

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC108427

Project Name	Mauritius Statistical Capacity Building Project (P163248)
Region	AFRICA
Country	Mauritius
Lending Instrument	IPF
Project ID	P163248
Borrower Name	Ministry of Finance and Economic Development
Implementing Agency	Statistics Mauritius
Environmental Category	C - Not Required
Date PID Prepared	01-Feb-2017
Estimated Date of Approval	
Initiation Note Review Decision	

I. Introduction and Context

Country Context

Mauritius is one of Africa's success stories. It has achieved remarkable success since its independence in 1968, graduating from low-income to upper middle-income status. Between 1968 and 2014, GDP per capita grew from US\$260 to more than US\$9,000, the 3rd highest per capita income in Africa. Such economic performance was underpinned by macroeconomic and political stability, robust institutions, an efficient administration, a favorable regulatory environment, a developed financial system, and preferential market access for sugar and textile exports. Mauritius successfully managed to transform its economy from a mono-crop economy to an export-oriented and diversified one producing textiles, tourism, and ICT services. Robust economic growth over many years has virtually eliminated extreme poverty and continuously reduced absolute poverty. The total number of poor individuals has also declined from 108,000 people in 2007 to 89,000 people in 2012.

However, important challenges remain despite these impressive accomplishments and a set of bold reforms implemented a decade ago that liberalized the economy and the labor market, opened up sectors to foreign investments, improved the business environment, simplified tax compliance. In recent years, the country's achievements in terms of growth and shared prosperity results have fallen short of expectations. GDP growth and employment creation have weakened, inequality is on the rise and it is threatening the standard of living for the poor and those more vulnerable. If this is partly ascribable to a sluggish exports recovery, it also appears that the momentum for further needed reform has weakened.

Moreover, progress with poverty reduction has been hindered by growing income inequality. While Mauritius is among the top 25 percent of middle-income countries in terms of Gini equality, the level of inequality has increased with the Gini index rising from 34 to 37 between 2007 and 2012. Total

consumption expenditure among the bottom 40 percent of the Mauritian population grew at an annual average rate of 1.8 percent between 2007 and 2012. This compares with an average growth rate of 3.1 percent among the entire population. Mauritius performance in terms of shared prosperity, i.e. the average growth of total consumption expenditure among the bottom 40 percent, is low by international standards as total consumption expenditure among the bottom 40 percent grew on average by 4.1 percent across comparable countries.

Addressing these remaining challenges is essential for Mauritius to break out of the middle-income trap in which it seems to have fallen. Successfully overcoming these challenges requires effective policymaking based on sound interpretation of existing empirical evidence and strong monitoring mechanisms. In order to achieve this objective, it will be essential to step up the progress made by Statistics Mauritius over the last decade in collecting reliable and comprehensive data on a regular basis and building its analytical capacity. The government of Mauritius is fully aware of this need and it is for this reason that it has requested the World Bank support to scale up efforts in this area.

Sectoral and Institutional Context

Statistical capacity in Mauritius is moderately high and has improved over time thanks to the assistance from the Partnership in Statistics for Development in the 21st Century (PARIS21), the African Development Bank, and the IMF. According to the World Bank Statistical Capacity Building Index, Mauritius' score is above the Sub-Saharan Africa average over the period 2004-2016.

After the improvements made over the last decade, Mauritius is now at a crossroads. The prolific data collection and production is now in need of a comprehensive systematization effort with a twofold objective. On the one hand, re-thinking the entire system of household surveys will help to take advantage of possible synergies and complementarities across surveys, notably between the Continuous Multi-Purpose Household Survey (CMPHS) and the Household Budget Survey (HBS); on the other hand, the small size of the Mauritian population poses a trade-off between the need for an intensive and continuous data collection effort and the struggle to minimize respondents' (households') fatigue. Moreover, such a tremendously important endeavor would also help to improve the capacity for data cataloguing and dissemination, which albeit being relentlessly carried on by Statistics Mauritius, is currently in need of a scale-up within the context of a more structural approach.

Moreover, such a tremendously important endeavor would also help to improve the capacity for data cataloguing and dissemination, which albeit being relentlessly carried on by Statistics Mauritius, is currently in need of a scale-up within the context of a more structural approach. The country lacks both data and capacity to construct multidimensional indicators of poverty and data to measure progress along the multiple dimensions of the UN Sustainable Development Goals. The launch of a Living Conditions Survey (LCS) will help filling this data gap and provide the basis of training in analytics.

The analytical work carried out by Statistics Mauritius in general, and within the poverty domain in particular, is very limited and needs to be enhanced both in terms of quantity and quality. The building capacity in analytics component of the project will provide for such flaw.

Relationship to CAS/CPS/CPF

The recently delivered Systematic Country Diagnostic (SCD) for Mauritius recognizes the relatively good statistical capacity of Statistics Mauritius and acknowledges the role of the World Bank in providing technical support to analyze information from household survey and to explore better labor market information. The SCD also identifies a need to continue World Bank support in this area in order to consolidate progress made in building institutional capacity within Statistics Mauritius. It highlights how the slow progress made in this area underpins the government's efforts to achieve high-

income status. Addressing the challenges highlighted in the SCD, including growing inequality and declining productivity gains require well-designed and targeted policies. Such policies need to be informed by strong evidence based on quality data collected on a regular base and quickly processed and released to the public. Strengthening the ability of the Statistics Mauritius, the academic community, and other stakeholders to analyze the data and contribute solid evidence to the policy debate is an additional must.

II. Project Development Objective(s)

Proposed Development Objective(s)

The project development objective is to strengthen the capacity of Statistics Mauritius to collect a comprehensive set of household data, support and strengthen the analytical capacity of Statistics Mauritius, and enhance statistical data production and dissemination practices.

Key Results

1. Building the capacity of Statistics Mauritius in survey design and data collection by (US\$0.30million):
 - a. Developing a master sample;
 - b. Supporting the preparation of sampling and questionnaire design of a Living Conditions Survey (LCS);
 - c. Piloting the use of CAPI, specifically the software developed by the World Bank "Survey Solutions", in the CMPHS (Continuous Multi-Purpose Household Survey) and in the LCS.

2. Building statistical capacity in analytics (US\$0.098million):
 - a. Producing annual poverty statistics by making use of data from the CMPHS and the HBS and Survey-to-Survey Imputation techniques;
 - b. Producing updated poverty maps based on the small area estimation technique using household income and data sources such as Housing and Population Census and HBS.

3. Building the capacity of Statistics Mauritius in data cataloguing and dissemination (US\$0.13million, including the cost of tablets for CAPI and local coordinator):
 - a. Continuing the documentation and upload of metadata, censuses' and surveys' documents including questionnaires and reports;
 - b. Providing access to microdata from censuses and surveys as well as statistical tables at low level of disaggregation, while safeguarding data confidentiality (data anonymization).

III. Preliminary Description

Concept Description

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	

Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

V. Financing (in USD Million)

Total Project Cost:	0.53	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Borrowing Agency			0.18
Trust Fund for Statistical Capacity Building			0.35

VI. Contact point

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