome of these investments was to raise the period-end estimated rate of access to electricity to approximately 41 percent in the urban area supplied by the Mauritanian Electricity Company (SOMELEC), which is involved in 20 urban centers covering almost 83 percent of the urban population.
125. In addition, many of the actions provided for under the institutional and regulatory sections of the sectoral policy were carried out, including: (i) promulgation of the Electricity Code (January 2001); (ii) adoption of the National Strategy for Energy and Poverty Reduction (2004); and (iii) preparation of a Medium-Term Expenditure Framework (MTEF) for energy, although it is nonoperational. By contrast the SOMELEC privatization process, started in 2001, ended in failure.
126. In general terms, economic transactors and communities are adversely affected not only by the inadequacy of the financing mobilized, but also by the persistent weaknesses in the established institutional and regulatory framework. This leads, for example, to conflicts among subsector agents (APAUS, ADER, and the regulatory authority - ARE) and a lack of consensus on the strategies for delegating the public electricity service.
127. The deregulation program for the *telecommunications* sector led to significant developments, specifically as follows: the granting of two Global Satellite Mobile (GSM) cellular telephone licenses in 2000; the opening of 51 percent of the capital of the previous carrier, MAURITEL, in 2001; and the creation of an independent regulatory authority. Against this new backdrop, the operators implemented the main parts of the programs planned for the 2001-2004 period. Overall, the sectoral policy choices can be considered to have been appropriate.
128. In fixed line telephony, MAURITEL was able to strengthen its coverage over the period (in 29 urban centers) and improve the quality of its services by continuing to rehabilitate and expand the majority of its equipment. Direct international connections were developed and the number of fixed lines increased sharply (45,000 subscribers in 2004 compared with 25,000 in 2001) unlike other African countries where deregulation and the development of GSM cell phone technology led to a decline in the fixed line sector.
129. Alongside this, cellular telephony enjoyed a real explosion, as confirmed by the spectacular rise in the number of GSM phones, estimated at 530,600 in 2004 compared with 16,000 in 2000. There was also, therefore, an exceptional rate of growth in coverage over the period. Overall cell phone penetration rose from under 1 percent to 4.5 percent in 2001 reaching almost 19 percent at end-2004. Cell phone telephony now covers all the regional capitals, the majority of the department capitals and the main highway routes.
130. Despite this performance, the telecommunications sector faces a series of problems:
- The maintenance to date of the de facto monopoly of the historic carrier in fixed line telephony, although there is no longer any legal reason for such a monopoly to exist;
  - Frequent breakdowns in the quality of service of the GSM cell phone operators;

- The expected gradual reduction of the operators' charging structures has not materialized and competition between the two current operators remains practically nonexistent;
  - The infrastructure capacity is still very limited, above all in the inland areas of the country.
  - The persistence of various conflicts over areas of authority (Ministry of the Interior, Post, and Telecommunications - MIPT, Government Secretariat for New Technologies - SETN, the regulatory authority - ARE, and APAUS).
131. With regard to the development of *Information and Communication Technologies*, the creation, in September 2000, of a Government Secretariat for New Technologies (SETN) and then, from 2002, the launch of the 2002-2006 national strategy for the development of the NICTs gave a boost to this sector. Various actions were undertaken as a result, including: (i) implementation of multiple training programs and establishment of a CISCO academy at the Ecole Nationale d'Administration (ENA); (ii) start up of the development of the fiber optic administrative network; (iii) preparation of comprehensive information technology plans for several ministerial departments; (iv) review of the legal and regulatory framework; (v) national telemedicine project; and (vi) start-up of the activities of the remote training center (Centre de formation et d'échanges à distance de Mauritanie - CFED and the Mauritanian Development Portal (PMD). At the same time, internet and data services, which had remained the exclusive domain of the historic carrier with regard to network provision, benefited from the strengthening of the internet node with the bandwidth offered increasing from 128 Kbps to almost 10 Megabits.
132. The results achieved nevertheless appear modest compared with the outlook envisaged in the strategy adopted in 2001:
- The legal environment is not keeping pace with such a rapidly changing sector. Draft legislation (e-commerce, data encryption, computer crime, framework for regulating internet operators, etc.) is taking a long time to come into force;
  - Internet services offered remain very poor due to the de facto monopoly held by Mauritel s.a, which continues, in the absence of new licenses, to be practically the only access provider—and one with a relatively poor bandwidth, of the order of 50 Mbps;
  - The mobilization of financing for the sector has been weak, in that only UM 2.2 billion of the UM 13.8 billion expected, or 16 percent, have been mobilized between 2002 and 2005 in the government capital budget;
  - The APAUS has not been able to play its role of opening up access to computers by bringing the NICTs to the most disadvantaged areas. At present there are only just about thirty local communities connected to the internet. The number of cybercafés actually fell from 65 in 2001 to 30 in 2005;
  - The NICT sector is characterized by a lack of qualified staff – a situation which is exacerbated by the exodus of skilled workers abroad.

### **A mixed picture**

133. The expected rates of growth have thus not been achieved. While growth in the last two years has come fairly close to the target of 7 percent and the positive results in certain sectors are encouraging, nevertheless the Mauritanian economy has not shown the expected signs of dynamism – for example in exports – and it remains highly vulnerable. This vulnerability has manifested itself on several occasions, whether in the poor performance of the rural sector (badly affected by the rainfall deficits of 2001 and 2002, and the locust invasion in 2004), or in the oil price rise resulting from the increase in world prices and the sharp fall in the Ouguiya against the Euro.
134. This is primarily due to the fact that while some reforms have made headway (taxation, telecommunications sector deregulation, etc.), the main constraints to development of the private sector have continued to apply as follows:

- Weakness of capital productivity continues to compromise the dynamics of the main sectors of the economy (agriculture, livestock farming, mining, and fisheries) and this has been the case for several years. Therefore despite the significant volume of investments allocated to these sectors, which taken together account for over 30 percent of GDP, their contribution to real growth has been negative overall, with a decline over the period in the order of 6 percent;
  - The execution of the government investment programs always comes up against the limited capacity of the private sector operators, in particular in construction and public works, caused by inadequate capacity of human resources (qualified management and skilled workforce), institutional resources (public procurement code), and technical resources (availability of appropriate equipment);
  - In the absence of the expected reform of the financial sector, economic transactors have continued to suffer from the inadequacies of financial intermediation and the difficulties in accessing credit;
  - Infrastructure programs have been significantly delayed, and the effects of these programs on factor costs have been negligible so far. In general, the state of the transport infrastructures continues to act as a significant hindrance to improving competitiveness, whether it be transport by land (dilapidated state of the automobile base and weak competition), by air (run-down state of the air transport facilities, financial weakness of the operators, and the effect of opening up the Nouadhibou-Nouakchott highway), or by sea (multiplicity of operators and supervision authorities, which limit the system for coordinating port management, and increase costs, such as port fees, handling charges, etc. Even the successes seen in telecommunications must be tempered by the poor quality of service and continuing high prices.
135. There has been some growth in per capita income, but it appears to be lower than other countries in the subregion. As regards the redistributive aspect of growth, it must be acknowledged that this has only led to a small decline – from 51 percent in 2000 to 46.7 percent in 2004 – in the incidence of monetary poverty, while a much greater reduction had been expected. Despite the implementation of the targeted programs, no fewer than seven provinces (*wilaya*) have seen their incidence of poverty increase. The decline in poverty recorded is thought to be entirely due to growth, with inequality actually tending to widen in the period. Access to economic opportunities remains a crucial aspect of the poverty issue. This is reflected in particular in an unfavorable trend in employment, with the rate of unemployment continuing to increase over the period to 31.2 percent in 2004, particularly affecting women (45.6 percent) and young people.
136. The discovery of significant hydrocarbon deposits and the start-up of oil production will lead to a profound change in the previous parameters of the Mauritanian economy. New challenges are arising which will call for particular vigilance, specifically in the management of oil revenues. At the same time, the thorough review required as part of the transition points to major new areas where work will be required. In this regard it is only to be regretted that many government programs or reform measures were not implemented, or, if so, only to a limited extent, prior to the advent of the oil era.

## **2.2 PRSP PRIORITIES**

137. The first action plan under the Strategic Framework for Poverty Reduction (CSLP) addressed five priority areas where there is a high potential for reducing poverty and inequality: (i) education; (ii) health; (iii) water; (iv) rural development, and; (v) urban development. The PRSP also gave special consideration to people living in the poorest, most vulnerable parts of the country, by implementing targeted, integrated poverty reduction programs that seek to provide a far-reaching, multi-pronged, and sustained response to the many aspects of the problem (see box 8).

## Education

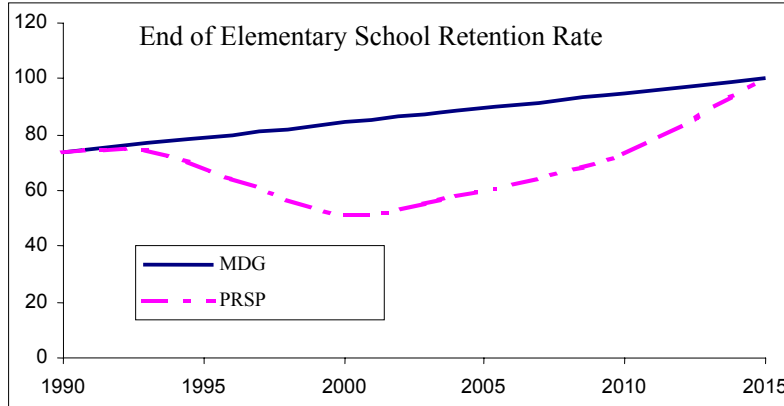
138. The first PRSP action plan was to improve elementary school retention rates (78 percent) and pass rates from grade to grade (95 percent), to bring the pupil/teacher ratio down to 40, as well as the number of pupils per grade, and also to improve universal access to education in 2004. For secondary schooling, the aim was to expand access to middle school [*premier cycle secondaire*] (35,000 new pupils), and reduce the pupil/teacher ratio to 26 for middle school, and to 16 for high school. In literacy, the objective was to bring the illiteracy rate down to 20 percent, and involve civil society in the implementation of programs to a greater extent. Finally, with respect to vocational training, there was a move to update course content, quality of training, and to upgrade the system and improve its functioning.
139. Analysis of the education system shows that progress has been made in accessibility and gender equality, but that there are still problems with retention, curriculum quality, and social equality.
140. Average length of schooling has risen from 5.8 years in 2000 to 6.5 years in 2004. The student body for elementary, secondary, and higher education have increased respectively by 22 percent, 16.5 percent, and 7 percent. At elementary level, the gross admission rate increased from 97 percent in 2001 to 115.9 percent in 2005, and the gross schooling rate rose from 87 percent to 95 percent. The pre-school coverage rate for 2005 is estimated at 6.85 percent. As regards retention, only 44 percent of first-year elementary pupils complete their elementary schooling, and 67 percent of first-year secondary pupils reach the third year of high school. As for the quality of the curriculum, the program acquisition rate is between 33 percent and 50 percent for elementary education, and 40 percent for secondary level math and science.
141. In terms of equality, there is gender parity in elementary education, and the gap has closed in secondary education, although there are still disparities when it comes to the exam pass rate (7 percent pass rate for final high school exams [*Baccalauréat*] for girls, 17 percent for boys). As for the regions, the wilaya (administrative regions) of Gorgol, Guidimagha, Brakna, and Hodh Chargui show much lower retention and enrollment rates than the rest of the country.

### Box 5: Working to Achieve the MDGs for Education

Education is covered under Goal 2 (Ensure that all boys and girls complete a full course of primary schooling) and part of Goal 3 (Promote gender equality and empowerment of women). Attainment of these goals is measured using seven indicators.

For universal **elementary** schooling, the gross schooling rate increased from 87 percent in 2000 to 96 percent in 2005, while the net schooling rate was 75 percent in 2004. As for completion of elementary schooling, it should be pointed out that the retention levels fell short of the target for several reasons (not all schools offer a full course of education, lack of understanding of the causes of attrition, etc.).

However, this goal may well be attained by 2015 with the implementation of the Education System Development Support Project (PNDSE).



Gender inequality has been effectively reduced in elementary schooling, insofar as the gross schooling rate ratio for girls and boys has been in favor of girls over the last four years. For **middle school**, the target is well on the way to being achieved, with a participation rate of 46 percent for girls in 2005, and it is highly likely that the goal will be achieved in 2010, especially if strategies to raise awareness and mobilize communities, in particular in regions where the population is not very receptive, succeed. Finally the goal for gender equality in **higher learning** is far from being attained. Indeed, girls make up only 24.5 percent of the student body in Nouakchott University, and it is unlikely that the goal will be achieved by 2015.

142. The increased financial investment in the sector (from 3.5 percent of GDP in 2000 to 4.1 percent in 2004) has not led to an equal improvement in performance. Overall productivity is 1.6 school years for 1 percent of GDP, compared to 1.8 years in African countries that are members of IDA. This is partly due to the incapacity to manage and provide guidance for the education system as a whole.
143. In **literacy**, not all efforts have been in vain. The literacy rate rose from 53 percent in 2000 to 57.5 percent in 2004, and is 72.3 percent in urban areas, 46.2 percent in rural areas, 66.5 percent for men, and 49.5 percent for women. Nevertheless, these efforts have not served to curb the extent of illiteracy, which can only be eliminated in the long term if there is a considerable improvement in the education system, which was not necessarily the case for the preceding period.
144. With regard to **vocational training**, the system does not provide for market demands, in terms of either quantity or quality. The system comprises about 40 public and private institutions with a total of 6,000 students. However, a study in 2004 showed that, in 2002, only 41 percent of 1,200 graduates of public institutes entered the job market, and 10 percent continued their studies.
145. The first phase of the PRSP consisted of the implementation of the PNDSE, the main basic education objectives of which are: (i) improved accessibility and equality; (ii) enhanced internal and external efficiency; (iii) promotion of good quality curricula, and; (iv) building capacities for system management, guidance, and planning. For literacy, actions were intended to focus on strengthening human and material resources, and improving programs and *mahadras* (Koranic schools) contributions. As for vocational training, the aims were to: (i) improve and diversify

training supply; (ii) strengthen the training system; (iii) improve the quality and relevance of technical and vocational training, and; (iv) establish permanent financing mechanisms for training and job seeking.

146. Implementation of the National Education Sector Development Program (PNDSE) has led to an improvement in the supply of education, thanks especially to programs to build and renovate class rooms, and to train and recruit teachers. On the other hand, efforts to establish more schools offering full courses of education did not yield the desired results (16.5 percent in 2002, and 18.7 percent in 2005). Efforts to improve curricula (improvements in initial and continuing teacher training, introduction of new school programs in almost all schools, and improved scientific education in middle school) have not been successful so far, seeing as the average passing grade for math fell from 26 percent in 1999 to 11 percent in 2003. This is on account of difficulties in implementing education reform, in particular concerning language. Where strengthening of the private sector is concerned, a Promotion Unit and Private School Support Fund have been set up. Moreover, the independence of higher learning has been bolstered by a new regulatory framework and code of personnel regulations, and by the new research fund. Finally, the management of the system has been helped by the introduction of grants for regions facing challenges, new management tools, and staff training services. Nonetheless, the outcomes in this area have been disappointing, mainly owing to the non-operational school map system, weak pedagogical management, nontransparent management of the grants for regions facing challenges, and a lack of skilled human resources.
147. In the area of literacy, achievements included the acquisition of equipment, the establishment of a literacy fund, the building of specialized technical literacy centers, identification of bridges between formal and informal curricula, and training for CFPM (technical training center) teacher trainers.
148. In vocational training, system capacity was expanded with the creation of Vocational training and Proficiency Centers in Aïoun, Aleg, Kaédi, and Tidjikja, and also through the creation of mobile training units. At the same time, training and management arrangements have been strengthened by the establishment of the National Institute for Technical and Vocational Training (INAP-FTP) and the Autonomous Promotion Fund for Technical and Vocational Training (FAP-FTP).
149. Implementation of the strategies under the first action plan of the PRSP revealed quantitative and qualitative constraints in human resources throughout the system, as well as insufficient coordination between the various stakeholders.
150. In addition to these constraints, teachers in the educational system are underpaid and unmotivated, and the local communities are not sufficiently involved in school management. Retention efforts have also been frustrated because the various causes of attrition are not being addressed, and not enough schools offer a full course of education. In secondary schooling, civil engineering inadequacies and the low skill levels of student teachers have taken a toll. The main constraints in the sub-area of literacy are due to an approach that failed to focus on beneficiaries, insufficient human resources, and inadequate teaching materials. The following problems were identified in vocational training: (i) the system is managed by several different administrations; (ii) there is not enough reliable information on job market needs; (iii) employers have only a limited role in training management, and; (iv) there is no structure of incentives for private training.



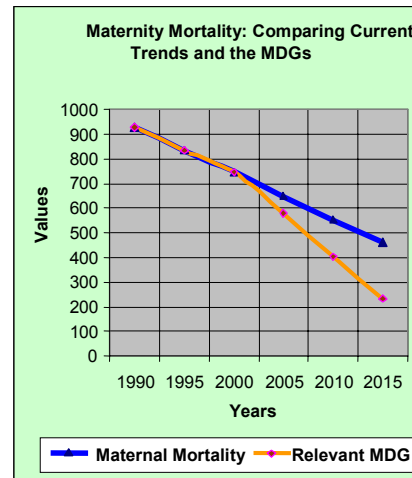
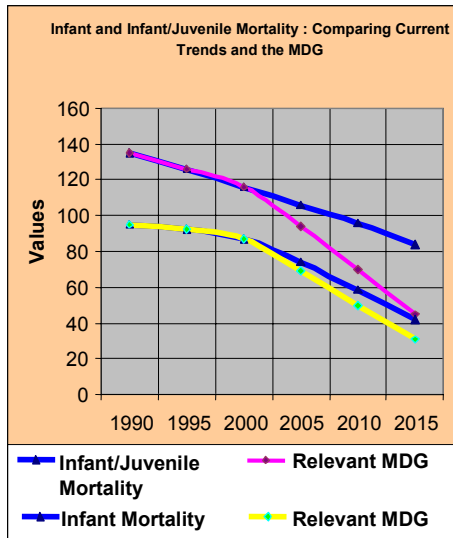
## Health

151. The main objectives of the strategy for the health sector for 2001-2004 were to cut the rate of infant mortality to 50 per thousand, the rate of infant/juvenile mortality to 103 per thousand, and the maternal mortality rate to 450 per 100,000 live births.
152. These rates remain high, with infant mortality at 78 per thousand (53 per thousand in the first month after birth), infant/juvenile mortality at 116 per thousand, and maternal mortality at 747 per 100,000 live births. At the current rate, it is unlikely that the relevant MDGs will be achieved (see box 6).
153. The epidemiological profile of the country is dominated by: (i) infectious diseases, in particular malaria and tuberculosis (see box 7), in addition to STDs such as HIV/AIDS, etc.; (ii) nutritional imbalances, and; (iii) perinatal pathologies. Added to this are emerging pathologies linked to environmental factors. This epidemiological diversity, combining infectious and nutritional pathologies and health problems relating to sedentary habits and the level of economic development, is evidence that Mauritania is undergoing an epidemiological transition that calls for appropriate health policies to prevent major problems.
154. With regard to health coverage, 67 percent of the population lives within 5 km of available healthcare, with distribution ranging unevenly from 52 percent in Hodh El Gharbi to 98 percent in Nouakchott. Alternative access strategies have been developed, especially for vaccinations and reproductive health, but are not enough to ensure total access for the 33 percent of the population residing outside this radius, and who mostly live in very poor, remote rural areas.
155. Further, not enough people use the available health services (0.6 medical visits per person per year). This is because of the treatment given to patients in the health system, geographical and financial impediments to access, and mistrust due to the poor quality of services provided.
156. The design and implementation of a Medium-Term Expenditure Framework in 2002 provided an opportunity to introduce a consistent, realistic health strategy and mobilize the resources needed to attain the 2002-2004 sector targets. Following the exercise, the priority courses of action were set out: (i) increasing health coverage; (ii) human resources development; (iii) providing medicines and consumables; (iv) increasing the demand for, the quality of, and the use of services; (v) strengthening of social policy, and; (vi) building the necessary institutional capacity for programming social action in the health sector.
157. Health coverage has improved thanks to the following factors: (i) the construction of three health centers, 62 medical units [*postes de santé*], two regional hospitals, one cardiology clinic in Cheikh Zayed Hospital (HCZ), and one walk-in clinic [*clinique de porte*] in the National Hospital (HCN); (ii) the renovation and extension of seven regional hospitals; (iii) equipment for 83 medical units, 34 health centers, ten regional hospitals and two clinics, and; (iv) the purchase of 21 ambulances.

## Box 6: Working to Achieve the MDGs for Health

Three MDGs focus on health and nutrition, although they depend heavily on action in other sectors (education of girls in particular, literacy, access to potable water, agriculture, livestock raising, fisheries, etc.). The MDGs are: (i) Goal 4, reduce the mortality rate among children under five; (ii) Goal 5, improve maternal health, and; (iii) Goal 6, combat HIV/AIDS, malaria, and other diseases. Attainment of these goals is measured by 11 indicators.

A lack of reliable data in general, and in particular for the reference year (1990), means that it is difficult to analyze trends in the impact indicators. The data used are taken from the Mauritanian Mother and Child Health Survey of 1990 and the Demographic Health Survey taken ten years later in 2000. These two studies were used to predict the trend in 2010, and may serve to determine the indicators for 2015.



The prevalence of HIV/AIDS among pregnant women was 0.57 percent in 2002 according to the HIV prevalence survey of pregnant women, and according to the 2000 Demographic Health Survey, 80.66 percent of the population between the ages of 14 and 25 use the three most effective methods for preventing HIV.

There are no data on prevalence or mortality for malaria.

For the other indicators, only certain administrative data are available, which do not give the true picture since they are linked to the use of services, which is limited.

Given the current trend, it will not be possible to meet the 2015 deadline. Maternal mortality will likely stand at 461 per 100,000 live births in 2015, compared to the MDG of 232. Infant and infant/juvenile mortality is expected to be 42 and 84 per thousand in 2015 respectively, as opposed to 31 and 45 per thousand. Nevertheless, the general trend in the indicators is positive, but faster progress is essential if the goals are to be reached. This progress will be achieved with the ambitious program that the government will be implementing over the period 2006-2010, with the support of the international community.

158. Achievements in human resources were as follows: (i) training of medical and paramedical personnel (27 specialists at the National Institute of Medical Studies (INSM) and more than 600 at the National School of Public Health (ENSP)); (ii) recruitment of 673 health agents, and; (iii) payment of zone and technical grants. Moreover, a number of continuing training seminars and workshops were held to improve management capacity in the health system.

159. As regards availability of effective medicine and disposable equipment, the main actions taken were: (i) annual procurement of medicines, vaccines, and medical consumables, although there are

frequent shortages in outlying regions; (ii) coming on stream of the Central Independent Authority for the Purchase of Essential Medicines (CAMEC), and; (iii) opening of the National Center for Blood Transfusion (CNTS).

160. Steps were taken to improve demand for, quality of, and use of services: (i) awareness-raising and targeted campaigns to promote vaccination and combat disease; (ii) drafting of the strategic framework for the fight against STDs and HIV/AIDS, and; (iii) establishment of coordination structures for a multi-sector program to fight AIDS.
161. However, the high maternal mortality rate is mainly due to the large number of high-risk pregnancies such as early pregnancies and pregnancies that are not widely enough spaced, as well as to restricted access to good emergency obstetric care, namely caesarians. Hemorrhage during delivery, dystocia, and complications related to high blood pressure such as eclampsia, and anemia are the main immediate causes of death in childbirth. Inadequate distribution of staff, especially obstetricians/gynecologists and midwives, is one of the main obstacles to the development of emergency obstetric care on the peripheries and second tier of the health pyramid. The situation is aggravated by social and cultural issues and the lack of functional blood banks.

#### **Box 7: Support for the Global Fund to Fight Malaria and Tuberculosis**

Malaria is a major health problem in Mauritania, accounting for 22 percent of morbidity and over 51 percent of deaths in the eight wilayas (out of 13) where it is endemic. The survey on infant mortality and malaria conducted in 2003 shows that 56 percent of households had at least one mosquito net, 31 percent of children under age five sleep under a mosquito net, and 43 percent of pregnant women use malaria prophylaxis.

In light of this situation, Mauritania has launched programs and initiatives to fight the scourge, and has led a campaign to raise awareness and promote the use of mosquito nets coated in repellent. The National Anti-Malaria Program (PNLP) has, since 2004, been receiving financial support disbursed over a period of five years by the Global Fund for the Fight Against HIV/AIDS, Tuberculosis, and Malaria (GFATM), which is executed by the UNDP. This support has provided help in building a large stock of insecticides for coating nets, delivering the nets and anti-malarial medication, and in running information, education, and communication (IEC) campaigns.

Furthermore, the government of Japan has, with assistance from UNICEF, allowed for the delivery of coated mosquito nets as well as the strengthening of the decentralized diagnostic system. Because, in 2006, Mauritania adopted a new treatment protocol using artesian-based medicines instead of chloroquine, it will be easier to tackle conventional drug-resistant malaria.

Regarding **tuberculosis**, the true extent of the disease was not well known prior to the first tuberculosis survey conducted in 1987, which estimated the annual risk of infection at between 2.8 and 5.6 percent, depending on the region. The phasing in of management instruments for the national anti-tuberculosis program (PNLT) in regions covered by the DOTS strategy served to reduce the number of reported cases of all forms of tuberculosis by about 8 percent from 1995 to 2001. In 2001, 130 cases of tuberculosis were reported per 100,000 inhabitants (all forms), 75 of which were contagious.

The PNLT has, since 2004, been receiving financial support from the Global Fund for the Fight Against HIV/AIDS, Tuberculosis, and Malaria (GFATM), executed by the UNDP. The main actions have focused on the training of doctors and laboratory technicians, the strengthening of the national laboratory network, the drafting and dissemination of the therapeutic handbook, a campaign to find missing persons in several wilayas, and an IEC campaign. The spread of the epidemic poses a number of challenges: insufficient PNLT resources, DOTS coverage of no more than 50 percent of the population, and a lack of awareness about the disease on the part of policy makers, medical personnel, and society at large.

162. As regards **nutrition**, the situation is characterized by widespread malnutrition (38 percent of children under five), micronutrient deficiency (40 to 67 percent of pregnant women are anemic and 30.9 percent have iodine deficiencies<sup>7</sup>), and excess bodyweight.

<sup>7</sup> Surveys on the prevalence and distribution of anemia, 2000 and 2004.

163. Actions in this area have focused on: (i) establishment of nutritional recovery and education centers; (ii) improvement in the protocol for management of malnutrition, and; (iii) the opening of 117 community nutrition centers and the financing of 133 gainful activities (AGRs) in six wilayas (Hodh El Gharbi, Assaba, Gorgol, Brakna, Tagant, and Guidimagha).
164. To step up social policy efforts, a decree on the cost recovery system has been adopted, to enable the poorest to pay for treatment. Under the system, good quality generic drugs can be purchased under the management of the health committees, and the initiative has had the following results: (i) good quality medicines are available at a relatively low cost; (ii) health system financing has improved, and; (iii) healthcare professionals are more motivated. Nevertheless, a major constraint for the sector is the fact that there is no policy to allow the neediest to have access to treatment, or to promote coordination among the different sectors.
165. The MTEF that was prepared in the first phase of the PSRP has given the health and social affairs sectors the means to acquire the human, material, and financial capacity to efficiently implement the chosen strategy. The financial resources of the Health and Social Affairs Ministry (MSAS) increased 300 percent from 2001 to 2004. However, the low absorption capacity, institutional weaknesses in the decentralized entities, as well as delays in the passage and execution of the budget have limited the effectiveness of efforts undertaken in the sector.
166. Finally, with regard to population issues, the main achievements are as follows: (i) validation of the Declaration on Population Policy; (ii) more attention given to population issues through information and communication programs in cooperation with NGOs, members of parliament, and the media; (iii) strengthening of the supervisory mechanism, and; (iv) development of tools for population analysis and research, with support for population associations, and the creation of a social database and a demographic analysis and research unit at the National Statistics Office (ONS).
167. Implementation of the first phase of the PRSP helped to shed light on the main problems of the health sector, namely: (i) qualitative and quantitative shortcomings in human resources and concentration thereof in major urban areas, and the lack of a coherent policy for the management and development of human resources (assignments, remuneration, promotion, training); (ii) lack of a policy for establishing health structures (health map); (iii) lack of a policy for the acquisition and maintenance of biomedical equipment; (iv) the private sub-sector for healthcare, medicines, and medical consumables is unregulated; (v) the data collected by the national health information service (SNIS) are not reliable, and; (vi) the policies for epidemiological surveillance, the fight against emerging diseases, management of biomedical waste, and health IEC campaigns are not properly implemented, if at all.

## Water

168. The objectives under the first action plan of the PRSP were: (i) to increase production to 50,000m<sup>3</sup>/day for Nouakchott and 18,000m<sup>3</sup>/day for Nouadhibou, and to achieve a supply rate of 60 percent for those two cities; (ii) to connect all towns of more than 5,000 inhabitants to a network supplying potable water; (iii) to guarantee the affordable coverage of predictable consumer demand for water in the medium term, and; (iv) to ensure that the water sub-sector is not dependent on state subsidies.
169. Although there was progress in ensuring potable water supplies from 2001 to 2004, the original goals have not been fulfilled. Access to potable water has certainly improved since 2000. The use of in-house faucets has increased from 15 percent in 2000 to 18.5 percent in 2004, while supply from wells has fallen, from 45 percent to 39.4 percent, and supply by vendors has dropped from 24 percent to 20 percent. The rate of water supply, expressed in individual connections per 1,000 inhabitants, rose from 34.6 percent in 2001 to 36.1 percent in 2003.
170. These improvements, though, mask serious disparities. Indeed, the usage rate of in-house faucets is 29.5 percent in urban areas, but only 13.9 percent in rural areas. In addition, this mode of supply is more widely used in Inchiri and Trarza, but hardly used at all in Hodh Chargui and Guidimagha. Moreover, only 7.1 percent of households considered as very poor have a private faucet, compared to 21.4 percent of households not considered poor. Finally, supply of water by vendors (44.4 percent in urban areas) is the most expensive mode, with prices often exceeding the official prices of the water company (SNDE) by 11 percent.
171. Although these outcomes are well below acceptable standards, they are encouraging nonetheless, and were achieved mainly thanks to the measures implemented as part of the priorities set for the period 2001-2004: (i) reform of the water sector, and; (ii) increase in production capacity and the development of water distribution networks.
172. The reform of the water sector began in 2001, and has consisted of: (i) the adoption of a new Water Code in 2005, and; (ii) the restructuring of the ministry in charge of water issues and the creation of the DHA (Directorate of Water and Sanitation), the CNRE (National Center for Water Resources), and the ANEPA (National Association for Potable water and Sanitation). The establishment of a separate department, the Water Ministry, in August 2005 was expected to assist in the considerable efforts undertaken to achieve acceptable standards in the area.
173. Further, expanded accessibility has been sought by means of: (i) securing of funds from the Aftout Es Saheli project; (ii) gaining a better understanding of water resources, especially as regards Dhar Hodh Chargui and the Boulouar aquifer; (iii) establishment of the AEP (Association for Potable water) in the town of Kiffa; (iv) strengthening of the AEPs in the cities of Nouakchott, Nouadhibou, Rosso, Néma, and Atar; (v) preparation for the project to renovate the Nouakchott water supply network; (vi) improved maintenance of thermal drainage systems by ANEPA; (vii) upgrading of the water supply networks of the six moughataa (district) capitals (Bassiknou, Djiguenni, Kobenni, Maghama, and Bababé), and; (viii) upgrading of the potable water infrastructure in five remote towns (Tichitt, Rachid, Bir Moghreïn, Oualata, and Tamchekett) and the drilling of ten water pumps by APAUS (Agency for the Promotion of Universal Access to Basic Services).
174. Planning has been strengthened with the drafting of an MTEF, albeit provisional, for water for 2004-2006 and two regional water investment plans for the wilayas of Hodh Chargui and Brakna.
175. However, development of the sector continues to be hampered by the principal constraints already identified in the past, mainly: (i) lengthy procedures and lack of coordination, and a plethora of agencies playing a role, including the Ministry of Water, the Ministry of Rural

Development and the Environment (MDRE), and the Commission for Human Rights, the Fight Against Poverty, and Social Integration (CDHLCPI), among others. This leads to serious overlap, waste, and duplication of efforts that detract from overall action in the sector; (ii) continued insistence on the “project” approach; (iii) a clear lack of human and material resources; (iv) delays in securing funds; (v) inadequate standards that are not effectively enforced, and; (vi) weak public-private partnership.

## Rural Development

176. One of the top priorities of the 2001-2004 PRSP was to promote an integrated rural development policy in view of the fact that a high proportion of poor people live in rural areas (77.6 percent in 2000). In this context, the main medium-term objectives, which were revised in 2001 following the release of data from the 2000 EPCV (Ongoing Survey on Household Living Standards) and the updating of the sector strategy, were to: (i) reduce poverty from 61.2 percent in 2000 to 54.9 percent in 2004; (ii) reduce inequalities in access to essential services such as education, health, water, etc. between urban and rural areas; (iii) increase irrigated rice crop yields to 9 tons/hectare and arid food crop yields to 0.8 tons/hectare by 2004, and; (iv) increase the livestock vaccination rate for mandatory vaccinations to 70 percent by 2004.
177. The data adjusted for the EPCV phases carried out in 2000 and 2004 show that rural poverty fell from 66.2 percent in 2000 to 59 percent in 2004, or by 1.8 percent per year. Thus, poverty fell faster in rural areas relative to the country as a whole (just 1.1 percent per year). However, this positive result belies a major imbalance: poverty reduction mainly occurred along the river basin (nearly 11 percent), while other rural areas saw only a slight reduction in poverty (2.5 percent).
178. This encouraging performance was achieved through the rural development strategy, which was revised in 2001 to bring it in line with the PRSP. The strategy pursues the following goals: (i) improve productivity in the livestock sector and give it a greater stake in the national economy; (ii) give a boost to the main production areas of the agriculture sector; (iii) develop rural infrastructure; (iv) enhance the institutional and organizational framework of the sector, and; (v) protect natural resources (see below).
179. **Livestock breeding** continues to dominate the rural economy, accounting for 13.6 percent of GDP and 77.2 percent of added value in the rural sector in 2003. The 2004 herd count has been estimated at 1,350,000 camelids, 1,355,000 bovines, and over 14,900,000 small ruminants, for a total of almost 3,532,000 TLU, or 1.4 TLU per capita. Also, the vaccination rate for the major diseases rose from 56 percent in 2001 to 80 percent in 2003 and 2004, and Mauritania has achieved cattle plague-free status.
180. These outcomes were mainly thanks to action, from 2001 to 2004, to provide: (i) health infrastructure (46 vaccination pens, 54 veterinary pharmacies, a large delivery of refrigeration equipment to store vaccines) and water infrastructure (8 water pumps [*forages*], and 19 fitted wells for grazing land); (ii) 15 grazing reserves, and; (iii) grazing infrastructure (fire-breaks, tended grazing land pathways, fodder reserves). There were also campaigns to promote prophylaxis and training in animal husbandry.
181. Important measures were taken to improve institutional and regulatory structures: (i) adoption of a letter of livestock development policy in 2004; (ii) drafting of a bill establishing the livestock code and implementing legislation for the grazing code; (iii) drafting of an MTEF for 2004-2007, which failed to yield the desired results from the programming standpoint, and; (iv) an institutional and organizational audit of the MDRE (Ministry of Rural Development and the Environment).
182. Nevertheless, in spite of the many undertakings, the livestock sector is still not on a sound footing, and chronic shortcomings persist: (i) lack of comprehensive legislation; (ii) constraints on

access to basic services; (iii) inadequate recovery and processing of by-products; (iv) poor management of grazing land; (v) very low public and private investment, due in large part to the closure of certain major projects; (vi) serious shortages of farming implements for earth moving, harvesting, refrigeration, etc., and; (vii) insufficient data. Moreover, ecological deterioration (low rainfall, locust infestations, etc.) was a major factor responsible for a drop in the living standards of livestock farmers and in the level of animal productivity.

183. In **agriculture**, average irrigated rice crop yield has not changed very much over the last ten years (4 tons/hectare, which is far below the PRSP target), while the yield for arid food crops is 0.8 tons/hectare. However, the yield for certain private lands has seen a significant increase in the last four years. Gross cereal production was 115,589 tons in crop year 2003-2004, which was down 5 percent from the 2002-2003 crop year.
184. Actions in 2001-2004 focused on: (i) irrigated crops, with the recovery of 1,000 hectares and planting of 300 new hectares of diversified crops, which produced 2,300 tons of exports to European markets and supplied the local markets with garden produce; (ii) crop protection, with the delivery of large shipments of fencing; (iii) support for small farmers, with the delivery of a large shipment of ox-driven plows to 400 villages; (iv) consolidation of the SONADER consulting-support approach and finalization of the Gorgol Valley plan, and; (v) the start-up of two major projects (PDRC and PDDO), in addition to the extension of PDIAIM [Integrated Program for Irrigated Agriculture in Mauritania].
185. At the same time, the MDRE took the following steps: (i) strengthening of farm credit for the irrigated crop sector; (ii) creation of a supply chain for the procurement of plant-health products; and; (iii) creation of a seed buffer stock.
186. In addition, actions to develop rural infrastructure included: (i) the construction or repair of 70 dams and 30 dikes; (ii) extending access to 11 waterways in the valley, and; (iii) the opening up of 100 km of pathways and the upgrading of 302 km of pathways linking the paved road network to most oases.
187. However, efforts to improve the accessibility of basic rural infrastructure, protect natural resources, and provide farming services were insufficient, probably due to the closure of two major projects: the PGRNP (Rainfed Natural Resource Management Project) and the Oasis Project. These projects focused on rainy zones and oasis zones, and involved important initiatives that helped improve rural living conditions (repair and construction of dams, fences for farmlands, veterinary infrastructure, training and advisory services, oasis credits, market gardens, etc.).
188. Despite the disappointing results, it should be pointed out that Mauritania has great potential for progress, seeing as available arable land (500,000 hectares, of which 137,000 hectares along the river banks are irrigable) is vastly underutilized. Indeed, only 42,000 hectares are tended and 20,000 hectares are farmed every year. But to optimize the farming potential of the country, it will be necessary to effectively address the obstacles to progress in this area: (i) insufficient coordination among the various stakeholders (the MDRE, other technical departments, the land management administration, decentralized services, projects, etc.); (ii) a weak farm board; (iii) a lack of systematic studies on the impact of the various projects; (iv) inadequate monitoring and evaluation systems for the different structures and projects, and; (v) persistent vulnerability to the weather and locust infestations.

## **Urban Development**

189. The period 2001-2004 saw a significant improvement in urban development, both in terms of institutional reform and completion of urban infrastructure. In particular, the Urban Development Program was launched in 2002, involving: (i) restructuring of the El Mina informal housing zone; (ii) the start-up of major projects to provide social and economic infrastructure in Nouakchott and

the regional capitals, and; (iii) the implementation of major programs to build administrative capacity in the entities in charge of urban areas, decentralization, and the environment, the Nouakchott city authorities, and the regional capitals.

190. In the institutions, a policy paper on general urban development was produced, a study on housing strategy was conducted, and several laws on urban property issues, real estate agencies, and public works oversight were drafted, and some of them were passed (the law on delegated oversight of public works and the law regulating the practice of real estate developers). Other actions were taken, in particular: (i) strategies were devised for the cities of Nouakchott, Nouadhibou, and Kaédi; (ii) a strategy was adopted to manage solid waste; (iii) the Nouakchott urban management master plan was drafted and adopted, and a master plan for Nouadhibou and structural plans for the other regional capitals were drafted, and; (iv) steps were taken to build capacities in the administrations in charge of urban planning, real estate, and decentralization.
191. Several initiatives were taken to improve urban infrastructure: (i) the restructuring and rehabilitation of El Mina “Kebba” (shantytown) in Nouakchott; (ii) the launch of a program for social and economic infrastructure in Nouakchott and the regional capitals; (iii) the extension of the Nouakchott and Nouadhibou public housing program through the participation of the communities and municipalities; (iv) the construction and repair of administrative buildings; (v) the construction of more than 4,600 public housing units as part of the Twize program in Nouakchott and the launch of a program by Socogim and participating local banks to build 1,050 housing units in Nouakchott, and; (vi) execution studies on the rehabilitation of nearly 1,400 lots in Nouakchott and Nouadhibou.
192. Nonetheless, urban development is still plagued by major constraints, namely: (i) inadequate legal framework governing property and urban development; (ii) insufficient coordination among the various stakeholders; (iii) insufficient take-up of urban management tools by the relevant entities; (iv) high concentration of powers within the Ministry of Finance and the decentralized administrations of the Ministry of the Interior, the Post, and Telecommunications (MIPT); (v) insufficient financial, human, and technical resources at the agencies in charge of the urban sector, and; (vi) weak capacity of operators in the public works and building sector, and a lack of skilled workers in the sector.
193. Access to housing remains limited due to the following factors: (i) the lack of a strategy in this area, and in particular, the appropriate financial instruments; (ii) the new framework for real estate agencies has not been introduced; (iii) there are no reliable data on real social housing needs, and; (iv) weak capacity in the public works and building sector.

#### **Box 8: Targeted Poverty Reduction Programs**

These programs, which were the initiative of the CDHLCPI (Commissariat aux droits de l’homme, à la lutte contre la pauvreté et à l’insertion), complement actions taken by the sector departments, and target pockets of extreme poverty in rural and periurban areas with a view to reducing poverty and inequality.

The main achievements of the programs executed during the period 2001-2004 are:

##### **I. In Rural Areas**

Actions in this area mainly seek to bridge the gap in rural infrastructure and improve the living conditions of the poor rural population.

**I.1** The following actions were taken in the area of basic social and economic services: (i) potable water: construction or repair of about 20 wells, construction or extension of about 40 potable water supply networks, and six water pumps and exploration probes; (ii) agricultural water supply: construction of nine dams and about 100 dikes; (iii) extending access to remote areas: opening mountain passes to traffic in Adrar, Tagant, and Assaba, signposting of the Tidjikja-Tichitt pathway, studies to extend access to Guidimagha and Tiris-Zemmour, and; (iv) education and health infrastructure: construction of class rooms and medical units.

**I.2.** The Toumze program to revive subsistence livestock raising for the poorest rural populations helped in



delivering more than 10,000 small ruminants in the Male (Brakna) region and Inchiri.

**I.3.** In support of agriculture: seven cooperatives around Lake Kankossa were given horticultural equipment, agriculture inputs, and working capital to grow fodder and covered crops; eight lots of 406 hectares were rehabilitated in Guidimagha; and 500 oxen for plowing were made available to small farmers in Bousteila.

**I.4.** The implementation status of the Poverty Reduction Project in Aftout-South and Karakoro after two years is as follows: (i) support for local authorities through the drafting of Community Development Plans and Priority Action Plans for municipalities, the training of mayors and secretaries general, technical and institutional support for the creation and start-up of the association of mayors of Ould Yenge, renovations and the furnishing of office and computer equipment for the town of Mbout, and furnishing of office equipment for the town of Kankossa; (ii) development of economic and social infrastructure with the master plan to extend access to remote areas, the execution of a priority program to renovate and build medical units, schools, and latrines, as well as a literacy program targeting 30 villages, and; (iii) support for dozens of women's cooperatives.

## **II. In Urban Areas**

Improvement of housing and access to potable water and sanitation are major concerns for the populations living on the outskirts of the major cities.

**II.1.** The 2001-2004 phase of the social housing program, Twize, to revive solidarity networks, enabled: (i) the construction of 4,600 housing units in residential areas in suburban Nouakchott; (ii) the construction of 474 latrines; (iii) the training, and; (iv) support for gainful activities of the beneficiaries, with 5,273 loans granted.

**II.2.** Under the urban water program, 48 fountains were installed in Nouakchott, a well with solar panels and superstructure was built in Fdérick (Tiris-Zemmour), and a study was conducted on the repair and extension of the network that supplies potable water to Fdérick.

**II.3.** The towns of Maghtaa-Lahjar, Boutilimitt, Kaédi, and Sélibaby benefited from the sanitation and waste management programs.

## **III. Program to Support Gainful Activities (AGR)**

In 2001-2004, the AGR program benefited hundreds of cooperatives in the form of subsidies and loans to develop various activities such as business, market gardens, brick-making, carpentry, etc. In addition, 330 flour mills were delivered to poor village authorities in the wilayas of Trarza, Gorgol, Brakna, Guidimagha, Assaba, Tagant, and the two Hodhs.

## **IV. Other Programs**

**IV.1.** The goal of the vocational training program is to improve the skills of beneficiaries with a view to facilitating their entry into the work force. It has helped to train 3,000 people in a number of fields such as small-scale fishing, hotel services, tourism, electricity, building, plumbing, carpentry, etc. In some cases, the beneficiaries were given equipment and tools to practice their trade.

