REPUBLIC OF MAURITIUS Common Country Analysis

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ABBREVIATIONS

AfDB African Development Bank

AGYW Adolescent Girls and Young Women

AOSIS Alliance of Small Island States

BoM Bank of Mauritius

BRP Basic Retirement Pension
CCA Common Country Analysis

CCA TT Common Country Analysis Task Team

CEDAW Convention on the Elimination of All forms of Discrimination against Women

CERD Committee on the Elimination of Racial Discrimination
CESCR Committee on Economic, Social and Cultural Rights

CPD Country Programme Document

CRPD Committee on the Rights of People with Disabilities

CSO Civil Society Organization

CTSPP Confederation des Travailleurs des Secteurs Public et Prive

DP Development Partner

DGTS Digital Government Transformation Strategy

DPG Development Partners Group

ESCR Economic, Social and Cultural Rights **FAO** Food and Agriculture Organization

FDI Foreign Direct Investment
FGD Focus Group Discussion
GBV Gender-based Violence
GDP Gross Domestic Product

GEWE Gender Equality and Women Empowerment

GHG Greenhouse Gas

GNI Gross National Income
 GoM Government of Mauritius
 HBS Household Budget Survey
 HDR Human Development Report
 HRBA Human Rights Based Approach

IFAD International Fund for Agricultural Development

ILO International Labour OrganizationIOM International Organization for Migration

KII Key Informant Interview LIC Low Income Country

LMIC Lower Middle-Income Country

LNOB Leave No One Behind

LOE Level of Effort

MoH Ministry of Health

MUR Mauritian Rupee

MVI Multi-Vulnerability Index
NCD Non-Communicable Disease

NPCC National Productivity and Competitiveness Council

NRA Non-Resident Agency

OHCHR Office of the High Commissioner for Human Rights

PCI Per Capita Income
PLWHIV People Living with HIV

PMT Programme Management Team
PPP Public Private Partnership

RC Resident Coordinator

RCO Resident Coordinator Office
 SDG Sustainable Development Goal
 SIDS Small Island Developing State
 SME Small and Medium-sized Enterprise

STEM Science, Technology, Engineering and Math

STOR Terms of Reference
SWF Sovereign Wealth Fund
UHC Universal Health Care

UNAIDS Joint United Nations Programme on HIV/AIDS

UNCT United Nations Country Team

UNSDG United Nations Sustainable Development Group UNDCO United Nations Development Coordination Office

UNDESA United Nations Department for Economic and Social Affairs

UNDP United Nations Development Programme
UNECA United Nations Economic Commission for Asia

UNESCO United Nations Educational, Scientific and Cultural Organization

UNEP United Nations Environmental Programme

UNFPA United Nations Population Fund

UNHCR United Nations High Commission for Refugees
 UNIDO United Nations Industrial Development Organization
 UNITAR United Nations Institute for Training and Research

UNOCHA United Nations Office for the Coordination of Humanitarian Affairs

UNODC United Nations Office on Drugs and Crime

UNSDCF United Nations Sustainable Development Cooperation Framework

VNR Voluntary National Review WHO World Health Organization

GRAPHS and TABLES

Graph 1: SDG 8.6.1 - Proportion of youth (15-24 years) not in education, employment or training (%)

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Graph 2: SDG 10.1.1 Growth rates of income per capita among the bottom 40% and the total population

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Table 2: Multidimensional risks matrix

Executive summary

The Executive Summary will be elaborated based on the consolidated version of the CCA integrating PSG and UNCT comments on the first draft

Introduction

Acknowledging that development outcomes in all countries in the World are interlinked and that all share the same Planet and Ocean, the 2030 Agenda for Sustainable Development called for transformative change at global, regional, national and local levels, to accelerate progress towards sustainable development in its three interconnected dimensions: social, economic and environmental.

An outstanding performer globally acknowledged during the MDG period (2000-2015), Mauritius continues to be, in the 2030 Agenda era (2015-) a country in transition, both experiencing and undertaking deep transformations. Accelerate these transformations (economic, environmental, social) and build resilience to continue moving swiftly and solidly towards the highest levels of human development is at the top of the country's agenda.

Developing human capital under the highest standards and strengthening food, health, education and social protection systems; boosting economic transformation towards a green, blue, inclusive and diversified economy; mitigating the impact of climate change, moving away from a high dependence on fossil fuels, and reinforcing the adaption of communities and natural ecosystems; while Leaving No One Behind are the main priorities of the Government Program 2020-2024 (see section on National Priorities below).

Within this transformative momentum, and in an ever changing regional and global landscape, where multiple crises rise uncertainty at the level of norm, - joint, integrated, and forward-looking analysis of the evolving situation and emerging futures, and harmonization amongst multiple stakeholders is critical.

The 2022 Common Country Analysis (CCA) is intended to provide an independent, impartial, and collective review by the United Nations Country Team Mauritius and Seychelles (UNCT) of Mauritius' progress towards its normative commitments and the achievement of the 2030 Agenda. The primary purpose of the CCA is to provide the evidence base for the forthcoming Mauritius United Nations Sustainable Development Cooperation Framework (UNSDCF), which will serve as the common operational framework for the United Nations Development System's stated areas of collaboration with Government for that period.

This CCA is based on an **integrated approach**. It connects analysis of issues for the achievement of each SDG, and across SDGs, in line with the overall commitment to Leave No One Behind, UN Charter values, and international norms and standards. It reflects systems thinking, an approach that captures the interlinked relationships, resources, information, institutions, and capacities necessary to identify and address pathways to achieve the 2030 Agenda. This approach spans national borders, factoring in the regional and transboundary issues that impact a country's SDG trajectory.

This CCA goes beyond past or "snapshot" analysis to be **forward-looking** and anticipatory, estimating, modelling and projecting to 2030 and beyond. With a heightened focus on risk and foresight analysis, it is relevant and valuable for stakeholders seeking to "future proof" their sustainable development strategies. This imperative also speaks to the United Nations Secretary-General's statement that "we spend far more time and resources responding to crises rather than preventing them". The CCA thus examines the underlying and structural factors affecting the lives and livelihoods of women, men, girls and boys, and addresses historical, current and emerging political, security, social, economic, disaster and environmental risks. Social, cultural, economic, political, legislative, geographic, governance and other systemic drivers of exclusion are also considered.

The CCA is data-driven and build an **evidence base** sensitive to dynamic changes. To do so, the CCA is mainly based on official national statistics, yet also draws on all sources of qualitative and quantitative data from across the data ecosystem, including the resident and non-resident UN agencies data

portals and the various reports produced by the Government, the National Statistics Office, different public agencies, human rights institutions and civil society organizations, the academia, the UN agencies, the International Financing Institutions, among others.

To the extent possible, data is disaggregated by sex, age and income, as well as by other grounds of discrimination prohibited under international law such as disability and nationality. The CCA also examines existing evidence and data gaps for Mauritius' SDG indicators.

The CCA was elaborated by the UN Multicountry Team through its PMT in a participatory manner, engaging the Government and other stakeholders: civil society organizations, University, private sector entities, trade unions, and international partners¹. On February 10, 2022, a Government-UN consultative workshop was held.

It thus aims to foster a common understanding of Mauritius' development trajectory, to support the transformational change called for in the 2030 Agenda, and to inform and guide the UN in furthering that Agenda in the current Mauritius context. Moreover, the CCA is a living document which will be reviewed and updated annually.

The backbone for the CCA is based on the "5Ps" of the 2030 Agenda: People (the social dimension), Planet (the environmental dimension), Prosperity (the economic dimension), Peace (the ethical dimension), and Partnership (the dimensions of collaboration and cooperation). However, the CCA acknowledges and considers the interconnection between these 5 Ps, especially in the analysis of risks, challenges and opportunities ahead.

The CCA formulation employs the Human Rights-Based Approach (HRBA), focusing on the participation and accountability of both rights holders and duty bearers. It is also guided by the United Nations System Shared Framework for Action on (LNOB) and the United Nations Sustainable Development Group's Operational Guide for UN Country Teams on Leaving No One Behind; as well as by information from international human rights mechanisms. The Leave No One Behind (LNOB) analysis considers those who are at risk of being left behind, as well as the root causes of inequalities in Mauritius, and the policy solutions to enhance socioeconomic and political inclusion and human rights. Gender Equality and Women's Empowerment (GEWE) is also a cross-cutting theme in the CCA.

The autonomous islands of Rodrigues and Agalega are referenced in the CCA document where they exhibit some distinction from mainland Mauritius, for example, some difference in levels of poverty, rather than as separate chapters in the CCA.

This CCA responds to the urgency of the recovery process, and the need for coherence and efficiency to resume progresses towards the 2030 Agenda for Sustainable Development, through new pathways dictated by the new context. It does so by **delivering integrated, forward-looking and evidence-based joint analysis of the sustainable development landscape in Mauritius**. As such, it represents a signature function of the United Nations country team and a tailored analytical product able to inform strategic planning and policy/decision making for all development stakeholders. For the UN, this analysis **will be the foundation for the design of the United Nations** programmatic response through the Cooperation Framework to be developed in 2023 and implemented starting in 2024.

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¹ See exhaustive list in Annex 1: "Stakeholders consulted"

Mauritius Country Profile

1. National vision for recovery and sustainable development

The Government Programmes for 2015 to 2019² and 2020-2024 outlined the determination of the Government of Mauritius (GoM) to "...transform Mauritius into a truly forward looking, environmentally sustainable, economically vibrant, and innovative country with modern infrastructure, global connectivity, high skills and technology". This political will translates into different sectoral and cross-cutting priorities, with implications for all three dimensions of sustainable development: social, economic, and environmental.

1.1 National Development Priorities

Mauritius does not currently have a single, long-term, overarching national development plan. The country's development trajectory is instead presented in a series of three-year strategic plans, such as the current Government Programme 2020-2024, as well as in sectoral policies and in the annual budget speech, which defines prioritized programmes and funding allocations on a yearly basis. A national sustainable development strategy named Vision 2030 has also been developed in 2017, with overarching objectives on the longer-term. Although the document does not seem to have benefited from a full buy in from the different parts of Government, it gives clear overarching objectives, orientations, and targets for the "Decade of Action" of the SDGs (2020-2030).

The Mauritius Vision 2030 aims for the country's graduation to HIC status before that year³. Addressing unemployment, eradicating poverty, further opening the country to economic investment, and encouraging innovation, are the main pillars of the Vision 2030 program. Vision 2030 also references six growth sectors: agriculture, the ocean economy, tourism, manufacturing, financial services, and ICT services. Moreover, while the Vision 2030 does not specifically mention GEWE as an accelerator to the achievement of its aims and objectives, gender equality is recognized as a prerequisite for human and social development in Mauritius.

Through the Government Program 2020-2024, the GoM focuses upon "achieving an inclusive, high-income, and green Mauritius". The Government Program is based on nine pillars:

- 1. <u>Inclusiveness at the heart of the Nation</u>, to ensure "fairer access to prosperity and wealth distribution" and improve living conditions of different vulnerable groups such as the elderly and the poor; including an improvement of the minimum salary and access to decent housing.
- 2. Education and Skills for the World of Tomorrow, to ensure "fair access to high quality education for all", improving performance at all levels, inclusiveness and digitalization, while pre-primary education, promoting dual and vocational training, and improving youth skills development and the status of teachers.
- 3. <u>Improving the Well-Being and Quality of Life of Citizens</u>, to improve "health care services and create a healthy lifestyle", upgrading healthcare facilities, addressing both non-communicable and infectious diseases, adapting to climate change, and developing e-health.
- 4. **Building the Economy of the Future**, to ensure a "vibrant and innovative economy that delivers sustainable and inclusive growth', where economic development should be knowledge and technology driven, with a strong focus on youth and entrepreneurs. This pillar aims at:

² Government of Mauritius, <u>Government Programme 2015 – 2019</u>, Achieving Meaningful Change, 2015.

³ Government of Mauritius, <u>Mauritius Vision 2030</u>, 2017.

- <u>a.</u> laying the foundation of the future economy (Industry 4.0, cutting edge technology, 5G, technology parks and cyber security);
- <u>b.</u> promoting digital entrepreneurship, innovation and R&D, including through incubators, cooperatives orientation, skills development, attraction of diaspora and foreign talents, and youth employment measures;
- **c. adapting the industrial and trade policies**, to continue building an enabling environment for business, new public-private partnerships, and access to technologies and data;
- <u>d.</u> **consolidating key economic sectors**, through reforms in agriculture, re-engineering of the tourism industry, enhancing the fintech ecosystem and the international financial centre, ushering a paradigm shift in the manufacturing sector (competitiveness and imports substitution), renewing economic diplomacy with trading partners;
- **<u>e.</u> fostering emerging sectors**, exploring ocean resources (offshore oil, seabed minerals, marine biotech), fostering sustainable aquaculture and semi-industrial and industrial fisheries, giving a new boost to creative industries, and developing the circular economy
- <u>f.</u> strengthening macroeconomic fundamentals, by ensuring fiscal consolidation and supporting investment capacities of the lower- and middle-income households
- **g. driving the economic planning agenda**, by engaging in medium-term economic planning, and setting up an Economic Research and Planning Bureau and an Economic Advisory Council.
- 5. <u>Public Infrastructure for an innovative Mauritius</u>, aiming to enhance public air, sea and ground transports and electric mobility, improve disaster risk reduction and climate adaptation, consolidate access to water, sanitation and electricity, accelerate adoption of biomass and other renewable energies, enhance waste management, and to develop a National Land Development Strategy.
- 6. A peaceful, safe, and secure Mauritius, tackling drug trafficking; maintaining peace on land and sea; improving prosecution; enhancing road safety; and fighting all kind of violence, including Gender-based violence (GBV) and violence against children.
- 7. A Sustainable and Green Society, by:
 - a. **Investing in clean energy** (35% renewables in 2025, 40% in 2030), through fiscal incentives and budgetary measures and promotion of solar PV and Liquefied Natural Gas;
 - b. Improving waste management (including plastic and medical waste);
 - c. **Mitigating risks from climate change**, with a New Climate Bill and a National Youth Environmental Council, the creation of endemic forests and climate adaptation measures
 - d. **Protecting marine resources**, through the restoration of beaches, the reinstation of underwater fauna and flora, the declaration of new marine protected areas, and the protection of rivers and lakes.
- 8. <u>Strengthening Democracy and Governance</u>, to enhance transparency and accountability mechanisms, by promoting merit-based recruitment and promotion, installing a regional Centre of Excellence for public administration, improving working conditions of public officers, enhancing effectiveness of public administration, strengthening governance of parastatal institutions, fighting fraud, corruption and money laundering, advancing an electoral reform and promoting women political participation.
- 9. <u>Transformational Development of Rodrigues and the Outer Islands</u>, to improve economic development with a focus on fisheries and other marine activities, water supply, health services, in Rodrigues and establishing a port and airport in Agalega.
- 10. <u>Diplomacy and Foreign Policy</u>, to expand Mauritius' regional and multilateral cooperation, trade agreements and market access; enhance maritime security; reorganizing embassies and missions abroad; promoting Mauritius as an international centre for political dialogue; upholding the countries values as regards to human rights.

Beyond Government, an important partner working towards SDG achievement in Mauritius is the domestic private sector, which has begun to look past traditional corporate responsibilities, such as those initially envisaged under the 2009 Income Tax Act⁴, to develop innovative business models that generate social and environmental value in a sustainable way. The 2016 National Corporate Social Responsibility Framework was developed to further focus such investments⁵.

While there is not yet a whole-of-business approach to the SDGs, the Mauritian private sector has shown interest in the achievement of specific Goals, particularly those related to the environment and climate change, such as the SigneNatir initiative under Business Mauritius as well as in initiatives to address gender inequality in the workplace.

Other actors supporting SDG achievement in the country include trade unions and the over 8,000 NGOs and CSOs registered in Mauritius. The latter provide significant support to the social services sector; and they are funded variously by Government, the private sector, the UN and other DPs, as well as individuals. The National Social Inclusion Foundation is one of the biggest contributors to CSOs financing, based mostly on a 2.5% ESG contribution on enterprises' profits. Its funding priorities are aligned with the Government Program, and declined as follow:

Socio-economic development as a means for poverty alleviation

- Educational support and training
- Social housing
- Supporting people with disabilities
- Dealing with health problems
- Family protection including gender-based violence
- Leisure and sports
- Environment and sustainable development
- Peace and nation-building
- Road Safety and Security

1.2 Strategic planning and institutional arrangements for SDG implementation

Mauritius has not yet formulated a long-term implementation plan for the Goals which integrates SDG targets and indicators; nor has its draft SDG roadmap, prepared in 2017, yet been approved⁶. Besides, tools have not yet been developed to consistently align Government budgets and sectoral plans to the SDGs.

Since 28 February 2018, responsibility for the coordination of all SDG-related matters has been delegated to the Ministry of Foreign Affairs, Regional Integration and International Trade⁷. An SDG Steering Committee, including representatives from the public and private sectors, Non-Governmental Organizations (NGOs) and academia, is yet to be established to monitor and report on the country's progress towards the global Agenda 2030⁸.

It is notable that a Sustainable Development Goals (SDG) Committee was initiated in Rodrigues under the Rodrigues Regional Assembly (RRA), through amendments made to its Standing Orders, in November 2020. The Rodrigues SDG Committee is an advisory and cross-party body that is intended to serve as a think-tank, and to provide monitoring and oversight on the implementation of SDGs

⁴ The 2009 Income Tax Act requires profitable businesses to allocate 2 % of their profits to socially responsible activities, under Government approved programmes; these activities may be implemented directly by businesses or through an approved NGO, a Special Purpose Vehicle (SPV) or by a corporate partner.

⁵ Government of Mauritius, <u>Voluntary National Review Report</u>, 2019. This was also noted in the *CCA consultation with Business Mauritius*, December 2021.

⁶ UNDP, <u>Draft Roadmap for SDG Implementation</u>, 2017

⁷ National Audit Office, Preparing for the Implementation of Sustainable Development Goals, 2019

⁸ GoM, Voluntary National Review Report, 2019.

there. It is an entity which is separate from the SDG Steering Committee that is to be established in the Ministry of Foreign Affairs.

Although SDG-related data for the country is currently collated by Statistics Mauritius (SM) from various ministries, there are numerous data challenges⁹, including gaps in the types of disaggregated data, including gender disaggregated data, required to track vulnerable groups and those who face intersecting forms of discrimination. Moreover, although SM does produce analytical reports on several other themes of national importance, it does not yet provide analyses on its SDG data.

In its 2019 Voluntary National Review (VNR) Report, the Republic of Mauritius reconfirmed its ambition to achieve the 2030 Sustainable Development Agenda, including all 17 SDGs. Based on its national development policies and priorities, the country is focused upon four Goals: SDG 1: No Poverty, SDG 4: Quality Education, SDG 13: Climate Action and SDG 14: Life Below Water.

2. Leave No One Behind (LNOB): who (vulnerable groups), why (drivers of exclusion), what (policy solutions)

This chapter identifies the most vulnerable groups, at risk of being left behind along the sustainable development path (who?); the main drivers of their socioeconomic and political exclusion, which can also be seen as the multiple, overlapping barriers that they face in their access to public space, political decision, economic opportunities, human rights, well-being and social services, among others.

It is critical to acknowledge and stress the data challenges hampering a thorough analysis of these first points, including gaps in the types of disaggregated data required to track vulnerable groups and those who face intersecting forms of discrimination; and these have hindered a more fine-grained analysis of multi-dimensional deprivations.

The last part of this LNOB analysis (focusing on the "what?") is dedicated to possible policy solutions to boost political and socioeconomic inclusion of the most vulnerable groups identified in the first part of the analysis, to act on the drivers and/or barriers identified in the second part.

The analysis is based on the Human Rights-Based Approach (HRBA), focusing on the enjoyment by the different groups of their political, economic, and social rights, adding gender sensitivity and three other approaches or layers of analysis, to identify the furthest left behind:



Intersectionality: analysing which of the people being left behind face severe and/or conflicting deprivations and disadvantages or multiple forms of discrimination that multiply the risks of being left behind



Territoriality: assuming space not only as the locus of life of these social groups, but also of invisibility, marginalization, and exclusion.



