

Introduction

The OECD has been entrusted by the EU with the task of supporting the Government of Mauritius in the development of a RIA framework, with a view to improving the business environment and promoting Mauritius as an attractive base for trade and investment. This project was undertaken as part of the action “Establishing RIA in Mauritius”, which is financed under the European Development Fund (EDF).

Rationale: the importance of RIA

As stated in the OECD’s Best Practice Principles for RIA (see Annex B), while evidence-based policy-making is a well-understood and accepted tenet of good governance, governments do not always fully consider the likely effects of public policy interventions when developing them. This often results in a range of unintended consequences and negative impacts for citizens, businesses and society as a whole that jeopardise inclusive growth, sustainable development, trust in public institutions and the rule of law. The increasing complexity of the policy-making environment (driven by digitalisation, economic globalisation, emergence of new categories of economic actors, constraints on public resources, etc.) makes strong RIA more necessary than ever.

If used systematically and as a government-wide approach, RIA helps ensure greater quality of government interventions. In addition, the documentation and publication of the evidence and analysis to design interventions helps enhance accountability and transparency in the policy-making and decision-making processes. RIA provides crucial information to decision makers on whether and how to regulate to achieve public policy goals and, by critically examining the impacts and consequences of alternative options, it helps maximise societal well-being.

The Government has identified as a priority a robust RIA framework in order to enhance the country’s business environment and attractiveness as a trade and investment partner. Related expected benefits also include the improvement of the decision-making process and the quality of regulation, as well as the development and institutionalisation of a “RIA culture” in the public administration through enhanced awareness and capacity.

RIA appears particularly relevant in Mauritius as a means to addressing certain shortcomings identified in its rule-making framework; e.g. calls amongst stakeholders for greater scrutiny of regulatory proposals and a more evidence-based approach to rulemaking. In addition, RIA is important for a small, open economy like Mauritius that needs a well-performing regulatory system affording the necessary degree of protection while enabling the development of trade and investment and avoiding unnecessary burdens.

The COVID-19 crisis, which has posed an unprecedented challenge to global health, is highly relevant for the work that the OECD has undertaken in support of establishing a RIA system in Mauritius on several accounts. Resolving the health crisis involves regulatory issues at nearly every stage. Regulation affects the availability of tools to identify and fight the disease (tests, products and devices) and frames the ability of public utilities to maintain critical services, of food to be produced and delivered, and of essential services to continue functioning.

Beyond the immediate crisis response, regulatory issues also matter for enabling economic and social recovery as well as better preparedness for future crises. In this context, regulatory management tools such as RIA are more relevant than ever to ensure that policy decisions are based on evidence and contribute to long-lasting prosperity and well-being. The resolve of Mauritius to establish such a system should be reinforced by current challenges and the need to prioritise regulatory quality.¹

Policy context

The Government of Mauritius has set as a priority to introduce a RIA system, and announced it originally within the 2019/20 National Budget, with a view to improving the business environment and promoting Mauritius as an attractive base for trade and investment. The implementation of the new RIA framework is to take place in the context of a series of policy, economic and institutional reforms aimed at moving Mauritius towards the status of a high-income economy.

In August 2015, the Government presented an Economic Mission Statement, entitled Vision 2030, which charted a path of reform for Mauritius to move towards the league of high-income countries by the year 2030. Four key focus themes were listed including addressing unemployment, alleviating poverty, promoting an open economy and society (via new air access policies) as well as sustainable development and innovation (Government Information Service, 2015_[1]).

Vision 2030 has been underpinned with a series of goals and objectives and the strategies to drive these forward, as set out in the Government's Three Year Strategic Plans. This programme of work has been grouped around three main objectives with associated metrics (of which a selection is presented below):

1. High Income Country: Per capita income of USD 13 550 by 2023 and rising to 19 000 by 2030.
2. Inclusive: Become a very high Human Development Index country by 2021 and achieve a score of 0.88 by 2030.
3. High Quality of Life and Sustainability: Improve life expectancy at birth from 74.5 years in 2018 to at least 75 years by 2020 and 77 years by 2030. (Government of Mauritius, 2019_[2])

As part of this programme of work, the Mauritian Government has been taking forward a series of reforms, co-financed by the European Union, to enhance the business environment and private sector development as part of the initiative *Improving the Business and Investment Climate in Mauritius* (Economic Development Board, 2018_[3]). These reforms include:

- The implementation of the National Electronic Licensing System (NELS) to provide a single point of entry for all business licences
- A Business Process Re-engineering (BPR) Exercise examining all licenses and permits prior to them being automated
- Implementation of a RIA Framework
- A Regulatory Review exercise of four sectors: International trade, financial services, planning/development/construction and tourism
- Change Management and Communication

In the same vein, two Business Facilitation Acts have been passed, in 2017 and 2019, which brought forward regulatory amendments to provide for the simplification and harmonisation of the process for the application of permits and licences. (The Mauritius Chamber of Commerce and Industry, 2019_[4]). Overall, these reforms have significantly improved the perception of the business environment of Mauritius – according to the World Bank's Ease of Doing Business Survey, Mauritius has made steady improvements in this area and ranks first in Africa and 13th worldwide for ease of doing business. (World Bank, 2019_[5])

In addition, a number of institutional reforms have been carried out to support the reform agenda and ensure coherence in policy making across the Mauritian administration. An Inter-Ministerial Committee chaired by the Prime Minister was set up to provide strategic guidance and political support to the above-mentioned programme of work. Furthermore, in 2018 the Economic Development Board (EDB) was initially established under the aegis of the Prime Minister's Office to provide strong institutional support for strategic economic planning and to ensure greater coherence and effectiveness in economic policy formulation for Mauritius. Following the 2019 General Election, the EDB was moved under the Ministry of Finance, Economic Planning and Development.

