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INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

AND

MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP STRATEGY

(FY2014-2016)

FOR

THE ISLAMIC REPUBLIC OF MAURITANIA

September 5, 2013

Country Department AFCF1
Africa Region
International Development Association

International Finance Corporation
Africa Region

Multilateral Investment Guarantee Agency

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CURRENCY EQUIVALENTS
(As of 30 November 2012)
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1 UM = US$0.0033
1.52US $ = SDR1
0.654950

FISCAL YEAR
01 January – 31 December

WEIGHTS AND MEASURES
Metric System

ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Activities
ACE	Africa Coast to Europe Submarine Cable
AFD	*Agence Française de Développement* (French Development Agency)
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
APL	Adaptable Program Loan
AQMI	Al Qaeda in the Islamic Maghreb
BCM	*Banque Centrale de Mauritanie* (Central Bank of Mauritania)
BEEP	Business Environment Enhancement Project
CAS	Country Assistance Strategy
CASCR	Country Assistance Strategy Completion Report
CBO	Community-Based Organizations
CDD	Community-Driven Development
CEM	Country Economic Memorandum
CO	Country Office
CPS	Country Partnership Strategy
CS	Civil Society
CSP	Country Strategy Paper
DPO	Development Policy Operations
EC	European Commission
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
ESW	Economic and Sector Work
EU	European Union
FDI	Foreign Direct Investment
FIRST	Financial Sector Reform and Strengthening Initiative
FY	Fiscal Year
GAC	Governance and Anti-Corruption
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFRP	Global Food Crisis Response Program
GNI	Gross National Income

GTFP	Global Trade Finance Program
GIZ	*Deutsche Gesellschaft für Internationale Zusammenarbeit* (German International Cooperation Agency)
HCE	High Council of State
HIPC	Heavily Indebted Poor Countries
HIV	Human Immune Deficiency Virus
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IDB	Islamic Development Bank
IEG	Independent Evaluation Group
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IGG	Inclusive Green Growth
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
JSDF	Japanese Social Development Fund
KfW	*Kreditanstalt für Wiederaufbau* (Bank implementing German Financial Cooperation)
MAED	*Ministère des Affaires Economiques et du Développement* (Ministry of Economic Affairs and Development)
MAP/AIDS	Multi-Sector AIDS (Control) Project
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MEMAU	*Modèle de l'Economie Mauritanienne* (Model of Mauritania's Economy)
MEF	*Ministère de l'Economie et des Finances* (Ministry of Economy and Finance)
M&E	Monitoring and Evaluation
MF	Ministry of Finance
MIC	Middle Income Countries
MIGA	Multilateral Investment Guarantee Agency
MR	Mauritania
MTDS	Medium-Term Debt Management Strategies
NSDS	National Strategy for the Development of Statistics
NSS	National Statistical System
ODA	Official Development Assistance
ONS	*Office National des Statistique* (National Statistical Office)
OMVS	*Organisation pour la Mise en Valeur du fleuve Sénégal* (Organization for the Development of the Senegal River)
PDIAIM	*Projet de Développement Intégré de l'Agriculture Irriguée en Mauritanie* (Integrated Development Program for Irrigated Agriculture in Mauritania)
PDRC	*Projet de Développement Rural Communautaire* (Community-Based Rural Program)
PDU	*Programme de Développement Urbain* (Urban Development Program)
PEs	Public Enterprises
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance management
PPP	Public-Private Partnerships
PRECASP	*Projet de Renforcement des Capacités du Secteur Public* (Public Sector Capacity Building Project)
PREM	Poverty Reduction and Economic Management
PRISM2	*Projet de Renforcement Institutionnel du Secteur Minier 2* (Second Mining Sector Capacity Building Project)

PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
ROSC	Report on the Observance of Standards and Codes
SDV	Social Development Department
SME	Small and Medium Enterprises
SNIM	*Société Nationale Industrielle et Minière* (Mauritanian State Mining Company)
SOMELEC	*Société Mauritanienne d'Electricité* (Mauritania National Electricity Company)
TA	Technical Assistance
TVET	Technical and Vocational Education Training
TF	Trust Fund
TFP	Technical and Financial Partner
TFSCB	Trust Fund for Statistical Capacity Building
TVTF	Technical and Vocational Training Fund
UN	United Nations
UNCACEM	Credit and Savings Co-operatives of Mauritania (AFD)
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNS	United Nations System
USAID	United States Agency for International Development
WAPP	West Africa Power Pool
WB	World Bank
WBG	World Bank Group
WBI	World Bank Institute
y-o-y	year-on-year

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REPUBLIC OF MAURITANIA

COUNTRY PARTNERSHIP STRATEGY

TABLE OF CONTENTS

EXECUTIVE SUMMARY I

I. COUNTRY CONTEXT AND DEVELOPMENT AGENDA 1

1.1. Political and Social Context 1

1.2. Poverty Profile and Trends 3

1.3. Recent Economic Developments 6

1.4. Economic Prospects 8

1.5. Major Development Challenges 10

1.6. Government Priorities and Poverty Reduction Strategy 2011-2015 17

II. BANK GROUP ASSISTANCE STRATEGY 19

2.1. Experience and Lessons Learned from Previous CAS and from Stakeholder Feedback . 19

2.2. The Current World Bank Group Portfolio 23

2.3. Looking Forward: Proposed World Bank Group Strategy for FY2014-16 24

2.4. Expected Results and Program of Lending and Non-Lending Activities 25

III. IMPLEMENTING THE FY14-16 COUNTRY PARTNERSHIP STRATEGY 36

3.1. Managing Program Implementation 36

3.2. Partnerships and Donor Coordination 36

3.3. Monitoring and Evaluation 37

IV. MANAGING RISKS 37

List of Tables

Table 1: Current Active WB Portfolio in Mauritania 23

Table 2: Proposed Lending and Non-Lending Activities 35

Table 3: Summary of CAS Program Self-Evaluation 57

Table 4: Planned Lending Program and Actual Deliveries (Base Case of CAS Plan) 69

Table 5: Planned Non-Lending Services and Actual Deliveries 70

Table 6: Lending operations and implementations 72

Table 7: Inventory of Mauritania Surveys 78

List of Figures

Figure 1: GDP Growth by Sector, 2007-12 6

Figure 2: Public Investment by Sector, 2012-15 8

Figure 3: Global Competitiveness of the Mauritanian Economy (Min = 0, Max=7) 14

Figure 4: Ease of Doing Business Index 2013(ranking) 14

Figure 5: Doing Business 2013: Areas of concern for Mauritania 14

Figure 6: Most Problematic Constraints 15

List of Boxes

Box 1: Social and Political Challenges 2
Box 2: Fiscal Operations, 2008-13 8
Box 3: New Bank Lead Sahel Initiative 9
Box 4: Mining in Mauritania – A Growth anchor 11
Box 5: Agriculture for Food Security and Employment 12
Box 6: Local Government Development Program 13
Box 7: Gender Focus in WBG-Financed Projects 22

List of Annexes

Country Specific Annexes

Annex 1: Mauritania CPS Results Matrix 39
Annex 2: CAS Completion Report 43
Annex 3: Ongoing and Proposed New Operations 74
Annex 4 : Country Partnership Strategy Donor Positioning 75
Annex 5: Millennium Development Goals and Trends 77
Annex 6: Country Partnership Strategy Consultations - Feedback Summary 79
Annex 7: Political & Social Analysis 84
Annex 8: Gender in Mauritania 86
Annex 9: Mauritanian Statistics and World Bank support 89

Standard CPS Annexes

CPS Annex 1: A2 - Mauritania at a Glance 90
CPS Annex 2: B2 - Selected Indicators* of Bank Portfolio Performance and Management 92
CPS Annex 3: B2 - IFC Program 93
CPS Annex 4: B4 - Summary of Non-Lending Services 94
CPS Annex 5: B6 - Key Economic Indicators 95
CPS Annex 6: B8 - Operations Portfolio (IBRD/IDA and Grants) 97

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EXECUTIVE SUMMARY

i. **Mauritania is one of the high-growth countries in the region and with the right policies and political stability can substantially reduce poverty, accelerate growth and boost prosperity over the next decade. Mauritania is mostly a desert country, with a population of about 3.5 million and a GDP per capita of about US$1,160 (2012).** As in many African countries, Mauritania's recent mineral discoveries have buttressed growth and raised incomes. The mining sector has very strong potential. With more than 11 million tons exported in 2011 (valued at about US$1.5 billion), the country is one of the largest exporters of iron ore in Africa, and output is expected to increase to 18 million tons by 2015. Mauritania also exports gold and copper and has significant potential for more mineral production. In addition, Mauritania has become a modest offshore oil producer, and there are other prospects, for more gas in particular. Mauritania's waters have some of the most abundant fish stocks in the world. Industrial fishing exports 800,000 tons of fish per year and artisanal fishing catches are about 80,000 tons per year. Mauritania is also a significant livestock-producing country and has a strong potential for irrigated agriculture along the Senegal River under the regional Senegal River Basin Organization (OMVS). Mauritania's ability to manage these resources and use the corresponding revenues in an inclusive manner will be key for its economic and social development.

ii. **Mauritania is slowly emerging from its internal governance crisis.** Following the successful presidential elections of July 2009, the international community lifted sanctions imposed following the 2008 coup, and the new transitional national unity government has articulated its growth and poverty reduction agenda in the country's third Poverty Reduction Strategy Paper (PRSP-3) for 2011-2015. GDP growth is estimated at 6.9 percent in 2012, compared to an average of 4.15 percent in 2010-2011. The outlook for 2013 and the medium term is positive, with GDP growth projected at 6.2 percent. Reserves stand at 6.7 months of imports (end-2012). Recent debt sustainability analysis shows that Mauritania has a moderate risk of debt distress, with total public debt at 84 percent of GDP.

iii. **For Mauritania to realize its full potential, it must confront a number of severe domestic and external challenges. There are important disparities between urban and rural areas, but overall inequality is moderate.** In rural areas, where 78 percent of the poor reside, the poverty rate remained deeply entrenched at 59 percent between 2004 and 2008. In urban areas, by contrast, poverty declined from 28.9 percent to 20.8 percent. In absolute terms, the number of poor remained constant at 1.3 million because of population growth. Poverty incidence varies significantly across regions. It is lowest in the main towns of Nouakchott and Nouadhibou (16-19 percent) and the surrounding regions (32-37 percent). Poverty is highest (above 60 percent) in two of the regions bordering the Senegal River, Gorgol and Brakna, which together account for 30 percent of the poor. However, inequality is only moderate; the Gini coefficient was estimated at 0.38 in 2008, essentially the same as in 2004 (0.39). The bottom 20 percent enjoyed significant increases in consumption – higher than increases for the non-poor – between 2000 and 2004, suggesting an inclusive pattern of growth. However, this pattern was reversed in the 2004-08 period, as growth was driven more by extractive industries.

iv. **Vulnerability to external shocks remains a threat.** More than 70 percent of current cereal consumption is imported. Mauritania's environment, land and fishery resources are under increasing pressure as droughts become more frequent. In addition, Mauritania has yet to reap the benefits of its unique geographic and cultural location, sandwiched between the Sahelian

countries of Sub-Saharan Africa and the Maghreb. Strong ethnic and tribal linkages are often a source of tension, and the population remains fragmented into three main groups. More recently, the country has been affected by global security threats. Starting in 2006, terrorist attacks and hostage taking by Al Qaeda in the Islamic Maghreb (AQMI) began to affect Mauritania – adding to the problems resulting from illegal immigration and drug trafficking through the Sahara desert. The recent crisis in neighboring Mali has further compounded these security concerns.

v. **With both increasing discoveries of mineral resources and some political stability, now is the time for the new Government to translate its natural resource wealth into inclusive growth**. If well managed, Mauritania's natural and mineral resources could provide the means to increase incomes at an accelerated pace, reduce inequality, and boost prosperity. However, achieving this will require that Mauritania builds its road, energy and irrigation infrastructure; improve the business climate to attract private investment; and develop a labor force with the skills to make the mining, fishery, and agriculture sectors more globally competitive. Mauritania will also have to build stronger ties with its neighbors. The five years of the PRSP-3 period, which largely coinciding with the CPS period (2014-2016), will be a critical opportunity to deepen some of the essential reforms needed to create jobs and improve resilience.

vi. **The FY14-17 CPS supports the areas of the PRSP-3 in which the Bank Group has a comparative advantage**. The program will be organized along two main pillars, which include both ongoing Bank Group activities and proposed new operations:

a. **Pillar 1 – Growth and Diversification** would aim at increasing productivity and expanding the productive base of the economy by supporting infrastructure development, promoting the private sector, and strengthening the financial sector. It would also identify ways to trigger more inclusive growth linked to the thriving mining industry, and help to unleash the potential of the fishery and agriculture sectors.

b. **Pillar 2 – Economic Governance and Service Delivery** would focus on improving public sector performance, with special emphasis on local government performance strengthening and food security. In addition to continuing efforts in the area of education and skills formation, the Bank would promote increased access to basic social services, and greater efficiency of safety net programs.

vii. **The CPS is informed by the WBG's overall strategic goals. In a country like Mauritania where extreme poverty is still at 23 percent, the WBG aims at promoting the eradication of poverty.** Given the predominantly rural nature of poverty, agricultural productivity improvement and strengthening enrollment in basic education will be a cornerstone of any poverty reduction strategy. However, ultimately many people will have to move to urban areas, so private sector development will also be key. A vital complement will be judicious use of natural resource rents in education, social safety nets and infrastructure. The proposed CPS will play an important role in this effort, notably through support to agriculture and fishing, the creation of a targeted safety net system, and the decentralization of service delivery. Capacity-building on statistics, including support for the next household poverty survey and the poverty assessment study will improve understanding of the causes, characteristics, and spatial distribution of poverty.

viii. **IFC will support private sector initiatives, especially in the infrastructure, banking, and agribusiness sectors.** To ensure that economic growth is inclusive and sustainable, the focus will be on SME capacity building. In this regard IFC has started rolling out Business Edge training programs in Mauritania. IFC will also support investment climate reforms alongside the Business Environment Enhancement Project (BEEP), with a focus on simplifying the procedures for starting a business by implementing a one-stop shop, by paying taxes, and improving SMEs' access to credit, including by supporting creation of a credit bureau. In addition, IFC has identified other financial institutions that could increase SME and trade financing. IFC also plans to finance the expansion and diversification of a local dairy company, which will have a direct impact the revenues of more than 2500 MSMEs. In the past, MIGA's activities have mainly focused on TA in the financial sector. Going forward, MIGA will use its guarantee products, joining IFC and the Bank across the private sector, with particular attention given to developing PPPs in key sectors such as energy and transport infrastructure.

ix. **The proposed program design is based on the assumption of an IDA-16 allocation of SDR43.2 million, equivalent to US$65 million,** followed by (anticipated, approximate) IDA-17 annual allocations for FY15 and FY16 of US$20 million for each year (assuming the IDA-17 allocation remains the same as the IDA-16 allocation). This would amount to a total CPS envelope for new IDA lending of US$102 million, supplemented by additional IDA allocations for regional projects, and other WBG products where possible. Additional resources would be leveraged through other donors. It should be emphasized that IDA's role is shifting from a primarily financing one to more of a catalytic role, using IDA resources to leverage government financing and other development partners' participation in sectors where IDA is present.

x. **The CPS has been prepared in close collaboration with the donor community**, and will be complemented by renewed efforts on donor coordination, including: (a) sharing information on sector strategies, with joint funding of programs and projects; (b) providing feedback on implementation and generic portfolio issues for ongoing operations; and (c) undertaking joint coordinated efforts in communicating with the Government and other stakeholders.

xi. **Implementation of the new CPS could face three major risks:** (a) regional political instability; (b) lack of implementation capacity in the Government; and (c) vulnerability to external shocks. The second and third risks would be mitigated by continuing to build consensus throughout Mauritania on the objectives, content, and approach of the specific programs supported by ongoing Bank activities and by proposed new operations, complemented by support from other development partners, including the IMF. The risk of political instability would be monitored closely in cooperation with the regional and international entities, such as ECOWAS, the African Union and EU, all of which are involved in regional stability, in particular with respect to the conflict in Mali. All operations would include a capacity-building component.

I. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

1.1. Political and Social Context

1. **Mauritania is currently recovering from a succession of internal shocks over the past several years that deeply affected its political environment and economic performance**. After a bloodless military coup in 2005 followed by a democratic transition in 2006-2007, the new Government engaged in a constructive dialogue with development partners to launch its development program. With an agenda focusing on economic governance – a clear break from earlier practices – Mauritania was granted debt relief under the Highly Indebted Poor Country Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI), and a new Poverty Reduction and Growth Facility (PRGF) was approved by the IMF, all in 2007. However, in August 2008, the new civilian president was removed from office by another military coup. The political crisis led the international community to put most of its activities in Mauritania on hold. The World Bank, in accordance with OP/BP 7.30 (Dealings with De Facto Governments), also suspended its activities, and only started reengaging in September 2009, following the successful presidential elections[1] of July 2009, which led to the establishment of a national unity government and the lifting of international sanctions. In March 2010, the IMF approved a three-year Extended Credit Facility (ECF) agreement for about US$118.1 million. Economic recovery was discussed at the Brussels Round Table in June 2010, at which time total pledges of US$3.2 billion (including US$365 million from the World Bank Group) were made for 2010-2015. As of end 2012, roughly three quarters of this amount had materialized.