**IV.2.** Programs to bring unemployed graduates into the job market have benefited over 3,368 graduates, including 300 who have been hired by the Project for the Promotion of Books and Reading, which organizes and provides maintenance for libraries. Thirty-four graduates have been assigned to internships in the different administrations, and 70 have received training in insurance (40), and in the Mauritanian News Agency (*l'Agence Mauritanienne de l'Information*) (30).

**IV.3** Moreover, the program to prevent begging in Nouakchott helped to provide services (food, care, training, etc.), and more than 600 gainful activities (AGRs).

**IV.4** Finally, the year 2005 saw the launch of two major programs: the Lehadé program, an integrated program to reduce poverty along the border with Mali, and the program for equitable regional growth incentives (VAINCRE) benefiting 44 towns in the wilayas of Assaba and Guidimagha.

### 2.3 *CROSS-CUTTING ISSUES IN THE PRSP*

194. Employment. The Ongoing Survey of Living Conditions (EPCV) shows that unemployment worsened between 2000 and 2004, rising from 29 percent to 32.5 percent. Women account for two-thirds of the unemployed, and in the 15-24 age bracket seven women out of ten, and one man out of two, are unemployed. The participation rate is 54.9 percent, with major disparities between men (61.9 percent) and women (39.1 percent). The distribution of employment by sector shows that 31 percent of jobs are in agriculture (of which 6.3 percent in livestock raising). The next largest sector is commerce (24.6 percent), followed by general government (14.3 percent) and services (8.6 percent).
195. The main measures taken in this field have involved: (i) finalizing the Labor Code; (ii) instituting the National Agency for Youth Employment (ANAPEJ), which became operational at the beginning of 2005; (iii) studies to evaluate employment policy, and integration of an employment information system into the PRSP tracking system; and (iv) implementation of labor-intensive projects.
196. The impact of employment promotion efforts is still constrained by a number of problems, however. These relate to: (i) the lack of a comprehensive medium-term employment policy; (ii) a mismatch between employment market needs and vocational education and training; (iii) the shortage of information on the labor market; (iv) inadequate capacities and resources in the central employment creation agencies; and (v) a lack of coordination among the various stakeholders involved in the sector.
197. A strategy for the promotion of micro and small enterprise was adopted in November 2003, and the first program under that strategy (the Integrated National Program for Micro and Small Enterprise Development, PNIME) was prepared. A number of studies have been conducted: (i) on the intervention strategy in Assaba, the PNIME test zone; and (ii) on the informal sector, particularly in the areas of construction, mechanics, office work, refrigeration and air-conditioning in the cities of Nouakchott, Rosso, and Kaédi.
198. The microfinance sector grew sharply over the period 2001-2004. It had more than 92,000 members in 2004, compared to 48,000 in 2002, over 60 percent of which are affiliated with the CAPEC banking network, and 30 percent with the MICO network in the oases. The Office on the Status of Women (SECF) also contributes to development in the sector, through the NISSA banks and the GFEC. The volume of credit outstanding was about UM 5 billion in 2004 (versus 3.1 billion in 2002) and the volume of savings stands at some UM 2.5 billion (versus 1.1 billion in 2002). The sector has the support of several financial partners. Implementation of the national strategy for microfinance (SNMF), adopted in 2003, will accelerate development of these financial services, which constitute a key element in the government's policy of anchoring growth in the economic environment of the poor.
199. Issues relating to the advancement of women - the key to establishing gender equity - were not sufficiently addressed in the first PRSP, and were limited to the following measures: (i) support for female business cooperatives (GIEs, "economic interest groupings"); (ii) strengthening the women's training center (CFPF) and instituting a system of incentives for trainers; and (iii) establishing special credit facilities for women.
200. An analysis of the status of women in Mauritania shows that despite the significant progress that has been made, particularly in school access, disparities persist between the sexes, in particular with respect to: (i) access to opportunities in general: the poverty rate among households headed by women rose from 40 percent to 45 percent; (ii) employment: the female participation rate (39.1 percent) is far below that of men (61.9 percent); (iii) literacy: the female literacy rate is 49.5 percent, compared to 66.5 percent for males; and (iv) political participation: only 4 percent of

seats in Parliament and 3.4 percent of municipal council seats are occupied by women, and only one political party has a female president.

201. The main steps taken since 2001 have been: (i) preparation of a national strategy for the advancement of women; (ii) adoption of the Personnel Regulations Code; (iii) creation of the Multisector Group on Gender Monitoring; (iv) an analysis of the gender situation; (v) creation of four female training centers (Nouakchott, Aljoujt); and (vi) creation of several women's associations and provision of support for women's NGOs. These programs have however affected very few women outside the major cities.
202. Despite these efforts, the advancement of women continues to face numerous obstacles, including: (i) the failure to decentralize efforts; (ii) the lack of coordination between the SECF and other stakeholders; (iii) inadequate human and material resources at SECF; (iv) lack of a proper monitoring and evaluation system for measuring the impact of activities on target populations; and (v) persistent social and cultural practices that have no basis in, and are frequently at odds with, the teachings of Islam, which is the religion of the people and of the State.
203. An analysis of the situation of young children in Mauritania shows that, while health and education indicators have improved significantly since 2000, the situation is still of concern on several scores: (i) preschool coverage is only 6.85 percent; (ii) handicapped children, who constitute 5 percent of all handicapped persons, receive no legal or institutional protection; (iii) street children and young beggars, whose numbers are hard to estimate, are more exposed to various forms of violence, exploitation, discrimination and abuse; (iv) there are still no specific measures tailored to the needs of young offenders; and (v) child workers, who account for more than 13 percent of the workforce, are laboring under conditions that are often inconsistent with the Convention on the Rights of the Child.
204. Nevertheless, for several years now the sector has benefited from an increasingly favorable institutional and legal framework, growing social awareness, and significant public action on the issue.
205. Since 2001 the following actions have been taken: (i) a strategy has been adopted for comprehensive childhood disease care (PCIME); (ii) the national strategy for early childhood has been approved; (iii) the early childhood component has been integrated into the national education development program (PNDSE); (iv) a Sectoral Technical Committee (CTS) has been created to follow up on the establishment of a "children's Parliament"; (v) the new Labor Code, harmonized with the Convention on the Rights of the Child, has been approved; (vi) the young offenders protection code has been approved; (vii) the national nutrition policy has been approved; and (viii) 14 juvenile court judges have been trained.
206. Yet sector programs still take insufficient account of the needs of children, and early childhood programs also suffer from the lack of human and financial resources, backlogs in the transposition of international legal standards into domestic law, and the absence of a consistent national childhood policy.
207. Some important programs have been conducted to combat social marginalization. These include: (i) the campaign against begging; (ii) measures to provide attention for street children and young offenders; (iii) social housing (Twize); and (iv) care for indigent children. However, these efforts are still sporadic, in the absence of a comprehensive vision of social protection and an integrated policy in this area.
208. Food security has been addressed through a restructuring of the Food Security Commission (CSA), which has been underway since 1998, and a number of useful monitoring and prevention tools have been introduced, including the Food Security Observatory (OSI), the National Food Security Stock (physical and financial), the establishment of emergency assistance, and the Micro-

Project Execution Agency (AEMP). These efforts have improved the response to the chronic food shortages that Mauritania is still experiencing. In particular, the free distribution and subsidized sale of essential goods under the 2002/2003 emergency plan has helped affected groups to overcome these difficulties. Moreover, other programs of humanitarian action and grassroots development programs have also been implemented by the CSA, with support from various partners (French foreign aid authorities, Italian foreign aid authorities, USAID, European Union, World Food Program).

209. The food security problem is not yet resolved, however, primarily because of: (i) weak coordination at the governmental level, which is reflected in overlapping responsibilities; (ii) the absence of a clear strategy for food security; (iii) the decline in external food aid; (iv) problems in mobilizing resources for urban populations; (v) the lack of any special tax and customs arrangements for the CSA, reflected in major holdups in the receipt of aid; (vi) weakness in the CSA's transportation and storage capacities; and (vii) an inadequate national information system.
210. Action on the environment has included: (i) approval of the national biodiversity strategy and program of action as well as the plan of action on desertification, together with finalization and presentation of the initial national report on climate change to the Conference of Parties; (ii) systematized environmental impact studies for all programs and projects, in particular the study of the Chinguitty oilfield; (iii) implementation of the process of harmonizing national legislation and regulations with international conventions ratified by Mauritania, and their adaptation to Islamic law (sharia) and local customs; and (iv) public awareness campaigns and the posting of environmental legislation online.
211. Actions involving forestry and nature conservation have included: (i) preparation of a master plan for wood and charcoal supply in the major cities; (ii) pursuit of reforestation efforts, with the planting of 10,500 hectares and aerial seeding in the northern portions of Trarza and Brakna, and in Tagant; (iii) maintenance work on the fire-breaks system over a linear distance of 21,000 km, and (iv) promotion of butane gas as a fuel ("butanization").
212. Yet the sustainable management of natural resources faces a number of obstacles: (i) the environmental issue was not treated as a cross-cutting issue in the first PRSP; and (ii) coordination of the many efforts in this area has been weak. These problems are now being addressed in the action plan of the Interministerial Committee on Governance, instituted by the transitional government.

#### **2.4 GOVERNANCE AND CAPACITY BUILDING**

213. The improvement of governance and the strengthening of capacities were a strategic theme in the initial phase of the PRSP, which focused on five objectives: (i) consolidating the rule of law; (ii) strengthening the capacities of the administration; (iii) support for decentralization; (iv) efficient management of public resources; and (v) enhancing the participation of the poor and strengthening the capacities of civil society, in particular NGOs.

##### **The rule of law**

214. Various steps have been taken to promote democracy as the basis for the relationship between the citizens and the State: (i) reform of the civil registry, including preparation of a new national identity card that meets international standards; (ii) introduction of a degree of proportionality in the Mauritanian electoral system; and (iii) adoption of new financing provisions for political parties.
215. In the wake of legal and institutional reforms to anchor the rule of law more solidly, the protection of human rights has been reinforced through: (i) adoption and implementation of the

Personal Status Code; (ii) adoption of a law banning human trafficking in all its forms; (iii) ratification of numerous international conventions on human rights; and (iv) adoption of a National Plan of Action for the Promotion and Protection of Human Rights.

216. As part of the reform of the justice system, the first phase of the PRSP saw: (i) the adoption of the Commerce Code, the Arbitration Code, and laws and regulations governing judicial officers; (ii) finalization of preliminary draft legislation on judicial aid; (iii) the training of judges; and (iv) construction and equipping of courtrooms as part of the judicial facilities development program.
217. A team of technical assistants have been providing support to Parliament, and the legislative branch has also received logistical support in the course of implementing the National Program for Good Governance (PNBG). A training plan and manuals on parliamentary rules have been prepared. The PNRC/CMAP [National Capacity Building Program/Mauritanian Policy Analysis Center] has prepared a project in support of Parliament, for financing by the African Capacity Building Foundation (ACBF). Another support program has also been prepared by the GTZ (German cooperation agency).
218. Yet the scope of reforms and of progress in enshrining the rule of law since adoption of the Constitution on July 20, 1991 has been limited. It has been constrained in particular by the fragile nature of the institutions that were established under the deadweight of the old monolithic political structure, and that have remained heavily imbued with highly autocratic traditions. In the functioning of institutions, then, there is an enormous gap between theory and reality. The justice system is still in thrall to political manipulation, and has been beset by a series of crises - of confidence, of authority, of credibility, of means, and of competence.<sup>8</sup> For its part Parliament, despite the reforms made in 2001 to introduce meaningful political debate, remains an appendage of the executive. Under these conditions, it has been difficult to achieve a political change of power.
219. The upheaval of August 3, 2005, which installed the Military Council for Justice and Democracy (CMJD) for a transition period that is supposed to lead to the establishment of truly democratic institutions, is in itself an illustration that the democratic system instituted in 1991, and the rule of law that it was supposed to promote, have not been working.

### **Public administration**

220. The public administration has been the object of attention on several fronts: (i) introduction of the National Program for Good Governance (PNBG); (ii) reorganization of the main ministries; (iii) establishment of an interministerial committee on government modernization, and adoption of its report; (iv) the launching of the ISEPP project and of preparatory phase for the Public Sector Capacity Building Project (PRECASP); (v) the EPCV, EMIP, EMSM and PDU (urban development) surveys, and the publication of data from the RGPH (population and housing census); (vi) the preparation of a social statistics database; (vii) creation of regional statistical services; and (viii) introduction of a new system for PRSP monitoring and evaluation.
221. Nevertheless, these measures had little impact because they have been sporadic and fragmented, whereas the weaknesses of public administration were systemic: (i) the poor quality of service provided; (ii) complex procedures and cumbersome administrative processes; (iii) the absence of management standards and the tendency to arbitrariness in decision-making; (iv) lack of transparency and the spread of corruption in various forms; (v) poor management of human resources; and (vi) insufficient use of information and communication technologies (ICTs).<sup>9</sup>

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<sup>8</sup> Final Report of the Interministerial Committee on Justice, November 2005.

<sup>9</sup> Most of these shortcomings are noted in the Final Report of the Interministerial Committee for Good Governance, November 2005

These dysfunctional elements have also undermined the effectiveness of public action and have virtually destroyed the government's ability to regulate public affairs.

### **Management of public funds**

222. A number of steps have been taken to bring greater efficiency to the management of public funds. These include: (i) technical studies for computerizing the payroll, pensions, expenditures on goods and services; (ii) the production of an end-year treasury account (*compte de gestion*), adoption of the budget review law (*loi d'apurement*) for 2001, and adoption of the definitive 2001 Budget Execution Law; (iii) various tax reforms and institutional strengthening of the taxation administration; and (iv) introduction of several systems for improving the efficiency of public expenditure, in particular the SYPSIM (Investment Programming and Monitoring System) and preparation of a global medium-term expenditure framework (MTEF), and several sectoral MTEFs, which have been implemented only to a very limited extent.

223. Public financial management still faces a number of problems:

- Programming: (i) lack of a long-term forward-looking vision; (ii) absence of an integrated approach to managing the external debt; (iii) inadequate efforts to take ownership of and implement the comprehensive MTEF and sectoral MTEFs; and (iv) centralization of budget programming.
- Resource mobilization: (i) the inadequate performance of the tax administrations; (ii) some sectors are not taxed; and (iii) there is poor coordination with the departments responsible for collecting non-tax revenues (mining royalties, fishing licenses, dividends, etc.).
- Expenditure: (i) there are significant off-budget expenditure items that are completely nontransparent; (ii) procedures are cumbersome and slow; (iii) there are multiple execution procedures for different types of financing; (iv) there is no system for cash management and budgetary reconciliation; and (v) there is no reliable information on revenues and expenditures
- Expenditure control and evaluation: (i) control and supervision of government accounts officers (*comptables*) is ineffective, and the same is true of hierarchical supervision; (ii) management boards and oversight bodies produce little value-added; (iii) the External Audit Agency (*Cour des Comptes*) functions poorly and lacks independence; and (iv) there are no systematic surveys of the "traceability" of public spending.

### **Decentralization**

224. Government policies and official statements make constant reference to administrative decentralization. In addition to the effort that has gone into financing municipalities (*communes*) through the Regional Development Fund (FRD), a number of bilateral and multilateral cooperation agencies have helped to strengthen decentralization mechanisms. The latest period has seen the preparation of several studies: (i) the decentralization strategy; (ii) the study of local taxation; (iii) introduction of a municipal development portal; and (iv) adoption and implementation of an organization chart for the municipal affairs office (DGCL). Furthermore, a number of municipal infrastructure and institutional support programs have been carried out, mainly under the urban development program (PDU).

225. Despite these efforts, a number of factors conspire to prevent the municipalities from functioning properly: (i) their finances are weak; (ii) the severe shortages in qualified human resources make it difficult to carry out and supervise projects; (iii) local elected officials lack training; (iv) central government technical services are deficient; (v) the inter-municipal

government arrangements instituted in Nouakchott do not work, and they do not exist in the rest of the country; and (vi) social and political attitudes undermine cooperation within the municipal councils and distort the balance of power between mayors and councils.

### **Capacity-Building for Civil Society**

226. Moves to strengthen NGOs have included: (i) introduction of a capacity building program; (ii) improvement to the legal framework; and (iii) introduction of the civil society “Cyberforum”. Yet NGOs continue to be hampered by: (i) their lack of professionalism; (ii) lack of know-how; (iii) their fragmentation, despite the recent creation of the Cyberforum; and (iv) lack of a permanent financing mechanism.
227. The media have benefited from training seminars and support to the independent press through CRED, UNDP and the United States Embassy. But development of the media still faces a number of structural constraints: (i) the uncertain legal environment; (ii) the desperate financial situation (lack of startup capital, working capital, problems in collecting the proceeds of sales, multiple small-scale outlets, etc.); (iii) lack of access to reliable information sources (subscriptions to international news agencies are very costly); (iv) the limited amount of training provided, which moreover does not meet professional standards; (v) the lack of professionalism among many media personnel; and (vi) the absence of a regulatory body. However, the creation in late 2005 of the National Advisory Commission on Press and Audiovisual Reform holds out new prospects for the sector.
228. Despite the significant achievements, governance still suffers from major weaknesses, to which the action plans of the three interministerial committees instituted by the transitional government may provide some response. Furthermore, additional efforts will be needed at capacity building, both within government and among municipal officials and in civil society.

### **2.5 THE PARTICIPATORY APPROACH**

229. As a matter of strategic policy, Mauritania is now giving unprecedented priority to promoting full participation by all stakeholders (government, elected officials, civil society, the private sector) in the PRSP process.
230. The strategic focus of the participatory approach recognizes several factors:
- The key role of such an approach in mobilizing human and material resources at the community level.
  - Participation is an essential condition for creating a sense of “ownership” over reforms, and thus ensuring their sustainability.
  - Participation is a rational means of optimizing the impacts of development initiatives.
  - Participation is a tool for empowering vulnerable groups.
231. During the first phase of the PRSP, the participatory approach facilitated the involvement of categories of stakeholders who previously had no chance to debate economic and social development issues. A forum for dialogue was created for the first time at the political level, with the State-Civil Society-Private Sector Coordination Committee, and at the technical level, with the Thematic Technical Groups (GTT). Furthermore, annual interregional workshops were organized at the wilaya level, with the participatory process culminating in national assemblies (*assises*), also held annually. At the local level, community consultations were held in 2001 in a number of poor localities. These provided qualitative input from people directly affected by poverty into the essentially quantitative evaluation of the PRSP’s first year.

232. Despite this progress, participation still suffers from weaknesses that must be promptly addressed. These relate in particular to: (i) the ad hoc nature of participation; (ii) inadequate participation by women, the private sector, NGOs, communities and young people; (iii) the lack of user satisfaction surveys for the services provided; (iv) the lack of participatory evaluations; (v) weak organizational capacities; and (vi) the limited budget allocated to the participatory process.

## **2.6 GIVING THE PRSP A REGIONAL DIMENSION**

233. The law establishing guidelines for combating poverty, promulgated in July 2001 following preparation of the first PRSP, declares (Article 13): “At the regional level, PRSP guidelines are implemented through regional poverty reduction programs (PRLP). The PRLPs constitute the framework for setting regional poverty reduction objectives and for improving living conditions. They ensure the coordination of regional development strategies and programs, and determine priorities for the region.”

234. In this context, the process of regionalizing the PRSP began with preparation of the participatory methodology for formulating the PRLPs, known as the “Toolbox”. Subsequently, human resource constraints were such that only three PRLPs could be conducted at one time, and the wilayas were therefore grouped into four lots of manageable size.

235. Thus, (i) the PRLPs for Hodh El Gharbi, Assaba and Guidimagha are ready; (ii) the PRLPs for Hodh Chargui, Gorgol and Tagant are in the process of adoption; (iii) the PRLPs for Brakna, Trarza and Adrar are in the final analysis stages and are about to be formulated; and (iv) the diagnostic phase of the PRLPs for Nouakchott, Dakhlet-Nouadhibou, Tiris-Zemmour and Inchiri is about to begin, for finalization by mid-2007.

236. With nearly half of the PRLPs already prepared, it must be recognized that the process has produced significant results, particularly in understanding the strengths, constraints and expectations at the wilaya level. In particular, the participatory infrastructure inventories (IPI) provided a geographically wide-ranging (non-sectoral) yet sufficiently detailed picture down to the municipal level of all the resources available in terms of the public infrastructure needed to support economic activities and the facilities required to provide basic services (health, education, water, electricity, telecommunications, etc.). Provided they were effectively implemented at the regional level, these IPIs could be powerful tools for planning measures to fill the existing infrastructure gaps, and also for monitoring and evaluation.

237. Yet the process suffers from a major drawback: the PRLPs are simply not being used, not even for programming, much less for making budget decisions. Moreover, the regional antipoverty committees (CRLP) are not playing their proper role in establishing regional priorities or coordinating activities (through the PRLPs). In part, this reflects the situation at the central level, where the PRSP process often receives only lip service without much tangible action in terms of the country's economic and social development policy. Moreover, there is frequently confusion at both the central and regional levels between the PRSP and the action plan of the Commission on Human Rights, Combating Poverty, and Integration (CDHLCPI). The lack of any intermediary level between the municipality and the national government is a major constraint, for the wilaya does not have the legal status that would allow it to program and implement the PRLPs effectively.

## **2.7 FINANCING THE PRSP**

238. Financing needs for the first action plan, covering the period 2001-2004, were estimated at US\$475,000,000, including US\$121 million for balance of payments support and US\$354 million (UM 92 billion) for the Public Investment Program (PIP).



239. The financing required for priority investments alone (those that were supposed to have a direct impact on achieving objectives) was estimated at UM 73 billion. These needs were planned to be financed in the amount of UM 28 billion from HIPC resources, and UM 14 billion from budgetary savings over the period. This left a net financing gap of UM 31 billion (US\$121 million) for priority activities.
240. The PIP envelope for the first phase of the PRSP, 2001-2004, was finally set at UM 170.2 billion (excluding the national industry and mining enterprise, SNIM). Of this amount, UM 155.7 billion (or 91.5 percent: see Annex 3) was actually spent. The highest share (33 percent) went to land-use planning, followed by rural development (20.1 percent), human resources (17.2 percent), and poverty-targeted multisectoral programs (13 percent). Domestic funds accounted for 43.6 percent of financing over the period, rising gradually from 37.6 percent in 2001 to 48.7 percent in 2004, while grants represented 13.7 percent and loans 42.7 percent.

## **2.8 LESSONS LEARNED**

241. The first general conclusion that emerges from this picture is that ***there is insufficient monitoring and evaluation*** of economic and social policies. The failure to monitor programs closely (i.e. to go beyond a simple inventory of measures achieved or not achieved in the PRSP review exercises) and to evaluate the impacts of these policies points to a more general problem of governance, something that was widely debated during the *Journée de Concertation* discussion forums of October 2005. A combination of firm political commitment to reform and implementation of a long-awaited tool for monitoring and evaluating the PRSP should offer better chances of success with the 2006-2010 action plan.
242. The second conclusion has to do with ***persistent and major shortcomings in the capacity to conduct public policies***. Capacity building efforts in this area have not produced the expected quantum shift in quality. Essentially, administrative practices have changed little, and there are few signs of a focus on coordination, interministerial cooperation, and evaluation. At the same time, information systems, particularly for data on the economy, still have significant gaps that make conventional decision-making tools unworkable. For example, some key components of strategic management - planning, economic forecasting, budget programming, monitoring and evaluation systems, an aid utilization strategy - are still missing, or have no solid or realistic foundation (this is the case with the MTEFs).
243. The third finding relates to the failure to exert “ownership” over the PRSP. The PRSP receives only lip service in programs and strategies. Many of the actions taken during 2001-2004 were inconsistent with the priorities in the first PRSP plan of action. The lack of any verification system for checking whether new activities proposed for financing (by a partner or by the government) would actually contribute to achieving PRSP objectives has hindered implementation of the strategy.
244. The analysis also shows that many shortcomings stem from the guidelines and action proposals of the PRSP adopted in 2001 and implemented since that time.
245. ***There is no linkage between theme 1 and the broader objective of job creation:*** This shortcoming reflects to a large extent the lack of any real employment policy designed in cooperation with economic transactors and based on clearly stated employment and vocational training objectives for the main branches of the economy. To date, job creation has never been a central objective of economic policy; rather, it has been a byproduct of a series of sectoral programs or programs targeted at, for example, unemployed graduates. With particular reference to the key sectors covered by theme 1 of the PRSP, we find very few initiatives aimed at meeting the market’s needs or fostering the employability of manpower.

246. ***There is no comprehensive policy to support industry or to promote small and medium-size enterprises in the formal economy:*** Efforts to encourage the private sector and reinforce competitiveness have been limited, and have had neither a clear short-term implementation strategy nor any real political commitment that would overcome market rigidities. Significantly, there has been no appetite to challenge the anticompetitive practices that dominate much of the formal economy. The different mechanisms planned for guiding government/private sector cooperation and for monitoring the Integrated Framework have functioned little or not at all, and most government departments concerned (trade, industry, vocational training) have very modest means. There is no policy for the development of small and medium-size enterprises, and the strategy for micro and small enterprise, targeted at very small units, has yet to be made operational. Within the manufacturing sector, the construction industry provides a typical example: in the absence of any deliberate and comprehensive policy to deal with structural problems, the manufacturing sector lacks the capacity to respond to demand, something that today constitutes one of the main bottlenecks hampering efforts to implement public investment programs, and threatens to compromise the targets set for education and health.
247. ***The financial sector reform has produced very limited results:*** The weaknesses in the financial sector are one of the main obstacles to modernizing the economic framework. Little seems to have been achieved between 2001 and 2004. The development of banking intermediation, the modernization of payment systems, the availability of medium- and long-term credit in sufficient amounts and at affordable rates, are all essential for business development and economic diversification.
248. ***Land-use planning has been overlooked:*** The PRSP has little to say about this dimension, apart from mention of a National Land-use Planning System among the list of measures. In fact, this has never been considered a priority, and five years into the PRSP there is not even a cursory study available, apart from some journal articles and regional statistics and a few studies conducted under development programs targeted at specific geographic areas. Yet this is a key question that is becoming even more urgent with the takeoff of the oil economy, which threatens to exacerbate certain trends already observed (including the flight from the countryside, the growing concentration of population along the coast, in the river valley and in a few residual clusters, and desertification). Moreover, the lack of such a policy seriously compromises access to basic social services (water, education and health). Statistics show that more than 80 percent of settlements have fewer than 500 people, and 56 percent have fewer than 150. Under such circumstances it is difficult or impossible to improve school attendance and access to health services.
249. This situation arises from the haphazard settlement patterns of recent years. The absence of land-use planning encourages such patterns and places severe limits on programs for enhancing access to education and health. Retention rates in the education system are below expectations, primarily because so many schools (more than 80 percent) do not teach all grades, resulting in high dropout rates in the short term, and illiteracy in the long term. The implications for health are similar: 33 percent of the population today lives more than 5 km from a health post, and cannot be served to acceptable standards.

### **3 A NEW VISION FOR MAURITANIA TO THE YEAR 2015**

250. After four years of PRSP implementation, Mauritania needs a new long-term vision, for at least three reasons.
251. The first reason is that the analysis of poverty in Mauritania, based on adjusted data, shows that the existing situation was worse than recognized when the first PRSP was prepared (in 2000). Yet the conclusion drawn at that time remains pertinent: poverty is a multidimensional phenomenon that demands solutions that are: (i) integrated, for they must simultaneously address various manifestations of poverty; (ii) comprehensive in scope; and (iii) sustained, for some of their underlying causes will take a long time to address.
252. The second reason has to do with the political setting in Mauritania, where finalization of the new PRSP has coincided with the arrival in power of the armed forces and the security forces, and establishment of a transitional government with a mandate to: (i) move the country toward democracy; (ii) reform the justice system; and (iii) improve governance. The transitional government has taken steps in these three essential fields that should create conditions for more effective implementation of the PRSP in its second phase.
253. The third reason is the dawning of the oil era in Mauritania. In fact, the oil fields that came into production on February 24, 2006 open unprecedented prospects for: (i) overcoming the constraints of budgetary and external account balances; (ii) developing public programs in sectors that are key to reducing poverty and inequality; and (iii) creating conditions that will ensure significant spin-off effects for other branches of the economy.
254. The new long-term vision for Mauritania is based on these findings and, more broadly, on the lessons drawn from the first phase of the PRSP.

#### ***3.1. THE LONG-TERM VISION***

255. Mauritania will have by 2015 an economy that is more open to the outside world and more diversified, one that can ensure sustained economic growth over the medium and long terms, with the prospect of sustainable economic and social development that will incorporate the essential elements of modernity while preserving the country's cultural authenticity. While awaiting preparation of a consensus-based vision of the country through the year 2030, efforts will focus on: (i) developing the domestic market; (ii) expanding the external market by harnessing all regional and international trading opportunities; (iii) upgrading human resources to meet the quantitative and qualitative needs of the economy; (iv) strengthening capacities and modernizing government by moving from a "management-oriented" administration to a "mission-oriented" administration; (v) improving the business climate physically (reinforcing infrastructure), legally (reforming regulations and enforcing existing laws), and administratively (streamlining and simplifying procedures); and (vi) creating stable jobs for the majority of the economically active population. In the context of a prudent budgetary policy, oil revenues will be used to finance the actions needed to achieve this vision.
256. To begin with, the objectives that Mauritania has set itself for the year 2015 are for the most part more ambitious than the Millennium Development Goals. In particular, the health sector will demand much greater public efforts than were made in the past (see "open questions" below). Those objectives include the following:
- Reduce the incidence of poverty to below 25 percent in 2015.
  - Reduce the incidence of rural poverty to below 35 percent.
  - Raise per capita GNP to more than US\$2000.

- Ensure universal access to a solid basic education covering at least nine years of schooling.
- Reduce the illiteracy rate for adults (over age 15) to below 15 percent.
- Assure universal access to primary health care facilities within a radius of 5 km.
- Reduce the infant mortality rate to below 40 per thousand, the child mortality rate to below 55 per thousand, and the maternal mortality rate to below 300 per 100,000.
- Reverse the spread of HIV/AIDS, cutting the prevalence among the general population to below 1 percent.
- Increase the coverage of potable water service to 65 percent of the urban population.
- Increase the coverage of potable water service to 74 percent in rural and semiurban areas.
- Enhance food self-sufficiency.

257. This vision also includes ambitious objectives for achieving harmonious and balanced land-use management, the lack of which poses a major obstacle to Mauritania's development:

- Two cities (Nouakchott and Nouadhibou) will be brought up to international standards for large cities.
- 11 wilaya capitals will have complete social and economic infrastructure (potable water, sewerage and electricity connections, airports, telecommunications, paved roads, bus stations, conference centers, hotels, etc.).
- 32 Moughataa capitals will be equipped with complete social and economic infrastructure.
- 163 rural municipalities will be equipped with basic social and economic infrastructure (potable water, electricity, telecommunications etc.).
- The country will have a complete network of paved roads, so that: (i) production zones will be accessible; (ii) no settlement will be more than one hour from a paved road; and (iii) trade with neighboring countries will be facilitated.
- The river will be navigable over its entire extent.

### **3.2. STRATEGIC THEMES**

258. To achieve these ambitious objectives, Mauritania intends to strengthen its economic and social development policy for the next 10 years, during which it will continue to focus on combating poverty. It will also retain as its basis four strategic themes identified in the past: (i) accelerate growth and maintain macroeconomic stability; (ii) anchor growth in the economic environment of the poor; (iii) develop human resources and expand basic services; and (iv) improve governance and build capacity. These themes will be supplemented and supported by a new and important focus: strengthening management, monitoring, evaluation and coordination.

259. Accelerating economic growth, which is a necessary condition for poverty reduction, will be based primarily on: (i) optimizing spinoff effects from developing the oil business and implementing more effective policies for harnessing the growth potential of other promising sectors, in particular by making government action more efficient; (ii) a thorough reform of the financial system; (iii) significant improvement in the business climate and the development of SMEs; and (iv) giving a greater economic and land-use planning dimension to the infrastructure that supports growth. The country will also implement cautious macroeconomic policies based on preserving a stable balance among the major macroeconomic variables.

260. Promoting pro-poor growth will require the development of productive activities accessible to the poor and suited to the areas where they are most heavily concentrated. The stress will be placed here on integrated and coordinated policies, with broad and properly sequenced actions that respect the environment and will serve to: (i) reduce substantially the socioeconomic infrastructure gap; (ii) promote access to suitable financial services; (iii) develop vocational training and promote SMEs; and (iv) enhance productivity.

261. The development of human resources and the expansion of basic services will be done using both medium- and long-term perspectives. Over the medium term, the intent is to improve living conditions for the poor and reduce inequality. Over the longer term, success on these fronts will be essential for Mauritania's sustainable development, by endowing it with competitive human resources and a quality of life that is conducive to excellence.
262. Entrenching the principles and practices of good governance is a prerequisite for a successful PRSP. Efforts will be directed at: (i) consolidating the rule of law, by strengthening democratic institutions, reforming the justice system, and promoting and defending human rights; (ii) improving economic governance and environmental governance; (iii) proceeding further with decentralization; (iv) pursuing efforts to modernize the public administration; (v) deepening the participatory approach; and (vi) preparing and implementing a communication strategy. A further continuing concern will be to strengthen the capacities of all those involved in combating poverty (government departments, local officials, civil society and the private sector) so they can play their roles fully.
263. Finally, the disappointing results from the first phase of the PRSP highlight the need to reinforce management, monitoring, evaluation and coordination, especially in areas that require integrated and coordinated actions such as rural development and the upgrading of substandard urban neighborhoods. In this context, efforts will focus on: (i) implementing a rigorous system of monitoring and evaluation, using reporting tools that will provide information on the state of progress so that mid-course adjustments can be made; (ii) introducing effective mechanisms for coordinating government efforts and rationalizing them at the central, regional and local levels; and (iii) stepping up efforts to harmonize the activities of the country's technical and financial partners.

### **3.3. PRIORITY OBJECTIVES AND AREAS FOR 2006-2010**

264. The strategies pursued for achieving the long-term objectives to the year 2015 will be carried out in the course of two successive five-year action plans. This arrangement will: (i) allow more time to ensure concerted, coordinated and properly sequenced implementation of planned measures; and (ii) will coincide with worldwide target dates for development goals. The second PRSP action plan will cover the period 2006-2010, and will focus essentially on the following medium-term objectives (see annexes):
- Reduce the incidence of poverty from 46.7 percent in 2004 to below 35 percent in 2010.
  - Reduce the incidence of rural poverty from 59 percent in 2004 to below 51 percent in 2010.
  - Reduce the incidence of urban poverty from 28.9 percent in 2004 to below 15 percent in 2010.
  - Achieve average annual growth rates of 9.4 percent over the period.
  - Assure universal access to a solid basic education covering at least nine years of schooling.
  - Reduce the illiteracy rate for adults (over age 15) to below 20 percent.
  - Assure access to primary health care facilities within a radius of 5 km for 90 percent of the population.
  - Reduce the infant mortality rate to below 60 per thousand, the infant/juvenile mortality rate to below 70 per thousand, and the maternal mortality rate to below 400 per 100,000.
  - Increase the coverage of potable water service to 48 percent of the urban population.
  - Increase the coverage of potable water service to 62 percent in rural and semiurban areas.
  - Enhance food self-sufficiency.
265. These ambitious objectives can be achieved only with the design and implementation of a true National Land-Use Planning Strategy for establishing an overall vision of settlement patterns in Mauritania: viable zones, best uses of zones, positioning of infrastructure, land occupancy, balancing of development efforts, etc. Such a tool, which will need to be prepared in a consensus-building manner, together with definition of a forward-looking vision for the country to the year 2030, will serve to redirect efforts toward those areas where they will be most effective (see

Box 9). In the coastal zone, there are already plans to implement the Master Plan for Development of the Mauritanian Coast (PDALM), which has been prepared through a participatory approach.

266. Moreover, efforts at wealth creation will be stepped up, particularly in areas and sectors that are most accessible to the poor. At the same time, because these efforts are bound to exert increasing pressure on an already fragile environment, constant attention will have to be paid to environmental protection and conservation. A National Action Program for the Environment (PANE) will be adopted and implemented as a comprehensive strategy for protection, preservation, and regeneration of the environment that addresses all aspects of the issue.
267. Finally, the priorities in the PRSP will themselves have to be revised. One of the weaknesses of the first phase was that priorities were defined in sectoral terms, and this tended to obscure the need for simultaneous and coordinated actions in priority areas. Priorities will now be of four kinds: (i) four priority areas: education, health, water, and infrastructure; (ii) two priority zones: the arid rural zone and the poor neighborhoods of the major cities; (iii) three priority crosscutting aspects: design and implementation of the National Land-use Planning Strategy (SNAT), the PDALM Master Plan, and the PANE; and (iv) a priority working method: concerted, coordinated and monitored implementation of the PRSP.

### **3.4. “OPEN QUESTIONS”**

268. Given its mandate and its lifespan (less than 20 months), the transitional government is not in a position to propose a vision and definitive strategies covering all the aspects of the PRSP. A number of unresolved questions will remain, and subsequent governments, following transparent and free elections, will have to address them and carry out the necessary research to improve the PRSP contents and process. The interim evaluation and revision planned for mid-2008 could constitute an occasion to engage in such exercises.
269. The “open questions” that are not resolved in this paper include:
- Pursuing the process of defining a forward-looking vision for Mauritania to the year 2030.
  - The use that is to be made of oil revenues.
  - The holding of a national education conference (the “*états généraux*” for education).
  - A national campaign to achieve the MDG health targets.
  - The degree to which decentralization should be pursued.
  - Design and implementation of the second phase of the National Land-use Planning Strategy (SNAT).
  - Revising the pay system for government employees and officials.
  - Use of the *zakat* (alms-giving) as an antipoverty tool.

### **3.5. FINANCING**

270. The second phase of the PRSP will be accompanied by a comprehensive medium-term expenditure framework (MTEF) and sectoral MTEFs in the most promising areas for growth and poverty reduction. The financing needed to implement this second action plan under the PRSP amounts to UM 1.261 billion over the period 2006-2010 (or about US\$4.695 billion), with annual amounts varying from UM 185 billion in 2006 to 301 billion in 2010, i.e. an increase of 63 percent over the period. Operating expenses are estimated at UM 779 billion, and investment at UM 482 billion over that same period. The investment portion represents 35 percent in 2006 and 37 percent in 2007, and will stabilize at 39 percent over the remainder of the period.
271. The MTEF, which is in the process of finalization and will be published in a package together with the final PRSP, is of course consistent with the PRSP, particularly in terms of allocating resources among them strategic themes and priority fields.

272. Human resource development and the expansion of basic services will account for about one-third of total planned expenditure. Efforts to anchor growth in the economic environment of the poor will receive around 15 percent of the overall envelope. Measures to speed growth and preserve the macroeconomic framework represent some 17 percent of the total. Finally, the MTEF also makes ample provision for governance and capacity building (including the key national ministries), with an estimated envelope of UM 335 billion, or more than 25 percent of total resources. The priority fields (education, health, water, economic support facilities such as transportation, energy, NICTs etc.) receive UM 561 billion, or 43.8 percent of total spending.
273. Financing of the second phase of the PRSP will rely essentially on domestic resources, in a proportion that will increase gradually to 61 percent in 2010. Continued external funding will be needed, then, in excess of the funds derived from the HIPC and MDRI sources, to the extent of UM 90 billion, according to the current MTEF estimates, or some US\$350 million. The next meeting of development partners in the Consultative Group for Mauritania will provide an opportunity to address this situation.
274. These envelopes represent the total of planned spending in the MTEF. They are based in part on the macroeconomic baseline scenario, and in part on a reasonable forecast of operating expenses and capital spending (in particular the updated PIP). In order to promote operational coordination between the PRSP, the MTEF and the budget, the PRSP confines itself to proposing allocations apportioned among the priority themes, which are unlikely to fluctuate. The financing details for the various sectors will be worked out in the budget process. The first step is to finalize the MTEF, which will be annexed to the budget circular and will establish the sector envelopes that provide the basis for submissions from the ministries in the budget trade-off process. It is only at that time that the final trade-offs will be made. The work under way should allow for readier reconciliation between the PRSP, the MTEF and the budget. The use of a functional classification will serve to integrate the use of funds into the budget tracking documents and systems.

### **3.6. PARTNERSHIP**

275. Achieving Mauritania's medium and long-term vision will, more than ever, require a new partnership for mobilizing and coordinating all the energies of men, women and institutions in the country (government, civil society, the private sector, the Diaspora) and the energies of its technical and financial partners, each in their respective spheres of competence where they enjoy comparative advantage.
276. The government will continue to play a strategic role in terms of: (i) consolidating the rule of law; (ii) coordinating, identifying and mobilizing financing for policies and development strategies to achieve greater equality of opportunity and to guarantee that investments are economically and socially sustainable and yield suitable returns; (iii) establishing rules, laws and regulations to govern economic activity; and (iv) promoting a climate favorable to the emergence of economic opportunities and investment.
277. Civil society organizations must play a more important role, especially: (i) in policy dialogue; (ii) in promoting a culture of critical and constructive debate; (iii) in developing grassroots support through awareness-raising and training at the local level; and (iv) in protecting the consumer. A contractual approach will be pursued here.
278. The private sector must fulfill its role as the engine of the economy, by improving its competitiveness, promoting alliances with leading international firms, stimulating the interplay of competition in a market economy, and helping to set standards of excellence.

279. Mauritians living abroad will also be expected to contribute, through: (i) participating in public debate and in the democratic process; (ii) promoting FDI; and (iii) transferring technology, knowledge and know-how. The International Organization for Migration (IOM) has offered to support practical measures in this regard.
280. Under the New Partnership for Africa's Development (NEPAD), Mauritania must also seize the opportunities that this partnership offers for mobilizing greater resources in support of programs of governance, infrastructure development, and improving the country's access to world markets.
281. Finally, the development of a real partnership with Mauritania's technical and financial partners constitutes a key element for achieving the MDG and the other objectives of the PRSP. Consistent with the Paris Declaration on Official Development Assistance (ODA), those partners are committed to: (i) aligning their aid with the country's economic and social development policy, as reflected in the PRSP; and (ii) harmonizing their monitoring, evaluating and reporting procedures and systems with those agreed upon in the PRSP. Furthermore, ODA for Mauritania will have to move toward direct budgetary support, through the measures planned for improving governance (rationalizing the public finances, reinforcing programming, targeting, monitoring and evaluation capacities, making information publicly available, strengthening citizen oversight of government action, etc.). The PRSP, and the accompanying MTEF, will serve as the framework for coordinating the partners' endeavors (see Chapter 8).

### **3.7 RISKS**

282. Success with the PRSP is subject to a number of risks: (i) to begin with, it has been prepared in the midst of a political transition, with general elections pending (municipal, legislative and presidential); other risks have to do with (ii) exogenous shocks; (iii) the public's willingness to take ownership of the new arrangements; (iv) absorption capacity for public investments; (v) the capacities of national stakeholders; and (vi) the general public's buy-in for the demands of development.
283. The fact that the PRSP has been prepared under the transitional government poses the risk that the authorities who come to power after the next elections, even if they do not reject the objectives of PRSP II, might reorder its priorities or some of its current operational options. This risk is however manageable: (i) the PRSP objectives are perfectly aligned with the MDG, which are shared and accepted by the whole world; and (ii) the process of preparing PRSP II, although done by the transitional government, has been fully participatory, and there is consensus on the outcome among all social and political stakeholders.
284. Moreover, the election calendar, which for perfectly valid reasons places the legislative elections before the presidential ones, could in fact result in the scattering of parliamentary seats among various political groups. As a consequence, the government's parliamentary majority could be fairly unstable, and might have to rely on potentially short-lived alliances among different political blocks. However, the dominant position of the President within the government will tend to minimize such instability, for according to the Constitution (Article 24) the President has the final say in ensuring the continuous and regular functioning of the branches of government. Moreover, between the legislative elections of November 2006 and the presidential vote of March 2007, alliances are bound to produce a "presidential bloc" that should be relatively stable for the life of the Legislature.
285. The oil industry, too, poses new risks for the country. These risks are of various types: they may be political, economic or demographic. Among the economic risks are the "Dutch disease", faulty governance, and the negative fallout from price volatility. The demographic risks have to do essentially with external and domestic migration, which could exert significant pressure on employment and on social facilities, and could pose security problems.