Life cycle to be able to analyse the barriers that build up over time from before birth to old age (pregnancy, birth, neonatal health, preschool education and nutrition, primary and secondary education, employment and income, etc.).

⁹ Data challenges noted by Statistics Mauritius include "... the need to strengthen networking among data producers and users; review, harmonise and strengthen the existing data collection system, review / enforce the law for better data collection; address data gaps and the need for technical assistance for compilation of complex indicators": ibid., p. 4. Although Statistics Mauritius (SM) does produce analytical reports on various themes of national importance, its SDG database presents only the data received from State organizations, without analyses.

1.1 Who

The groups identified as at risk of being left behind, which will be called LNOB groups for ease of reference, are:

Women in situation of vulnerability:

Women constitute approximately 52% of Mauritius' total population¹⁰, and they are a highly heterogeneous group in terms of education, income, and occupation. Socio-economic status is therefore a key aspect relevant to the gender dimension of vulnerability in Mauritius, particularly in relation to workforce participation, poverty, and health.

Mauritius already has the requisite legal frameworks in place regarding women's freedom of movement, equitable rates of pay, property and inheritance rights and access to finance, among many others¹¹. Furthermore, there is no gender disparity in either primary or secondary education enrolment; and female enrolment at the tertiary level is 55.5%, although females are less represented in STEM fields and therefore less likely to progress to work in innovative sectors such as renewable energy.

Despite these advances and achievements, the labour force participation rate of women, across all age groups and educational levels, is only 45.3% (69.3% for men)¹². However, when this figure is disaggregated by education level, there are significant differences: 8 out of 10 women with tertiary education are in the labour force, in contrast to only one in three women with primary education¹³. For women who do engage in the workforce, the gender wage gap, without considering levels of education, is approximately 18%¹⁴. Data on the gender wage gap disaggregated by education level is not available.

Women with low educational attainment are also more represented among the groups living below the RPL. In 2017, the poverty ratio of individuals in female-headed households was 16.7%, compared to 7.7% for male-headed ones. Poverty rate was also highest among households headed by persons who were either separated or divorced (25.1%), of whom around 85% were females¹⁵.

In addition, noting the correlation between low education and poverty (see above, **Poverty**), and the links between low education and NCDs (see below, **Health**), health may add yet another dimension to gender inequality in Mauritius, especially when considering access to sexual and reproductive health services (in 2014 for instance, only 32% of women had their family planning need satisfied¹⁶).

One type of gender-based discrimination which cuts across all ages and socio-economic levels is Gender-Based Violence (GBV). GBV is thought to have increased in Mauritius during the COVID-19 lockdowns, but the numbers of GBV incidents available from different official sources are contradictory (see above, National Progress towards the SDGs; and Gender). Moreover, official GBV statistics are based upon self-reportage and, due to social and cultural norms, these incidents may be under-reported. To date, no household survey, which would better document such incidents, has been conducted.

¹⁰ Statistics Mauritius, <u>Population and Vital Statistics - Republic of Mauritius, Year 2021</u>, 2021. In 2021, the female population was 639,068, compared to a male population of 624,820; there were 97.8 males for every 100 females

¹¹ World Bank, <u>Women, Business and the Law Index Report 2021</u>, 2021. The report analyses laws and regulations affecting women economic inclusion, in which Mauritius scores 91.9 out of 100.

¹² Statistics Mauritius, <u>Gender Statistics</u>, <u>year 2020</u>, 2021.

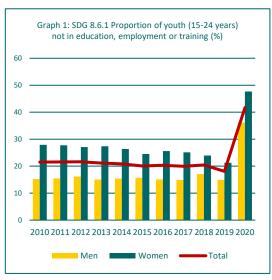
¹³ World Bank, World Bank in Mauritius, 2021

¹⁴ Ibidem.

¹⁵ Statistics Mauritius, <u>Poverty Analysis 2017</u>, 2020

¹⁶ Statistics Mauritius, SDG Database 2010-2020, 2021

Vulnerable children and Youth NEET:



In 2017, relative poverty was highest among children aged less than 16 years (17.8%), followed by youths aged 16 to 24 years (12.5%)¹⁷. Amongst the most vulnerable children are the children under 5 suffering from malnutrition. Although no data exist on this population, babies between 6 and 12 months suffering from underweight was 5.8%, indicating that the prevalence of malnutrition amongst children may not be high, but still significant. The overall malnutrition increased in the decade before COVID, and most probably worsened with COVID and inflation, suggesting higher figures for children malnutrition for 2022. Other vulnerable children are the ones not engaging in pre-primary education (7.5%, 9.6% for girls),

or dropping out from school (0.9% in primary, 9% in secondary, 7.6% for girls, 11.6% for both sexes in Rodrigues).

Adolescent pregnancy is still an important issue, which makes vulnerable not only the mothers but also their children. TBD with UNICEF

The proportion of Youth Not in Employment, Education or Training (youth NEET) has stagnating over the last decade until COVID-19 effect on employment, with an exacerbated impact on vulnerable jobs, often held by youth, came to double the share of youth who is NEET¹⁸.

While the unemployment rate in total increased by 2.5 p.p, youth unemployment increased by 3.3 p.p, and while it decreased slightly in total in 2021 (-0.1p.p unemployment), it kept on increasing for youth (+1.6 p.p)¹⁹. TBD with ILO, UNFPA and UNDP

- Persons with disabilities:

The prevalence of disability in Mauritius in 2011, the date of the most recent census, was almost 5 percent, or 1 in 20 individuals²⁰. Mauritius has no specific domestic legislation on the rights of persons with disabilities, nor does its Constitution contain any provisions specifically on disability. However, Mauritius has signed and ratified the UN Convention on the Rights of Persons with Disabilities, albeit with reservations; and there are several acts that ensure that the rights of PWLD are protected, e.g. the 2008 Equal Opportunities Act; the 2008 Employment Rights Act and the 2014-2024 Disability Strategy and Action Plan, among others. Nonetheless, government statistics clearly demonstrate that persons with disabilities are being left behind in terms of economic participation and education (see below, People: Disability and Inclusion).

Following its 2018 UPR, Mauritius supported several recommendations aimed at strengthening the protection of persons with disabilities, especially children, including ensuring access to inclusive

¹⁷ Statistics Mauritius, <u>SDG Database 2010-2020</u>, 2021

¹⁸ ILO, <u>ILOSTATS Data Catalogue</u>, 2022 and Statistics Mauritius, <u>SDG Database 2010-2020</u>, 2021. ILO's figures differ slightly from Statistics Mauritius' data, showing for instance 18.1% of youth NEET in 2019 vs 15.7% for Statistics Mauritius. Yet the trends and the gender gaps remain similar. Importantly, no national data exist for 2020, and the CCA therefore displays ILO's estimates from ILOSTATS.

¹⁹ Statistic Mauritius, <u>Digest of Labour Statistics 2020 and 2021</u>, 2022

²⁰ Statistics Mauritius, <u>2011 Housing and Population Census Analytical Report, Volume VII – Disability</u>, 2015

education and addressing violence against people, women and children living with disabilities. In 2019, the CESCR expressed concern that the duty to provide reasonable accommodation contained in the Equal Opportunities Act only applies to the employment sphere. Furthermore, the Committee observed that the 3% employment quota only applies to the private sector and is not adequately enforced²¹.

Regarding inclusive education, both the CESCR and CRC both noted the state's over-reliance on NGOs to provide specialized education services to children with disabilities.²² The CRC further noted stigmatization and discrimination levelled against children with disabilities who attend school.²³ Furthermore, the full social and economic participation of persons with disabilities in Mauritius is hindered by inadequate infrastructure. For example, according to the NHRC, children with disabilities faced considerable challenges in accessing educational facilities during the pandemic.²⁴

- Persons HIV/AIDs:

Although Mauritius has a progressive, rights-based approach to HIV and AIDS-related issues, including the 2006 HIV and AIDS Act which safeguards the rights of PLHIV, stigma continues to be attached to HIV/AIDS²⁵. For example, non-Mauritian PLHIV are excluded from work, study or residency in the country²⁶. Moreover, there is still a lack of awareness of HIV/AIDS, resulting in stigmatization and discriminatory attitudes again people living with HIV²⁷.

- People with a substance use disorder:

Regarding people with a substance use disorder, drug use and drug trafficking constitute significant and growing challenges for Mauritius²⁸. As per the 2021 National Drug Survey Report, there are an estimated 55,000 people with a substance use disorder in Mauritius and most of them start using drugs at young ages.

Although Mauritius' harm reduction measures for injecting drug users include the Needle Exchange Program (NEP) and Methadone Substitution Therapy (MST)²⁹, domestic rehabilitation programmes and facilities are inadequate for the current number of drug users³⁰. Moreover, such programmes are not accessible to those under the age of 18.

Women comprise 13% of people with a substance use disorder in Mauritius. Most females who use drugs are between 18 and 24 years, have low education (completed primary or less), are employed on a full-time basis (59%), and are single or cohabitating (74%). Women have different patterns of drug use and needs compared to males and creative treatment modalities are needed to address the needs of women who use drugs.

²¹ Committee on Economic, Social and Cultural Rights, <u>Concluding observations on the fifth periodic report of Mauritius</u>, 2019

²² Committee on the Rights of the Child, <u>Concluding observations on the combined third to fifth periodic reports of Mauritius</u>, 2019. Consultations with NGO and CSO stakeholders for this CCA in January-March 2022 confirmed this information.

²³ Committee on the Rights of Persons with Disabilities, Concluding observations on the initial report of Mauritius, 2015

²⁴ Mauritius National Human Rights Commission, <u>Annual Report 2020</u>, 2021. p. 7.

²⁵ CCA consultations with Mauritius CSOs, NGOs January 2022.

²⁶ UNAIDS, HIV related travel restrictions press release, 2019

²⁷ CCA FGDs with NGOs and CSOs working with people living with HIV/AIDS.

²⁸ Government of Mauritius, Defense and Home Affairs, National Drug Control Master Plan 2019-2023, 2019, pp. 9-10:

²⁹ Ministry of Health and Wellness, <u>Health Sector Strategic Plan 2020-2024</u>, 2020.

³⁰ In 2019, the CESCR also remarked upon "...the limited availability of harm reduction programmes, particularly for those under the age of 18".: CESCR, Concluding observations on the fifth periodic report of Mauritius, E/F.12/MUS/CO/5(2019), para. 53

Elderly in geographical or social isolation:

Key dimensions relevant to the Mauritius context include socio-economic status, health and family structure. In Mauritius, persons above the age of 65 constitute 12.6% of the total population³¹, an increase from 9.1% in 2000. The increase in the number of older persons is attributable to the rise in life expectancy to 77.8 years for women, and 71.0 years for men, in 2020³². Mauritius' older population is a highly heterogeneous group, including active, high-profile public figures, such as the President and the Prime Minister, as well as house-bound beneficiaries of NGO elder-care programmes, with a broad spectrum of seniors in between.

A key determinant of vulnerability in old age is income. For those whose sole source of income is the non-contributory state pension, which has recently been increased³³ and which, prior to the current inflationary trend, would have provided a very modest lifestyle, they may now be without a financial cushion for emergencies. For those with multiple income sources and other assets, this would be less problematic. Data which disaggregates income by age, or age by income, and which could provide more fine-grained numbers, is not available.

Health and family are other important determinants of vulnerability in old age, including whether one can live independently or requires assisted living, either at home or in a facility. The latter may be determined by family structure. The traditional Mauritian family was multi-generational. However, with economic transformation and the resultant changes in lifestyle, including the increase in nuclear families, residential homes for the elderly have become a care option. Research has shown that elder abuse increases in relation to dependency, whether in the home or in a facility; and as Mauritius' older population has increased, the rate of elder abuse has also risen. Data which disaggregates elder abuse either by income or by setting is not available.

- Migrants with low wages and/or precarious status:

Mauritius has a legal framework in support of non-discrimination and equal opportunity, including the NHRC, the EOC, the Ombudsman, and other specialized institutions, laws and regulations. However, there is a significant gap in the coverage of the National Human Rights Commission, which excludes protection for workers in non-state entities³⁴. Employees and others working in the private sector, including migrants, are therefore not protected under the NHRC, and they are thus vulnerable to exploitation³⁵.

Furthermore, international migrants lack a "one stop shop" within Government through which they can be assisted in the resolution of wage, passport, accommodation, repatriation and other types of grievances³⁶.

Within these groups, some households or individuals are more at risk than others. Those are the subgroups facing multiple barriers, rather than only one: gender, age, legal status, disability, HIV status, drug abuse, working conditions. These barriers tend to accumulate throughout the lifecycle

³¹ Statistics Mauritius, <u>Population and Vital Statistics - Republic of Mauritius, Year 2021</u>, 2022. pp. 3-4

³² Statistics Mauritius, <u>Gender Statistics 2020</u>, 2022. p. 2

³³ As of 1 July 2022, the BRP has been increased by 1000 RPs for those between age 60-65, and 2000 RPs for those above age 65, for a total BRP of 10,000 RPs and 11,000 RPs, respectively.

³⁴ In addition, although the NHRC has been rated "A" re the Paris Principles, it is not yet mandated in respect of economic and social rights.

³⁵ Complaints most received from migrants relate to overtime, passport retension, sub-standard accommodation, nonpayment of wages and repatriation details: Confederation of Workers of Public and Private Sectors (CTSP), *Migrants Report (2020-2021)*, passim. This has also been noted as a CESCR concern.

³⁶ CCA multi-stakeholder FGDs, February-March 2022.

and, beyond hampering full use of political, social and economic rights, are exacerbating the vulnerabilities of these social groups, households or individuals to both internal and external shocks.

Within these groups, subgroups living in income poverty, especially in extreme poverty, and whose limited social protection coverage does not ensure a minimum income or access to some services or care, are the groups at higher risk of being left behind, and this cuts across all other groups.

1.2 Why

Socio-economic status: Key dimensions relevant to the Mauritius context include education and income³⁷. Mauritius' Human Development Index (HDI) value for 2020 is 0.804, which places the country in the very high human development category. However, when this value is discounted for inequality, the HDI falls to 0.694, a loss of 13.7% due to the uneven distribution of the HDI dimension indices³⁸. Furthermore, the Gini coefficient is highest for the fifth income quintile, at 0.216, showing largest income inequality among households at the bottom of the pyramid.

Discrimination. Key dimensions relevant to the Mauritius context include gender, HIV status; disability and age. As noted below ("Peace"), the Constitution of Mauritius prohibits discrimination on the bases of race, caste, place of origin, political opinions, colour, creed or sex³⁹. Moreover, the Equal Opportunities Act prohibits discrimination in the areas of employment, accommodation, and education. Nonetheless, discrimination against certain groups, particularly some subgroups of women, persons with disabilities, people living with HIV/AIDS, persons with drug abuse disorders, older persons and migrants has been observed and documented⁴⁰.

Ethnicity. Ethnicity is also one of many forms of discrimination faced by those at risk of being left furthest behind, and thus part of the intersectionality of vulnerabilities faced by these groups. For example, with regard to education, including vocational training and guidance, the CESCR has noted that schools are not adequately provided with educational materials in Creole, which remains an optional language, thereby limiting access to education for Creole-speaking children, and thus resulting in high dropout rates for them; this may amount to some 20 per cent of those in primary education. Furthermore, the Committee also remains concerned that the Creole population, including persons living on Rodrigues Island, continue to face systemic disadvantages in their enjoyment of the Covenant rights, particularly in the areas of employment, housing, health care and education, and that Creoles are disproportionately affected by poverty⁴¹.

Vulnerability to shocks. Key dimensions relevant to the Mauritius context include low-lying coastal communities and households with incomes below the RPL. As a SIDS situated in the southwest Indian Ocean cyclone basin, Mauritius is highly vulnerable to climate shocks and environmental disasters, for example, rising sea levels, ocean warming and the July 2020 MV Wakashio oil spill. These events, in turn, impact upon coastal communities who depend on climate- and environmentally-sensitive economic activities, such as fishing and tourism, for their livelihoods. They are also drivers of internal migration, as environmental degradation limits the livelihood options and available natural resources in affected communities.

³⁷Socioeconomic status is the social standing or class of an individual or group. It is usually considered as a combination of education, income and occupation. See also UNDP HDR, *Technical Note 6, Dashboard 5, "Socioeconomic Sustainability",* for relevant indicators.

³⁸ UNDP, <u>Human Development Report 2020: Mauritius</u>, 2020

³⁹ Section 16; complaints may be made to various bodies, including the National Human Rights Commission, ³⁹ the Equal Opportunities Commission, the Office of the Ombudsman, the Ombudsperson for Children, and the Independent Police Complaints Commission

⁴⁰ Migrant workers and PWUD face barriers to inclusion. Both groups are considered below under Governance.

⁴¹ CESR, no. 61;

As a SIDS, Mauritius is also highly dependent upon external trade, and it is thus quite vulnerable to global shocks such as the COVID-19 pandemic and the Ukraine crisis. The COVID-19 pandemic exacerbated existing economic and social inequities; and some groups of women, particularly those working in the informal sector, as well as disadvantaged youth, vulnerable children and Persons with Disabilities, as well as micro and small entrepreneurs, among others, appear to have been disproportionally impacted (see above, People and Prosperity)⁴². It is also anticipated that food and fuel price inflation resulting from the current crisis in Ukraine will negatively impact upon households and individuals who live below the RPL and who tend to spend a greater portion of their incomes on food. Such RPL households include those headed by females with modest levels of education, persons with disabilities and the elderly (see above **Poverty** and **Table 4**.)

Geography. The key dimension relevant to the Mauritius context is low-lying coastal areas. The vulnerability of some groups is linked to their area of residence, as this can affect their immediate opportunities for education and employment. For example, in Rodrigues, jobs and livelihoods are limited primarily to fishing, agriculture and the hospitality industry, all of which are vulnerable to climate shocks and environmental disasters (see above, *Vulnerability to Shocks*). Moreover, the percentage of those in Rodrigues who live below the RPL is also higher than it is for the island of Mauritius (see above, Prosperity and Poverty).

1.3 What

It is widely acknowledged that, globally, Mauritius has a legal and regulatory framework that favors the respect of human rights for all as well as their social inclusion. Likewise, most public policies, both economic and social, have sought to focus on groups and people in vulnerable situations, mitigating the factors that limit equal opportunities among people. Therefore, **the recommendations focus on measures and actions enabling the acceleration of the implementation of public policies for political and socio-economic inclusion.** To this end, a Workshop will be organized with the vulnerable groups identified and the organizations working to promote these groups' rights or socioeconomic and political inclusion in general, to obtain inclusive recommendations targeting vulnerable populations.

Based on the CCA, seven main recommendations are displayed below. They will be broken down into ten concrete actions for each recommendation, based on the consultations made during the workshop, to be conducted in November 2022.

- Strengthen institutional capacity (NSB and other, both producers and consumers of statistics) and the statistical system with disaggregated and updated data, and consolidate the National Planning System to make it more inclusive
- Building capacity at the sector level to ensure adequate services
- Improve coordination between institutions and between levels
- Foster collaboration between public entities and civil society organizations and private sector companies for inclusion
- Accelerate administrative, legal and judicial procedures with a focus on those that offer a comparative advantage to groups most at risk of being left behind
- Investing in the skills of the subgroups most at risk of being left Behind
- Improve the population's understanding of discrimination and violence and their impacts

3. Progress on SDGs

Mauritius' progress on the SDGs is outstanding compared to regional average, and it ranked first in Sub-Saharan Africa in the SDG Index Report 2022 (89th out of 163 globally). Two SDGs out of 17 appeared, four appeared on track (SDGs 1, 4, 6, 9), five were moderately improving (SDGs 5, 11, 12,

⁴² See e.g. UNDP, The Socio-Economic Impact Assessment of COVID-19 in Mauritius, 2020, p. 59-65 and passim.