2. **The country nevertheless remains vulnerable to political instability**. Lingering questions about the legitimacy of past elections, domestic social tensions, and the rebellion in northern Mali all combine to create a high degree of political risk. The opposition of groups of African-Mauritanians[2] to the civil census launched in 2011 has added to the tensions. The municipal and legislative elections initially scheduled for end-2011 have been postponed, but an agreement has been reached between the Government and the opposition on the creation of an independent electoral commission and more liberalization of the media.[3]

3. **Mauritania is also affected by global security threats.** Starting in 2006, some terrorist attacks and hostage-taking by Al Qaeda in the Islamic Maghreb (AQMI) began to affect Mauritania, adding to the problems resulting from illegal immigration and drug trafficking through the Sahara desert. These security problems have damaged Mauritania's image as a safe country for foreigners – investors as well as tourists. The Government has started to devote more resources to addressing those issues, cooperating actively with other countries of the region and the international community. The recent crisis in neighboring Mali has further compounded the security concerns. The north of the country, especially at the Mali border, remains tense. This region has a high concentration of mercenary factions involved in the Arab Spring, insurgent groups, and refugees, mainly Tuareg. There were more than 65,000 refugees registered in the country as of September 2012.

[1] The Constitutional Court and the international community recognized the results of the elections, which had been monitored by international observers. Former general Ould Abdel Aziz won with 52 percent of the votes.

[2] Moors (Beydane Arabic speaking), black African Mauritanians (speaking a variety of other languages), and Haratins (descendants of former enslaved dark-skinned Africans speaking Arabic, culturally closer to the Moors).

[3] Notably, Mauritania has significantly improved its ranking on the Press Freedom Index to 67 out 179 countries for 2011-2012.

4. **The country has also experienced significant structural changes –** a sharp decline in the importance of agriculture, due mostly to repeated droughts; and a massive rural-urban exodus, which has drastically reduced the share of nomads in the population and increased the share of the urban population to more than 40 percent.[4] Urbanization has compounded demands for educational, housing, employment, health, administrative, and other services, and led to the breakdown of traditional social protection structures. Moreover, the population remains fragmented along ethnic and tribal lines among three main groups.[5] Income disparities have grown between privileged groups (anchored on a class of traders and the military) and the rest of the population, and have fostered wealth redistribution within a clientelistic system (see Box 1).

Box 1: Social and Political Challenges

One of the major challenges in Mauritania is to ensure that recent macroeconomic success leads to broad-based and equitable growth, and does not exacerbate the social and political tensions arising from:

- Cultural identity and social relations built around clans and families;
- A history of violent change of power and limited democratic processes;
- Insecure land tenure;
- A rent-driven economy that favors economic clientelism and patronage; and
- Rapid urbanization, which has created pauperization; and
- Spatial division along ethnic and religious lines.

To achieve inclusive growth, the Government must pay special attention, in its policies and programs, to (a) marginalized groups and **ethnic/tribal complexities;** (b) **traditional conflict resolution mechanisms** and local justice, as these are the mechanisms most used by the local population especially the poor; (c) **access to justice** in land disputes in a manner that combines respect for traditional rights with a modern land registry system; (d) issues of **youth exclusion and unemployment,** especially in urban areas, which have the potential to increase religious extremism and violence among marginalized groups; and (e) **the inclusion of civil society** in decision-making, to increase citizens' stake in democratic governance.

Source: Social and Political Analysis of Mauritania, World Bank 2012.

5. **Mauritania's Human Development Index improved from 0.42 in 2007 to 0.45 in 2011** (compared to an average of 0.46 for Sub-Saharan Africa), and it now ranks 159th out of 187 countries. The rate of population growth declined to an estimated 2.5 percent in 2011, from 2.7 percent in 2005. There has been progress in the social sectors, but overall results in achieving the Millennium Development Goals (MDGs) have been mixed (see Annex 5). MDGs regarding universal primary education and gender equality in primary education appear achievable in light of the significant progress already realized in school enrollment. The gross primary enrollment rate has reached 100 percent, and gender balance has been attained in primary and secondary schools. The MDG related to access to water is within reach if stronger efforts are made.

6. **Important deficiencies in achieving the health-related MDGs persist.** MDGs related to child and maternal health will not be within reach under current policies; infant-child mortality is still at 122/1000 versus a target of 45/1000, and maternal mortality is at 560 per 100,000 live births against an MDG target of 232. Only 60 percent of births are assisted, and child vaccination coverage is 64 percent. Performance in the sector has been compromised by the underfunding of priority interventions (tuberculosis, malaria, reproductive health, infectious disease control,

[4] The capital city, Nouakchott, has approximately one-third of the total population.
[5] See footnote 2.

maternal and child health and nutrition), weak expenditure management, poor inter-sectoral collaboration (in water, sanitation, and nutrition), insufficient community participation, and no real strategies to stimulate demand for preventive and basic health services.

7. **While some gender indicators have improved, progress has been constrained by cultural, social, and economic barriers and by the failure to use human rights approaches** to respond to the strategic and practical needs of women and men. In recent years, the Government has shown strong commitment to gender equality. It has ratified most international juridical instruments relating to women; set up an institutional framework to maintain women's fundamental humans rights (Personal Status Code); and approved a new Gender-Based Violence Law in 2011. However, much more needs to be done to foster women's economic empowerment.

8. **Mauritania's environment and natural resources** are under increasing pressure from climate change, urban population growth, and economic development. Mauritania has a fragile climate, with inadequate rainfall to support crop production in most of the country. This situation is aggravated by poor environmental governance; Mauritania was ranked 161st out of 163 countries in the 2010 Environmental Performance Index. The degradation of ecosystems and decrease in biodiversity are harming rural populations and affecting their income-generating activities. The poorest people, who are already the most severely affected, will become increasingly vulnerable to floods and droughts. The recent droughts have brought to the forefront the need to move from crisis response to the sustainable and resilient development of dry lands. Coastal zones are also extremely vulnerable to natural hazards, particularly storm surges, floods, and coastal erosion. This may affect the prospects of the existing oil and the new gas fields off the coast of Nouakchott, the capital. Rapidly growing coastal urban centers, critical infrastructure, and economic activities in ecologically sensitive areas tend to increase the risks. Despite these challenges, Mauritania's significant natural resources can be used to support progress toward its development and poverty reduction goals.

1.2. Poverty Profile and Trends

9. **The dual structure of Mauritania's economy presents a formidable challenge to poverty reduction,** with (a) a natural resource-based, capital-intensive modern enclave economy serving as an engine for export growth but having little direct impact on the population; and (b) a subsistence economy supporting half of the population, based mainly on rain fed livestock raising, some farming and related activities, traditional fishing, and small-scale commerce. The enclave economy has generated high and consistent rents, providing finance for development and infrastructure, but has only limited links with the subsistence economy. Raw mineral exports involve limited linkages to the domestic economy, and given the capital-intensive nature of extraction activities, the sector's demand for labor is modest.

10. **Poverty still affects a major part of Mauritania's population, particularly in rural areas.** According to the most recent poverty assessment (2008 household data), poverty remained at about 46.5 percent between 2000 and 2004 before declining to 42 percent in 2008. Extreme poverty, as measured at the US$1.25 per day line, was estimated at 23 percent in 2008. Poverty incidence is unlikely to have improved much since 2008, given the slow rate of GDP growth resulting from the 2009 political shock and the 2011 climatic shock. Using the growth elasticity of poverty for the 2004-08 period, poverty incidence would be 41 percent in 2012; therefore, the 2015, MDG poverty target for Mauritania of 25 percent appears to be out of reach.

11. **There are important disparities between urban and rural areas, but overall inequality is moderate.** In rural areas, where 78 percent of the poor reside, the poverty rate remained deeply entrenched at 59 percent between 2004 and 2008. In urban areas, by contrast, poverty declined from 28.9 percent to 20.8 percent. In absolute terms, the number of poor remained constant at 1.3 million because of population growth. Poverty incidence varies significantly across regions. It is lowest in the main towns of Nouakchott and Nouadhibou (16-19 percent) and the surrounding regions (32-37 percent). Poverty is highest (above 60 percent) in two of the regions bordering the Senegal River, Gorgol and Brakna, which together account for 30 percent of the poor. The districts affected by the most extreme poverty are Monguel (71 percent), Moudjéria (65 percent), M'bagne (61 percent), Barkjéwol (60 percent) and M'bout (60 percent)[6]. However, inequality is only moderate; the Gini coefficient was estimated at 0.38 in 2008, essentially the same as in 2004 (0.39). The bottom 20 percent enjoyed significant increases in consumption – higher than increases for the non-poor – between 2000 and 2004, suggesting an inclusive pattern of growth. However, this pattern was reversed in the 2004-08 period, as growth was driven more by extractive industries. The creation by the government in March, 2013, of a special agency (National Agency Tadamoun) to fight poverty and the legacy of slavery which will consolidate previously scattered social protection programs in various government agencies is a good start for better targeting the most vulnerable and the living conditions of the Haratines[7].

12. **The main constraints to poverty reduction are weakness of the rural economy, dependence on capital-intensive sectors such as mining and industrial fishing, and vulnerability to both environmental and economic shocks**, which put the poor at even greater risk of food insecurity and malnutrition. It is known that drivers of poverty reduction and shared prosperity largely rely on economic diversification, social protection and employment generation; however, growth poles in Mauritania are typically concentrated in sectors with negligible diversification, limited job creation, and which are mostly poorly organized and marked by high seasonality, such as the mining cluster, fishery and constructions. In 2007, rising oil and food prices directly affected the food security of about 30 percent of the population; and in 2011, the drought caused significant losses of cattle, with severe wealth and income loss for farmers. In December 2011, an estimated one quarter of rural households were food insecure, and half of these, severely so. In summary, for the poor and destitute, the stakes are high: any environmental or economic shock could have an immediate and direct impact on their food situation. As of end-2012, food insecurity – as a share of population – appears to be worst in the northern regions of Mauritania (Figure 1). Due to the higher population density in the southern and eastern regions, however, the number of people concerned is significantly larger in those areas. Multiple factors underpin the worsening of food insecurity in the North, the main one being a severe vulnerability of agricultural and pastoral activities to rainfall deficits. Inadequate humanitarian response in these remote areas, which are hard to reach by development partners, coupled with the effects of higher food prices, contribute to this scenario.[8]

[6] Data refers to the latest Household survey, 2008. In addition to this, more recent Vulnerability Analysis and Mapping (VAMs) produced by the World Food Program (WFP) are presented in paragraph 12 as a proxy for regional poverty incidence based on food insecurity.

[7] Haratins are the sub-groups composed of former slaves.

[8] Source: Vulnerability Analysis and Mapping, World Food Program (WFP), vam.wfp.org.

13. **The data that inform the Government's recent food security strategy (2011-12) and poverty reduction strategy (PRSP III, 2011) show that 26 percent of the population is affected by food insecurity.** This situation is related to the overall level of poverty; lack of investment in the social and productive sectors, in particular agriculture; and the harsh climate. Food insecurity was recently further aggravated by the recent rise in the price of food staples and by the 2011 drought. Food insecurity is now affecting cities, but it remains most significant in rural areas, and can affect any region of the country in a given year. The most vulnerable groups are women and children, 25 percent of whom are less than 5 years old. In 2012, the Government prepared an emergency program (called *EMEL*) of about US$157 million to mitigate the effects of the drought. This program, financed by donors (including the Bank) and the government budget, included three main components: (a) preventing human food insecurity through free food distribution and access to subsidized food from *boutiques de solidarité*; (b) providing health care for vulnerable groups and children; and (c) preserving livestock through imported feed supply, animal health measures, and access to water points.

14. **The need for such emergency measures will likely increase, because the country's safety nets are unable to protect the poor and neediest.** Existing safety net and nutrition programs (about 0.2 percent of GDP) are small, fragmented, and poorly targeted; and do not have the flexibility to address chronic food insecurity, respond to shocks, or be scaled up during a crisis. Weak capacity to adapt safety net programs to changing population needs, and the country's vulnerability to exogenous shocks, limit the effectiveness of these programs. Moreover, their focus on short-term emergency relief does not contribute to poverty reduction.

15. **It will be difficult for Mauritania to achieve the MDG poverty target without concerted effort on the key drivers of poverty reduction.** However, if Mauritania can maintain currently projected per capita income growth rates of 3.5 percent per annum, it could cut extreme poverty in half[9] by 2030. This will require a more inclusive growth model, and a strong social safety net to protect the poor from the increasingly frequent climatic shocks. Given the predominantly rural nature of poverty, agricultural productivity improvement will be a cornerstone of any poverty reduction strategy. However, ultimately many people will have to move to urban areas, so private sector development and job creation will also be key. Improved social services delivery and access to basic infrastructure will be also essential to support the rapid urbanization. A vital complement will be judicious use of natural resource rents in education, social safety nets and infrastructure. The proposed CPS will play an important role in this effort, notably through support to agriculture and fishing, creation of a targeted safety net system, and the decentralization of service delivery. Capacity-building on statistics, including support for the next household poverty survey and the poverty assessment study will improve understanding of the causes, characteristics, and spatial distribution of poverty.

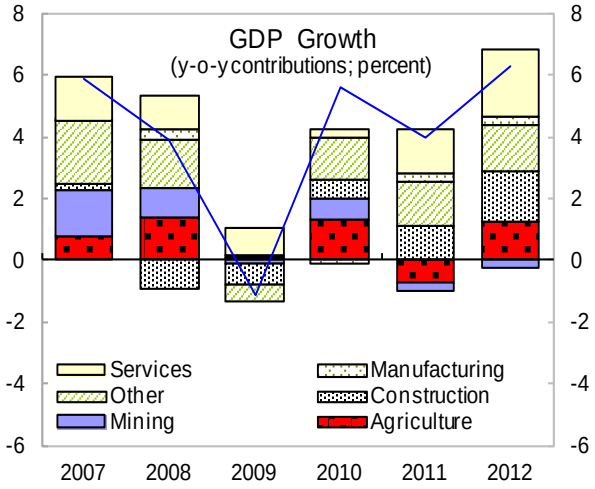
[9] According to the latest household survey (2008) and to recent World Bank staff (2012), extreme poverty in Mauritania to date would be 41 percent.

1.3. Recent Economic Developments

Economic growth

16. **Mauritania's growth recovered rapidly following the 2008-9 food and financial crisis in spite of a number of exogenous shocks (see Figure 2).** After falling to -1.2 percent in 2009, overall GDP growth averaged 4.15 percent in 2010-11, and is estimated at 6.9 percent for 2012. GDP per capita in 2012 is estimated at US$1,160, making Mauritania a lower-middle-income country. Inflation has gradually fallen from 6.3 percent in 2010 to an estimated 3.4 percent in 2012. The rising international prices of raw materials, combined with prudent policies, have helped the country to consolidate macroeconomic stability, strengthen international reserves, and increase fiscal space. The main growth sectors have been construction, services, and agriculture (which rebounded in 2010 and 2012) – all supported indirectly by mining exports, which stagnated in volume terms but boomed in value terms due to rising prices for iron ore and gold. Thus the total value of exports doubled between 2009 and 2011. This contributed to a significant expansion in public revenues and spending, including major expansion plans by the state-owned mining company, *Société Nationale Industrielle et Minière* (SNIM). At the same time, substantial foreign direct investment has financed further expansion in mining, a power plant, and a new airport.

Figure 1: GDP Growth by Sector, 2007-12



Job creation

17. **Despite this growth, unemployment, broadly defined, affects an estimated 10 percent of the population and almost 17 percent in urban areas.**[10] However, there is also significant under-employment, as well as many who are no longer looking for work. One-third of youth (15-34 years old) are inactive, neither working nor in school. Capital-intensive mining projects are unable to absorb this rapidly growing and low-skilled population. The informal economy and low value-added activities have contributed significantly to job creation in recent years, and account for 85 percent of the total labor force. However, construction, transport, and trade, while expected to absorb a portion of the unemployed workforce, remain poorly organized and marked by high seasonality. The attractiveness of doing business in the country remains low, especially with respect to taxes and access to credit. For both these indicators, Mauritania ranked in the lowest decile in the 2013 Doing Business report, which analyses 185 economies.

