

AFRICAN DEVELOPMENT BANK



PROPOSAL FOR A GRANT OF US\$ 500,000 HUMANITARIAN EMERGENCY ASSISTANCE TO OVERCOME THE OIL SPILL CRISIS IN MAURITIUS

RDGS/AHAI//PGCL DEPARTMENTS

September 2020

ACRONYMS AND ABBREVIATIONS

| | |
|-------|--|
| ADF | African Development Fund |
| AfDB | African Development Bank |
| DaLA | Damages and Loss Assessment |
| DMA | Disaster Management Authority |
| DPG | Development Partner Group |
| GoM | Government of Mauritius |
| IMO | International Maritime Organisation |
| NCC | National Crisis Committee |
| NCP | National Contingency plan |
| SRF | Special Relief Fund |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environmental Programme |
| USAID | United States Agency for International Development |

Simplified Result-Based Logical Framework (LogFrame)

| Country and Project Name: The Republic of Mauritius - Humanitarian Emergency Assistance to Overcome the Oil Spill Crisis in Mauritius | | | | | | |
|---|--|---|---|-----------------------------|--|---|
| Purpose of the Project: To restore livelihoods and marine life in areas affected by the oil spill | | | | | | |
| RESULT CHAIN | | PERFORMANCE INDICATORS | | | Mean Of Verification | Risk and Mitigation Measures |
| | | Indicator | Baseline | Target | | |
| IMPACT | 1.0 Restored livelihoods, environments and marine life in the affected areas. | 1.1 Percentage of vulnerable population/communities affected by the spill | <30% | <5%) of which 50% are women | NCC/UN Completion Reports | |
| | 2.0 Cleaned up beaches, lagoons and fishing grounds affected 2.1 Removal and disposal of hazardous waste 2.2 Identification affected families and communities and assessment of loss | 2.0 Area in sq. miles of beaches/lagoon cleaned. 2.1 Amount of hazardous waste (liquid waste and contaminated solid waste) removed and disposed of the affected region. 2.2 Percentage of affected families/communities identified. | 0 0 0 | 10,000 5,000 mt <50% | Daily air and water quality monitoring reports. Progress assessment reports | Risk: Lack of coordination of response efforts; Bad weather Mitigation: Joint action through the DPG and NCC |
| OUTPUTS | 3.0 Advisory and technical support to salvaging and cleaning efforts | 3.0 Number of expert man days provided in salvaging and cleaning efforts | 0 | 90 | NCC /UN Reports | Risk: Delays in recruitment of expertise/advisory services. Mitigation: Use of UN system |
| | 3.1 Advisory and technical support on Damage & Loss Assessment | 3.1 number of expert man days provided in support to damage and loss assessment | 0 | 60 | | |
| | 3.2 Socio-economic impact assessments | 3.2 Number of assessment reports and action plans - environmental and social impacts. | 0 | 5 | | |
| KEY ACTIVITIES: Acquisition consultancy on DaLA and socio-economic, environmental impact assessment: 1. Salvaging and cleaning efforts; 2. undertaking the Damages and Losses Assessment (DaLA) and other impact assessments; | | | INPUTS: Salvaging and cleaning services US\$ 300,000 Damage and loss assessment/ Admin. costs (8%) US\$ 40,000 Total Cost US\$ 500,000 Source of Finance: Special Relief Fund (SRF) - US\$ 500,000 (100%) | | | |

1. BACKGROUND

1.1 The Oil Spill

1.1.1 More than 1,000 tons of fuel have leaked into the Indian Ocean from the bulk carrier vessel, MW Wakashio, which ran aground on the south-east coast of Mauritius on 25 July 2020. The vessel was on its way from China to Brazil and using the highly popular shipping route through the southwest Indian Ocean region. The Mauritian Authorities and environmental experts initially feared the ship would break up and result in an even greater leak and inflict potentially catastrophic damage on the island's coastline. The vessel has since split into two and the larger segment of the wreckage has been sunk, after rescue teams were able to pump out some 3,800 tons of fuel oil. The Island economy depends crucially on the ocean for many activities and environmental resources including food and tourism, the coastline boasting some of the finest coral reefs in the world. Mauritius is a worldwide renown conservation success story and this latest crisis threatens the island economy's unique ecosystem. Furthermore, the general population health and well-being is at risk from severe illnesses associated with leaked oil and other pollutants.