16 and 17), six were stagnating (SDGs 2, 7, 8, 13 and 14), and none was deteriorating. Overall, two SDGs were achieved (SDGs 1 and 4) and thirteen experienced significant or major challenges⁴³. Most SDG indicators have been improving slowly or even stagnating since 2015, partly due to the COVID-19 crisis, yet even before it for many⁴⁴. If considering the World Happiness Index, increasingly recognized as a relevant proxy for well-being, Mauritius was ranked first in Africa and 49th out of 160 countries worldwide in 2019⁴⁵.

3.1 People: Access to basic and social services

SDG 1: Poverty and Social Protection

Prior to the onset of the COVID 19 pandemic, Mauritius' claim on successful extreme poverty eradication appears to have been justified⁴⁶ with extreme poverty negligible in the country⁴⁷. Mauritius has adopted an income-based measure of poverty and a Relative Poverty Line (RPL)⁴⁸. According to this measurement, in 2017 there were approximately 36,500 households, comprising some 131,300 persons, in relative poverty in the country⁴⁹. Moreover, between 2012 and 2017, the number of households in relative poverty had increased by about 3,000⁵⁰ (see Table x, below):

Table 1: Relative Poverty Indicators

	2012	2017
Relative poverty line (Rs) per adult equivalent per month	5,652	7,509
Estimated number of households in relative poverty	33,600	36,500
Proportion of households in relative poverty (%)	9.4	9.6
Estimated number of persons in relative poverty	122,700	131,300
Proportion of persons in relative poverty (%)	9.8	10.4
Income gap ratio (%)	24.0	23.8
Poverty gap ratio (%)	2.3	2.5
(Statistics Mauritius)		

Between 2012 and 2017, the median income has increased by 29%. Nonetheless, with the implementation of income support measures such as the institution of a minimum wage and an increase in basic retirement pensions as well as a negative income tax, the %age of households under the Relative Poverty Line only increased by one %. However, without Government transfers, free health services, education and bus transport, in 2017 the poverty rate would have reached 34.1%, instead of its actual rate of 9.6%⁵¹.

⁴³ SDSN, SDG Index and Dashboards, 2022

⁴⁴ Statistics Mauritius, SDG Database 2010-2020, 2021.

⁴⁵ World Happiness Index, <u>World Happiness Report 2022</u>, 2022. The World Happiness Index is based on six variables: GDP per capita; social support; healthy life expectancy; freedom to make choices; generosity and perceptions of corruption ⁴⁶ GoM, Voluntary National Review Report, 2019

⁴⁷ Statistics Mauritius, <u>Historical Series – Poverty 2020, Concepts and Definitions</u>, 2021. "This is a poverty line developed by World Bank to quantify global poverty whereby a person whose consumption expenditure is below \$1.90 (PPP) a day is considered to be in extreme poverty":

⁴⁸ Statistics Mauritius, <u>Poverty Analysis Report YR 17</u>, 2020. The RPL is based on half of the median monthly household income per adult equivalent. In 2017, the relative poverty line was Rs 7,509 for a single member household and Rs 17,700 for a household comprising two adults and two children (aged below 16 years).

⁴⁹ Ibidem

⁵⁰ Ms. Daisy Brigemohane, Ministry of Social Integration, remarks at the 10 February 2022 UN-GoM Consultative Workshop. Although more recent numbers from the Social Register indicate that absolute poverty numbers fell from 10,000 in 2017 to 5,000 in 2021

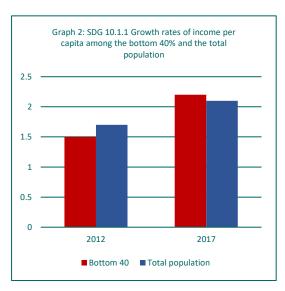
⁵¹ Statistics Mauritius, <u>Poverty Analysis Report YR 17</u>, 2020

Based on 2017 Household Budget Survey (HBS) data, the RPL for the Island of Rodrigues was estimated at Rs 5,063. According to this figure, the proportion of households in relative poverty should be estimated at 17.1%. However, if the 2017 Rodrigues RPL were calculated on the RPL for the Republic of Mauritius, the proportion households in poverty in Rodrigues would have been 37.3% at that time.

Rising inequality in household income from labour has been the main culprit behind the growth in overall income inequality.

Average hourly earnings by major occupational groups

From 2000 to 2015, the increase in household income inequality was driven by the dynamics of



individual earnings, with the latter rising much faster at the top relative to the bottom of the distribution. This dynamic was attributable to the skills shortage associated with structural changes of the economy from traditional and low-skills' sectors toward services. This structural transformation generated an increase in the demand for skilled workers that was not matched by an equally rapid increase in their supply. Approximately 1 in 2 Mauritians living in poverty are inactive and live off public transfers, with some of the working poor employed by tourism, manufacturing, and household services. They are more likely to lose their jobs or work shorter hours in these occupations. The income gap ratio has remained the same around 24 % between 2012 and 2017.

Source: Statistics Mauritius

Reducing poverty would imply a focus on ensuring sufficient living wages are provided by the private sector, rather than solely relying on social transfers. Such a strategy is required both for the economic transformation of the country, as well as to address inequality and poverty. Nonetheless, the income gap ratio will not be reduced solely by increasing minimum wages in the private sector, particularly given the paucity of data relating to under-employment. More specifically, in the case of minimum wage determination, the Committee of Experts on the Application of Conventions and Recommendations (CEACR) found that certain regulations set different wage levels for men and women in the same job occupation, for example, the Salt Manufacturing Industry (Remuneration) Regulations, 2019, the Sugar Industry (Agricultural Workers) (Remuneration) Regulations 2019 and the Tea Industry Workers (Remuneration) Regulations 2019.

Two of the most important social assistance mechanisms for reducing poverty are the 2016 Marshall Plan Against Poverty and the 2016 Social Integration and Empowerment Act. Under the Marshall Plan, eligible families receive a basic allowance to supplement their monthly income. Under the Social Integration and Empowerment Act, beneficiaries receive support through various empowerment schemes, such as child allowance, school materials, training, placement and social housing (see below, **Social Protection).** The main challenge moving forward, especially in a context on limited fiscal space and constant upward pressure on public expenditures, will be the sustainability of these schemes, especially in terms of financing. As noted above, in 2017, without Government transfers, free health

⁵²ILO, <u>2020 Observation under the Equal Remuneration Convention</u>, <u>1951 (No. 100)</u> and <u>2020 Direct Request under the Discrimination (Employment and Occupation) Convention</u>, <u>1958 (No. 111)</u>. Regarding equal pay for work of equal value, see also 2019 CESCR concluding observations, paras. <u>23-25</u>.

services, education and bus transport, poverty would have been at 34.1 %, instead of the actual rate of $9.6 \%^{53}$.

Women are more likely than men to live in poverty. In 2017, 11.0 % of the female population was living below poverty line compared to 9.6 % for the males; and out of 131,300 persons in relative poverty, 70,800 were females and 60,500 were males. The 2017 HBS indicated that poverty is more likely to occur in female headed households, at 15.9 %, than in male headed households, at 7.6 %⁵⁴. (See also below, "GEWE" and "Prosperity").

Beyond geographic location, family size (poverty prevalence amongst households with 3 or more children is 30%, compared to 5.1% for households with one child or less⁵⁵) and gender, the level of education of the head of household also appears to be a strong predictor of poverty, with the likelihood of being poor decreasing for every level of schooling completed. Migration status is also a factor, regardless of whether migration is internal or international (see below, **Prosperity** and **Planet**), as is disability and post-retirement age (see below, "**Health**"). These categories are not necessarily exclusive, and they may intersect.

Mauritius has a well-established, long standing, and comprehensive social protection system, including free primary education, UHC and universal, non-contributory pensions, as well as programmes for vulnerable groups such as the elderly, persons with disabilities, orphans, widows, and people living in poverty. These programmes are implemented by state entities as well as by CSOs and NGOs. There is also a National Corporate Social Responsibility programme to which the private sector is required to contribute 2 % of taxable income, and which may be used in support of various social protection initiatives such as social housing, family protection and education, among others.

As noted above in **Poverty**, two of the most important social assistance mechanisms are the 2016 Marshall Plan Against Poverty and the 2016 Social Integration and Empowerment Act. Prior to the COVID-19 pandemic, the Marshall Plan benefitted approximately 11,000 households, or 40,000 individuals. Under the Social Integration and Empowerment Act, beneficiaries receive support through various empowerment schemes, such as child allowance, school materials, training, placement, and social housing. Prior to the pandemic, it benefited approximately 16,000 individuals.

The greatest portion of social spending, that is, 6.9 % of GDP⁵⁶, is channelled through the non-contributory basic retirement pension (BRP), for which all citizens are eligible at age 60. As noted above (**Health**), Mauritius has a rapidly ageing demographic, and this will result in an increasing total dependency ratio⁵⁷, which in turn will put additional pressure on the social protection system, as the number of pension recipients rises in relation to the number of pension contributors. Currently, the economic and social impacts from Covid-19 have dramatically increased demands on Mauritius' social protection system. Workers in the informal economy and low-waged employees, already at a disadvantage before the pandemic, have been disproportionately affected⁵⁸. Accordingly, the Government's strong response to the pandemic included a wage assistance scheme that covered wage payments through the lockdown period; and this assistance was further extended until the end of 2020 for the tourism sector.

⁵³ Ibid

⁵⁴ Statistics Mauritius, <u>Poverty Analysis 2017</u>, 2020 (p.18).

⁵⁵ Ibidem

⁵⁶ Mauritius Chamber of Commerce and Industry, <u>Statement on State of the Economy 2020-2021</u>, 2022. p. 17-18.

⁵⁷ Ibid. MUR 29.6 bn has been spent on the 18 basic retirement pensions in 2020 representing 6.9% of GDP.

⁵⁸World Bank, <u>World Bank in Mauritius</u>, 2021. In December 2020, 68.8 % of those in self-employment and 20.0 % of those in wage employment reported that their income had declined in comparison to the pre-pandemic level: 2021.

As Mauritius' recovery from the pandemic has been set back by the dramatic cost of living increases related to the ongoing Ukraine crisis (see above, **Country Overview**, and below, **Prosperity**), demands on the country's social protection system will probably continue to increase. In order to balance needs with available funding, Mauritius may need to more selectively target social protection beneficiaries, although any reform of the BRP is likely to be unpopular. In addition, the lack of disaggregated data, including socio-economic indicators, will also need to be corrected in order to more accurately target those furthest left behind.

SDG2: Food security and nutrition

It is acknowledged that Mauritius will remain dependent on imports for its staple foods. Currently, the country imports close to 77% of its food requirements, including wheat, rice, oil, meat, and milk. Should a coherent approach for a modern, more intensive and technologically enabled production be implemented, it is estimated that domestic supply for meat, other than poultry, can reach close to self-sufficiency. The Strategic Plan (2016 - 2020) for the Food Crop, Livestock and Forestry Sectors identified 12 strategic intervention areas that are prerequisites to achieve its targets by 2020. However, these interventions have not yet been implemented.

Underpinned by this structural vulnerability linked to overreliance on food, fuel and inputs imports as all Small Island Developing States, food security remained significant and severe food insecurity increased in recent years, even before COVID (from 5.2% in 2015 to 8.3% in 2019). The figure is undoubtedly much higher now, is probably much higher now, due to the combined effects of COVID and inflation.

A long-standing cross-cutting issue concerning the quality of food, the health of the population, and environmental degradation, is the heavy use of chemical fertilizers, growth chemicals, and pesticides in the food production sector. The latest report from the United Nations Food and Agriculture Organization (FAO) on global trends in pesticide use puts Mauritius at the top of the list of countries that used the most pesticides in 2018, with 2795 kg of pesticides used per km sq of cropland)⁵⁹. Consequently, the use of an entrepreneurial and scalable approach to agricultural production must consider sustainable agricultural reform and financial mechanisms to incentivize organic agricultural practices. This could be supported by, for instance, smart agriculture technologies for irrigation, hydroponics etc.

SDG3: Health, including Sexual and Reproductive Health

The GoM has acknowledged access to health as a human right. Moreover, the country has a well-performing health system, and, prior to the COVID-19 pandemic, it had achieved many of the health-related SDG targets. Mauritius provides universal, free basic and specialized health care services. ⁶⁰ The country's expenditure on public health accounts for the third largest component of its public spending, after social protection and education⁶¹.

As a result of this investment, premature morbidity and mortality associated with infectious, parasitic and water-borne diseases have significantly decreased, and most vaccine preventable diseases, water-borne diseases and other communicable diseases are, with the exception of SARS COVID-19, no longer

⁵⁹ FAO, <u>Codex Alimentarius International Food Standards – Pesticides Index</u>, 2022

⁶⁰ However, the Universal Health Coverage Service Coverage Index for 2020 was only 63%. This is a paradox when free health services are available in public health facilities.

⁶¹ The country's public health spending has increased from Rs. 18 million in 1968 to Rs. 12.95 billion for the Financial Year (FY) 2019-2020: HSSP.

of concern⁶². With respect to pandemic containment measures, in September 2022, 76.9 % of the Mauritian population was fully vaccinated against COVID, which is an outstanding achievement, particularly in comparison to the rest of the region⁶³. In 2020, life expectancy was 71.0 years for men and 77.8 for women⁶⁴.

Currently, the most significant health challenge for Mauritius is the increasing burden of non-communicable diseases (NCD), which is estimated to account for some 80 % of the country's burden of disease and 85 % of its deaths⁶⁵. Indeed, at present, the prevalence of diabetes in Mauritius is one of the highest in the world⁶⁶. In partial response, there are now a number of national programmes on NCD prevention which emphasize behavioral change and the promotion of healthy life styles⁶⁷.

Research in Mauritius, as elsewhere, also indicates that health outcomes are closely related to educational level: people with lower levels of education have a higher risk of NCDs⁶⁸. Poverty also increases the risk of death and disability from NCDs.⁶⁹ Noting the connection between low education and poverty (see also above, **Poverty**), NCDs may add yet another dimension to inequality in the country.

Mauritius has a progressive, rights-based approach to HIV and AIDS-related issues, as evidenced by its 2006 HIV and AIDS Act, which provides for prevention and containment. The 2006 Act also safeguards the rights of the People Living with HIV (PLHIV), including protection against stigma and discrimination. Moreover, the National HIV Protocol has been updated to introduce safer, more tolerable and less toxic anti-retroviral drugs in order to increase treatment adherence rates and improve the quality of life of PLWHIV⁷⁰ Nonetheless, despite these legislative advances, stigma continues to be attached to HIV/AIDS⁷¹. For example, non-Mauritian PLHIV are excluded from work, study or residency in the country.⁷² Moreover, the 2019 amendments to section 8 of the Immigration Act (No. 13 of 1970),on prohibited immigrants prohibited from entry did not repeal the provisions concerning "persons affected with any infectious or contagious disease⁷³."

Mauritius has a rapidly ageing demographic: In December 2020, there were 239,041 persons over the age of 60 in the country, or 18.8 % of the total population. By 2027, this is projected to increase to 23 %, and to 35 % by 2057⁷⁴. Beyond its own senior citizens, Mauritius' plans for a "Silver Economy", which would attract at least 50,000 foreign retirees to the country in 2022-2023⁷⁵, as well as for developing medical tourism, also has implications for the country's healthcare system. For example, it is possible that the further development of private healthcare could increase the gap with UHC services. It is expected that NCDs and the chronic conditions associated with them, and the need for

⁶² Minister of Health and Wellness, <u>Health Sector Strategic Plan 2020-2024</u>, 2020. p. 9. These achievements are attributed to the Integrated Surveillance System in place

⁶³ WHO, <u>Vaccination data</u>, 2022

⁶⁴ Statistics Mauritius, <u>Gender Statistics 2020</u>, 2021.

⁶⁵ Minister of Health and Wellness, <u>Health Sector Strategic Plan 2020-2024</u>, 2020.

⁶⁶ Ibid

⁶⁷ SDG Roadmap, UNDP 2017.

⁶⁸Government of Mauritius, <u>Social and Economic Determinants of Health in Mauritius: A Focus on Non-Communicable Diseases</u>, 2013. See also Ministry of Health, Kenya, The Kenya Non-Communicable Diseases & Injuries Poverty Commission Report, July 2018, pp. 8-9 and passim; and Oshio, Takashi and Mari Kan, <u>Educational level as a predictor of the incidences of non-communicable diseases among middle-aged Japanese: a hazards-model analysis</u>", *BMC Public Health*, no. 85, 2019 ⁶⁹ Ibid.

⁷⁰ HSSP.

⁷¹ CCA consultations with Mauritius CSOs, NGOs January 2022.

⁷²UNAIDS, <u>HIV related travel restrictions</u>, 2019

⁷³ Mauritius Committee of Experts on the Application of Conventions and Recommendations (CEACR), <u>direct request on the Migration for Employment Convention (Revised)</u>, 2014

⁷⁴ Mauritius Chamber of Commerce and Industry, <u>Statement on the State of the Economy 2020-2021</u>, 2021 p. 17-18.

⁷⁵ Economic Development Board Mauritius, <u>Budget 2021/22</u>: <u>Better Together Newsletter</u>, 2022. p. 28.

the specialized healthcare services required to manage them, will increase dramatically as the county's population, including its foreign retirees, age⁷⁶. Beyond the country's healthcare system, these demographic changes also have implications for skill shortages, working conditions, standards of living and the adequacy of the current social safety nets.

However, research elsewhere has demonstrated that as more people live longer and healthier lives, aging need not inevitably involve frailty, dependency and financial need, particularly when healthcare systems emphasize preventative medicine. Many older people continue to enjoy good health and to be economically productive, rather than increasing dependency ratios⁷⁷, during their final 20 years, or third stage, of life after age 60; and this presents a counterweight to the old age dependency ratio. Moreover, the GoM has begun to examine workforce participation among older adults, including an ongoing survey by the National Productivity and Competitiveness Council⁷⁸, to develop strategies to adapt a new economic model, given its an ageing workforce. This may also involve an unpopular decision to adjust upwards the age at which citizens become eligible for their non-contributory pension.

The growth in Private Sector expenditure has outpaced the growth in public health spending, resulting in higher share 53.52% private health expenditure as proportion of total health expenditure. This growth is predominantly financed in the form of Out of Pocket (OOP) Expenditure (83.8%). As a result of the high OOP, 8.2% of the national population experience catastrophic health expenditure. This suggests an urgent need to implement strategies to improve financial protection and reduce inequalities through better targeting of public subsidies to the poor and vulnerable.

Other significant healthcare challenges include:

- Substance-related and addictive disorders, as a result of tobacco, alcohol abuse, unregulated use
 of medications, synthetic drugs, use of intravenous drugs, heroin, cannabis, psycho-active
 substances and illicit methadone pose daunting public health challenges, and this in turn
 compromises public health and safety and national security. Although the country's harm
 reduction measures for injecting drug users include the Needle Exchange Program (NEP) and
 Methadone Substitution Therapy (MST)⁷⁹, domestic rehabilitation programmes or facilities for
 drug users are inadequate⁸⁰;
- The resurgence of communicable and other vector-borne diseases, and the emergence of new infectious disease, are continuous threats, as the COVID 19 pandemic has demonstrated.
- In terms of women's health, challenges include ensuring high quality antenatal and intra-natal obstetric care, including the timely diagnosis of developmental anomalies and the management of high-risk pregnancies to eliminate preventable maternal mortality. Addressing anemia among girls and women in the reproductive age and among pregnant women is also a concern. Finally, notwithstanding that the number of pregnant teens in Mauritius is on the decline, teenage pregnancy continues to be a significant issue facing families, schools and health of the teens and their babies; and. adolescent-friendly sexual and reproductive health services need to be operationalized

⁷⁶ Minister of Health and Wellness, Health Sector Strategic Plan 2020-2024, 2020. p. 25.