Balance of payments

18. **The trade balance in 2011 registered a US$270 million surplus, driven by record commodity prices.** The value of exports increased by 52 percent in 2010 and 35 percent in 2011, but no further increase was projected for 2012 as world mineral prices moderated. Three sectors

[10] National Statistics Office, *Enquête sur l'Emploi en Mauritanie*, 2013.

(minerals, fishing, and oil) account for virtually all exports, with iron ore alone representing half of the total. China accounts for about 50 percent of total export sales. Imports rose dramatically due to the expenses associated with the EMEL emergency program and major mining, energy, and construction projects. As a result, the trade balance turned negative in 2012 and the current account deficit was projected to soar to 31.6 percent of GDP. However, foreign investment was also booming, and was estimated at roughly US$1.4 billion in 2012, equivalent to 34 percent of GDP. Consequently, international reserves reached a record level of 6.2 months of imports as of end 2012 and are expected to reach 7.4 months in 2013.

Fiscal developments

19. **The overall fiscal deficit has improved significantly; from 7 percent of GDP in 2008 to 1.5 percent in 2011** (see Box 2). This trend continued in 2012, with an estimated surplus of 2.8 percent. Expenditures rose by 6 percent of GDP due to emergency spending to address the impact of the food crisis, and to increased investments in the energy and infrastructure sectors. However, this was more than offset by a large increase in grants and revenues, from 26 percent of GDP in 2011 to 38 percent in 2012, due to the food emergency, the booming mining sector, and improvements in tax receipts. The fiscal deficit does not include a small oil fund, which remained at 2.4 percent of GDP in 2012 after a partial drawdown to help finance the emergency program.

20. **Rising subsidies and transfers, and a high wage bill, remain a challenge.** The government subsidizes gas, electricity, and petroleum, which altogether represent approximately 2.6 percent of GDP (2012). A significant share of this consists of arrears payments to fuel retailers, as electricity and gas subsidies were reduced (in nominal terms) by roughly 50 percent, and subsidies on petroleum products by more than 60 percent, between 2011 and 2012. The authorities hope to raise domestic energy prices to international levels in 2013, providing there is no further rise in international prices. Transfers to the 123 state agencies and state-owned enterprises have also risen, mainly as a result of the lack of effective control over their performance. Progress has been made on the wage bill, which was among the highest in Sub-Saharan Africa at 10 percent of GDP, but dropped to 8 percent in 2012. However, these savings will be partly reversed by the wage increases in the 2013 budget.

Debt management

21. **According to a recent World Bank-IMF Debt Sustainability Analysis, Mauritania is at moderate risk of debt distress**. As of end-2011, Mauritania's total public debt stood at 84 percent of GDP. Only 9 percent of this was domestic debt. The country has not accessed the international bond market to date, and 85 percent of its external debt is owed to multilateral and bilateral creditors. The composition of debt has been relatively stable over time, shifting slightly toward multilateral donors. A loan with the Kuwait Investment Authority (KIA), which was not included in HIPC debt relief in 2002 (as it was considered passive at the time), has increased from around US$40 million in the 1980s to US$1 billion in 2013 due to compounded interest on arrears, and now represents 40 percent of total external debt stock. Negotiations have dragged on for years, but the Mauritanian authorities expect a resolution in the near future, likely with a 80-90 percent cancellation of the stock (including arrears) and a concessional rescheduling of the remainder. This would significantly improve the country's debt dynamics but not change the level of risk of debt distress.

Box 2: Fiscal Operations, 2008-13

Mauritania: Fiscal Operations, 2008–13						
	2008	2009	2010	2011 Est.	2012 Proj.	2013 Proj.
Total revenue and grants	23.7	24.9	25.8	26.2	37.2	28.5
Tax revenue	14.4	14.1	15.0	16.0	21.1	18.1
Non-tax revenue	8.5	10.0	8.6	9.6	10.4	8.5
Grants	0.8	0.8	1.2	0.7	5.7	2.0
Total expenditure and net lending	32.9	32.1	29.1	29.7	36.2	35.3
Current expenditure	25.9	24.6	21.1	21.5	24.7	20.2
Wage bill	8.9	10.2	8.6	7.8	8.0	7.5
Subsidies and transfers(*)	5.4	2.7	2.8	5.7	8.9	5.2
Of which: Emergency program expenditures	1.4	0.0	0.0	0.7	2.8	0.0
Energy subsidies	1.0	0.8	0.0	1.7	2.6	1.1
Capital expenditure	7.0	6.8	6.7	8.0	11.5	15.1
Basic balance (oil excluded)	-7.7	-5.3	-2.4	-0.2	0.4	-1.2
Overall balance including grants (oil excluded)	-9.2	-7.2	-3.4	-3.5	1.0	-6.7
Overall balance including grants	-7.0	-5.4	-2.0	-1.5	2.8	-5.3
Net borrowing	0.2	1.2	0.3	2.7	4.5	4.5
Oil fund balance (in billion of ouguiya)	11.7	8.8	9.7	23.2	24.6	25.5

Sources: Mauritanian authorities; IMF and WB staff estimates. All figures are expressed as percent of non-oil GDP, unless differently specified

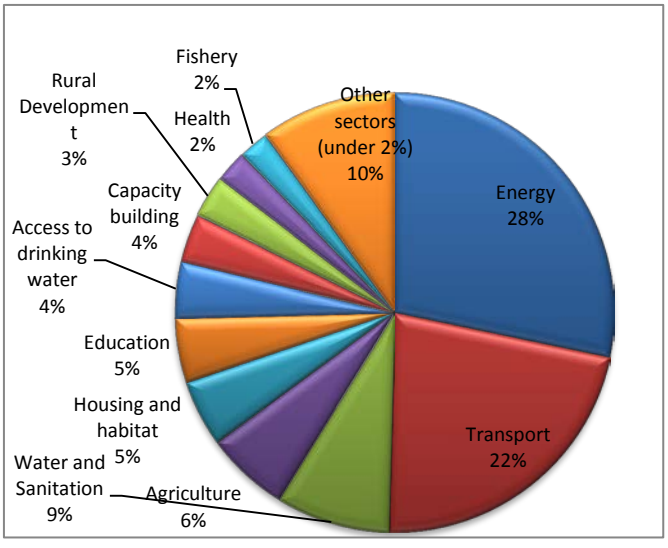
(*) Including transfers to public entities outside the central government.

1.4. Economic Prospects

22. **In the PRSP-3, the Government stated its macroeconomic objectives for the 2011-15 period** as: (a) average annual real GDP growth of 5.8 percent for the entire period; (b) average inflation below 5 percent for the period; (c) budget deficit below 2.6 percent of non-oil GDP by 2015; and (d) international reserves close to 4 months of imports by 2015. All but the first have already been achieved and should be sustainable. Achievement of the first objective is also feasible, given current plans for expansion in the mining sector, as long as authorities continue to put in place prudent fiscal, monetary, and exchange rate policies while pressing ahead with the structural reform agenda.

23. **The outlook for 2013 and the medium term is positive.** GDP growth is projected to be sustained at 6.2 percent in 2013 – driven by the mining industry, construction, and foreign investment – and to average 6.5 percent over the medium term (2014-2017). At the same time, public spending is expected to fall as a share of GDP. The non-oil fiscal deficit (including grants) is expected to average less than 2 percent over the next 5 years. Mining revenues should continue to grow significantly, notably through dividends from the state-owned SNIM as it expands production by 50 percent. Gas, gold, and other minerals will also

Figure 2: Public Investment by Sector, 2012-15



contribute to GDP growth. There are plans to create a mining fund in addition to, and possibly merged with, the existing oil fund, to help manage volatile revenue flows. Capital expenditures will remain stable in the medium term, at about 9-10 percent of GDP. A large portion of public investment over the medium term is expected to focus on energy and transport (see Figure 3). Current expenditures are expected to return to more normal levels in 2013 and then fall by 5 percent of GDP by 2017, as subsidies are phased out and the wage bill is controlled. State-owned enterprises and agencies have contingent liabilities, but efforts are under way to strengthen controls. The rationalization of the public sector may, however, prove challenging, given current political and social tensions.

Box 3: New Bank Sahel Initiative

The Sahel sub-region (Mauritania, Mali, Niger, Burkina Faso and Chad) faces grave threats to its security and development, exacerbated by the current crisis in Mali, but rooted in decades-long, regional economic, political, demographic and ecological stresses. The country-focused development lens of the World Bank Group and international partners has in many ways failed to identify and respond fully to these inter-linked, regional drivers of fragility and instability. A new, regional approach to development is needed to prevent insecurity and economic stresses in Mali from spilling over the Sahel in the short term and to ensure the region avoids a fragility trap in the longer term.

Instability in the Sahel derives from a complex web of factors. Land pressures from rapid population growth, combined with deteriorating and ever more extreme climate conditions—droughts, desertification and flash floods—have induced significant migration and adoption of alternative survival means such as smuggling, trafficking or joining radical groups. Weak institutions and lack of state presence in remote regions has undermined the formation of national identity and hence the legitimacy of central governments. The return of hundreds of thousands of immigrants as well as militants to their countries of origin in the Sahel following the Libyan crisis has further aggravated prevailing food insecurity and malnutrition problems, cut the flow of remittances and contributed to the radicalization of previously non-violent liberation movements in Mali.

The Sahel region is at risk of falling into a 'fragility trap'—with the region and its economies caught in a low growth, high poverty and insecurity equilibrium. Individual countries in the region—or at least large segments of them—would find it difficult to exit this vicious circle as the stresses and conflict in neighboring countries continue to spill over and buffet their economies. Addressing a region-wide fragility trap will require a coordinated, regional response.

Key aims of the proposed regional approach are: *First*, substantially expand irrigation coverage by developing the potential of the Niger and Senegal River Basins. *Second*, expand access and lower the cost of energy. *Third*, support the resilience and productivity of pastoralism across the region. *Fourth*, strengthen safety nets and early warning systems. *Fifth*, improve natural resource management to support sustainable and climate resilient development. *Sixth*, reduce barriers to regional trade and integrate markets across the region, including improving transport links and creating a fully integrated ICT network. *Seventh*, eliminate the seven Neglected Tropical Diseases, which are a major cause of vulnerability throughout the Sahel. *Eighth*, adopt gender as a cross-cutting theme. *Ninth*, work in partnership, especially with regional institutions and programs, and support their capacity building. **Mauritania will benefit from this Initiative, including through** the Regional Pastoral Livelihoods Program for the Sahel, the Regional Safety Nets Support Program for the Sahel, Banda Regional Gas to Power PRG and Senegal River Basin Water Resources Development Program Phase II.

24. **Macroeconomic prospects remain vulnerable to external shocks, such as commodity price volatility, drought and political instability in the Sahel.** The current robust position is largely due to recent exceptional world prices for iron ore. Current fiscal projections assume a modest fall in this price, but a major drop could have negative impacts. The last drought in 2011 led to rising poverty and to a direct fiscal response equivalent to more than 2 percent of GDP, not

including the indirect impact through slower growth. Another source of vulnerability is related to the current instability in the sub-region. This has led to higher expenses for security and the care of refugees. These risks have been somewhat mitigated in the past through the oil fund, which helped finance the response to the 2011 drought. Current proposals to create a mining fund would help smooth out fluctuations in mineral prices. Agriculture programs, including irrigation, supported under this CPS, will mitigate some of the risks related to droughts. Political instability will be addressed through close collaboration with regional and international bodies, including the new Bank-led Sahel initiative (see box 3).

1.5. Major Development Challenges

25. **Mauritania faces three major and interrelated development challenges:** (a) inclusive growth; (b) competitiveness; and (c) governance.

Inclusive growth

26. **The lack of consistently inclusive growth has two main features:** First, the country's current growth drivers – the extractive sectors – primarily benefit the public sector while producing little private sector employment. Government revenues from the mining sector have a high likelihood of growing because of (a) the projected 100 percent increase in volume over the next five years; and (b) termination of the Kinross and Mauritanian Copper Mines (MCM) tax holidays. While gold prices have fallen some 15 percent in the first quarter of 2013, the resulting loss of revenues will be more than offset by the end of tax holidays, so overall revenue is expected to remain high. Prices for gold as well as iron ore and copper are expected to trend downwards over the coming years, but there are no indications that a negative price effect will outweigh the growth in output. Second, the agriculture sector accounts for a large share of the workforce, but has low productivity and is vulnerable to climate shocks, which has led to an increase in food insecurity in rural areas, and to the expansion of urban slums populated with unemployable rural migrants.

27. **The extractive industries are creating significant revenues; however, with few linkages to other sectors, they have had little effect on private sector job creation** (see Box 4). As a result, youth unemployment is high, creating the potential for social unrest. To address this challenge, Mauritania will need to evolve from a rentier economy dependent on raw material exports, to an economy that creates jobs through activities that add value to natural resources, provide greater linkages to the rest of the economy, and give rise to new growth sectors. The Government has taken some important steps in this direction by (a) providing targeted support to skills development (e.g., the newly established School of Mines, and modernization of vocational training programs in line with the needs of investors); and (b) making plans to use gas resources to improve domestic electricity supply. Creating the foundation for broader growth, however, will also require that mineral rents be used to diversify the economy and develop cheaper and more reliable electricity, better roads, and modern communication systems, for the benefit of commercial agriculture and small and medium enterprises (SMEs) as well as investors. This CPS, through its pillar 1, will help improve competitiveness and foster inclusive growth.

Box 4: Mining in Mauritania – A Growth Anchor

Mauritania has a long tradition of mining. The national iron ore mining company, SNIM, was established in 1952, before independence, to construct and operate facilities to mine the large iron ore deposits identified in the northern part of the country. The first shipment of iron ore took place in 1963. Since that time, SNIM has evolved into a conglomerate with stakes in tourism, transport, and construction, although mining remains the dominant part of the company's operations.

In 2006, important gold and copper mining operations were launched by well-established international mining companies. Since then, production volumes have gradually increased for all three commodities. Moreover, the "commodity super-cycle" of rapidly increasing prices has greatly benefited the Mauritanian mining sector. In dollar terms, the combined annual export value of these commodities has gone from approximately US$300 million in 2005 to US$1 billion in 2008 and more than US$2 billion in 2011. The production volume is expected to double within the next five years, as various development plans, which are either under construction or at advanced stages of design, come on line. The total investment costs for these developments are on the order of US$5-10 billion.

The mining operations have had significant and visible impacts on surrounding areas. Mine developers have invested heavily in infrastructure facilities (roads, water, electricity) that supply mine sites, as well as in health clinics, schools, and other local needs. Nevertheless, these operations have had little local economic impact in terms of either direct employment or the emergence of local subcontractors. In response, the Government, in collaboration with the mining companies and through Bank co-financing, has established a School of Mines which admitted its first class of 24 students in 2011. At the time of their academic graduation in 2016, they will be joined by about 100 students who will, by then, have completed their three-year technical education in mine-related subjects. It is expected that the annual batch of graduates from both academic and technical programs will double in size before 2020. These graduates are expected to be the foundation of mining-related industries.

28. **Inclusive growth will also require targeted support for agriculture and fisheries.** Mauritania's rich marine fish resources contribute roughly 6 percent to GDP, and provide more than one fourth of the country's public revenues and roughly one third of export revenues. However, the level of local employment in fishing is relatively low, and some 95 percent of the fish caught in the country's waters are taken by foreign fleets, only a share of which are landed or processed in the country. The new EU fishing agreement would probably improve this.

29. A much more serious problem is weak agricultural productivity, which is the main cause of rural poverty. Almost all rural communities in Mauritania are food insecure, as are a large proportion of poor people in peri-urban areas. This low productivity sector provides the main source of income for a large share of the poor population.[11] The sector's contribution to GDP is limited by harsh climatic conditions, low and unreliable rainfall, poor agricultural water management systems, and a very low level of irrigation development compared to potential.[12]

30. **Despite limited arable land (0.5 percent of total land area), the sector has the potential to guarantee the country a reasonable level of food security** and reduce poverty in rural areas (see Box 5). The potential for irrigated agriculture (140,000 ha) alone could satisfy all the country's needs for rice and a significant part of its needs for vegetables and other crops. The sector already meets 30 percent of country's requirements for cereal and milk production, and 100 percent of its requirements for red meat production. About 75,000 tons of meat (live animal) exports per year account for 70 percent of agricultural GDP. An important focus of this CPS is

[11] Estimates range from 50 percent in the last census (2000) to 23 percent in the 2008 household budget survey.
[12] Agriculture is underperforming and declining in importance relative to mining and other sectors. The share of agriculture (including livestock) in GDP fell from 37.4 percent in 1995 to 12.5 percent in 2007, with an average of 16.7 percent (3.7 percent crops and 13 percent livestock) during the 1991-2008 period.

improving agriculture and fishery productivity which are seen as key drivers of poverty reduction.