Methodological approach

The analytical work carried out in support of this report combined desk research and field research. *Desk research* consisted of a review of relevant literature from both the academic and practitioners' standpoint. Examining documentation provided by the Mauritian authorities, such as internal guidelines, implementation reports, Acts of Parliament, and strategic policy documents, has also been a key part of the desk research efforts carried out under this project.

Field research, in turn, consisted of in-depth interviews with relevant stakeholders in selected ministries with extensive regulatory activity, key institutions involved in regulatory policy (Ministry of Finance, Economic Planning and Development and EDB), EU officials and representatives from the businesses community as well as civil society organisations.

The main reference framework for the analysis consists of the OECD's 2020 Best Practice Principles for RIA (see Annex B) as well as Principle No. 4 of the 2012 OECD Recommendation on Regulatory and Policy Governance (see Annex A). Further normative references are indicated as appropriate throughout the report.

Background on work undertaken

In support of this project, the OECD team has conducted two field missions to Mauritius to date, in September 2019 and February 2020. These missions involved meetings with key sponsoring institutions (the Delegation of the European Union and the EDB) and a series of additional fact-finding meetings with a wide range of public bodies involved in rulemaking, as well as representatives of the civil society.

In December 2019, the OECD team submitted the first deliverable of the project, the "Module 1 Report", to the Government of Mauritius. This report provided an overview of Mauritius' rule-making processes and institutions; assessed the key strengths, challenges and related needs, including in terms of skills, of Mauritius' rule-making system from the perspective of establishing RIA; and identified potential modalities for RIA set-up and implementation, including regulatory oversight. To do so, it drew upon lessons learned from RIA implementation in a range of countries and referred to a selection of RIA-related design and implementation practices as well as guidance material from various relevant jurisdictions.

During the second field mission, in early February 2020, the OECD team conducted a workshop with key stakeholders from within and external to the Mauritian administration to discuss emerging findings and recommendations in the Module 1 report. Stakeholder inputs gathered in this context were built upon to develop a comprehensive set of recommendations, accompanied by an action plan for implementation, both of which are outlined in this report. In addition, the OECD team organised a one-day RIA Capacity Building Workshop during the second field mission aimed at technical-level officials.

A virtual policy workshop was held in August 2020 with a broad range of stakeholders to discuss the recommendations and action plan. The final results of the project, including the development of methodological guidance and carrying out a pilot RIA in the area of fire safety will be presented at a

high-level conference at the end of the project, in 2021. This will also provide the opportunity for further capacity building of the Mauritian public administration.

The COVID-19 pandemic, which spread rapidly internationally throughout the planet in 2020, led to adapting and rescheduling certain activities planned under the OECD project. These activities included rescheduling the virtual policy workshop that was initially foreseen for early May and the timeline for developing of a RIA pilot.

The OECD team were able to benefit from the assistance of a Core Team, made up of high-level experts from Mauritius' government ministries, regulatory organisations and other public bodies as well as business and academia. Their role included strategic steering and advice, as well as providing comments on key outputs throughout the project. The Core Team shall also have a critical future role of championing the new RIA framework across ministries, regulatory bodies and other key organisations.

Report structure

Section 1 of this report provides an overview of Mauritius' rule-making processes and institutions, including its main regulatory instruments. It also presents briefly the previous pilot RIA project that was carried out in the country in 2015. Section 2 assesses the key strengths, challenges and related needs (including in terms of skills) of Mauritius' rule-making system from the perspective of establishing RIA. Based on that assessment, Section 3 identifies potential modalities for RIA set-up and implementation, including oversight. To do so, it draws on lessons learned from RIA implementation in a range of countries and refers to a selection of RIA-related design and implementation practices from various relevant jurisdictions.

Section 4 then sets out the OECD's recommendations for RIA set-up and implementation. These recommendations respond to the challenges and opportunities identified and draws upon lessons learned from RIA implementation internationally. They also build on preliminary discussions held with stakeholders in Mauritius in February 2020 as well as on conclusions from the virtual policy workshop held in August 2020 and feedback from the Core Team. These recommendations are accompanied by an action plan, which provides a timeline and key milestones for rolling out this programme of work.

Note

¹ The OECD has issued a variety of policy advice documents for dealing with the various regulatory issues raised by Covid-19 pandemic www.oecd.org/gov/regulatory-policy/reg-covid-19-activities.htm.

References

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