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# 2018-2019 BUDGET BRIEF

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This Brief gives an overview of the main measures announced in the Budget 2018-2019 with a special focus on social aspects of the Budget relating to the 10 priority areas of the Foundation.

June 2018

## INTRODUCTION

The annual budget exercise since last year forms part of a rolling 3-year strategic framework used for guiding resources and actions more effectively towards key government priorities.

The Budget 2018-2019 presented under the theme "Pursuing our Transformative Journey" must be seen within this continuous strategic planning process which essentially seeks to advance the five main pillars of the Vision 2030 namely: a strong economy; a fully open country; a safer living environment for all and higher quality of life; coherent social development and inclusive society and; sustainable development.

The strategic approach to national budgeting is significant as it allows for effective tracking of progress, greater focus on national priorities and more coherence of government programmes across the different ministries, institutions and departments. It also promotes a better alignment of the actions by other stakeholders contributing to the economic, social and environmental development of the country.

A number of budgetary and policy measures contributing to each of the priority areas of the National CSR Foundation have been announced.

As such, several avenues are proposed for enhancing socioeconomic development, particularly focusing on employability, employment creation and

entrepreneurship. Here, measures for supporting the training and placement of youths, work at home, access to finance for Micro, Small and Medium enterprises (MSMEs) and the promotion of agribusiness and inclusive tourism must be highlighted. Furthermore, Rs760 million is allocated specifically for poverty alleviation and empowerment of poor and vulnerable groups.

Following education reforms and the introduction of nine year schooling, government is continuing efforts to make education more accessible and inclusive for all with investment in education infrastructure, human resources and further incentives given to families to encourage tertiary education enrolment. There is this year special attention given to the education of children with disabilities with the creation of a Special Education Needs (SEN) Authority and a substantial increase in grant-in-aid for SEN schools.

Social housing is an area where government anticipates hefty investments nearing Rs13 billion to provide families, in particular at low incomes, with access to decent, safe and affordable housing.

In the health sector, new infrastructure including investment in a medical hub, e-health and recruitment of health specialists are envisaged as means of improving public health care services.

A key measure for encouraging participation in sports and promoting healthier lifestyles is the formulation of a National Sports and Physical Activity Policy which will be accompanied by the necessary investment to provide sports and physical activity programmes for children, youths, adults and senior citizens.

Women empowerment and participation ranks high on government agenda. The Budget 2018-2019 makes a strong policy statement for gender mainstreaming. A gender equality bill will be introduced. There is, in addition, a commitment to family protection and assistance to women and children in distress.

The Budget provides for increased social aid and other measures for enhancing the welfare of the disabled and elderly. Investment will also be made to improve access for disabled persons to public buildings.

Government will henceforth adopt a tougher stance on safety and security, including on our roads. Efforts to combat crime, fight drug trafficking and decrease the number of road accidents are being intensified. The Budget provides for more resources to the Police Force, the installation of intelligent video and traffic surveillance cameras under the Safe City Project, rehabilitation programmes for recidivists, tougher penalties for road traffic offences and educational and awareness programmes promoting change in the behaviour and attitude of road users.

Resolute actions to improve climate change mitigation and adaption, in particular flood control and resilience, have been announced. The appropriation of Rs2 billion to the National Environment Fund will allow to cater for the construction and maintenance of drain infrastructure, the rehabilitation and protection of our beaches, lagoons and coral reefs, environment clean up campaigns and effective solid waste management.

Massive investment to upgrade and expand the water infrastructure is set to continue, for example, the replacement of 300 km of old pipes is planned over the next three years. The shift towards renewable energy is also being promoted. The objective of government is to increase the share of renewable energy in the energy mix from 22% presently to 28% in 2020 and 35% by 2030.

Two fundamental measures announced in the Budget 2018-2019 concerns NGO funding and CSR.

First, is the disbursement of public funds to NGOs to be made through the National CSR Foundation which shall in effect become the central body for funding of NGOs. This is in line with government strategy to bring institutional reforms for greater efficiency and impact.

This measure is also a progressive step leading to:

- Better coordination and integration of services and programmes provided by NGOs and the elimination of duplication and fragmentation of actions on the ground
- Greater efficiency, effectiveness, accountability and transparency of public funds allocated to NGOs
- More effective monitoring and evaluation of services and programmes provided by NGOs
- Improved outcomes for beneficiaries, especially for those who are most in need, living in conditions of poverty and vulnerability.

Second, entities liable to CSR shall remit to MRA an additional 25% of their CSR funds (thus raising the total amount of CSR remitted from 50% to 75%) from January 2019 as previously announced. The Budget 2018-2019 however makes provision for entities to continue using this additional 25% for the programmes they currently support, subject to approval by the National CSR Foundation.