31. **An important consequence of agriculture sector weaknesses is rapid urbanization,** which has made Mauritania one of the most urbanized countries in Sub-Saharan Africa (40 percent in 2011). This economic and demographic transformation has helped reduce rural poverty, but has increased urban poverty and led to new challenges for urban service delivery. More than 50 percent of the urban population now lives in informal settlements, and less than 27 percent is connected to electricity, 48 percent to water, and only one percent to sanitation networks. These problems are compounded by lack of capacity at the local government level (due to low revenues, insufficient and unqualified staff), posing key challenges for city planning, economic integration, and the provision of basic services and key infrastructure. While rural areas do not face similar population pressures, dispersed rural settlement patterns have resulted in extremely low standards of rural service delivery, including transport and electricity, leaving the rural poor disconnected from the growing economy.

Box 5: Agriculture for Food Security and Employment

Food imports are equivalent to ten percent of GDP in Mauritania. The Government and the Bank signed a US$10m grant in September 2012 to mitigate the impacts of the 2011-2012 drought, combining IDA and GFRP resources. In 2012, with the assistance of the Bank, the country prepared a new Rural Development Strategy (horizon 2025), together with a new legal framework for agriculture (LOA-*loi d'Orientation Agropastorale*) which is about to be ratified in 2013. Simultaneously, the CAADP process in Mauritania led to the adoption of the country national agricultural and food security investment plan (PNIA/SA).

Within this context, a priority agricultural investment program (called *Programme de Développement Rural Intégré* - Integrated Rural Development Program, PDRI 2014-2019) was set at the end of 2012 for the forthcoming five-year period. The Program consists of six sub-programs within which priority investments totaling US$417 million have been identified. With strong private sector involvement, the Government expects this program will contribute to a gradual increase of agricultural production leading to at least 234,570 metric tons of grain. Irrigations schemes are expected to provide 170,000 T of cereals. About 19,200 tons of milk (26 percent of current milk import in 2011) are expected to be produced by 2018. The PDRI is expected to benefit around 73,500 farm households and to boost employment in rural areas.

The Government has asked the Bank to help organize donors' support through a limited number of large projects including pool funding and/or parallel financing. Following the principles of the Paris Declaration on aid effectiveness for donor coordination, alignment and harmonization, the Bank is currently in the preparation process of preparing an agriculture sector support project. It is using limited IDA resources to leverage funds from a number of other financial and technical partners (Islamic Development Bank, AFD, the EU, GEF) in order to contribute to solve key issues like poor sector governance and coordination, mismanagement of productive investments, lack of capacity of regulatory, advisory and productive services, low competitiveness of key value chains, etc. Some encouraging early results have been achieved.

In addition, the Bank and the Food and Agriculture Organization (FAO) assisted the Government in the preparation of a new GAFSP proposal in June 2013. It is expected that this will lead to transformational investment operations within the PDRI framework program, as early as FY14. New operations are designed to avoid overlaps and ensure complementarity with two other Bank supported regional operations currently under preparation for IDA financing (i.e. the West Africa Agricultural Productivity Program for Mauritania – WAAPP/MR which will be done through CILS and the Integrated Water Resources Management Program - PGIRE/OMVS-phase 2).

32. **Following successful slum rehabilitation in Nouakchott, financed by the Bank, the Government launched a broad slum restructuring program in Nouakchott and around the**

country. The program is progressing well, but the level of access to basic infrastructure and services is still insufficient in the rehabilitated and newly built areas. The large proportion of youth among the slum population (60 percent are under 25), and the high youth unemployment rate in the slums (60 percent for youth between 15 and 24), have become pressing challenges in recent years. Addressing these challenges will require targeted efforts to strengthen local governments, through: (a) short and medium-term policies to reinforce local governments, including significant fiscal transfers and efficient capacity building; (b) policies to improve access to basic services and infrastructure in cities; (c) access to decent housing for low and below-average income earners; (d) investment climate reforms and economic diversification; and (e) improved education and skills, particularly for slum-dwelling youth (see Box 6). The recently approved local government development program will be a critical part of government's strategy of improving service delivery to its population.

Box 6: Local Government Development Program

Mauritania Local Governments Development Project (LGDP) is an integrated, multi-sectoral project that aims to strengthen the capacity of local governments (LGs) to reduce poverty and strengthen inclusion. In addition to capacity building, the project provides significant resources to finance local investment priorities.

Improving access to basic infrastructure and services: Investment priorities are identified in a participatory manner and correspond to the real needs of local populations. They cover the entire field of competence of LGs, including, among others, education and skills development, health, transport, water, sanitation, solid waste management, power, youth, and sports.

Targeting poverty and areas with specific stress: The LGs to be covered by the program have been chosen with great care to ensure both a wide geographic coverage and good poverty targeting. Apart from the LGs of regional capitals, which have already benefited from the Urban Development Program (UDP), all LGs of department capitals will be covered, which provides coverage of almost the entire country. In addition, rural LGs in the area known as the "triangle of poverty," and all rural municipalities bordering Mali, will be covered by the project.

Search for greater inclusiveness: Funds will be allocated on an annual basis. The amount allocated to each LG will depend on its performance in a number of pre-defined areas, as assessed annually by an independent auditor. The project places great emphasis on the participation and involvement of the population, especially vulnerable groups, in local-level decision making. The LGs, for their part, see the project as helping to develop and encourage social responsibility.

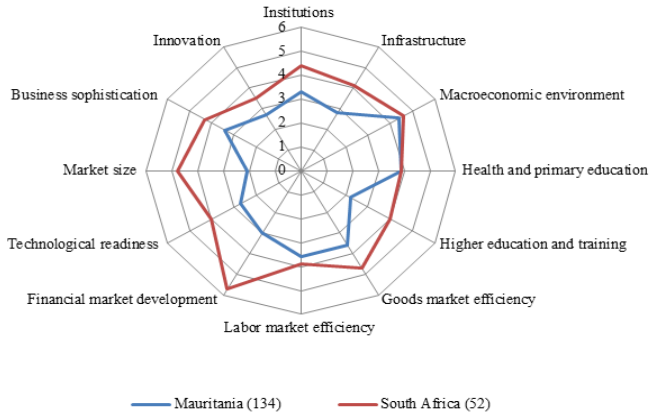
Ensured sustainability and an open door for aid harmonization: The project is supporting the National Integrated Program, largely funded by the Government, which wants it to become a permanent support program for LGs. The main component of the program, the performance-based grant, which allocates funding for investment priorities, is designed as a basket fund to which all interested partners can contribute. In addition to the Government and the Bank, the European Union has already confirmed its participation in this program, and other partners are expected to join.

Lack of competitiveness

33. **Mauritania's competitiveness is hampered by a small formal economic base, declining manufacturing sector, limited diversification, and a weak legal environment** (figures 4-6)**.** By the mid-2000s, fewer than 250 formal firms with more than 5 employees were active in manufacturing/handicrafts and retail trade (World Bank 2007). Manufacturing and handicrafts accounted for 3.7 of GDP in 2011 (against about 8.5 percent in the mid-1990s), and were concentrated in Nouakchott and Nouadhibou. The narrow manufacturing base has further reinforced the dominance of large business groups, which have crowded out most SMEs.

Monopolies also dominate bank credit at the expense of SMEs. In effect, most local banks behave as if they were departments of commercial and industrial groups, and deal mainly with the members of those groups; customers that do not belong to a group have difficulty obtaining financial services. Large firms with political connections continue to dominate state procurement contracts and import markets, even in the presence of cheaper local producers. These monopolies, whether public or private, are indifferent to inflation and the exchange rate because they can pass costs on to their captive markets. At the same time, the environment remains difficult for SMEs and investors in non-monopoly sectors because of serious deficiencies in terms of taxation, access to credit, starting a business, resolving insolvency, and trading across borders. Mauritania is ranked 167th out of 185 countries in terms of business environment. A key feature of this WBG CPS, supported by IDA, IFC and MIGA, will be to improve the competitiveness of the economy, hence fostering the creation of jobs by small medium enterprises, a key driver for poverty reduction and sharing prosperity among the population of Mauritania.

Figure 3: Global Competitiveness of the Mauritanian Economy (Min = 0, Max=7)



Source: World Economic Forum (2012). *2013 Global Competitiveness Report*, Geneva.

Figure 4: Ease of Doing Business Index 2013(ranking)

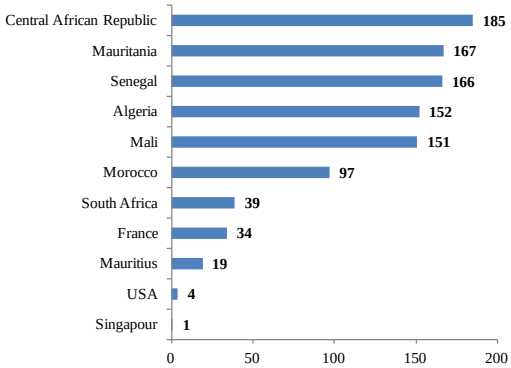
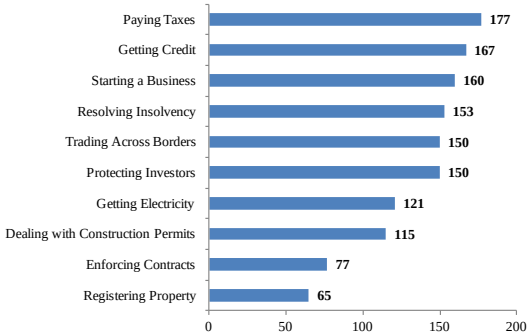


Figure 5: Doing Business 2013: Areas of concern for Mauritania

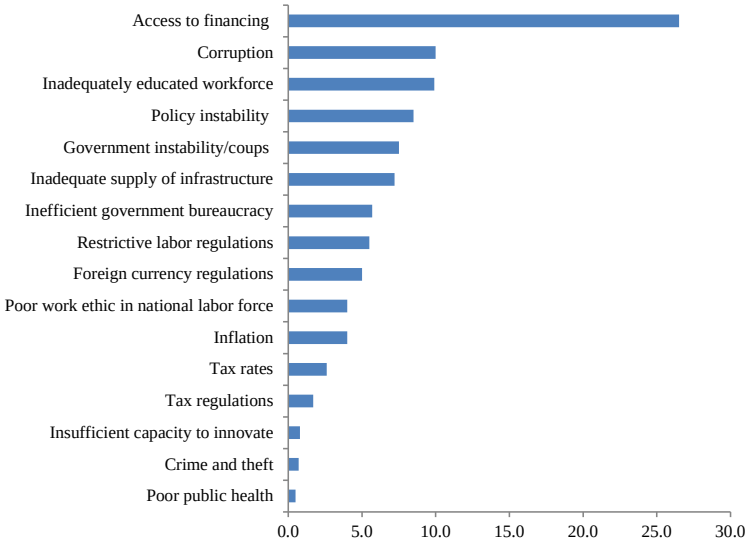
(rank per item)



Source: *Doing Business 2013*, World Bank.

34. **Access to finance is the top constraint for the Mauritanian private sector (Figure 7)**. Mauritania stands at 167th in the ranking of 185 economies on the ease of getting credit, which is below the regional average for Sub-Saharan Africa and for comparable economies such as Mali and The Gambia. One of the main reasons for limited access to financial services, especially for SMEs, is the lack of financial statements, itself a result of a weak accounting profession. The credit information system and collateral and bankruptcy laws also do not facilitate access to credit.

Figure 6: Most Problematic Constraints



Source: World Economic Forum (2012). *2013 Global Competitiveness Report*, Geneva.

35. **A shortage of skilled workers is also a key constraint**. Inadequate education of the workforce is the third most important constraint to firms in Mauritania (WEF 2012). Many workers have limited or no education and very few firms provide formal training for their employees. With World Bank support, progress has been made in increasing the access to and relevance of technical and training programs, using competency-based approaches and on-the-job training. In addition, seven training institutions have signed performance contracts with the Government.

36. **Weak human resource capacity** is a pervasive and cross-cutting issue that affects not only large and small private enterprises, but also public administration and civil society. Progress has been achieved in recent years through improvements in education, and further progress is expected with the strengthening of the higher education and technical and vocational education and training (TVET) systems. Much remains to be done, however. Training in the public sector is still sporadic and does not provide the skills needed to modernize the administration and support accelerated growth. Furthermore, a succession of changes in key ministries (including the Ministry of Finance), which continued until early 2011, led to the loss of many high-level civil servants and consequently, of institutional memory, which hurt reform efforts. Monitoring and evaluation (M&E) capacity was also lost in many areas, and the capabilities of the National Statistical Office (ONS) declined sharply. Human capacity weaknesses also amplify Mauritania's governance challenges.

Poor governance

37. Corruption remains important and has broad economic and social impacts. Governance is also a challenge in key sectors such as land management and natural resources management. These challenges, compounded by public administration capacity limitations, are also affecting state effectiveness in delivering services, implementing public policies, and ensuring adequate corporate governance of SOEs, whose role in the economy has been growing over the last five years. A major focus of his CPS, through its pillar 2, will be on improving economic governance and service delivery, through support to improved services in education, health and social protection sectors.

38. **Despite its impressive 20-point rise in Transparency International's Corruption Perception Index,** Mauritania still ranks 123rd out of 176 countries and territories in level of corruption. For firms, corruption generates instability in the business environment and increases operating costs, which further undermines the country's competitiveness. In the mid-2000s, an estimated 6.4 percent of manufacturing turnover was devoted to informal payments (World Bank 2007). The Government has taken concrete steps to strengthen transparency and accountability and combat corruption, including adoption of a National Anti-Corruption Strategy, formulated with UNDP support, and a Code of Ethics for civil servants. Several cases of corruption have been prosecuted.

39. **Social cohesion and resilience in both urban and rural areas are also affected by poor land governance.** In urban areas, land speculation and illegal land occupation have created social divisions, marginalization, and a growing sense of injustice. In rural areas, land distribution and management have serious implications for stability and development. Property rights are a serious source of conflict for smallholders and for returnees, who often are allocated land with limited agricultural value. The potential for conflict is magnified by the lack of access to formal justice and redress mechanisms. Land issues are of particular significance in Mauritania because of its historically high number of migrating populations. Further, there are no land-use management plans that would allow for the rational, balanced, and equitable development needed to reduce regional inequalities.

40. **Governance is also critical to strengthening social resilience to shocks, in particular through improving service delivery.** Critical areas for service delivery include the MDG areas of maternal health, child mortality, and hunger alleviation. There have been slight improvements in access to health services, but the quality of health services, especially for the poor, have yet to improve. Utilization of public health facilities, especially in the poorest areas, has not increased despite the support of the World Bank and other donors. MDG targets for maternal health, child mortality, and hunger alleviation are off track. Access to electricity also remains limited, with an estimated 60 percent of the population still using solid fuels. Overall, the Government recognizes that general subsidies on energy products mostly benefit the rich, while the poorest households allocate less than two percent of their total spending to energy products. There is poor coordination and little monitoring of the safety net programs, and their effectiveness is diminished by significant leakages to the non-poor.

41. **Natural resources management is also facing important governance challenges despite progress in terms of transparency.** Mauritania qualified as a compliant country under the Extractive Industries Transparency Initiative (EITI) in 2012, and since that time, Government

revenues from the sector have been regularly published. However, other parts of the extractive industry value chain, including license allocation and the investment of natural resource revenues, are considerably less transparent, as noted in the country 2012 EITI report. In addition, despite the introduction of a rules-based and digitized licensing system for mining and hydrocarbon rights, there is strong political interest in retaining close control of the licensing process. Capacity building in license management and monitoring of investor performance has already contributed to improvements, but further strengthening is required. It is expected that new EITI requirements concerning license disclosure will strengthen governance in this area.

42. **In 2007, some failed privatizations and private ventures[13] led the Government to create a number of SOEs to provide services and employment.[14]** However, this expansion of the state's role in the economy was not accompanied by sufficient strengthening of the SOE governance framework, which allowed for ineffective financial management, making it necessary to increase subsidies and transfers, and negatively impacting the fiscal situation. Further, the lack of performance monitoring and evaluation has led to entrenched managerial weaknesses and poor service delivery, which hurts social resilience and increases the potential for social unrest. Improving the governance and oversight of these SOEs is critical, and the rationale for their creation needs to be reviewed. There is also insufficient governance of the financial management and human resources systems of public agencies, which limits the agencies' effectiveness and presents a fiscal risk.

43. **All of these governance challenges are compounded by public administration limitations.** It is clear that revenue collection has increased, Treasury management has been strengthened, automatic expenditure chains have been introduced, and sector-level medium-term expenditure frameworks (MTEF) are being developed. However, the financial situations of SOEs and public agencies, and lack of effective oversight, represent a substantial fiscal risk. Further, the recently initiated public procurement reform appears to be highly complex, and human resources management still represents a significant challenge. The human resource management system is poorly integrated, and the wage bill is significant by regional and international standards, representing around 7 percent of GDP, or 72 percent of domestic revenue.[15] Statistical capacity also remains limited, constraining the Government's ability to use data as a basis for decision-making.