286. Furthermore, Mauritania and its economy remain extremely vulnerable to exogenous shocks, particularly to the volume and prices of its primary export products: iron and fish and, soon to come, oil and gas. Unfavorable trends in these sectors can rapidly lead to balance of payments problems, and to disruptions over the medium term in the budget and ultimately in the overall macroeconomic framework. This risk could be reduced over time by establishing a stabilization fund with revenues from the major export products and by diversifying the economic base.
287. The ambitious objectives for growth and poverty reduction, especially in the countryside, are hostage as well to the vagaries of the climate and to the potential for natural disasters such as locust infestations or avian influenza.
288. The time needed to win full espousal of the new provisions relating to management, monitoring and evaluation, and coordination could also pose a risk. Experience with the first PRSP shows that changing ingrained habits, particularly within government, takes a sustained effort over time. The obvious willingness at the highest levels of government to see this reform through to a successful conclusion should appreciably diminish this risk.
289. Mauritania's weak absorption capacity is also a risk to completing the investment programs, particularly in infrastructure, within the time limits and according to the standards that have been set (see Box 10).
290. The capacity issue in general remains a central concern. The problem lies in the fact that the PRSP must be implemented immediately if it is to achieve the targets set for poverty reduction and improvement of living conditions, yet that implementation depends on capacities that can only be strengthened over time. Mobilizing strong public support around the PRSP could reduce this risk.
291. Finally, the persistence of retrograde thinking (such as resistance to prenatal consultations, or to letting girls attend secondary schools or university), especially in the countryside where poverty is most severe, could pose an obstacle to full achievement of the PRSP objectives. To encourage the public to identify with and support those objectives will make it necessary to instill a sense of commitment to citizenship, democracy, and development.

**Box 9. The National Land-Use Management Strategy (SNAT)**

The challenge of rationalizing land-use patterns in Mauritania today is inextricably bound up with addressing the many issues of economic and social development policy, in particular poverty reduction, environmental protection, development of resources, and controlling urban growth and rural exodus.

In a country facing persistent physical constraints and accelerating urbanization, preparing and implementing a National Land-use Strategy (SNAT) is an essential step toward providing a coherent framework for the government's sectoral policies and strategies and thereby accelerating the economic and social development of the country as a whole.

The purpose of this tool is to equip Mauritania with a coherent strategy for land-use planning and regional development, one that can effectively combat poverty by reducing land-related imbalances and disparities.

Specifically, the idea is to establish long-term guidelines for government action in organizing and structuring the national environment in ways that will: (i) regulate and rationalize land tenure; (ii) accelerate economic and social development; and (iii) ensure that Mauritania is better placed to face international competition.

In common with other instruments of government management, the SNAT should be understood and conceived as an effective instrument for reducing poverty. Poverty reduction now requires a combination of measures of at least two types: those designed to reduce the causes of poverty, and those designed to mitigate its effects.

The causes of poverty can only be overcome through measures that will increase the volume of economic activity and productivity. Preparation and implementation of the SNAT must contribute directly to enhancing the competitiveness of Mauritania's regions.

The other aspects of poverty reduction consists in reducing disparities both between regions and within regions, disparities that stem from isolation, the remoteness of centers of information and decision-making, and the absence or inaccessibility of facilities, and that impose additional costs on the poor and make their living conditions more precarious.

Reducing the effects of poverty will depend, then, on enhancing the quality of infrastructure and facilities in the various regions and providing adequate services that limit disparities.

This study will be prepared in two distinct phases:

- Definition of a comprehensive and consistent strategy for land-use planning: this in turn will be based on defining a shared long-term vision of Mauritania that integrates the main determinants of change observable at the present time. This stage will be accompanied by an effort at legitimization that could involve adoption of a national “charter” or framework law.
- In the second phase, this strategy will be made operational by preparing a national master plan supplemented by regional plans that can serve as meaningful tools for regionally-orientated land-use planning and management.

The total time necessary for the preparation of this strategy and its implementation tools is estimated at two years (July 2006–June 2008). The TDR of the SNAT, as well as the financing necessary for the first phase, are available.

**Box 10. Absorption capacity**

Recent years have seen a significant shift in the general framework for public project and program management, with the introduction of a number of reforms and new tools for programming, monitoring execution, and controlling resources. The main initiatives have included: (i) establishment of a public investment programming system; (ii) reform of the regulatory framework of the Procurement Code to enshrine the principle of competition; (iii) preparation of various MTEFs; (iv) the generalized use of annual audits for all capital projects and investment programs; and (v) establishment of the HIPC Expenditure Monitoring Committee.

Yet despite the progress made, there are a number of bottlenecks that continue to limit the impact of investment on growth and poverty reduction. These constraints have to do with: (i) the nontransparent and dysfunctional procurement system (where the legal and regulatory framework is weak and power is excessively concentrated in the Central Procurement Commission, the CCM); (ii) the failure to make systematic use of the MTEF tool and to relate it to the budget process; (iii) lack of capacity in the private sector to fulfill public purchase orders; and (iv) the absence of an operational mechanism for monitoring and evaluation of development projects and programs.

All of these factors conspire to slow the implementation of investment projects, which consequently experience significant delays. In fact, the development objectives that Mauritania has set call for heavy investment in human resources, urban development, and basic infrastructure, and the pursuit of major programs targeted at poverty reduction.

In this context, the implementation of public investment programs during the term of the MTEF will go hand-in-hand with a sustained effort to improve the pace and quality of public spending. This will require actions on many fronts to improve the economy's absorption capacity and to achieve the development objectives set by the 2006-2010 PRSP. In addition to strengthening capacities for the planning and monitoring/evaluation of development projects, measures will include:

- Reform of the government procurement system, giving greater responsibility to the procurement commissions of the various ministries and departments, and refocusing the role of the Central Procurement Commission to one of regulating the system.
- Budgetary execution reforms to shorten the time needed to make payments for procurement orders.
- Improving the response capacity of private businesses and rationalizing procedures for classifying them.
- Making technical and vocational training more effective so as to upgrade the qualifications of the national workforce and allow the workforce to share in the benefits of the oil era.
- Achieving greater harmonization in donors' activities in order to ensure that development assistance moves gradually toward a system based on budgetary support.

The proceeds of the oil and mining industries will loosen financial constraints and will thereby help to create conditions favorable to the emergence of a more dynamic private sector that will have more success in meeting public procurement requirements. This new context will make the country more attractive to foreign companies and induce them to participate more actively, in partnership with domestic enterprises, in public investment opportunities.

#### **4. PILLAR 1: ACCELERATION OF GROWTH, AND STABILIZATION OF THE MACROECONOMIC FRAMEWORK**

292. In view of the constraints mentioned above and their impact on achieving the objectives of the PRSP, the second action plan, covering the period 2006 to 2010, will be undertaken with a dual thrust combining both elements of continuity and elements of change.
293. The elements of continuity relate to the need to reaffirm the essence of the strategic directions that had been established under the first action plan, and which remain relevant and timely today. Consequently, the following actions should be undertaken:
- returning on a lasting basis to macroeconomic policies founded on the preservation of the principal macroeconomic equilibria, particularly a cautious budget policy based on a reliable budget forecasting and programming system;
  - pursuing the efforts already begun with a view to improving the conditions of economic governance, the liberalization of the economy, and the establishment of conditions favorable to foreign direct investment;
  - pursuing sectoral policies to make the most of those areas that offer the best potential for growth;
  - stepping up the implementation of reforms and investments that will make it possible to improve the operating capacity of economic transactors and to make the private sector more competitive and more diversified, particularly by pursuing structural reforms and developing infrastructure.
294. However, the new action plan must also include three essential agents of change:
- The first relates to Mauritania's entry into the petroleum era. The start-up of the petroleum industry and the likelihood that further offshore (gas) and onshore (oil, etc.) reserves will be confirmed are going to bring upheaval to the economic, social, and environmental landscape. This changed landscape will necessitate a thoroughgoing reassessment of the initial assumptions used to draw up the PRSP in terms of long-term growth, regional and global integration, development financing, and so forth.
  - The second source of change is the new political context that came into being in August 2005. In the short term, the transition period provides an opportunity to elaborate an action plan based on: (i) up-to-date macroeconomic information; (ii) a more transparent and objective assessment of public policy and practices; and (iii) a guiding framework established in October 2005 which lays out a road map which, if implemented, will significantly alter the nature of economic governance.
  - The third factor concerns the reorientation of public policy that is needed, in order to strengthen those areas where public policy is now weakest, particularly in the area of promoting small and medium-sized enterprises (SMEs), reform of the financial sector, land management, and the direction of public policy.
295. In this context, this central strategic theme of the PRSP will rest on six main foundations: (i) preserving sustainable macroeconomic stability; (ii) optimizing the economic, financial, and social effects of developing the oil industry; (iii) stepping up the reform of the financial system;

(iv) strengthening efforts to improve the business climate, and committing to a proactive strategy for developing SMEs; (v) pursuing more effective sectoral policies for harnessing growth potential; and (vi) strengthening the economic and geographical planning function of infrastructure that supports the productive sectors.

#### **4.1 MACROECONOMIC OBJECTIVES, AND CHANGES IN KEY AGGREGATES**

##### **Macroeconomic objectives, 2006 to 2010**

296. Over the next few years, growth should take off as oil and gas fields are brought into production, which will have a direct impact on macroeconomic aggregates as well as a knock-on effect on other sectors of the economy. The government should gain significant financial room for maneuver thanks to: (i) oil revenues; (ii) the strengthening of cooperation programs with development partners; (iii) new multilateral debt cancellation initiatives; and (iv) an improvement in the performance of the tax system.
297. A considerable portion of the new resources will be used to fund investment programs (highways, airports, electric power, etc.) and build capacities (key ministries, judicial institutions, export development centers in the exporting segments of the economy, etc.), thereby indirectly supporting the productive sector. In this second stage of the PRSP, the government intends both to strengthen its regulatory capacities and to give strong impetus to a genuine economic modernization effort. The investment momentum will be bolstered by stepping up the pace of the reforms already begun (in taxation, business law, the financial sector, highway transport services, etc.) with a view to diversifying and strengthening the productive base of the economy.
298. These conditions will provide a foundation so that the government's economic program can go ahead within a scenario of strong growth, job creation, and poverty reduction, characterized by the following macroeconomic objectives: (i) raising the GDP growth rate to an average of 8.4 percent a year over the period 2006 to 2010; (ii) bringing the inflation rate down from 6.2 percent in 2006 to 5 percent by 2010; (iii) holding the budget deficit (excluding grants) to an average of approximately 10 percent of GDP each year during the period; (iv) bringing the current account deficit, excluding official transfers, to 6 percent of GDP by 2010; and (v) increasing reserves to the equivalent of 3.7 months' worth of imports by 2010.

##### **Growth scenario**

299. During the period 2006 to 2010, the economic growth rate is expected to average 8.4 percent a year, or more than twice the rate posted during the period of the first action plan.
300. Clearly, the *petroleum industry* will be the main engine of economic growth. According to the exploitation profile identified in 2006, production should be approximately 42,000 barrels a day during the period 2006 to 2008 (as a result of the Chinguitty field being brought on stream). This will rise to an average of 75,000 barrels a day from 2009 onward (as a result of the Thiof and Tevet fields being brought on stream). Annual sales should therefore rise from 11.5 million barrels in 2006 to about 27 million barrels in 2010. Assuming conservatively that the price per barrel of oil will be in the range of US\$50 to US\$60, the total oil revenues taken in by the government should amount to approximately US\$82.6 million in 2006, rising to US\$163.6 million in 2010. In terms of added value, the real GDP of the petroleum sector should be about 23.1 billion ouguiyas in 2006, and should grow at an average of 25.2 percent a year from 2007 to 2010. Thus, the petroleum industry will be a major contributor to the country's impetus for growth, for without it the rate of growth would be only 5.7 percent during the period 2006 to 2010.
301. The country's economic growth is also expected to support strong activity in the *construction and public works* sector (with an increase of 7.9 percent a year). The scenario seems realistic,

given the average pace at which activity in this sector increased from 2001 to 2004 (+15.1 percent a year) and the pipeline of new investment projects in the transport, urban development, and rural development sectors.

302. **Traditional export sectors** are also expected to perform strongly. Thus, *fisheries* are expected to maintain the rebound seen in 2005 and to grow at 4.8 percent a year thanks to the implementation of stronger quality control and improvement measures and the expansion of facilities for landing catches. At the same time, the fisheries sector will benefit from improved access to coastal areas and consequently better transport facilities for taking fish to market. In addition, with the preferential regime for the ACP countries scheduled to end in 2008, measures should be taken to anticipate these changes in the global trade environment, particularly by encouraging the eco-labeling of fish products. In the *mining* sector, the Société nationale industrielle et minière [National Industrial and Mining Corporation] (SNIM) should reap the benefits of the investment program launched several years ago, by achieving the objective of 13 million metric tons of exports a year, while continuing to benefit from strong prices on international markets. By 2009 or 2010, the country's export capacity ought to reach 14 million metric tons a year with the opening of the new deep-water port for ore-carriers and the 40 megawatt expansion of the Zouerate electric power station. At the same time, the Akjoujt copper mines should yield output of 30,000 metric tons of pure copper and 2,000 metric tons of gold a year, and the start-up of operations at the Tasiast gold mines is expected to result in output of 4,000 metric tons a year. On this basis, the mining sector should move from modest growth in real terms (1.6 percent from 2001 to 2004) to fairly robust growth in added value (+9.7 percent annually).
303. The **principal sectors of economic activity in rural areas** should see renewed growth provided that extended periods of adverse weather conditions do not nullify the effects of the policies that have been implemented. Thus, the scenario sees growth of 4.7 percent a year on average in *agriculture*, largely attributable to a sector investment program based on improving the living standards of rural populations. As for *livestock breeding*, this sector is expected to increase gradually (3.1 percent a year on average from 2006 to 2008, and 3.8 percent by 2010), taking into account both the weak growth observed in recent years and the expected effects of the high-priority actions identified in the sector policy letter.
304. Lastly, significant growth is expected in **services and other "ancillary" sectors** thanks inter alia to the knock-on effects of the petroleum sector, continued growth in banking services, advances in the telecommunications and new technologies sector, and the impact of cross-sectoral policies to promote the private sector.

### **Budget scenario**

305. The macrobudgetary framework is based on the growth scenario described above and the assumption—bolstered by the fact that the program targets for mid-2005 were exceeded—that, by the end of 2005, the budget austerity measures will have made it possible to absorb most of the shocks of 2003 and 2004. For the period of the second PRSP action plan, the improvement of the government's domestic revenues and the rationalization of public spending should make it possible to have an active budget policy that steers a middle course among the choices of strengthening the economy, expanding social and antipoverty programs, and building the capacities of public institutions. The essential parameters of the macrobudgetary framework for the period 2006 to 2010 are set out in the paragraphs that follow.
306. **Rapid growth in government revenues:** Thanks to petroleum revenues, the national budget will see a substantial increase in revenue (excluding grants), from 150.8 billion ouguiyas in 2006 to 171.5 billion ouguiyas in 2010. Revenue is projected to grow by 7.5 percent a year up to 2010, or 6.4 percent a year if the petroleum sector is excluded. This will not only ensure fiscal

consolidation, but will also allow for a proper redistribution of domestic resources without crowding out the private sector, which is the principal engine of growth and poverty reduction.

307. ***A sustained fiscal effort over the period:*** There are four factors that will drive the increase in the government's tax receipts, which are forecast to grow at 7.2 percent a year over the period: (i) the further implementation of information technology within the DGI; (ii) the completion of the transfer of tax collection from the Treasury to the DGI; (iii) the broadening of the tax base by eliminating exemptions and strengthening tax audits; and (iv) the improvement of tax collection systems applicable to the informal sector. This domestic taxation effort will help make up for the loss of revenues from import, export, and excise taxes, which during the period will be affected by the following: (i) a one-point reduction in the statistics tax, and the reintroduction of excise taxes on some products; (ii) a change in the rate applied to sugar and rice to five percent, beginning in 2007; and (iii) the introduction of a tariff reform aligned with subregional tariffs.
308. ***Consistent mobilization of nontax revenues during the period:*** Nontax revenues are projected to rise from 58.4 billion ouguiyas in 2006 to 65.8 billion ouguiyas in 2010, or 8.4 percent a year over the period, primarily as a result of the following:
- financial compensation under the new fisheries agreement with the European Union, in the amount of approximately 86 million euros a year, as well as fishing license fees of up to 22 million euros a year;
  - petroleum royalties, in an amount equal to 60 percent of the petroleum revenues received by the government;
  - nontax revenues from the operation of the Akjoujt copper mines and the Tasiast gold mines.
309. ***A public spending policy that combines control of public spending with improvement of spending effectiveness:*** The government intends to improve the effectiveness of public spending beyond the level achieved during the first action plan by enhancing the focus on three essential criteria: improving spending effectiveness; maintaining control of spending (both operating expenditures and investment); and directing spending to the social sectors, targeted poverty reduction programs, and basic infrastructure.
310. The rapid improvement of tools to assist management and decision-making (budget forecasting models, the MTEF, the RACHAD information system, expenditure reviews, and other monitoring systems) and the maintenance of full transparency in management processes will be prerequisites for change in relation to the preceding period. These factors will help make the programming and monitoring of public expenditure more understandable and more consistent, and in particular will help ensure that additional revenues generated by the petroleum industry will be allocated in an optimal fashion.
311. ***Operating expenditures*** are forecast to rise from 146.3 billion ouguiyas in 2006 to 184.9 billion ouguiyas in 2010, or 10.7 percent a year. In the main, this increase reflects increased expenditure on salaries and wages and the government's efforts to eliminate debt owed to the banking system. Spending on goods and services and transfers from State enterprises will be subject to restrictions during the period, the first linked to economic measures identified in collaboration with the Office of the Inspector General (IGE) and the second linked to the gradual increases planned in the rates charged for public utilities and services. *Capital expenditure* will continue at their current pace of growth (11.6 percent on average during the period), with a higher rate of increase in those outlays financed out of domestic resources. The programming of significant volumes of resources targeted to the social sectors, on the basis of additional amounts generated under the HIPC initiative and the MDRI and destined in particular for high-priority programs of action under the PRSP will be of decisive importance during the period.

312. *Thus, the fiscal balance excluding grants will be in a deficit position, although there will be some financing leeway allowed by the National Oil and Gas Revenues Fund (FNRH): over the period, the deficit could increase from 10.1 percent of GDP in 2006 to 10.6 percent of GDP in 2010. During the same period, the deficit on the primary balance would rise from 6.3 percent to 9.3 percent of GDP.*

### **External sector**

313. The strengthening of the macroeconomic framework described above should be accompanied by a gradual improvement in Mauritania's external position. Significant export growth is expected as a result of the combined effect of three factors: (i) the anticipated vigor in the country's traditional export sectors (mining and fisheries); (ii) the start-up of oilfield exploitation, with petroleum eventually accounting for between 46 percent and 58 percent of all exports; and (iii) the diversification of exports, particularly in the agricultural, mining, and tourism industries, reflecting the impact of sectoral and cross-cutting policies to support economic transactors.
314. Trade balance surpluses should be posted over the period rising from US\$209.4 million in 2006 to US\$625.3 million in 2010. Leaving aside the impact of petroleum exports, it is worth noting that the rise in the value of the ouguiya against the euro will help offset the volume effects of the country's forecast import requirements. During the period 2006 to 2010, there should be an improvement in the services balance thanks to the new fisheries agreement and the decline in the interest to be paid on foreign debt thanks to the new G-8 initiative. Thus, the current account, excluding official transfers—for which the projected deficit is 10.1 percent of GDP in 2006—will see that deficit fall to 6 percent of GDP by 2010. If petroleum is excluded, the balance in services would be a deficit of 10 percent of GDP per year over the period.
315. In addition, the expansion of the private sector that is expected to take place as a result of the implementation of a suitable framework governing the business environment, the development of the financial system, and the upgrading of infrastructure could together raise the volume of FDI to US\$176 million a year, of which US\$54 million would be investments not linked to the petroleum industry (investment in the petroleum sector is estimated at US\$450 million a year over the period).

### **4.2 MACROECONOMIC POLICIES AIMED AT ACHIEVING SUSTAINABLE BALANCES**

316. In the light of the slippages that Mauritania has experienced in the past, the first imperative will be to assure a sustainable return to prudent macroeconomic policies based on maintaining macroeconomic equilibrium in key areas. Emphasis will be placed on the following: (i) minimizing the effects of the wage/price loop by means of a prudent wage policy and the implementation of measures to strengthen purchasing power, and particularly to assure the stability of food prices; (ii) maintaining an exchange rate that is in line with economic fundamentals (avoiding the effects of the price/exchange-rate loop); (iii) assuring prudent management of monetary and budgetary policy, taking into account the relaxation that the inflow of oil revenues will bring about, while avoiding the recessionary risks of restrictive policies at the end of an expansionist phase; and (iv) ensuring that there is better overall economic policy coordination.
317. Budgetary policy will be of fundamental importance, and will have three objectives: (i) to consolidate the achievements made in the area of tax reform, so as to keep non-oil tax revenues increasing; (ii) to maintain control of public spending through careful management of the new budget leeway resulting from the inflow of petroleum revenues; and (iii) to improve the targeting and efficiency of public spending.



## **Mobilization of public resources**

318. One of the first tangible initiatives aimed at implementing sustainable macroeconomic management will consist of strengthening efforts in the area of taxation in order to maximize receipts from ongoing (non-oil) activities to finance public spending. Working on the basis of past achievements in this area, action will center on both improving the effectiveness of tax collection and expanding the tax base. For *strengthening the tax collection function*, the principal proposed measures will be concerned with upgrading the computer system of the DGI, reorganizing the legal and operational framework of tax collection and internal audit activities, and adopting stronger means to combat customs evasion. Among the measures envisaged for *broadening the tax base* are overhauling the system of direct taxation so as to move toward a single system of taxation on income and assets, making wider use of the system of paying taxes in installments, and simplifying and reforming customs procedures.

## **Public spending**

319. Strengthening the effectiveness of public spending is a key priority of economic governance. The interministerial committee responsible for good governance has drawn up a series of proposals covering the whole of the expenditure cycle. These measures will be put into effect according to a timetable of priorities and implementation strategies, with a specific budget to be prepared during the first half of 2006.

320. ***Strategic planning and budget preparation:*** Looking “upstream” in the process, it is proposed to strengthen strategic analysis and planning in regard to development policies and to improve budget programming and preparation mechanisms. In the area of strategic planning, this will involve the development of functions for broad-based land-use planning and forward-looking analysis (establishing a mechanism for developing long-term strategies, devising a national land management strategy), macroeconomic modeling, monitoring and evaluation (strengthening of the PRSP Monitoring and Evaluation Unit), and statistical information. In the area of budget preparation, the measures envisaged lie in the following areas: (i) adopting a single, comprehensive budget system; (ii) bringing MTEFs into general use and making them an effective part of the budget process; (iii) strengthening budget preparation procedures and mechanisms in all departments (including the establishment of a budget preparation timetable and a functional expenditure classification scheme); and (iv) establishing a comprehensive foreign debt management system.

321. ***Budget execution:*** Government finance reform will be pursued in particular by: (i) completing the decentralization of the payment order and financial control system; (ii) completing the automation of the public expenditure process, and establishing a new reference price table; (iii) reorganizing the Treasury and Public Accounting Directorate (DTCP), and decentralizing the accounting function; (iv) preparing periodic reports on the status of project execution according to a standardized layout; and (v) adopting a master plan for developing and consolidating government finance information systems.

## **Money and credit policy**

322. The government will pursue a prudent monetary policy in order to maintain price stability (with a view to reducing the rate of price rises to 5 percent by 2010), to lay the foundation for sustainable growth, and to guarantee a stable exchange rate that will help the Mauritanian economy stay competitive. To ensure that the country’s monetary policy remains firmly on track, the monetary authorities will continue to use direct and indirect monetary tools to achieve these objectives.

323. In regard to monetary policy, the monetary authorities will endeavor (i) to improve credit mechanisms and promote the diversification of products, and (ii) to expand and strengthen the banking system by improving access to financial services, assuring transparency of information, and developing means of payment.
324. The first objective is to rebuild the country's foreign exchange reserves (which should be relatively straightforward from 2006 onward when oil revenues start to roll in), reorganize the foreign exchange market, and promote an exchange regime that ensures flexibility while reflecting economic fundamentals. In this context, the BCM will in the short term carry out its project to establish a new foreign exchange market: that market is scheduled to open in the second half of 2006.
325. At the same time, as part of the overall reform of the financial sector, the BCM will work to strengthen its capacity to supervise the financial sector, to improve compliance with all prudential ratios, and to eliminate banks' anticompetitive practices.

### **4.3 OPTIMIZING THE EFFECTS OF DEVELOPING THE OIL INDUSTRY**

#### **New prospects opened up by the advent of the oil industry**

326. The launch of the second PRSP action plan coincides with the start-up of oil production in Mauritania. This new situation has by no means been fully evaluated. From this perspective, 2006 will be a critical year, both (i) for better assessing the economic and social impact and identifying the most appropriate ways to optimize the direct and indirect effects of petroleum exploration and development on other sectors of the economy and on employment, and (ii) for identifying and laying the foundations for the effective, transparent management of petroleum revenues.
327. As elsewhere, the start-up of oil production presents both opportunities and dangers. It presents opportunities because (i) it helps to loosen the constraints acting on budgetary and external equilibria, and for that reason creates significant room for maneuver in developing government programs in other sectors, and (ii) it may give significant impetus to other sectors of the economy provided appropriate measures are put in place for that purpose. At the same time, it presents dangers because: (i) the economy may be affected in such a way that enterprises in other sectors become less competitive; (ii) the resulting revenues may be mismanaged (corruption, poor allocation of resources, etc.), with the result that economic disparities are magnified; and (iii) the petroleum sector may drain human and financial resources away from other sectors.
328. Recent events demonstrate how large the petroleum sector has already become. Out of 23 offshore drilling areas (blocks) and 29 onshore drilling areas identified in the Taoudenni basin, 10 and nine drilling areas respectively have already been awarded. Nearly 20 international firms are present in the sector. Reserves are estimated at 460 million barrels just in those oilfields that have already been evaluated (Chinguitty, Tevet, and Thiof). In addition, the Labedna and Banda gasfields have a potential of over 70 billion cubic meters of natural gas.
329. Taking only the relatively minimalist assumptions of the macroeconomic framework as a basis, production would average about 59,000 barrels a day in 2006 and about 63,000 barrels a day in 2007 (Chinguitty oilfield), rising to 74,000 barrels a day from 2009 onward (as the Thiof oilfield is brought on stream). The effects would be as follows:
- *Annual production*, starting out at 15 million barrels in 2006, would rise to 52.4 million barrels in 2010. Given an export price of US\$60 a barrel and a unit production cost of US\$10 a barrel, the real GDP for the petroleum sector would be 38.2 billion ouguiyas in 2006, rising to 60.8 billion ouguiyas in 2010. Thus, the sector will make a significant contribution to GDP, for which the average rate of growth in real terms during the period 2006 to 2010 will be 9.4 percent, versus only 6.3 percent if the petroleum sector is excluded.

- *Revenues from petroleum exports* will be US\$289 million (76 billion ouguiyas) in 2006, rising to US\$1.8 billion (487.3 billion ouguiyas) in 2010.
- The *contribution to direct taxation*, through taxes on income and profit levied in connection with petroleum production, is estimated at an average of 26.4 billion ouguiyas annually during the period, or nearly 50 percent of total IRBs. Thus, petroleum will contribute significantly to the steady growth of IRB revenues, which will rise from 35.1 billion ouguiyas in 2006 to 78.4 billion ouguiyas in 2010.
- The portion of petroleum export revenues paid to the government, taking into account the start of reimbursements of costs committed by foreign companies (Cost Oil) is estimated at US\$194 million (51.5 billion ouguiyas) in 2006, rising to an average of US\$485 million (129 billion ouguiyas) a year over the rest of the period, i.e. accounting for 27 percent and 35 percent of overall revenues respectively.
- No estimates have yet been made of the effects on employment and local business activity. These effects are expected to be significant, and to be felt in three areas: (i) activities associated directly with the management of the oil and gas sector (the activities of the Société Mauritanienne des Hydrocarbures [Mauritanian Oil and Gas Corporation] (SMH); (ii) the activities of local businesses directly involved in oil and gas production (exploration, drilling, cementation, data processing, engineering, and miscellaneous services); and (iii) activities in the area of peripheral services (vehicle rental, food services, accommodations, etc.).

### **Priorities for integrating the petroleum sector within the PRSP**

330. Starting in 2006, the management of the various aspects of the petroleum sector is going to become both a core issue and a cross-cutting issue in the PRSP because, owing to its economic, financial, social, and environmental impact, it can have a major influence on all the pillars of the national poverty reduction strategy. The actions of the Mauritanian government authorities in this regard will be organized in five main areas as described in the paragraphs that follow.
331. ***Planned development of petroleum exploration and production:*** Given the favorable climate expected during the coming years, plans call for petroleum discoveries to be developed quickly, while pursuing the exploration and promotion of those drilling areas in the coastal basin that have not yet been awarded (10 out of 23). In addition, for the Taoudenni basin, the government will encourage the main operating companies (Total, Repsol, CNPCI, and Woodside) to accelerate the start-up of exploration and strengthen promotional activities so that new production sharing agreements can be signed for the vast land area that remains (23 drilling areas). This will make it necessary to overcome the main constraints that now exist (human resources, harbor and airport infrastructure, etc.) and to incorporate promotional efforts into an overall development plan for the sector. In particular, this plan will identify high-priority investment and actions in support of capacity building on the basis of a regularly updated analysis of requirements.
332. ***Oversight of production, costs, and contractual commitments:*** The complexity of the sector's management issues makes it necessary to undertake a major national capacity building effort if the fullest advantage is to be taken of the country's petroleum wealth. One of the key short-term priorities is to establish appropriate oversight systems and to train Mauritanian specialists, focusing on the following areas in particular:
- supervision of production (through the drawing up of reports that are used as a basis for invoices);
  - tracking of recoverable costs (cost oil); and

- close monitoring of commitments undertaken by the oil firms when they sign agreements, particularly in regard to payments they must make to the national treasury, work to be done, priority recruitment, and the training of Mauritanian personnel.
333. Here, consideration should be given to revising certain elements of the present contractual framework: reforming taxation arrangements (expansion of the tax base of the salaries and wages tax (ITS) to include expatriate personnel, raising the tax rate for the industrial and commercial profits tax (BIC)), and updating the framework agreement on the sharing of oil and gas production (which dates from 1994). In the short term, an evaluation will be performed of all the agreements signed in recent years and their implementation.
334. ***Optimal management of petroleum income:*** Given the many ways that this income will have an impact, the government will in 2006 present a series of proposals centering on three key aspects:
- transparency of information about production, the composition of revenues associated with the petroleum industry, the criteria used to allocate government revenues, and the effective utilization of those revenues;
  - the design and implementation of an appropriate strategy for allocating petroleum revenues;
  - monitoring and analysis of the petroleum industry's economic and financial impact.
335. An action plan focusing on the utilization of petroleum and mining revenues is already being drawn up, as a result of Mauritania having subscribed to the Extractive Industries Transparency Initiative (EITI) in September 2005. That action plan is expected to result in a number of measures (accountability mechanisms, annual audits of the SMH by an international auditing firm, etc.) which should be fully implemented within a year from now. A National Oil and Gas Revenues Fund (FNRH) was established by Directive 2006-008 of April 4, 2006, into which all petroleum revenues (both tax receipts and nontax receipts) are to be paid. Under an agreement with the Ministry of Finance, adopted by the cabinet and signed on May 8, 2006, the BCM has been put in charge of managing the FNRH.
336. As to the strategy for allocating petroleum resources, a working group has been set up to examine this question, consisting of representatives of government, the private sector, political parties, and civil society. This working group has been given the task of preparing draft legislation which will be submitted to the new elected parliament. It is to produce an interim report by September 30, 2006, and its final report by November 30, 2006.
337. Under current guidelines, these resources should be shared between (i) the national budget and (ii) a long-term savings fund invested on international financial markets. The portion paid into the national budget should be mostly or entirely allocated to those sectors identified as having high priority under the PRSP. During the first year, however, that portion could be used to pay off the government's domestic arrears. A significant percentage of the revenues should be paid into the savings fund, and Mauritanian specialists should be trained in managing the fund's investments. In addition, while it is essential to preserve a part of the resources for future generations, it is also necessary that the management strategy provide for a stabilization mechanism to cushion the adverse effects of international price fluctuations on government revenue.
338. ***Prevention of potential adverse effects on the environment:*** Beyond the environmental impact studies that must be carried out in advance of any oilfield development project, measures have to be adopted and a monitoring system has to be put in place to deal with any threat to the environment that may result. This relates in particular to the risk of maritime pollution and the possible repercussions of oil drilling on maritime areas and fisheries, and the risk of degradation of the natural environment, particularly the Banc d'Arguin and the rest of the shoreline, especially

in view of the fact that consideration is being given to coastline development in the context of the country's tourism policy. The revised production sharing agreements enshrine the principle of taking precautions to safeguard the environment. In particular, they provide (i) for environmental management plans (PGEs) to be drawn up, consistent with international standards in this area, and (ii) for a fund to be set up for ongoing surveillance and an early warning system.

339. **Consideration of the subregional dimension:** While assessments confirm that Mauritania has very considerable oil and gas potential at the national level, the country will over time find that it is an enclave which is substantially wealthier than its neighbors, and this could lead to large migratory flows as people come to Mauritania in search of jobs and a better standard of living. Contributions to subregional institutions could take the form of a development assistance fund specifically for the benefit of Mauritania's neighbors. At the same time, the government (i) will continue with its efforts to establish a stable civil state and (ii) will implement a rigorous immigration policy aimed at attracting skilled workers who can contribute to the development of the country, while ensuring that the number of poor people, which is already very high, does not increase further.
340. Clearly, training will be a central component of these efforts. The work to be done will have to be planned within the framework of a long-term training plan covering a period of 10 to 15 years, leading over time to a "Mauritanianization" of key petroleum industry functions. In implementing this plan, Mauritania should seek out partners among those countries that today have the greatest experience in the field (Norway for the oversight of environmental standards, Malaysia for the training of national professionals and technicians, Kuwait for resource management, and so forth) and alternate classroom training with internships in which students are assigned to work with operators. Priority for capacity building will apply to the new SMH, which is responsible for monitoring the various stages of oilfield development, the Ministry of Energy and Petroleum (MEP), the Ministry of Economic Affairs and Development (MAED), the Ministry of Finance, and the BCM. These agencies will have an important role in developing simulation, forecasting, and monitoring tools in regard to the various economic and financial aspects of the petroleum industry.

#### **4.4 ACCELERATED REFORM OF THE FINANCIAL SECTOR**

341. The diversification of the banking system and overall reform of the financial sector were expected to be accomplished during the first PRSP action plan period, but were not. Today, reforming the financial sector is the essential first step in order to improve the environment for economic transactors.
342. Indeed, in order to ensure economic growth and the development of the private sector, it is necessary to have a financial sector that is sound, competitive, and efficient. Reform of the financial sector is therefore indispensable in order to increase competition and promote access to banking services. The following measures should be undertaken in the short term: (i) adopting a new banking law; (ii) establishing a system that encourages businesses to produce reliable financial statements, and auditors to certify only those accounts that are reliable; and (iii) encouraging the establishment of new independent banks, preferably involving a partner that is sound and has demonstrated experience. The actions described in the paragraphs that follow are means to this end.
343. **With specific reference to the Central Bank of Mauritania (BCM):** (i) revising its charter with a view to maximizing its independence and transparency; (ii) putting a structure in place to supervise all financial institutions, including insurance companies and the financial services operated by the Post Office; and (iii) introducing BCM bonds, as an additional tool whereby the BCM can control banking system liquidity.

344. ***With specific reference to banks and other financial institutions:*** There is an urgent need to adopt a new banking law for the following purposes: (i) extending the prohibitions on granting credit to shareholders, directors, and managers, as referred to in Article 22 of the draft law, to all related persons or companies as defined in Article 28 of the draft law; (ii) increasing the minimum required capitalization of banks to 1 billion ouguiyas by end-2006, 1.5 billion ouguiyas by end-2007, 2 billion ouguiyas by end-2008, and 2.5 billion ouguiyas by end-2009, with the minimum required capitalization of other lending institutions left at 500 million ouguiyas; (iii) implementing a fire wall between the directors and managers of banks and the owners of banks; (iv) establishing licensing procedures for directors and managers and for bank auditors; (v) increasing competition in the banking sector by licensing two new independent banks; (vi) applying more rigorous prudential standards, particularly in regard to relationships with related persons or companies; and (vii) continuing to strengthen on-site bank inspections.
345. ***With specific reference to microfinance,*** the following measures should be undertaken: (i) withdrawing licenses from any entities that are not viable, and regularizing the situation of any networks or institutions engaging in microfinance activities without authorization; (ii) issuing new licenses reserved for entities that meet a minimum standard of organizational and professional capacity; (iii) conducting a survey and assessment before finalizing the process of revising legal texts; (iv) laying down specific provisions regarding the carrying on of microfinance activities; (v) finalizing the process of revising legislative texts, including directives and annexes, and establishing a specific chart of accounts for microfinance activities; (vi) enforcing the requirement of individualized reporting; (vii) strengthening the supervision of microfinance activities; (viii) establishing regulatory and supervisory standards; and (ix) enhancing training activities with a view to producing a steady stream of professionals in the field.
346. ***With specific reference to the insurance sector,*** the following measures will be undertaken: (i) promulgating the implementing decrees needed with regard to mandatory insurance and controls to assure their effective implementation; (ii) developing rules governing the profession of insurance broker, and issuing pending licenses; (iii) revising legislation governing civil liability in connection with motor vehicles to bring it into line with international standards, and adjusting premium rates; (iv) increasing the minimum required capitalization to 300 million ouguiyas; (v) strengthening the technical (personnel) and financial (computer systems) capacities of the Insurance Directorate (DCA); and (vi) developing a supervision manual for conducting off-site and on-site inspections, and a chart of accounts for the insurance sector.
347. ***With specific reference to social insurance institutions,*** the following actions are needed: (i) computerizing data processing in the National Social Insurance Fund (CNSS), coupled with a feasibility study and an equity investment; (ii) updating the actuarial study done by the ILO in 2000-2002, in preparation for planned reforms of parameters; (iii) reducing overhead costs; and (iv) increasing the number of workers that belong to the CNSS, and improving the collection of debts and contributions owed.
348. Financial sector reform will also pursue two key objectives: (i) restoring trust between financial institutions and transactors; and (ii) promoting financial deepening.
349. In ***restoring confidence trust financial institutions and operators,*** priority will be given to the following: (i) improving the functioning of the foreign exchange and credit markets; (ii) adopting transparent policies; (iii) implementing measures aimed at driving out speculators; (iv) improving the reliability of the accounts produced by economic transactors; and (v) improving the functioning of the judicial system.
350. In ***promoting financial deepening,*** the measures undertaken will focus on the following areas: (i) increasing banks' customer resources; (ii) limiting the use of cash to make payments; and

(iii) establishing tax incentives that will favor the development of networks of bank branches, and that will attract more funds into time deposits and into financial instruments which will support investment, exports, or microfinance.

351. To make sure that all these measures will be successful, the monetary authorities and financial sector operators will (i) have to put training policies in place to strengthen the management capacity of institutions in the financial sector and, (ii) have to strengthen their control and supervision structures, combining training activities with an overhaul of the information system to facilitate risk assessments.

#### **4.5 IMPROVING THE BUSINESS CLIMATE AND PROMOTING SMES**

352. Apart from the issue of access to financing, efforts to develop the economic framework of the business sector come up against a number of persistent structural obstacles, particularly in regard to competition, the lack of a comprehensive business promotion strategy, the absence of linkages between the education and training system and the real needs of the economy, and the weakness of efforts to develop exports. Six priorities have been identified for the period 2006 to 2010.

353. **Improving the legal environment for business:** The government will take measures to improve the credibility of the legal system, among them the following:

- establishing a gazette that will be produced at regular intervals as a source of information on court decisions and as a means of publishing legal notices (to be called the *Gazette du Palais*);
- consolidating the Arbitration and Reconciliation Center, which was created in 2004, and disseminating the law on arbitration;
- stepping up efforts to train judges and court staff, with particular emphasis on providing continuing specialized education for commercial court judges and clerks;
- adopting various additional provisions needed to round out the body of laws: provisions for implementing the Commercial Code and the Insurance Code, criminal law texts relating to business, salary schedules for clerks and pay scales for bailiffs and process-servers, etc.

354. **Fighting anticompetitive practices:** The country's new legal texts, and particularly the Commercial Code, are up to date and take into account recent developments in the field of business law. There is a problem at the level of implementation, however, and for that reason the government intends to carry out the following measures:

- to add to the existing legal framework (12 articles in the Commercial Code dealing with competition) by adopting implementing provisions that set out detailed regulations to control and eliminate anticompetitive practices; in addition, the law on price fixing will have to be revised to eliminate ambiguity regarding intervention standards;
- to establish new guidelines for the activities of the Ministry of Commerce and the Markets Oversight Commission, and to provide these entities with the necessary legal, financial, and human resources so that they can function properly;
- to implement a training plan for the government's regulatory and supervisory agencies, particularly the Consumer Protection Directorate, whose staff will need to be trained in their new responsibilities;
- to strengthen the penalties that can be imposed by the Regulatory Authority (by removing the cap on fines);

- to assure greater transparency of information with respect to banking supervision and holding companies (see the reform of the financial sector);
  - to conduct information and awareness-raising campaigns about the advantages of competition.
355. ***Making tax and customs policies more favorable to business:*** The action plan for promoting the competitiveness of the Mauritanian economy and integrating it into the world economy, which was adopted in 2002, is still relevant in this regard. The priorities that have been identified rest on the measures already cited in regard to tax and customs policies which, alongside budgetary and equality objectives, are aimed at lightening the burden on business, reducing transaction costs, and facilitating trade and commerce.
356. With reference to direct taxation, further efforts will be made to lighten the tax burden on businesses and to simplify the business tax system, particularly by reducing the tax rates applicable to capital goods and intermediate goods. Particular emphasis will be placed on the following:
- capacity building with respect to tax administration;
  - broadening the tax base, and combating evasion;
  - strengthening tax supervision;
  - enhancing revenue collection, by integrating direct taxation fully into the DGI;
  - integrating tax incentives associated with investment into the ordinary law system (General Tax Code, Customs Code);
  - establishing a single business profits tax;
  - establishing an appropriate taxation scheme for the “informal” sector;
  - simplifying the local government taxes levied on businesses, by limiting municipal taxes to the real estate tax on developed property and to the business license tax;
  - incorporating within the General Tax Code (CGI) all procedures that protect taxpayers from abuse at the hands of the tax administration, and establishing new safeguards such as the taxpayer’s right to challenge tax decisions.
357. With respect to customs, the priorities are as follows:
- rationalizing and simplifying customs procedures, making more extensive use of the ASYCUDA system, and ensuring better targeted customs inspections;
  - improving the management of import regimes, and effectively implementing export refund procedures;
  - enhancing customs valuation practices, and preparing a timetable for implementing Mauritania’s commitment to adopt the definition of customs valuation laid down by the WTO;
  - reorganizing the Directorate General of Customs, increasing the human and physical resources available to it, and adopting a code of ethics for customs officers.



358. ***Institutional support for the development of trade and commerce:*** Actions that have already been carried out (reactivating the Chamber of Commerce, Industry, and Agriculture (CCIA), launching the activities of the Trade and Commerce Information Center and the Center to Promote Exports of Fishery Products) will need to be evaluated quickly. On the basis of that evaluation, a package of measures based on the guidelines resulting from the Integrated Framework initiative will be established around the following priorities:

- strengthening the competencies and capacities of government agencies involved in export sectors;
- improving the national capacity to negotiate multilateral and bilateral agreements and to develop structures specializing in the area of exports;
- promoting the brand image of Mauritanian products;
- monitoring foreign trade performance;
- establishing mechanisms to improve product quality.

359. ***Facilities to assist Mauritania's SMEs:*** The various initiatives undertaken in this area in recent years have been scant and highly inadequate. The advent of the petroleum industry and the business opportunities it will create make the strengthening of the capacities of Mauritanian businesses even more critically important for the national economy. In this context, a global development strategy for the private sector will be proposed, based on strengthening the framework for Mauritania's SMEs. In addition to those measures already cited (financial sector reform, business law, etc.) the action plan will have to be geared to the following:

- assuring the harmonization of sector plans, particularly those proposed by the departments in charge of industry, trade and commerce, small-scale craft industries, and employment;
- clearly laying out the framework of responsibilities of the various stakeholders in regard to support for and promotion of businesses, and assuring better coordination of public entities involved in the development of SMEs;
- encouraging collaborative sector initiatives between operators in large industrial enterprises and those in small-scale craft enterprises, such as the initiative concerned with salt production;
- stressing vocational training, focusing on the economy's high-priority needs, while making more general efforts to upgrade the managerial capacities of Mauritanian entrepreneurs.
- identifying sectors where specific support measures might be implemented.

360. With respect to industry, ambitious objectives have been set for the period 2006 to 2010: (i) doubling the number of industrial enterprises (with a target of 200 enterprises by 2010); (ii) the creation of 7,000 to 8,000 net new jobs (with a target of 13,000 jobs by 2010); and (iii) between 23 billion ouguiyas' and 30 billion ouguiyas' worth of new investment. The proposed sectoral action plan, which was inspired by the industrial strategy looking ahead to 2015, as validated in July 2003, consists of a large number of measures: reexamination of the industrial promotion apparatus, setting up of an Industrial Development Agency, establishment of industrial zones, setting up of institutes of technology, establishment of a program to modernize industrial enterprises, etc. Priorities need to be established in regard to this proposal, and it needs to be studied within the broader context of private sector development and measures taken in other sectors.