1.1.2 Immediately after the spill, the Government of Mauritius (GoM) declared a state of environmental emergency. The Mauritian Prime Minister, Pravind Jugnauth, made an urgent international appeal for help to stop the ecological and economic damage arising from the spill. Specialized teams from Britain, Japan, France, India and other countries arrived in the country to support the Government deal with the spill. The efforts are being coordinated by the National Crisis Committee (NCC), which has been providing daily updates on the emergency. Local and international NGO's, volunteers, service providers and communities around the area of the spill have been providing much needed support on clean-up activities. The UN has set up a field office at the blue bay fishery office where UN experts and emergency relief teams from other countries work closely with the authorities. According to the NCC, a total of 1,122 tons of liquid waste and 792 tons of contaminated solid waste has so far been carted away from the area. The Monitoring of the quality of the air in the area, and the analysis of sea water for oil and grease contents is ongoing.

1.1.3 Besides immediate technical and material assistance, Mauritius will require support to deal with the long-term effects of the spill, especially on the environment and the local communities. This funding proposal report is for the provision of immediate emergency assistance to the GoM to deal with the devastating oil spill. It constitutes the Bank's response to the emergency appeal by the GoM and will be provided as part of the Development Partners Group (DPG) coordinated emergency relief and support efforts.

1.2 Overview of the Appeal for Emergency Assistance

1.2.1 On Friday 7 August 2020, the GoM announced a state of environmental emergency owing to the oil spill on its shores along the Indian ocean. The GoM has the overall responsibility to respond to the oil spill in the country pursuant to the Constitution and the Environmental Protection Act. The Government recognizes that responding to the spill requires 'collaboration and coordination among many parties on international, national, regional, state, and local level; including the private sector'. The Government has subsequently laid out elaborate plans to deal with the spill and outlined the assets, expertise as well as the organizational structures required. GoM made an international appeal for help in areas including personnel, equipment and experts in

oil spill combat, pollution monitoring, environmental protection, and evaluation of damages to the environment (Annex 1).

1.2.2 Some international support has been forthcoming, with bilateral partners France, India, Japan and the UK having provided technical, material and financial support thus far. Countries in the Region such as Madagascar, Mozambique, Seychelles and South Africa are also on high alert, given their proximity to the site of the damaged vessel. Development partners' support is being coordinated by the United Nations (UN), with the support of the International Maritime Organization (IMO), UNDP and UNEP/OCHA Joint Environment Unit. These agencies have already identified and secured the required expertise and committed funding to activities related to cleaning up and restoration, monitoring capacity, environmental and pollution impact assessments.

1.2.3 In light of ongoing efforts to support Mauritius avert a potential environmental and socio-economic catastrophe resulting from the oil leakage, the Bank is looking to participate in the DPG coordinated emergency relief and support efforts. Following consultations with the Authorities and fellow development partners it was agreed that the Bank contributes towards the overall DPG's emergency relief resources envelope. The Bank's funding would contribute primarily to the following activities: (i) Salvaging and cleaning efforts and (ii) undertaking the Damages and Losses Assessment (DaLA) and other socio-economic and environmental impact assessments.

1.3 Justification for Emergency Assistance

1.3.1 The proposed Bank support will complement the on-going activities the Government of Mauritius, development partners and other actors aimed at mitigating the negative effects of the oil spill. The emergency assistance by the Bank will contribute to the overall kitty by development partners under the leadership of the UN.

1.3.2 The proposal is justified as it fulfils the three criteria required to qualify for the Bank Group assistance: (i) the emergency situation is of a scale which is clearly beyond the capacity of the Government; (ii) the proposed activities can be carried out expeditiously and effectively within the required time frame; and (iii) the emergency relief assistance aims at restoring a degree of normalcy in both the social and economic life of the affected populations and ecosystems as quickly as possible. The proposal complies with the provisions of the Revised Policy Guidelines and Procedures for Emergency Relief Assistance, and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1). Specifically, it is covered under "accidents" - situations caused by inadvertent and unforeseeable events resulting in damage to public utilities, services and productive entities in RMCs".

1.4 Bank's Ongoing Portfolio in Mauritius

1.4.1 As at 1 August 2020, there were 4 ongoing operations in the country valued at UA 332.5 million (USD 458.8 million), with a disbursement ratio of 100%. The operations are all funded through the ADB window. The Bank Boards of Directors approved the COVID-19 Crisis Response Budget Support Operation for Mauritius UA 150.5 million (USD 205 million) on 22 May 2020. The full amount of the loan was disbursed on 29th June 2020. Since its first project in 1975, the Bank Group has provided significant and diversified support to the country's development efforts, approving a total of 38 operations comprising 26 projects, four (4) policy-

based operations, three (3) economic sector studies and five (5) lines of credit with an estimated total committed amount of UA 1.06 billion (USD 1.46 billion).