⁷⁷See, for example, Morrow-Howell, Nancy; James Hinterlong and Michael Sherraden (Eds.), *Productive Aging: Concepts and Challenges*. Baltimore, 2001

⁷⁸ NPCC Mauritius, Research on ageing workforce, 2018 (ongoing research)

⁷⁹ Minister of Health and Wellness, <u>Health Sector Strategic Plan 2020-2024</u>, 2020. p. 12.

⁸⁰ See, for example, paragraphs 53 and 54 of the CESCR 2019 recommendations to Mauritius, including to "...develop a policy to address the acute health conditions of drug users, improve access to health-care services for drug users, and combat social stigmatization of drug users, including through awareness programmes; (and to)...continue to expand harm reduction programmes, including opioid substitution therapy and needle and syringe programmes, and expand the harm reduction programmes available to those under the age of 18".

- Health literacy and community awareness and engagement: Greater community awareness of and education on the availability and quality of services and health matters, generic medicines, and preventative health measures is needed. Although a National Health Literacy Framework was developed in 2013, it requires revision and implementation.
- The number of healthcare professionals is currently inadequate to provide care to persons with mental health conditions⁸¹; and this need has been exacerbated by the COVID-19 pandemic⁸²
- Other challenges include a lack of institutional coordination on issues of multi-sectoral collaboration, including the management of NCDs and their risk factors.

Key accelerators in the health sector therefore include community awareness raising and education on preventative medicine, ageing and the social determinants of health. In addition, the COVID-19 pandemic has shown that innovative programming and early response systems for disease outbreak responses could help to reduce socio-economic losses in the event of similar crises in future. Moreover, data and digital health and innovation, are also promising areas, not only to enhance health services for the local population. They could serve as accelerators for the development of the country's envisaged medical tourism industry and, more broadly, towards achieving parity in the health sector with High-Income Countries (HICs).

SDG4: Education

Mauritius recognizes the right of every citizen to education. Government investment in this sector in 2020 was the equivalent of 4.6 % of GDP⁸³, which was only slightly less than its average of 4.7 % of GDP over the 2011-2015 period. The state provides free, universal education at the primary and secondary levels; and instruction is free in all public institutions at the tertiary level. In addition, more than 90 % of Mauritian children are enrolled in pre-primary education, although the majority of preschools are private institutions which charge fees.

School enrolment figures indicate that Mauritius is on track to achieve SDG 4. In 2020, enrolment in primary education was at 95 % for both males and females, although in secondary education these figures fall to 69 % and 76 % for males and females' enrolment, respectively. At the post-secondary level, in some courses, female enrolment is 30 % higher than male.⁸⁴

However, despite high public education enrolment and completion rates, and being on track to achieve SDG 4, there is a local shortage of the kinds of skilled knowledge workers required by business.

In the literature on the skills mismatch in Mauritius, it is assumed that the tertiary education system is not producing enough graduates with the kind of high level, or white collar, skills required to engage either in technology-driven sectors, or in those sectors that are upgrading their use of technology. Public universities' offers and intakes do illustrate a bias for subjects other than science and technology fields (see, for example, **Graph 3, "Admissions at the University of Mauritius 2017-2020",** below); and the Human Resource Development Council, which has been monitoring this situation since 2018, has reported that there is "a lack of STEM skills across all sectors" and "a gradual decline in enrolment in STEM subjects"⁸⁵. However, there is currently insufficient data to accurately determine the extent of the actual potential for jobs in these technology-driven sectors, which would then also demonstrate that this is the main bottleneck to full employment.

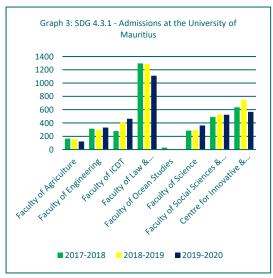
⁸¹ Committee on Economic, Social and Cultural Rights, <u>Concluding observations on the fifth periodic report of Mauritius</u>, 2019

⁸² Ibid. See para. 55

⁸³World Bank, World Bank in Mauritius, 2021

⁸⁴Statistics Mauritius 2020, tables 12, 13, 14.

⁸⁵ An Assessment of Interest in STEM Subjects at secondary school level in Mauritius. Human Resource Development Council, 2021



Nonetheless, there is currently a deficit of skills in the local market for professional as well as semi-skilled labour, indicating that there is a need to revise the curricula in the education and training sectors, with the involvement of the private sector, to ensure that students have the skills that are needed by the market. These include skills in the sunrise industries referenced in the 2020-2021 budget speech, e.g. the blue economy, renewable energy, circular economy, cane industry, and pharmaceutical and nutraceutical industries⁸⁶.

Source: University of Mauritius

Closing this skills gap is hindered by the fragmented national approach to education, training and retraining⁸⁷. For example, various government approaches include the 2013 Youth Employment⁸⁸ and the 2014 Back to Work Program⁸⁹ as well as circular migration initiatives, the promotion of technical and vocational education and education for entrepreneurship. Other initiatives include a number of active labour market programmes aimed at increasing employment opportunities for poor and vulnerable populations. These initiatives have been launched through different ministries and departments, but without coordination or assessment of programme results and impacts. Engaging the private sector into all education system reform to get their views on the skills that they need now and will need in the future is also important going forward.

Moreover, as noted in the discussion on the technology sector above, it is remarkable that these initiatives have assumed that higher skills will lead to lower rates of unemployment. Although some 70 % of the unemployed do have low education levels, data indicating the proportionality of people with low education who are employed, or under-employed, is not currently available ⁹⁰.

To bridge some of these work force gaps, Mauritian firms have engaged migrant⁹¹ labour. It is currently estimated that there are some 50,000 migrant workers in Mauritius, equivalent to about 8 % of the labour force. Most are semi-skilled or low-skilled workers, and they are concentrated in the construction and manufacturing sectors (see also below, "Prosperity"). 92

Additional challenges in the education sector include the insufficient provision of inclusive education for students with disabilities, i.e. with special educational needs, noting that children with disabilities may not be able to access mainstream education⁹³ (see also above, **Disability and Inclusion**). In addition, there are geographical and gender disparities across several key education indicators (see below, **Gender Equality and Women's Empowerment**).

⁸⁶ Statement on the State of the Budget 2020-2021, p. 23.

⁸⁷ World Bank, World Bank in Mauritius, 2021.

⁸⁸ This programme provides training and re-skilling opportunities for young graduates. Through this program, the GoM provided 50 % of the salary of a graduate hired by an enterprise for one year.

⁸⁹This program is intended to increase female labour force participation by providing special training in 21 occupations; there is currently no data available to indicate the impact of the program.

⁹⁰ At 11.9% for females, against 18.6% for males.

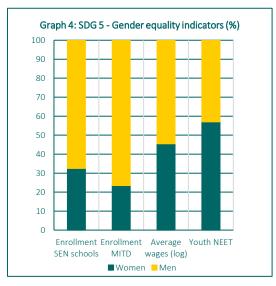
⁹¹ Although not formally defined under international law, experts generally agree that an international migrant is someone who changes his or her country of usual residence, either temporarily or permanently, and for a variety of reasons.

⁹² World Bank, World Bank in Mauritius, 2021 (p. 37).

⁹³ CCA consultations with NGOs focused on children with disabilities.

SDG5: Gender Equality

There has been significant progress towards GEWE in Mauritius since independence; and the country already has the requisite legal frameworks in place regarding women's freedom of movement, equitable rates of pay, property and inheritance rights and access to finance, among many others⁹⁴. For example, the GoM has ratified various international treaties and conventions on women's human rights, including the United Nation Convention on Elimination of All forms of Discrimination against Women (CEDAW), the Beijing Platform for Action, the African Charter on Human and Peoples Rights of Women in Africa; the COMESA Gender Policy; the African Union Gender Policy, the SADC Protocol on Gender and Development⁹⁵, the Millennium Development Goals and the global Agenda 2030.



Mauritius has also made efforts to institutionalize these international conventions into its national legal framework. In 2022, the National Gender Policy was launched, and the National Gender Policy Framework, which supports a gender mainstreaming approach in legislation, policies, programmes and activities by Government, the private sector, media, academia and civil society organizations, was developed. A national machinery for GEWE, under the Gender Unit of the Ministry, was also established. In 2008, a pilot programme on Gender Responsive Budgeting was carried out to engender the Programme Based Budgeting exercise of Government. The process was kept in abeyance and revived in 2019 through the Ministry of Finance with a feasibility study on the implementation of GRB in Mauritius.

Source: Statistics Mauritius

In line with the Government Programme 2020-2024, the MGEFW has launched a new National Gender Policy, to mainstream gender equality in the Government's policies and plans, and to set the institutional framework needed to advance gender equality, including through better interinstitutional coordination and data collection and analysis⁹⁶. Moreover, the High-Level Committee (HLC) for the elimination of gender-based violence launched a National Strategy and Action Plan in November 2020. The HLC, which is chaired by the Prime Minister, is tasked to monitor and evaluate the progress made on the implementation of the strategic plan on a quarterly basis.

Despite these commitments and achievements, among others, gender inequality continues to hamper development in Mauritius. In the 2020 HDR Gender Inequality Index, Mauritius ranks 78th out of 162 countries, with the country lagging behind in women's empowerment measures, including political and economic empowerment⁹⁷. For example, the labour force participation rate of women overall, across all age groups and educational levels, is 45.3 percent, compared with 69.3 percent for men⁹⁸. Moreover, the 2019 female HDI value for Mauritius was 0.791 in contrast to 0.811 for males, resulting in a GDI value of 0.976.

However, these figures bely the heterogeneity of Mauritius' working women as a group. For example, women's labour force participation rate varies considerably according to their level of education:

⁹⁴ See for example, World Bank's 2021 Women, Business and the Law Index, which analyses laws and regulations affecting women economic inclusion, in which Mauritius scores 91.9 out of 100.

⁹⁵The 2008 SADC Protocol on Gender and Development aims to ensure at that least 50 percent of all decision-making positions at all levels are held by women by 2030.

⁹⁶ Ministry of Gender Equality and Family Welfare, <u>National Gender Policy 2022-2030</u>, 2022

⁹⁷ Statistics Mauritius, Gender Statistics 2020, 2021 (p. 14) and HDR 2020, p. 362.

⁹⁸ Ibid. (p. 14 and Chart 14).

while only one in three women with primary education is in the labour force, some 80 percent of women with tertiary education participate in the work force⁹⁹. For women who do engage in the workforce, the gender wage gap, without considering levels of education, is approximately 18 percent¹⁰⁰. Data to desegregate the gender wage gap by education level is not available.

With regard to unpaid work, women spend on average 2.5 times more time compared to men (4.4 hours against 1.7 hours) on unpaid work. In terms of work, including all income activities, men spend on average 4.7 hours on paid work per day, almost double the time spent by women (2.5 hours) per day. Additionally, on average, men spend 0.8 hours more than women (6.8 hours against 6.0 hours per day) on paid work. Women in the labour market spend almost double the time on unpaid work (3.6 hours compared to 1.7 hours)¹⁰¹. In respect of the equitable distribution of family responsibility, in 2019, the CESCR observed that the Social Register of Mauritius and social contracts may in fact entrench gender role stereotypes by imposing the responsibility for health and education on women¹⁰².

Despite being fewer in number in the labour force, women are over-represented among the unemployed, at 49.6 percent of the total unemployed: unemployed women numbered 25,900 in 2020, compared to 26,300 men; and the female unemployment rate stood at 11.1 percent, higher than the rate of 7.8 percent for males¹⁰³. Moreover, as noted above in the sub-chapter on **Poverty**, women are more likely than men to live in penury.

Various factors reinforce women's vulnerabilities and inequalities in Mauritius, including persistent social norms that define gender roles and determine the different opportunities for men and women for livelihoods, leadership, and decision-making¹⁰⁴. For example, women's political participation and leadership is constrained by an incomplete cultural acceptance of female leadership¹⁰⁵; and there is also a marked level of gender inequality in education, with gender-based streaming in tertiary education and TVET. Furthermore, there is an insufficient promotion of female labour force participation that would enable more women to achieve higher and more stable lifetime incomes. Other factors contributing to low levels of female participation in the workforce are family size and inadequate support for child day-care and elder care assistance. Providing opportunities for more equal participation of women in the labour markets should be a national priority, noting its potential contribution to poverty eradication.

The impact of COVID-19 has also had a negative effect on women's socio-economic empowerment gains. Women, who already earn on average less than men, and who also constitute the majority of workers in the sectors most negatively affected, have been proportionally more impacted than men by these shocks. For example, during the 2020 calendar year, the female labor force participation rate in Mauritius dropped from 47.4 to 45.9 percent and, while that for men also declined, it was less and

⁹⁹ World Bank, World Bank in Mauritius, 2021

¹⁰⁰ Ibidem

¹⁰¹ Statistics Mauritius, <u>Gender Statistics 2020</u>, 2021

¹⁰² The Committee further noted concerns in respect of short paternity leave allowances (which only benefits those who have a civil or religious marriage contract with the mother of their child); the fact that no pension points are accrued during long-term unpaid leave taken for family responsibilities, which may disproportionately affect women; and the absence of parental leave

¹⁰³The disparity between male and female unemployment rate was highest in the lower age-groups; the difference was nearly 6 percentage points among the unemployed below 25 years and around 1 percentage point among those aged 50 years and above: Gender, Statistics Mauritius, 2020, p. 16

¹⁰⁴ World Bank, <u>World Bank in Mauritius</u>, 2021 "...7 in 10 Mauritians think that it is better for a family if a woman has the main responsibility of home and child care, and almost half of Mauritians agree with the statement that men should be given preference when it comes to jobs". See also recommendation of the UN CESCR

¹⁰⁵: International Parliamentary Union and UN Women, <u>Women in Politics 2020</u>, 2021. In 2020, Mauritius was ranked 107 out of 189 states globally for women's representation in parliament

from a much higher level, from 71.6 to 71.1 percent¹⁰⁶. Furthermore, women's work as traditional caregivers have also increased as a result of the pandemic; and women who participate in the workforce bear a double burden of paid and unpaid work. Finally, some sources indicate that during the lockdown period there was a dramatic increase in the number of incidents of domestic violence reported, and that 93 per cent of these incidents were directed against women¹⁰⁷.

Beyond addressing GBV,¹⁰⁸ additional challenges for GEWE include ensuring access to Sexual and Reproductive Health (SRH) for women of all ages; and legislative reform in the areas of marital rape; corporal punishment; and child marriage¹⁰⁹.

Key accelerators towards the realization of GEWE in Mauritius include the mobilization of male champions in the spheres of education, business, and politics, as well as the development of educational programs to challenge social norms that hinder women's equitable work force and political participation. Moreover, to ensure gender equity, gender mainstreaming in policies, programmes and legislative frameworks, as well as a shift towards gender responsive budgeting, will also be essential. Strengthening the capacities of Governmental entities and the Parliament to ensure that they are able to effectively mainstream gender equality in policies and strategies will also be key.

SDG 6: Water

Adequate housing is a component of the right to an adequate standard of living, which is a right enshrined in international human rights law¹¹⁰, and which is also acknowledged by the Government of Mauritius. Prior to the onset of the COVID-19 pandemic, Mauritius was reported to be one of only three countries in Africa that did not have a housing deficit¹¹¹. Moreover, according to Statistics Mauritius, by 2011, more than 99 % of Mauritian households had electricity, piped water, a bathroom, a toilet and an "acceptable refuse disposal"¹¹²; and over 90 % of housing units were durable, with concrete walls and roofs¹¹³.

Before the COVID-19 pandemic, no extensive slum settlements were reported to exist, although some slum-like living conditions, along with pockets of poverty, were notable¹¹⁴. More recently, however, it has been reported that informal settlements were developed on parts of state land during the 2020 COVID-19 lockdown period¹¹⁵; and this underscores the importance of quality, affordable housing as a component of Mauritius' post-pandemic resilience and recovery strategy.

In 2017, Mauritius launched a three-year, Rs. 6.8 billion (USD 190.4 million) social housing initiative as part of its social protection efforts. This included assistance towards the construction of social and

¹⁰⁶ World Bank 2021, p. 18.

¹⁰⁷ UNDP Mauritius, The Socio-economic Impact Assessment of COVID 19 in Mauritius, 2020, p. 9. In contrast, Stats Mauritius shows a decrease in GBV from 2019 to 2020: SDG Database, goal 5, indicators.

¹⁰⁸Statistics Mauritius, <u>Gender Statistics 2020</u>, 2021. A quarter of all women experienced some form of GBV in their lifetime. ¹⁰⁹The Children's Act prohibits forced marriage, but the Civil Code allows children between 16 and 18 years to marry with the consent of a parent or guardian.

¹¹⁰ E.g, ICESCR

¹¹¹ Centre for Affordable Housing in Africa, Housing Finance in Africa: A Review of Africa's Housing Finance Markets, Johannesburg, 2020, p. 171.

¹¹²Statistics Mauritius, Mauritius in Figures 2020, sheet 22.

¹¹³ Ibid.

¹¹⁴ "(they feature) mainly insecurity of tenure and high rates of room occupation, (and) they are in very specific geographical locations", UN Habitat, *Mauritius Urban Profile 2011*. These areas included Beau Basin-Rose Hill: UN Habitat, *Mauritius: Beau Basin Rose Hill Urban Profile*, 2012, and Black River.

¹¹⁵Ibid.

low-income housing units. As a result, low-income groups now have access to concessionary financing for their housing units, as well as grants for casting roof slabs through the Roof Slab Grant Scheme.

Recent figures suggest that some 98.94 % of urban households in Mauritius could afford the lowest priced, newly constructed houses there, given current mortgage financing arrangements¹¹⁶. Nonetheless, the demand for social housing still exceeds supply: in 2020, there were some 18,000 applicants for social housing on the waiting lists at the NHDC and the NEF ¹¹⁷; although the NHDC does have a programme for the construction of 12,000 low-cost housing units by 2024. These figures indicate that there is room for improvement to ensure that the right to adequate housing is realised. Moreover, access to additional financing by some groups for housing remains problematic.

At the opposite end of the housing spectrum are high-end residential units which may be developed through the Property Development Scheme (PDS) incentive, and which may be sold to non-citizens, citizens and members of the Mauritian diaspora. As a consequence of the PDS, the property market has been distorted by very high land prices; and this is a constraint for young Mauritians seeking to acquire property.

Key accelerators for this sector therefore include access to finance for affordable housing and an increase in subsidized housing stock. By 2011 more than 99 % of Mauritian households had electricity, piped water, a bathroom, a toilet and an "acceptable refuse disposal" and waterborne diseases were no longer a health concern. By 2019, household access to an improved source of drinking water had improved to 100 %, marking Mauritius' partial achievement of Goal 6. Indeed, in acknowledgement of water services as one of the human rights to water and sanitation, the GoM amended the Central Water Authority Act to prohibit water disconnections during the COVID-19 pandemic, as part of the "Covid-19 (Miscellaneous Provisions) Act 2020".

In contrast, the country's solid waste management is problematic and urgent, as increasing amounts of solid waste are generated, and available space for landfills is decreasing. It is estimated that only 5 % of waste is recycled; and most of that outside of the country¹¹⁹; and there is illegal dumping, particularly by the tourism industry. This problematic waste management situation is related both to a weak integration of waste management in national policies, as well as to insufficient coordination between responsible government and community bodies.

Currently waste is still simply burned in rural areas as noted by the Special Rapporteur on Toxics. This is highly concerning, given the hazardous substances released into the air out of the combustion of plastics, which contain a myriad of toxic additives that are harmful to human health and the environment.

Mauritius has now begun to develop solutions to enhance industrial waste management, as well as tools for Reduction, Reuse, and Recycling, which will help reduce the amount of waste going to landfills, as well as further advance the development of a circular economy in the country. Such solutions may also involve energy recovery from solid waste, which would in turn also help to address current waste management issues (see below, **Planet-Clean Energy).**

Key accelerators for improved waste management include the promotion of waste reduction, reuse and recycling, as well as energy recovery from solid waste.

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¹¹⁶ Centre for Affordable Housing in Africa, *Housing Finance In Africa: A Review Of Africa's Housing Finance Markets,* Johannesburg, 2020, p. 7. However, elsewhere this source indicates that only 78.44 % of urban households could afford this type of housing with financing: p. 23.