361. With respect to craft industries, the new organizational and legal framework for the sector needs to be made operational, and to extend beyond a strictly institutional approach so as to encompass craftsmen within an overall SME development strategy. To that end, three main pillars have been identified:

- The first pillar has to do with implementing the provisions of the Craft Industry Code and consolidating the key players in the sector (the Craft Industry Directorate, the National Association of Craft Industries and Trades, national and regional federations, and the Craft Industries Joint Committee). Emphasis has to be placed on ensuring that the machinery for registering craft enterprises (national registry, listing of trades) and for certification (certificates of professional aptitude, certificates of quality for craft products, etc.) is running smoothly.
- The second pillar relates to the development of infrastructure to promote craft industries. The various proposals presented by the Sectoral Technical Committee (establishment of a craftsmen's village at Nouakchott and craftsmen's houses in the interior regions, setting up of training centers for traditional crafts, establishment of semi-industrial tanneries, establishment of a special fund to promote craft industries, broadening of the craftsmen's savings and loan bank system) should be studied to determine their feasibility and assign priorities.
- Lastly, accompanying measures are planned, including capacity building for the ministerial department in charge of the sector and the establishment of a mutual provident scheme.

362. So far as specific forms of support (leaving aside the export sectors) are concerned, a global support program for SMEs in the construction and public works (BTP) sector will be adopted, for several reasons. First, the BTP sector is a key sector for growth, employment, and land management. It has seen steady demand in recent years, and that demand is likely to grow even more strongly in response to the growth of the petroleum sector, as well as, to a lesser degree, growth in tourism and a rise in living standards. The BTP sector is not able to meet this demand owing to the various structural constraints that limits supply (the informal way in which the sector is organized, the shortage of skilled workers, the lack of technical resources, etc.). Lastly, the shortcomings of the BTP sector create problems for the execution of public investment programs, particularly infrastructure and capital-spending programs targeted to high-priority sectors in the fight against poverty.

363. ***Strengthening of mechanisms for dialogue and concerted action, and of economic monitoring tools:*** Active policies to support private enterprise cannot be effectively implemented unless there is a proper performance monitoring and evaluation system in place to guide them. Two essential measures would appear to be needed here. First, the mechanism for dialogue and concerted action between the government and the private sector should be revived by putting the necessary conditions in place for ongoing joint efforts (preparation of dossiers, provision of indicators, etc.) between economic transactors, government entities, local business chambers and associations, and sectoral and nonsectoral promotion agencies. Best practices in other countries (for example, in Mauritius) could be taken as benchmarks. Second, the main producers and analyzers of economic information should be brought together to form an economic modernization monitoring group. This would not be a new organizational entity, but rather a network set up to provide solid backing for industry by improving the production of economic data and strengthening the capacity for analysis. Among other things, the production of administrative data on businesses should be strengthened, as should mechanisms for tracking key sectors.

#### 4.6 **TAKING FULLER ADVANTAGE OF THE POTENTIAL FOR GROWTH IN SECTOR POLICIES**

364. The PRSP will be based on the most effective sector policies, so as to take the fullest advantage of the potential for growth in those sectors that drive the economy, and to avoid the risk that financial, human, institutional, and other resources will be siphoned off by the petroleum sector.

#### **Mining**

365. For the mining sector, the program of high-priority actions will rest on four pillars:

- **Strengthening the regulatory framework and the capacity to set policy for the sector:** The principal measures center on capacity building for the Directorate of Mining and Geology (DMG) and the Mauritanian Bureau of Geological Research (OMRG) in the areas of promoting, supervising, and monitoring mining activity. The action plan also calls for simplifying procedures for the issuance of permits.
- **Strengthening basic geological infrastructure:** This area will center on improving geological cartography and accumulating fuller information on water resources, which is an essential consideration in determining the optimal utilization of mines.
- **Developing mining research and exploration:** An ambitious prospecting program has been laid out with a view to encouraging the growth of the mining sector over the medium term, based on diversification of mining products. The program focuses on the main substances which have been identified as offering potential for development (gold, copper, clay and limestone, chromites, ornamental rocks, beryl, and lithium).
- **Expediting mine development projects:** This is the action that underpins the increases in mining output forecast for the period 2006 to 2010. In addition to the Akjoujt copper mine project and the Tasiast gold mine project, which are about to come on stream, the essential work centers on completing the large investment projects that the SNIM now has under way, which will enable the SNIM very soon to maintain a steady pace of exports well in excess of 11 million metric tons. This will also involve carrying out strategic feasibility studies so that, after 2010, it will be possible to achieve an iron-ore production capacity of 15 to 20 million metric tons (Phase 2 of the Guelbs project, development of an underground mine at the Tazadit 1 pit).

#### **Fisheries**

366. Here, the main challenges continue to be adjusting fishery capacity in order to maximize returns over the long term, developing export products, and increasing the local value added. Small-scale (artisanal) fishing continues to be a vital segment of the fisheries sector, which justifies the priority assigned to it. Additional factors that now come into play are the advent of the petroleum industry, the completion of the Nouakchott-Nouadhibou highway, and the project to establish new focal points for developing small-scale fishing along the coast.

367. The country's national fisheries and maritime economic strategy, which has just been updated for the period 2006 to 2008, is built around four pillars: (i) improving fisheries governance; (ii) improving coastal and environmental governance; (iii) speeding up the process of integrating the fisheries sector into the national economy; and (iv) capacity building, focusing on fisheries sector governance.

368. **Improving fisheries governance:** This encompasses: (i) better knowledge of fisheries resources; (ii) fisheries management; (iii) strengthened fisheries monitoring and enforcement; and (iv) the development of mechanisms for dialogue and concerted action.

369. One of the main tasks will be to implement the fisheries management plans that have been developed, particularly for octopus (which has been overfished for several years) and for shrimp. Particular emphasis will be placed on redeploying fishing capacity that is now being directed to overfished resources (such as octopus) so that it is instead directed toward other fisheries that can withstand the pressure of increased catches, such as the offshore fishery. To regulate access to resources, the fisheries tax regime will be revised (particularly access fees), conditions for registering vessels under the Mauritanian flag will be clarified, and provisions for licensing canoes will be finalized. At the same time, the Fisheries Code issued in 2000 and the implementing decree issued in 2002 will be revised, and a system will be set up to identify and record vessels and small craft active in Mauritania's exclusive economic zone. The strategy also calls for stronger fisheries monitoring and surveillance, and a number of initiatives to strengthen dialogue and concerted action among players involved in the sector.
370. ***Improving coastal and environmental governance:*** Here, the task is to reconcile the imperatives of developing the coastal region, an area that today sits at the heart of the Mauritanian economy, with the requirements of preserving marine ecosystems. The measures that have been identified lie in the following areas: (i) putting the Marine Environmental Code in place; (ii) seeing that the Mauritanian Coastal Development Plan (PDALM) is implemented; (iii) establishing an effective marine pollution prevention and control mechanism; (iv) strengthening maritime security; and (v) implementing the International Ship and Port Facility Security (ISPS) Code.
371. ***Speeding up the process of integrating the fisheries sector into the national economy:*** As long as Mauritania lacks the port infrastructure necessary for landing catches from the country's exclusive economic zone and providing ancillary services, and as long as the issue of landing catches has not been properly resolved, it will be difficult to achieve the objective of integrating the fisheries sector fully into the national economy. For this reason, promoting the establishment of infrastructure to support the development of local industrial enterprises, particularly those that will generate shore-based jobs, will be a major component of the fisheries sector policy from 2006 onward. Actions in this area will be centered on the following: (i) developing infrastructure; (ii) promoting fishery products; (iii) supporting the controlled development of artisanal and coastal fisheries; (iv) developing local industrial enterprises; (v) promoting employment in the fisheries sector; (vi) developing maritime transport; and (vii) supporting the development of inland fisheries and aquaculture.
372. One of the high-priority investments planned for the fisheries sector is the establishment of a port at Nouadhibou to serve the offshore fishery, together with a number of measures to improve the Port of Nouadhibou: expanding wharves and harbor facilities, upgrading aids to navigation, clearing shipwrecks in the harbor that pose a danger to navigation and pollute the shoreline, and dredging the harbor. Other infrastructure projects are also planned to support the development of artisanal and coastal fisheries, in particular: (i) the artisanal fishing port at Tanit; (ii) the expansion of the dock at the Parc de la Baie du Bon Repos (EPBR) and construction of port installations; (iii) the construction of two docks at the two development centers now been established in the southern area (Tiguent and PK 144); and (iv) the establishment of wharves in Nouadhibou specifically to serve the coastal fishery. A specific unit will be set up within the Ministry of Fisheries and the Maritime Economy (MPEM) to oversee and maintain the infrastructure. In addition, the transport sector will be asked to build coastal access roads leading off the main Nouakchott-Nouadhibou highway.
373. In the area of promoting fishery products, a central question is the establishment of health and hygiene standards. The analysis laboratory now being set up at Nouakchott will be made operational, and a regional program will be developed with the European Union to support the establishment of standards.

374. In regard to artisanal and coastal fisheries, the PADPAC plan [Plan for the Installation and Development of Small-Scale and Coastal Fishing], which is about to be adopted, will provide a frame of reference for undertaking actions to supplement the investment activities and other measures already set out in the octopus and shrimp fisheries management plans.
375. In regard to local industrial enterprises, in addition to investments in infrastructure to increase the capacity for landing and processing fish in Mauritanian ports, various other measures will be taken to develop the capacities of Mauritanian operators and workers. The National School for Maritime and Fisheries Instruction (ENEMP) will have to tailor the training courses it offers to the jobs available, with a view to increasing the “Mauritanianization” of positions aboard vessels (officers and skilled workers alike), and ensuring that Mauritanian professionals are trained to international standards (Standards of Training, Certification, and Watchkeeping conventions).
376. **Capacity building, focusing on fisheries sector governance:** This final pillar of the fisheries sector strategy covers actions to strengthen administrative capacity (human, logistical, and financial resources), including the improvement of sector mechanisms for dialogue and concerted action and for monitoring. It also includes the development of a fisheries monitoring system through a series of complementary activities including the deployment of the new artisanal and coastal fisheries statistical monitoring system (SSPAC) and the development of an industrial fisheries monitoring system (SSPI).

## **Tourism**

377. Based on the institutional framework that has been put in place and the recent achievements in this area, it is proposed that emphasis be placed on four main priorities: (i) strengthening the legal framework; (ii) developing tourism products; (iii) improving the quality of services; and (iv) tourism promotion.
378. **Strengthening the legal framework:** Efforts in this area center on the adoption of the national strategy and the master plan, which together form the cornerstone of tourism sector development.
379. **Developing tourism products:** At the same time as existing tourism products (Saharan tourism in the Adrar, and environmental tourism in the Banc d’Arguin and Diawling National Parks) are consolidated, an effort will be made to diversify the range offered by developing the tourism potential of other geographical areas, with particular emphasis on the attractiveness of sites, quality of accommodations, and facilities in terms of ease of access, transport, and other services demanded by tourists (health, telecommunications, etc.). The government will encourage the development of new tourist areas (Tagant, Hodh, the shoreline near Nouadhibou) and will assure coordination between this priority and the investment programs of other sectors, such as air transport (rehabilitation of the Tidjikja and Nema airports). In these areas, the government will try out a number of community tourism development projects. Proposals will also be made to develop the business tourism segment, which is likely to see significant growth in the years ahead.
380. **Improving the quality of services:** Existing efforts in the area of training will be stepped up on the basis of a better understanding of the standards required, closer collaboration with private tourism operators, and strengthening of the hospitality and tourism training center. More broadly speaking, on the basis of coordinated intervention and a clear sharing of responsibilities, institutions involved in the tourism sector will need to emphasize actions aimed at improving the quality of services (availability of additional recreational pursuits, preservation of the environmental quality of sites, etc.). Similarly, institutional capacity building will be needed so that standards, which should be defined at the outset, can be applied. With respect to investment, as in other sectors, it would be useful for a specific line of credit for the tourism sector to be arranged to back its development and support the task of improving the quality of services.

381. **Tourism promotion:** The promotion activities to be carried out each year will be set forth in a three-year marketing plan aimed at establishing Mauritania's credibility with operators as a tourist destination and developing favorable brand recognition in the principal target markets. Initially, these actions will be based on the tourism products already being marketed (adventure tourism in the desert, and products associated with Banc d'Arguin and Diawling National Parks).
382. The Tourism Directorate forecasts that the number of tourists will nearly double during the period covered by the action plan (from 38,000 in 2004 to 70,000 in 2010), and that there will be a fivefold increase in the number of jobs and tourist accommodation units available (from 5,600 to 30,000).
383. Finally, efforts to make the best advantage of growth potential in sector policies will also be concerned with agricultural products. Here, policies will be developed further aimed at: (i) encouraging private investment, particularly FDI, in market niches for the export of fresh produce; (ii) modernizing systems for marketing live cattle, hides, and leathers; and (iii) exploring the potential for exporting prepackaged meats (see below).

#### **4.7 STRENGTHENING THE ECONOMIC AND GEOGRAPHICAL ROLE OF INFRASTRUCTURE**

##### **Territorial management and regional integration**

384. To be sure, the fact that parts of Mauritania are cut off from the rest of the country represents a major handicap for the country's economic development. This has not only macroeconomic consequences (the fact that the country's domestic market is split into a number of regional markets, disruptions of supply in major urban centers, great difficulty in getting the principal export products to market) but also microeconomic and social consequences (above all because the populations living in isolated areas, where poverty is often more acute, have limited access to products that meet their basic needs, limited outlets for what they produce, and difficulty in obtaining basic social services). The fact that the country's population is concentrated around widely dispersed regional economic centers exacerbates these problems. The main centers of production—Nouakchott, Nouadhibou, the Senegal river region, and Zouerate—are several hundred kilometers apart. In some cases (such as Zouerate and part of the Senegal river valley), they are not even integrated into the national transport system.
385. In general terms, infrastructure is being developed in the absence of an overall plan that takes into account regional distinctions, on the one hand, or prospects for subregional or continental development on the other.
386. A number of measures are proposed:
- preparing a national territorial development strategy (SNAT) to clarify regional distinctions and provide an additional reference point for sector policies, as a support for choosing high-priority investments;
  - carrying out forward-looking studies and refining modeling tools in order to identify essential long-term infrastructure development requirements, taking subregional and continent-wide considerations into account;
  - creating tools so that the allocation of economic, financial, and human resources throughout the country can be monitored and so that the economic, social, and geographical impact of infrastructure programs can be regularly assessed; and
  - establishing a "high-priority monitoring area" in the area of transport, energy, and telecommunications consisting of all investment projects and reform measures that could have a major impact on reducing costs and improving the quality of factors of production.

This issue, which should be one of the areas on which the economic modernization monitoring group focuses, will seek in particular to speed up the execution of top-priority investment projects and the implementation of reforms that will have a major impact on the quality and cost of services associated with infrastructure (liberalization of the transport sector, strengthening of the highway maintenance policy, particularly on the main trunk routes connecting different regions, opening up of the telecommunications market to new operators, etc.).

387. In addition, the duties and responsibilities of the various institutions involved (the Territorial Management and Regional Action Directorate (DATAR), the Directorate General of Local Communities (DGCL), etc.) should be reviewed and verified, and the various planning tools should be examined to make sure that they are consistent with one another: the SNAT, the sectoral MTEFs, the Regional Program for Poverty Reduction, sectoral programs targeted to specific geographical areas (the PASK Poverty Reduction Project in Aftout South and Karakoro, the PDIAIM (Integrated Development Project for Irrigated Agriculture), etc.), the Coastal Improvement Plan, etc.

## **Transport**

388. The transport sector continues to face significant structural problems (a competitive environment, an aging truck fleet, shortcomings in the air transport sector in technical and human resources and a lack of airport infrastructure, and in the maritime sector a lack of competitiveness), as well as short-term problems (the rising cost of fuel on international markets), which hamper efforts to develop additional transport capacity and improve the quality of services. For the period 2006 to 2010, the national transport policy—which has still to be finalized (a study to update the master plan is currently under way)—should be organized around the following priorities.

389. **Highway transport:** Priorities in this regard lie in the following areas:

- implementing the action plan to strengthen the transport sector liberalization process adopted in October 2005. Among other things, this should include the adoption of a law to establish the direction and organizational structure of the sector, and of provisions for implementing that law;
- carrying out actions to improve highway maintenance within the framework of program contracts signed between the government and the National Highway Maintenance Corporation (ENER) (the last program contract, covering the period from 2003 to 2006, was for a total of nearly 7 billion ouguiyas);
- carrying out new highway investment programs to provide access to isolated regions and to connect Mauritania's highway system to other highways in the subregion (links to main routes to Mali, Algeria, and Senegal). So far as connecting to Mali is concerned, work on construction and paving of the Aïoun El Atrouss–Nioro du Sahel regional highway has been completed. Three additional sections are to be built to create more connecting routes (Néma–Nara, Kiffa–Kayes, and Bassikounou–Nampamla). The main improvement in road links to Senegal will be the Rosso bridge project. Lastly, once the highway between Nouakchott and Nouadhibou has been completed, connections to other countries of the Maghreb will still have to be improved by building the Atar–Choum–Zouerate–Bir Moghreïn–Aïn Bentilli highway;
- building rural roads to help local products get to market;
- setting up a support fund for the trucking industry;

- improving the organizational and management capacities of trucking operators, and training truck drivers;
  - strengthening the Highway Transport and Safety Directorate through restructuring and capacity building.
390. ***Air transport:*** Once an initial phase of institutional and regulatory reforms has been completed, work will continue on (i) ensuring that the National Civil Aviation Administration is effectively operational and (ii) improving the regulatory framework (ensuring that Mauritanian regulations are consistent with international agreements, and drawing up technical regulations to ensure effective oversight of all aircraft operators, particularly in regard to aircraft operations, airworthiness, and training). In addition, a strategic study will be done of the air transport subsector, and a training plan for the subsector will be designed and implemented.
391. At the same time, the government will carry out its airport modernization program (infrastructure, navigation systems, and security measures). The main projects planned—some under way and others yet to be started—are as follows: (i) construction of a new international airport at Nouakchott (at an estimated cost of US\$170 million); (ii) upgrading of infrastructure and terminal facilities at the Néma international airport, (iii) building a landing strip at the Zouerate airport; (iv) doing studies on extending and reinforcing landing strips at the Sélibaby and Nouadhibou aerodromes; (v) designing and drawing up a National Safety and Security Program, a Civil Aviation Safety and Security Crisis Management Plan, and a Personnel Training Plan; (vi) purchasing and installing security and safety equipment at the Nouakchott airport; and (vii) building air terminals at secondary airports.
392. Finally, in view of Air Mauritania’s problematic financial situation, a thoroughgoing analysis of the company will be carried out so that the best possible solutions can be identified and put forward.
393. ***Maritime and river transport:*** The key objective here is to expand the capacity and improve the competitiveness of the Port of Nouakchott, where the bulk of the country’s commercial activity is concentrated. To that end, activities will urgently be undertaken so that the following can be accomplished: (i) building new dock space and purchasing appropriate maintenance materials in keeping with the outlook for maritime traffic growth; (ii) reorganizing the port so as to adapt its resources and structures to future traffic growth and increases in activity; (iii) drawing up an investment plan in line with the port’s development prospects and the amounts of financing that it will likely be possible to raise; (iv) doing studies of prices and other organization and management studies necessary to bring businesses up to standard; (v) building dikes to protect the port facilities and the city of Nouakchott from the threat of being flooded by advancing seawater; and (vi) performing an environmental impact study of the port facilities. In addition, incentives could be established to promote river transport, depending on the findings of the study carried out under the Senegal River Development Agency (OMVS) on the potential for shipping on the Senegal river and the establishment of a river link between Rosso and the Diama dam.
394. ***Railroad transport:*** The SNIM has recently undertaken a major program to increase its railroad capacity. In the short term, the line between Nouadhibou and Zouerate will require maintenance work so that it can transport iron ore. Eventually, additional investment will be necessary on a large scale so that the tonnage that can be exported will be increased even further (Guelb El Ouj project).
395. ***Accompanying measures:*** Several measures are under study, among them the following: (i) establishing specific credit mechanisms to support the ongoing replacement of vehicles; (ii) strengthening highway safety measures (tightening standards for obtaining driver’s licenses, requiring mandatory vehicle inspections) with a view to reducing traffic accidents; (iii) upgrading



the technical capacities of government agencies in regard to quality control in transport infrastructure studies and projects; and (iv) adopting a technical framework so that the design and construction of transport infrastructure works can be standardized.

## Energy

396. For the period 2006 to 2010, the priorities of the electricity sector are: (i) to increase the electricity supply and improve the population's access to electricity; (ii) to promote rural electrification and renewable energy sources; and (iii) to strengthen the sector through capacity building.
397. An ambitious infrastructure investment program is planned, consisting of the following:
- a program to extend the electrical grid system to additional communities not yet served, with the electrification of 30 communities (24 of which are *moughataa* capitals not yet connected to the electrical grid) and the extension of the Manantali electric grid in the valley (first along the Rosso–Boghé corridor, and then along the Boghé–Kaédi, Boghé–Aleg, Kaédi–Civé, and Civé–Maghama–Sélibaby corridors);
  - a program to rehabilitate and expand electricity generating facilities in Nouakchott (expansion of the existing electric power plant and construction of a new plant), in Nouadhibou (expansion and rehabilitation of the electric power plant, and construction of a wind farm), and in 13 other electrified urban centers (modernization and upgrading of thermal plants);
  - a program to extend electrical grid systems to Nouakchott and to Nouadhibou, and within other towns that have electrification;
  - a program to electrify additional communities using renewable energy sources (electrification using solar energy, particularly in the Hodh Chargui, Assaba, Adrar, and Inchiri regions; electrification using hybrid wind-diesel systems in coastal villages; and so forth).
398. A program to strengthen national entities in the electric power sector through capacity building will also be carried out. At the same time, the government will clarify the sector's intervention strategy and the responsibilities of the various institutions involved in the sector (the DE, the ADER, the ARE, the APAUS, and SOMELEC), particularly in regard to public service outsourcing schemes outside major urban centers.
399. Thanks to these projects, urban areas should have a secure electricity supply and the number of SOMELEC subscribers should surpass 100,000 by 2010.<sup>10</sup> At the same time, the special attention being paid to secondary centers should result in a sharp rise in the number of non-SOMELEC subscribers, from just over 4,000 now to more than 19,500 in 2010.
400. Inasmuch as the rational management of energy to meet the needs of society is a tool for combating poverty, an ambitious program is proposed consisting of the following actions: (i) mounting a campaign to raise awareness about the energy-based economy; (ii) improving carbonization techniques; (iii) improving energy efficiency in the residential and transport sectors; (iv) designing and setting up a national energy database; and (v) strengthening the unit responsible for carrying out these actions through capacity building.
401. With respect to *liquid fuels*, the main objective is to guarantee a steady supply, under conditions of healthy competition and complete safety for people, property, and the environment. Actions in this area will center on the following:

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<sup>10</sup> SOMELEC is forecast to have 101,200 subscribers in 2010, compared with 74,400 in December 2004.

- rehabilitating the storage facilities and the wharf at the Nouadhibou refinery;
  - studying and making the investments necessary to increase the volume that can be transferred at Nouakchott (increasing the number of vessels that can be accommodated at the petroleum wharf in the protected zone of the Port de l’Amitié at Nouakchott);
  - studying how the liquid fuels transport sector might be reorganized, with products shipped by truck from Nouadhibou;
  - developing storage depots for Class 3 fuels, based on (i) a critical analysis of the service station network, (ii) the preparation of a master plan for establishing service stations throughout Mauritanian territory, and (iii) the issuance of provisions laying down rules for the management and operation of liquid fuel storage depots;
  - implementing the action plan to promote the use of unleaded gasoline (awareness-raising activities among target groups, wide publication of the national policy to eliminate leaded gasoline and promote the use of unleaded gasoline, and the requisite adaptation of motor vehicles).
402. With respect to ***gaseous fuels***, an action program is proposed for the butane gas sector, with three components: (i) institutional support in the form of strengthening the capacities of the MPE (DARDHR, CNH); (ii) institutional support in the form of strengthening the capacities of the private sector; and (iii) increasing the supply of butane gas and reducing the demand for fuels derived from wood.
403. In this area, the following specific actions are planned:
- carrying out a study of the technical, economic, and legal profiles of private economic operators in Mauritania’s butane gas sector;
  - devising and carrying out an information, awareness-raising, and training program for private sector stakeholders, to bring them up to standard regarding the technical and economic management of butane gas storage centers;
  - setting up large numbers of small storage centers and distribution depots to bring butane gas closer to consumers, thereby reducing the use of mobile tanker trucks, by setting up a revolving fund to facilitate capacity building in the private sector in the areas of supply and delivery standards, and investment in gas storage, transport, and distribution;
  - encouraging the diversification of operators active in the gaseous fuels sector (including the sale of equity stakes in SOMAGAZ to private interests);
  - establishing a policy of promotional pricing for equipment that uses butane gas, and for activities that promote the use of butane gas in rural areas and small towns, particularly in poor families;
  - setting up a revolving credit fund to facilitate capacity building in the private sector in the areas of supply and delivery standards, gas storage, transport, distribution, and supplies of gas bottles and containers.
404. The financing necessary for carrying out this action plan is estimated at 6.3 billion ouguiyas, including technical assistance requirements.

## **Telecommunications and new information and communication technologies (ICTs)**

405. Through the years ahead, the *telecommunications* sector should continue its pace of growth, particularly in broadband and additional GSM services. Access to basic telecommunications services will also be improved, with the teledensity rate projected to increase from 14.6 percent in 2004 to 27 percent in 2010 and the access rate from 70 percent to 85 percent over the same period. Accordingly, the action plan for the period 2006 to 2010 will focus on the key issues that need to be dealt with in the sector: clarification of the institutional framework, strengthening of competition, improvement of the quality of service, and acceleration of infrastructure and capacity building programs.
406. The action plan will start off by clarifying the relationships between parties involved in the sector and strengthening the competitive framework, with the following specific actions:
- publishing a new sector policy statement, updating the previous statement dating from March 1998 and covering postal services as well;
  - adjusting the sector's legal and regulatory framework, and clarifying all participants' responsibilities (establishment of rules and regulations, regulatory functions, promotion of universal access, operation of networks, production and distribution of services, etc.);
  - reorganizing and strengthening the Directorate of Post and Telecommunications (resources, procedures, information system);
  - carrying out a study on the medium- and long-term development of the sector.
407. In regard to investments, the action plan provides for the following:
- performing studies on strengthening the country's international connectivity in telecommunications infrastructure;
  - deploying fixed and mobile (cellular) networks over a large part of Mauritanian territory not yet covered or poorly served (as part of the program to provide universal access to telecommunications and ICT services);
  - strengthening competition between mobile operators, which is virtually nonexistent at present, particularly in the area of rates, by launching a third mobile operator;
  - establishing mechanisms which will make for greater transparency in the commercial and financial results of telecommunications operators;
  - improving the quality of service provided by operators, which is not satisfactory at present, and assessing the degree to which they have met performance standards set for the period now ended;
  - replacing outdated equipment in the territorial government's communications and security network.
408. A number of support measures are also proposed, such as establishing a special fund to strengthen human resources in the telecommunications sector through capacity building, and instituting coordination and exchange mechanisms among those entities involved in the sector.
409. With respect to specific actions to develop *new ICTs*, these are focused on making substantial improvements in the capacity to mobilize financial resources, in light of the inadequate results

achieved by the National Strategy to Develop New Technologies (2002 to 2006). The implementation of that strategy clearly suffered from a lack of resources, with a level of mobilization of only 16 percent.

410. The sectoral action plan provides for the eight programs proposed for the previous period to be continued. So far as Pillar 1 of the PRSP is concerned, attention will be focused on the “e-enterprise”, “e-Tijara,” and “creation of ICT enterprises” programs, on which very little progress has been made to date. They will have to be implemented in close coordination with the global SME support strategy.

## **5 THEME 2: CENTERING GROWTH IN ECONOMIC AREAS BENEFITING THE POOR**

411. The development of income-generating and job-creating activities in economic areas benefiting the poor continues to be a major focus of the PRSP for the next five years. This focus stems from two principle findings, namely:
- The poor generally have potential, but remain poor precisely because they are unable to take full advantage of this potential owing to capacity limitations and the absence of favorable conditions.
  - Policies to step up growth, by the very nature of the sectors in which they are brought to bear, generally have but a limited locomotive effect in poor areas. They should therefore be supplemented by policies which target the direct reduction of poverty and tap potentials in poor areas.
412. In rural areas, where income-generating and job-creating opportunities are largely associated with agriculture and livestock farming, poverty is characterized by: (i) problems gaining access to land ownership, in particular on the part of women; (ii) the limited arable land areas that have been improved; (iii) poor yields and limited production capacities; (iv) difficult access to appropriate forms of credit; (v) inadequate infrastructures and services available (transportation, education, healthcare, etc.); (vi) the inadequate conservation and marketing of food production; (vii) the limited impact of the ownership of livestock (sometimes in large numbers) on living conditions; and (viii) organizational capacities which remain insufficient.
413. In addition, two major factors continue to jeopardize possible gains in respect of poverty: the great vulnerability to the vagaries of the weather and the deterioration in the physical environment. This is particularly true in arid areas, where the incidence of poverty declined only marginally between 2000 and 2004 (dropping from 59.7 percent to 57.2 percent), as compared to the areas near rivers, where the drop was quite encouraging (from 77.1 percent to 66.3 percent).
414. In urban areas, the poor are concentrated primarily in underequipped areas in the periphery of urban centers which are generally disconnected from the development dynamics characterizing the latter. In these areas, poverty is characterized by: (i) a lack of skills, arising from the fact that most of the residents of these areas come from rural areas and hence have at best some knowledge of the trades involved in agriculture and livestock farming, which generally are not practiced in the city; (ii) the low degree of access to essential services (education, healthcare, housing, sanitation, etc.); (iii) the problems of gaining access to suitable financial services; and (iv) limited organizational capacities.
415. The incidence of poverty in urban areas underwent two major developments in the 2000-2004 period. First, it began to decline in Nouakchott, dropping from 29.2 percent to 25.9 percent after increasing between 1996 and 2000, but still did not quite reach its 1996 level (25.4 percent). Second, however, it increased in the other cities (from 27.4 percent to 33.4 percent), offsetting some of the gains made between 1996 (when poverty incidence reached 42.4 percent) and 2000.
416. On the strength of these findings, the government proposes to continue and move forward with policies that anchor growth in the economic sphere directly benefiting the poor, as it did during the first phase of the PRSP. In the 2006-2010 period, the emphasis will be on improving targeting, improving the coordination of the many stakeholders, and promoting an integrated approach that will make it possible simultaneously to make headway in respect of all the shortcomings identified.
417. The measures proposed in this connection pertain to: (i) rural development; (ii) urban development; (iii) food security; and (iv) the promotion of microfinance and microenterprises. Furthermore, these measures will be supplemented by integrated, targeted programs in favor of the

poorest population groups, including women, those living in rural areas, etc. Finally, social safety net programs will make it possible to assist the poorest, who are unable to take advantage of the diverse opportunities offered elsewhere.

418. It is planned to implement the action plan for at least the 2006-2008 period, after which, once the SNAT has been adopted and its operationalization instruments have been effectively implemented (toward mid-2008), the strategy of promoting pro-poor growth and the remainder of its action plan will be revised accordingly.

### **5.1 RURAL DEVELOPMENT**

419. Analysis of the evolution of poverty in rural areas shows that it has decreased overall, especially in the vicinity of the river, but that the contribution of the rural areas to property remains high (nearly 75 percent). These areas are characterized by a significant deficit in terms of socioeconomic infrastructures and, more generally speaking, inadequate access to production factors and low factor productivity when factors are available. Rural areas also suffer from the absence of job promotion policies suited to their specific characteristics (see Box 11).

420. However, the fight against poverty in rural areas has not been lost, this for at least two reasons: (i) significant untapped potentials in the areas of agriculture, forestry, and pasturing; and (ii) obvious room for advances to be made in managing the sector (planning, the mobilization of financing, monitoring/evaluation, coordination, absorptive capacity, etc.).

421. Based on this finding and, more generally, the evaluation of four years of PRSP implementation in this regard, the rural development strategy (RDS) for 2010 is built around five major objectives: (i) promoting growth of the sector in order to guarantee the food security of the country; (ii) providing equitable access to resources; (iii) increasing the supply and availability of goods and services needed for the sustainable development of the sector; (iv) improving the management capacities for integrated and participatory rural development; and (v) strengthening the mechanism for surveillance as regards serious diseases (avian flu, etc.).

#### **Box 11: Study on the Rural Labor Market (EMTR)**

The aim of the EMTR is to better understand the survival mechanisms of people living in rural areas, in particular the problems associated with jobs. As rural areas contributed 75 percent of poverty in 2000, its reduction must of necessity call for understanding the reality of employment dynamics there. Such a reality is rendered even more complex by, among other factors, the multiplicity of survival activities characteristic of rural areas, by the seasonal nature of the activities engaged in, and by the mobility of individuals seeking jobs. These are so many situations on the ground that the official statistics, often making use of inflexible and strictly quantitative methods, do not manage to identify.

In order to capture all the subtleties inherent in the labor market and in production and survival-related activities in Mauritanian rural areas, this study used a methodological approach combining quantitative techniques (closed forms) and qualitative methods (focus groups, semi-structured interviews, open interviews, observations, and life histories) and was organized around case studies. Three villages were selected from all of Mauritania, not only owing to their diversity as regards their size, economic focus, and infrastructure, but also owing to their poverty level.

The results of this study suggest a number of avenues to be pursued to achieve an environment conducive to the development of labor markets and improvement in the living conditions of workers in rural areas:

1. The segmentation of the market indicates that quite different kinds of intervention are still needed in order to reflect the particular contextual specifics. General measures which fail to take account of the context may produce contradictory results depending upon the socioeconomic and agroecological areas concerned.
2. Dynamic local economies are essential for the development of the labor market.
3. Reducing the social and economic barriers to work in some areas of activity should be taken into account in any employment promotion strategy.
4. The presence of major sizable agricultural undertakings helps the labor markets develop, even if the stakes may be complicated by competition for quality land with local operators.
5. Reducing the impact of seasonality and promoting investments which reduce the isolation of rural areas may also have a positive impact on rural employment, this in two ways. First, it facilitates the arrival of operators which might generate opportunities for paid employment or for services which increase the yield of activities undertaken for own account. Second, it facilitates the mobility of workers and temporary migrations in search of targeted job opportunities.
6. Applying realistic standards and regulations (in terms of working conditions, minimum statutory wages, etc.) in rural areas is difficult, but the potential positive effects of such standards on the working conditions of the poorest (and agricultural workers in particular) are far from negligible.

The final report from the study will be posted on the PRSP website in September 2006.

422. These measures will be supplemented by efforts to develop access to land resources and financing, on the one hand, and efforts to strengthen coordination, participation, and stakeholder capacities, on the other hand. In addition, these measures will be implemented while observing the principles of environmental good governance and with constant attention to the need to protect and preserve natural resources (see *infra*).
423. In the area of livestock rearing, the main measures planned are aimed at: (i) tapping the potential of the subsector by implementing the Pastoral Code, increasing the availability of wells in grazing areas, vaccination parks, and veterinary posts, and conducting a study on the selection of adapted productive breeds; (ii) increasing the productivity of the livestock subsectors through the construction of slaughterhouses and outdoor slaughter facilities and strengthening the control of hygiene; (iii) promoting the export of subproducts (leather, hides, red meat) by developing and implementing a support program for small units focused on preparing these subproducts for export, the organization of national fairs, and participation in international fairs; and (iv) strengthening the surveillance mechanism for serious diseases (avian flu, etc.).
424. With regard to agriculture, the objectives sought include: (i) increasing agricultural production in all subsectors (rice, cereal grains, dates, gum arabic, timber, etc.) through suitably adapted measures, such as the improvement and rehabilitation of more arable land, water control, and significantly improving yields (improved seeds, manuring, soil fertility management); (ii) diversifying the production and export of vegetables and fruits through credit availability, extension services, the creation of industrial processing units and units for the nonindustrial preservation of market garden products, and the development of economical irrigation techniques; (iii) improved supply and marketing, by decreasing the isolation of production areas, increasing storage capacities, and expanding the use of targeted lending; (iv) promoting local agricultural tools; and (v) combating crop pests.
425. The actions focused on rural development are aimed at: (i) improving water control, continuing the program of improving or rehabilitating dams, dikes, and dikelets, as well as the program for the ongoing hydrological monitoring of 50 watersheds, and the promotion of traditional watershed techniques (the *zai* technique of crescent shaped-pools to catch runoff water, the stone barrier erosion control method, etc.); (ii) increasing the supply, quality, and accessibility of basic infrastructure, through concerted implementation of sectoral programs (in education, healthcare, water supply, improved access, etc.), which of necessity must speed the rural areas' efforts to catch up economically; and (iii) protecting crops against wandering livestock.
426. In addition, access to land resources and adequate financing systems will be advanced by: (i) the dissemination and transparent implementation of the implementing decree for the land tenure and government lands law, and extension of the reform to new areas; and (ii) consolidation of the extension of the agricultural credit network (UNCACEM) and promotion of the development of microfinance institutions in rural areas.
427. Moreover, the strong pressure on natural resources implied by the implementation of these actions should be accompanied by concrete measures aimed at curtailing environmental degradation, in particular in rural areas. In this connection, the planned actions include: (i) definition and dissemination of developmental and operating standards that are respectful of the environment and can ensure a balance between productivity and the natural rate of regeneration; (ii) decentralization of the management of natural resources, to increase the involvement of the people (management and collective accountability); and (iii) the identification and promotion of alternatives aimed at reducing the pressure on resources.
428. Finally, the success of implementing the rural development strategy will depend in large measure on significantly improving management of the sector. In this context, the efforts planned will be focused on three priority objectives: (i) improving coordination; (ii) promoting broader participation; and (iii) capacity building.
429. **Improving coordination:** The improvement of coordination reflects the need to enshrine the integrated nature of rural development in order to avoid the scattering of efforts and the piecemeal consequences of same. For this reason, it is planned to establish a Rural Development

Coordinating Committee (CCDR) which will include, in addition to the departments concerned (MDRE, MH, MET, MEFS, MSAS, SECF, CSA, CDHLCPI, etc.), representatives of civil society, the private sector, and development partners involved in the sector. The CCDR will constitute the framework for the design, implementation, monitoring, and evaluation of, and the identification of financing for, the RDS. At the central level, it will be supported in particular by the efforts of the CTSs in each of the above departments, and, at the wilaya level, by the CRLPs.

430. **Promoting the participatory approach:** The participatory approach is one of the major orientations of the PRSP. Indeed, participation by the target population groups and their representatives throughout the project cycle (identification, design, execution, monitoring, and evaluation) is the first guarantee of ownership on the part of these stakeholders and, therefore, of the positive impact of the projects on their living conditions. In this context, there are plans for systematic recourse to this approach in RDS implementation on the ground, capitalizing on experiences in the area, in particular with selected major rural development projects (PDRC, PDDO, PAHABO, PACM, etc.).
431. **Stakeholder capacity building:** With regard to the public sector (central and subnational governments, deconcentrated agencies), this will entail: (i) designing and implementing a monitoring and evaluation system tailored to the sector, supported in particular by a five-year program of data gathering and analysis; (ii) continuing efforts in the area of research, technology transfer, and training; and (iii) capacity building—both quantitatively and qualitatively—in light of the foregoing. In addition, agricultural producers, livestock farmers, socioprofessional organizations, and civil society organizations active in the field will benefit from a program of consultation/assistance and guidance.

## 5.2 URBAN DEVELOPMENT

432. The uneven performance in the area of urban development, with poverty incidence apparently on the right track in Nouakchott—even with the modest decrease—but a continuing concern in the secondary cities—where there has been a significant increase—suggests that the facts are consistent with the perceptions: activities in the area of urban development have been concentrated primarily in Nouakchott. In addition, the impact of the actions taken in the sector has been further mitigated owing to the only partial completion of some investments, notably in the major urban centers. However, a positive overall dynamic has begun to emerge in this sector.
433. In order to improve this situation significantly, the second phase of the PRSP reiterates the major objective of correcting the imbalances among the main cities and among different neighborhoods within each of these cities, while promoting the development of the secondary cities as intermediary centers contributing to economic development and fully involving the poor neighborhoods. Achieving this objective will obviously depend upon the existence of a cohesive territorial development strategy which will ultimately make it possible to have rational urban policies, in particular as regards space management, the involvement of all stakeholders concerned in this management, and the implementation of investments in infrastructure and basic services.
434. In this connection, the action plan for 2006-2010 will be focused on the following themes: (i) development of infrastructures in urban communities; (ii) the economic development of the cities; (iii) improved urban management; and (iv) strengthened coordination of stakeholders' capacities. The measures planned during this period will regularly take into account the specific characteristics of the neighborhoods and the people who live in them, always with a desire to effectively integrate neighborhoods at risk. In addition, the action plan calls for measures aimed at improving the urban environment (see *infra*).
435. The development of urban infrastructures will be carried out through: (i) continuing and accelerating the programs aimed at restructuring at-risk neighborhoods and integrating them into the urban fabric, upgrading neighborhoods in accordance with predefined standards and community facilities (streets and roads, schools, dispensaries, potable water supply systems, sanitation networks, etc.); (ii) implementing plot servicing and improvement programs in order to facilitate access to housing; (iii) adopting the housing strategy; (iv) improving access to housing,



in particular by extending the Twize program to the major cities, promoting housing mortgage financing, and establishing a fund to finance public housing; and (v) gradually developing the promotion of building and land ownership and creating a national agency for land improvement.

436. As regards the economic development of the cities, the measures will include: (i) the development of micro, small, and medium-sized enterprises; (ii) the development of microcredit for income-generating activities and self-employment; (iii) the development of vocational training programs adapted to the needs of the market; and (iv) improved access to financial services.
437. In respect of improving the urban management of the major urban centers and monitoring urban development, the measures planned will include in particular: (i) the gradual spread of land-use plans and addressing systems; (ii) adoption of the Urban Planning Code and the general regulations on construction; (iii) revamping of regulations in the area of land tenure so as to ensure that all stakeholders concerned are involved in space management in urban areas, and dissemination of urban management tools; (iv) establishment of a city observatory; (v) establishment at the central and regional levels of real property information systems and databases; and (vi) strengthened policies in the area of urban regulation. In addition, programs will be carried out to build the capacities of operators in the sector, in particular the construction and public works sector, through the implementation of the strategy for relieving the bottlenecks affecting this sector, which constitute one of the factors limiting the country's absorptive capacity.
438. Moreover, the strengthened coordination and capacity building of stakeholders will constitute a major area of intervention, including in particular: (i) the updating of the MTEF of the sector; (ii) the introduction of a concertation and steering framework for the urban development policy; (iii) continuation of the capacity building programs aimed at the major stakeholders (central and subnational governments, deconcentrated agencies, communes, private sector, civil society, etc.); and (iv) the implementation of targeted institutional measures, such as urban transport plans in the major cities, waste collection/treatment and sanitation strategies, and the involvement of civil society organizations through neighborhood associations and economic interest groupings.
439. Furthermore, the ancient cities (Chinguitty, Ouadane, Tichitt, and Oualata), archeological sites, and cultural areas now being classified will continue to benefit from special programs aimed at the greater integration of the historical centers into development efforts. These include in particular: (i) approval of the Town Planning Schemas and Preservation Plans that are already available; (ii) establishment of a Public and Private Rehabilitation Incentive Fund; (iii) financing and carrying out Priority Intervention Programs for the four cities, developed since March 2005; and (iv) building the capacities of the National Federation for the Preservation of Ancient Cities (FNSVA) and the communes concerned.
440. Finally, the continuation of the major programs in urban areas, such as the Urban Development Program now entering its second phase, will be included among the priorities in this sector. In this connection, the integrated interventions in Nouakchott will obviously be continued, but there will be special emphasis on gradually channeling a greater amount of resources toward the secondary cities in order to spread the restructuring of at-risk neighborhoods in all urban areas, and thereby make these cities veritable development poles and thus contribute to curbing migration toward the capital.

### **5.3 PROMOTING MICROFINANCE AND MICRO-ENTERPRISE**

441. The promotion of microfinance and of micro and small enterprise (MSE), a major component of the strategy of anchoring growth among the poor, will enter a considerably more active phase during the 2006-2010 period, with the mobilization of financing and implementation of the strategies adopted in 2003.
442. The national strategy for promoting microfinance pursues the crucial development objective of building a culture of saving and credit that is adapted to the conditions of the poor. The main challenge is to promote the emergence of a system of viable and sustainable MFIs covering the entire country.