1.6. Government Priorities and Poverty Reduction Strategy 2011-2015

44. **Following the general vision for 2015 articulated in the Poverty Reduction Framework Law of 2001, the Government has adopted its third PRSP for 2011-2015.** PRSP-3 follows and builds on PRSP-1 and PRSP-2. The PRSP-3 provides a comprehensive framework for implementing an ambitious growth and poverty reduction agenda over 2011-2015. It has the same five principal objectives as PRSP-2 and is articulated around the same five pillars: (a) accelerating economic growth and maintaining macroeconomic stability; (b) making growth more inclusive by developing the growth potential and productivity of the poor; (c)

[13] The failed privatization of the power utility SOMELEC and recent bankruptcy of the privately owned domestic airline.

[14] This includes the creation of SOEs handling public transport and housing, a public bank, a national airline and the planned expansion of energy production that is not backed by the private sector.

[15] The wage bill is among the highest in Sub-Saharan Africa. In particular, it is above the recommended target rate of 35 percent of the West African Economic and Monetary Union (WAEMU).

improving the potential of the Mauritanian people and expanding their access to basic social services; (d) enhancing governance and institutional development; and (e) improving planning and M&E systems. The PRSP-3 was prepared through a wide participatory process with the private sector and civil society. Moreover, in 2012, the Government, with technical support from UNICEF, prepared a comprehensive National Social Protection Strategy to complement the PRSP-3, and this strategy is expected to be adopted before the end of 2013. Together, these strategies provide a solid basis for donor coordination and resource mobilization. While the PRSP-3 is quite comprehensive, the pillars do not clearly prioritize the proposed actions. The pillars are summarized below.

Pillar I: Accelerating Growth and Maintaining Macroeconomic Stability

45. **PRSP-3 is built on a macroeconomic framework that aims to unlock Mauritania's** growth potential while safeguarding stability. The strategy recommends three key sets of actions:

- The first set of actions are focused on stimulating the private sector, including SMEs and agriculture; improving the business environment and investment incentives; modernizing the financial sector; liberalizing the business and services sector; and improving the competition framework in order to stem non-competitive practices.
- The second set of actions aim at developing and expanding growth-supporting infrastructure, including transport, electric power production, and ICT.[16]
- The third set of actions aim at making more productive use of the country's sources of growth – mining and hydrocarbons, fisheries, tourism, and manufacturing, as well as agriculture and rural development. Actions in the area of rural development include policies and investments to modernize the sector and support the development of rain-fed agriculture, irrigation, and livestock raising, with the aim of increasing productivity and reducing dependency on food imports (particularly cereals).

Pillar II: Making Growth More Inclusive

46. **Extending growth to the poor is a critical challenge, since growth is typically not driven by the labor-intensive sectors that employ most of the poor, in particular agriculture and fishery.** In recognition of this fact, the PRSP-3 aims at a rural sector contribution to growth of 0.7 percent of GDP – greater than the 0.6 percent achieved under PRSP-2, but considerably less than the 2 percent planned for industry and mining, and the 2.4 percent for services. Acknowledging that improving the productivity of agriculture is key to poverty reduction, the PRSP-3 aims under Pillar 1 to make the sector more modern and productive. Pillar 3 adds to these efforts by also targeting (a) food security; (b) urban (including peri-urban) development; (c) microfinance and microenterprise; (d) development of the economic potential of the environment (particularly to benefit migrating populations); and (e) social protection. In support of the latter, the recently adopted National Social Protection Strategy aims at putting in place a medium term framework to protect the poor. This framework will improve the efficiency of existing safety net programs, and introduce new programs (such as cash transfers) targeted to the chronic poor and vulnerable, which could be scaled up as needed to respond to crises.

[16] Penetration of telephony services reached 100 percent in 2011, matching the levels of Morocco and Algeria, with some remaining challenges in terms of rural coverage, especially in the eastern part of the country. However, broadband services have so far achieved only 2 percent penetration.

Pillar III: Developing Human Capital and Enhancing Access to Basic Services

47. **PRSP-3 underscores the importance of investing in human capital** as a key development priority, and sets out a program covering six areas: (a) education and training; (b) healthcare and nutrition; (c) employment promotion; (d) universal access to basic services, including access to drinking water in rural areas; (e) gender equity and protection of children; and (f) population policy. The comprehensive education agenda covers primary, secondary, and higher education, as well as TVET and literacy. It focuses on improving the quality of education at all levels; gearing curricula towards meeting market demands for advanced and technical jobs; and closing educational disparities based on gender, socioeconomic characteristics, and region.

Pillar IV. Improving Governance and Capacity Building

48. **PRSP-3 prioritizes governance reforms in six separate areas.** *First*, a set of political and judicial reforms will strengthen democratic processes, human rights and national unity, and redress the effects of slavery. A *second* set of governance reforms will aim at accelerating institutional decentralization, modernizing local government, and promoting spatial planning and regional development, including through growth poles. *Third*, in the area of public administration, the Government will implement the comprehensive finance reform program, the new public procurement framework, the new anti-corruption strategy, and the statistical development strategy. Additional reforms will strengthen accountability and improve oversight and management of state property and assets, in particular SOEs and public agencies. *Fourth,* an environmental governance framework will be developed and climate change risks integrated into development strategies and programs. *Fifth,* the development of civil society will be encouraged. And *sixth*, an ambitious program will be carried out to improve public sector capacity in the areas of administrative processes, human resources management, and information technology.

Pillar V. Improving Monitoring and Evaluation

49. **The M&E framework under PRSP-3 is stronger than it was under PRSP-2, and uses fewer and more relevant indicators** (74 indicators, including 19 MDG indicators). Monitoring will be carried out by Sectoral Technical Committees, and coordinated by the Ministry of Economic Affairs and Development (MAED) and its dedicated PRSP monitoring unit. The reporting system will include input reports (budget execution), quarterly technical committee reports on monitoring actions taken, bi-annual summary reports by MAED, and comprehensive annual progress reports. Bi-annual coordination meetings are planned between the Government and financial and technical partners, and regular consultations will be held with the private sector and civil society.

II. BANK GROUP ASSISTANCE STRATEGY

2.1. Experience and Lessons Learned from Previous CAS and from Stakeholder Feedback

The 2008-2011 CAS Completion Report

50. **The Bank's objectives and planned activities in Mauritania over the past five years were articulated in the 2008-2011 CAS presented to the Board on July 17, 2007. This was the Bank's third CAS for Mauritania.** Results and lessons from that CAS are assessed in the

CAS-3 Completion Report (CASCR), attached as Annex 2. The CAS-3 was closely aligned with PRSP-2 pillars I to IV. A major constraint in preparing that CAS was the limited new IDA financing expected to be available – only US$43 million for the whole period. However, the CAS-3 anticipated that, with Mauritania's GNI boosted by oil revenues, the country might be transitioning from low-income to middle-income country (MIC) status, and therefore suggested introducing IBRD instruments (loans and guarantees) as alternative sources of financing to support private enclave projects (ports and power plants). The CAS-3 priority areas were: (a) private sector and basic infrastructure development; (b) urban development; (c) rural development; (d) governance (strengthening of public administration and economic governance); and (e) the social sectors.[17] Priority areas were targeted through ongoing operations approved during CAS-2, as well as through new operations.

51. **CAS-3 implementation, as well as Mauritania's economic performance, was negatively affected by the political events of 2008-2010 and the resulting disruptions, including the suspension of external aid (and World Bank activities) for more than a year.** Overall, the performance of the CAS program was assessed as moderately unsatisfactory. Bank performance was also assessed as moderately unsatisfactory. A detailed assessment is included as part of the CASCR in Annex 2.

52. **Important lessons learned include, *first,* that development impact can be achieved with sustained engagement; and *second,* that the pervasive problem of Mauritania's weak capacity can be mitigated** through the Bank's long-term involvement with a program of reforms with realistic objectives, combined with sustained capacity building efforts. **A *third* lesson is that development results – particularly transformational change – is not necessarily linked to the amount of financing provided by the Bank.** Rather, a key factor is the Bank's strong convening role, as other donors will engage in a sector along with the Bank, as is currently happening in the agriculture sector. The Bank's ability to leverage change is strengthened by the widespread perception that it is an honest broker whose participation brings unique global know-how. In the future, if Mauritania realizes the expected increase in natural resource revenues and is able to finance a larger share of its development programs, the Government will be increasingly interested in working with the Bank as a source of knowledge and worldwide experience that other donors may not have.

53. **Despite progress achieved in public sector capacity building, more needs to be done in areas such as SOE corporate governance.** Tax administration has been strengthened, with a fiscal census which increased the number of identified taxpayers and generated a significant increase of tax collection in 2012. Expenditure management was also reinforced with the successful introduction of an expenditure tracking system, the recent public procurement reform, and the reconciliation between payroll and human resources data.

54. **At the end of the CAS-3 period, in December 2011 and January 2012, a country survey was carried out to collect perceptions and advice on the Bank's work in Mauritania.** The survey, which collected responses from 110 stakeholder representatives, revealed a clear split in stakeholder perceptions: (a) stakeholder groups, which were more familiar with the Bank, had a mostly positive view of its work and, (b) NGOs/CBOs which were unfamiliar with the Bank, had very negative perceptions of its work in the country. Government effectiveness,

[17] Despite the number of donors already active in the social sectors, the Bank played an important catalytic role, and has a relatively strong comparative advantage.

governance, and education were top priorities for all stakeholders. Non-NGO groups were much more concerned about economic growth, whereas NGO respondents voiced concern about corruption. During the upcoming CPS, the Bank will reach out more to stakeholder groups that are unfamiliar with the Bank's work.

55. Across all respondents, the Bank's overall effectiveness in Mauritania received a mean rating of 4.7 on a 10-point scale, lower (driven significantly by NGOs) than the ratings in FY08 (5.3) and FY05 (6.8). The majority of all respondents indicated that the Bank should: (a) be more involved in Mauritania's development strategies; and (b) focus more attention and resources on the regions outside of Nouakchott. Respondents also indicated that the Bank's greatest weakness in its work in Mauritania is the tendency to impose technocratic solutions without regard to political realities.

Lessons Learned from the Political and Social Analysis

56. **A Political and Social Analysis (PSA) of the conflict and fragility risks, based on in-country interviews and seminars with opinion leaders, was carried out in early 2012.** The PSA concluded that: (a) the Bank faces a reputational risk from engaging in Mauritania, given its social and political instability; (b) the Bank needs to address the issue of land tenure; (c) there is a need to improve access to justice and formal conflict resolutions mechanisms; (d) youth exclusion is a major issue, especially in urban areas; (e) urbanization and the ethnic-social divide are leading to the creation of ghettos and a perpetual cycle of marginalization; (f) the Bank should support and reinforce the Government's communication with civil society, encourage cultural dialogue, and promote transparency through better access to information; and (g) given the high level a distrust towards the Government, it is essential to put a strong emphasis on governance and anti-corruption (GAC) programs.

Gender Assessment

57. **As a follow up to the 2007 Strategic Country Gender Assessment, the Bank conducted the 2012 Gender Portfolio Review[18].** This report concluded that over the last decade, Mauritania has been made significant progress in many gender-related areas, including reducing gender disparities in primary education, improving access to clean water, reducing adolescent fertility, reducing the prevalence of female genital mutilation (FGM), and increasing women's voice in public decision making, including through the introduction of a quota for women's representation in parliament. However, key challenges remain, especially with regard to achieving the MDG target to improve maternal health, gender inequalities in secondary education; rural women's low access to productive inputs and consequent low agricultural productivity.

58. **The Bank's 2012 Gender Portfolio Review for Mauritania found that 65 percent[19] of all portfolio activities are gender informed** (11 out of 17 active projects at the time of the review, in the first semester of 2012). This means that 63 percent of the currently active IDA portfolio, 100 percent of the pipeline IDA portfolio, 100 percent of trust-funded projects, and 25

[18] The 2012 Gender Portfolio provides an overview of the current state of gender in Mauritania as well as an assessment of the coverage of gender work in the World Bank portfolio.
[19] This rate surpasses the IDA-16 target of 60 percent for gender-informed activities.

percent of economic and sector work (ESW) and technical assistance (TA) in Mauritania are gender-informed on at least one of the following dimensions: analysis, actions, and M&E. At the time of the review, the portfolio was supporting a range of gender-related outcomes, including (a) expanding women's access to basic social and economic infrastructure and services; (b) increased agricultural productivity and food security for rural women; (c) improved economic opportunities for women entrepreneurs; (d) job creation for women; (e) more effective participation of women in community decision-making; and (f) increased capacity of women to be aware of and engage with key issues in extractive industry governance. (See Box 7.)

Box 7: Gender Focus in WBG-Financed Projects

Community-based Watershed Management Project is helping to increase rural women's revenues by funding income generating activities. The project also supports women's access to various agricultural inputs and techniques to improve productivity.

Irrigated Program for Agriculture and Food Security Project, and the Senegal River Basin Multi-purpose Water Resource Development Project, support women's access to various agricultural inputs/techniques to improve productivity and improve food security. Further, the project addresses fundamental issue of women's legal rights and secures their access to land which in turn could allow the Bank to build on its current activities and ensure that gains in female agricultural productivity and food security are sustainable and secure over the long-term.

Urban Development Project address women's needs in term of basic social infrastructure and services in urban areas. The project applies the issue of access to land with a component in land tenure-regularization, as most of the beneficiaries in this area are female headed households.

59. **The proposed CPS aims to further increase the gender sensitivity of the portfolio,** with a focus on: (a) inclusion of appropriate gender-sensitive indicators in project results frameworks; and (b) increasing the use of gender-relevant analysis in ESW and analytical and advisory activities (AAA), in order to build the gender knowledge base and provide critical inputs to current and further operations. In terms of substance, the CPS will emphasize the following priorities, in line with the PRSP-3 and the Government's gender strategy documents:

- Increase women's participation in the economy
- Increase women's access to basic social services and infrastructure
- Promote gender equality in secondary education
- Increase gender equity in the agriculture sector.

60. During the CPS period, the gender focus will be on issues in agriculture, environment, education, mining, and health, especially maternal mortality. The CPS will support a more detailed mapping of women's poverty and role in the economy, looking in particular at employment opportunities in the extractive industries, and at other economic activities under the Bank's current and planned operational portfolio. The social protection and sustainable livelihood operations will also focus more on gender issues.

2.2. The Current World Bank Group Portfolio

61. **The current IDA portfolio for Mauritania consists of eight active operations (including two regional projects), representing a total commitment of US$125.1 million**. The IDA portfolio is complemented by a number of trust funds, for a current total committed amount of US$31.3 million (Table 1).

Table 1: Current Active WB Portfolio in Mauritania

Project / Activity	Funding IDA (US$m)	Funding TF (US$m)	TF
Agriculture Development and Food Price Response – AF to the second Integrated Development Program for Irrigated Agriculture (PDIAIM2)	5	5	GFCR
West-Africa Regional Power Pool – OMVS Felou Hydroelectric P. (APL 2) / Mauritania	25		
Regional Senegal River Basin Multi-purpose Water Resources Development Project	34		
Public Sector Capacity Building Project. (PRECASP)	13		
Higher Education Project.	15		
Second Mining Sector Capacity Building (PRISM2)	12.1		
EITI Implementation – Phase II	0	0.275	EITI MDTF
Business Environment Enhancement Project. (BEEP)	5		
Skills Development Project.	16		
Mauritania Road Corridor Project	0	20	AGCF
Community Based Watershed Management	0	6	GEF
	125.1	**31.3**	

62. **In addition to the lending program, the Bank is engaged in a range of analytical work and technical assistance** focused on accounting, land governance, and SOE governance. This work includes:

- *Support to the General Directorate to implement recommendations* of the Report on the Observation of Standards and Codes (ROSC) for the private sector accounting and auditing profession.

- *A land governance study in support of the Land Governance Assessment Framework (LGAF).* The study focuses on five key areas: rights recognition and enforcement; land use planning, land management, and taxation; management of public land; public access to land information; and dispute resolution and conflict management. The study is part of a process aimed at establishing consensus about priority actions to address gaps in existing information, areas for regulatory or institutional changes, and criteria to assess the effectiveness of mitigating measures.

- *A study on SOEs and public agencies.* Both a diagnostic of the current governance framework, with a focus on state oversight and monitoring of fiscal risk and service delivery performance; and a knowledge product that transfers international experience, the study is expected to lead to a series of policy changes and measures to improve state oversight.

63. **MIGA's activities in the past have focused on TA in the financial sector;** it has not yet issued coverage for any investments in Mauritania.