2. PROPOSED EMERGENCY ASSISTANCE OPERATION

2.1 Objectives and Description of Emergency Relief Assistance

2.1.1 The objective of the proposed Bank Group Emergency Relief Assistance is to contribute to the on-going efforts by the Government of Mauritius, Development Partners, the private sector, local and international NGOs and other actors to mitigate the impact the recent oil spill. The Bank's relief assistance will support the GoM's clean-up efforts and help stop the ecological and economic damage to the island nation. The grant relief funds provided by the Bank are restricted and earmarked for the purposes of urgent humanitarian assistance to the affected communities and restoration of the ecosystem. Bank resources will be used for: urgent assistance to the affected populations/communities for livelihood and ecosystem restoration and for undertaking the damages and losses Assessment (DaLA) and other relevant socio-economic and environmental impact assessment of the oil spill.

2.1.2 The Bank's identified areas of intervention are an integral part of the short-medium term actions that have been agreed upon by the DPG. DPG has identified the following critical areas of need: (i) Supporting the response teams on site including the National Guard, Special Mobile Forces and other actors; (ii) Environmental, economic and social impact response in order to protect sensitive natural, recreational, and cultural areas and resources; mitigate collateral harm; and facilitate environmental recovery, (iii) forensic and claims to support related legal issues, and (iv) Coordinating and strategic planning. Members of the DPG include the EU, Australia, France, India and Japan. The World Bank and the IMF are also expected to lend their support. Bank support will be channeled through the DPG.

2.1.3 Bank support will be directed to the most affected areas around the pristine lagoons of Blue Bay, Pointe d'Esny and Mahebourg where communities are suffering from water and air pollution, with dire consequences for livelihoods, especially food security and health. Fishing and tourism activities in these areas have severely been affected as the authorities have ordered fishermen and tourist operators to clear the area, and people to stay away from the beaches and lagoons. This has implications on families who depend on these activities including women and youth. The rich fauna and marine life in the environmentally protected area has also been affected. There are recent media reports of dead dolphins on the coast of Mauritius that are being linked to the oil spill¹.

2.2 Institutional Arrangements

2.2.1 According to the *Bank's Revised Policy Guidelines and Procedures for Emergency Relief Assistance and General Regulations of the Special Relief Fund*, (ADB/BD/WP/2008/211/Rev.1 and ADF/BD/WP/2008/173/Rev.1), implementation of emergency humanitarian relief assistance are to be entrusted to a suitable Government institution which in this case is the Ministry of Environment, Solid Waste Management and Climate Change. To respond to the current crisis, the

<https://www.bbc.com/news/world-africa-53917793>¹

Government established the National Crisis Committee (NCC) which is coordinating the crisis response.

2.2.2 To ensure maximum coordination and that Bank support reaches the target beneficiaries and areas expeditiously, the Bank will channel its support through the DPG which is being coordinated by UNDP. Following consultations with the Authorities and Development Partners it was agreed that the Bank contribute towards the overall DPG’s emergency relief resources envelope. The United Nations Development Program (UNDP) will be the Executing Agency. UNDP is charging all Partners channeling resources through them a fee of 8 percent. A tripartite letter of agreement will be signed between the Bank, the Government of Mauritius and UNDP outlining the terms and conditions for the grant, responsibilities, and obligations of each party.

2.3 Cost and Financing Arrangements

2.3.1 The total cost of this Emergency Assistance to Mauritius is estimated at Five Hundred Thousand United States Dollars (US\$ 500,000). The breakdown of the support is shown in Table 1 below. The proposed operation will wholly (100%) be financed from the Bank’s Special Relief Fund (SRF). The categories of expenditure for the operation are shown in Table 2 below. Detailed cost table (DCT) is reproduced in Annex 2.