443. The actions planned in this regard during the 2006-2010 period are aimed at: (i) improving the legal and regulatory framework in a manner conducive to the emergence and growth of MFIs, including in particular the conduct of a study on establishing a microfinance promotion agency; (ii) professionalizing and ensuring the sustainability of MFIs in order to ensure the availability of a diversified range of products and services that are available everywhere, including in areas not previously covered, with particular emphasis on expanding the networks of CAPECs, GFECs, etc.; and (iii) establishing an institutional framework that permits the efficient and concerted execution of the strategy and improved interconnection with the MSE development strategy. The period should also be marked by the effective startup of the Microfinance Support Project (PAMF) to succeed the PRP (ADB financing).
444. The national MSE development strategy is aimed primarily at promoting access to capital by the poor by improving their growth potential and productivity.
445. In this context, the Integrated National Program for promoting MSEs (PNIME), the first program implementing the strategy, is built around four themes: (i) support for the creation and development of MSEs; (ii) promotion of a suitable financing system; (iii) technological development and the intensification of the highly labor-intensive (HLI) approach; and (iv) improvement of the overall environment of the sector.

#### **5.4 FOOD SECURITY**

446. Owing to its geographic and natural situation, Mauritania must deal with recurrent rainfall shortages and a chronic shortfall in cereal grain production. These shortfalls, coupled with recent locust plagues which are naturally susceptible to recur, have resulted in periodic food crises of which the poor are obviously the first victims, as they generally do not have security stocks or replacement products.
447. To address this situation, the PRSP calls for the implementation of a food security strategy that combines a medium-term approach (definitive resolution of the problem) and a short-term approach (targeted responses to emergency situations). In this connection, the action plan for 2006-2010 will be focused on the following four complementary themes: (i) the promotion of sustainable solutions; (ii) strengthening of the early warning system; (iii) improved intervention capacities; and (iv) improved coordination and capacity building of stakeholders, taking account of the recommendations of the national development and nutrition policies.
448. The urgent need to promote sustainable solutions is predicated on the finding that the definitive resolution of food crises must be part of a global medium-term vision, focused on the one hand on meeting the needs for staples and, on the other hand, on improving the living conditions of people living in high-risk areas, in particular by introducing income-generating activities. The actions planned in this context should be carried out at the wilaya level in the PRLPs, and at the local level in the PDCs.
449. In the short term, the priority is to improve the early warning tools, mainly by: (i) revising the regulatory provisions to clarify the mechanisms, stages, and distributions of functions involved, etc; (ii) broadening the activities of the Food Security Observatory (OSA), in particular by upgrading the methodology for defining and monitoring vulnerability; and (iii) reactivating the central and regional structures for monitoring emergency situations.
450. Improving the capacities for rapid intervention in the event of a food crisis will also be targeted, in particular by: (i) defining the needs for emergency assistance; (ii) building up a national food security stock (in both physical and financial terms); (iii) expanding storage capacities and computerizing the management of stocks; and (iv) procuring and rehabilitating the means of transport.
451. Finally, the successful implementation of this ambitious policy continues to depend both on improving coordination and on building stakeholders' capacities. In this regard, it is proposed to establish a national food security commission made up of representatives of the government bodies concerned (MDRE, MH, MET, CSA, CDHLCPI, etc.), elected officials, the private sector,

civil society, and development partners. This commission will constitute the framework for the design, monitoring, and evaluation of, and the identification of financing for, the national food security strategy, and in technical areas will rely on the efforts of the “rural development” CTS piloted by the MDRE and the “food security” CTS piloted by the CSA. At the wilaya level, the commission will be supported by the CRLPs. In addition, it is planned to develop and implement a capacity building program focused primarily on developing tools and skills for use in monitoring and analyzing vulnerability and disseminating information.

### **5.5 TARGETED POVERTY REDUCTION PROGRAMS**

452. The multidimensional nature of the poverty phenomenon requires, in the poorest parts of the country where it is manifested simultaneously in all its forms, a massive effort that is sustained over time, integrated, and coordinated. This being so, the PRSP places the highest priority on the targeted poverty reduction programs entrusted to the CDHLCPI. During the 2006-2010 period, however, refocusing efforts will be required in order to bring the emphasis back to the four key principles governing the success of such programs: (i) targeting; (ii) the integrated approach; (iii) the participatory approach; and (iv) systematic recourse to delegating project ownership and implementation.
453. **Targeting** constitutes a key component of project design. It includes the spatial targeting of the poorest areas (Aftout, Affolé, Zone Oasienne, Lehdade—along the border with Mali—, Chemama, the areas around Nouakchott and the other large population centers, etc.) and the targeting of the poorest and most vulnerable social groups (unskilled youths, female heads-of-household, poor households in rural areas, the disabled, the elderly, etc.). This function will be significantly improved with the finalization of the poverty map (on the basis of the results of the EPCV-2004) scheduled for mid-2006.
454. Gradual return to the **integrated approach** is one of the priorities for the second phase of the PRSP. This will make it possible simultaneously to address all manifestations of the poverty phenomenon (income creation, hydro-agricultural improvements, decreased isolation, education, healthcare, water, housing, vocational training, organization, etc.) in a number of extremely poor areas and thereby avoid taking a piecemeal approach.
455. Strengthening the **participatory approach** will be sought through the systematic and effective involvement of all central, regional, and local stakeholders (departments, subnational government, elected officials, civil society, beneficiaries, and development partners) throughout the entire project cycle: formulation, implementation, monitoring, and evaluation. The annual action plans of the CDHLCPI will be discussed with the technical departments in order to ensure that they are compatible with the interventions they call for. In addition, these plans should mandatorily be included in the PRLPs, which are coordinated by the CRLPs. Finally, the CDHLCPI will support the communes in which it is involved in the drafting of their PDCs.
456. The interventions of the CDHLCPI will fundamentally adhere to the principle of **delegating project ownership and implementation**: to governments, to national and international NGOs, to communes, and to specialized agencies (AMEXTIPE, ANEPA, AEMP, etc.).
457. Finally, the targeted poverty reduction programs are conceived from a dual perspective: (i) the need to adapt to the specific characteristics of the areas of intervention, and to the activities engaged in there; and (ii) the need to revitalize traditional solidarity channels. Thus, in addition to interventions under the PASK (Ould Yenge, Barkeol, and Kankossa) and the VAINCRE program (Assaba and Guidimagha), the CDHLCPI will continue to implement infrastructure programs (hydro-agricultural improvements, decreased isolation, education, healthcare, water), the “Toumze” programs (distribution of small ruminants) and “Tlissa” programs (microcredit) in rural areas, the “Twize” program (public housing, microcredit, vocational training), NOUR (Urban Renewal—for improving poor households’ access to electricity in the home), and social safety nets in urban areas. The CDHLCPI will also be responsible for (i) implementation of the PNIME; (ii) expanding the Cut Stone Promotion Program (PPPT) to all wilayas where stone is available; and (iii) carrying out insertion programs targeting mother and child health in rural areas, in

partnership with the United Nations Population Fund (UNFPA)—agreement signed on May 31, 2006—, and support for small livestock farmers, in partnership with the Arab Organization for Agricultural Development (AOAD).

458. Carrying out these ambitious targeted poverty reduction programs will continue, however, to be dependent on the level and quality of private supply in respect of technical execution in rural areas. To help overcome this major obstacle, the CDHLCPI proposes to conduct a study on the creation of rural improvement units with the capability of implementing, on deadline and with the requisite quality, the physical works required in the target areas.

## 6 THEME 3: DEVELOPMENT OF HUMAN RESOURCES AND EXPANSION OF BASIC SERVICES

459. The PRSP is built on the finding that the policies to accelerate growth and anchor it in the economic sphere of the poor can have sustainable results only if they are accompanied by ambitious policies for developing human resources and broadening access to basic services. This interdependence is concretely reflected in the fact that the problems of equitable access to a service are considered not only from the standpoint of the well-being engendered by such access, but also from the perspective of the positive externalities generated by the use of the service in question. Thus, the completion of basic education is an end in itself for the individual receiving that education, but is also the best way of increasing labor productivity, improving the health of that person and those close to him or her, etc.
460. Moreover, it is clear that the solutions to many health problems are in part found outside the healthcare system itself. The improvement of children's health, once there is an available supply of quality healthcare services, involves the education of the mother, the availability of quality potable water, and the introduction of an adequate sanitation system. What is more, providing a quality healthcare service itself depends on the availability of qualified personnel and the existence of health facilities with access to water and electricity. This said, qualified personnel cannot be found unless the educational system is able to produce them, whereas the quality of that system's output depends on, among other things, the health and nutrition of the population, not to mention the immediate environment of the pupils (availability of electricity and water at school, adequate means of transport, etc.).
461. As the government is cognizant of the interdependent nature of these problems, it continues to place the development of human resources and the expansion of basic services at the core of PRSP priorities. In this connection, the strategies called for cover the following complementary and interrelated areas: (i) education; (ii) literacy; (iii) technical and vocational training (FTP); (iv) health and nutrition; (v) water supply and sanitation; (vi) the promotion of employment; (vii) population policy; (viii) promotion of gender equity and the role of women; (ix) childhood; (x) social protection; and (xi) universal access to basic services.

### 6.1 EDUCATION

462. The goal of the education sector for the second phase of the PRSP is to be able to produce human capital that can contribute to the economic and social development of the country. This should be reflected in the consolidation of gains and the correction of dysfunctional areas so as to ensure that every Mauritanian child will have at least six years of quality education that is adapted to the cultural setting and accessible to all, and subsequently to offer the possibility of training to acquire skills compatible with the requirements of the labor market.
463. This goal will be achieved by implementing a strategy built around four themes: (i) improving educational supply through a new organization of public and private schooling that is better adapted to demand, so as to improve retention rates in primary school and promote equity in secondary school; (ii) improving the quality of education; (iii) enhancing internal and external effectiveness so as to provide skilled labor and thereby improve the productivity of the traditional sector and promote its development, as well as highly qualified labor to meet the requirements of a modern sector that is called upon to expand in the decades ahead; and (iv) improving and strengthening the management and steering of the educational system.
464. The **first theme** of improving educational supply is aimed in particular at achieving: (i) universal access on the part of all children of school age (all wilayas have a gross enrollment ratio—GER—of 100 percent by 2010 and a GER in the first cycle of secondary school of 40 percent, with 50 percent participation by girls); and (ii) a significant improvement in retention rates during the cycle (65 percent by 2010).

465. Achieving these targets will involve: (i) improved access and retention rates in primary education; (ii) improved access and equity in secondary education; and (iii) improved educational supply for young children.
466. The priority actions programmed in respect of *primary* education will include continued expansion and restructuring of educational supply in order better to match it to demand, especially through the continuation of the classroom construction and teacher recruitment programs, increasing the number of schools that can offer ongoing education (to 50 percent by 2010), involving the private sector (10 percent by 2010), and reducing gender and cross-regional disparities.
467. For *secondary* education, priority is accorded to taking measures whereby it will be possible to manage the increased student flows expected to result from the reforms being implemented at the primary level, while simultaneously improving equity. In this context, it is planned to: (i) recruit teachers in accordance with programming that responds to needs; (ii) build and expand schools in order to meet demand; (iii) rehabilitate and equip schools; and (iv) repair and maintain school furniture and infrastructures.
468. Finally, the increased awareness of the importance of educating preschool children in preparation for revitalized primary school will lead to promoting the development of this sector by favoring the establishment of partnerships involving families, local communities, local and foreign NGOs, and the technical and financial partners (TFPs).
469. The **second theme** devoted to improving the quality of education has two main goals: (i) improved learning (rate of promotion to the entry examination for the 1AS in 2010); and (ii) improved results on the national examinations (success rate of 65 percent for the CEP and 30 percent for the baccalaureate by 2010).
470. In this connection, the planned actions are intended to: (i) strengthen the training to enhance the professionalism of school staff; (ii) systematically undertaking in-class evaluations of pedagogical skills throughout the entire system; and (iii) the systematic dissemination and effective use of instructional tools. These actions will include in particular: (i) the updating of initial teacher training; (ii) preparation and implementation of a continuing training program for teachers and inspectors; (iii) continued language retraining of teachers; and (iv) the preparation and introduction of computer trainings in 4AS programs, through writing programs and training instructional personnel.
471. Finally, these measures will be supplemented by actions aimed at improving student health and promoting environmental protection. In this context, the existing partnerships with the health and environmental sectors will be strengthened in order to familiarize students at all levels with the major questions of relevance to their civic and social integration and the protection of their health. Enhancing awareness of issues relating to HIV/AIDS will continue to be a major focus of this policy. Furthermore, living conditions in school facilities will be improved by systematically making access to potable water and decent latrines available.
472. Enhancing the internal and external effectiveness of *higher* education, the **third theme** of the strategy, is aimed overall at producing qualified school graduates with the skills needed to sustain increased productivity and diversification of the national economy. In this connection, the establishment in August 2005 of the Ministry of Higher Education and Scientific Research (MESRS) is an indicator of the great importance placed by the government on achieving this goal.
473. The actions planned in this regard involve: (i) improving the quality, environment, learning, and relevance of the training offered in terms of the needs of the labor market; (ii) developing and implementing a scientific research strategy; (iii) introducing suitable pedagogical, administrative, and financial management systems in the higher education and research institutions; (iii) improving coordination and communications in respect of research (by creating networks of scientists, disseminating research work, etc.); and (iv) organizing and strengthening the capacities of the MESRS.

474. Finally, the **fourth theme** of the strategy relates to central management, with the objective of achieving improved allocation of the sector's resources—which are constantly on the increase (state resources allocated to education are expected to increase from 16.7 percent to 20 percent by 2010)—and their effective transformation into improved student performance. The measures planned in this regard include: (i) optimization of the assignment of teachers, by effectively implementing transparent assignment criteria; (ii) upgrading the status of teachers; (iii) improving pedagogical management; (iv) building planning, budgetary management, and procurement capacities through staff recruitment and training; and (v) implementation of the management information system for the educational system (SIGE), the school map, and management tools.
475. Successful implementation of the strategic orientations and priority actions in the education sector will obviously require the full mobilization of all. In this connection, it will be imperative to: (i) involve parents more extensively in management of the sector; (ii) mobilize qualified human resources for managing and steering the system, both centrally and at the decentralized level, with special emphasis on the recruitment of economists, specialists in finance, and computer technicians in support of teachers for tasks in which they lack the appropriate skills; (iii) improve communications within the sector; and (iv) protect the sector from outside influences which are often harmful—in particular interventionism—so as to enable it to perform its assigned mission with serenity.

## **6.2 LITERACY**

476. Illiteracy is one of the major obstacles to economic growth, to preserving the progress made with democratization, and to any sustainable development. It thus constitutes a threat to the fundamental rights of the citizen and leads to exclusion, the lack of equal opportunity, poverty, and injustice. Combating illiteracy must therefore be accorded great priority in any poverty elimination strategy.
477. In this area, Mauritania has introduced a long-term strategy with the following major themes: (i) teaching reading and arithmetic to all illiterate Mauritians age 14 and over; (ii) implementing educational policies that are likely to improve retention rates at the primary school level; (iii) consolidating initial literacy training by means of post-literacy training and basic vocational education focused on income-generating activities; and (iv) development of the use of writing for self-training, communications, and improved production capacities and living conditions.

## **6.3 TECHNICAL AND VOCATIONAL TRAINING**

478. In view of the promising outlook for the national economy and given the low skill levels prevailing among the people and the disdain for manual labor, technical and vocational training (FTP) should promote economic and social development through the creation of a skilled labor force for the economic sectors with growth potential, with the skill levels of youth thus contributing to combating unemployment, poverty, and exclusion. To this end, FTP should undergo far-reaching reforms focused, at the institutional level, on unified steering approaches, improved system governance, and new dynamism for the concertation forums for the state and business owners (National Council for Technical and Vocational Training). This should make it possible to: (i) improve policy coordination in this area; (ii) ensure more cohesive implementation arrangements; and (iii) introduce performance-based management at all levels.
479. Activities planned in this area include:
- The conduct/updating of sectoral studies on the skill requirements for all economic sectors, with particular emphasis on the regional economy (rural and family levels), small enterprise, and the informal economy;
  - The identification of needs arising from the emergency of the oil economy, and preparation of an action plan for addressing this demand efficiently;
  - The introduction, at professional and vocational training facilities, of a quality-based approach and a genuine partnership between institutions and enterprises so as to ensure the greatest possible adaptation of training to job needs;

- Preparation of programs based on skills and the development of instructional and pedagogical support materials for training subsectors, pedagogical support, and the introduction and dissemination thereof;
  - Improved access to the FTP mechanism through: (i) updating of existing equipment and infrastructures, the creation of new centers, and the establishment of an adequate maintenance policy; (ii) the creation of new subsectors in response to market demand; and (iii) the introduction of an incentive framework for the development of private technical and vocational training;
  - The introduction of sustainable national capacities for training the trainers, and incentive framework for attracting and supporting high quality training personnel;
  - The promotion of professional and vocational training by raising the awareness of the target population, the creation of motivating study conditions, and the provision of information on potential markets.
480. Finally, the evaluation of the external effectiveness of technical and vocational training structures will be systematized, in particular by measuring the hiring rate of those having received training and the satisfaction expressed by employers.

#### **6.4 HEALTH AND NUTRITION**

481. The overall objectives of the health sector may be summarized as follows: (i) improve life expectancy and the quality of life of Mauritians by reducing overall mortality and morbidity, particularly maternal and infant/child mortality and morbidity; (ii) increase the period between childbirths and reduce the total fertility rate; (iii) attenuate the impact of endemic epidemics, including HIV/AIDS and emerging diseases, on the psychological and socioeconomic development of the country; (iv) reduce the incidence of hunger and malnutrition among the people, particularly among vulnerable groups; (v) guarantee that at-risk children and vulnerable groups have access to efficient, sustainable, and suitably adapted basic services; (vi) increase community participation in the development and management of strategies for access to basic healthcare services; and (vii) strengthen intersectoral coordination.
482. The measures whereby these goals can be met revolve around three strategic themes: (i) access to quality healthcare and nutritional services; (ii) combating disease; and (iii) strengthening sector performance.
483. The activities called for in respect of **access to quality healthcare and nutritional services** pertain to: (i) bolstering the efforts focused on the construction/rehabilitation and outfitting of health facilities in order to guarantee that 90 percent of the population has access—within a 5 kilometer radius—to a health facility; (ii) implementing alternative strategies (advanced and mobile activities) aimed at bring essential services to the people outside the aforementioned access radius; (iii) developing an efficient and suitably adapted strategy for the procurement and maintenance of equipment at all levels of the health pyramid; (iv) implementing an efficient and cohesive strategy for guaranteeing adequate and regular availability of trained personnel at all levels of the health pyramid, in accordance with national standards; (v) strengthening the institutional framework for the provision, quality control, and distribution of medicines and other consumables; (vi) developing an efficient and sustainable quality assurance program and a target strategy for reducing the need to seek care abroad; (vii) implementing a cohesive strategy for medical referrals; (viii) imparting new dynamism to the community-based approach so as to improve the effective representative of community representatives in the management of healthcare and nutrition services in peripheral and intermediate areas; and (ix) developing risk-sharing mechanisms and solidarity systems in order to make essential healthcare services financially accessible to all marginalized population groups.
484. The use of essential healthcare services should increase to over one contact per person per year, and to over three contacts per year by children under age 5.



485. In the area of **combating disease**, the aims are to: (i) improve the targeting, contents, and quality of health and nutrition promotion programs in order to enhance prevention; (ii) develop a legal framework and appropriate tools for improving hygiene and sanitation; (iii) improve household access, in particular on the part of the poorest, to essential staple foods, and promote adequate food behavior and nutritional practices; (iv) screen for and provide care for pregnant women suffering from malnutrition, and provide technical support and overall coordination for the sectors involved in the areas of food security, community and school nutrition, and food quality control; (v) introduce a cohesive and efficient system for predicting and managing epidemics and natural disasters; and (vi) develop and implement a specific, coordinated strategy for managing dangerous waste (industrial and hospital waste).
486. The actions planned for **strengthening sector performance** relate to: (i) guaranteeing the adequate and equitable financing of the healthcare system by increasing the levels of public financing for the sector, creating “structured national financing” in the form of an agency managing public health insurance and the establishment of a system for providing care to indigents and other disadvantaged persons; (ii) introducing a relevant and efficient monitoring and evaluation system at all levels of the health pyramid, involving the major stakeholders in the sector and allowing for the regular production of reliable health data; (iii) moving forward with the deconcentration of resource management and the decentralization of the healthcare management system so as to guarantee improved performance at the various levels of that system; (iv) introducing standardization and regulation of the sector to permit the harmonious, efficient, and suitably adapted development of the private subsector; (v) building the institutional capacities of the health department, enabling it to standardize, plan, monitor, and evaluate all actions carried out within the sector; and (vi) strengthening intersectoral coordination.

## **6.5 WATER SUPPLY AND SANITATION**

487. The chief objective of the national policy on water supply and sanitation during the second phase of the PRSP is now worded as follows: “improve access to water and sanitation both quantitatively and qualitatively, at affordable prices for all and in a sustainable manner.”
488. Achievement of this objective will be sought through the implementation of development priorities focused on the five themes emerging from the sectoral strategy: (i) improved access to potable water; (ii) greater knowledge and protection of water resources; (iii) improved sanitation conditions; (iv) the promotion of public-private partnerships; and (v) sectoral capacity building.
489. **Improved access to potable water** is a requirement for all population groups, the rich and poor alike, most of whom continue to obtain water at high costs and under questionable hygienic conditions. The goals pursued in this area concern: (i) improving, strengthening, and expanding the production of potable water to achieve a level of consumption of 60 liters per person per day in urban areas, and consumption exceeding 20 l/ha/d in rural and semiurban areas; (ii) strengthening and expanding potable water distribution systems with a view to achieving a 48 percent water service level in urban areas and a coverage rate of 62 percent for rural and semiurban areas; (iii) providing schools, hospitals, and health centers with water supply points; (iv) providing at-risk peripheral neighborhoods with suitable access to potable water; (v) implementing communication and public awareness campaigns; and (vi) introducing a formal concertation framework to coordinate all stakeholders’ activities.
490. **Knowledge and protection of water resources** are of constant concern given the obvious imperatives for the production, programming, and definition of terms for the sustainable exploitation of this resource. The limited understanding and uneven distribution of water resources throughout Mauritania mandate the following objectives: (i) monitoring of resources; (ii) inventory and improvement of new resources; and (iii) protection of well fields.
491. While the **improvement of sanitation conditions** was part of the first phase of the PRSP, no significant actions were taken in this regard. Nevertheless, it is a basic issue for improving living conditions, in particular as regards hygiene and public health. Consequently, the second phase of

the PRSP will emphasize: (i) the finalization, adoption, and implementation of the sanitation development strategy; (ii) the definition of the institutional basis for rural sanitation efforts; (iii) the adoption and implementation of a sanitation program; and (iv) the preparation of master sanitation plans for Nouakchott and Nouadhibou.

492. The **promotion of public-private partnerships**, developed in recent years in the water sector, should be continued and built upon in order to put in place the conditions genuinely required for private sector assumption of responsibility for the water subsector through : (i) the implementation of appropriate water regulations ; (ii) the adoption and implementation of the ANEPA development plan, while continuing to work toward revising the state-ANEPA agreement in order to adapt it to the water code ; (iii) selection of the universal access strategy as the frame of reference for implementing public-private partnerships ; (iv) implementation of the agreements called for under the law on universal access ; and (v) the establishment of a formal concertation framework.
493. Finally, **capacity building** is among the prerequisites for the success of these policies. It should be reflected in (i) the execution of a staff training and recruitment plan; (ii) enhancing the operating resources of the structures involved in sector steering; and (iii) improved coordination of the various stakeholders involved in this sector.

## **6.6 EMPLOYMENT**

494. The employment creation policy will be guided by the following three objectives: (i) maximizing job creation; (ii) improving the technical and vocational skill levels of the people; and (iii) organizing the labor market and improving job quality.
495. The efforts to be pursued along these lines during the second phase of the PRSP will be focused on: (i) developing an overall and cross-cutting strategy for the jobs sector; (ii) strengthening and redynamizing the mechanism for the management, steering, and regulation of employment; and (iii) intensifying the programs for the placement of job seekers, in particular unemployed youth and women. In this context, the emphasis will be placed on self-employment, training, and placement in wage-earning employment. Particular attention will also be devoted to the implementation of the MSE and microfinance strategies (see infra for additional details) and on taking greater advantage of the HLI approach (see Box 12).

### **Box 12: Promotion of the HLI approach**

Poverty reduction, the key component in achieving the Millennium Development Goals, depends, according to the prevailing consensus within the international community, on the promotion of economic growth which, through the trickle-down effect, will create jobs and distribute incomes that reach the poor. This mechanism does have its limitations, however, in that observations on the ground in Sub-Saharan African show that maintaining high growth rates does not necessarily lead to poverty reduction, that growth creates rather few decent jobs as the term is understood by the ILO, and that these jobs do not reach the areas where poverty is at its worst, namely the rural areas.

These findings motivate the reorientation of public policies toward introducing approaches aimed at promoting highly labor-intensive (HLI) techniques, which in a great many cases have an impact on job creation that is considerably greater than the so-called “trickle-down” approaches.

The focus is on incorporating the HLI approach within poverty reduction efforts through public investments. This is tantamount to considering that the impact on the national economy of **carrying out** public investments is a significant variable when the aim is to focus on actual poverty reduction and job creation, which is a privileged vector of that reduction. This promotion of HLI techniques within the poverty reduction component calls for a deliberate effort to enhance the awareness of the stakeholders concerned with employment, and must be accompanied by measures likely to promote the SMEs assumed to make use of such approaches as a means of serving as a vehicle for carrying out the investments.

This means, in particular: (i) adapting the regulatory framework for public procurement to open it to SMEs; (ii) developing a credit system adapted to SMEs; and (iii) introducing a strategy for building the technical and administrative capacities of SMEs. Studies conducted by the ILO have made it possible to document the main components of the HLI approach and clearly identify the conditions for implementing same. All that remains is to adapt them to the national context on the basis of experience already gained at the microeconomic level in the country concerned.

496. The strengthening of the employment management and steering mechanism will be sought through: (i) the definition and implementation of a national employment promotion strategy; (ii) revision of the labor market regulations; (iii) capacity building in the structures concerned; (iv) the promotion of the basic principles and rights in respect of labor, social protection, and migration issues; and (v) introduction of an efficient information system on the labor market.
497. Support for the implementation of ANAPEJ's integration programs will include: (i) a training program: the organization of training for job seekers which reflects the needs of the market; (ii) the self-employment program: support for the creation of micro and small enterprises and economic interesting groupings; and (iii) a placement program: pre-hiring internships and insertion into sustainable wage-earning employment.

### **6.7 POPULATION POLICY**

498. The goals in terms of population policy are to: (i) reduce the total fertility rate from 4.7 to 4.2; (ii) strengthen the implementation and monitoring capacities of the population policy declaration; (iii) ensure harmonious regional development to promote people's remaining in their areas of birth; and (iv) reduce gender inequalities.
499. The strategic themes whereby these ambitious goals can be met include: (i) the adoption of an updated population declaration, as well as regional action plans; (ii) strengthened ownership on the part of decision-makers, members of Parliament, religious leaders, and opinion-makers of the principles of the population policy declaration, and the provision of reliable and updated statistical information on population indicators, taking gender and the regional dimension into account; (iii) mobilization of funding to finance the National Population Program (PNP); and (iv) strengthened coordination mechanisms (the National Population Commission and its support structures).
500. Finally, the second PRSP action plan will emphasize taking the specific needs of **youths** into account and the need to promote highly competitive **sports**. In this context, it is planned to: (i) organize public awareness campaigns on HIV/AIDS in collaboration with the specialized structures, and strengthen the system for listening to the voices of youth; (ii) awareness campaigns on the benefits of sports and physical education, especially in school and university settings; (iii) the organization of periodic surveys on the worries and concerns of youth; (iv) the preparation and implementation of a master plan on sport and cultural infrastructure; and (v) the reorganization and support of the national associative movement (Clubs, Leagues, and Federations).

### **6.8 GENDER EQUITY AND THE PROMOTION OF WOMEN**

501. The strategy is built on a vision for the 2015 timeline of Mauritanian women unfettered by unjustified social and economic constraints, capable of making an effective contribution to national development. In this connection, emphasis will be placed on five themes: (i) greater economic participation on the part of women; (ii) improved access to basic social services by women; (iii) women's rights and political and social participation; (iv) the development of strategies for behavioral change; and (v) institutional strengthening of the SECF.
502. To improve the **economic participation of women**, five objectives have been defined: improving women's access to production factors, combating the unemployment and underemployment of women, enhancing the productivity of women, improving market access, and developing female entrepreneurship.
503. To improve **women's access to basic social services**, four goals have been defined: eradicating female illiteracy, guaranteeing the basic education of girls, improving women's health, and improving the living conditions of women and households.
504. Two objectives have been set in respect of the them on **women's rights and participation**: they are aimed at strengthening women's rights (effective implementation of the Personal Status

Code, drafting and adoption of legal provisions to combat harmful practices, broadening the legal and judicial assistance services available to women in disadvantaged social groups, etc.) and encouraging the participation of women in decision-making (increasing the representation of women in elective offices, increasing the presence of women in government, and promoting the access of women to decision-making positions, etc.).

505. As regards the **development of behavioral change strategies**, achieving the aims of the strategy is dependent on the implementation of an effective, large-scale IEC program. In this area, the objective pursued under this theme is to develop and implement a strategy aimed at behavioral change through access to knowledge and the development of appropriate behaviors for women, the emergence of an environment conducive to women's development, and the development of a communication policy to promote women's and gender issues.
506. In respect of **institutional strengthening**, the SECF should be provided the resources it needs to provide coordination and implementation and to ensure that national policies and strategies take the gender dimension into account. A suitably adapted monitoring mechanism tied into the national statistical information system should be put in place at the SECF in order to buttress the implementation of the medium-term action plan. Three additional objectives that will help achieve this goal have been set. The first objective is aimed at building SECF capacities through: (i) strengthened SECF structures and missions; and (ii) further efforts to pursue the decentralization of the SECF. The second objective is aimed at defining a system for the implementation and coordination of the SNPF through: (i) the establishment of an interministerial mechanism for SNPF coordination; (ii) the strengthening of the existing mechanism for incorporating gender issues and developing guidelines; and (iii) introducing an SNPF monitoring and evaluation system.

### **CHILDREN**

507. The strategic orientations for the children's sector are aimed at implementation of the National Infant/Child Development Policy and continuation of the progress made in respect of education, health, and child protection.
508. In the educational area, the emphasis is on significantly improving the supply and quality of preschool education and caring for children with special needs (the disabled, those in trouble with the law, etc.). On the health level, the concerns touch upon nutrition, maternal and neonatal health, mother-child transmission of HIV, and malaria. With regard to child protection, the focus is on implementing the CDEs and establishing a legal framework that is in harmony with international legislation and promotes the civic participation of youth.
509. To achieve these objectives, three paths will be followed: (i) improved response to child-related questions through the creation of a structure responsible for centralizing all questions pertaining to children; (ii) improvement of the legal protection of children; and (iii) the development of strategies to promote changes in the attitudes toward children.
510. Improved response to child-related questions will be sought through: (i) the creation of a structure responsible for centralizing all questions pertaining to children; (ii) the introduction of a procedure for identifying the needs of children, particularly those in difficulty, and of strategies for addressing those needs effectively and efficiently; and (iii) support for public and private childcare structures and structures for attending to children in difficulty.
511. To improve the legal protection of children, two paths will be pursued: (i) improving the qualifications of the court and social personnel working in the justice system for minors; and (ii) speeding up the process of harmonizing national legislation with the relevant international legal provisions.
512. The change in mentalities vis-à-vis children will be achieved through: (i) the organization, for parents, of information campaigns on the rights of the child and the education, health, and

environment of children; (ii) the promotion of accessible media specialized on childhood issues; and (iii) support for strategies favoring the participation of children in personal and family decisions.

513. Protection of the family is one of the government's concerns, as evidenced by the mission assigned to the State Secretariat on the Condition of Women (SECF). A family policy, which has already been updated, is of critical importance to all strategic orientations aimed at promoting the status of women and at the protection, development, and survival of the child.
514. To achieve the objectives assigned to this policy, the actions planned hinge around eight themes: (i) the family and the legislative and organic framework; (ii) the family and education; (iii) the family and economic resources; (iv) the family and socio-sanitary services; (v) the family in special situations; (vi) complementarity between the family policy and other development strategies; (vii) institutional framework; and (viii) other arguments.
515. Finally, improving family conditions entails the establishment of entities for applying and monitoring the CSP, heightening public awareness of the various aspects of family life, encouragement and support for family initiatives in the context of production, combating phenomena of deviation within the family, improving the living conditions of families headed by women, building the capacities of planners concerned with the family dimension, enhancing the capacities of stakeholders, and mobilizing decision-makers and partners in favor of the family policy.

### ***SOCIAL PROTECTION***

516. Reflection on social protection as a cross-cutting problem area for development is relatively recent in Mauritania. Indeed, efforts in this area have been concentrated in particular on the social action programs implemented by the MSAS (access to healthcare on the part of indigents, etc.) and the social safety net programs implemented by the CDHLCPI (integration of the disabled, combating panhandling, etc.). However, social protection is a broader concept which covers not only these problem areas, but the more general question of reducing vulnerability. The target categories thus also include persons who are not necessarily poor, but whose income level does not enable them to cope with exceptional situations (accidents, serious health problems, job loss, etc.) or even foreseeable circumstances (retirement, third age, etc.).
517. In this context, the first imperative is the preparation of a National Social Protection Strategy (SNPS) that fully takes the multidimensional nature of this problem area into account. Alongside the formulation of the SNPS, efforts relating to social action and safety nets aimed at individuals that are both poor and vulnerable will be continued, and actions making it possible to develop risk-sharing mechanisms in the health area will be implemented in short order.
518. The main strategies that will be developed in connection with **social action** should make it possible to improve the handling of medical care and education for vulnerable groups—the disabled, children at risk, female heads of household, the elderly—and to offer them an environment conducive to their integration and socioeconomic development. In this connection, the focus will be in particular on: (i) evaluating and revising the existing legal framework in order to orient it more toward the promotion and protection of the rights of all these vulnerable groups; (ii) developing suitably adapted infrastructures in a more decentralized and more equitable manner, enabling rural areas to benefit from them; (iii) strengthening coordination between the various sectors involved in social action; and (iv) enhancing the capacities of the deconcentrated social action units.
519. The introduction of **social safety needs** stems from the need to propose special treatment for persons who, for reasons related to their physical or mental capacities, or their precarious situation owing to rapid urbanization—which has probably curtailed the availability of traditional solidarity channels—are not in a position to benefit from the numerous opportunities afforded in the context of public policies.

520. In this context, the PRSP calls for continuing the programs to combat exclusion implemented since 2001, and which target at-risk children, those with physical and mental disabilities, and beggars. These programs, which are generally carried out by specialized NGOs, are focused around two themes: (i) the provision of essential services (healthcare, potable water, nutrition, literacy training, etc.); and (ii) the promotion of reintegration (income-generating activities, vocational training, equipment, etc.).
521. Finally, the development of **risk-sharing mechanisms** in the healthcare area pursues the twofold objective of providing access to essential health services on the part of participants, and reducing their outlays in connection with such services. In this connection, the major actions planned include: (i) establishment of the basic legal framework that opens the door to the development of initiatives in this area; (ii) operationalization of the CNAM; (iii) the gradual spread of health insurance through public and private funds, in order to provide medical coverage to all professional groups in the formal sector; (iv) the strengthening and supplementing of experiments aimed at creating mutual associations which permit the medical coverage of professions in the informal sector and the rural world; and (v) the spread of flat-rate obstetrical fees and their expansion to additional structures and therapeutic practices.

#### ***UNIVERSAL ACCESS TO BASIC SERVICES***

522. The problems associated with universal access to basic services will continue to rank high within the PRSP. The aim is to buttress the development policies associated with each sector (telecommunications, ICT, electricity, water supply, sanitation) by policies aimed at improving access to the services in question, in particular on the part of poor people and areas. These policies will favor integrated and innovative solutions (outside the conventional networks) so as to take advantage of the convergence of technology and infrastructure services.
523. Improved access to **telecommunications** services will be sought through: (i) the implementation of operators' action plans pursuant to specifications that are more demanding as regards quality; (ii) enhanced competition in the sector; and (iii) improved capacities on the part of all sector stakeholders achieved through the training of human resources, the adaptation of regulatory and governance tools, and the purchase of better performing surveillance equipment.
524. In the area of **ICTs**, the second phase of the PRSP should make it possible to: (i) strengthen, improve, and adapt ICT services to the country context; and (ii) promote the use of ICTs at the central and deconcentrated government levels, at the commune level, and in the education and health sectors.
525. In this context it is planned to: (i) enhance the penetration and utilization of ICT services (voice, data, images, radio, television); (ii) strengthen the country's global connectivity at the international and national levels; (iii) revise the institutional and regulatory framework; (iv) define and implement a national program for universal access to ICT services, including in particular the launch of "e-community" and "e-home" programs; and (v) build sector capacities.
526. With respect to **electricity**, the failure to privatize SOMELEC prompted the authorities to abandon the idea of seeking a strategic partner and instead to adopt the principle of a state-operator framework agreement. The implementation of this agreement reduces the scope of the electricity code and stymies the effective introduction of the innovative public-private partnership mechanisms advocated in research as well as the development of universal access to electricity services.
527. This being the case, the new phase of the PRSP will focus on: (i) clarifying the institutional and regulatory framework, favoring the establishment of a concertation framework guaranteeing the cohesiveness and complementarity of sector development programs; and (ii) framing the strategic priorities within the new regulatory provisions.
528. These strategic priorities pertain to: (i) improved access to electricity, through continued development of supply and favoring the demand side, particularly at the household level; (ii) the promotion of public-private partnerships through the revision of the institutional and regulatory

framework, as well as the implementation of the ADER and APAUS programs; and (iii) capacity building in the sector through the implementation of a training plan for public and private stakeholders, the development of human resources, and institutional support.

529. Finally, the APAUS work program for 2006-2010, which will be the subject of a performance contract with the state, will include intensification and further pursuit of efforts to significantly improve access to integrated services in rural areas, as well as to strengthen the human and material capacities of the agency.

## 7. THEME 4: IMPROVED GOVERNANCE AND CAPACITY BUILDING

530. Successful implementation of the national economic and social development policy—for which the PRSP is the reference document—is more than ever dependent on the establishment of good governance, inspired by best practices in this area, which accords primacy to the rule of law (laws, regulations, procedures, etc.) and guarantees the equality of all (various levels of government, citizens, organizations, enterprises, etc.) in the enforcement thereof.
531. As the transition government was cognizant of this major challenge, within two months following its installation it adopted action plans in the area of democratic transition, justice, and good governance. These action plans garnered the acceptance and support of all stakeholders from politics, civil society, and the development partners.
532. This revised version of the PRSP has built upon these efforts and formulates, for the 2006-2010 period, strategic orientations and priority measures that will make it possible to effectively implement these action plans during the transition period—through March 2007—and to consolidate and further refine them thereafter.
533. This second PRSP action plan thus proposes to protect the gains made in the area of governance and to apply corrective measures to overcome the shortcomings that continue to slow the country's forward movement in this direction. Accordingly, the strategic orientations are: (i) consolidation of the rule of law; (ii) the improvement of environmental governance; (iii) capacity building in the administration; (iv) support for decentralization; (v) the efficient management of public resources; and (vi) capacity building for civil society. These orientations will be buttressed by the preparation of a communications strategy and the promotion of a more deep-seated participatory approach, making possible the full involvement and contribution of all stakeholders in poverty reduction, including the beneficiaries of policies to that end.

### 7.1 CONSOLIDATION OF THE RULE OF LAW

534. In the area of consolidation of the rule of law, the first priority is the conduct of the democratic transition process, with the revision of the constitution and its submission to the public for approval by referendum, followed by the organization of free and transparent elections. The referendum is scheduled for June 25, 2006, the municipal and legislative elections for November 19, 2006, and presidential elections for March 11, 2007 (1<sup>st</sup> round).
535. Consolidation of the rule of law for the 2006-2010 period will also be sought through: (i) the reform of justice; (ii) the promotion and protection of human rights; and (iii) capacity building in Parliament.
536. With respect to promoting and protecting **human rights**, the actions planned for the period are to implement the National Action Plan for the Promotion and Protection of Human Rights (PNADH). They include: (i) establishment of an independent Consultative Commission on Human Rights; (ii) the ratification of international conventions which have yet to be approved, and their transposition into the national legal order; and (iii) inclusion of the “human rights” dimension in poverty reduction efforts.
537. As the rule of law has no real existence unless it is strongly underpinned by the existence of genuinely independent courts able to ensure their impartiality in enforcing legal standards, the reform of the justice system should continue, in particular through: (i) strengthening of the mechanism for training members of the bench and court personnel (clerks, bailiffs, administrative personnel, attorneys, etc.), in particular through the creation of a training institute for judge and officers of the court; (ii) development of a system for the monitoring and evaluation of judges on the basis of objective criteria agreed to by all; (iii) computerization of the court docket; (iv) preparation of an MTEF for the justice sector; (v) development of infrastructures and equipment for the courts and judicial administrations; (vi) substantial support to the central



directorates, the Inspectorate General of the Ministry of Finance, and civil society organizations operating in the sector; (vii) continuation of the effort to codify and revise legal texts (Code of civil, commercial, and administrative procedures, texts concerning criminal court costs, law on real entitlements, law on corruption, implementing provisions of the commercial code, law providing criminal protection of children, etc.); (viii) regular publication of relevant documents (Supreme Court decisions, *Journal Officiel*, etc.); and (ix) the availability of a court database on line.

538. As an independent legislative body, the Parliament must fully play its role, not only in its capacity as lawgiver but also in its dimension as supervisor and controller of Executive Branch actions. In this context, actions will be focused on: (i) training and technical assistance for members of Parliament; (ii) improvement in the information system and working conditions; (iii) the development of international interparliamentary exchanges; and (iv) bringing office premises up to standards.

## **7.2 IMPROVING ENVIRONMENTAL GOVERNANCE**

539. The difficult weather conditions, the high level of poverty, and the absence of systematic integration of sustainable development into the PRSP and the sectoral factors are all factors which continue to increase the pressure on natural resources and impede the achievement of the objectives for economic growth and poverty reduction. The most striking manifestations of this situation may be observed in the continuing degradation of agricultural and pasture land, where yields are down, the break in the natural balance of ecosystems, and the loss of biodiversity, particularly within the classified forests and in the wetlands, the decrease in fisheries resources, and the deterioration in the urban and periurban environment. All the foregoing are compounded by the risks of pollution of the sea and coastal environment associated with the exploitation of the oil fields there.

540. In addition, shortcomings in the current institutional and legal framework stymie efforts to achieve integrated and sustainable environmental management. The application of the international conventions and agreements that Mauritania has ratified remains tentative, unleveraged, and lacking in overall cohesiveness. The National Environmental Action Plan (PANE) drafted in 2004 has yet to be officially adopted by the government. Although environmental impact studies are required by the framework law on the environment, they are not conducted and validated on a systematic basis and seem to have more to do with a conditionality requirement on the part of donors than with the application of a government policy on the environment. Legislative provisions go unenforced, and environmental information, when not altogether absent, is scattered, disorganized, and hence makes little contribution to steering policy development.

541. However, poverty reduction and the acceleration of economic growth can only be achieved through the adoption of sustainable natural resource management methods, ranging from research for sustained production to the imperatives of conservation and resource renewal.

542. To this end, the strategic orientations adopted for the second phase of the PRSP (2006-2010) are focused around the following main goal: **Systematically integrate the principles of sustainable development into national policies, and reverse the current trend of depleting environmental resources.**

543. In this connection, the first priority action will be the adoption and implementation of PANE, as an overall strategy which fully integrates the cross-cutting aspects of the issue (maritime, coastal, rural, urban environments, etc.). This process will be based on the studies already conducted and will involve all the stakeholders concerned in an effort to achieve national mobilization around this key issue. It will lead in particular to specific proposals for the establishment of an institutional framework for environmental management that is adapted to the new requirements and the harmonization of the legislative and regulatory framework.

544. These efforts will result in the adoption of a priority action plan for 2006-2010 aimed principally at: (i) promoting environmental information as a tool to help with decision-making; (ii) protecting and improving biodiversity and natural ecosystems, in particular in wetlands; (iii) protecting and improving the maritime and coastal environment; (iv) combating soil degradation and sanding; (v) improving urban and rural living conditions; (vi) sustainably managing environmental wastes; and (vii) systematically conducting environmental impact studies and enhancing the capacities of the administrations responsible for coordinating them.

### **7.3 CAPACITY BUILDING IN PUBLIC ADMINISTRATION**

545. Public administration is the Executive Branch's best instrument for achieving the development goals the nation assigns itself. It is the secular arm of the state in its fundamental mission of regulating and imparting impetus to the life of the nation. This being so, its capacities for analysis, programming, and monitoring and evaluation—not to mention its capacities for listening, communicating, and assisting users—are decisive to the success of the PRSP. However, the administration continues to suffer from chronically poor capacity in specifically these areas. These inadequacies are attributable in particular to an organization that is poorly adapted to these requirements and the administration's inability to more skilled staff, make the best of them, and retain them. Therefore, the modernization methods to be implemented in public administration will concern: (i) strengthening the institutional and organizational framework; (ii) the optimal management of the state's human resources; and (iii) improvement in the quality of public service.