We are of the view that this measure will bring better synergy, coordination and collaboration between the Foundation and the private sector. It will also promote a more focused approach to addressing emerging and persistent development challenges by directing funds towards key national priorities, notably for the advancement of social inclusion, equity and sustainable development.

As the necessary mechanisms are put in place for operationalising the relevant budgetary measures falling within its purview, the National CSR Foundation shall continue to prone a consultative and participatory approach, engaging with its stakeholders for their views and collaboration ■

## MAIN BUDGETARY MEASURES

### Socioeconomic Development

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#### Employability

- Rs 1 billion to target some 14,000 unemployed and to tackle youth unemployment
- 3,000 youths to join the National Skills Development Programme (NSDP) for technical training
- Youth Service Programme introduced under the aegis of the Ministry of Youth and Sports to develop soft skills such as team building, discipline, communication and work ethics
- 3,000 unemployed to be enrolled in the National Apprenticeship Programme run by MITD
- Youth Employment Programme (YEP) to cater for post HSC unemployed

#### Employment and Entrepreneurship

- SME Employment Scheme to target some 1,000 graduates for employment in SMEs
- Introduction of a Work at Home Scheme
- Support to set up 100 farms over the next two years under a Sheltered Farming Scheme
- Sensitisation and training of households in aquaponics for the production of water adaptive vegetables
- New Scheme for cooperatives that promotes a mix of agricultural and electricity production
- Creating more linkages with local businesses, encouraging community-based and inclusive tourism
- Pilot project at Mahebourg for a 'Village Touristique'
- Rs 1 billion to support the MSMEs through the DBM
- DBM will provide loan facilities for start-ups, young entrepreneurs and women entrepreneurs at an interest rate of 3 percent and non-financial support through a new Hand-holding and Mentoring cell

#### Poverty Alleviation and Empowerment

- Provision of Rs 760 million for poverty alleviation and empowerment of the poor and vulnerable groups
- Reinforcing the Case Management Approach
- Start-up toolkits to be provided to unemployed under training and placement to enable them to work on their own and start a business

### Education

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#### Pre-primary

- Construction of 2 pre-primary units – one at Grand Baie and another one at Montagne Ory

#### Primary

- Provision for serving hot meals at Pointe aux Piments and Bois des Amourettes Government Schools on a pilot basis
- Extension of the Tablet project to grade three students
- Reconstruction of 7 Government Schools
- Recruitment of 150 Trainee Primary School Educators

## Secondary

- Construction of a gym in six State Secondary Schools
- Construction of specialist rooms for Food and Textile Studies and Design and Technology in all State Schools
- Construction of new science blocks at 3 secondary schools
- Recruitment of 114 Educators for the secondary schools

## Tertiary

Additional income tax deduction in respect of a dependent child who is pursuing tertiary studies raised as follows:

- if abroad, from Rs 135,000 to Rs 200,000
- if in Mauritius, from Rs 135,000 to a maximum amount of Rs 175,000

## Special Education Needs

- Setting up of the SEN Authority
- Annual per capita grant for teaching aids, utilities, furniture and equipment raised from Rs 1,300 to Rs 5,200
- Students with special needs attending primary and secondary schools to benefit from taxi fares

## Social Housing

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- Building of 6,800 new social housing units over the next two years
- Rs 1.3 billion provided for the completion of 3,041 housing units and Rs 176 million for rehabilitation of 41 NHDC housing estates
- Maximum grant for the casting of roof slab raised
- Restrictions with regard to limits applicable on bank loans for building purposes to be removed
- Construction of housing units for some 200 families who have land but not the means to build a house

## Health

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- New Teaching Hospital to be built in Flacq
- Medical hub developed at Côte d'Or City
- New Cancer Centre to be set up
- Acquisition of a fully-fledged mobile caravan to promote early detection of breast and cervical cancer
- Provision of Rs 100 million for the e-Health
- Recruitment of 10 Specialists, 10 Community Physicians, 7 Clinical Psychologists, 50 Trainee Nurses and 30 Trainee Midwives, amongst others
- Rs 10 million provided for a new Synthetic Drugs Prevention Programme and Rs 30 million for the Rehabilitation Programme for Alcoholics and Drug Addicts

## Sports and Leisure

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- National Sports and Physical Activity Policy to be published in July
- Investment of Rs 38 million to provide sports and physical activity programmes
- Provision of Rs 75 million to support training of athletes and a further Rs 195 million for the organisation of the 'Jeux des Iles de l'Océan Indien' 2019
- Rs 375 million provided for the upgrading of 17 sporting facilities, including 2 in Rodrigues