¹¹⁷: Republic of Mauritius (2020), <u>Budget 2020-2021: Equal access to decent housing</u>, 2020. <u>The CESCR 2019</u>, <u>para. 47</u>, <u>also</u> noted that the provision of social housing in Mauritius is inadequate

¹¹⁸Statistics Mauritius, *Mauritius in Figures 2020*, sheet 22.

¹¹⁹ World Bank 2021, p. 45.

SDG7: Energy transition

Although Mauritius has achieved the SDG target regarding electricity access rates more than a decade ago (99.6% in 2011¹²⁰), energy transition remains an important challenge and a top priority, not only in terms of mitigating the country's contribution to climate change, but above all to strengthen resilience, in this case through lower energy dependency.

Indeed, fossil fuels still account for 76% of the country's energy needs (37% oil and fuel, 39% coal)¹²¹. Mauritius target 60% of renewable energy (RE) in its electricity mix by 2030 from a current 23.9%, and an increase in energy efficiency by 10% over the same period. This projected target is higher than IRENA and SEFORALL global renewable energy targets of 30 to 36% of renewable energies contribution in the energy mix by 2030. To this effect, utility scale solar and wind projects of a total capacity of some 80 MW are currently grid connected resulting in an increase in electricity generated from primary renewable energy sources from 5.5% in 2016 to 10.6% in 2020¹²².

The Mauritius Renewable Energies Agency (MARENA) has developed a National Scheme for Emerging/Innovative Renewable Energy Technologies (NSEIRET) in collaboration with the Central Electricity Board (CEB) and Mauritius Research and Innovation Council (MRIC) to promote emerging technologies to diversify the RE mix. The primary source of renewable energy is biogas (13.3% of total energy mix), which is derived from sugar cane. The other renewable energy sources that it generates electricity from are photovoltaic (5.1%), hydropower (4%), landfill gas (0.9%) and wind (0.6%).

The sources of energy in today's Mauritius, especially in times of a global energy crisis that may last for years are an important limitation to the country's energetic independence and economic transformation. However, the unleashed potential of renewable energies: solar, wind and innovative sources (tidal and wave energy), rises hopes of a solid energy transition.

¹²⁰ Statistics Mauritius, <u>SDG Database</u>, 2022

¹²¹ GoM, 2019 VNR, p. 54.

¹²² Ministry of Energy and Public utilities, <u>Renewable energy roadmap 2030 review 2022</u>, 2022

2.1 Prosperity: Economic transformation analysis

The SDGs related to <u>Prosperity</u> – Jobs and Inclusive Growth, Industrialization and Innovation, Inequalities and Cities' sustainability¹²³ -, performed well despite a slow, partial recovery post-2008 crisis and before COVID-19 socioeconomic impact on the country, amongst the highest worldwide.

As a Small Island Developing State (SIDS), Mauritius faces structural constraint that hampers historically its economic development: small land area, remoteness, overreliance on strategic imports such as food and fuel, limited domestic market and fiscal basis, high concentration of exports and Foreign Direct Investments (FDI), exposure to extreme weather events exacerbated by climate change, etc. As shown by the Multidimensional Vulnerability Index (MVI, under elaboration), these constraints make the economy vulnerable to exogenous shocks and make its recovery harder and longer than average.

Since its independence, Mauritius has transformed its monocrop economy into a diversified range of sectors. The main drivers of growth became tourism (19.5% of GDP, 19.2% of jobs, 4.1% of direct investment when excluding hotels construction¹²⁴), manufacturing (12.5% of GDP¹²⁵, 16.5% of jobs¹²⁶ and 21.4% of direct investments¹²⁷ in 2019), transport (6.5% of GDP, 2.4% of jobs, 9.1% of investments), information technology (5.8% of GDP, 3.1% of jobs¹²⁸, 7.1% of investments) and financial services (11.8% of GDP, 2.4% of jobs, 31.6% of investments).

However, this impressive transition was followed in recent years by a decline in wealth creation. GDP growth pace decreased from around 5% in yearly average - when discounting periodic, short-lived shocks (80, 83, 01, 05, etc.)-, to around 3% from 2008 to 2019¹²⁹.

Moreover, the positive impact on growth have been uneven for different groups. For instance, between 2010 to 2019, male labour activity rates were consistently higher than female rates. Though the gap has been narrowing over time, a difference of 26.9p.p remains between males (73.1%) and females (46.2%) persisted in 2019¹³⁰.

¹²³ For ease of reading and coherence, SDGs under Prosperity and Planet are not treated separately but rather within an overall analysis of the situation and trends, including future possible developments

¹²⁴ World Travel and Tourism Council, <u>2022 Annual Research for Mauritius</u>, 2022. These figures include indirect contributions. Figures from National Accounts and Employment Statistics shows 10.3% of GDP and 7.6% of jobs, yet only account for direct contributions of the hospitality sector.

¹²⁵ Ministry of Industrial Development, SMEs and Cooperatives, <u>Industrial Policy and Strategic Plan for Mauritius 2020-</u>2025, 2021

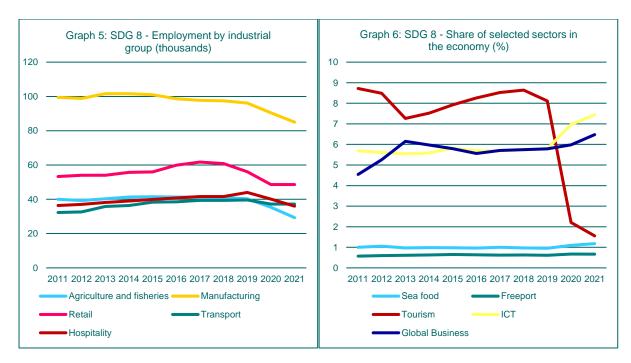
¹²⁶ Statistics Mauritius, <u>Labour Force, Employment and Unemployment Historical Series 1990-2021</u>, 2022. For all employment statistics displayed thereafter, except the figures from tourism.

¹²⁷ Bank of Mauritius, <u>Direct Investment Flows 2021</u>, 2022. Share of FDI excluding real estate and non-classified investments. Same source for all investment data displayed thereafter.

¹²⁸ This figure only includes the workers listed under the "Information and Communication" job category of employment statistics, though the total ITC-based jobs may be much higher across different sectors

¹²⁹ Statistics Mauritius, <u>National Accounts Historical Series 2006-2021</u>, 2022.

¹³⁰ Statistics Mauritius, Labour Statistics, 2022



Unemployment, particularly for youth, has emerged as a major challenge for the country, with youth unemployment reaching 22.8% in 2019 and around 43,700 people occupying a position for which they appeared overskilled¹³¹.

Unemployment is essentially structural, affecting mostly low-skilled youth and women; and the inadequate qualifications of job seekers, compounded by the mismatch between locally available skills and labour market needs, are identified as the main causes of unemployment¹³². The skills mismatch is further discussed above, under the SDG4 (Education) section of the People Chapter.

In 2020, the concentration of the economy and the countries' vulnerability to exogenous shocks, exacerbated by climate change, resulted in an overwhelming impact of the COVID-19 pandemic. After 2021 witnessed some signals for hope regarding recovery, the effects of the Ukraine War and inflation in general.

Pre-COVID growth, crises impact, and recovery pathways

In 2020 and well into 2021, the pandemic and the ensuing containment measures have taken a dramatic toll on the economy. The main transmission channels of COVID-19 crisis into the economy were tourism, supply chain disruptions and commerce including both trade and small retail. GDP declined by 14.9%, with the absolute rupee value trending below the 2016 level. GDP per capita was USD 8,592 at the end of 2020, making Mauritius an Upper Middle-Income economy again, after a short-lived graduation as High-Income in 2020¹³³. Despite swift Government reaction, especially with the Wage Assistance and Self-Employed Assistance schemes¹³⁴, unemployment increased from 6.7% to 9.2% (4.4% to 7.8% for men and 10.2% to 11.1% for women)¹³⁵. Households' incomes were several impacted, so were State revenues and businesses' treasuries.

Just as it has hit the hardest amongst the most vulnerable countries globally, Mauritius being one of them together with other SIDS, COVID-19 has had a disproportionate impact on the most vulnerable,

132 Labour, Employment and Unemployment – Year 2019. Statistics Mauritius.

 $^{^{131}}$ Ibidem

¹³³ World Bank, New World Bank Country Classifications by Income level, 2020 and 2021. Mauritius graduation was based on GNI per capita for 2019, its declassification in 2021 was based on data for GNI per capita for 2020.

Mauritius Revenue Authority, Wage Assistance Scheme and Self-Employed Assistance Schemes, 2020

¹³⁵ Statistics Mauritius, <u>Digest of Labour Statistics 2020</u>, 2021

pushing them further (or back) into poverty, and exacerbating existing inequalities. The proportion of the population in relative poverty¹³⁶ - which was at its lowest at 7.8 % in 2001 - rose from 10.4% in 2017^{137} to an estimated 15.8% in 2020^{138} .

Other overlapping crises sent shockwaves to the Mauritian economy, such as the Wakashio Oil Spill (see Planet chapter below) and the inclusion in the EU AML/CFT list of "high risk" countries¹³⁹ in October 2020 (Mauritius was removed from the list in 2022), coming on top of COVID and of protracted, global crises such as climate change and inequalities which already affected the country before and will continue to unfold for the years to come.

Lessons from the 2008 crisis drew a perspective of slow recovery for 2021 and beyond, especially when multiple global crises continued to unfold, directly affecting or threatening economic recovery. However, some positive developments such as the rebound of commerce, the reopening of borders in October, and reinvigorated Direct Investments (up 77.9% in the first quarter of 2022 compared with the same period in 2021) drove recovery in 2021 and into the first quarter of 2022.

In US dollars, the wealth of Mauritius as measured by GDP was projected at 462 billion rupees (USD 11.5 billion) in 2021¹⁴⁰, equivalent to USD 9,118 in GDP per capita, up from 8,485 in 2020. This corresponds to a 7.5% increase, yet GDP remained well below its pre-pandemic level (USD 9,839 per capita in 2019, 12.5 billion USD in total).

Some worrying signals started showing by late 2021 though, with rapid inflation linked to the rebound of both production and consumption after COVID-related restrictions were eased globally in the top of the emerging risks list.

The rebound in economic activity following COVID-19, in a context of disrupted supply chains, drove global prices up progressively in 2021. In April 2022, the Ukraine war turbocharged inflation by exerting upward pressure on commodity prices. Core inflation is now installed, going way beyond commodity prices. Oil prices are down 25% since June but OPEC announced on the 3rd of October their intention to cut production (by 1% of global supply) to send oil prices up again. Although the outcome of this decision is far from certain, continued inflation in the coming months will weigh heavily on public and private finances, hitting the most vulnerable households the hardest, and calling for Government support for the poorest.

Although oil prices lowered in July and August after a peak in April-May, core inflation was still ramping globally, impacting Mauritius' economy due to its hard reliance on strategic imports, especially food and fuel. Moreover, a strong US Dollar, reinforced by investors seeking a haven for their money in uncertain times and by hiking US Federal Reserve's interest rates will only make things harder for all economic actors. Indeed, Mauritius' will pay more for its imports, get less for its exports (including tourism services sold locally), and will have to pay higher interests on its public debt, when served in US Dollars, among other constraints¹⁴¹. Finally, a global economic slowdown is expected due to several converging factors such as the zero-COVID policy in China, the combined effect of several Central

¹³⁶The Relative Poverty Line (RPL) is defined in relation to the distribution of income / expenditure of a country at a given point in time. Statistics Mauritius uses the Relative Poverty Line set at half of the median monthly household income per adult equivalent.

¹³⁷ Statistics Mauritius, Main National Accounts Aggregates 2006-2021, 2022

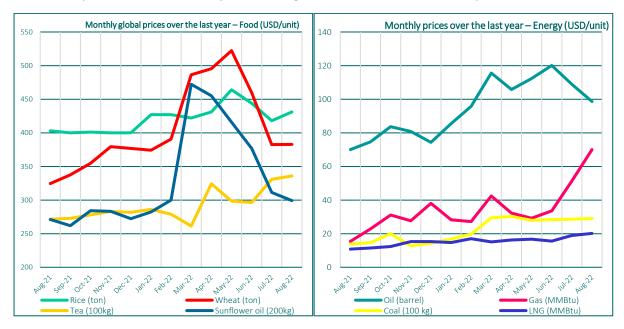
¹³⁸ World Bank, Macro Poverty Outlook for Mauritius, April 2022 (based on Upper-MIC poverty threshold of USD 5.5 a day 2011 PPP)

¹³⁹ European Union, High-risk third countries and international context content anti-money laundering, 2022

¹⁴⁰ MCB Focus No 85, November 2021

¹⁴¹ For more detail, see Economic Bulletin 4-2-2 "Strong US Dollar, Interest Rates hikes, global growth slowdown: The implications for Mauritius" provide hyperlink

Banks rising interest rates concomitantly, the Ukraine war impact on Europe, among others. A new crisis, on top of several others, may have lasting effects on Mauritius economy.



Once more, inflation and economic slowdown may exacerbate inequalities by hitting hardest the most vulnerable groups, increasing the risk of some groups being left behind.

For 2023, projections are constantly downgraded, reaching 5.3% GDP growth and 6.7% inflation in September 2022¹⁴².

Main drivers of economic transformation

In recent years, retail and real estate have progressively become the main drivers of growth, showing a relative slowdown of vigorous sectors such as tourism or manufacturing. Except for IT and financial services, all of the other sectors of the Mauritian economy have plateaued or declined in growth in the last four years up to 2019.

Moreover, limited public and private investments in key sectors in recent years, growing skills mismatch that hampers the ability of local manpower to take advantage of newly created jobs they might be interested in, and eroding productivity gains linked to these factors, together with exogenous constraints linked to its condition as a SIDS and climate change, and a gloomy global economic landscape, appear as major threats in Mauritius economic transformation and sustainable development pathways. To avoid a lasting setback, smart, coherent policy making, investments and partnerships will need to be secured in a challenging context to boost key drivers of an inclusive, sustainable growth able to create decent work and optimize well-being for all.

Capacity building to improve workforce skills, including lifelong learning and investments in Research and Development (R&D), as well as mobilization of diaspora and partnerships between national and international scientists to transform the country into an blue/green, circular economy still needs to get up to speed to drive this economic transformation.

Tourism

After two national lockdowns, strict sanitary restrictions, and the closure of national borders, the international tourism industry was revived in October 2021 through the opening of borders and the gradual lifting of covid-19 restrictions. The expected growth in tourist arrivals was, however,

¹⁴² The economist Intelligence Unit, Mauritius Country Profile, 2022

negatively affected by other events. These included the temporary inclusion of Mauritius on the 'scarlet' list by France, which is one of Mauritius' main tourism markets (30% of arrivals in 2021¹⁴³); restrictions on travel from Reunion Island, and; the closing of borders with South Africa, another major market, following the emergence of the Omicron variant in late 2021. As a result, tourist arrivals for 2021 amounted to only 179,780, compared with the average 1.3 million per annum prior to the pandemic.



Source: Bank of Mauritius

In 2022, tourist arrivals are slowly picking up, without reaching pre-pandemic levels. In March 2022, the Government of Mauritius developed the "One Mauritius" Plan to give a strategic boost to the tourism sector in 2022, with the goal of reaching 1 million tourist arrivals by the end of the year¹⁴⁴.

Moving forward, small enterprises provide a key entry point for rebuilding and transforming the sector. With 80% of all tourism enterprises employing less than 50 people, small enterprises are the critical drivers of the sector – they provide most tourism-related goods and services, create millions of jobs and drive growth and innovation. This would mean invest in reinforcing these enterprises' resilience, as their vulnerability to shocks is much higher than large enterprises.

Solutions to build this resilience include 1) training and coaching services to build resilience capacities and systems at enterprise level with an emphasis on risk sharing solutions, 2) recognition schemes to promote SMEs that have installed business resilience capacities and systems successfully, and 3) public-private dialogues to identify and advocate for business resilience policy priorities to promote a resilient business eco-system.

Blue Economy

The Blue Economy holds great promise for making a sizeable contribution to Mauritius' economic transformation. In 2013, the Government of Mauritius issued a Blue Economy Action Plan aiming at growing the ocean economy by 10% each year until 2025. In 2017, a World Bank study estimated by the ocean economy in Mauritius could grow 62% and its share of national GDP increase from 12.6% to 17.5% until 2027.

For now, marine sector policy focuses on three established sub-sectors, namely: coastal tourism, seaport related activities, and the seafood hub¹⁴⁵. These make up 90 % of GDP for the Ocean Economy pillar. However, excluding tourism, the ocean or blue economy remains negligible in terms of contribution to either GDP or enterprise growth and job creation. Yet, small-scale fisheries and

 $^{^{143}}$ World Travel and Tourism Council, $\underline{2022\ Annual\ Research\ for\ Mauritius}$, 2022.

¹⁴⁴ Defi Media, Objectif 1 million de touristes, article published on March, 16, 2022

¹⁴⁵ Government of Mauritius, <u>Voluntary National Review 2019</u>, 2019

associated value chains provide an important source of livelihood and nutrition for many coastal communities, particularly in Rodrigues.

Sustainable aquaculture also presents potential for wealth and job creation. It could be developedlopped fish farming in the sea; and twenty-one sites for aquaculture development have already been identified. However, despite ambitious development plans, aquaculture is still in its infancy, employing fewer than 150 people. This could also promote private-sector led diversification and job creation.

Beyond the contribution of fisheries and aquaculture to food systems and the transition towards a more sustainable tourism model, the blue economy presents great potential in Mauritius in the sectors of renewable energies, high-end ocean-based food production, maritime transport, and blue biotech. Harnessing ocean-based renewable energies, reinforcing small-scale fisheries, developing sustainable aquaculture, offering sustainable shipping (and related) services, exploring possibilities linked to blue biotechnologies, should lead to unleashing the potential of the blue economy in Mauritius.

Blue sustainable tourism will include the diversification of the current offer mainly based on a sand-sea-sun offer to more sustainable segments, including relatively untapped or disorganized subsectors such as sport fishing, yachting (including small ship repair), marine sighting, etc.

The massive upcoming transformation of the shipping industry worldwide into a sustainable industry will take years, if not decades, yet it could offer new opportunities for Mauritius in the coming years, transforming Port Louis (currently handling 99% of the volume of external trade¹⁴⁶) into a regional trading platform that could reduce cost of maritime logistics and shipping services. This will require the Port to go green and digital, and to build transformative partnerships at scale. Although this would require important public investments over a relatively short period of time, public-private partnership could be designed, with a clear focus on inclusivity and sustainability.

Bringing together higher education, Research and Development and vocational training into one or more "poles of excellence" to harness the potential of the ocean, may spur innovation in blue economy and boost inclusion of poor fishing communities if connected to the development of value chains that can add value to production of fish and sea foods (fish, seafood, blue biotech, well-being product and services).

The extensive ocean areas (Exclusive Economic Zone, 734,000 km2) is also an opportunity for climate action, using climate finance (Climate/carbon finance, Debt for Ocean swaps, market-based blue finance) to invest in marine protected areas, adapted coastal infrastructure and equipment, production of energy and water, and development of nature-based solutions to mitigate the impact of climate change.

Green Economy

The Ministry of Agro-Industry and Food Security's Strategic Plan (2016 - 2020) for the Food Crop, Livestock and Forestry Sectors¹⁴⁷ states that it will enable and facilitate "...the advancement of agriculture and the agri-business sector for improved food security and safety in line with requirements for sustainable development, with support from national service providers and regional stakeholders". The Strategic Plan also states that focus will shift "to sustainable agricultural practices"

¹⁴⁶ Mauritius Port Authority, Website, consulted in 2022

¹⁴⁷ Ministry of Agriculture, <u>Strategic Plan 2016 - 2020 for the Food Crop, Livestock and Forestry Sectors</u>, 2016

that use "methods of production and protection that are eco-friendly but conducive to safer and better human nutrition" ¹⁴⁸.