546. In the area of strengthening the **institutional and organizational framework**, the action plan will focus on: (i) the adoption of a general state organization chart and the alignment of the ministries' organization charts; (ii) clarification of the missions of public administration and its employees, through the establishment of administrative process mappings and the dissemination and systematic use of manuals of procedure; (iii) enforcement of the general personnel regulations on state civil servants and contractual employees; (iv) the creation of coordination mechanisms; and (v) implementation of a proactive policy on effective deconcentration.

547. Addressing the issue of **human resources** within the administration is largely a question of political will. The first requirement is for a major reform of the compensation system (access to healthcare and retirement) for state civil servants and employees, in order to provide greater incentives and better adapt it to the realities of life. This will contribute to preventing corruption and the embezzlement of public property. Second, management of civil service career streams merits review, with the introduction of clear qualification procedures to be followed before being appointed to technical positions—political factors alone cannot suffice to justify an appointment—, the introduction of clear promotion procedures, and the preparation and implementation of an integrated continuing training program. Finally, drastic improvement in working conditions (buildings, furniture, supplies, internet access, etc.) is essential in order to improve the productivity of employees and the quality of the service rendered.

548. The measures planned for the institutional and organizational framework and for human resources should contribute to the establishment of a **quality public service**. Improving the quality of public service can also be achieved through: (i) promoting equal access to jobs; (ii) increasing the general qualification and skills levels required of employees; (iii) reorganizing and digitizing the administrative archives; (iv) preparing a public services charter; (v) improving the quality of the welcome extended to users; (vi) developing a user information system; (vii) institutionalizing the obligation to answer queries from users and to explain the reasons for administrative acts; (viii) preparation of a concerted and coordinated communications strategy (see *infra*); and (ix) continuing computerization of public administration and the development of online services accessible to the citizenry.

549. Some of these objectives can be met thanks to: (i) the implementation of an ambitious Public Sector Capacity Building Program (PRECASP), which will begin its initial phase, financed by the World Bank, by end-2006; and (ii) the preparation and implementation of the SNDS (see *infra*).

#### 7.4 EFFICIENT AND TRANSPARENT MANAGEMENT OF PUBLIC PROPERTY

550. Improvement in the efficiency and transparency with which public property is managed is a prerequisite for all the reforms and priority actions proposed in the PRSP. The 2006-2010 action plan in this regard of course includes the measures proposed elsewhere s regards revenue and the effectiveness of public spending (see Theme 1) and monitoring/evaluation (see Theme 5). However, the innovation at this level is the introduction, for the first time in Mauritania, of the fight against corruption, the embezzlement of public property, and the ties between the citizen and the commonweal as a central theme of public policies.
551. The measures proposed in this framework include, in addition to the strengthening of supervisory institutions: (i) the launch of a national debate leading up to the design and introduction of a national strategy to combat corruption; (ii) adoption of a law on corruption and the ratification of international conventions on corruption; (iii) preparation of a communications strategy focused on the ties between the citizen and the commonweal; (iv) adoption of a regulatory text which establishes the obligation to report assets before taking office and at the end of one's term; (v) simplification of the payment authorization, payment, and settlement channels; (vi) systematic and mandatory recourse to competitive bidding; and (vii) improvement in the compensation conditions applicable to state civil servants and employees.
552. **Budgetary oversight:** In this area, the focus will be on capacity building of the various stakeholders involved in budgetary oversight. In the case of the Audit Office, there are plans to complete the legal framework, improve the institution (by introducing specialized chambers), and make the Office's annual reports public. For the Inspectorate General of Finance and internal inspections, the changes will center on the extent to which missions are pinpointed, strengthening and deconcentrating human and material resources, and extending the unit's initiative in respect of preparing and executing its audit programs. In addition, the regulation on chartered accountancy will be improved and the resources of the Inspectorate General of State will be augmented. It is also planned to introduce an institutional mechanism for evaluating public policies.
553. Other important measures are also planned in the areas of:
- Reform of the regulatory framework for **government procurement**: This reform is aimed at introducing new mechanisms that will impart transparency to the contract award process, improve the capacity to absorb investment, harmonize the procurement regulations with the procurement guidelines of the major development partners, and improve the capacity of the public sector to respond efficiently, in a competitive environment, to expressions of interest and calls for bids issued by the administration. The measures envisaged thus relate to the preparation and adoption of a new government procurement code, dissemination of the regulations, training stakeholders in the contract award procedures, and establishing a regulatory structure.
  - Improved **coordination of external assistance**: The priorities include the development of an integrated information system on external assistance, the dissemination of annual reports on external assistance, and establishing more efficient mechanisms for the concerted management of programs and projects with development partners.
  - Rehabilitation of **public enterprises**: In addition to settling the state's arrears to these enterprises, a series of measures will be adopted with a view to improving their management effectiveness: revision of the legal provisions of 1990, strengthening of program-contracts, the adoption of codes of good conduct, and standardization of information gathering and budget forecasting methods.
  - Management of **state assets**: The major measures relate to: (i) the introduction of a computer system encompassing the taxation, government property, land registry, real property management, and accounting functions; (ii) conducting a real property inventory and delimiting public lands in Nouakchott and the regional capitals; (iii) capacity building at the

Directorate of Government Lands; (iv) revamping of the legal provisions on the management of public lands; and (v) continuing actions in connection with introducing the land registry for the city of Nouakchott.

## **7.5 DECENTRALIZATION**

554. Moving ahead with decentralization is one of the major orientations of the PRSP in view of the critical role played by decentralized stakeholders in the economic and social development process. The actions planned in this connection during the 2006-2010 period involve: (i) continuing the reform of the institutional and regulatory framework in order to better adapt it to the new missions of local government; (ii) broadening the territorial scope of decentralization, in particular by making the wilayas “decentralized subnational governments;” (iii) implementation of the Program for the Development of Decentralization and Participatory Democracy (P3D); (iv) building capacities in commune-level management, by continuing to train the elected officials and employees of communes and by modernizing equipment; (v) mobilizing additional resources benefiting the communes; (vi) promoting intercommunal activities; (vii) providing technical and logistical support for regional mayors’ associations; (viii) drawing up communal development plans (PDCs); (ix) promoting partnerships with civil society; and (x) moving ahead with deconcentration, in particular by supporting subnational government and the deconcentrated agencies of the state.

555. In addition, the coordination and harmonization of the efforts made by numerous stakeholders—both national and international—in respect of decentralization will be a core concern of the public authorities for the second phase of the PRSP. Already, some European partners are working with the government to pool the resources intended for financing local development and strengthening commune-level project ownership.

## **7.6 CAPACITY BUILDING OF CIVIL SOCIETY**

556. The presence of an active civil society that participates fully in the management of public affairs is one way to ensure the sustainability of the rule of law and ownership of the poverty reduction strategy. Therefore, the efforts to build the capacities of civil society organizations will be consolidated and intensified, in particular through the: (i) revision of the procedures for granting development association status; (ii) effective introduction of the National NGO Professionalization Support Fund (FAPONG) at the CDHLCPI; (iii) preparation and implementation of a vast capacity building program; and (iv) providing technical and logistical support to the civil society Cyberforum. Finally, the efforts to make the structures grouping together civil society organizations will be continued.

## **7.7 COMMUNICATION STRATEGY**

557. As the government is cognizant of the importance of communications in consolidating the rule of law and firmly establishing good governance in the country, it has launched the process of developing a national strategy for communications about public policies. This strategy, which targets all stakeholders (government, elected officials, civil society, the general public, the poor, development partners, the international community, etc.) should make it possible both to inform and to hear reactions, this on a regular basis and in formats adapted to match each target category. This exercise is also aimed at federating, organizing, and coordinating all of the government’s communications efforts.

558. In this connection, it is proposed, first, to adopt a communications law and its implementing provisions in order to define obligations in this regard (contents, formats, frequency), the sharing of roles, etc. In addition, as part of the efforts to modernize public administration, it is planned to: (i) build the capacities of the ministry responsible for the sector; and (ii) systematically address the communications function within each department by designating a spokesperson, setting up a specialized unit, regularly holding press conferences, outfitting a press room, systematically publishing information bulletins, etc.

559. Moreover, the media will be called upon to play a key role not only in respect of information and dissemination activities (in particular for the isolated areas of the country), but also for embedding the culture of dialogue and contradictory, constructive, and responsible criticism. In this regard, it is planned to take steps to develop the capacities of the press (both public and private) so that it can make an effective contribution to the proper functioning of a democratic state and ensuring the ownership of development policies. Finally, the strategy should envisage greater opening to audiovisual efforts (private radio and television stations) and the promotion of more frequent, more diversified, and better quality productions (both public and private).

### **7.8 PROMOTING THE PARTICIPATORY APPROACH**

560. Promotion of the participatory approach at all levels and throughout the public policy and development project cycles is an essential requirement of: (i) good governance, because participation is above all a right; (ii) making the most of the people's potential, because when they are invited to participate, they feel that they will be heard and can make a significant contribution; and (iii) improving the impact of public policies, because participation is a fundamental component of ownership.

561. On the strength of this observation and the progress made in this area, the government intends to further pursue the participatory process of the PRSP at the central, regional, and local levels alike. First, at the central level, the creation of permanent Sectoral Technical Committees (CTs) in each department will broaden dialogue about sectoral issues (see Theme 5). Second, at the regional level, the interregional concertation workshops on the PRSP, at which stakeholders in poverty reduction representing the wilayas were gathered together at four sites, will now be replaced by regional workshops in each wilaya starting in 2007 during the concertation on PRSP implementation in 2006. Finally, community-level concertation activities which make it possible to hear the views of beneficiary populations using sociological techniques (such as focus groups, semi-structured interviews, etc.), a process already piloted in 2002, will be conducted on a broader scale on a regular schedule in the course of PRSP monitoring.

562. This version of Mauritania's second PRSP is the outgrowth of a length concertation process which made it possible to involve the full and diverse range of stakeholders (central and subnational governments, communes, political parties, civil society and private sector organizations, resource persons, development partners, etc.) in the various stages of preparing the paper: (i) work of the Sectoral Technical Committees (of which there are 37) and the Thematic Technical Groups (numbering 5); (ii) meetings of the standing coordination and concertation committees (CILP, CCLP, and CDLP); (iii) meetings with the political parties; and (iv) interregional workshops and national meetings.

563. The latter constituted the culmination of concertation at the central and regional levels. Thus, the interregional concertation workshops on the second PRSP were held at the normal sites (Aïoun, Kaédi, Rosso, and Atar) on May 23-25 in the case of the first three sites, and May 30-June 1, 2006 in the case of Atar. This year, considerable progress was made at these workshops in terms of broadening the participatory process—over 900 persons took part—with the involvement of the political partners and grassroots community organizations (women's cooperatives, local producers' organizations, etc.).

564. The national concertation meetings on PRSP-II were held in Nouakchott on June 5-7, with the participation of the administration, local elected officials, civil society organizations (political parties, NGOs, labor unions, etc.), the private sector, and technical and financial partners.

565. The participants in the interregional workshops and national meetings made both general and specific recommendations (see Box 13 for the specific recommendations).

566. The **general recommendations** pertain primarily to: (i) improving the concertation process on the PRSP, particularly at the regional level, where each wilaya should now be involved individually within the framework of the Regional Poverty Reduction Committees (CRLPs);

(ii) setting up PRSP implementation projects similar to the PASK in the area of Chemama and the border areas in the south and east of the country; and (iii) improving the targeting of the poorest and most vulnerable population groups (female heads of household, the disabled, etc.).

567. The final version of PRSP-II already incorporates almost all the major general and specific recommendations. Other recommendations will be the subject of an in-depth study and discussions with the same stakeholders. These are, in particular: the degree to which decentralization should move forward in the specific context of Mauritania (status of wilayas, creation of a ministerial department in charge of decentralization, etc.); (ii) the creation of a ministerial department on the environment; (iii) the use of the revenue derived from the exploitation of hydrocarbon deposits; (iv) the selection of the counterweight metropolises to be promoted in the context of the territorial development vision; and (v) the use of “zakat” (almsgiving) as a poverty reduction tool.

### **Box 13: The specific recommendations of the concertation workshops and meetings**

The main specific recommendations made by participants in the interregional workshops and national meetings held in May and June 2006 are set forth below by area of interest:

**Territorial development:** (i) Properly reflect political will by adopting a national policy on territorial development; (ii) alongside Nouakchott and Nouadhibou, promote two or three countermagnet metropolises in order to speed economic and social development; (iii) build the capacities of the institutions concerned and their human and material resources needed for carrying out their missions.

**Environment:** (i) Build the capacities of regional technical services and the conduct of public awareness campaigns to prevent and combat brush fires; (ii) strengthen the measures targeting environmental impact assessments of maritime resources and other natural resources related to oil production and risk management; (iii) rigorously enforce the various environmental codes that have been promulgated; (iv) manage watercourses and the protection of watercourses from any form of pollution; and (v) introduce environmental education modules in educational and literacy training programs.

**Gender equity:** (i) Institutionalize gender issues in all institutions concerned by building human and financial resources; (ii) take the specific needs of women into account more effectively in development programs; and (iii) introduce affirmative action programs favoring women.

**Social protection:** (i) Organize targeted surveys aimed at vulnerable groups; (ii) redefine the concept of social safety nets with emphasis on the indigent and disabled; and (iii) develop a strategy for promoting and integrating the disabled.

**Livestock farming:** (i) Introduce an adequate financing system for livestock farming; (ii) produce vaccination and animal health maps; (iii) conduct a livestock farming census aimed at improving the quality of the available information and thereby improve programming and monitoring and evaluation, and (iv) effectively apply the legal provisions governing the sector, in particular the Pastoral Code.

**Agriculture:** (i) Introduce more effective measures to combat crop pests, especially borers; (ii) promote rain fed agriculture, the main guarantor of food security; (iii) promote crop diversification, the modernization of farming methods, and the mechanization of production tools; (iv) rehabilitate former agricultural perimeters; (v) develop a cohesive strategy for product marketing and agricultural credit; and (vi) rehabilitate the National Agricultural Training and Extension School (ENFVA).

**Urban development:** (i) Extend PDU interventions to the regional capitals and other secondary cities; (ii) improve the coordination and circulation of information among urban development stakeholders; (iii) construct access paths in urban areas; (iv) extend and strengthen the network of urban and interurban roads; (v) establish more effective mechanisms for maintaining the road network; (vi) speed up the efforts to make at-risk neighborhoods more viable; (vii) operationalize the town planning master plans; and (viii) improve sanitation and the management of urban waste.

**Education:** (i) Improve the material conditions of instructors and teachers in the public sector; (ii) combat all factors that are disincentives to student retention (schools without complete programs, poverty, early marriage, etc.); (iii) impart new dynamism to school canteens and food facilities; (iv) adapt vocational training to the needs of the labor market; (v) focus efforts on quality improvement; (vi) build on initial schooling (Koranic schools, mahadra, etc.); (vii) introduce school uniforms for boys and girls, properly addressing specific gender requirements; and (viii) organize States General on education.

**Culture:** Incorporate cultural development as a strategic objective of the PRSP, and reflect this in specific programs and activities.

**Health:** (i) Strengthen emergency intervention mechanisms, especially in isolated areas; (ii) improve the working conditions of healthcare personnel; (iii) strictly control imported medicines and review the cost recovery system; and (iv) bolster the efforts to combat epidemics and natural disasters.

**Potable water:** (i) Promote community water service pipes; (ii) conduct a census of water service points in the northern regions; (iii) improve the management of surface water in order to raise the water table; (iii) lower the cost per m<sup>3</sup> of water in order to facilitate access by the poor; (v) develop and adopt a sanitation strategy; (vi) strengthen the potable water supply networks in the valley; and (vii) enhance the coordination of stakeholders in the sector.

**Decentralization:** (i) Gradually move forward with decentralization, in particular through reform the status of wilayas; (ii) provide mayors' offices with the financial resources needed for the development of their communes by allocating a larger share of national revenue to them; (iii) strengthen the coordination of sectoral policies at the commune level; (iv) revise commune-level taxation; and (v) increase intercommunal cooperation.

**Civil society:** (i) Financial and logistical support for civil society organizations that have demonstrated their genuine capabilities and have credibility on the ground; (ii) revision of the procedures for approving civil society organizations; and (iii) bringing consumer protection groups and labor unions into the processes for **civil society capacity building**.

**Monitoring and evaluation:** (i) Introduction of an independent, flexible, and efficient monitoring and evaluation mechanism; (ii) simplification of the monitoring and evaluation procedures and mechanisms; and (iii) spreading monitoring and evaluation systems to all sectors.

## **8. THEME 5: ENHANCED STEERING, MONITORING, EVALUATION, AND COORDINATION**

568. The need to ensure the effective, concerted, and coordinated implementation of the PRSP is a critical requirement for ensuring the success of efforts to reduce poverty and improve the living conditions of Mauritians. Indeed, one of the greatest weaknesses of the first phase of the PRSP was the absence of systematic oversight allowing rapid access to information on deviations from forecasts (priority actions, timetable, resource mobilization, etc.) and the resulting recommendations on adjustments.
569. In addition, the absence of formal operationalization of the PRSP following its adoption led to numerous deviations at the sectoral department level owing to their limited sense of PRSP ownership. Accordingly, the role of the departments in PRSP implementation was not always clear in their eyes, and they often spoke of the difficulty of directly connecting their routine work with poverty reduction. This situation is explained in particular by the fact that the PRSP is an orientation document which sets out goals and priority measures, but is not intended to go into detail about sectoral and thematic action plans.
570. To address these shortcomings, the government proposes to move well beyond the steps taken in April 2005 with a view to ensuring the establishment of: (i) an institutional mechanism adapted to the new requirements; (ii) a high-performance monitoring and evaluation system; (iii) regular reporting tools; (iv) mechanisms to improve the coordination of the interventions by all stakeholders in poverty reduction (government, elected officials, civil society, private sector, development partners); and (v) a clear process for operationalizing the PRSP. Finally, an integrated strategy for communications concerning development policy will be developed and implemented (see *infra*).

### **8.1 INSTITUTIONAL MECHANISM**

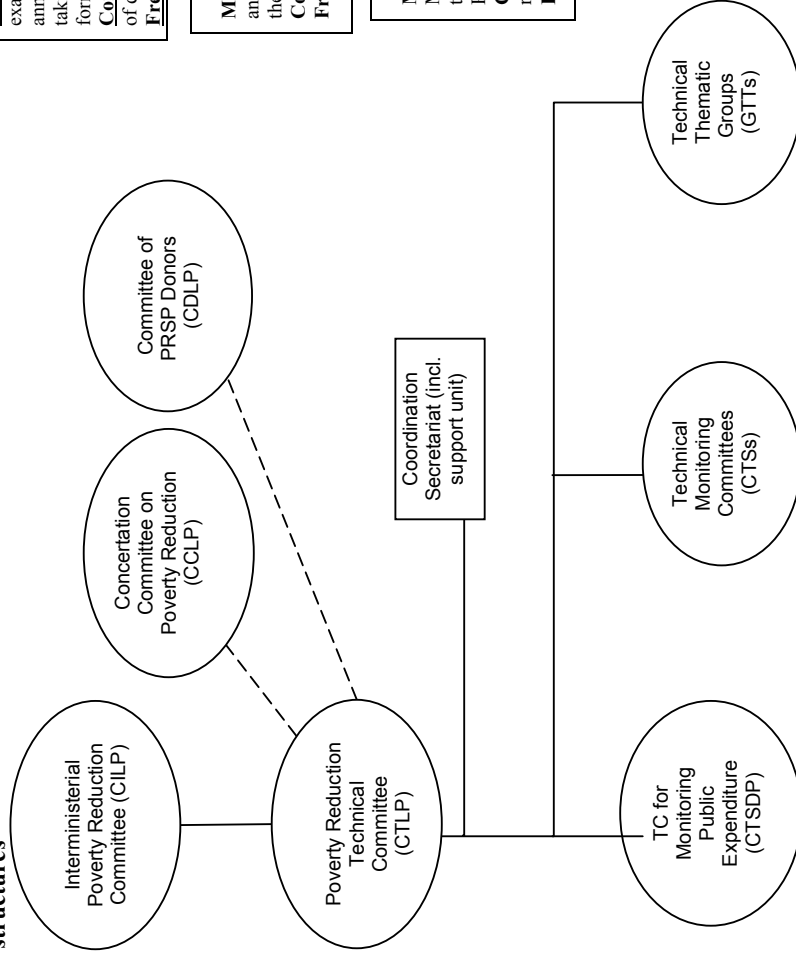
571. The institutional mechanism for the PRSP, in place since March 2000, was thus revised in light of the shortcomings observed during the first four years and the changes formalized by decree in April 2005, in the context of the PRSP revision and the preparation of its 2006-2010 action plan (see Box 14). This mechanism should be reviewed once again to make it less unwieldy, while retaining the key objective of promoting more ownership and firmer establishment of the culture of programming, monitoring, evaluation, and communications within the ministries. The result of this process will be a more flexible mechanism that should make it possible both to provide hands-on monitoring of PRSP implementation—once the monitoring and evaluation system and the reporting tools are in place—and to improve the coordination of multiple interventions under the PRSP (see below).

### **8.2 MONITORING AND EVALUATION SYSTEM**

572. The objectives of the monitoring and evaluation (M&E) system for the PRSP are to: (i) monitor the poverty phenomenon in all its various dimensions; (ii) monitor the implementation of the various PRSP programs; and (iii) evaluate the specific impact of the major public programs and the PRSP overall on growth, poverty, and living conditions in general. The system should make it possible to report on the progress made, measure the efficiency and effectiveness of the policies implemented, and contribute to adjusting the measures taken in light of their performance in respect of growth and the people's living conditions.
573. Monitoring the phenomenon of poverty in all its dimensions is carried out via a set of indicators that provide information on developments with various degrees of disaggregation—national and regional levels, urban and rural areas, gender, etc.—on household living conditions: per capita incomes, capital (physical, human, institutional, financial), the availability of socioeconomic infrastructures, and access to essential services (healthcare, education, potable water, communications, etc.).



**Box 14: Institutional mechanism for monitoring PRSP implementation: Key structures**



**Interministerial Poverty Reduction Committee (CILP)**  
**Mandate:** (i) Validates the half-yearly and annual reports on monitoring PRSP implementation; (ii) examines and validates the PRSP impact evaluation report; (iii) approves multi-year programming and annual actions plans for implementing the strategy; (iv) adopts the proposed messages to Parliament taking stock of PRSP implementation; and (v) examines the National Reports on MDG monitoring and formulates recommendations to ensure that they are achieved.  
**Composition:** Chaired by the Prime Minister. Secretariat: MAED/CDHLCPI. Members: all ministers of departments involved in PRSP implementation.  
**Frequency of meetings:** Twice a year.

**Concertation Committee on Poverty Reduction (CCLP)**  
**Mandate:** Monitors the entire process of PRSP preparation, including the preparation of national meetings and interregional seminars, and ensures that the recommendations made in this for are taken into account in the PRSP.  
**Composition:** Chaired by MAED. Members: ministers, representatives of elected officials and civil society.  
**Frequency of meetings:** Twice a year

**Donors' Committee**  
**Mandate:** (i) Reports on progress with PRSP implementation and on specific performance in respect of the MDGs; (ii) evaluates the problems experienced with the execution of the priority programs supported by the development partners; (iii) monitors the partners' financial commitments in favor of implementing the PRSP action plan; and (iv) strengthens the cohesiveness and complementarity of donor interventions.  
**Composition:** Chaired by MAED. Members: MF, GR/BCM, CDHLCPI, all development partners represented in Nouakchott.  
**Frequency of meetings:** Quarterly.

**Poverty Reduction Technical Committee (CTLP)**  
**Mandate:** (i) Monitors on an ongoing basis the implementation of the various PRSP programs; (ii) ensures that the monthly statements and progress reports required by the M&E system for the PRSP are produced; and (iii) provides the technical coordination of the various stakeholders in the institutional mechanism.  
**Composition:** Chaired by the development policy advisor of MAED. Members: Coordination Secretariat + chairs of the sectoral technical committees.  
**Frequency of meetings:** Quarterly.

**Sectoral Technical Committees (CTSs)**  
**Mandate:** (i) Centralize and consolidate the monthly program status sheets intended for the minister concerned; (ii) prepare the sectoral management indicators for monitoring priority actions; (iii) assist with internal concentration on the results and recommendations from sector monitoring; (iv) disseminate monitoring information to the PRSP Technical Committee; and (v) service as sectoral "focal points" for all program monitoring exercises (MTEF, MDG monitoring, etc.)  
**Composition:** Core group: heads of programming and monitoring units, Finance/DAF unit, and Statistics unit. Plenary: Other departments concerned, civil society, private sector, IFPs.  
**Frequency of meetings:** Monthly for core group, quarterly for plenary.

574. Monitoring PRSP implementation includes: (i) the monitoring of resources, making it possible to track developments in respect of the initial appropriations allocated, the degree to which financial resources have been consumed, and how resources are channeled toward their final use; (ii) the monitoring of the means, activities, and outcomes obtained from the resources effectively put into play; and (iii) the monitoring of performance, making it possible to assess the extent to which the results obtained are consistent with the targets set.
575. The monitoring indicators proposed in this version of the PRSP endeavor to respond to these needs by providing more complete information on the overall process than in the past. They are the result of in-depth, iterative discussions, largely within the “monitoring and evaluation” thematic and technical group and with the development partners, which were in a position in particular to enable Mauritania to benefit from the lessons learned from experiences in other countries. In their present form, most of the indicators described in the matrix of measures (Annex 5) are indicators of inputs, outputs, and performance. There are 253 indicators, or 6 to 8 indicators per CTS and 11 indicators per ministerial department on average. However, it was possible to obtain data on only 38 percent of them for the reference year (generally, 2004). It is therefore proposed that: (i) the list of indicators be revised to make it more flexible and to ensure that they are relevant and can be measured on a regular basis; and (ii) data be assembled for all of them by 2008.
576. The aims of PRSP evaluation are to: (i) measure and interpret the changes that have occurred in the situation of the poor as a consequence of the various public programs; (ii) assess the effectiveness and efficiency of the major priority programs in terms of the long-term goals defined in the strategy; and (iii) propose the necessary adjustments which might increase the impact of these programs on poverty reduction and, in general, improving living conditions.
577. In this regard, it is planned to conduct: (i) partial evaluations, which will be carried out on a regular basis in order to assess the impact obtained from a given strategy or program; (ii) a global evaluation at the midpoint of the PRSP period in 2008; and (iii) a global evaluation of the impact of all the policies implemented during the 2006-2010 period. The evaluation methodology will be developed by the CMAP, which will also be responsible for the implementation of a training plan on modern evaluation methods directed at senior government personnel as well as civil society and private sector organizations.
578. The proposed M&E system should also involve the beneficiary of public programs (users of public services, targeted groups of the poor, etc.) by developing qualitative surveys of beneficiaries both at the global level (on the perception of poverty and the impact of the policies implemented) and at the individualized level for the major projects.
579. In addition, in order to tap the system’s full potential, it should bring together all the efforts made in the area, integrating and simplifying the various steering mechanisms and monitoring tools (CSLP, OMD, CDMT, budgetary assistance, sectoral plans, specific programs and projects, etc.).
580. Moreover, its effective implementation will require the development of a cohesive data gathering program under the National Statistical Development Strategy (SNDS) now being prepared (see Box 15). It will also be necessary to build technical capacities, particularly within the administration where the culture of monitoring and evaluation remains embryonic.
581. Finally, provisions relating to M&E (standards, technical tools, methods and procedures, institutional responsibilities, commitments, timetables, etc.) will be covered by a **law organizing the PRSP monitoring and evaluation system**. Obviously, this law will take account of the other legal provisions in force, in particular the Statistical Law and the laws governing the programming, execution, and monitoring of public expenditure.

### 8.3 REPORTING TOOLS

582. The reporting tools proposed are intended primarily to be genuine tools for steering and assisting with decision-making, and their primary function is regularly to provide reliable information to decision-makers—and other PRSP stakeholders—whereby they can take stock of the resource mobilization level, the degree to which planned actions have been implemented, possible gaps by comparison with programming, etc. These tools include: (i) resource tracking tables; (ii) the sectoral quarterly management indicators for monitoring priority actions; (iii) the quarterly summary memorandum and the intermediary report; (iv) the annual report on PRSP implementation; and (v) the report evaluating the impact of the PRSP.
583. **Resource tracking tables:** Three tracking tables are proposed, covering monthly, quarterly, and annual periods, respectively. The monthly table is highly aggregated and not broadly distributed. The quarterly table provides a more detailed view of budget execution (by financing sources, institutions, checking priority expenditure lines in terms of current and capital outlays). It is disseminated for use in the quarterly concertation sessions on PRSP monitoring. The annual monitoring indicators table shows selected indicators on the government's budget choices in respect of poverty reduction and the intersectoral and intrasectoral priorities identified for the fiscal year. It is used both as a reference for tracking expenditures actually made (monthly and quarterly tables) and as an instrument for retrospective analysis (analysis of the allocations for the year under review by comparison with those of prior years).
584. The three management indicator tables for financial monitoring will be managed at the DBC/MF, but their preparation requires alignment of the information managed at various levels within or outside the Ministry of Finance (project/FCP execution, disbursements against financing agreements at the DPSP/MAED level, status of payment order authorizations in the DAFs, beginning in 2007).
585. **Quarterly sectoral table of management indicators for tracking priority actions:** Prepared by each CTS, this table of management indicators includes essential information that can be used to measure, during the year and at the level of each ministry, the state of progress of the priority sectoral actions. It contains a limited number of indicators, highly synthesized comments on expenditure execution and the progress of priority programs, and recommendations for decisions to be reached in the very short term. The attached quarterly program sheets are updated quarterly. The table of management indicators may be regarded as an internal memorandum but the program sheets are used as the basis for consolidation efforts (PRSP coordination).
586. **Quarterly summary memorandum and intermediary report:** The quarterly summary memorandum is prepared at the end of the first and third quarters, and is based on the consolidation of information on expenditure (quarterly budget tracking table) and on the progress with sectoral programs (quarterly sectoral monitoring table of priority actions). It reports and comments on the major results for the quarter (overall rate and sector-by-sector rate of “physical” progress with the priority actions, expenditure execution rate) and focuses on the critical issues deemed likely to be the subject of immediate decisions.
587. The “intermediary” report replaces the summary memorandum for the second quarter, but it is more detailed, as it is intended to draw lessons from performance in the first half of the current year to help with the process of making budget trade-offs for purposes of programming the budget for the following fiscal year.
588. **Annual report on PRSP implementation:** The main feature of the annual report continues to be its focus on annual PRSP monitoring. It takes stock of the progress made during the year and of the revised programming of priority actions for the remaining years of the action plan currently in force. Its format will be updated by comparison with the current model (more flexible matrix for the updated action plan, structuring of information by sector and by program, annual performance indicators, greater emphasis on budgetary aspects, etc.).

589. **PRSP impact evaluation reports:** The midterm evaluation and global evaluation of the PRSP as a whole will be conducted in 2008 and at the end of the second phase of the PRSP (2010), and will be the subject of widely disseminated reports.

#### **8.4 COORDINATION**

590. Significant improvement in the coordination of the interventions of all stakeholders constitutes one of the major challenges of the second phase of the PRSP. It has been observed that the weaknesses identified in the PRSP have, in the past, resulted in: (i) the implementation of numerous activities which were not called for under the first PRSP, resulting in the neglect of some priority actions; (ii) mistakes in the sequencing and complementarity of poverty reduction actions, steps that are essential to ensure their sustainable impact; and (iii) widely scattered efforts on the part of skilled human resources, which are not abundant, in particular in response to the requirements of development partners (procedures, missions, reporting, etc.).
591. To address these shortcomings, emphasis will be placed on: (i) strengthened coordination of all stakeholders; (ii) bringing the interventions of technical and financial partners into line with the PRSP, and harmonization of their procedures; and (iii) streamlining of ad hoc mechanisms (committees, groups, etc.).

#### **Coordination**

592. Improved coordination of the government's actions will be carried out first at the level of the Prime Minister, who chairs the Interministerial Poverty Reduction Committee (CILP). Thus, action plans covering the transition period have been required of all departments since early 2006. These actions plans, submitted quarterly, will be closely monitored and reflected in the quarterly reports on physical and financial execution. The CTLP and its Coordination Secretariat will subsequently contribute to strengthening this coordination thanks to the monitoring and evaluation system and reporting tools to be introduced for the PRSP.
593. The interventions of the various poverty reduction stakeholders will be coordinated: (i) at the central level, within the forums established in the institutional mechanism of the CSLP (CCLPs, CDLPs, GTTs, and CTSS), which will be renewed; and (ii) at the wilaya level within the Regional Poverty Reduction Committees (CRLPs), which will ensure the coordination of all interventions called for under the Regional Poverty Reduction Programs (PRLPs).

#### **Alignment and harmonization**

594. In addition, in accordance with the Paris Declaration on ODA, the government will continue to work with the development partner community in Mauritania to make rapid progress toward: (i) the systematic alignment of their assistance with the orientations, priorities, and spirit of the PRSP; and (ii) the harmonization of conditionalities, procedures, steering mechanism, monitoring and reporting systems, etc.
595. The general principles underlying these harmonization efforts are focused on: (i) concertation/coordination led by the government; (ii) a broadened process of ongoing participatory dialogue; (iii) a proactive and consensual approach to the conditions necessary for achieving the country's goals, strategies, and programs; (iv) firm, multiyear financial commitments on the part of the technical and financial partners; and (v) an understanding on the financial management, procurement, and monitoring and evaluation mechanisms used.
596. In this regard, the government is committed to defining a **National Action Plan** with the following objectives: (i) to streamline the mechanism for state-TFP dialogue (see below); (ii) to strengthening the public finance programming and management efforts (including procurement procedures); (iii) to improve the coordination of development partners and the harmonization of their procedures; and (iv) to place emphasis on monitoring and evaluation aspects.
597. In this context, the approach to be taken toward aligning and harmonizing the interventions of the technical and financial partners (TFPs) will be based on improved budgetary programming and management of international financing, principally through: (i) adoption of the principle of budget

unity; (ii) generalized use of MTEFs and their effective incorporation into the budgetary process; (iii) strengthening of the procedures and resources devoted to budget preparation in all departments (including the establishment of a budget preparation timetable and a functional classification of expenditure); and (iv) the introduction of a mechanism for monitoring ODA and an integrated external debt management system.

598. More generally, the 2006-2010 national action plan will reflect a range of priority measures in the following areas:

- Streamlining the architecture of concertation/coordination measures around the PRSP;
- Strengthening the linkages between the PRSP, the MTEFs, and the budget, setting realistic and sustainable performance objectives in light of existing capacity building programs;
- Bringing aid inflows into line with national priorities (recording aid in the budget) and consolidating the management and monitoring system for the PRSP and external financing (ODA, flows resulting from debt cancellation, monitoring of foreign direct investment, accurate stock-takings of ongoing programs and projects);
- National evaluation of existing procedures for public finance management and procurement, including a census of parallel project units and their gradual incorporation into national mechanisms;
- Planning of national steps toward introducing program approaches based on the sectoral strategies of a number of priority sectors (education and health, water supply, and infrastructure), gradually including other sectors as well; and
- Identification of the needs for national capacity building on a sectoral basis, through coordinated support from TFPs and in keeping with an indicative timetable.

599. The National Action Plan—to be quantified and to include a precise timetable—will be prepared by end-August 2006, discussed in the PRSP context before end-October 2006, and then submitted to the Consultative Group for formal adoption. It will serve as a reference base for policy dialogue and the monitoring and evaluation of the implementation of the PRSP-II and the Paris Declaration. It will also be a primary reference for the cooperation strategies with development partners.

### **Streamlining of mechanisms**

600. Finally, to be efficient, coordination must be based on simple mechanisms. In this context, the efforts to streamline the existing mechanisms will be continued, both as regards the mechanisms created in response to internal requirements and those created in response to external demand. The aim will be to define a revised mechanism that is both realistic and operational, one that permits performance-based managed based, on the one hand, on the state's budgetary programming and external aid flows, and, on the other hand, on harmonized, consensus-based indicators that are consistent with the MDGs.

601. As the PRSP is the reference document for the economic and social development policy, the mechanism put in place for the process, if it is to be fully relevant, must be the mandatory review of all interventions in this area. In particular, the CTSs established at the level of each department—and which will be redefined more flexibly—should serve as entry points for the sectoral coordination and concertation of all exercises relating to the PRSP (MDGs, MTEFs, project reviews, reviews of sectoral strategies, sectoral studies, etc.).

### **8.5 OPERATIONALIZATION OF THE PRSP**

602. This PRSP has been prepared on the basis of the reports from the CTSs and GTTs. Its aim is to show how Mauritania is organized in order better to combat poverty, through a summary presentation of the objectives, strategic orientations, priority measures, and mechanisms whereby it is possible to coordinate interventions and thereby ensure that they are more complementary and have a greater impact. Obviously, of course, it does not seek to be exhaustive or to replace the reports on which its preparation is based. To the contrary, these reports—documents which are of

course far more detailed and more closely resemble sectoral or thematic action plans—, the overall MTEF, and the sectoral MTEFs, effectively constitute tools for operationalizing the PRSP.

603. Thus, the first stage of PRSP implementation following its adoption will be the revision of the sectoral and thematic reports on the basis of new data (economic, financial, and social), corrected data, and the final choices made in the PRSP. The reports should also: (i) incorporate the monitoring and evaluation systems and reporting tools developed in the thematic and technical group on “monitoring and evaluation;” and (ii) take into account the various constraints affecting the MTEFs. This stage will make it possible to: (i) promote greater ownership of the PRSP and its various operationalization tools on the part of the technical ministries; and (ii) contribute to creating the conditions for ensuring greater conformity of the actions to effectively be implemented with those called for in the PRSP.

604. At the regional level, operationalization of the PRSP will be achieved through the PRLPs to be finalized by mid-2007. Finally, at the local level, the PDCs to be established everywhere will serve as the framework for PRSP implementation at the commune level.

### **Box 15: The National Statistical System**

The National Statistical System was restructured beginning in 2000, making it possible to introduce a Master Plan for Statistics (SDS) for the 2000–2005 period, and, more recently, to initiate the development of a National Statistical Development Strategy (SNDS).

Implementation of the SDS led to the following main achievements:

- i. Strengthened coordination and cooperation in respect of statistics: renewed dynamism of the bodies responsible for coordinating the statistical system, membership in the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT) in 1997, and joining the IMF’s General Data Dissemination System in 2004;
- ii. Completion of the Third General Population and Housing Census (RGPH 2000) and several statistical surveys, including the ongoing survey of household living conditions (EPCV 2000 and 2004), the population and health survey (EDS 2000), the global survey on health in Mauritania (EMSM 2003), the survey on child mortality and malaria (EMIP 2004), the annual survey of farmers (EMEA), and the baseline survey on development project impact;
- iii. Modernization of economic statistics: Adoption of the new standards set by the United Nations with respect to national accounts (SNA93), preparation of a new harmonized consumer price index (HCPI), introduction of an improved system for monitoring short-term economic developments, and initiation of an integrated system for business statistics (SISE);
- iv. Reorganization of sectoral statistical systems: health (SNIS), education, trade, tourism, employment;
- v. Dissemination: development of a website, regular production of CD-ROMs, design of the MauritInfo and 2gLDB databases, holding of seminars to disseminate survey results, and Annual Forum on Poverty Statistics Indicators (FISP);
- vi. Institutional reform and capacity building: creation in 2003 of 6 new regional statistical units (increasing the total to 10), organization of the annual entry examination for African statistical schools, construction and outfitting of the new headquarters of the National Statistical Office inaugurated in November 2002, adoption of a new law on public statistics promulgated in January 2005, and its implementing decree No. 2006-024 of April 17, 2006.

However, despite these major advances, the performance of the national statistical system falls well short of expectations and there are major challenges yet to be met:

- i. Improving the quality of statistics production in terms of relevance, reliability, timeliness, coverage, and dissemination conditions;
- ii. Improving the use of administrative data and tying them in with the survey program for establishing relevant monitoring and evaluation systems;
- iii. Consolidating and continuing the performance already achieved in respect of statistical coordination, in particular as regards programming activities, standardizing and harmonizing concepts and methods, and making the new legal and institutional framework under the statistics law operational;
- iv. Developing and equipping the regional statistical units for producing geographically disaggregated data and meeting the ongoing needs for regionalization under the PRSP;
- v. Refining the archiving and dissemination practices;
- vi. Improving the working conditions of senior staff in the National Statistics System, training national statisticians, and, more generally, developing the human resources of the SNS;
- vii. Enhancing the involvement of statistical agencies in data analysis activities;
- viii. Modernizing and securing the terms for financing statistical operations.

Developing and implementing the SNDS in accordance with a participatory process that fully involves the users and producers of statistics (government, civil society, academics, private sector, press, etc.) is a high priority for the second phase of the PRSP.

## **ANNEXES**

## ANNEX 1: PROGRESS ON ACHIEVING PRSP OBJECTIVES IN 2004

Priority objectives and performance indicators	Reference situation <sup>11</sup>		2004		
	Date	Value	Target <sup>212</sup>	Value	Difference (%)
<b>Reducing Poverty</b>					
Number of poor (thousands)	2000	1,279	1,296	1,318	-1.7%
Incidence of poverty	2000	51.0%	46.6%	46.7%	-0.2%
Incidence of extreme poverty	2000	34.1%	28.4%	39.0%	-27.2%
Depth of poverty	2000	19.3%	15.0%	15.3%	-2.2%
Severity of poverty	2000	9.6%	6.3%	6.9%	-8.4%
Gini coefficient	2000	39.0%	36.0%	39.3%	-8.4%
See indicators below					
<b>Stimulating Economic Growth</b>					
Annual GDP growth rate	2000	6.7%	8.2%	5.2%	-57%
Annual per capita GDP growth	2000	2.3	3.4	2.5	-25%
Investment rate (as a percentage of GDP)	2000	13.5%	21.1%	47.7%	56%
<b>Ensuring Macroeconomic Stability</b>					
Inflation rate (in percent)	2000	6.8%	7.2%	10.4%	-31%
Fiscal balance (as a percentage of GDP)	2000	-13.1%	-9.2%	-4.8%	92%
Current account deficit, excluding official transfers (as a percentage of GDP)	2000	-17.0%	-22.7%	-38.7%	-41%
Gross reserves (in months of imports)	2000	1.2	1.3	0.5	-168%
Ratio of debt to GDP (as a percentage)	2000	181.6	135.5	137.6	-2%
<b>Improving Overall Educational Attainment</b>					
Gross primary enrollment ratio	2000	87.0%	95%	95.1%	0%
Gross enrollment ratio for girls	2000		0%	78.8%	100%
Proportion of children completing the basic cycle (retention rate)	2000	51.0%	62%	44%	-41%
Proportion of girls starting grade 1 who finish grade 5 (retention rate for girls)	2000	51%	61%	44%	-39%
New entrants in the first year of secondary school	2000	16,774		18,555	
Student-teacher ratio in the secondary cycle	2000	32	27.2	29.3	-7%
Adult illiteracy ratio	2000	42.8%	23%	42.5%	-46%
Current education expenditure as a percentage of GDP	2000	3.82%	3.6%	3.8%	1.3%
<b>Improving Overall Health Conditions</b>					
Life expectancy at birth (years)	1998	53.6	56.8		
Composite fertility index	2000	4.7	4.7		
Infant mortality rate per thousand	2000	87	105.8		
Infant-child mortality rate per thousand	2000	135	186.2		
Ratio of attended childbirths	2000	56.9%			
Prevalence of HIV among pregnant women	2000	0.5	< 1		
Proportion of population living within five kilometers of health services	2000	67%	73%		
Malnutrition rate (weight for age) among children under the age of five years	2000	32%	18%		
<b>Increasing Access to Safe Drinking Water</b>					

<sup>11</sup> Figures have been updated following a general revision of Mauritania's economic and financial data.

<sup>12</sup> Calculation based on the projected trend for 2000 to 2004 when the first PRSP was being drafted.