64. **IFC's advisory services have included a fee-for-service contract** with the Government to structure a public-private partnership (PPP) for development of a new container terminal in the port of Nouakchott; and the promotion of leasing as an alternative source of financing under its Africa Leasing Facility. IFC has also pursued projects in the mining, energy, non-bank financial institution (NBFI), and agribusiness sectors. IFC's investments in Mauritania during FY13 included US$13.8 million with two commercial banks under its Global Trade Finance Program (GTFP); and a two-year, US$127.5 million trade facility for BB Energy to purchase and import refined petroleum products to Mauritania. The facility will ensure no supply interruption in the flow of energy products.

2.3. Looking Forward: Proposed World Bank Group Strategy for FY2014-16

65. **The design of the FY 2014-16 CPS is guided by the following principles:**

- Selectivity based on the comparative advantage of the Bank Group.
- Complementarity with other donors, with preference given to new operations in which the convening power of the Bank leverages financing from other donors for transformative change.
- Program and project design that takes into consideration the need to strengthen the population's resilience to shocks; gender equity issues; and the social fabric and political economy of the country.

66. **The CPS will selectively focus on areas that are acknowledged as key constraints to development,** and where (a) there is a window of opportunity for growth and job creation; and (b) the Government, private sector, or other donors seek to work in partnership with the WBG. These selectivity criteria will help to focus the Bank's engagement and build stronger teams for results. The CPS will participate in area in which long-term Bank involvement is essential, and where Mauritania itself will finance a larger share of its development programs out of expected natural resource revenues. The Government is increasingly interested in the participation of the Bank as source of knowledge, bringing worldwide experience that other donors may not have. Leverage for change is particularly strong when the Bank is perceived as an honest broker and a source of unique worldwide know-how.

Financial Envelope

67. **The proposed program design is currently based on the assumption of an IDA-16 allocation of SDR43.2 million, equivalent to US$65 million,** followed by (anticipated, approximate) IDA-17 annual allocations for FY15 and FY16 of US$20 million (assuming the IDA-17 allocation will remain at the same level as the IDA-16 allocation). This would amount to a total CPS envelope for new IDA lending of US$102 million, supplemented by additional IDA allocations for regional projects, IBRD enclave loans, and trust fund resources. IDA allocations for the years beyond FY14 are indicative. Actual allocations may vary depending on: (a) total IDA resources available, (b) the country's performance rating, GNI per capita, and population; (c) the terms of IDA assistance (grants/credits) and the allocation deductions associated with MDRI annual debt service foregone; (d) the performance, other allocation parameters, and IDA

assistance terms for other IDA borrowers; and (e) the number of IDA-eligible countries. Also, IDA allocations are provided in SDR terms, while the US dollar equivalent amount is provided at the exchange rate of US$1.50233/SDR (applicable for IDA16), the exchange rate for each operation depends on the applicable prevailing rate at the time of approval. Additional resources would be leveraged through other Donors (such as the Islamic Development Bank and the French Development Agency in the agriculture sector, for example), trust funds (TF, including the Global Agriculture Food Security Program - GAFSP), the Institutional Development Facility (IDF), the Global Environment Fund (GEF), the Global Partnership for Education (GPE), and Bank-executed trust funds for technical and analytical work.

68. **During implementation of the previous CAS**, **the team was successful in leveraging some additional trust fund resources (equivalent to about one quarter of the currently active IDA commitments)**. Under the proposed CPS, the team is also expected to leverage resources from the Islamic Development Bank, AFD, the Global Agriculture Food Security Program, (GAFSP), IDF, GEF, GPE, and Bank-executed trust funds for technical and analytical work as well using the instruments to mitigate country risks for private sector financing such as WB PRGs, and MIGA insurance instruments.

2.4. Expected Results and Program of Lending and Non-Lending Activities

69. **The Bank's proposed CPS work program for FY 2014-16 is fully aligned with the Government's PRSP-3 pillars I-IV,** and proposes to respond to Mauritania's development challenges by concentrating on two main pillars.

- **Pillar 1 – Growth and Diversification**
- **Pillar 2 – Economic Governance and Service Delivery**

Pillar 1 – Growth and Diversification

70. Under Pillar 1 of the new CPS, the World Bank Group will support infrastructure development, private sector development, and strengthening of the financial sector. In supporting these main drivers of poverty reduction and improving shared prosperity, this CPS will contribute towards inclusive growth and a more competitive economy. Additional activities will identify ways to trigger shared prosperity linked to the thriving mining industry, and to help unleash the potential of the agriculture and fisheries sectors. In particular outcomes 1A, 1B, 2, 3A and 4 will contribute to the goal of shared prosperity while outcomes 5, 6, 7 will contribute to both poverty eradication and shared prosperity. Capacity building and institutional strengthening will continue in the mining and oil sectors. Outcomes and associated operational and analytical activities are as follows:

71. ***Outcome 1.A:*** **Improved financial services for micro, small and medium enterprises (MSMEs). Although large business groups dominate the market,** MSMEs comprise the largest share of firms in Mauritania, and a key constraint is their access to finance. Interventions in this area will be carried out jointly by the IFC and the World Bank.

Analytical and Advisory Activities

- TA on implementation of the financial sector strategy. Financial Sector Reform and Strengthening (FIRST) Initiative funding in FY13 supported the development of a financial sector development strategy. Technical assistance in this area would focus on assisting the Government in finalizing its strategy and a roadmap for implementation.

Operational Activities

- As indicated in para 34, access to finance is the main constraint for the Mauritanian private sector. IFC will contribute to improve SMEs' access to finance through TA to support creation of a credit bureau. In addition to promoting trade via two commercial banks under its Global Trade Finance Program (GTFP), IFC has identified other financial institutions to increase trade and SME financing. It is expected that one or more commercial banks will be provided with IFC's MSME advisory services to build their SME lending capacity.

- IFC expects to finance the expansion and diversification of a local dairy company, to support the production of affordable protein sources and increased domestic food production. The project will provide better livelihoods and incomes to up to 2,000 nomadic herders and more than 2,500 MSMEs.

72. ***Outcome 1.B:*** **Improved regulatory climate.** The business environment in Mauritania suffers from significant deficiencies, and the CPS will provide a structured program of analytical work and lending to support its improvement. Under this CPS, the Bank will provide the analytical and advisory services as well as lending.

Analytical and Advisory Activities

- An Investment Climate Assessment (ICA) will provide an up-to-date analysis of investment climate issues based on results from a firm-level survey. In addition to the usual analyses of constraints to growth and productivity, specific attention will be devoted to sector competitiveness and firm taxation; access to finance; and gender-aware employment generation.

- An assessment of linkages and clusters in the extractive sector in Mauritania will be the basis of a policy note on the mismatch between the procurement needs of extractive companies in Mauritania and the capacity of local SMEs to meet those needs. This work will contribute to identifying a roadmap of interventions and institutional reforms to address these constraints.

- TA to assist the Government in operationalizing the Nouadhibou Special Economic Zone (SEZ) and other SEZs in the country.

Operational Activities

- The Competitiveness and Enterprise Development Project: A Special Economic Zone Approach (FY15) will improve firms' competitiveness and support Government efforts to create SEZs in the country. The Bank will support the SEZ of Nouadhibou.

- The Business Environment Enhancement Project (BEEP) is an ongoing project aimed at improving the financial, legal, and regulatory environment for business. The project will receive additional financing in FY15.

- Complementary to the BEEP investment climate reform project, IFC will focus on simplifying the procedures for starting a business and paying taxes.

- To ensure that economic recovery is inclusive and sustainable, IFC will also focus on SME capacity building, and has started to roll out its Business Edge training programs in Mauritania.

- IFC and the Bank will continue engaging with the Government in develop PPPs in infrastructure that are in the best interests of the country like the extension of the Gas to Power initiative, roads and infrastructure for the SEZ of Nouadhibou. MIGA guarantees can also be used to reassure private investors at an early stage in the PPP process, and can be used to complement other WBG products to maximize the chances for PPP success.

- MIGA will provide political risk insurance product lines, in the traditional covers of Transfer Restriction, Expropriation and War and Civil Disturbance to encourage foreign investors into the Mauritanian market, thereby improving local competitiveness, growth and efficiency.

73. ***Outcome 2:*** **Improved mobility in targeted inter-urban roads.** Under this CPS, **t**he ongoing rehabilitation of Nouakchott-Rosso road[20] will contribute to reducing two of the major barriers to growth and the very high cost of transport service provision, while consolidating Mauritania's access to Senegal and its position as a link between Morocco and the rest of Sub-Saharan Africa. The objective is to reduce physical barriers to road transport along the corridor from Nouakchott to Rosso. The project will reduce transit times and vehicle operating costs along the corridor. The other important obstacle to inter-urban mobility is the need for a bridge across the Senegal River, which can now be crossed only by ferry. This is particularly important for the regions of Gorgol and Brakna which together account for 30 percent of the poor in the country. A bridge project is being considered by the AfDB and European Commission (EC).

Operational Activities

- In addition to the road project, the Bank will support a Local Government Development Project aimed at developing the capacity of urban local governments to ensure better city planning, promote economic and social integration, and provide high-quality basic services and key infrastructure. In its first phase, the project will cover all municipalities which are capitals of departments, as well as a group of rural local governments in the more vulnerable areas (borders regions and the "poverty triangle," now called "Hope Triangle"). The participation of the department capitals will ensure good geographical coverage, and the participation of the select rural local governments will ensure better inclusion and poverty targeting, and help to strengthen social cohesion and stability

[20] The road will be part of the reconstruction of two major road corridors to Mali (*Route de l'Espoir*) and Senegal (Nouakchott-Rosso road).

around the country. The project will set up a new fund to provide performance-based grants to local governments. It will also include a capacity building component to support all actors, using a results-based approach. The project will be mainly funded by the Government, ensuring strong ownership and likely sustainability. It will also provide an opportunity for aid harmonization, as the performance-based fund will be designed to receive contributions from other donors. The EU has already decided to contribute, and other donors are expected to do so.

74. ***Outcomes 3.A and 3.B:*** **Increased cost-efficient and environmentally sustainable electricity supply for Mauritanian households and industry, and increased electricity exports to Senegal and Mali.** The Government of Mauritania is developing a large energy investment plan that includes a gas-to-power project (350 MW), a wind power plant (30 MW), and a solar power plant (15 MW). This investment plan, particularly the gas-to-power project, could more than double power generation in Mauritania and exports to Senegal and Mali, while substantially reducing costs. This will help improve electricity connectivity for more than 50 percent of the urban population living in informal settlements. The gas-to-power project, which will be structured as a PPP, is being developed in two phases. The first phase includes the offshore Banda gas field production facility and pipeline (upstream sub-project); 295 MW of generation in Nouakchott, including 80 MW of power exports to Senegal through the existing transmission line managed by the Organization for Development of the Senegal River (OMVS); and a transmission line to the north of the country with a target completion date of end 2015. The second phase includes additional power generation capacity, an onshore gas pipeline to the Tasiast mining area, and a new transmission line between Mauritania and Senegal which would allow additional exports after its completion by end 2016.

Operational Activities

- *The Banda gas-to-power project (PRG)* is currently under preparation for delivery during the first half of the CPS period. Following its approval, efforts to develop the project as a PPP, with IBRD and MIGA support, would be pursued. In addition, a regional project under OMVS will upgrade the transmission line to help Senegal and Mali take up to 200MW from the gas-to-power capacity. IFC is considering financing the gas-to-power project, subject to the structuring of an appropriate PPP.

75. ***Outcome 4*****: Increased access to internet services.** Mauritania has shown a strong commitment to opening telecommunications to competition, and the market at the local level is dynamic and competitive. The mobile penetration rate is with 93 percent – almost at the top of the ECOWAS average – but the broadband market remains underdeveloped, with less than 2 percent penetration, which prevents the country from reaping the benefits of the ICT revolution in terms of growth, job creation for all, including the unemployed youth in slums in particular, and regional integration. The World Bank will provide both policy and lending services.

Analytical Activities

- *ICT policy notes:* A programmatic sector dialogue will assist the line ministry and regulatory agency in charge of ICT in drafting a new sector policy note[21] and action plan to promote investments by telecom operators and internet service providers.

[21] The new telecom sector policy note was approved in January 2013.

Operational Activities

- *West Africa Regional Communications Infrastructure Project (WARCIP).* This FY13 regional project will boost regional connectivity and support a new wave of ICT reforms, to accelerate broadband internet coverage, reduce the digital divide in Mauritania, and pave the way for successful development of e-government and a digital economy. A key outcome of WARCIP will be increased access to internet services (from 2 subscribers per 100 people in 2011 to 10 by 2016) through focused PPP investments in: (a) the rollout of crucial fiber optic links to create a reliable regional and national backbone, with a ring covering most of the population in Mauritania, and links to newly available low-cost international capacity via the Africa Coast to Europe Submarine Cable (ACE); and (b) a national and regional internet exchange point (IXP) and data center where e-applications and content will be developed to transform service delivery across sectors.

76. ***Outcome 5:*** **Improved management of fishery resources.** In the fisheries sector a twin track approach is proposed with GEF/IDA on sector governance reform and port infrastructure to increase local value added in fisheries. It would combine IBRD enclave funds for infrastructure and GEF grants via the West Africa Regional Fisheries Program (WARFP).

Analytical Activities

- The assessment of the potential value of the sector will be updated.

Operational Activities

- As part of the West Africa Regional Fisheries Program, the Bank is preparing a US$49 million Adaptable Program Loan (APL) for FY 13, with financing from IBRD, IDA, and GEF. The project aims at strengthening the capacity of Mauritania to govern targeted fisheries, to increase the contribution of these fisheries to the local economy in terms of employment and government revenue. The project includes investment in port construction at Tanit, 60 km from Nouakchott, which would be managed in partnership with the private sector.

77. ***Outcome 6:*** **Improved crop yield.** The Government's Integrated Rural Development Program (PDRI 2014-2019) will be the basis for preparation of the Bank's new intervention in the agricultural sector.[22] The PDRI will produce 230,000T/year by secured water management (40,000 ha) of cereals (mainly rice). The new intervention will also increase the agricultural intensification rate to substantially increase domestic coverage of food demand for a number of additional value chains (milk, meat, horticultural crops). The financing requested by the Government to support this program amounts to US$417 million over five years, to cover (a) livestock value chain development; (b) irrigation development; (c) rain fed agriculture and traditional livestock development; (d) wetlands agricultural development; (e) research, training

[22] The Government adopted a renewed Rural Development Strategy in December 2012, and is in the process of significantly enhancing its budget support to the sector. It is also modernizing the legal and institutional framework for agricultural development. The Government adopted its first "*Loi d' Orientation Agropastorale*" (Agriculture Sector Modernization Law, which includes livestock), and the Comprehensive Africa Agriculture Development Program (CAADP). Investments in the sector are being prioritized within a streamlined PNIA-SA (National Agriculture and Food Security Investment Plan), of which the PDRI is one component. A longer-term national livestock and agriculture development program (*Programme National de Développement de l'Elevage et de l'Agriculture* – PNDEA 2025) is also being developed.

and extension services; and (f) institutional support and capacity building.

Analytical Activities

- *ESW on Land Tenure Policy*
- *Economic sector work,-irrigation (ESW) analysis*

Operational Activities

- *Integrated Water Resources Management Program (OMVS/PGIRE2)- regional*
- *West Africa Agriculture Productivity (WAAPP)*
- *Support Project to PDRI (PA-PDRI)*

78. **The Bank response will come through a large project to support PDRI,** complementing two regional projects, namely the West Africa Agricultural Productivity Program (WAAPP) and the Integrated Water Resources Management Program (PGIRE/OMVS). All three operations are either currently under preparation (PA-PDRI and PGIRE-OMVS) or about to be prepared (WAAPP). Preparation of the larger PA-PDRI project (*projet d'appui au programme de développement rural intégré*) is underway for Board presentation in FY14. It will include productive investments (irrigated agriculture, rain fed agriculture and livestock development) and strong capacity building and sector coordination activities to address the issue of low productivity which led to the large urban migration. Co-financing from GEF and GAFSP are expected.

79. ***Outcome 7:*** **Resilience to climate change integrated in Mauritania's overall development agenda.** Mauritania's environment and natural resources are steadily deteriorating under the increasing pressures of climate change and economic development. A rapidly growing population, large coastal urban centers, critical infrastructure, economic activities, and ecologically sensitive areas tend to increase the risks. With its poor environmental governance, Mauritania was ranked 161st out of 163 countries classified under the 2010 Environmental Performance Index. The degradation of ecosystems and the decrease of biodiversity are harming rural populations and affecting their income generating activities. The poorest people, who are already the most severely affected, will become increasingly vulnerable to natural disasters such as floods and droughts. Coastal zones are extremely vulnerable to natural hazards such as storm surges, floods, and coastal erosion. Climate change will make coastal zones more vulnerable to storms, extreme precipitation, sea level rise, and associated impacts such as salinization of water and soils and degradation of ecosystems. Existing national and local institutional capacity and technical knowledge are insufficient to deal efficiently with these challenges.