Despite this strong political will, with the double objective of enhancing food security and nutrition and reducing the country's overreliance on food imports on the one hand, and to embrace sustainability in all sectors of the economy on the other, the primary sector is lagging in terms of economic development.

The non-sugar agricultural sectors and related value chains can both contribute to GDP, while generating employment for youth, women and those that are unemployed who lack education.

The root causes of and challenges to the present stagnation of non-sugar agricultural sectors include the lack of an integrated and coherent holistic set of policies ensuring the long-term predictability required by the very nature of this sector.

The business model for both crop and livestock production must be reviewed. Small parcel and artisanal livestock breeders lack the capacity to scale their production, constrained, for instance, by high costs of production, which also constrain their ability to increase revenues. A larger scale model should be developed and encouraged. This will require a land resource management and redistribution process under low cost and long-term lease agreements.

There is also a need for organized market access, finance access, technology transfer, as well as coordinated and efficient extension services.

Incentivizing the private sector to support value chain capacity development is required. Financial mechanisms are needed to support private sector storage capacity in order to help stabilize market price fluctuations, while reducing disincentives to production, as well as mitigating high prices that are often passed on to consumers.

Given that the planter population is ageing, there is a need to motivate young entrepreneurs to go into the agriculture section. However, this will only happen if the business model is changed so that they can derive adequate revenue from it.

The overuse of fertilizers (see section on SDG 2 above) will need to be addressed, and the use of biofertilizers, such as algae, promoted, if the country is to embrace a green economy model.

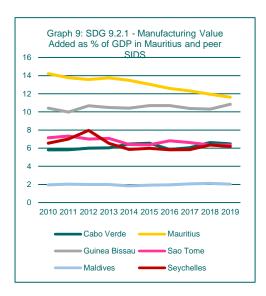
Manufacturing

Mauritius' rank in the Competitive Industrial Performance Index worsened slightly from 89th in 2019 to 92nd in 2022, out of 152 countries¹⁴⁹. Stronger competitiveness of industrial products at regional and global levels is hampered by the challenges that the national industry sector faces, starting by a small domestic market, limited access to domestic and foreign investment and high dependency on imports for intermediary consumption. The latter constraint is exacerbated by the current global inflation crisis. Contribution of the manufacturing sector to the GDP (Manufacturing value added, MVA) experienced a slight decrease from 13% in 2015 to 11% in 2021¹⁵⁰. Another limitation is the limited Research and Development (R&D) system in place (see below).

¹⁴⁸ Ibid.

¹⁴⁹ UNIDO, https://stat.unido.org/country-profile at 26-11-2021

¹⁵⁰ UNIDO, SDG9 Monitor



An Industrial Policy was recently adopted, with the vision of revitalizing, by 2025, Mauritius growth, adding more value to local products, developing new sectors and markets, taking advantage of both regional opportunities, partly linked to the African Continental Free Trade Agreement and a growing domestic market, and avoiding the low-value added segments traps in global value chains.

Beyond traditional manufacturing sectors such as textile, which will remain relevant and should benefit from more private and public investment to modernize drastically, enhancing small-scale industrialization to add value to local production will have a special focus on transformation of primary ocean-production into food and medical products and services.

Source: UNIDO, Global database, 2022

Financial services

In line with its strategies for diversification and strengthening of its services sector, Mauritius has invested heavily over the years in the financial sector. The financial sector has emerged as a key pillar of the economy and was not greatly affected by the COVID-19 pandemic in 2020 and 2021. Indeed, in 2022, the financial sector contributed 13% to the country's GDP;¹⁵¹ and it employed approximately 14,740 people as of March 2022¹⁵².

In recent years, Mauritius' financial sector has been under pressure, due to the end of the Double Taxation Treaty with India, which negatively impacted the country's growing offshore sector, and due to the inclusion of Mauritius on the FATF and EU list. However, the removal of the country from the FATF, UK and EU watchlists in October 2021 has been a major boost to the sector.

Moving forward, continue building the enabling environment and digital infrastructure for fintech to thrive, and diversifying financial services and markets, will be important for the sector to keep on growing. The disruptions in the financial markets caused by a strong dollar and global economic turmoil in the last quarter of 2022 and likely to persist throughout 2023 may make Mauritius' financial products less attractive and divert investors – seeking a haven in terms of crisis and attracted by the yield offered by dollar bonds - from Mauritius economy. Ensuring the right monetary policies to maintain the attractiveness of the sector without weakening the economy will be necessary.

Digital transformation and innovation for productivity gains

Mauritius' ageing population and highest human development levels is moving the country away from the rapid growth gains traditionally enjoyed by developing economies taking advantage of the youth dividend. This means that increasingly, Mauritius growth must come from productivity gains. However, these have been relatively slow, calling for more investment and policy solutions for innovation.

In its VNR 2019, the GoM affirmed its determination to support research and development in new technologies to accelerate innovation. The Government further stressed¹⁵³ its aim to transform

¹⁵¹Statistics Mauritius, National Accounts Estimate 2018 – 2021, December 2021

¹⁵² Statistics Mauritius, <u>Survey of Employment and Earnings in Large Establishments</u>, 2021

¹⁵³ GoM, <u>Voluntary National Review Report</u>, 2019.

Mauritius into a digital economy and a Fintech Hub for the region, with appropriate technologies to strengthen its international competitiveness and adapt to the fourth industrial revolution.

The last two budgets show political will in empowering the Mauritian society to run a digital economy. It focuses on digital economy as a potential source of economic growth investing into digital skills at the tertiary level with a Digital Industry Academy to integrate youths into the job market and other initiatives; however not only ensuring equal match between demand and supply of jobs.

The share of ICT in the Gross Value Added jumped from 5.3% in 2019 to 7.4% in 2021. This reflects the gains made by the sector during the COVID period, while almost all other sectors entered in recession. A small part of this phenomenon may be conjunctural, it is very likely that a more profound structural shift will allow for a continued growth of the sector, making it and the broader digital transformation it implies one of the main drivers of economic transformation.

The Government is endeavouring to encourage SMEs into a culture of innovation. An SME Innovation Award in 2017 and a National SME Incubator Scheme (NSIS) were introduced in 2017, under which Government and private sector incubators provide a number of facilities to start-ups. However, despite these incentives there are still insufficient support mechanisms for them. The government and higher education expenditure in research and development is ranked at 60 out of 130, according to the NRI 2021, and is the 0.35% of the GDP^[1]. In the efforts to create a digital economy, the government is implementing a Digital Government Transformation Strategy 2018-2022 (DGTS)^[1] which provides directions for a digital Government and is aligned with Vision 2030, the Public Sector Business Transformation Strategy and the Digital Mauritius 2030 Strategic Plan. The Strategy provides the Government with digital policies to attain all 17 Sustainable Development Goals. ¹⁵⁴ The Strategy sets out ambitious blueprint, emphasizing Digital Government, ICT infrastructure, Innovation, Talent Management and Cyber Security.

Mauritius ranked 45th among 132 countries in the Global Innovation Index 2022¹⁵⁵, first in Subsaharan Africa and 6th amongst Upper Middle-Income economies. However, the report also pointed to areas of weaknesses, such as knowledge and technology outputs, human capital and research, and business sophistication.

According to the Mauritius Research and Innovation Council¹⁵⁶, in2019, the country had a total of 2,886 researchers, 49.5 % of whom were in higher education, 34.4 % in government, and only 10.0 % in business enterprises. Domestic expenditure on research and development (R&D) for Mauritius , is low, although the average level of research intensity for upper middle-income countries like Mauritius is 1.57 % of GDP¹⁵⁷.

The 2019 Industrial Property Act has strengthened legal protection for intellectual property. The previous legislation, the 2002 Patents, Industrial Designs and Trademarks Act, provided for the filing of patent applications under the Patent Cooperation Treaty (PCT). However, this part of the 2002 Act was never implemented, as Mauritius is not party to this treaty.

The key R&D and innovation challenges that must be addressed include building real synergies for R&D and innovation between the tertiary education sector and business. Similarly, the potential for synergies between public sector projects and domestic service providers need to be explored with the objective of providing opportunities for upgrading domestic capacity. The chronic low research

¹⁵⁴ Ministry of Technology, <u>Digital Government Transformation Strategy 2018 – 2022</u>, 2018

¹⁵⁵ World Intellectual Property Organization, <u>Global Innovation Index Report 2022</u>, 2022

¹⁵⁶ R&D Indicators Factsheet 2021 – Issue 2. Mauritius Research and Innovation Council.

¹⁵⁷ UNESCO Science Report 2021. Table 1.2

spending by the business sector is a factor in both large enterprises and small and medium-sized enterprises (SMEs). A dialogue with both large enterprises and SMEs needs to explore why they are not investing in R&D and what constraints need to be addressed.

Challenges and Bottlenecks hampering Economic Transformation

Two overarching issues have constrained economic transformation. The first is the siloed approaches between economic ministries and institutions, which have resulted in policies designed for one domain that have unintended or negative effects in other domains. The second issue is the insufficient capacities of key implementing institutions.

As fiscal and other incentive policies favoured investment in real estate, while driving up consumption to fuel growth, domestic investment diverted away from productive sectors in order to attract investment in the real estate market. Measures are now required to create conducive conditions for a reorientation and diversification of investment across a broader range of markets. This will ensure more productive growth in GDP, which will also contribute to longer term economic transformation and sustainability.

Labour in some sectors will remain dependent upon migrants, unless the present supply of skills is increased through reformed tertiary education and training systems, and unless the reluctance of Mauritians to work in those sectors is addressed. Achieving inclusive growth will require overcoming constraints to a more inclusive labour market, which includes increasing the participation of youth and women with low educational attainments.

The education to employment pipeline requires urgent reforms to close the skills gap and mismatch. More focus is required on producing technology-oriented skills that match the needs of an economic sector that achieves higher value-added production of goods and services. Concurrently, communications campaigns and financial support should help drive younger demographics' interests in STEM and other vital sectors.

A coherent strategy and measures are required for the productive sectors to develop capacity to take advantage of new trade agreements. Strong investment promotion strategies are required to mobilise local and foreign investment to boost supply side capacity, which will help maximize opportunities from trade agreements. Maximizing on the human resource base is also deem critically important given the lower employment rate of women in different sectors. The World Bank report of 2018¹⁵⁸ reveals that there is still a 30% gender pay gap pronounced in the private sector, while the Parliamentary Gender Caucus reports that women's representation at higher instances of decision making in the private sector is low. The status of women at the highest level of decision-making in the companies sampled in this study remains very low, with the number of women in higher positions at the level of Chief Executive being almost five times lower than their male counterparts¹⁵⁹.

Moving forward, one major challenge will continue to be the mismatch between local demand and supply of skills. Together with the willingness of workers, especially youth, to occupy position they deem underpaid or inferior to their skills. These phenomena may be exacerbated by the transition towards a green economy, as shown by the green job modelling¹⁶⁰. If no proactive, systemic employment policy is implemented rapidly to address the problem, newly created positions from managers to elementary workers could be occupied by foreigners, deepening issues related to youth unemployment on the one hand, and migrant workers' human rights on the other.

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¹⁵⁸ World Bank, <u>Addressing inequality through more equitable labour markets</u>, 2018

¹⁵⁹ Mauritius National Assembly, <u>Participatory Gender Audit in the Private Sector in Mauritius</u>, 2019

¹⁶⁰ Source and link

However, for the GoM's vision to be realized, different challenges must be addressed, including insufficient institutional capacity and policy coherence.

Ongoing tensions between coastal tourism development and the fishing community remain unresolved. This is resulting in higher investment costs for coastal tourism, as well as the depletion of fish stock in the lagoon. Tourism development, which is focused on coastal construction and leisure activities in the lagoons, is significantly impacting the coastal and reef environment and marine biodiversity. Moreover, while the legal framework for tourist infrastructure development on land is well established and monitored, there is no corresponding framework for tourist infrastructure and activities on and under water.

Transition to a green economy will face a critical challenge of competing priorities for land use. The total land area designated for food crops production has declined by 9 % between 2015 and 2020, while the total volume of food production has reduced by 8.5 % for the same period.

Finally, the development of a digital economy will demand the creation of an integrated ecosystem comprising both private and public sector, while equally pervading all sectors of the economy and the administration.

2.2 Planet: Environment and climate change analysis

This chapter considers the progress towards and challenges to Mauritius' realization of SDGs 7, 13, 14 and 15 on environment and climate change, natural resource management, clean energy and green financing and investment. These Goals, as well as relevant areas in SDG 6, 8, 11, 12 and 17, which also contain specific elements of progress on environmental sustainability, comprise the "Planet" pillar of the Agenda 2030.

Although most data are missing on the "Planet" SDG indicators¹⁶¹, Mauritius seems to perform relatively well, yet is not on track to achieve planetary objectives such as GHG emission reduction, sustainable waste management, protection of marine and land ecosystems, etc.

In general terms, challenges remain, as the country is ranking 77th out of 180 countries (11th in Africa) in the Environmental Performance Index published by Yale, for instance, far beyond one of its benchmark Seychelles (32nd). Another interesting indicator would be Mauritius' planetary pressure-adjusted HDI (PHDI), and material footprint per capita, yet this data does not exist for Mauritius, despite it being classified as a country with very high human development.

Mauritius has been designated by IUCN as a "Centre of Plant Diversity" and is included in the Madagascar and Indian Ocean Islands biodiversity hotspot. The country is characterized by a high level of endemism, with 39% of plants, 80% of non-marine birds, 80% of reptiles, and 40% of bat species reported as endemic, as a result of the island's location, age, isolation and varied topography. Forests harbor, among others, 691 species of indigenous flowering plants, 52 native species of vertebrates and 30 species of land birds. The marine environment constitutes another major ecosystem for the country, comprising 16,840 km2 of territorial sea and 1,700 species (e.g. 786 species of fish, of which about 5% are of commercial value; 17 species of marine mammals; 2 species of marine turtles). However, this unique biodiversity is at risk. At present, only 2% of the island is under native forest (which is classified as having more than 50% of native plant coverage), with remaining native vegetation confined to marginal lands without agriculture¹⁶².

As a SIDS situated in the west Indian Ocean cyclone basin, Mauritius is highly vulnerable to the adverse effects of climate change and variability, including coastal degradation, inadequate quantity and quality of water resources and loss of biodiversity, which in turn impact upon climate-sensitive economic sectors, as well as food security and health. Annually, it is estimated that the country's direct losses from tropical storms and floods are the equivalent of approximately 0.8 % of its GDP¹⁶³. Moreover, as the July 2020 oil spill off the Mauritius' south-western coast from MS Wakashio dramatically demonstrated, investment in and protection of the country's natural resources and coastal infrastructure are key to minimize the loss of livelihoods and land due to such disasters. This is particularly critical for the tourism sector, which generated approximately 25 % of the country's GDP prior to the pandemic, as it depends on stable coastlines and healthy reefs and fisheries.

Although challenges remain for on climate change mitigation, especially linked to CO2 emissions from imports (see graph below), Goal 13 seems achievable. The tourism sector represents 16% of GHG emissions in the country, food 27%, and electricity and gas services make up 18%. Sewage and waste management is the third largest contributor to the country's GHG emissions, highlighting the

¹⁶¹ Statistics Mauritius, <u>SDG Database 2010-2020</u>, 2022

¹⁶² Convention on Biological Diversity, <u>Mauritius Country Profile</u>, 2022

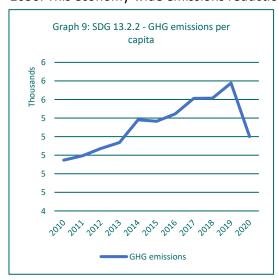
¹⁶³ World Bank 2016.

¹⁶⁴As also noted in CESCR, paragraph 9.

importance both of minimising waste and of optimizing its treatment with biogas generation or capture.

The legal and policy framework for climate action evolved dramatically in the last months, creating the enabling environment needed to boost adaptation and mitigation. The Climate Change Act was gazetted on 28 November 2020 and entered into force on 22 April 2021. Under the Act, the Department of Climate Change is responsible to coordinate the implementation of relevant commitments to ensure compliance with the international climate change agreements. An Inter-Ministerial Council on Climate Change is provided to set national objectives, goals and targets with a view to make Mauritius a climate resilient and low emission country. A Climate Change Committee has also been set-up to enable a multi-stakeholder participation for the preparation of the national climate change strategies and action plans for mitigation and adaptation 1655.

In 2021, after a long consultative process involving top level officials and supported by the UN, Mauritius raised its ambitions in terms of climate action in its updated Nationally Determined Contribution (NDC). It now aims to reduce overall GHG emissions by 40% in 2030 (instead of 30% in its 2015 first NDC) compared to the Business as Usual (BAU) scenario of around 6,900 ktCO2eq in 2030. This economy-wide emissions reduction target comprises sector specific mitigation targets for



energy, transport, waste and Industrial Processes and Product Use (IPPU). The energy sector represents the largest share of GHG emissions reduction by 2,311 ktCO2eq, including through the production of 60% of energy from green sources; the total phasing out of use of coal and the development of the biomass framework; as well as an increase in energy efficiency by 10 %, based on the 2019 figures ¹⁶⁶. It is worth mentioning that, as shown in the graph below, emissions have not reduced, but rather slightly increased since the first NDC submission committed to reduce GHG by 30% in 2030. Only COVID restrictions led to a decrease in GHG, most probably temporary.

Source: GoM, Updated NDC 2021

Women and men are exposed differently to the impacts of climate change, due to the social and cultures rooted gender inequalities. Gender norms interacts with social status, poverty, level education and social differences, such as age. The family headed by women have greater vulnerability to risks and less resilience to shocks due to lesser access and control over resources, therefore are likely to be the most affected by climate-induced shocks.

Regarding adaptation, the Government has updated its National Climate Change Adaptation Policy Framework (NCCAPF) to focus upon the potential of nature-based solutions for adaptation. The Framework provides a new policy orientation for key adaptation sectors to build resilience including: strengthening the knowledge base on the risks of climate change and the impacts on communities; developing and implementing an integrated approach combining the sectors of Fisheries (Blue Economy), Tourism, Biodiversity (Terrestrial and Marine), Forestry, Agriculture and Coastal Zone;

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¹⁶⁵ Government of Mauritius, <u>Updated Nationally Determined Contribution</u>, 2021

¹⁶⁶ Ibidem

enhancing strategic frameworks to address policy gaps and improve expertise in the health sector, including integrating climate risks into planning and developing policies in the National Adaptation Plan; and increasing the resilience of human-led activities, while preserving ecosystem functions, through improving governance, and enhancing disaster preparedness and response mechanisms, for infrastructure and disaster risk reduction sectors.

Under the 2012 NCCAPF, gender was as a cross-cutting issue, including reference to climate change events in which women may be particularly vulnerable¹⁶⁷. The current 2020 Climate Change Act refers more generally to gender, through a new Department for Climate Change, under the Ministry for Environment, which is tasked with, among others, to "…commission studies on climate change, taking into consideration, inter alia, human rights, cultural heritage and gender issues"¹⁶⁸, but there is no specific reference in the Act to the disproportionate impact of climate change on women.

In its NDC, the Government commits, among others, in advancing the following adaptation actions:

- Developing and implementing an integrated approach which combines the following sectors namely; Fisheries (Blue Economy), Tourism, Biodiversity (Terrestrial and Marine), Forestry, Agriculture and Coastal Zone;
- Enhancing strategic frameworks to address policy gaps and improve expertise in the Health sector, including, through integrating climate risks into planning and developing policies in the National Adaptation Plan; and
- Increasing resilience of human-led activities whilst preserving ecosystem functions, through improving governance, enhancing disaster preparedness and response mechanisms, for infrastructure and disaster risk reduction sectors.

Although the NDC commitments for both mitigation and adaptation seem achievable with the right policy making and investments, the limited fiscal space for public investment (the total financial needs to implement the NDC targets are estimated at USD 6.5 billion, 4 for adaptation and 2.5 for mitigation), competing priorities in times of multiple crises, and a lack of policy coherence across sectors, are hampering climate action. Some assets could help boost mitigation efforts though, such as a very engaged private sector, where many small and bigger businesses seem aware that they cannot thrive if a profound transformation is not operated to protect natural ecosystems and develop more sustainable production and consumption patterns.