## Gender Issues and Family Protection

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### Gender Issues

- Incorporating gender mainstreaming in the 3 Year rolling Strategic Plan and a study to be carried out on the introduction of gender-based budgeting
- Amendment the Employment Rights Act to allow payment of a remuneration during maternity leave for women reckoning less than 12 months service
- Government to come up with a Gender Equality Bill, a legal framework for gender mainstreaming
- Each Ministry and public-sector institution to publish a Gender Policy Statement in its Annual Report
- Training of some 250 government officials to deal with gender issues and Rs 200,000 allocated to each Ministry to promote sensitisation and awareness programmes and implement activities on gender mainstreaming
- Each Ministry required to have a Gender Cell
- Increase of grant under the Crèche scheme from Rs 200,000 up to Rs 500,000 to promote investment in crèches and companies that invest in a crèche will benefit from a double deduction under corporate tax

### Family Protection

- Support to relevant NGOs to set up additional emergency shelters for women and children
- Training programme for social workers on rehabilitation of perpetrators of violence
- New shelter at Pointe Aux Sables at a cost of Rs 60 million for children in distress
- Upgrading of the following shelters: Oasis at Grand River North West, La Colombe at Pointe Aux Sables and Oiseau du Paradis at Cap Malheureux
- Provision for 4 psychiatric nurses to assist children with behavioural problems
- Recruitment of 15 additional Family Welfare and Protection Officers

## Disabilities and Elderly

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- Two elderly day care centres to be built at Bambous and Chemin Grenier
- Provision for specialised training for 50 carers
- Monthly grant to employees of residential care homes and institutions caring mostly for elders with disabilities raised from Rs 6,071 to Rs 8,500
- Doubling of the assistance for wheelchairs, hearing aids, spectacles and dentures to Rs 30 million
- Monthly carer's allowance under the Basic Invalid Pension raised from Rs 2,500 to Rs 3,000
- Duty free purchase by persons with disabilities of a motor car of engine capacity of up to 1,600 cc
- Investment in infrastructure to ease access for disabled persons to public buildings

## Peace, Law and Order

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- Rs 8.5 billion allocated to the Police Force
- Safe City project including the installation of 4,000 intelligent surveillance cameras to help reduce the occurrence of crime, fight drug trafficking and decrease the number of road accidents
- Acquisition of modern specialised technological tools and equipment to support the combat drug trafficking
- National Coast Guard will acquire a new Multi-Purpose Offshore Patrol Vessel for coastal surveillance

## Road Safety and Security

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- Tougher penalties road traffic offences, including speeding, driving under the influence of alcohol and drugs and dangerous driving
- Driving licence to be suspended for a period of 6 to 12 months for 5 cumulative road traffic offences
- A probationary driving licence will be issued to new drivers for a probationary driving period of 2 years
- Police Force to be provided with additional mobile speed cameras to undertake spot checks
- Rs 275 million allocated to reengineer hazardous roads and install conspicuous traffic signs to alert drivers of accident-prone areas
- Provision for educational and awareness programmes, training of driving instructors and review of driving testing standards
- Road Development Authority provided with Rs 600 million for road maintenance, including Rs 75 million for construction of pavements and Rs 75 million for restoring road markings and signage

## Environment

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### Climate Change and Environment Protection

- Rs 2 billion transferred to the National Environment Fund for construction of drain infrastructure, maintenance and cleaning of drains, rivers and canals, protection and management of our beaches, lagoons and coral reefs; Clean Up Mauritius and Embellishment Campaign, expansion of Solid Waste Management facilities and developing a comprehensive Waste Recycling Framework; conducting Disaster Risk Reduction Operations
- In order to better protect lives and properties and support the victims of floods and other calamities, provision is made for automatic rainfall monitoring stations, recruitment of more firefighters, operation of the Doppler Weather Radar for early warning and climate resiliency to be integrated in all public infrastructure projects
- Two plots of land to be provided to NGOs to develop shelters for the stray animals
- The disposal of vehicles to be regulated and allowed only in specialised Scrap Yard
- Importation of new auto cycles and motor cycles restricted to those complying with Euro standards
- Promotion of local recycling of used PET bottles, the financial incentive given to local manufacturers increased from Rs 5 to Rs 15 per kilo of used PET bottles
- Increased support under the Water Tank Scheme and incentive for investing in rainwater harvesting

### Water

- No increase in water tariffs but to discourage excessive usage, a fixed monthly charge of Rs 500 will be levied on individuals owning a swimming pool if their consumption exceeds 50 cubic metres
- Rs 3.3 billion to be invested in the replacement of 300 km of pipeline, construction of 5 service reservoirs, replacement of 75,000 water meters and construction of the water treatment plant at Bagatelle
- Construction of sewerage facilities to connect 7,800 more buildings and residences to the system

### Energy

- Commissioning of up to 6 additional solar farms, implementation of a waste-to-energy project to generate at least 20 MW of electricity, introduction of a new Small-Scale Distributed Generation (SSDG) Scheme and development of a smart grid with the installation of around 25,000 smart meters annually



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