Analytical Activities

- *A report on inclusive green growth (IGG) in Mauritania* (FY14) will provide a rapid socioeconomic analysis of Mauritania's priority economic sectors and a review of existing sector-specific economic data. It will also provide examples of IGG policies from other countries; and make country-specific recommendations for the adoption an IGG agenda. The report will focus on: (a) the priority sectors contributing to the country's economy and people's livelihoods – mining, industrial fisheries, and agro-pastoralism; and (b) macroeconomic and governance policies. The purpose of this review is to identify the mechanisms necessary to convert rents into sustainable investments, and the main constraints to adopting those mechanisms. This will involve an analysis of the

legal, institutional and regulatory frameworks, public expenditures, re-distributional effects, efficiency, sustainability, and resilience issues for each sector.

Operational Activities

- *The Bank will support a Mauritania Dry Lands Management Project* as part of broader sub-regional Dry Lands Program (Mauritania, Mali, Niger, Chad, Sudan and Somalia). The overall project/program objective is to enhance the resilience of dry lands in order to improve livelihoods, food security, employment, and social stability in dry areas. It will follow a multi-sectoral approach, with activities focused on agriculture, natural resources and water resource management, disaster risk management, infrastructure, and social development. In addition to IDA resources, the Bank plans to leverage additional funds from climate finance resources and the Global Environment Facility (GEF).

- *A separate GEF/Mauritania project* was approved in FY11 under the Sahel and West Africa Program (SAWAP) in support of the Great Green Wall Initiative (approximately US$6 million from Mauritania GEF STAR Allocation), and is planned for delivery in FY14.

Pillar 2 – Economic Governance and Service Delivery

80. Pillar 2 activities will aim at enhancing public sector capacity to: (a) promote effective use of the resources generated from growth; (b) support job creation through education and skills development; and (c) address vulnerability at the household level. The Bank will aim at consolidating and expanding the gains of the 2008-2011 CAS in improving transparency and accountability in the management of natural resources (extractive industries and fisheries), strengthening the performance of the civil service, and enhancing public service delivery, particularly in the MDG-related areas of health and education. On the latter, a two-prong approach will be supported by the Bank and introduced in the CPS: (i) a TA on health financing, with the primary objective of helping the Government to improve the efficiency of its health expenditures (especially through the development a strategy for result-based financing); and (ii) a lending project in the health sector that will also leverage additional financing from the Results-Based Financing Trust fund. Outcomes under pillar 2, including outcomes 8A, 8B, 9, 10 and 11 will contribute to the goal of poverty eradication.

81. **During the first part of the CPS period, public sector capacity building activities started under the previous CAS will continue:** PRECASP, EITI and TA/ESW (TA on public enterprises and agencies, sector public expenditure reviews (PERs), and a Service Delivery Indicators assessment). Given the long-term efforts necessary to deepen the reforms and advance the institutional and capacity building programs to a point where sustainability would not be endangered, these activities should also be pursued under the proposed capacity building.

82. ***Outcome 8.A:*** **Improved quality of basic education.** The Bank will continue its efforts in the areas of education and skills development, with a focus on improving the quality and relevance of programs, the quality of teaching, and equity of access, particularly for middle school students in Tagant, Hodh Charghy, Hodh Gharby, Assaba, Gorgol, and Guidimagha regions where a large portion of the population lives in rural areas and where the transition rates among girls from primary to lower secondary school are the lowest. These regions are the poorest areas and are also densely populated.

Operational Activities

- *Basic Education Support* - A new Basic Education Project is proposed to be funded under the Global Fund for Education and will be a continuation of the basic education projects started under the previous CAS Pillar 2. .

83. ***Outcome 8.B:*** **Improved access to technical and vocational training.** As Mauritania improves its private sector growth potential, there is a need to align vocational and professional training of the youth and rural migrants to the needs of the labor market. A major focus will be to modernize the management of training institutes and improve the quality of programs. Seven technical training institutions have already negotiated performance contracts, and by 2016 at least three programs should be certified as meeting international standards. A new regulatory framework for private sector training institutions will also be in place, thereby increasing the supply of programs aimed at meeting enterprise demand.

Operational Activities

- *Skills Development Support Project (FY11),* approved towards the end of the previous CAS period, will continue through the new CPS period. Its objective is to improve the relevance and efficiency of vocational and technical training, making the labor force more responsive to market demands. An additional US$8 million in financing, made available by cancellation of part of the Higher Education project, will allow for an expansion of this training project.

84. ***Outcome 9:*** **Better targeting of safety net programs.** Through this CPS, the Bank will provide TA for the design of a social protection strategy and social protection policies to meet the needs of the chronic and transitory poor. In addition, through the proposed lending operation on health and social safety nets, the Bank will support the Government with the provision of tools and procedures that are part of a well-functioning safety net system, including registration and payment systems, and procedures to identify eligible beneficiaries and monitor food-insecure populations.

Analytical Activities

- *Social Safety Nets (FY14)* - This TA will (a) inventory the targeting mechanisms of the existing safety net programs, with the aim of developing a unified national mechanism; and (b) assess the feasibility of developing a national cash transfer program. This activity will form the basis of the social safety net operation planned for FY15. It would also contribute to design of the health sector support operation.

- *TA - Assessment of population in need of safety nets (based on available micro data) (FY14)*

Operational Activities

- *Health/Social Safety Nets Operation (FY15)*[23].

85. ***Outcome 10:*** **Efficient management of public financial resources.** ***The CPS aims to*** build upon the activities supported by the previous CAS, Bank assistance and response to

[23] The project outcomes will be specified at the time of the progress report.

Government request will include support to statistics, SOE and Public Agencies Governance, and fiscal revenues from the mining sector. The capacity of national statistical system (NSS), including the National Statistical Office (ONS), has declined sharply in recent years, leading to lower production of basic socioeconomic data. The Statistical Capacity Index (SCI)[24] went from 68 (2009) to 58 (2012). The implementation of the National Strategy for the Development of Statistics (NSDS) has been delayed due to the low level of funding of NSDS action plans. The production of and open access to good quality, relevant and timely data are the prerequisite for (a) a deeper understanding of Mauritania, society; (b) a closer monitoring of projects and programs and the overall socioeconomic situation; (c) a serious evaluation of the impact of projects and programs and external shocks; and (d) forecasting and modeling of future events. Statistical development in the country is hindered by several bottlenecks, related to human resources, governance and coordination practices, and dissemination challenges. The World Bank Group's support in this area materializes in a number of projects, which leverage on technical assistance and financing instruments; more details on these activities as well as on the Mauritanian Statistical system are available at the Annex 9 of this document. Management of fiscal matters in the mining sector has been constrained by lack of coordination across ministries as well as training of a dedicated team of specialists. An inter-ministerial committee has been proposed but has yet to become operational. SOEs and public agencies are critical to Mauritania's economic development and service delivery, with more than 150 entities contributing to 14 percent of GDP. However, they represent a growing fiscal risk for the country, and there is considerable scope to improve their service delivery performance. Addressing service delivery and fiscal risk challenges requires the introduction of reforms to improve their governance framework.

Analytical Activities

- *A State-Owned Enterprises and Public Agencies study* will combine (a) a diagnostic of the current governance framework for these institutions, with a focus on state oversight and monitoring of fiscal risk and service delivery performance; and (b) the transfer of knowledge and international experience. It is expected to lead to a series of policy changes and measures to improve state capacity to improve oversight of SOEs and public agencies.

- *A Service Delivery Indicator study* will establish baseline indicators on service delivery in basic health and education, including the competence and absenteeism of health practitioners and teachers. The review is part of an Africa-wide human development study that has already been carried out in Senegal, Tanzania and Kenya. It will provide a baseline for future interventions aimed at improving the quality of social service delivery, and will complement future public expenditure reviews.

- *A Public Expenditure Management and Financial Accountability Review (PEMFAR)* will assess implementation of the BOOST methodology, designed to help organize public expenditure data for easy analysis and dissemination to the public. The Bank team will work with local authorities to conduct the review, which will focus on broad trends and at least one social sector. It will be complemented by assessments of public financial management and procurement policies and procedures. Particular attention will be given to the way in which mineral revenues are managed.

[24] From Bulletin Board of Statistical Capacity (BBSC), World Bank.

- *Strengthening the Accounting Profession and Enhancing Accounting and Auditing Practices. ROSC action plan implementation.* Weaknesses in accounting and auditing practices are a significant constraint on private sector development. Both local and particularly foreign investment is strongly linked to the reliability of financial reporting and audit and use of internationally comparable accounting and auditing standards. A ROSC accounting and audit exercise was undertaken in Mauritania. The report have been approved by the Government and published.

Operational Activities

- *Public Sector Capacity Building.* The Bank's involvement in public sector capacity building has included co-financing of the population census through the Public Sector Capacity Building Project (PRECASP, *FY07, ongoing);* as well as preparation of the Trust Fund for Statistical Capacity Building (TFSCB) grant to support improvement of NSS and ONS management, data collection (national accounts, enterprises, livestock, and swamp management), and data dissemination. Harmonized partner support to the whole statistical system will be organized through implementation of the NSDS.

- *The proposed IDA-funded capacity building operation* will focus on SOE governance, management of fiscal revenues from the mining sector, and statistical capacity development. This operation aims to (a) improve the corporate governance of SOEs and public agencies by strengthening oversight capacity, improving the availability of consolidated financial data, and enhanced internal control and board management of SOEs and public agencies; and (b) increase the statistical capacity of NSS and ONS, including the production and dissemination of basic statistics. Open access to data (anonymized) will also be the subject of policy dialogue between the Bank and the Mauritanian authorities.

- *The existing PRISM-2 is supporting capacity building on taxation and fiscal issues related to the extractive industries.* Moreover, the proposed Capacity Building Project will further support institutional strengthening as well as training of staff of the ministries involved in extractive industries including the Ministry of Finance, Ministry of Petroleum, Energy and Mines, Ministry of Economic Affairs, and possibly the Treasury.

Outcome 11: **Improved financial management at decentralized/local government levels.**

Operational Activities

- *Local Government Development Project* will set up a new fund to provide grants to local governments, based on their performance in the areas of accountability and participatory planning and budgeting. The project will also include a results-based capacity building component that will support all actors involved in decentralization and local NGOs. The project is being prepared and funded mainly by the Government, ensuring strong ownership and likely sustainability. It will also provide an opportunity for aid harmonization, as the performance-based grant fund is designed to receive contributions from other donors, including the EC.

Cross-Cutting Issue: Gender

86. All CPS activities will include a gender component, making gender an integrated consideration in all lending and advisory activities. In addition, an ESW on gender indicators is currently being carried out on a regional basis, it includes Mauritania. Further, the inclusion of

dedicated new activities on gender in the CPS through capacity building/TA operations as part of a "high reward/high risk approach" (high risk due to Mauritania's socio-cultural environment) will also be exploded.

Table 2: Proposed Lending and Non-Lending Activities

Fiscally Year	Project Name	IDA	TF/Other	Technical Assistance and Notes
FY14	Agriculture Development	10	14 GEF 15 AFD 35 GFRP	ESW Land Tenure Inclusive Green Growth in Mauritania TA for Special Economic Zones Irrigation development Subsistence agriculture, including livestock development
	Banda Gas to Power (PRG)	8	3 Regional IDA	SOEs Governance Study Public Expenditure Management and Financial Accountability Report Risk-Based Audit Approach TA - Social Safety Nets
	Basic Education Project	0	12 GPE	
	OMVS Agriculture Regional (PGIRE2)	7	10: Regional IDA	
	Total	***25***		
	IDA-17			
FY15		10	20 Regional IDA	Investment Climate Assessment (ICA) TA on a financial sector strategy implementation Service Delivery Indicators assessment Report on the Observation of Standards and Codes Optimizing the mining benefits accruing to government as well as local economic and social development
	WA Regional Fisheries/Mauritania	4	8 Regional IDA 9 GEF 30 IBRD	
	Health / Social Safety Nets	10		
	Capacity Building Project in support of statistics, SOEs and public agencies, and extractive industries.	11		
FY16	Competitiveness and Enterprise Development Project: A Special Economic Zone Approach	TBD		Agricultural technology innovation and dissemination
	Agriculture Productivity Regional project	5	10 Regional IDA 10 IDB	
		40		

III. IMPLEMENTING THE FY14-16 COUNTRY PARTNERSHIP STRATEGY

3.1. Managing Program Implementation

87. **The proposed FY14-16 CPS program will be implemented by Government implementing organizations (IOs) and project implementation units (PIUs), with close support from WBG teams.** Due to existing capacity limitations and other structural issues of the public administration, most PIUs still are not fully mainstreamed into the respective IOs. It will be crucial to build mechanisms that allow for the transfer for knowledge and skills related to project management, including strategic planning, fiduciary management, and monitoring and evaluation, from PIU staff to respective IO staff. This can be done by including IO staff in training events, creating opportunities for knowledge transfer, and twinning arrangements. Further, terms of reference for externally hired technical consultants should include the requirement to make appropriate arrangements for capacity development of local counterparts.

88. **In addition to close follow-up on implementation by sector teams, program implementation will be regularly reviewed through annual Country Program Performance Reviews.** Progress on the implementation of the proposed CPS will be assessed in the course of a mid-term review and subsequent elaboration of a CPS Progress Report.

3.2. Partnerships and Donor Coordination

89. **The content of this CPS concept note is based on preliminary discussions with the Government; consultations with other donors in Mauritania; exchanges with the authorities during the visit of the new Country Director to Mauritania in early 2011**; and further exchanges with the Government during the Spring Meetings and Annual Meetings in Washington in 2011. Additional consultations were held in Nouakchott from 25-27 September 2012 with civil society and religious leaders, parliamentarians, representatives of the private sector, donors, and Government officials. All stakeholders expressed overwhelming support for the two pillars of the proposed CPS. The following guiding questions were posed to participants: *Question 1*: Do you think that Bank intervention in Mauritania is pertinent? *Question 2*: In relation to the positions of other donors, do you think the Bank should be more selective in its positioning? *Question 3*: What do you think about the positioning of the Bank in relation to the Government's priorities as defined in the PRPS for 2011-2015?

90. **Numerous recommendations were voiced and additional interventions proposed** (for a detailed summary, see Annex 6). The following were mentioned by all stakeholder groups:

- Professional training of civil servants;
- More TA and advisory assistance by the Bank;
- More interventions in the health sector, particularly related to HIV/AIDS and food safety;
- More support for implementation of governance reforms;
- Engagement in the justice sector, particularly training of judges and judicial staff;
- More attention to gender and social protection;
- Improved capacity for statistics and data collection.

91. **Aid harmonization is an important issue in Mauritania.** In addition to significant assistance from the AfDB, EC, UN organizations, and bilateral donors, Mauritania benefits from

substantial assistance from Arab funds and from China, which recently increased its support. The Bank has several ongoing operations in Mauritania with these partners, and others are proposed for FY14. The 2008-2009 events had a negative impact on the strong coordination arrangements that existed at the start of the previous CAS. To reestablish their harmonization and alignment framework, the donors agreed, at a meeting held in Brussels in June 2010, to come together around the key themes of the PRSP-3. The Ministry of Economic Affairs and Development (MAED) is playing role in those arrangements, which are summarized in section 1.6 above. Collaboration with the private sector is also increasing under the PRSP-3, in the context of EITI implementation, support for the School of Mines, vocational training for mine workers, and potentially transformational public-private partnerships for infrastructure development.

3.3. Monitoring and Evaluation

92. On the Government side, detailed arrangements for monitoring and evaluating the progress of the PRSP are laid out in its Pillar 5. On the World Bank side, a CPS implementation monitoring system similar to that used for the 2008-11 CAS will allow for adequate review of World Bank contributions toward Mauritania's development. Indicators to be used to track outputs and outcomes will be incorporated in the CPS results matrix, which will also include a list of milestones and intermediate outcomes. The CPS implementation monitoring system will be closely linked to the Government's PRSP monitoring system.

IV. MANAGING RISKS

93. Implementation of the new CPS could face three major risks: (a) political instability; (b) low capacity of the administration; and (c) vulnerability of Mauritania's economy to external shocks.

94. On the first point, Mauritania's recent history has demonstrated that internal political risks are high, and are not likely to disappear during the CPS period, particularly during and immediately following the next presidential election, scheduled for the first half of 2014. In addition, the Sahel region is threatened by expanding AQMI activities, and there is a risk of more spillover effects from the crisis in Mali. Given these circumstances, the risks are not negligible that some WBG development programs and current reform efforts could be stalled. On the other hand, the strong momentum for development and poverty reduction in Mauritania has been maintained since 2000 despite political disruptions. There is a continuing and broad consensus throughout Mauritania that the objectives, content, and approach of specific Bank-supported programs are appropriate. As the proposed new operations are understood to be a continuation of ongoing efforts, they are likely to be relatively immune to political developments.