Indeed Goal 12 on sustainable consumption and production is still facing major challenges, in terms of waste management, legal and policy framework and incentives, and material footprint. One striking example is e-waste generated per capita, for which Mauritius is third in Africa, with 10.1 kilogram per capita per year, behind Seychelles (12.6kg) and Libya (11.5 kg), generating more than thrice the regional average (2.8 kg)¹⁶⁹. Mauritius performance in terms of food loss (SDG target 12.3) is better, being fifth in Africa for the lowest food loss estimates, with 93 kilos per capita per year (regional average 101.6 kg), though UNEP cautions that the confidence in estimates is low¹⁷⁰.

In terms of sustainable public procurement (SDG Target 12.7), a critical yet often overlooked aspect of climate action, Mauritius was a pioneer. Starting 2009, a Sustainable Public Procurement (SPP) Policy and Action Plan has been prepared, covering the following five themes: People; Policy, Strategy and Communication; Procurement Process; Supplier Engagement; and Monitoring and Reporting. It

¹⁶⁷ Republic of Mauritius, National Climate Change Adaptation Policy Framework, Port Louis, 2020, p. 41:

¹⁶⁸ 2020 Climate Change Act, p. 437, para 8m.

¹⁶⁹ ITU, <u>The Global e-Waste monitor 2020</u>, 2021

¹⁷⁰ UNEP, <u>Food waste Index report 2021</u>, 2022

focused on seven products/services: 1) Paper and Printing; 2) IT Devices; 3) Cleaning Products and Services; 4) Office and Classroom Furniture; 5) Vehicles; 6) Food and Catering Services and 7) Construction work. The public procurement expenditure in Mauritius contributes to a significant share of GDP (more than 15% in 2015)¹⁷¹. It seems that after the Maurice Ile Durable initiative pushing this policy design and implementation lost speed and visibility, the policy was left aside. Building on this process to renew the commitment to sustainable procurement would be significant, not only to lower GHG emissions, but also for role-setting for the private sector.

In Mauritius as in other countries, women and men are exposed differently to the impacts of climate change, due to the social and cultures rooted gender inequalities. Gender norms interacts with social status, poverty, level education and social differences, such as age. The family headed by women have greater vulnerability to risks and less resilience to shocks due to lesser access and control over resources, therefore are likely to be the most affected by prolonged droughts, and even by epidemics, that devastates the country.

Key accelerators in the Planet pillar include developing a strengthened collaboration between the public and private sector to leverage more funding for climate action, particularly for the requisite capital-intensive infrastructure, as well as to ensure that an inclusive approach is followed in decarbonization and adaption actions. Also, as climate change is a trans-border issue, and neighbouring SIDS face similar climate vulnerability as well as constrained resources, regional climate change adaptation or green energy initiatives may have a higher probability of leveraging climate finance than a standalone national initiative.

Being climate action a cross-cutting issue, key priorities across sectors should be:

- **Intersectoral coordination:** Institutionalize existing spaces for dialogue and networks to reinforce multistakeholders coordination and boost partnership building for climate action
- **Policy making:** Reinforce policy coherence and boost civil society, University and private sector engagement in science-based policies
- **Resource mobilization:** Develop a pipeline of joint initiatives with public and private stakeholders to access climate finance

2.3 Peace: Governance and Political analysis

This chapter presents findings on Mauritius' progress and challenges towards the achievement of SDG 16 on peace, justice and strong institutions.

Mauritius is a long-standing high performer in good governance on the African continent. In 2020, the Mo Ibrahim Index of African Governance (IIAG) ranked Mauritius first in Africa for the twelfth consecutive year. However, in its 2020 Report, it also noted Mauritius' Overall Governance score had increasingly declined, driven by weakened social protection and deteriorating human rights¹⁷². The Report underlined a decline in Security & Rule of Law and Participation, Rights & Inclusion.

Mauritius is one of the nine African countries considered as free by the Global Freedom Index¹⁷³. Though the Index acknowledge that civil liberties have historically been upheld, it stresses that they have increasingly been called into question. It points out the increasing prominence of ethnic divisions in politics, the persisting corruption problem, and the suspension of opposition representatives and media. Despite these causes for concern, the Index acknowledges that elections are free and fair,

¹⁷¹ Maurice Ile Durable Commission, <u>Sustainable Development in the Public Sector</u>, 2012

¹⁷² Mo Ibrahim Foundation, <u>2020 Ibrahim Index of African Governance</u>, 2021.

¹⁷³ Freedom House, <u>Global Freedom Index</u>, 2021

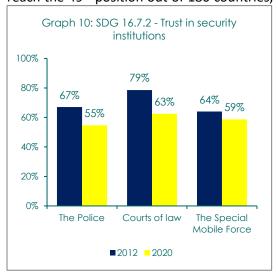
albeit questioning the impartiality of the Electoral Supervisory Commission, mainly due to the suspension "sine die" of the local elections due to COVID-19.

Mauritius has a well-set Westminster system of institutional governance with the three pillars of parliament, the executive, and the judiciary. The civil service has been set to be independent of political incumbency. The law enforcement agencies are under the responsibility of heads that enjoy constitutional status and protection. Appointments and promotions in the civil service and the police are made by independent bodies prescribed in the constitution, namely the Public Service Commission and the Disciplined Forces Service Commission. Appointments and promotion in the judiciary is similarly under the constitutionally set institution, the Judicial and Legal Service Commission. To ensure accountability, the constitution provides for the post of Director of Audit, free from control by any other person or authority. Under Section 110 of the Constitution of the Republic of Mauritius and Section 20 of the Finance and Audit Act, the Director of Audit annually prepares an audit report of all central government ministries and statutory bodies. This audit report is submitted to the Minister of Finance, as well as tabled to the National Assembly.

The Government amended the Information and Communication Technologies Act (ICTA) to impose heavy sentencing for online content considered to "inconvenience" the receiver or reader. This act was used to file several complaints against journalists and media outlets in 2019 and to control the spread of misinformation about COVID-19. One radio station known for its very incisive investigations into public and state matters, often unveiling scandals, had its license suspended on three occasions.

Gender equality at decision making level in both elected positions and the administration remains an issue, with only 20% (14 out of 69) Members of the National Assembly are women. Similarly, only three out of 21 ministerial positions are held by women. Alongside women participation, a critical effort in the future may address youth participation in the political and even in elections, with an important role of the political parties and the education system to promote active citizenship. Although youth participation is lively through non-traditional ways, such as civic engagement and social media action, their participation in formal democracy is necessary to ensure good governance, especially representativity and accountability.

Concerns about corruption persists (SDG target 16.5), though slight improvements have been made in the last years, reflected by a progress in the Corruption Perception Index (CPI), gaining one rank to reach the 49th position out of 180 countries, with an overall score of 54/100. The Act stipulates that



the Anti-Corruption Commission "be a self-governing, neutral and independent body" and gives details of what is considered corrupt practices¹⁷⁴. In 2022, Sevchelles ranks 23rd out of 180 countries - first in both Africa and the Indian Ocean, and immediately after France - for the Corruption Perception Index (CPI), with an overall score of $70/100^{175}$. Afrobarometer surveys of Mauritian public perception have revealed a decline in the public's trust of public institutions, particularly concerning security institutions.

¹⁷⁵ Transparency International, <u>Corruption Perception Index 2021</u>, 2022. A score of 100 is very clean and 0 is highly corrupt.

¹⁷⁴ Government of Seychelles, <u>Voluntary National Review</u>, 2020

Respondents were asked: How much do you trust each of the following, or haven't you heard enough about them to say? (% who say "somewhat" or "a lot")

In terms of **transparency** (SDG 16.10.2), in 2015, a Good Governance and Integrity Reporting Act were enacted and an Integrity Reporting Services Agency (IRSA) was established to promote transparency, good governance, and integrity in Mauritius. The IRSA also investigates cases of unexplained wealth. In its 2020 Annual Report, IRSA expressed frustration at court delays and absence of legislative instruments to meet new challenges of financial crime.

Freedom of press (SDG indicator 16.10.1) is another issue, with a rank of 64th amongst 180, and an overall score of 66.07. This poor score given the country's high human develop standards reflects the perceived lack of independence of some mass media directly under Government control, the pressure on opposition media which are outspoken yet sometimes tend to toward sensationalism, and the difficulty for independent and reliable media to find a place. A new media regulation law adopted in 2021 tightens restrictions on confidentiality of journalists' sources and operation of radio stations and increases penalties for journalists. Since 2018, under amendments to the Information and Communication Technologies Act, posting content that could cause "inconvenience, distress or anxiety" is punishable by imprisonment¹⁷⁶.

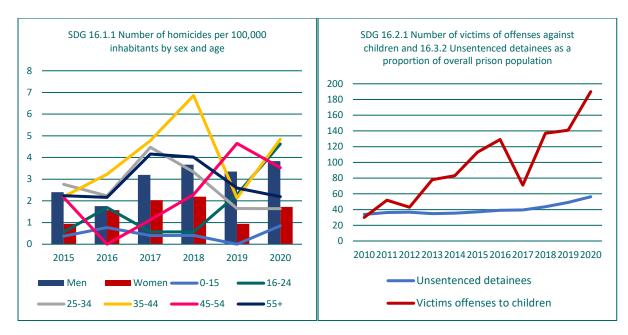
Other challenges, mainly related to the enforcement of the legal framework, call for continuous efforts in the area of Human Rights and governance in general. The rights of migrant workers is another area where room for improvement has been noticed, although the problem is directly addressed by the Government now, with UN support.

Mauritius has ratified seven of the nine main Conventions of the Human Rights legal framework and treaties (see Annex 1), as well as the main regional Human Rights Treaties.

The number of homicides per 100,000 inhabitants (SDG 16.1.1) increased since 2015, from 1.66 to 2.77 in 2020¹⁷⁷. This relatively negative trend in terms of security could be worsened by the multiple, overlapping crises driving poverty up and putting food security at risk. The justice system, despite improvements in the last years, still shows dysfunctionalities, mostly linked to slow prosecution processes leading to a perceived denial of justice.

¹⁷⁶ Reporters Without Borders, <u>World Press Freedom Index</u>, 2022

¹⁷⁷ UNODC, Country profile Seychelles, 2021



The National Annual Audit Report has repeatedly revealed a widespread situation of poor governance in the public sector with respect to financial management, procurement, and project management.

However, the Government appears to show determination to bring reforms to the public sector. A Public Sector Business Transformation Strategy (PSBTS)¹⁷⁸ has been in place since 2017. The GoM's strategy highlights the need for the public sector to continuously evolve, innovate, and transform in order to respond to, and anticipate, the needs of each citizen, as well as local and global clients. It also creates the momentum required to create a dynamic and innovative public sector, whereby quality service is delivered in an efficient, transparent, fair, equitable and affordable manner.

The PSBTS aims at:

- Addressing gaps in public service delivery, both in terms of access deficits and uneven quality.
- Developing and monitoring an institutional performance index of Mauritius' public service.
- Enhancing civil service accountability.
- Establishing a monitoring and evaluation mechanism to track progress on policy/programme implementation, results, and impact.
- Strengthening the civil service's capacity for sustainable development.

If the proposed PSBTS is diligently implemented, the efficiency and effectiveness of the public sector to deliver services across the island should be greatly improved. It will contribute to economic transformation and enhanced access and quality of public service delivery, while also ensuring a more inclusive and environmentally sustainable economy.

The most serious challenge for public sector effectiveness, integrity, accountability, transparency, and inclusiveness is the modus of appointment of key positions and the influence of political incumbents over appointments.

While the quality of the policy framework is high, technological and capacity restrictions demonstrate a clear implementation gap. It should be noted, however, that despite the existence of the necessary

¹⁷⁸ Ministry of Public Service, Administrative and Institutional Reforms, <u>Public Sector Business Transformation Bureau</u>, 2020.

legal framework, including specialized institutions, laws and regulations, the enforcement level remains inefficient in the absence of performance obligations.

Two important gaps require attention.

The first relates to the essential dialogue between the state and non-state actors, which has eroded over recent years. The past economic successes of the country have been derived by the continuous and constructive dialogue between the state and the private sector, particularly through the National Economic and Social Committee. This dialogue was beyond an annual exercise of pre-budget consultations. It was a dialogue both at the highest level and at a sectoral level. This dialogue needs to be restored to the benefit of national interests.

The other important gap pertains to the Protection of Human Rights Act of 1998 section 4, as amended by Act No19 of 2012. It prescribes that the functions of the National Human Rights Commission "...enquire into any written complaint from any person alleging that any of his human rights has been, is being or is likely to be violated by the act or omission of any other person acting in the performance of any public function conferred by any law or otherwise in the performance of the functions of any public office or any public body". The definition of public body means a Ministry or Government department, a Local Authority, or a Parastatal Body where Government holds shares in a company or otherwise is able to influence that company's policy or decisions. An amendment to the law is required that includes other non-state entities, such as a private company and private persons.

Consideration needs to be given to amending the Protection of Human Rights Act, wherein it provides that the Human Rights Division shall not exercise its functions and powers in relation to any of the officers and authorities specified in the proviso to section 97(2) of the Constitution. Those are:

- (i) the President or his personal staff;
- (ii) the Chief Justice;
- (iii) any Commission established by this Constitution or its staff;
- (iv) the Director of Public Prosecutions or any person acting in accordance with their instructions; and
- (v) any person exercising powers delegated to them by the Public Service Commission or the Disciplined Forces Service Commission powers of which, are subject to review or confirmation by the Commission by which they were delegated.

The last point is of particular concern as it implies that senior officers are delegated with powers for direct recruitment; and the exercise of such powers has the potential to be highly discriminatory.

Regarding the judiciary, it has greatly enhanced its capacity and structure to ensure more effectiveness, and speedier management of matters brought to its assessment and decisions. Courts for specialized categories of judicial matters such as the Family court, the Commercial division of the Supreme court, and the recent decision to establish a Children's Court for cases concerning children and minors, provide more conducive and effective instances for dealing with specific matters. The island of Rodrigues is provided with a permanent court.

The introduction of E-judiciary has, since April 2010, implemented an electronic filing of cases and an electronic case management system that has greatly enhanced speedy, effective, and transparent management of processes and records.

Continuous Professional Development for the Judiciary and all Court personnel is ensured by the Institute for Judicial and Legal Studies (IJLS).

Transforming the public sector is another priority to cut on costs, optimize services and serve better the population. The implementation of a Sandbox for innovative technologies, aim to fasten digital adoption within the public sector while modernizing the procurement processes not traditionally allowing for testing prior to implementation.

Regional cooperation, especially with other SIDS in the Indian Ocean, is critical to ensure peace not only on land, but also at sea and in the digital flows. In this sense, the Government strived to contribute to address these issues within the framework of the Indian Ocean Commission, both in terms of maritime security and on fight against money laundering and financing of terrorism (UNODC to provide more elements).

3 Partnership and Financial Landscape Analysis

This chapter considers Mauritius' progress on SDG 17, which seeks to 'Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development', including the resources available for financing sustainable development in the country. As there are no official estimates of the investment needed to meet the development goals presented in the Government Programme, an actual costing is not currently available.

This chapter instead provides a summary overview of possibilities for Mauritius' SDG financing landscape. Additional information on the country's financing landscape could be provided through a Development Finance Assessment (DFA). An Integrated National Financing Framework, which would assess and guide how Mauritius' development strategies could be financed, is another tool that the GoM could utilize for this purpose.

6.1 International Partnerships

Mauritius currently engages with multiple multilateral development partners, including U.N. agencies, and Development Finance Institutions (DFIs), as well as with bilateral allies such as India, China, the European Union, France, Australia, the United Kingdom and Japan. Financing from, as well as cost-sharing with, development partners has significantly supported the expansion of infrastructure and various specialized service needs, including the modernization of the meteorological services, as well as disaster and environmental management.

For example, Mauritius has benefitted from Global Environment Facility (GEF) funding for the implementation of the Nationally Appropriate Mitigation Actions (NAMA) for Low Carbon Island Development Strategy for Mauritius project (2017 - 2021). The GEF is also supporting Mauritius to strengthen its institutional capacity to coordinate climate action and finance. The European Union is as well supporting Mauritius across all eight pillars of the Mauritius Masterplan for the Environment 2020-2030.

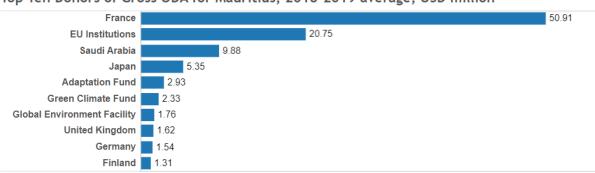
Mauritius has successfully concluded several trade agreements that open preferential access to a wide international market for its products and services. These agreements include, among others, the Comprehensive Economic Cooperation and Partnership Agreement with India, Free Trade Agreement with China, ACFTA and SADC-COMESA-EAC Tripartite negotiations, as well as Free Trade Agreements with Pakistan and Turkey, and AGOA with the US.

6.2 External Financing

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¹⁷⁹ In this connection, the EU Multi-annual Indicative Programme for Mauritius will cover three streams of interventions: i) Ecological transition for a green recovery,including renewable energy; ii) Integrated management of ecosystems, the "Ridge to reef" approach; and iii) Transition for sustainable agro-food systems. Disaster risk prevention and management will be mainstreamed in this Programme.

The Net ODA received by Mauritius in 2019 was USD 22.2 million, bringing the average ODA receipts in the country for the period 2017 - 2019 to USD 35.3 million 180 , or approximately 1 % of Government revenue. The main donors of ODA for 2018-19 to Mauritius were France, the European Union, Saudi Arabia and Japan. In addition, Mauritius has also mobilized significant funding from Multilateral Institutions, such as the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environment Facility (GEF), which support key climate change and environment projects in the country. The greatest portion of the country's bilateral grant aid, at 75 %, was directed to the production sector, followed by education, at 17 %.



Top Ten Donors of Gross ODA for Mauritius, 2018-2019 average, USD million

Since 2019, Mauritius has continued to mobilise grants from development partners for various projects, primarily for technical assistance. The European Union was the main contributor of grants to the country, including approximately EUR 7.9 million to strengthen Mauritius' health system in response to the COVID-19 pandemic. The Agence Francaise de Development (AFD) also provides significant grants, particularly for climate change, port facilities, energy and water.

There has been a significant decline in ODA since 1999, and particularly since 2015. For example, as a %age of government expenses, ODA represented 5.733 % in 2015 and 0.673 % in 2019. ODA per capita was US\$ 62.11 in 2015 and US\$ 17.52 in 2019¹⁸¹.

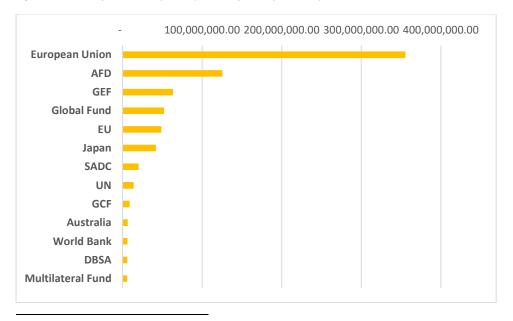


Figure 10: Grants from development partners for the financial year 2019/20, 2020/21 and 2021/22/ MUR¹⁸²

Development Finance Aid for Mauritius (2018-19), OECD-DAC, https://www.oecd.org/dac/financing-180 sustainable-development/development-finance-data/aid-at-a-glance.htm

¹⁸¹ World Bank

¹⁸² Government of Mauritius, <u>State Budget 2021/22</u>, 2021

Although public debt has risen over recent years, particularly with bilateral loans from its primary DPs, Mauritius' external debt remains low. The debt composition as of June 2021, was 20 % from foreign sources and 80 % from domestic sources. The Ministry of Finance, Economic Planning and Development estimated that foreign debt would be 22.3% in June 2021.