Priority objectives and performance indicators	Reference situation <sup>11</sup>		2004		
	Date	Value	Target <sup>212</sup>	Value	Difference (%)
Proportion of households linked to water network	1997	35%	45%		
Price of a cubic meter of water (US dollars)	1997	1.03	1.03		
<b>Improving Incomes and Living Conditions in Rural Areas</b>					
Incidence of rural poverty	2000	66.1%	59.3%	59.0%	1%
Incidence of extreme rural poverty	2000	47.8%	39.0%	37.8%	3%
Rural Gini coefficient	2000	36.7%	34.2%	34.8%	-2%
Agricultural GDP growth	2000	0.5%	5.0%	-4.5%	-211%
Yield of irrigated rice (MT/ha/year, with off-season crop)	2000	4.2	9.45	4.2	-125%
Rate of live animal health coverage (required vaccines)	1999	60%	70.0%	70%	0%
Yield of dryland food crops	2000	0.5	1	0.8	-25%
<b>Improving Incomes and Living Conditions in At-Risk Neighborhoods in Major Cities and Secondary Cities</b>					
Target population (thousands)	2000	540	266		
Number of labor force participants with access to micro-credit (thousands)			20		
Cumulative volume of micro-loans (UM millions)	2000	200	2,500		
Number of land tenure deeds regularized in poor neighborhoods	2000	800	16,000		
Number of newly improved plots			8,000		
Access to subsidized housing in poor neighborhoods (households)	2000	300	10,000		
Per capita consumption of safe drinking water in poor neighborhoods (liters per day)	1997	10 to 20	20 to 30		
Rate of access to safe drinking water in poor neighborhoods	1997	35%	40%		
Price per cubic meter of water in poor neighborhoods (US dollars)	1997	2 to 3	<1		
Price per cubic meter of water in poor neighborhoods as a multiple of the price in other neighborhoods	1997	5 times	1 time		
Rate of access to sanitation services in poor neighborhoods	2000	10%	15%		

## **ANNEX 2: MAJOR REFORMS IMPLEMENTED BETWEEN 2001 AND 2004**

### **1. Fiscal Policy**

- Enactment of the law on closing the central government financial accounts (2001)
- Enactment of a new government procurement code (2002)
- Elaboration of Medium-Term Expenditure Frameworks in nearly ten sectors and constitution of an aggregate MTEF (2002-2003)
- Gradual reduction of the tax rate on industrial and commercial profits (2001-2004)
- Implementation of a VAT refund arrangement for exporting companies, full deductibility of minimum flat-rate tax, consolidation of VAT rates, and simplification of the payroll tax scale (2002)

### **2. Monetary Policy and Financial Sector Reform**

- Deregulation of interest rates by the Central Bank and introduction of repo transactions using Treasury bills (2001)
- Introduction of several new foreign exchange policy measures to enhance the operation of a foreign exchange market (Central Bank monitoring and intervention committee on the extended exchange market, financial intermediation, repatriation of export earnings, etc. (2002)

### **3. Development of the Private Sector and Foreign Trade**

- Enactment of a new investment code (2002)
- Drafting a labor code (2003)
- Drafting a national microfinance strategy (2003)
- Drafting a priority action plan to improve the competitiveness of the national economy and its integration into world trade (2002)
- Establishing a Trade Information Center at the Chamber of Commerce, Industry, and Agriculture to facilitate businesses' access to export markets (2003)

### **4. Mining**

- Adoption of a standard mining agreement (2002)
- Conduct of major cartographic operations to produce 39 detailed maps (2002-2003)
- Planning the route of the southern railway with a view to starting phosphate mining in Bofal (2003)

### **5. Fisheries**

- Conversion of the National Oceanographic Research and Fisheries Center (CNROP) into an institute (IMROP) (2002)
- Enactment of the Law on the Fishing Code and its implementing decree and the creation of the National Advisory Council for Fisheries Planning and Development (2002)
- Creation of a marine weather service (2003)
- Implementation of a satellite system for tracking shipping (2003)
- Creation of a sea rescue center (2004)

### **6. Tourism**

- Creation of a National Tourism Board (2002)
- Creation of hotel and tourism training center (Higher Institute of Tourism) (2003)

## **7. Oil Industry**

- Starting on-shore exploration in fields opened up in the Taoudéni basin and the region of Tiris (2002)
- Drafting of a training plan for oil industry supervisors and technicians (2002)
- Five wells drilled, with the first being a test of the Chinguetti oilfield, which led to the declaration of the field's commercial potential (2003)
- Granting of the first drilling authorization to the Woodside company (2004)
- Creation of a Ministry of Energy and Oil (2004)

## **8. Transport and Energy**

- Drafting of a Medium-Term Expenditure Framework for the Transport Sector (2002)
- Enhancement and planning of infrastructures in the interior (airports in Atar, Aioun, Néma, Tidjika, and Zouerate) (2003-2004)
- Enactment of the oil law (2002)
- Establishment of the National Oil Commission (2003)

## **9. Telecommunication and NICTs**

- Expansion of cell telephone coverage to all regional capitals and the main road links (2001-2004)
- Launch of the national strategy for the development of NICTs (2002)
- Expansion of the government fiber optic network and drafting of master computerization plans for several ministerial departments (2002-2004)
- Start up of the Distance Learning and Exchange Center (CFED) and the Mauritanian Development Portal (PMD) (2004)

## **10. Rural Development, Environment, and Urban Development**

- Drafting an agriculture and agrofoodstuff strategy for Mauritania (2001)
- Drafting an animal husbandry policy brief (2004)
- Ratification of the Cartagena Protocol on Biosafety (2004)
- Implementation of the legal and planning instruments for the rationalization of the management of available resources (MTEF, organizational audit of the Ministry of Rural Development and the Environment) (2004)
- Drafting of the National Action Plan for the Environment (PANE) (2004)
- Environmental impact assessment of oil activity in the coastal basin (2004)
- Establishment of the Urban Development Agency (ADU) (2002)
- Drafting of the Urban Development and Planning Documents (SDAUs) for 13 regional capitals (2001-2004)

## **11. Water and Electricity**

- Establishment of the new structures created by the reform of the water sector, such as the ANEPA and the APAUS (2001-2003)
- Adoption of the National Energy and Poverty Reduction Strategy (2004)

## **12. Education**

- Creation of a National Institute for the Promotion of Technical and Vocational Training (INAP-FTP) and an Independent Fund for the Promotion of Technical and Vocational Training (FAP-FTP) (2002)
- Creation of a Directorate for the Promotion of Private Education (DPEP) and a Support Fund for Private Schools (2004)
- Secondary school curriculum reform (2003)

### **13. Health**

- Update and validation of the national population policy statement to incorporate the PRSP priorities
- Drafting the strategy paper on fighting STIs/HIV/AIDS (2002)
- Adoption of the national reproductive health program (PNSR) (2003)

### **14. Governance**

- Adoption of an Elections Code and introduction of proportional representation (2001)
- Enactment of a new government procurement code (2002)
- Establishment of an interministerial committee for modernization of the government (2004)

### ANNEX 3: PUBLIC INVESTMENT PROGRAM AND SECTOR FINANCING 2001-2004

(millions of ouguiyas)

Sector/Years	2001	2002	2003	2004
Rural development	6,520	7,647	8,057	9,090
Industrial development	4,819	5,247	4,092	5,458
SNIM	39	692	802	245
Land Use Planning	9,695	12,443	13,784	15,517
Human resources	5,072	7,609	5,937	8,098
Institutional development	1,205	1,176	1,925	2,014
Multisectoral projects	4,162	5,010	5,044	6,099
<b>Total investment</b>	<b>31,513</b>	<b>39,824</b>	<b>39,640</b>	<b>46,520</b>
Central government	22,138	31,729	32,942	36,830
SONADER	2,431	1,363	2,654	3,158
Paragovernmental bodies	6,904	6,041	3,243	6,286
SNIM	39	692	802	245
<b>Financing</b>	<b>31,513</b>	<b>39,824</b>	<b>39,640</b>	<b>46,520</b>
<i><b>Central government</b></i>	<i><b>22,138</b></i>	<i><b>31,729</b></i>	<i><b>32,942</b></i>	<i><b>36,830</b></i>
Internal resources	10,594	14,908	14,410	19,218
Grants	3,244	3,897	4,693	3,441
Loans	8,301	12,924	13,838	14,171
<i><b>SONADER</b></i>	<i><b>2,431</b></i>	<i><b>1,363</b></i>	<i><b>2,654</b></i>	<i><b>3,158</b></i>
Internal resources	307	188	431	140
Grants	527	277	23	389
Loans	1,597	898	2,200	2,629
<i><b>Paragovernmental bodies</b></i>	<i><b>6,904</b></i>	<i><b>6,041</b></i>	<i><b>3,243</b></i>	<i><b>6,286</b></i>
Internal resources	945	1,398	2,227	3,167
Grants	1,971	1,754	114	1,021
Loans	3,988	2,888	902	2,098
<i><b>SNIM</b></i>	<i><b>39</b></i>	<i><b>692</b></i>	<i><b>802</b></i>	<i><b>245</b></i>
Saving	..	..	..	..
Grants	39	606	802	245
Loans	0	86	0	0
Memo items:				
Internal resources	11,846	16,494	17,068	22,526
External financing	19,667	23,330	22,572	23,995
Grants	5,781	6,533	5,632	5,096
Loans	13,885	16,797	16,940	18,899
Consolidated investment budget (BCI) program	34,500	39,300	46,200	52,000

**ANNEX 4: LONG-TERM PRSP TARGETS<sup>13</sup>**

Priority objectives and performance indicators	Reference situation		Target figures	
	Date	Value	2010	2015
<b><i>Living Conditions &amp; Standards</i></b>				
<b>Reducing Poverty</b>				
1. Number of poor (thousands)	2004	1,320	1,189	924
2. <i>Incidence of poverty</i>	2004	46.7%	35%	25%
3. Incidence of extreme poverty	2004	28.8%	23%	16%
4. <i>Poverty depth</i>	2004	15.3%	11%	7%
5. Severity of poverty	2004	6.9%	5%	4%
6. Gini coefficient	2004	39.3%	40.0%	40.5%
7. <i>Share of poorest quintile in national consumption</i>	2004	6.7%	>10%	>10%
<b><i>Stimulating Growth</i></b>				
<b>Stimulating Economic Growth</b>				
8. Per capita GDP (US dollars)	2004	542	1,708	2,000
9. Annual per capita GDP growth	2004	2.5%	8.4%	2.8%
10. Investment rate (as a percentage of GDP)	2004	47.7%	19.4%	
11. <i>Unemployment rate</i>	2004	32.5%	<25%	<20%
12. Percentage of temporary employees	2004	35.1%	<25%	<20%
13. <i>Percentage of women in wage employment in the non-agricultural sector</i>	2004	18.4%	25%	40%
<b>Ensuring Macroeconomic Stability</b>				
14. Inflation rate (in percent)	2004	10.4%	3.5%	3.5%
15. Fiscal balance (excluding oil) (as a percentage of GDP)	2004	-4.8%	-13.2%	-9%
16. Current account balance, excluding official transfers (as a percentage of GDP)	2004	-38.7%	3.7%	4%
17. Gross reserves (in months of imports)	2004	0.5	3.4	3.5
18. Ratio of debt to GDP (as a percentage)	2004	137.6	50.5	
19. <i>Official development assistance as a percentage of GDP</i>	2004			
<b><i>Education and Literacy</i></b>				
<b>Improving Overall Educational Attainment</b>				
20. Gross primary enrollment rate	2004	95.1%	98%	100%
21. <i>Net enrollment ratio in primary education</i>	2004	40.2%	70%	90%
22. <i>Ratio of girls to boys<sup>14</sup> in primary education</i>	2004	99%	98%	98%
<i>Ratio of girls to boys in secondary education</i>	2004	85%	98%	98%
<i>Ratio of girls to boys in higher education</i>	2004	32%	>50%	98%
23. <i>Proportion of pupils starting grade 1 who finish grade 5</i>	2004	40.2 %	68%	100%
24. Proportion of girls starting grade 1 who finish grade 5	2004	38.9%	66%	100%
25. Adult illiteracy rate (aged 15 and over)	2004	42.5	13%	5%
26. <i>Adult illiteracy rate (aged 15-24)</i>	2004	28.4%	10%	5%
27. <i>Ratio of illiterate women to men (aged 15-24)</i>	2004	17.3%	<10%	5%
28. Current education expenditure as a percentage of GDP	2004	3.8%	6.0%	6.0%

<sup>13</sup> MDG indicators are shown in italics.

<sup>14</sup> Based on IREP projections, NSI 2004.

Priority objectives and performance indicators	Reference situation		Target figures	
	Date	Value	2010	2015
<b>Health and Nutrition</b>				
<b>Improving Overall Health Conditions</b>				
29. Life expectancy at birth (years)	1998	53.6	56	62
30. Composite fertility index	2000	4.7	4.5	4
31. <i>Infant mortality rate (per thousand)</i>	2000	87	80	40
32. <i>Infant-child mortality rate (per thousand)</i>	2000	135	128	55
33. <i>Proportion of one-year-old children immunized against measles</i>	2004	87.6%	100%	100%
34. <i>Maternal mortality rate (per hundred thousand)</i>	2004	747	400	300
35. <i>Proportion of births attended by qualified health personnel</i>	2004	59.2%	64%	90%
36. HIV/AIDS prevalence rate	2000	0.5%	< 1%	<1%
37. <i>HIV prevalence among women aged 15-24</i>	2000			
38. <i>Contraception use rate among men</i>	2000	16.1		
39. <i>Number of AIDS orphans</i>	2000			
40. <i>Malaria prevalence rate</i>				
41. <i>Tuberculosis prevalence rate (per 100,000)</i>	2001	130		
42. <i>Proportion of tuberculosis cases detected and cured under directly observed treatment, short course</i>				
43. <i>Proportion of population living within five kilometers of health services</i>	2004	67%	77%	100%
44. <i>Proportion of the population with sustainable access to affordable basic drugs</i>				
45. <i>Proportion of the population below minimum level of dietary energy consumption</i>				
46. <i>Malnutrition rate (weight for age) among children under the age of five years</i>	2004	30.2%	20%	10%
<b>Safe Drinking Water</b>				
<b>Increasing Access to Safe Drinking Water</b>				
47. <i>Rate of water supply through an indoor tap<sup>15</sup></i>	2004	18.9%	54%	60%
48. <i>Price of a cubic meter of water (US dollars)</i>	2004			
49. <i>Proportion of the population with access to a source of safe drinking water</i>	2004	52%	65%	75%
50. <i>Proportion of urban population with access to a safe drinking water source</i>			48%	65%
51. <i>Proportion of rural and semi-rural population with access to a safe drinking water source</i>			62%	74%
52. <i>Proportion of the population with access to improved sanitation (toilets with hygienic system)</i>	2004	37.2%	50%	70%
<b>Environment and Sustainable Management of Natural Resources</b>				
<b>Ensuring Environmental Sustainability</b>				
53. <i>Proportion of land area covered by forests</i>	2000	0.3%		0.75%
54. <i>Land area protected to maintain biodiversity</i>	2000	1,232		1,452
55. <i>GDP per energy unit consumed</i>				
56. <i>Carbon dioxide emissions per capita</i>	2000	1.15		2.41
57. <i>Consumption of ozone-depleting CFCs</i>				
<b>Good Governance and Institutional Capacities</b>				

<sup>15</sup> Based on Permanent Living Conditions Survey data

Priority objectives and performance indicators	Reference situation		Target figures	
	Date	Value	2010	2015
<b>Improving Governance and Building Institutional Capacities</b>				
58. Proportion of seats held by women in the national parliament	2004	2%	20%	20%
59. Satisfaction rate of public service users				
General government	2004	35.3%		
Health	2004	38.4%		
Education	2004	41.6%		
Justice	2004	43.5%		
Commercial services	2004	61%		
<b>Specific Objectives for Rural Areas and At-Risk Neighborhoods</b>				
<b>Improving Incomes and Living Conditions in Rural Areas</b>				
60. Incidence of rural poverty	2004	59%	51%	43%
61. Incidence of extreme rural poverty	2004	39.1%	29.4%	20%
62. Rural Gini coefficient	2004	34.8%	35.6%	35.8%
63. Agricultural GDP growth	2004	-4.5%	5.3%	5.5
64. Yield of irrigated rice (MT/ha/year, with off-season crop)	2004	4.2	9	10
65. Yield of dryland food crops	2004	0.8		
<b>Improving Incomes and Living Conditions in At-Risk Neighborhoods in Major Cities and Secondary Cities</b>				
66. Rate of access to safe drinking water in poor neighborhoods	2003	35%	50%	60%
67. Price per cubic meter of water in poor neighborhoods as a multiple of the price in other neighborhoods	1997	5 times	0.8 times	0.8 times
68. Rate of access to sanitation services in poor neighborhoods	2000	10%	26%	36%
69. Proportion of the population with secure housing tenure (percentage of owners)	2004	77.2%		



**ANNEX 4 B: RATE OF PROGRESS ON CERTAIN MDG INDICATORS**

Objectives and performance indicators	Reference situation <sup>16</sup>		Change		Target figures for 2015		
	Date	Value	2004	2010	PRSP	MDG	Progress
<b>Reducing poverty and hunger</b>							
Incidence of poverty	1990	56.6%	46.7%	35%	25%	28%	Y
Poverty depth	1990	15.9%	15.3%	11%	7%	8%	Y
Share of poorest quintile in national consumption	1990	4.6%	6.7%	>10%	>10%	9.2%	Y
Malnutrition rate (underweight)	1990	47.6%	32%	26%	21%	23.8%	Y
<b>Improving Overall Educational Attainment</b>							
Gross primary enrollment rate	1990	46.0%	95.1%	98%	100%	100%	Y
Net enrollment ratio in primary education	1993	51.0%	40.2%	70.0%	90%	100%	Y
Proportion of pupils starting grade 1 who finish grade 5	1990	73.8%	40.2%	68.0%	100%	100%	Y
Adult illiteracy rate (aged 15-24)	1990	45.8%	28.4%	10.0%	5%	0%	Y
<b>Promoting Gender Equity</b>							
Ratio of girls to boys in primary education	1990	0.72	0.99	0.98	1	1	Y
Ratio of illiterate women to men (aged 15-24)	1997	0.49	0.82	0.90	0.95	1	N
Proportion of seats held by women in the national parliament	1990	0%	5%	20%	20%	50%	N
<b>Improving Overall Health Conditions</b>							
Infant-child mortality rate (per thousand)	1990	137	135	128	55	46	N
Proportion of one-year-old children immunized against measles	1990	42%	88%	100%	100%	100%	Y
Maternal mortality rate (per hundred thousand)	1990	930	747	400	300	233	N
Proportion of births attended by qualified health personnel	1990	40%	59%	64%	90%	100%	N
HIV/AIDS prevalence rate	1992	0.3%	0.5%	< 1%	<1%		Y
<b>Increasing Access to Safe Drinking Water</b>							
Proportion of the population with access to a source of safe drinking water	1990	64%	52%	65%	75%	82%	N
<b>Ensuring Environmental Sustainability</b>							
Proportion of land area covered by forests	1990	0.4%	0.3%		0.8%		Y
Land area protected to maintain biodiversity	1990	1.7%	1.2%		1.5%		Y
Carbon dioxide emissions (MT per capita)	1990	1.3	1.2		2.4		N

<sup>16</sup> Source: Rapport sur les progrès dans la mise en œuvre des OMD en Mauritanie 2002, UNDG, December 2002

## ANNEX 5: PRSP OBJECTIVES AND PRIORITY MEASURES 2006-2010

The major objective of the national poverty reduction strategy is to reduce the different types of poverty (monetary poverty, poor living conditions, poor opportunities) by implementing measures aimed at: (i) stimulating broad-based growth, (ii) anchoring growth in the environment of the poor, (iii) developing human resources and access for all citizens to basic services, (iv) achieving genuine institutional development, based on good governance and full participation by all stakeholders in the fight against poverty, and (v) effective oversight, coordination, and monitoring and assessment of government policies.

**The matrix below provides a detailed list of the objectives and priority actions for each of these themes Later on, once the matrix has been finalized, two other versions will be derived from it: a summary version for monitoring the PRSP and a more detailed version for the purposes of the Technical Thematic Groups.**

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>0.1 PRSP</b>	0.1.1 Reducing all forms of poverty and inequality <ul style="list-style-type: none"> <li>• Incidence of poverty</li> <li>• Incidence of extreme poverty</li> <li>• Number of poor (thousands)</li> <li>• Poverty depth</li> <li>• Severity of poverty</li> <li>• Gini coefficient</li> <li>• Share of poorest quintile in national consumption</li> </ul>	46.7% 28.8% 1,320 15.3% 6.9% 39.3% 6.7%	40.6% 26.8 1,284 13% 5.7% 39.7%	35% 23% 1,189 11% 5% 40.0% >10%	Implementing the Poverty Reduction Strategy Paper (PRSP)	2006-2010	
<b>0.2 Land Use Planning</b>	0.2.1 Rationalize development efforts within the framework of a balanced and harmonious land-use plan 0.2.2 Promoting the Master Plan for Coastal Development approach				Drafting and implementing the National Land Use Planning Strategy (SNAT)  Adopting the Master Plan for Coastal Development  Adopting the Coastal Law Establishing the Coastal Observatory	2008	MIPT/MAED
<b>0.3 Environment</b>	0.3.1 Incorporating environmental concerns into national policies and strategies <ul style="list-style-type: none"> <li>• Proportion of national policies and strategies incorporating environmental concerns</li> </ul> 0.3.2 Marine environment conservation and extension <ul style="list-style-type: none"> <li>• Rate of toxic material in water near mining operations</li> </ul>				Adopting and implementing the National Action Plan for the Environment Implementing the national strategy for waste collection and management Drafting and implementing a strategy for using and managing the marine environment with due consideration of oil drilling Finalizing and adopting the Marine Environment Code	June 2006	MPEM  MDRE  MPEM

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
	<p>0.3.3 Reversing the current trends of depletion of natural resources</p> <ul style="list-style-type: none"> <li>• Proportion of land area covered by forests</li> <li>• Proportion of forests cleared</li> <li>• Proportion of forests restored</li> <li>• Land area protected to maintain biodiversity (thousands of ha)</li> <li>• Percentage of households burning solid fuels (wood and charcoal)</li> <li>• Carbon dioxide emissions (MT per capita)</li> <li>• Consumption of ozone-depleting CFCs</li> <li>• GDP per energy unit consumed (energy yield)</li> <li>• Rate of toxic emissions in mining areas</li> </ul>	<p>0.30% Rf.2000</p> <p>1.232 Rf.2000</p> <p>63.7%</p> <p>1.15 Rf.2000</p>		<p>0.75%</p> <p>1,452</p> <p>2.41</p>	<p>Adopting the POLMAR Plan and making it operational</p> <p>Establishing a marine environment monitoring system</p> <p>Creation of an Antipollution Center</p> <p>Drafting specific emergency plans for vulnerable areas</p> <p>Establishing a sea and coastal pollution management system</p> <p>Conservation and expansion of woodlands, protected areas, wetlands, and promoting substitute energy sources</p> <p>Drafting and implementation of a national program for mechanical and biological stabilization of dunes</p>		MDRE
<b>Theme 1: Stimulating Growth and Maintaining Macroeconomic Balances</b>							
<b>1.1 Macroeconomic framework</b>	<p>1.1.0 Stimulating Economic Growth</p> <ul style="list-style-type: none"> <li>• Per capita GDP in US dollars</li> <li>• Average annual growth rate</li> <li>• Annual per capita GDP growth rate</li> <li>• Investment rate as a percentage of GDP</li> </ul> <p>1.1.1 Stabilizing the macroeconomic framework</p> <ul style="list-style-type: none"> <li>• Inflation rate</li> <li>• Fiscal balance (excluding oil) as a percentage of GDP</li> <li>• Fiscal balance (excluding grants)</li> <li>• Current account balance, excluding official transfers (as a percentage of GDP)</li> <li>• Real effective exchange rate</li> <li>• Gross reserves (in months of imports)</li> </ul>	<p>537</p> <p>5.2</p> <p>3.8</p> <p>45.4</p> <p>10.4%</p> <p>-2.7%</p> <p>-5.3%</p> <p>-40.2%</p> <p>0.5</p>	<p>1,465</p> <p>10.7</p> <p>5.2</p> <p>27</p> <p>3.5%</p> <p>-8.0%</p> <p>3%</p> <p>41.1</p> <p>4.8</p>	<p>1,920</p> <p>10.7</p> <p>7.0</p> <p>13</p> <p>3.5%</p> <p>-8.5%</p> <p>3.5%</p> <p>17.4%</p> <p>4.8</p>	<p>Introducing a more flexible foreign exchange policy</p> <p>Establishing an auction market for interbank foreign exchange transactions</p> <p>Establishing a new regulatory framework for the new foreign exchange market and the new code of procedures</p> <p>Implementing export development and diversification programs</p>	<p>2006-2010</p> <p>2006</p> <p>2006</p> <p>2006</p>	BCM/MAED

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>1.2 Private sector and competitiveness</b>	<ul style="list-style-type: none"> <li>Ratio of debt to GDP</li> <li>Official development assistance (as a percentage of GDP)</li> <li>Debt service as a percentage of exports of goods and services</li> </ul>	135.5					
	<ul style="list-style-type: none"> <li>1.1.1.1 Modernizing and enhancing the tax administration</li> <li>Tax revenue growth rate</li> </ul>	30.9%	18%	25.6%	<ul style="list-style-type: none"> <li>Computerizing the General Directorate of Taxes</li> <li>Generalization of the tax identification number, which must be used by all financial administration departments</li> <li>Broadening the tax base</li> <li>Reorganizing the General Directorate of Taxes</li> <li>Establishing additional means for fighting tax and customs fraud</li> </ul>	2006-2010	MF
	<ul style="list-style-type: none"> <li>1.2.1 Stimulating private sector development to make the country more competitive for foreign investment</li> <li>Percentage of companies providing training for their employees</li> <li>Number of new businesses created</li> <li>Number of new income-generating activities created</li> <li>Time required to start a new business</li> <li>Average cost of starting a new business</li> <li>Foreign direct investment growth rate</li> </ul>				<ul style="list-style-type: none"> <li>Defining the responsibilities of the different stakeholders</li> <li>Establishing a vocational training plan targeting an overall improvement in the managerial skills of Mauritanian entrepreneurs</li> <li>Implementing the provisions of the Craft Code and strengthening critical stakeholders in the sector</li> <li>Implementing a program for infrastructure development and to promote craft activities</li> <li>Conducting a feasibility study for the establishment of training centers to promote traditional crafts</li> <li>Draft a suitable legal framework for business</li> </ul>		MAED/BCM
	<ul style="list-style-type: none"> <li>1.2.2 Developing the financial sector</li> </ul>				<ul style="list-style-type: none"> <li>Finalizing the sector study (FSAP)</li> <li>Implementing actions to develop the money market (Treasury bills, capital markets, etc.)</li> <li>Revising banking law</li> <li>Updating the chart of accounts</li> <li>Simplifying and harmonizing the legal framework for the financial sector</li> <li>Introducing measures to increase access to banking services</li> <li>Establishing a regulatory framework to require banks to comply with all prudential ratios</li> <li><b>Promoting the establishment of financing structures accessible to specific categories (unemployed, etc.)</b></li> </ul>		BCM
	<ul style="list-style-type: none"> <li>1.2.2.1 Developing competition</li> </ul>				<ul style="list-style-type: none"> <li>Starting up the activities of GIMTEL</li> </ul>		MAED / MIF/ ANAPEJ MCAT

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
					Implementing legal provisions on the production of accurate financial statements		
	1.2.2.2 Stimulating saving				Continuing programs to support effective microfinance institutions Strengthening relations between banks and MFIs		BCM
	1.2.3 Promoting the development of foreign trade				Establishing a capacity-building plan for government agencies responsible for export industries Establishing mechanisms to improve the national capacity to negotiate multilateral and bilateral agreements and the development of specialized export training Conducting promotional campaigns to enhance the image of national products Establishing mechanisms to improve product quality		MCAT
	1.2.4 Adopting more business-friendly customs policies				Rationalization and simplification of customs procedures, with the use of ASYCUDA and more selective customs inspections Improving management of import rules and effective application of VAT refund procedures for exports Drafting a timetable to ensure compliance with Mauritania's commitment to adopting the WTO customs valuation code. Reorganizing the Directorate General of Customs and enhancing its human and material resources, as well as adopting a code of practice for customs officers Instituting a single tax on business profits		MF
	1.2.5 Adopting more business-friendly tax policies				Incorporating tax incentives for investment into ordinary law (Tax Code, Customs Code) Eliminating all taxes on business turnover Simplifying local business taxes		MF
	1.2.6 Fighting anti-competitive practices				Establishing a regulatory system for monitoring and sanctioning anti-competitive practices, backed by a capacity-building program for the institutions involved (MCAT, CSM, etc.) Reviewing the sanctioning powers of the Regulatory Authority and increasing fines Periodic publishing of information about supervision of banks and holding companies (see reform of the financial sector) Developing information and awareness campaigns on the benefits of competition		MF/MCAT

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible	
<b>1.3 Growth opportunities</b> <ul style="list-style-type: none"> <li>Oil</li> </ul>	1.2.7 Improving the legal environment for business				Adopting the legislation required to supplement existing legal provisions Strengthening the Arbitration and Conciliation Center set up in 2004, extension of the arbitration law Establishing a training plan for commercial court magistrates and clerks Creating a "Legal Journal"		MCAT/MJ	
	1.2.8 Strengthening consultation mechanisms and economic monitoring tools				Reviving the government-private sector consultation arrangement Establishing an economic monitoring unit Establishing more effective sector policies to enhance growth opportunities		MAED/BCM	
	1.3.0 Enhancing the growth potential of leading sectors				Drafting and implementing a strategy for developing oil exploration and production in accordance with regulations, human resources issues, and environmental protection		MF/MAED/MEP	
	1.3.1 Ensuring sustainable development of the sector							
	<ul style="list-style-type: none"> <li>Annual GDP growth rate in the oil sector</li> <li>Oil production (thousands of barrels per day)</li> <li>Percentage of fields attributed (off shore/on shore)</li> <li>Contribution to turnover and profit taxes</li> <li>Proportion of oil revenues in aggregate revenue</li> </ul>		28% 120	28% 200 100%				
	1.3.2 Developing oil prospecting and drilling					Continuing the exploration and promotion of the fields still available (10 out of 23) in the coastal basin Starting exploration of the Taoudenni basin by the main operators with a view to signing new production-sharing contracts for the large area remaining (23 fields)		MEP/SMH
	1.3.3 Auditing output, costs, and contractual obligations					Implementing a training program for all relevant trades in the oil industry to ensure a gradual shift of jobs to Mauritians Applying the procedure for auditing production by drawing up reports to be used as a basis for invoicing Instituting close monitoring of the commitments made by oil companies (royalty payments to the Treasury, work to be carried out, etc.)		MF/MEP
	1.3.4 Optimizing management of oil revenue					Drafting and implementing an appropriate strategy for allocating oil revenue Optimizing the human and financial resources of SMH and the MEP		MF/BCM
	1.3.5 Optimizing the fallout from the oil sector for the rest of the economy					Implementing a sector-specific qualification program for businesses		MEP

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<ul style="list-style-type: none"> <li>• Fisheries</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of skilled Mauritanian employees</li> <li>• Percentage of jobs in the sector</li> <li>• Percentage of specialized private-sector Mauritanian companies involved in oil production</li> </ul>			75%	Drafting impact studies and monitoring the direct and indirect impact of the oil business on other sectors and on employment		
	<ul style="list-style-type: none"> <li>1.3.3 Enhancing resources management and use sector               <ul style="list-style-type: none"> <li>• Annual GDP growth rate in the fisheries sector</li> <li>• Ratio of tonnage of fish offloaded to tonnage exported</li> <li>• Percentage of jobs in the sector</li> <li>• Overfishing rate</li> <li>• Level of revenues generated from use of resources in the EEZ</li> </ul> </li> </ul>	19.7%	6.3%	6.3%	<ul style="list-style-type: none"> <li>Drafting development plans for priority fisheries</li> <li>Conducting scientific research to update assessments of fish stocks and producing a monitoring system for permissible potential catches</li> <li>Establishing a suitable system for health standards and product tracing</li> <li>Improving port infrastructures and surveillance</li> <li>Revising the Fisheries Code and the relevant implementing decree</li> </ul>		MPEM
	<ul style="list-style-type: none"> <li>1.3.4 Increasing value added and integration into the world economy               <ul style="list-style-type: none"> <li>• Rate of fine collection</li> </ul> </li> </ul>				<ul style="list-style-type: none"> <li>Developing assistance and supervision for processing activities</li> <li>Creating an appropriate financing system</li> <li>Perfecting systems for allocating industrial fishing rights through an improvement of the information system</li> <li>Creating a fishing boat licensing system</li> </ul>		MPEM
	<ul style="list-style-type: none"> <li>1.3.4.1 Enhancing the sector's capacities for training and employment</li> <li>1.3.4.2 Promoting exports</li> </ul>				<ul style="list-style-type: none"> <li>Implementation by the DFAA of the action plan that covers the PAC, the PI, and Fisheries Ministry personnel</li> <li>Establishing a suitable system for health standards and product tracing</li> <li>Promoting partnerships with foreign operators</li> <li>Creating an appropriate financing system</li> <li>Creating a center for the promotion of fisheries products</li> </ul>		MPEM MPEM
	<ul style="list-style-type: none"> <li>1.3.4.3 Developing infrastructures</li> </ul>				<ul style="list-style-type: none"> <li>Improving port facilities for non-industrial fisheries along the coast</li> <li>Construction of deep-sea fishing port in Nouadhibou, a port in Tanit, extension of Nouadhibou port authority (PAN), and the EPBR facility</li> </ul>		MPEM
	<ul style="list-style-type: none"> <li>1.3.5 Improving the legal and regulatory framework and institutional capacity building</li> </ul>				<ul style="list-style-type: none"> <li>Adopting a legal framework for fishing (specific regulations for fishing vessels, continental fisheries, etc.)</li> <li>Implementing the capacity-building program for the competitiveness of fisheries experts and operators</li> </ul>		MPEM

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
• Mining	1.3.6 Capacity building and improving the regulatory framework <ul style="list-style-type: none"> <li>Annual GDP growth rate in the mining sector</li> </ul>	5.1%	4.1%	4.4%	Shortening the period during which data provided by operators giving up fishing licenses remain confidential Establishing an economic and social monitoring unit for fisheries		MMI/SNIM
					Continuing the program to improve the effectiveness of structures responsible for the mining industry Continuing the capacity-building program for the Mauritanian Geological Research Board (OMRG) and the Directorate General of Mining (DGM)		MMI/SNIM
	1.3.7 Improving basic geological infrastructures				Rehabilitating decommissioned mining sites Implementing hydro-geological research and development in the Zouerate-Choum-Nouadhibou corridor and producing a national hydro-geological map Continuing the geological mapping project Continuing mining exploration and diversification of mining products		SNIM
	1.3.8 Developing mining research and exploration						
	1.3.9 Accelerating the implementation of mining development projects				Start-up of the Akjoujt copper mine and the Tasiast gold mine Starting the Bofal phosphate projects and the Southern railway Continuing the SNIM programs (ore port, rail transport, etc.)	2006	MMI/SNIM
• Tourism	1.3.10 Developing products for tourists				Diversification of tourist attractions through community tourist development projects Drafting a "strategic design guide" for tourism projects Implementing the craft code Establishing infrastructures to promote craft work		MCAT
	1.3.11 Promoting the tourism sector				Establishing a specific line of credit to support businesses in the tourism sector Conducting a survey of training needs in the tourism sector Implementing a capacity-building program for different trades in the tourism sector Establishing a three-year marketing plan to promote the tourism sector		MCAT
	1.3.12 Improving the quality of services and enhancing human resources in the tourism sector				Improving consultations with private operators Capacity building for the hotel and tourism training center		MCAT



Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>1.4 Infrastructures to support growth</b> <ul style="list-style-type: none"> <li>Transport</li> </ul>	1.4.1 Rationalizing development efforts for infrastructures to support growth <ul style="list-style-type: none"> <li>Average annual growth rate of the construction sector</li> </ul>	9.5%	12.4%	12.4%	Developing associated leisure services and environmental conservation of tourist sites Defining a "priority monitoring area" for transport, energy, and telecommunications covering all investment projects		MAED/MET/MIPT
	1.4.2 Developing infrastructures <ul style="list-style-type: none"> <li>Number of new berths in ports</li> <li>Number of new airports built</li> <li>Length of paved roads</li> <li>Length of improved roads</li> </ul>				Implementing the priority support infrastructure program (roads, airports, bridges, rural tracks, etc.)		MET/ENER
	1.4.3 Improving economic management of the sector				Implementing the action plan to strengthen the transport deregulation plan adopted in October 2005 Continuing actions to improve maintenance of roads and airports Establishing specific credit facilities to renew the automobile fleet Implementing road safety measures		MET
	1.4.3.2 Continuing efforts made for air transport				Effectively implementing the action plan for the National Civil Aviation Agency Aligning national regulations with international agreements and drafting technical regulations on seaworthiness and training Establishing a strategy for developing sea transport		MET/ANAC
1.4.3.3 Modernizing sea and river transport and developing the competitiveness of the Nouakchott Port Authority				Constructing new berths and acquiring cargo handling equipment that is in line with the prospects for the expansion of shipping traffic Implementing the International Ship and Port Facility Security code (ISPS) Making the Tangiers-Nouakchott-Dakar shipping line operational Port restructuring so that resources and structures keep pace with shipping traffic growth Drafting an investment plan that is compatible with the outlook for development and financing resources Conducting a study under the aegis of the OMVS on the potential for shipping on the river and the creation of a shipping line from Rosso to the Diama dam.		MET	

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
• Energy	1.4.3.4 Modernizing road transport				Restructuring the road and rail transport sector and road safety Creating a support fund for the road transport industry Eliminating excess transport capacity		MET/ENER
	1.4.4 Improving the electricity supply and access to electricity				Drafting and implementing a national energy management program (energy efficiency, energy accounting, and domestic fuels) Continuing the electrification program through networks of new locations Implementing a program for the rehabilitation and extension of means of production aimed at Nouakchott, Nouadhibou, and 13 other electrified urban areas Implementing a program for the electrification of new locations using renewable energy sources Defining the institutional responsibilities of the national structures in this sector (DE, ADER, ARE, APAUS, SOMELEC)		MEP/ADER
	• Production cost per Kwh				Extension and rehabilitation of storage infrastructures		MEP/SMH
• Telecommunications and NICTs	1.4.5 Improving the oil supply and oil supply management				Publishing important legislation on the rules for developing and drilling liquid oil deposits Drafting and implementing an awareness-raising and training program on butane gas for the private sector Reorganizing the liquid oil transport sector Developing third-class oil deposits Implementing an action program to increase the supply of butane gas and reduce the demand for firewood		MPIT/SETN
	1.4.6 Developing telecommunications infrastructures				Conducting studies on enhancing Mauritania's international telecommunications connections		MPIT/SETN
	• Average cost of installing a land line	70%		85%	Deploying land line and cell networks over large areas		
	• Coverage rate of telecom infrastructures (land/cell)	14.6		27	Renewing obsolete communication network equipment and local administration security Enhancing competition between cellular phone operators Enhancing the capacity to raise financing		
	• Telephones per 100 population				Implementing the master computerization plan for all ministries		MPIT/SETN
	1.4.7 Strengthening the institutional framework						MPIT/SETN/A RE/APAUS
	• Number of government departments using the services of SETN						
	1.4.8 Developing the use of NICTs				Developing rural Internet access programs		

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
	<ul style="list-style-type: none"> <li>National Internet access rate</li> <li>International Internet bandwidth</li> <li>Internet connection rate for businesses (SMEs)</li> <li>Internet connection rate for households in large cities</li> </ul>	13.8% 10 Mbps	50% 100 Mbps	70% 400 Mbps	Interconnecting Mauritania to international "backbones" Implementing the e-business program Implementing the e-home program		MIPT/SETN/A RE/APAUS SETN/CNPM  SETN/ Operators
<b>Theme 2: Anchoring Growth in the Economic Environment of the Poor</b>							
<b>2.1 Rural development</b>							
	2.1.0 Reducing rural poverty and inequality				Implementing priority investment programs in the sector Creating a Rural Review		MDRE
	<ul style="list-style-type: none"> <li>Incidence of rural poverty</li> <li>Incidence of extreme rural poverty</li> <li>Poverty depth</li> <li>Severity of poverty</li> <li>Rural GDP growth</li> </ul>	59% 39.1% 20.6 9.6 -4.5	55% 34.1 15 8 1.7	51% 29.4% 12 6 5.3			
	2.1.1 Strengthening the institutional and organizational framework and increasing productivity in the subsector				Effective application of the legislation relating to the subsector (herding code, implementing decrees, etc.)		MDRE
	<ul style="list-style-type: none"> <li>Adopting implementing legislation</li> </ul>				Implementing priority investment programs in the sector		
	2.1.2 Improving productivity, health, and finances in the sector				Providing enough time and resources for vaccination drives Implementing fodder crop development programs		MDRE
	<ul style="list-style-type: none"> <li>Number of liters of milk per head (cow, goat, camel, etc.)</li> <li>Number of kilos of meat per head</li> <li>Live animal veterinary health coverage</li> </ul>	80%			Implementing the genetic improvement program Consolidation and extension of community credit institutions		
	<ul style="list-style-type: none"> <li>Volume of loans to breeder associations</li> </ul>				Establishing lines of credit for investment in the livestock breeding subsector		
	2.1.2.1 Enhancing the potential for breeding and increasing the productivity of livestock (milk and meat)				Implementing the priority investment program for the subsector		MDRE
	<ul style="list-style-type: none"> <li>Annual GDP growth rate in the subsector</li> </ul>	3.2%	1%	3.7%	Establishing a product quality assurance system making the best use of market opportunities		
	2.1.2.2 Improving live animal veterinary health coverage and promoting exports of by-products				Continuing epidemiological monitoring programs		MDRE
	<ul style="list-style-type: none"> <li>Value of subsector exports as a percentage of total exports</li> </ul>						

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
• Agriculture	2.1.2.3 Establishing an appropriate financing system for the sector <ul style="list-style-type: none"> <li>• Volume of loans to breeder associations</li> </ul>				Developing and establishing specific lending arrangements for breeder associations		MDRE
	2.1.3 Diversifying, securing, and intensifying agricultural production <ul style="list-style-type: none"> <li>• Volume of farm loans</li> <li>• Yield of dryland food crops</li> <li>• The two largest grain crops (sorghum and rice) as a percentage of national production</li> <li>• Linear meters of fencing distributed</li> <li>• Number of fenced hectares</li> <li>• Annual GDP growth rate in the subsector</li> </ul>	0.8 86.6%		0.8	Crop protection (fighting damage from birds, intensive fight against caterpillars, and stray animals) Consolidation of quality control activities concerning seeds and plants Developing new farmland Creating industrial food processing plants and non-industrial canning plants for market gardening products Making available seeds that are adapted to different crop cycles Mechanization of production Introducing new crops		MDRE
• Rural development	2.1.4 Enhancing water management and facilitating access to production areas <ul style="list-style-type: none"> <li>• Irrigated land as a percentage of arable land</li> <li>• Land farmed as a percentage of arable land</li> <li>• Number of meters of roads renovated or built in irrigated areas</li> </ul>	-32.4%	4.5%	10.5%	Building and renovating dams and dikes, enhancing catchment areas Extending and strengthening road access to isolated areas (irrigated land and oases) Establishing economical irrigation techniques		MDRE
	2.1.5 Enhancing the production potential for freshwater fish (inland fisheries and fish farming)				Conducting a pilot program on fish farming in irrigated areas (in collaboration with the OMVS and SONADER)		MPEM
• Land and capital	2.1.6 Improving access to land and capital for the poor <ul style="list-style-type: none"> <li>• Volume of lending</li> <li>• Number of savings banks created</li> <li>• Percentage of farmers owning their land</li> </ul>				Improving scientific knowledge of reservoirs Conducting an aquatic ecosystem rehabilitation program Training fishermen about reservoirs Disseminating and implementing the land and national property law and extending it to new areas Strengthening farm credit (UNCACEM), oasis credit and support for the creation of rural savings banks Extending labor-intensive programs in rural areas		MDRE
	2.1.7 Promoting technology transfers and improving productivity				Updating and implementing the national plan for agronomic and veterinary research Enhancement and rehabilitation of the research and training centers (Kaédi, Boghé)		MDRE/DRFV
• Training, research, extension	2.1.8 Improving and using farming and herding statistics <ul style="list-style-type: none"> <li>• Number of farming and herding surveys conducted and used</li> </ul>				Producing periodic surveys (RGAE, EMEA, ENM)		MDRE/DPSE

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<ul style="list-style-type: none"> <li>Capacity building for stakeholders</li> </ul>	2.1.9 Strengthening and upgrading central and regional governments <ul style="list-style-type: none"> <li>Number of persons trained (regional, central)</li> </ul>				Developing and implementing a recruitment, training, and career-management program for the sector Systematic monitoring of personnel outcomes and performances		MDRE
	<b>2.2 Urban development</b> <ul style="list-style-type: none"> <li>2.2.1 Reducing poverty and improving living conditions in urban areas               <ul style="list-style-type: none"> <li>Incidence of urban poverty</li> <li>Urban Gini coefficient</li> <li>Proportion of households without secure housing tenure</li> <li>Welfare indicator (composite index to be defined)</li> </ul> </li> <li>2.2.2 Improving urban management and monitoring, capacity building for the institutions in charge of urban planning               <ul style="list-style-type: none"> <li>Number of urban development plans (SDAUs) implemented</li> </ul> </li> </ul>	28.9 39.4 13%	21% 39.7	16% 40 <5%	Implementing housing policies and priority investment programs in the sector Continuing programs to upgrade neighborhoods Establishing a mortgage lending system for housing Conducting a further study of the Nouakchott city center  Drafting an urban planning code		MET/ADU/ PDU
<b>2.3 Microfinance</b>	2.2.2.1 Strengthening conservation of older cities <ul style="list-style-type: none"> <li>Proportion of old buildings restored</li> </ul>				Establishing city observatories and acquiring the necessary means of monitoring urban development (software, aerial photos, digital maps) Progressively introducing urban development plans and addressing systems Establishing a social housing fund Creating a land development agency and revising real-estate law Training of specialized personnel		MET/ADU/
	2.3.1 Improving access to micro-credit <ul style="list-style-type: none"> <li>Number of labor force participants with access to micro-credit</li> <li>Cumulative volume of micro-loans</li> <li>Number of families with access to credit</li> </ul> 2.4.1 Promoting the creation of profitable and competitive micro enterprises and small enterprises <ul style="list-style-type: none"> <li>Number of small enterprises financed</li> </ul> 2.4.2 Improving access to micro-credit for the poor <ul style="list-style-type: none"> <li>Number of labor force participants with access to micro-credit</li> </ul>				Approving and implementing conservation plans and urban development plans for older cities Establishing an incentive fund for public and private renovation Establishing a capacity-building program for the conservation fund for older cities (FNSVA) Implementing the national microfinance strategy		ADU/PDU
<b>2.4 Micro enterprises and small enterprises</b>					Implementing the family production project		CDHLCPI
					Implementing the national micro-enterprise strategy and the craft development strategy		MAED/ CDHLCPI/ MCAT
					Implementing the national integrated program to develop micro-enterprises (PNIME)		CDHLCPI
					Implementing the national microfinance strategy		