Table 1: Breakdown of Project Cost (SRF)

| No | Item Description and Category of Expenditure | Unit | Qty | Unit Cost (USD) | Total Cost (USD) |
|-------------------------|--|------|-----|-----------------|------------------|
| 1 | Salvaging and cleaning services | | 1 | 300,000 | 300,000 |
| 2 | Damages and Loss Assessment (DaLA) and other impact assessments – Services | | 1 | 160,000 | 160,000 |
| 3 | Admin. costs (8%) | | | 40,000 | 40,000 |
| 4 | | | | 500,000 | 500,000 |
| Total Cost (USD) | | | | | 500,000 |

Legend: LS = Lump Sum; No = Number; and Qty = Quantity

Table 2: Summary of Category of Expenditure (SRF)

| Category of Expenditure | Amount (USD) |
|-------------------------|----------------|
| 1. Services | 460,000 |
| 2. Administrative costs | 40,000 |
| Total Cost (USD) | 500,000 |

2.4 Implementation Schedule

2.4.1 The implementation period for this emergency operation will not exceed 6 months from 15th September 2020 to 15th March 2021. The key implementation stages and indicative deadlines are shown below:

Table 3: Provisional Implementation Schedule

| Activity | Reporting Entity | Target Deadlines |
|---|-------------------------|----------------------------|
| Approval of SRF Grant | AfDB | 15 September, 2020 |
| Signing of the Tripartite Letter of Agreement | AfDB/Government | 20 September, 2020 |
| Disbursement request | UN/Government | October, 2020 |
| Implementation activities | NCC/GoM | October 2020 to March 2021 |
| Receipts of Final Reports | UN | April 2021 |

2.5 Procurement Arrangements

2.5.1 Bank resources will be used to procure the services outlined in section 2.3 above. The UNDP will procure the services required to respond to the oil spill. In order to ensure efficient implementation, procurement will be done in accordance with the provisions of the Procurement Policy for Bank Group funded operations dated October 2015 (The Policy). In line with articles 5.3 (e) and 6.5 of the Policy and section A2.5 of Chapter A2 of Volume 1, Part A of the Operations Manual (OPM), the UNDP will use its own procurement and eligibility rules for all procurements planned under this project as described in section 2.3 above and in Annex 3.

2.5.2 The Bank and UNDP have signed a Fiduciary Principle Agreement (FPA) in August 2017 which provides assurances for sound fiduciary framework and accountability and oversight framework. UNDP has sound procurement systems and appropriate procedures which are based on economy and efficiency, value for money, is transparent to the maximum extent possible and consistent with procurement best practices. The system provides appropriate processes and structures for monitoring and evaluation of procurement actions and performance and enable reporting of problems and complaints to officials with authority to address such problems based on appropriate mechanisms and in a timely manner and, where appropriate, provide for remedies. Furthermore, the FPA provides for addressing fraud and corruption activities.

2.5.3 All procurement to be undertaken is contained in Annex 3. A Tripartite Funding and Implementation Agreement to be signed, binding the Bank, the Republic of Mauritius and UNDP, which outlines the purpose of the cooperation between the three parties, the role of each of the party, and the modalities for implementation of the project

2.6 Financial Management, Disbursement and Auditing Arrangements

2.6.1 UNDP will be responsible for the overall implementation of the Project and will oversee the financial management aspects of the grant. UNDP will designate appropriately qualified and experienced financial management personnel to perform the related financial management tasks covering budgeting, accounting, financial reporting, internal controls and disbursements. The project will comply with the existing requirements prescribed in the UNDP financial management policies and procedures. In line with the Fiduciary Principles Agreement entered into between AfDB and UNDP, the latter will ensure the adequacy of financial arrangements to facilitate the preparation of regular, timely and reliable financial statements; support the provision of a complete, true and fair record of all transactions and balances, safeguard assets and have the appropriate internal and external auditing arrangements.

2.6.2 UNDP will be required to prepare and share with both government and the Fund, an interim financial report on completion of the six-month implementation period, reflecting the receipts and expenditure related to the grant. The interim financial report will be due for submission within forty-five (45) days after the end of the reporting period. Not later than eighteen months after the completion of the activities under the grant, UNDP will be required to submit the final financial statements covering the activities of the grant to the Government of Mauritius and the Fund. Both the interim and the final financial statements will be provided in the standard format of UNDP. A designated financial officer authorized by UNDP will certify the financial statements.

2.6.3 The funds will be subject exclusively to the internal and external auditing procedures provided for in the UNDP financial regulations. UNDP will also make available to the Government of Mauritius and the Fund, a copy of its audited financial statements and the report issued by the UN Board of Auditors for the financial years during which the grant operations subsist. The audit report will be made available to the government and the Bank within thirty days of presentation to the Executive Board of UNDP. In the event that the external audit report contains observations pertaining to the use of the grant, such information shall be promptly made available to both the Government of Mauritius and the Fund, in accordance with the UNDP information policies.