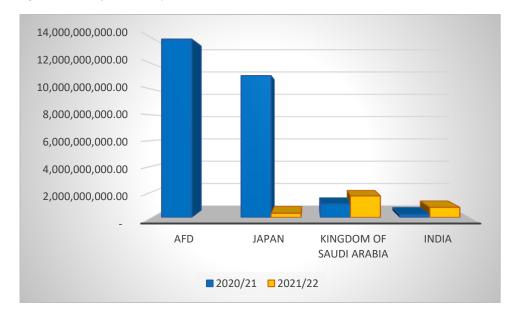


Figure 11: Loans from Development Partners in 2020/21 and 2021/22/ MUR¹⁸³

The country's foreign debt in terms of international reserves is approximately 233 %, compared with the general rule of between 100-150 %. The foreign debt service ratio has reached 8.1 % during financial year 2020-2021 and is largely due to the falling exports resulting from the pandemic.

Domestic debt is structured through short-, medium-, and long-term instruments, composed of 10 ercent, 19 %, and 42 %, respectively. Public sector domestic borrowing is not crowding out debt financing requirements of the private sector on the domestic market. In fact, there has been a situation of excess liquidity on the Mauritian market for years.

6.3 Foreign Direct Investment

The %age of FDI to GDP has declined from 5.05 % in 2012, to 3.62 % in 2017, and to 2.52 % in 2020. This was likely due to uncertainty about the fallout of the global pandemic on the country at that time. Sixty % of FDI is in real estate. The country also has an outflow, as companies domiciled in Mauritius also invest overseas. The outflow was 1.55 % of GDP in 2012, 0.67 in 2018 and 0.24 during the pandemic in 2020. A significant amount of outward investment goes to India and Africa.

6.4 Remittances

Personal remittances generally represent a small proportion of GDP, for example, they were at 1.89 % in 2017, and increased to 2.61 % in 2020. The increase in remittances can be explained as alleviating the reduction in domestic incomes as a result of the pandemic's impact on tourism and exports in 2020. Outward remittances far exceed inward ones, given the numbers of migrant workers in the country.

Remittances in Rs billion

53

¹⁸³ Ibid.

	2019	2020	Q1 - Q3 2021
Inward	2.8	3.1	2.9
Outward	7.13	7.44	5.9

6.5 Domestic Financing

Corporate, personal, and value added taxes are currently the most important sources of domestic revenue for the government of Mauritius. Government revenues for FY ending June 2020 totaled Rps. 101.7 billion (USD 225 billion)¹⁸⁴. Of this, 89.0 billion Rps were collected in taxes, including corporate, personal income and sales taxes. Corporate taxes include Global Business Companies (GBCs) tax contributions and the CSR tax¹⁸⁵. Corporate, personal income, and sales tax rates have remained constant at 15 % since 1999.

Beyond taxes, other important, and as yet not fully explored sources of domestic financing for funding the SDGs in Mauritius, are national institutional investors¹⁸⁶, such as the Mauritius Investment Corporation – the country's Sovereign Wealth Fund (SWF)¹⁸⁷, which held assets of USD 1.9 billion as of May 2021, and the investible public pension funds.

6.6 Other forms of Development Financing and Partnerships

Despite Mauritius' UMIC status precluding more traditional forms of assistance, there are other opportunities for cooperation with international organizations and other DPs, such as: South-South and South-South-Triangular Cooperation (SSC and SSTC); public-private partnerships (PPPs), and; impact investments. Based on the CCA research, domestic resource mobilization, including through taxes and private sector engagement, may provide the greatest portion of SDG financing in Mauritius, pending a more detailed mapping of partners.

Another promising source of both domestic and international capital for SDG financing, particularly for climate adaptation, renewables, and other forms of environmental conservation, could be through green and blue bonds¹⁸⁸. The Bank of Mauritius (BoM) completed a Sustainable Bonds Framework in June 2021 and released a guide for the issue of sustainable bonds. In September 2021, the BoM issued a draft Guideline on Climate-related and Environmental Financial Risk Management to banks and consultations for non-bank deposit taking institutions. On 14 October 2021, the Bank launched its

¹⁸⁵ The 2009 Income Tax Act requires profitable businesses to allocate 2 % of their profits to socially responsible activities, under Government approved programmes. These activities may be implemented directly by businesses or through an approved NGO, a Special Purpose Vehicle (SPV), or by a corporate partner. See also above, National Development

 $^{^{184}}$ At a current exchange rate of 1 USD = 44.96 Rps

¹⁸⁶ "There is no single definition of an "institutional investor". This broad category can include investment funds, insurance companies, and pension funds, as well as sovereign wealth funds, private equity funds, hedge funds, and exchange traded funds. The category can be expanded to include mutual funds, money managers, investment banks, commercial trusts, and endowment funds": African Development Bank, *Unleashing_The_Potential_Of_Institutional_Investors_In_Africa*, November 2019, footnote 4;

https://www.afdb.org/sites/default/files/documents/publications/wps_no_325_unleashing_the_potential_of_institutional investors in africa c rv1.pdf

¹⁸⁷ In late May 2020, the Bank of Mauritius (BoM) Board established the Mauritius Investment Corporation Ltd (MIC) as a Special Purpose Vehicle, to: (i) mitigate contagion of the ongoing economic downturn in the banking sector, thus limiting macro-economic and financial risks, and; (ii) to secure and enhance financial wealth for current and future Mauritian generations, while ensuring the stability of the banking sector. The BoM announced that it would invest \$2 billion of FX reserves in MIC to achieve the latter: https://www.mic-ltd.mu/ It has also been announced that MIC will focus on investing in the pharmaceutical and blue economy as new strategic sectors. As of April 30, 2021, the MIC has been provided with Rs80 billion in financing by the BoM, of which Rs3.75 billion has been disbursed by June 10, 2021.

¹⁸⁸ UNEP, on behalf of PAGE, Greening the SMEs: Improving SME Access to Green Finance in Mauritius, 2021, p ,43

Climate Change Centre. More recently, Mauritius' first private green bond was issued in January 2022¹⁸⁹.

A vehicle similar to the Mauritius green bond, and which may also be appropriate for Mauritius, is the Seychelles Blue Bond, which was launched in 2018 and which is the world's first Sovereign Blue Bond¹⁹⁰. The US \$15 million bond is partially guaranteed by a US \$5 million guarantee from the World Bank (IBRD) and further supported by a US \$5 million concessional loan from the GEF, which will partially cover interest payments for the bond. Proceeds from the bond will include support for the expansion of marine protected areas, improved governance of priority fisheries and the development of the Seychelles' blue economy.

4 Multidimensional SDG Risk Analysis

The COVID-19 pandemic came to overlap with two major long-term crises, exacerbating their effect: the climate crisis and the inequality crisis. Climate change represent an extreme risk – already materialized yet still unfolding. Inequalities, discrimination and disparities among groups are a source of social injustice and are hampering economic development while raising risks of insecurity, social unrest and governance problems.

These three major crises are mutually reinforcing and have a disproportionate impact on the most vulnerable populations. A fourth global crisis is looming, as we enter the last quarter of 2022, linked to the global economic turmoil, and possibly leading to a global recession in 2023.

5.1 Economic risks

By the end of 2021, after COVID restrictions were progressively lifted, a strong rebound in demand, high commodity prices and persisting supply chain disruptions fueled global inflation, which accelerated when oil and food prices skyrocketed after the invasion of Ukraine. An aggravating, related factor is the strength of the US Dollar, a traditional haven for investors in times of crises and uncertainty, further strengthen by the US Federal Reserve's rising interest rates. This strong dollar presents critical risks for emerging economies, like Mauritius, especially when Foreign Direct Investment is a driver of growth, for heavily indebted countries, and for Small Island Developing States, as they present a higher-than-average vulnerability to exogenous shocks.

To fight inflation by cooling global demand and investments, Central Banks around the World, and among them the US Federal Bank, are increasing their interest rates aggressively, slowing the economies and adding risks for emerging economies. Global GDP growth should slow in the last quarter of 2022 and probably throughout 2023, because of inflation and the combined effect of monetary policies around the World, as well as bad performance from major markets (China, Europe, US) for different reasons.

For Mauritius, the risks are very significant. **Strategic imports, especially fuel**, are mostly paid in dollars and will be more expensive due to higher exchange rates. This also makes **servicing debt contracted in US dollars more expensive**, weighing heavier on public finances. A weak rupee will have little impact on **competitivity gains** (usually an upside of weak currencies), in a context of global demand slowdown and currencies' weakness. The transmission channels of a possible global economic crisis into Mauritian economy could be tourists' arrivals and spendings, manufacturing

¹⁸⁹ "The first tranche amounts to Rs 500 million. The funds raised will be used to finance the companies successfully launched Green Lease product, which aims to encourage the shift to hybrid and electric vehicles, as well as to support any other green projects undertaken by (its) clients. The Green Bonds were also created to meet the increasing demand for socially responsible investment opportunities".

¹⁹⁰ https://www.worldbank.org/en/news/press-release/2018/10/29/seychelles-launches-worlds-first-sovereign-blue-bond

exports, ITC and financial service demand. In terms of public finances, the consequences could be dire too, with a decrease in revenues from tourism and economic activity, increase in commercial deficit, possible debt distress

5.2 Social risks

Mauritius has been at peace since its independence, democracy and institutions work well, and no palpable tensions between communities are affecting social peace. The social contract is solid, and trust in institutions is relatively high, though eroding, mitigating the risks of open conflict. However, inequalities and poverty are still high, and climate change and the Ukraine war continue to induce upward pressure on food and energy insecurity. Hence there is a risk of increased social unrest in the coming months and years, which calls on combined efforts from the Government and civil society to strengthen the social contract and maintain peace.

Even when Mauritius graduates again as a high-income country, it will always be at risk of a major economic, social or environmental crisis, because of its structural, economic and environmental vulnerabilities, as well as their social consequences and the limited possibility of the State to respond quickly through public expenditures.

Building resilience and mitigating risks is then a priority, yet limited possibilities exist for the Government and other player to dramatically change the crisis prevention and response settings on the short run, especially due to limited fiscal space and competing priorities in a complicated global environment. Should these multiple risks materialize in the near future, the worst possible impact — though very unlikely - would be the dismantlement of the social contract and good governance and democracy prevailing since the country's independence. More probable is the stagnation in human development indicators, including perhaps on poverty reduction and access to quality services. Even more probable is a limited diversification of the economy, hampering resilience building, economic transformation and job creation, due to a limited focus on longer-term objectives because of the need for constant crisis response, and limited investments on longer-term transformations because of limited fiscal space linked to costly crisis response measures.

The <u>Multidimensional Vulnerability Index</u>, to be finalized by the end of the year, identifies several vulnerabilities as higher than average in Mauritius (and other SIDS):

- Structural limitations: size, location, water scarcity, arable land extension
- Socioeconomic: Economic diversification, trade openness, income dependency from abroad, dependence on strategic imports
- Environmental: Frequency and intensity of extreme weather events (floods, droughts...) and changes affecting local natural ecosystems (ocean acidification).

5.3 Environmental risks

The effects of climate change are already visible, increasing risks associated with:

- Food insecurity, especially in rural areas, could result from climate-induced droughts. Fishes and seafood may not be able to take over as a primary source of nutritious food for these populations, as climate change is already impacting the marine ecosystems. Although it is hard to isolate the effects of climate change in its different forms, such as ocean acidification, change in current patterns, sea warming, the risks related to climate change are significant for these ecosystems.
- **Increased impact of extreme weather events.** Natural hazards could become more frequent and more violent than before, leading to more damages and losses. The Government is

striving to enhance preparedness and disaster risk management capacities, yet the country is still in the process of adapting to climate change and upgrade disaster risks reduction.

- Biodiversity losses. As an archipelago with islands surrounding by coral reefs, Mauritius is a marine biodiversity hotspot. This has important implications not only for the environmental equilibrium of the country and the planet, but also for the living conditions of the Mauritian, including if not above all the Rodrigan, benefiting from ecosystem services depending on this biodiversity, and reaping the benefits of the economic activities directly linked to it, such as fisheries and tourism activities.
- **Disruption of global logistics and supply chains.** Since Mauritius relies heavily on imports to sustain living conditions of its population and its economy, climate change-induced disruptions of global trade can mean fewer access to goods and increasing prices, leading to abrupt pressure on the State and households' budgets, livelihoods and well-being. This include energy supply, vital to the country, which will be treated in the last point of this section.

5.4 Multidimensional risks matrix

The combined, overlapping impact of these multiple crises will affect directly people's access to basic and social services and livelihoods, and indirectly by imposing important, constant and coherent public investment across multiple sectors and amongst competing priorities, while limiting public revenues to do so.

Another transversal threat is linked to cyber security, being Mauritius relatively vulnerable to cyber threats.

	Table 2: Multidimensional risks matrix			
	Low Probability	High Probability		
Low Impact	Breaches in social contract and social unrest, violence and crime A slowdown in tourism recovery Slowed regional integration due to limited investment in infrastructure and limitations to international trade	Limited job creation, persisting poverty and social exclusion Extreme weather events (floods, drought, destructive storms) Internal and external migrations, brain and manpower drain		
High Impact	Disruptions in inner and international connectivity Severe food insecurity due to drought and supply chain disruptions Limited economic development and opportunities Water and power shortages due to limited (and expensive) fuel A deepening digital divide at national level, and widespread digital disruptions at both global and national levels due to cyber-attacks/virtual viruses	Significant biodiversity losses (on the short term) Limited fiscal space and public investment in sustainable development, higher debt-to-GDP ratio and weight og debt service on public finances Persisting inflation and strong US dollar leading to limitations in strategic imports and high commercial deficit		

The seven key development challenges identified, based on this Common Country Analysis and national priorities for 2024 and 2030 are as follow:

- 1. The economy and public finances remain fragile and highly vulnerable to exogenous shocks, including inflation and global economic slowdown. The economy is still highly concentrated in tourism and manufacturing, though ITC and financial services offer a growing contribution to GDP. Limited public and private, domestic and foreign investments in traditional sectors hamper their modernization and resilience. Furthermore, the limited fiscal space to invest massively in the development of new sectors limits economic diversification and resilience building.
- 2. The potential of these emerging sectors (digital economy, blue economy including high end fisheries, sustainable aquaculture, renewable energies and ocean-based biotechnologies, creative industries) is still largely untapped. Digitalization of administration (especially interoperability) and businesses is much higher than regional averages but remains limited, as well as inner and external connectivity, including regional integration. Finally, energy relies for 70% on fossil fuels and the country depends heavily on strategic imports, including for its economy to thrive, making it very vulnerable to exogenous shocks affecting commodity prices.
- 3. The stagnation in development of institutional and human capital continues. Although governance, education and health indicators are outstanding compared to African peers, they have been stagnating in the past 5 years. Although institutional and human capital are a top priority for the Government for the 2020-2024, COVID-19 and other crises, together with the high level of public debt, limit the fiscal space available to upgrade public investment in these sectors.
- 4. Poverty, food security and inequalities are persistent. The path, and above all the structure of growth may not allow for a significant reduction of poverty and inequalities in the coming years, which will need to be addressed through both social protection and better wages and working conditions. Social protection coverage has been increasing, but the challenge will be the sustainability of its financing. Institutional and human capacities and interinstitutional coordination is still limited, including active participation of civil society organizations, especially community/grassroots organizations, so is the articulation between social and economic sectors.
- 5. Access to services and opportunities remain limited for some groups. Inclusiveness is a priority for the Government, as per the Government Program 2020-2024. Financing these efforts to boost inclusion of the groups analysed in the LNOB section above will be challenging in a context of limited fiscal space. Moreover, sustainable socioeconomic inclusion will need a profound economic transformation towards more inclusive growth pathways.
- 6. The current growth model does not create enough decent jobs and inclusive transition will be challenging. The concentration of the economy on tourism and manufacturing resulted in a limited creation of decent jobs. Although education and health standards are high, youth skills in emerging sectors are still limited, and marked by gender gaps.
- 7. Climate change impact on livelihoods and biodiversity is already felt and will deepen. The impact of climate change on natural capital, infrastructure, equipment, livelihoods and wellbeing (including health), and public finance is yet to be fully understood, and accounted for in institutional arrangements, strategic planning, policy making and budgeting. As a result, the preparedness for extreme weather events, especially cyclones, droughts and floods, and for other climate-induced impacts, such as sea-level rise and ocean warming and acidification, is

still limited. Marine protected areas cover a limited part of the ZEE, though the Government Program plans to extend them, and ensuring law enforcement in these areas is already a challenge. Investing in nature-based solutions to climate adaptation, to mitigate the impact of droughts, floods and sea-level rise (coastal erosion) - in a context of limited fiscal space - is also challenging. Harnessing the potential of climate finance, including through the design and promotion of natural carbon sinks solutions (ocean and land), demands the construction of a pipeline of transformative projects at scale.

The seven key development opportunities, based on the CCA. would be as follow:

- Keeping up with Human Capital Development and ensure the qualification of human and social capital needed to enhance social inclusion, further investing on women's economic empowerment, achieve economic transformation and adapt to climate change, including human resources, youth skills, education and health at all levels. Creating the right profiles amongst youths and others, especially the most vulnerable, to fulfil the positions to be created, especially in the blue and digital economies, will be key.
- Invest in poverty reduction in a challenging context of limited buffers at households level, high inflation and prospects of global economic slowdown, while boosting job and income creation for all sectors and building more resilience through a stronger socioeconomic fabric, will be of the essence.
- Advancing economic diversification, unleashing the potential of blue economy and the digital economy as drivers of economic diversification and sustainable, inclusive and resilient economic development.
- 4. Accelerating digitalization of the tax system, the administration, the social services –, and the businesses as a driver of social and economic inclusion and development.
- 5. Including in the sustainable development path the groups at risk of being left behind (see vulnerable groups identified in the LNOB section above), by extending and upscaling social protection coverage in general, offering privileged access to quality basic and social services (health and education in a first place), and fostering productive inclusion through enhanced access to productive assets such as equipment, technology, finance and skills.
- 6. Using the credibility status and potential of Mauritius as a **Small Island Developing State** and the Multidimensional Vulnerability Index to leverage new financing and resources, including through technology transfer, and to develop joint innovative solutions, including financial and digital solutions, together with other SIDS, especially the SIDS AIS.
- 7. Reinforce multistakeholders coordination and systemic long term strategic planning process for sustainable development around the Government and the Parliament, with participation of civil society, the private sector and the academia, as well as the UN and development partners, in a strong national coalition underpinned by solid strategic partnerships, across sectors and including civil society, the private sector and the academia, in close articulation with harmonized international support, will be critical to advance profound transformation ensuring policy coherence and avoiding a silo approach

Annex 1: Status of the Ratification of United Nations Conventions, African Union Regional Human Rights and Governance Instruments

UN Core Human Rights Treaties ratified	Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (CAT) Optional Protocol of the Convention against Torture (CAT-OP) Inquiry procedure under the Convention against Torture (CAT, Art.20) International Covenant on Civil and Political Rights (CCPR) Optional Protocol to the International Covenant on Civil and Political Rights (CCPR-OP1) Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW-OP) - Inquiry procedure under the Optional protocol to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW-OP, Art. 8-9) Convention on the Elimination of all Forms of Racial Discrimination (CERD) International Covenant on Economic, Social and Cultural Rights (CESCR) Convention on the Rights of the Child (CRC) Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict (CRC-OP-AC) Optional Protocol to the Convention on the Rights of the Child on the sale of children child prostitution and child pornography (CRC-OP-SC) Convention on the Rights of Persons with Disabilities (CRPD)
African Union Human Rights Instruments Ratified	African Charter on Human and Peoples Rights African Charter on the Rights and Welfare of the Child Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa
Governance and Peace Instruments/ Frameworks	African Charter on Democracy, Elections and Governance African Union Convention on Preventing and Combating Corruption Accession to the African Peer Review Mechanism Maseru Declaration on a Framework for Peaceful Development in Southern Africa (2013)