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>2.5 Food security</b>	<ul style="list-style-type: none"> <li>Cumulative volume of micro-loans</li> <li>Number of families with access to credit</li> </ul>						
	2.5.1 Providing assistance and relief for needy and at-risk population groups <ul style="list-style-type: none"> <li>Number of community feeding stations opened</li> <li>Number of distributions to single-parent families</li> </ul>				Continuing and extending food security and relief programs. Implementing nutrition programs for children, pregnant women, the elderly, etc. Distribution of food products to needy families		CSA
	2.5.2 Reducing the population's vulnerability to exogenous shocks				Implementing programs to renovate production infrastructures and micro-project infrastructures		CSA
	2.5.3 Capacity building for the Food Security Commission (CSA)				Physical and financial endowment of the National Food Security Stock, expanding storage capacity and intervention capabilities, etc.		CSA
<b>2.6 Targeted poverty reduction programs</b>	2.5.4 Strengthening crisis prevention capacities and food security program design capacity				Implementing the training program, the program to enhance methodological tools and the information system, etc. Drafting the national food and nutritional security strategy		
	2.6.1 Reducing extreme poverty by improving the production base and access of the poorest to basic services				Supporting farming and herding activities and developing wetlands		CDHLCPI
	<ul style="list-style-type: none"> <li>Incidence of extreme poverty</li> <li>Severity of extreme poverty</li> </ul>	28.8% 3.3%	26%	23%	Building and strengthening basic rural and urban infrastructures Promoting and developing micro-enterprises, small enterprises and income-generating activities Providing support and training for community and municipal structures, as well as NGOs		
	<ul style="list-style-type: none"> <li>Portion of extremely poor households with access to basic services</li> </ul>						
	2.6.1.1 Improving living conditions for the poorest rural families				Extending the TOUNZA and LEMNIHA programs Strengthening farm support programs Establishing the TLISSA program Extending the family production project Strengthening the rural water supply program Establishing rural development units		CDHLCPI
	<ul style="list-style-type: none"> <li>Food consumption as a percentage of total consumption (for the extremely poor)</li> <li>Access to safe drinking water (defining access, etc.)</li> <li>Percentage of the extremely poor working in rural development</li> </ul>	66.3% 30.8% 49.4%					
	2.6.1.2 Improving living conditions for the poorest urban families				Building and completing housing units in Nouakchott and other large cities Extending the TWIZE social housing program Financing and carrying out available PIPs Conducting the NOUR program		CDHLCPI
	<ul style="list-style-type: none"> <li>Number of social housing units built</li> <li>Percentage of households owning their home</li> </ul>	53.8%					

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
	<ul style="list-style-type: none"> <li>Percentage of households living in subsidized housing</li> </ul>						
	2.6.1.3 Strengthening the oversight and coordination of targeted programs <ul style="list-style-type: none"> <li>Percentage of programs with a monitoring and evaluation system</li> <li>Periodic updating of the poverty map</li> <li>Indicator measuring the degree of program integration (to be defined)</li> <li>Operational coordination frameworks (national and regional)</li> </ul>				Evaluating and monitoring targeted programs Strengthening specific programs in the most at-risk areas		CDHLCPI
<b>Theme 3: Developing Human Resources and Extending Access to Basic Services</b>							
<b>3.1 Education</b>	3.1.0 Strengthening oversight and the institutional environment				Establishing a suitable institutional system		MEFS/MESRS
• Infants	3.1.1 Improving care for infants				Implementing the national infant policy Promoting private community initiatives for infants	2006-2010 2006-2010	MEFS/SECF
• Basic education	3.1.2 Improving primary education access and quality <ul style="list-style-type: none"> <li>Admission rate to primary grade one (ratio of girls to boys)</li> <li>Gross admission rate to primary grade six (ratio of girls to boys)</li> <li>Net enrollment ratio in primary education (girls/boys)</li> <li>Gross enrollment ratio in primary education (girls/boys)</li> <li>Proportion of girls starting grade 1 who finish grade 5</li> <li>Retention rate (girls/boys)</li> </ul>	116% 40.2% 40.2% 95.1% 38.9% 40.2%		68% 70% 98% 66% 68%	Drafting a strategy of further measures to improve the retention rate Building/renovating educational infrastructures (classrooms, libraries, laboratories, cafeterias, etc.) Continuing the teacher recruitment program Developing and implementing a program to overhaul initial training for teachers Continuing linguistic recycling for teachers and modernization of teaching programs Systematically disseminating and making effective use of teaching tools Improving basic education services by involving the private sector	2006-2010 2006-2010 2006-2010 2006-2010 2006-2010	MEFS
• Secondary education	3.1.3 Improving secondary education access and quality <ul style="list-style-type: none"> <li>Admission rate to the first year of secondary school</li> <li>Gross secondary school enrollment rate</li> <li>New entrants in the first year of secondary school</li> </ul>	27% 27% 19,494	36% 33% 22,000	39% 36% 29,872	Monitoring curriculum changes Establishing boarding houses in secondary schools Training and recruiting faculty and staff Building, renovating, and equipping secondary schools	2006-2010 2006-2010 2006-2010	MEFS

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<ul style="list-style-type: none"> <li>Higher education</li> </ul>	<ul style="list-style-type: none"> <li>Student-teacher ratio in the secondary cycle</li> <li>3.1.4 Improving higher education access and quality</li> <li>Gross higher education enrollment rate</li> </ul>				Establishing a continuing education program for teachers Applying the new regulatory framework Continuing the work of the Scientific Research Support Fund Building infrastructures (University of Nouakchott campus, ISET in Rosso, Central Library, etc.) Establishing performance contracts signed with the government Drafting a scientific research strategy Establishing a database for researchers inside and outside of Mauritania	2006-2010 2006-2010 2006-2010 2006-2010	MESRS
<b>3.2 Literacy education</b>	3.2.1 Reducing adult illiteracy				Defining the appropriate institutional framework Implementing educational policies that are likely to improve retention rates in basic education Establishing a monitoring and evaluation system for literacy education Conducting an awareness campaign on literacy issues Conducting/updating sector surveys on skills needs in all business sectors	2006-2010	MCLAOIEO
<b>3.3 Technical and vocational education</b>	<ul style="list-style-type: none"> <li>Adult illiteracy rate (15 years and older)</li> </ul>	42.5%		13%			MFPE
	<ul style="list-style-type: none"> <li>Improving technical and vocational education access and quality</li> <li>Number of apprentices trained</li> <li>Number of apprentices finding a job within one year</li> </ul>				Personnel training and recruitment Building and renovating technical and vocational education facilities Defining a framework for government-private sector partnership Drafting and implementing a plan of action to meet the needs arising from the oil economy Establishing a framework of incentives for the development of private technical and vocational education	2006-2010 2006-2010	
<b>3.4 Health</b>	3.3.2 Developing the use of computers and the Internet in secondary education and in technical and vocational education				Implementation of the e-education program		SETN/MEFS
	3.4.1 Improving overall health conditions in the population				Implementing national health, nutrition, and social security policies	2006-2010	MSAS
	<ul style="list-style-type: none"> <li>Life expectancy at birth (years)</li> <li>Infant mortality rate per thousand</li> <li>Infant-child mortality rate per thousand</li> </ul>	53.6 Rf. 1998 87 135		56 80 128			



Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible	
<ul style="list-style-type: none"> <li>• Nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• Maternal mortality rate per hundred thousand</li> <li>• Malaria prevalence rate</li> </ul>	747		400				
	3.4.2 Improving access to healthcare services	67%		77%	Strengthening deconcentration, resources management, and decentralizing management of the healthcare system Building, renovating, and equipping healthcare structures	2006-2010 2006-2010	MSAS	
	<ul style="list-style-type: none"> <li>• Percentage of population living within five kilometers of health services</li> <li>• Proportion of the population with sustainable access to affordable basic drugs</li> <li>• Number of contacts (per capita and per year)</li> </ul>			> 1	Establishing an effective strategy for purchasing and maintaining facilities Acquiring and distributing quality drugs and supplies	2006-2010	MSAS	
	3.4.3 Improving the quality of healthcare services				Drafting and implementing an effective and coherent strategy for human resources development Establishing quality assurance systems for health services and action evaluation and monitoring systems for the sector			
	<ul style="list-style-type: none"> <li>• Rate of hospital infections</li> </ul>							
	3.4.3.1 Fighting the most endemic diseases	21.9%			Establishing a coherent system for predicting and managing epidemics Drafting and implementing a public health and sanitation strategy		MSAS	
	<ul style="list-style-type: none"> <li>• Immunization rate for diseases targeted by the EPI (TB, measles, polio, diphtheria, and hepatitis)</li> </ul>							
	3.4.3.2 Improving the quality of maternal care	59.2%		> 4%	> 64%	Continuing the implementation of the maternal protection program	2006-2010	MSAS
	<ul style="list-style-type: none"> <li>• Ratio of attended childbirths</li> <li>• Rate of cesarean births</li> </ul>	0.5		< 1	Strengthening the national program to fight HIV/AIDS	2006-2010	MSAS	
	3.4.3.3 Strengthening the fight against AIDS	Ref. 2000						
	<ul style="list-style-type: none"> <li>• HIV/AIDS prevalence rate</li> </ul>							
	<ul style="list-style-type: none"> <li>• Nutrition</li> </ul>	3.4.4 Developing telemedicine				Continuing the national telemedicine program	2006-2010	MSAS/SETN
3.4.5 Reducing hunger and malnutrition in the population, especially for the most at-risk groups					Establishing a technical coordination program for players involved in food security, community and school nutrition, and food quality control		MSAS/SECF	
<ul style="list-style-type: none"> <li>• Malnutrition rate (weight for age) among children under the age of five years</li> </ul>		30.2%		20%	Making the Relief and Nutrition Centers operational to provide better medical care for severely malnourished children and mothers	2006-2010		
<ul style="list-style-type: none"> <li>• Proportion of the population below minimum level of dietary energy consumption</li> </ul>					Implementing the national nutrition policy	2006-2010		
3.5.1 Increasing sustainable access to safe drinking water in urban and rural areas		52%		65%	Providing outlying areas of at-risk housing with appropriate access to safe drinking water Providing schools, hospitals, clinics, and health centers with water supplies	2006-2010 2006-2010	MH/ANEPA	
<ul style="list-style-type: none"> <li>• Proportion of the population with access to a safe drinking water source (urban &amp; rural)<sup>17</sup></li> </ul>								

<sup>17</sup> Sources include indoor faucets, public standpipes and pump-operated wells.

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
Sanitation	<ul style="list-style-type: none"> <li>Connection rate to urban and rural water networks (supply ratio?)</li> <li>Price per cubic meter of water in poor neighborhoods as a multiple of the price in other neighborhoods</li> <li>Per capita water consumption in urban areas (liters per day)</li> <li>Per capita water consumption in rural and semi-urban areas (liters per day)</li> </ul>	18.5% 5 times Rf. 1997		54% 0.8 times >50 >20	Using surface water and brackish water to provide safe drinking water Establishing an official framework to coordinate all players in the sector	2006-2010	
	3.5.1.1 Protecting water resources				Conducting an inventory, using, and monitoring resources in the sector Protecting catchment areas	2006-2010	MH
	3.5.1.2 Capacity building and promoting public and private partnerships				Implementing the APAUS and ANEPA action plans		MH
	<ul style="list-style-type: none"> <li>Number of trained persons in the sector</li> </ul>				Implementing appropriate water regulation Supporting institutions in the sector Producing a personnel training plan Establishing an official consultation framework	2006-2010	
3.6 Employment	3.5.2 Increasing access to sanitation services	37.2% 19.7%		50% >50%	Drafting and implementing a rural and urban sanitation development strategy Adopting and implementing sanitation programs		MH/ADU
	<ul style="list-style-type: none"> <li>Percentage of households with access to an improved sanitation system</li> <li>Percentage of households with access to a household waste management system</li> <li>Sanitation service access rate</li> <li>Average classification indicator for municipalities according to their basic social and economic infrastructures</li> </ul>						
	3.6.1 Maximizing job creation and improving job quality	32.5%		<25%	Stepping up programs to find employment for jobseekers Institutionalizing the labor-intensive approach and making it operational Continuing the implementation of the ANAPEJ programs to assist the unemployed: job placement, self-employment	2006-2010 2006-2010	MFPE
	<ul style="list-style-type: none"> <li>Unemployment rate</li> <li>Percentage of temporary employees</li> <li>Percentage of employees with social security</li> </ul>	35.1% 9.9%		<20% >20%	Defining and implementing a national employment strategy Revising labor market regulations and strengthening the oversight capacities of the system Stepping up programs to develop jobseekers' skills. Implementation by the ANAPEJ		MFPE MFPE/ANAPEJ
	3.6.2. Improving technical and vocational skills					2006-2010	MFPE/ANAPEJ /CDHLCPI

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>3.7 Population policy</b>	<ul style="list-style-type: none"> <li>Percentage of the labor force with no skills</li> </ul>				Expanding technical and vocational education programs Organizing training for jobseekers according to market needs	2006-2010	
	<ul style="list-style-type: none"> <li>3.7.1 Promoting family planning and the prevention of teen pregnancies</li> <li>Fertility rate</li> </ul>	4.7		4.2	Adopting and implementing an updated Population Policy Statement and the relevant regional action plans Raising funds to finance the National Population Program Implementing the family policy	2006-2010 2006-2010	MAED/DESD
	<ul style="list-style-type: none"> <li>Contraceptive use rate</li> </ul>				Strengthening coordination between the National Population Commission and the support structures	2006-2010	SECF
	<ul style="list-style-type: none"> <li>3.7.2 Promoting equal employment, education, and healthcare opportunities for men and women</li> <li>Gross school enrollment ratio of girls to boys</li> <li>Labor force participation rate for women compared to men</li> </ul>	116% 48%			Implementing national sector policies for culture, youth, and sports Organization of awareness campaigns on HIV/AIDS, in collaboration with specialized structures Raising awareness about the benefits of sports and physical education, especially in schools Establishing knowledge dissemination structures for the use of NICIs in schools and municipalities Conducting periodic surveys about young people's concerns	2006-2010 2006-2010 2006-2010 2006-2010	MCJS/MSAS/ SETN
<b>3.8 Promoting women and gender equity</b>	<ul style="list-style-type: none"> <li>3.7.3 Meeting the specific needs of young people</li> </ul>				Implementing the national strategy to promote women (SNPF)	2006-2010	SECF
	<ul style="list-style-type: none"> <li>3.8.1 Considering gender issues and improving women's participation</li> </ul>				Strengthening the technical capacities of the Multisectoral Gender Monitoring Group	2006-2010	SECF
	<ul style="list-style-type: none"> <li>3.8.2 Incorporating gender issues into national development policies and strategies</li> </ul>				Establishing a support program for women entrepreneurs and women's access to markets and decision-making centers		
<b>3.9 Children</b>	<ul style="list-style-type: none"> <li>3.8.3 Strengthening the institutional framework of the SECF</li> </ul>				Establishing an interministerial arrangement for coordinating the National Strategy to Promote Women		MSAS/SECF
	<ul style="list-style-type: none"> <li>3.9.1 Improving care for special-needs children</li> </ul>				Decentralization of the SECF's structures and tasks	2006-2010	MSAS/SECF
	<ul style="list-style-type: none"> <li>3.9.2 Improving the legal protection of children</li> </ul>				Implementing a strategy for orphans, disabled children, and other at-risk children	2006-2010	MSAS/SECF
	<ul style="list-style-type: none"> <li>3.9.2 Improving the legal protection of children</li> </ul>				Implementing the children's court system and training legal and social personnel Adopting and applying the child protection code	2006-2010	MJ/SECF

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
3.10 Social security	3.9.3 Promoting a positive change in mentalities with regard to children				Information campaigns about the Convention on the Rights of the Child Establishing strategies to promote children's participation in personal and family decisions	2006-2010 2006-2010	MJ/SECF
	3.10.1 Ensuring access to healthcare services for the at-risk population <ul style="list-style-type: none"> <li>Percentage of the extremely poor population living within five kilometers of health centers</li> <li>Health service usage rate among the poorest</li> </ul>	40.6%			Drafting and implementing the National Social Security Strategy (SNPS) Designing and establishing health risk-sharing systems Making the National Health Insurance Fund operational Strengthening the capacities of deconcentrated social services Expanding experiments for providing medical care to the poor Defining the appropriate legal and institutional framework for meeting the needs of at-risk groups	2006-2010 2006-2010	MSAS
	3.11 Universal access to basic services <ul style="list-style-type: none"> <li>Electricity</li> </ul>						
Telecom and NICTs	3.11.1 Increasing access to electricity <ul style="list-style-type: none"> <li>Ratio of access to electricity (rural and urban areas)</li> </ul>	23.8%			Implementing programs to increase electricity production and distribution (ADER, APAUS) Equipping water-pumping stations, schools, and health centers with adequate electricity systems Continuing programs to expand access to electricity in outlying neighborhoods	2006-2010 2006-2010	MEP
	3.11.1.1 Promoting public-private partnerships				Introducing legislation to regulate the electricity sector		MEP
	3.11.1.2 Increasing market penetration and use of NICT services and the overall connectivity of Mauritania <ul style="list-style-type: none"> <li>Number of telephone land line subscribers per thousand population</li> <li>Number of cellular phone subscribers per thousand inhabitants</li> <li>Number of microcomputers per thousand inhabitants</li> <li>Number of Internet users per thousand inhabitants</li> </ul>				Introducing measures to extend and support the use of NICTs Connecting central and local government departments Accessing underwater fiber optic cable networks and developing broadband networks Implementing the universal access program Adopting regulatory systems		MIPT/ARE
3.11.3 Improving oversight of the sector <ul style="list-style-type: none"> <li>Number of Internet users</li> <li>Online retailing as a percentage of total retailing</li> </ul>	15,000	30,000	100,000	3%	Revising the regulatory and institutional framework Enhancing training and support for institutions in the sector (Regulatory authority, etc.) Developing community access centers (e-community) Developing the e-Tijara program	2006-2010 2006-2010	SETN/SETN/MCAT/operators

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>Theme 4: Improving Governance and Institutional Capacity building</b>							
<b>4.1 Rule of law</b>							
• Democracy	4.1.1 Creating the right conditions for changes in political power <ul style="list-style-type: none"> <li>• Adopting constitutional amendments</li> <li>• Holding transparent elections</li> </ul>				Revising the constitution and holding a referendum	2006-2007	MIPT/MF/MJ MAED
• Human rights	4.1.2 Promoting and protecting human rights <ul style="list-style-type: none"> <li>• Rate of press censorship</li> <li>• Number of political prisoners</li> <li>• Repealing repressive laws and regulations</li> <li>• Transposing the provisions of international conventions into domestic law</li> </ul>				Organizing elections Promoting social dialogue and political consensus Establishing an Independent Advisory Commission on Human Rights Ratifying international human rights conventions that Mauritania has not yet signed Implementing the National Plan of Action to Promote and Protect Human Rights (PNADH) Integrating the “human rights” dimension into poverty reduction actions	2006-2010	MAEC/MJ/CD HL/CPJ/MIPT/ SGG
• Justice	4.1.3 Reforming the justice system to achieve greater independence, sovereignty, and equity <ul style="list-style-type: none"> <li>• Justice rate</li> <li>• Number of family courts established</li> </ul>				Adopting laws and regulations (regulations relating to the commercial code, law on real rights, law to give women access to the courts, etc.) Creating a training institute for judges and court employees Creating a legal database containing all of the laws and regulations in force in Mauritania Implementing the capacity-building program for the Ministry of Justice, judges, and court employees Establishing family courts Creating a medium-term expenditure framework for the justice system Computerizing criminal records Implementing a legal infrastructure and equipment development program	2006-2007	MJ/MCAT/ MAED/SGG
• Parliamentary capacities	4.1.4 Capacity building for parliamentary bodies <ul style="list-style-type: none"> <li>• Percentage of laws initiated by Parliament</li> <li>• Percentage of amendments</li> <li>• Number of parliamentary inquiries per year</li> </ul>				Providing technical assistance and training for parliamentarians Strengthening the information system and improving Parliament’s working conditions Upgrading parliamentary premises	2006-2010	MAED/MF/ SETN
<b>4.2 Modernizing general government</b>							

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<ul style="list-style-type: none"> <li>Institutional and organizational framework</li> </ul>	4.2.1 Strengthening the institutional and organizational framework <ul style="list-style-type: none"> <li>Government deconcentration rate</li> <li>Rate of government efficiency</li> <li>Finalizing and adopting the general organizational chart of central government</li> <li>Number of ministries where the organizational chart has been adopted</li> <li>Number of ministries with a procedural manual</li> </ul>				Aligning the organizational charts of ministries and creating effective coordination arrangements  Implementing the general rules on civil servants and central government contract employees Implementing a deconcentration policy Clarification of general government tasks and the functions of general government employees	2006-2007  2006-2010	MAED/MFPE/ SGG/ SETN
	<ul style="list-style-type: none"> <li>Public services</li> </ul>	4.2.2 Improving the quality of public services <ul style="list-style-type: none"> <li>Satisfaction rate of public service users</li> <li>General government               <ul style="list-style-type: none"> <li>Health</li> <li>Education</li> </ul> </li> <li>Justice</li> <li>Commercial services</li> <li>Geographical rate of access to public services               <ul style="list-style-type: none"> <li>Schools</li> <li>Post offices</li> <li>Police stations</li> <li>Courts</li> <li>Official press</li> </ul> </li> <li>Number of ministries with a reception and complaints department</li> </ul>	35.3% 38.4% 41.6%  43.5% 61%			Drafting a public service charter Developing a user information system on public services and access conditions  Drafting a coordinated communications strategy Reorganizing and computerizing national archives Institutionalizing the requirement to respond to users' requests and to explain the reasons for government decisions	2007
<ul style="list-style-type: none"> <li>Human resources</li> </ul>	4.2.3 Establishing modern human resources management tools <ul style="list-style-type: none"> <li>Rate of government departments using automated human resources management systems</li> <li>Rate of matched skills and job description</li> </ul>				Organizing a comprehensive census of government personnel Defining and establishing a performance review system and strengthening monitoring and supervision of government employees Implementing continuing training plans for government employees	2006  2006-2008	MAED/MFPE/ SGG/MF

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible	
4.3 Effective and transparent management of government property	<ul style="list-style-type: none"> <li>Percentage of employees managed by the user ministry on the basis of a computerized system</li> </ul>							
	4.2.4 Improving the working conditions of central government employees				Undertaking major reforms of the pay system for central government employees and improving their working conditions (buildings, furniture, equipment, access to NICTs, etc.) Designing and implementing a career management policy that offers prospects for advancement Establishing an interface between the DGF/PRA data and data from the balance and implementation of a Single Reference Database	2006-2010	MAED/MFPE/MF	
	<ul style="list-style-type: none"> <li>Average pay</li> <li>Social coverage</li> <li>Percentage of employees with computer equipment</li> </ul>							
	4.2.5 Computerizing government administration				Continuing the general government computerization program	2006-2010	SETN	
	<ul style="list-style-type: none"> <li>Number of government departments connected to the Intranet</li> <li>Number of computers per 100 employees</li> <li>Percentage of government formalities that can be dealt with online</li> <li>Percentage of automated administrative procedures</li> </ul>	5 0 5		100% 50% 50% 50%				
	4.3.1 Improving revenue collection				Reforming the legal framework governing collection and strengthening the bodies responsible for investigations and collection Establishing an annual internal audit program for the departments of the Directorate General of Taxes	2006-2010	MF/SETN	
	<ul style="list-style-type: none"> <li>Rate of revenue collection</li> </ul>							
	4.3.2 Establishing optimal and transparent management of oil revenues					Drafting and implementing an appropriate strategy for allocating oil revenue Establishing an institutional arrangement for collecting and managing oil revenues and adopting regulations on fund management Establishing an oil export supervisory arrangement	2006-2010	MF/SETN
	<ul style="list-style-type: none"> <li>Consistency of budget allocations with PRSP priorities</li> <li>Timely EITI reports</li> </ul>							
	4.3.3 Improving budget planning					Establishing an arrangement for devising long-term strategies Updating the overall MTEF for 2005-2007 on the basis of the revised PRSP and the 2006-2008 MTEF in 2006 Conducting an inquiry on tracing government expenditures in priority sectors	2007 2006 2006-2010	MAED/MF
<ul style="list-style-type: none"> <li>Budget planning</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of MTEFs in the budget</li> <li>Budget planning CPIA</li> </ul>							

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
• Budget execution	4.3.4 Improving budget execution				Establishing an integrated foreign debt management system	2007	MAED/MF
	• Ratio of budget executed for each priority sector				Completing automation of the government expenditure system and establishing a new reference price table	2006-2007	
	• Ratio of payments to commitments				Conducting surveys to track final payments, especially in priority sectors	2006	
• Procurement	• Average execution time for an expenditure				Drafting and using a procedural manual for budget preparation and execution		
	• Percentage of payment authorizations delegated to ministries						
	4.3.5 Ensuring transparent and equal access to government procurement contracts				Drafting and enacting a new Government Procurement Code	2007	MAED/SGG
• Government corporations	• Non-competitive contracts as a percentage of total government contracts				Adopting laws and regulations to reorganize the Departmental Procurement Commissions (CDMs) and the Central Procurement Commission (CCM)		
	• Enacting the new government procurement code				Establishing a regulatory structure		
	• Percentage of externally financed projects using national procurement procedures						
• Government assets	4.3.6 Improving management efficiency				Settling arrears on central government debts to corporations		MCAT/MAED
	• Net income/loss of government corporations				Revision of 1990 legislation		
					Adopting codes of conduct		
• Audit	4.3.7 Improving asset management				Standardizing information gathering and budget forecasting methods		
					Establishing a computer system		MF/SETN/MJ
					Developing an inventory of land and publicly owned land		
• Audit	4.3.8 Ensuring effective auditing				Establishing a computer system that includes functions for taxes, government property, the land registry, property priority management, and accounting		
	• Number of general government departments audited				Adapting laws and regulations on managing government property		
	• Timely publication of budget execution documents				Reorganizing and expanding the Court of Auditors	2006-2010	MAED/MF/CC
	• Compliance with payment laws				Strengthening Treasury and audit departments		
					Implementing the budget control capacity-building program for the Parliamentary Finance Commission	2007	
					Conducting a review to design an internal audit procedural manual		



Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
• Evaluation	• Percentage of ministries with a financial controller				Establishing a public policy evaluation system	2007	MAED/CDHLC PI
	4.3.9 Evaluation capacity building				Creating a unit for tracking implementation and evaluation of the PRSP	2006	
• Corruption	• Index of statistical capacities (AFR SPC)				Implementing the national statistics program	2006-2010	
	• Monitoring indicators (AAP)				Drafting and implementing an anti-corruption strategy and creating a special body responsible for investigating and punishing corruption	2006-2007	MJ/MAED/MF/ MAEC/SGG
4.4.10 Combating corruption	• Accountability / corruption CPIA	+0.02			Adopting a law on corruption		
	• Advocacy and accountability	-1.16			Ratifying international conventions on corruption and signing all treaties dealing with the issue Adopting regulations requiring all managers of public assets and senior officials to report their assets before taking up their responsibilities	2006	
<b>4.4 Decentralization</b>	4.4.1 Strengthening the institutional framework				Implementing the capacity-building program for the Local Government Directorate General (DGCL) and decentralizing staff	2006-2010	MIPT/MAED/ MIPT
	4.4.2 Strengthening local management tools and capacities				Drafting and adopting a bill to carry decentralization further (Regionalization) Implementing the National Strategy for Decentralization and Local Governance	2007	
• Average classification indicator for municipalities according to their management tools	4.4.3 Raising revenues				Drafting a manual on project management and local services management	2007	MAED/MIPT/ MET/MF
	• Efficiency of revenue raising CPIA				Drafting binding master urban development plans and extending addressing systems, along with a simplified land registry (urban land registry)	2006-2010	
• Number of municipalities subject to periodic financial supervision by the DGCL					Implementing local government support centers (CACs) in all of the Moughataa and implementing training programs for local government employees and elected officials Implementing the program for the development of decentralization and participatory democracy (P3D)		
					Continuing local tax reform regarding business taxes, property taxes, and occupancy taxes Strengthening the Regional Development Fund and establishing regional structure to supervise the fund Harmonizing the action of technical and financial partners to support the decentralization policy Pooling resources for financing local development and strengthening local project management	2006-2010	MAED/MIPT/ MET/MF

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>4.5 Civil society capacity building</b>	4.4.4 Ensuring greater involvement of civil society <ul style="list-style-type: none"> <li>Involvement of social stakeholders in implementation</li> </ul>				Strengthening decentralization support structures and establishing cybermunicipalities in regional capitals Implementing a communications campaign to anchor the municipal culture	2006-2008	MAED/MIPT
	4.5.1 Capacity building for civil society organizations <ul style="list-style-type: none"> <li>Advocacy and accountability</li> <li>Proportion of specialized NGOs in each priority area</li> </ul>				Revising the procedures for authorizing development associations Establishing a technical and logistical support program for Cyberforum and other civil society organizations (trade unions, consumer protection organizations) Establishing a support fund for the professionalization of domestic NGOs (FAPONG) Drafting and implementing a capacity-building program for national civil society organizations to enhance their institutional, organizational, managerial, and technical capacities	2007	MAED/MIPT/ CDHLCPI
	4.6.1 Promoting democratic culture and ownership of development policies 4.6.1 Strengthening media and communication efforts <ul style="list-style-type: none"> <li>Number of private radio and television stations</li> </ul>				Enacting a law on communications Implementing the National Strategy for the Press and Broadcast Media Establishing a specialized communication unit in each department and systematically publishing news bulletins Capacity building for the ministry responsible for the sector	2006-2010	MPIT/MC
<b>4.7 Promoting the participatory approach</b>	4.7.1 Promoting the participatory approach for public policies and development projects				Capacity building for Sector Technical Committees Organization of regional workshops in each wilaya	2007	MAED/CDHLC PI
<b>Theme 5: Strengthening Oversight, Monitoring, Evaluation, and Coordination</b>							
<b>5.1 Monitoring and evaluation system</b>	5.1.1 Tracking the different dimensions of poverty <ul style="list-style-type: none"> <li>Use of data</li> <li>Availability of metadata</li> <li>Percentage of PRSP monitoring indicators provided by the system</li> </ul>	36%	100%	100%	Drafting, validating, and disseminating a reference guide to all information producers Implementing a consistent data collection program, including the new phases of the Permanent Living Conditions Survey Conducting participatory surveys on the perception of poverty and basic services Conducting a survey to track rural production and the basic characteristics of farming and herding households Implementation of the plan to harmonize concepts and calculation methods (compliance with international standards and unification of national information sources)	2006-2010 2006-2010 2007-2010 2007-2010 2006-2007	Ministries/CDH LCPI/ONS

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
	5.1.2 Tracking physical and financial execution of different PRSP programs				Adopting formats and establishing sector management charts (simplified monthly charts, quarterly charts, and annual charts) Establishing a management chart to track public expenditure	2006-2007	MAED/CDHLC PI
	5.1.3 Evaluating the specific impact of the main PRSP programs as a whole				Developing a participatory evaluation methodology	2006-2007	
	• Proportion of programs evaluated (impact)				Conducting partial evaluations Conducting an overall evaluation at the half-way point Conducting an evaluation at the end of the period	2006-2010 2008 2015	
	5.1.4 Strengthening the institutional framework of the monitoring and evaluation system				Enacting a law organizing the PRSP monitoring and evaluation system Consolidating existing legislation, particularly the statistics act and the laws governing the planning, execution, and monitoring of public expenditure	2006 2006	
<b>5.2 Reporting tools</b>	5.2.1 Establishing tools to assess progress on implementing planned actions				Establishing quarterly management charts to track progress on priority sector actions	2006-2007	Ministries/CDH LCPI/ONS/CM AP
	• Reporting speed: lag (average number of days)				Publishing a quarterly review to present and comment on the main results for the quarter, focusing on critical issues likely to require immediate decisions	2006-2010	
	• Percentage of reports actually produced	100%	100%	100%	Producing a more in-depth interim report to draw on the lessons learned from the results in the first half of the current year with a view to making choices when planning the budget for the following year Producing an annual report tracking implementation of the PRSP	2007-2010 2007-2010	
<b>5.3 Coordination</b>	5.3.1 Strengthening coordination of action to ensure more impact				Publishing overall PRSP impact evaluation reports Appointing persons responsible for each sector (government, technical and financial partners)	2008, 2011 2006-2007	Government/ technical and financial partners
	5.3.1.1 Coordinating technical and financial partners' action under the PRSP				Making coordination bodies operational Organization of a workshop to validate the contributions of technical and financial partners to the PRSP as part of the Country Assistance Strategy (CAS) Identifying needs for national capacity building on a sector basis with coordinated support from technical and financial partners and following a suggested timetable	2006 2006-2010	
	5.3.2 Aligning and harmonizing development partner procedures				Rationalizing the architecture of consultation and coordination arrangements related to the PRSP	2006	

Areas	Objectives and Indicators	Ref. (2004)	Mid-way (2008)	Final target (2010)	Actions to be undertaken	Timetable	Institution responsible
<b>5.4 Regionalizing the PRSP</b>					Establishing an arrangement for tracking ODA and an integrated foreign debt management system Implementing an integrated information system on external development assistance Developing systems for coordinated program and project management with development partners Conducting a survey of the various committees	2006-2007 2006-2007 2006-2007	
	5.3.3 Rationalizing ad hoc arrangements (committees, groups, etc.)				Implementing the survey recommendations	2006-2007	
	5.4.1 Making the PRSP operational at the regional level				Finalizing all regional poverty reduction programs	2007-2008 2007	MAED/CDHLC PI
	<ul style="list-style-type: none"> <li>Number of operational regional poverty reduction programs</li> </ul>	3	13	13	Implementing regional poverty reduction programs using a participatory approach overseen by the Regional Poverty Reduction Committees Establishing a system for monitoring and evaluating regional poverty reduction programs	2007-2010 2007-2010	

## ANNEX 6: FINANCING FOR THE PRSP 2006-2010

**Table: Investments in Priority Areas (planning)**  
(UM millions)

Theme/area	2006	2007	2008	2009	2010	TOTAL
Stimulating growth and ensuring Macroeconomic stability		24,291	29,969	35,976	36,102	<b>126,338</b>
Anchoring growth in the economic environment of the poor	15,937	19,517	22,630	23,392	26,344	<b>107,820</b>
Developing human resources and expanding basic services	31,011	39,731	52,072	51,338	52,138	<b>226,290</b>
Improving governance and capacity building	6,288	5,628	5,118	5,210	6,062	<b>28,305</b>
Strengthening Oversight, Monitoring, Evaluation, and Coordination	287	1,258	1,817	937	1,537	<b>5,836</b>
Land Use Planning	240	680	1,160	2,160	3,150	<b>7,390</b>
Environment	1,166	1,831	2,157	2,634	3,218	<b>11,006</b>
<b>Total priority areas</b>	<b>54,927</b>	<b>92,935</b>	<b>114,923</b>	<b>121,647</b>	<b>128,551</b>	<b>512,985</b>
Change (percent)		69.2%	23.7%	5.9%	5.7%	104.4%

**ANNEX 7: MACROECONOMIC FRAMEWORK**

**Table 1: Real GDP growth by Sector 2001-2010**

Years / sectors	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Preliminary figures				Estimate	Forecasts				
<b>Rural sector</b>										
UM millions	59,153	53,592	55,979	51,729	55,839	57,657	59,673	62,199	64,587	67,386
Percent change		-9.4	4.5	-7.6	7.9	3.3	3.5	4.2	3.8	4.3
As a percentage of total GDP	23.0	20.6	20.4	17.9	18.3	15.8	14.9	14.4	14.1	13.3
<b>Secondary sector</b>										
UM millions	64,831	65,686	68,448	76,887	75,162	121,767	143,892	159,164	168,670	206,999
Percent change		1.3	4.2	12.3	-2.2	62.0	18.2	10.6	6.0	22.7
As a percentage of total GDP	25.2	25.2	24.9	26.6	24.6	33.4	35.8	36.8	36.9	40.8
<b>Tertiary sector</b>										
UM millions	113,439	121,479	128,708	134,749	143,966	150,313	157,119	167,396	178,905	188,443
Percent change		7.1	6.0	4.7	6.8	4.4	4.5	6.5	6.9	5.3
As a percentage of total GDP	44.0	46.7	46.8	46.6	47.2	41.3	39.1	38.7	39.1	37.1
<b>Total market sectors</b>										
UM millions	202,667	204,275	213,784	223,602	231,391	284,346	313,005	338,677	359,554	407,571
Percent change		0.8	4.7	4.6	3.5	22.9	10.1	8.2	6.2	13.4
As a percentage of total GDP	78.7	78.5	77.8	77.3	75.9	78.1	77.9	78.3	78.6	80.3
<b>GDP at market prices</b>	<b>257,555</b>	<b>260,381</b>	<b>274,947</b>	<b>289,185</b>	<b>304,931</b>	<b>364,087</b>	<b>399,039</b>	<b>429,765</b>	<b>455,122</b>	<b>475,602</b>
<i>Percent change</i>		<i>1.1</i>	<i>5.6</i>	<i>5.2</i>	<i>5.4</i>	<i>19.4</i>	<i>9.6</i>	<i>7.7</i>	<i>5.9</i>	<i>4.5</i>

**Table 2: Balance of Payments 2006-2010**  
(USD millions)

	2006	2007	2008	2009	2010
			Forecasts		
Trade balance	683.3	927.9	947.4	1,138.0	1,222.2
Exports	1,892.0	2,384.4	2,538.1	2,608.3	2,690.1
<i>of which: iron</i>	467.5	505.4	498.7	481.4	422.9
Fish	187.0	200.1	209.4	218.4	227.5
Oil	1,119.4	1,468.5	1,588.8	1,659.4	1,778.4
Copper	67.5	99.9	81.0	70.2	64.8
Gold	18.0	75.9	119.6	125.4	127.9
Imports, fob	-1208.8	-1456.5	-1590.7	-1470.3	-1467.9
Oil products	-242.9	-285.6	-306.8	-318.4	-326.5
Equipment for mines and extractive industries	-547.1	-712.7	-774.1	-595.3	-555.0
Other	-418.8	-458.1	-509.8	-556.6	-586.5
Services and income (net)	-698.9	-836.0	-907.2	-1028.4	-1100.4
Services (net)	-333.4	-355.5	-387.5	-454.3	-502.7
Credit	117.4	119.0	120.9	122.7	124.6
<i>of which: Individual fishing licenses</i>	84.4	85.0	85.9	86.7	87.4
Debit	-450.7	-474.6	-508.4	-577.0	-627.3
Net income	-365.6	-480.5	-519.7	-574.1	-597.7
Credit	3.4	11.1	22.1	32.8	43.6
of which: fishing compensation payments from the EU	0.0	0.0	0.0	0.0	0.0
Revenue from capital on the oil account	0.4	3.3	7.2	13.9	23.2
Debit	-369.0	-491.6	-541.7	-607.0	-641.3
<i>of which: Interest payments</i>	-40.4	-40.0	-37.8	-35.2	-33.5
<i>Profits and wages in the oil sector</i>	-279.6	-364.7	-394.0	-465.0	-493.3
Net current transfers	127.3	103.3	98.6	95.5	93.9
Net private transfers	47.0	47.5	48.2	48.8	49.3
Official transfers	80.3	55.8	50.4	46.7	44.5
<i>of which: Multilateral HIPC assistance</i>	27.2	23.6	21.3	21.6	20.5
Current account balance	111.6	195.2	138.8	205.1	215.6
Capital and financial account	33.0	-42.5	3.9	-38.0	-19.8
Capital account	122.6	0.0	0.0	0.0	0.0
Financial account	-89.7	-42.5	3.9	-38.0	-19.8
Direct investment	-59.7	-53.1	-31.2	-45.7	-57.4
<i>of which: net oil exploration</i>	-159.7	-107.3	-90.4	-109.9	-149.1
Errors and omissions	10.0	0.0	0.0	0.0	0.0
Balance	154.6	152.7	142.7	167.1	195.8
Financing	-154.6	-152.7	-142.7	-167.1	-195.8
Net foreign assets	-246.5	-215.1	-199.5	-223.9	-252.3
Central bank (net)	-124.6	-165.4	-110.2	-46.8	-49.8
Commercial Banks (net)	-82.6	14.7	13.2	13.9	8.2
Oil account	-39.3	-64.3	-102.5	-191.0	-210.7
Exceptional financing	59.5	62.4	56.8	56.8	56.5
Net borrowing	32.4	0.0	0.0	0.0	0.0
<i>of which: Arab Monetary Fund</i>	22.4	0.0	0.0	0.0	0.0

**Table 3: Macroeconomic Context 2001-2010**

Years / Indicators	2006	2007	2008	2009	2010
	Est.	Est.	Est.	Est.	Est.
<b>Economic growth and prices (percent change)</b>					
Real GDP (base 1998 = 100)	19.4	9.6	7.7	5.9	4.5
Real GDP excluding oil (base 1998 = 100)	6.8	7.8	7.3	5.8	4
Real oil GDP (base 1998 = 100)	...	24.6	10.3	6.1	8.5
GDP deflator	44.3	8.3	0.7	0.2	0.9
Average annual inflation rate (HICP)	6.5	4.7	3.5	3.5	3.5
<b>Investment and saving (as a percentage of GDP)</b>					
<i>Gross investment</i>	25	27.5	28.7	22	19.4
In the oil sector	11	13.8	14.6	8	5.4
In other sectors	14	13.7	14	14	13.9
Government	5.2	5	5.6	5.8	5.8
Other sectors	8.8	8.6	8.4	8.2	8.1
<i>Gross saving</i>	28.5	32.6	32	26.7	24.1
Government	10.4	8.5	8.1	9.7	10.1
Other	18.1	24.1	23.9	17	14
<b>Current account (includes official transfers and oil) (as a percentage of GDP)</b>					
Current account	3.5	5.2	3.4	4.7	4.7
Goods and services balance	11	15.1	13.6	15.7	15.7
Exports	63	66.2	64.8	62.7	61.3
Imports	52	51	51.2	47	45.6
Net income	-11.5	-12.7	-12.7	-13.2	-13
Net transfers	4	2.7	2.4	2.2	2
Official reserves (in months of goods and services imports)	1.4	2.5	3	3.2	3.4
<b>Central government budget (as a percentage of GDP excluding oil)</b>					
Revenue and grants	43	40.2	39.6	42.1	42.6
Revenue (excluding oil)	26.1	24.3	23.6	23.1	22.6
Revenue (excluding grants and oil)	23.6	21.9	21.5	21.1	20.7
of which: Tax revenues	15.8	14.2	14	14	14
Net expenditure and lending	35.4	34.6	35.6	35.9	35.8
Expenditure (excluding interest)	32.4	31.8	33.3	34.1	34.2
Current expenditures	22.1	21.4	21.7	22.2	22.2
Capital expenditure and net lending	10.3	10.5	11.7	11.9	12
Net interest	3	2.7	2.3	1.9	1.6
Fiscal balance (including grants)	7.6	5.6	4	6.1	6.8
Fiscal balance (excluding grants and oil)	-11.8	-12.6	-14.1	-14.9	-15.1
Fiscal balance (including grants and excluding oil)	-9.3	-10.3	-12	-12.8	-13.2
Primary fiscal balance (including grants and excluding oil)	-6.4	-7.5	-9.8	-11	-11.6
<b>Memo items:</b>					
Nominal GDP (UM billions)	856.5	10,16.3	1,102	1,169.1	1,233
Per capita GDP (US dollars)	976.3	1115.5	1181.7	1216.9	1255.8
Average UM/USD exchange rate (end of period)	268.6	268.6	268.6	268.6	268.6
Average oil production (thousands of barrels per day)	58.7	63	69.5	73.8	80
Population (millions)	2.9	3	3	3.1	3.2

Source: MF/MAED/BCM (June 2006)