2.6.4 The funds will be disbursed to UNDP in one tranche in the account designated in the Tripartite Funding and Implementation Agreement. Disbursement will be affected in accordance with the provisions of the Bank's Disbursement Handbook, after Board Approval of the grant and signature of the Tripartite Agreement.

2.7 Environmental and Social Safeguards

2.7.1 The category of this operation is confirmed as 3 in line with national and Bank's requirements as its potential adverse environmental and social risks and impacts are expected to be minimal. The operation does require environmental and social assessment beyond the categorization in line with the Integrated Safeguard System (ISS).

3. CONCLUSION AND RECOMMENDATION

3.1 Conclusion

The proposed Special Relief Grant of Five Hundred Thousand United States Dollars (US\$500,000) is the Bank's contribution to the on-going efforts to mitigate the effects the oil spill on the shoreline of Mauritius. The Grant will be used to acquire critical services and expertise to mitigate the effect of the oil spill.

3.2 Recommendation

Management recommends that the Board of Directors of the Bank approves a grant from the Special Relief Fund resources, as emergency assistance to the Republic of Mauritius, amounting to Five Hundred Thousand United States Dollars (US\$500,000) to assist in the restoration of livelihoods and ecosystems that that have been severely affected by the oil spill.

Annex 1: Request Note Verbal



REPUBLIC OF MAURITIUS

MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION
AND INTERNATIONAL TRADE

URGENT

No: 0708 (50/1/6/5V4)

07 August 2020

The Ministry of Foreign Affairs, Regional Integration and International Trade of the Republic of Mauritius presents its compliments to Diplomatic Missions and International and Regional Organisations based in Mauritius and has the honour to inform as follows:

The Honourable Nandcoomar Bodha, Minister of Foreign Affairs, Regional Integration and International Trade, in the presence of the Honourable Kavydass Ramano, Minister of Environment, Solid Waste Management and Climate Change, will chair a meeting with the Diplomatic Corps and International and Regional Organisations on **Saturday 08 August 2020 at 10.00 hrs** in the conference room on Level 11 of the Ministry of Foreign Affairs, Regional Integration and International Trade.

The purpose of the meeting is to discuss the possibility of assistance from friendly countries and organisations in the context of the oil spill following the running aground of the bulk carrier vessel, MV Wakashio, on the reef of Pointe d'Esny in Mauritius.

The Ministry would highly appreciate it if Heads of Missions and International and Regional Organisations could kindly attend the meeting. The Ministry regrets any inconvenience that the short notice may cause.

The Ministry of Foreign Affairs, Regional Integration and International Trade of the Republic of Mauritius avails itself of this opportunity to renew to the Diplomatic Missions and International and Regional Organisations based in Mauritius the assurances of its highest consideration.

**Diplomatic Missions and International
and Regional Organisations based in Mauritius**



Annex 2: Detailed Cost Table

| Item Description | Unit | Quantities | | Unit Cost (USD) | Base Cost (USD) | | Total Incl Contingency (USD) | | Financing Source |
|---|------|------------|-------|-----------------|-----------------|---------|------------------------------|----------------|------------------|
| | | PYI | Total | | PYI | Total | PYI | Total | |
| I. Investment costs | | | | | | | | | |
| A. SERVICES | | | | | | | | | |
| 1. Salvaging and cleaning services | 1 | | | 300,000 | | 285,000 | 300,000 | 300,000 | ADB-SRF |
| 2. Damages and loss assessment (DaLA) and other impact assessments – Services | 1 | | | 160,000 | | 152,000 | 160,000 | 160,000 | ADB-SRF |
| 3. Admin. costs (8%) | 1 | | | 40,000 | | 38,000 | 40,000 | 40,000 | ADB-SRF |
| TOTAL COST | | | | | | | | 500,000 | |

Annex 3: Procurement Plan

| Procurement System | Package No. | Package Description | Category | Lot No. | Lot Description | Estimated Cost (USD) | Procurement Method | Pre-or Post-Qualification | Procurement Oversight | Planned Tender Issue Date |
|---------------------------|--------------------|----------------------------|-----------------|----------------|---|-----------------------------|---------------------------|----------------------------------|------------------------------|----------------------------------|
| UN | 2 | Emergency Relief Services | Services | 1 | Salvaging and Cleaning | 300,000 | UN System | N/A | UN system | October 2020 |
| | | | | 2 | Damages and Loss Assessment (DaLA) and other services | 160,000 | UN System | N/A | UN system | October 2020 |
| | | | | | | | | | | |