95. Improvements in governance are crucial to avoiding risks of further corruption in the mining and fisheries sectors, which are also key areas of intervention in this CPS. In addition to the fiduciary mitigation measures embodied in each of Bank-funded operations, this CPS will provide support to improve governance in the fishery sector as well as a capacity building program to improve governance of SOEs and public agencies, and extractive industries. The Bank will continue to support reforms on public procurement. The reforms set up the institutional framework and support capacity building and (i) further integrate procurement as part of budget preparation and budget execution, (ii) all procurement plans prepared during budget preparation, (iii) strengthen procurement oversight through regular audits and (iv) annual technical audit of

procurement implemented by contracting Authorities. The importance of fully achieving the governance agenda cannot be minimized, given the existence of entrenched interests and the temptation to try and capture the rents from natural resources. However, the current authorities have shown a strong commitment to advancing the governance agenda, as evidenced by the progress made on the EITI validation process. There is broad consensus among the political parties and civil society to keep governance at the forefront of the development agenda.

96. The proposed dual approach – combining (a) low-risk/good-return ongoing and follow-up operations with (b) some new high risk/high return actions –is appropriate to achieve development objectives (including some transformative change) while mitigating risks. The mid-term review of PRSP-3 implementation, which will coincide with the timing of the CPS Completion Report and the next presidential election, will provide an opportunity for stocktaking and for launching new initiatives, possibly including high-risk/high reward activities consistent with WBG goals. A close analysis of the country's political economy during the next three years will be essential to identify and prepare the most appropriate activities going forward.

97. In terms of insufficient capacity of the administration, the Government is fully aware of the challenge, as highlighted in PRSP-3, and has requested capacity-building support from all key development partners. Most development partners, including the Bank Group in this CPS, have responded by including capacity building in their assistance strategies, either as a specific pillar or as a cross-cutting theme. The continuing emphasis on capacity building and improving governance should also reduce the risks to sustainability of the reform efforts.

98. In terms of vulnerability to external shocks, which the PRSP-3 identifies as a key challenge, the Government aims to build resilience to shocks such as falling revenues from mining and fisheries, and climatic events that threaten agriculture and food security, by pursuing prudent policies. WBG engagement in the sectors vulnerable to external shocks is subject to the same set of risks identified above. The small oil fund, for example, helped to mitigate the effects of the 2011 drought. The Bank and the IMF will advise the Government on establishing a mining fund with even greater potential to provide a buffer against shocks. Most ongoing operations and a number of proposed new operations under the CPS also aim at reducing vulnerability through economic diversification, mitigation, and social protection.

Annex 1: Mauritania CPS Results Matrix

MR CPS RESULTS MATRIX (2014-2016)

PRSP3-Country Development Goals	Issues and Obstacles	CPS Outcomes	Milestones	Program instruments
Pillar 1: Growth and Diversification				
1.1. Financial Sector and Business Environment				
Financial sector Increase access to financial services **Business Environment:** Improve the business environment for private sector investment and development	Financial landscape is dense but shallow and inefficient as it mainly caters to large businesses and monopolies High political risk environment affects the reputation of local banks Local banks are not in position to provide adequate financing to local corporate and SMEs active in cross-border trade and to support flows of critical commodities Absence of reliable credit information system for financial institutions Insufficiently enabling business environment characterized by administrative barriers and legal and judicial issues	**Outcome 1 (a). Improved Financial services for MSMEs** - *Level of credits reported in credit registry at BCM increased* *Baseline: 30% in 2012* *Target: 60% by 2016* **Outcome 1 (b) Improved regulatory climate** - *Time required for starting a business decreased* *Baseline: 19 days in 2012* *Target: 8 days by 2016*	Credit registry at BCM is updated 2 local banks benefits from trade facilities under the Global Trade Finance program New Bank and microfinance Laws as well as prudential regulations are adopted One-stop-shop to establish a business is created and is functional Commercial code is updated	On-going Financing**:** - PACAE-BEEP (FY10) - Global Trade Finance Program-IFC - Structured trade facility to purchase and import refined petroleum products to Mauritania –IFC - MSME Advisory to one (1) bank – IFC - Credit Bureau implementation - IFC *Planned Financing:* - Business Environment Enhancement Project: **BEEP AF (FY15)** AAA: - TA for Special Economic Zones
1.2 Infrastructure				

PRSP3-Country Development Goals	Issues and Obstacles	CPS Outcomes	Milestones	Program instruments
Transport : Improve road infrastructure **Energy** : Diversify and increase the supply of energy **ICT** : Improve global connectivity access to ICT services	Lack of adequate road maintenance Over-reliance on expensive imported oil products leads to the use of solid fuels by 60 percent of the population Poor technical and financial performance of the national power utility Low population density in a mostly desert country, making electrification expensive Access to international connectivity via Senegal and the SAT-3/WASC submarine cable is at a high price and vulnerable to service interruptions Limited geographical reach of broadband networks and high costs of broadband services	**Outcome 2. Improved targeted Inter-Urban roads** - *Average travel time between Nouakchott and Rosso reduced* *Baseline: 2.5 hours in 2012* *Target: 2 hours by 2016* **Outcome 3 (a) Increase supply of electricity to households and industry** - *Increase in gas-fired installed power generation capacity* *Baseline: 0 in 2013* *Target: 295 MW by 2016* **Outcome 3 (b) Increased electricity export to Senegal and Mali** - *Export at least 80 MW of power capacity to Senegal and Mali.* **Outcome 4. Increased Access to Internet Services** - *Access to Internet Services (number of subscribers per 100 people) increased* *Baseline: 2 in 2011* *Target: 10 by 2016*	192 kilometers of roads rehabilitated (between Nouakchott and Rosso) Install 120 MW of dual fuel (oil and gas) power capacity by end of 2014 and reach financial close on the gas to power project by end of 2013. Establishment of Internet exchange point (IXP) with datacenter facilities by 2014 The legal and regulatory framework for ICT revised 1577 km of fiber optic network built by 2016	On-going Financing: - IDA & EU Road Corridor ACGF Rosso-Nouakchott (FY10) . West-Africa Regional Power Pool. WAPP APL 2 (OMVS[25]) Project . Félou Hydroelectric Project) (FY06) *Planned Financing:* . Gas to power Project . West Africa Regional Communications Infrastructure Project - APL 2(WARCIP) (FY13) . Félou Hydroelectric Project. Phase II (FY14) AAA: - ICT policy notes
1.3 Natural Resources				
Fisheries: Improve the sustainable management of fishery resources	• Over-fishing of most demersal resources in both biological and economic terms, and risk exist for other resources • Harnessing of fisheries to national economy is limited	**Outcome 5. Improved management of fishery resources** - *Percent of registered foreign and national fishing vessels increased* *Baseline: 30% in 2012* *Target: 90-100 % by 2016* - *Direct contribution of fisheries to GDP doubled in absolute value* *Baseline: 4% of GDP* *Target: 8% of GDP*	80% of communities of fishermen strengthened BY 2016 Fisheries management plans for major fisheries (octopus, artisanal)) are implemented By 2015, above 90% of demersal fish caught in Mauritania's waters are landed locally (baseline: 30%?), as above 50% of pelagic fish By 2015, job created by the fisheries sector has increased by at least 25 % (baseline: 40 000)	On-going Financing: *Planned Financing:* - West Africa Regional Fisheries Program APL C1 (FY14) AAA: ESW Update of assessment of potential value of the sector (In the context of the Planned Financing)
1.4 Agriculture Productivity				

[25] OMVS : Organisation pour la Mise en Valeur du fleuve Sénégal

PRSP3-Country Development Goals	Issues and Obstacles	CPS Outcomes	Milestones	Program instruments
Agriculture: Develop irrigated agriculture and improve cereal production to cover at least 50% of national need of cereals by 2020	• Agriculture sector contribution to GDP is limited (3%) by low and unreliable rainfall and the limited development of irrigation • Low yields associated with little use of enhanced agricultural and animal husbandry technologies • Low capacity of public administration in charge of agricultural production, including livestock	**Outcome 6. Improved crop yield** - *Yield for irrigated rice improved* *Baseline: 3 tons/ha in 2012* *Target: 6 tons/ha 2018* - *Millet and sorghum increased in targeted areas* *Baseline: 1 ton/ha 2013* *Target: 2.5 tons/ha 2016*	16,000 ha provided with irrigation and drainage services ha by 2020 At least 12 new agricultural and animal husbandry techniques disseminated by 2020	On-going financing: -Second Integrated Development Program for Irrigated Agriculture (PDIAIM2) (FY12) *Planned Financing:* -OMVS regional (PGIRE2) -West Africa Agriculture Productivity (WAAP) - Support project to IRDP (PA-PDRI) -Mauritania Dry Lands Management Project Planned AAA: -ESW Land Tenure -Inclusive Green Growth in Mauritania (FY14) -Coastal management and adaptation to climate change in Coastal Cities (FY15)
Climate Change: Integrate climate change and sustainable management of natural resources in national development strategies and programs to reduce the vulnerability of poor populations to external chocks and improve disaster risk management	• Increased vulnerability to natural disasters such as floods and droughts • Limited knowledge and capacity dealing with climate change and climate variability •	**Outcome 7. Resilience to Climate Change integrated in the Mauritania's overall development agenda** - *Number of sectors mainstreaming climate resilience in national strategies and program budgets increased* *Baseline: 1in 2012* *Target: at least 3 by 2016*	Disasters Risk Management System established	
Pillar 2: Economic Governance and Service Delivery				
2.1 Education and Vocational, Technical training				
Improve access and quality of basic education and technical and vocational training	• Learning outcomes at all levels of the education system remain low, and primary schools register a large amount of failures at an early stage. • Need for professional and vocational training as well as tertiary education is growing	**Outcome 8(a) Improve quality of basic education** - *Percent grade 5 students passing standardized learning test increased disaggregated by sex* - *Baseline: 8.4% in math, and 17.6% in French in 2012* *Target: 13% in math, and 21% in French by 2016* **Outcome 8 (b) Improved access to technical and vocational training disaggregated by sex** - *Annual graduates in supported TVET institutions increased* *Baseline: 993 in 2012* *Target: 1300 by 2016*	3,700 additional teachers qualified to teach at the primary level Grade 5 student learning assessment carried out 4,100,000 textbooks and teachers' guides distributed At least 3 TVET training programs certified to meet international standards by 2016 Regulatory framework for legal status of private sector training institutions approved	On-going financing: -Higher Education (FY05) -Skills Dev. Support Project (FY11) *Planned Financing:* Basic Education Support Other donors involved: Spanish Cooperation, AFD, BAD, UNICEF, UNFPA, PAM, FIDA, AFD, FAD, French Cooperation, BID, GIZ

PRSP3-Country Development Goals	Issues and Obstacles	CPS Outcomes	Milestones	Program instruments
2.2 Social Protection				
Reduce vulnerability through targeted safety nets	Over 40 percent of the population is poor and nearly 30 percent is chronically food insecure Existing social protection policies are unable to meet the needs of the chronic and transitory poor. Weak strategies to identify the neediest population	**Outcome 9. Better targeting of Safety Net Programs** - Monitor number of food insecure beneficiaries of targeted Safety Nets *disaggregated by sex*	An inventory of targeting mechanisms of existing safety net programs and an action plan for improving their effectiveness developed. Start developing and testing program tools and processes to improve efficiency of safety net programs (including procedures for identification of eligible beneficiaries, registration, payment of beneficiaries; and monitoring and evaluation system) National Social Protection strategy approved	**Planned Financing** - Social Safety Net operation (FY15) **<u>Planned AAA</u>:** - Social Safety Nets TA (FY14) - Assessment of population in need of safety nets (based on available micro data) (TA FY14)
2.3 Public Sector Development				
Ensure an efficient and transparent management of public financial resources	Cumbersome systems of expenditures payment and approval Budget allocations are not well targeted and specifics Weak Public procurement capacity in sector ministries Fiscal risk related to SOEs and Public Agencies and limited service delivery performance Limited capacity and inter-ministerial coordination on fiscal matters related to the extractive industries	**Outcome 10. Efficient management of Public Financial resources** - *Number of ministries updating and using MTEFs for budget preparation increases from 5 to 10 by 2016.* - *Payment time is reduced from 48 to 36 hours by 2016 through a connected payment system* - *Percentage of single source contracting reduced from 6% in 2012 to 3% by 2016* *-- Number of meeting held by the inter-ministerial committee in charge of fiscal matters pertaining to the extractive industries from 0 meeting to 4 by 2015*	A computerized financial management system implemented by all sector ministries Network connection between Treasury, Central Bank and commercial banks is in place. 4 Ministries staffed with procurement commissions to ensure the execution of their procurement plan Participation from Ministry of Petroleum, Energy and Mines, Min. of Finance, Min of Economic Affairs and Development Ministerial Order or other evidence of the committee actual functioning e.g. Proceedings of inaugural meeting	<u>On-going financing:</u> PRECASP (FY07) PRISM 2 <u>*Planned Financing:*</u> Capacity Building Project in support of statistics, SOEs and public agencies, and extractive industries <u>AAA</u> - SOE Governance Study - TA Treasury - PER - PEFA - Anti-corruption TA accoutrant (RSOC)
2.4 Decentralization				
Strengthen the institutional aspects of decentralization and local development Improve the Services delivery through Local Governments	Inefficient inter-governmental fiscal framework and transfer system Inadequate own source revenue Low levels of staffing and HR capacity of LGs Inability of municipalities to provide basic services	**Outcome 11. Improved Financial management at decentralized/local government level** - *Budget transfer to LGs increased from MRO 3.5billion in 2012 to MRO 6.0 billion by 2016* - *75 LGs under LDG scoring at least 75 of a 100 points in annual performance assessment* - *95% of Local Governments (rural and urban) under LGDP meeting the Mandatory Minimum Conditions for access to the performance grant funds for the final year of the project*	A Performance Based Grant (PBG) to finance Local Government is created and abounded by both the national budget (with significant amount), and from Donors (2014) . A new Decentralization law deepening and improving the Decentralization framework is approved (2015).	<u>On-going financing:</u> . Public Sector Capacity Building P. (PRECASP) <u>*Planned Financing:*</u> LGDP (supporting PNIDDLE) <u>Other donors involved</u>: UNDP, EU, French Cooperation and GIZ

Annex 2: CAS Completion Report

REPUBLIC OF MAURITANIA
COUNTRY ASSISTANCE STRATEGY COMPLETION REPORT

Summary

1. This Country Assistance Strategy Completion Report (CASCR) assesses program performance and World Bank performance with the FY08-11 Country Assistance Strategy (CAS) for Mauritania, which was discussed by the Board of Executive Directors in July 2007 (Report No. 39532-MR); it covers a period up to March 31, 2012. During this time, Mauritania experienced various political events along with economic shocks and setbacks. First, a 2008 military coup led to major political disruptions and external aid was suspended, including that of the Bank, for more than a year, until the return to constitutional order and new elections in 2009. Second, the new off-shore oil production for which Mauritania had high expectations, proved disappointing, with actual production declining rapidly to levels considerably below those anticipated. Third, a drought affected agriculture and high international food prices, in particular, hit a large part of the population. These events affected Mauritania's economic performance and the implementation of the CAS.

2. Based on staff self-assessment, the performance of the CAS program is assessed as moderately unsatisfactory: out of 23 outcomes, only 10 were achieved (mainly under pillar 2 – Establishing growth in the economic sphere of the poor). The Bank performance is assessed as moderately unsatisfactory. Although the Bank has demonstrated flexibility and agility in adjusting the program to the country context, in particular following the re-engagement in 2009 after a year of suspension under O.P 7.30, it did not prepare a progress report to reflect the changes, including a revised results framework for the CAS.

3. There are lessons learnt from the implementation from the previous CAS, in particular (a) development can be achieved even in the most challenging situation, (b) even if weak human and administrative capacity is a pervasive problem, it can be mitigated in areas where the Bank has long term engagement; (c) development impact – particularly transformational change is not necessarily linked to the amount of financing provided by the Bank; if well directed, limited IDA can leverage additional financing for transformative projects. The design of the upcoming CPS embodies these lessons. The upcoming CPS focus would to use the limited IDA to leverage financing for transformational change, takings advantage of the windfall of revenues resulting from the discovery of mineral resources and political stability to create jobs and improve resilience; thus laying the ground for sustainable and inclusive growth.

Context and Objectives of the CAS

4. Mauritania is mostly a desert country, with a population of over 3 million. Its production basis and exports include a small range of commodities (fish, iron ore and gold). While growth had averaged 4 percent from 2000-2005, GDP soared to 11.7 percent

in 2006 due to the first oil revenues, with oil production from an off-shore field. While production reached 54,000 bpd in the first three months, it decreased significantly soon after, well below the expected 75,000 bpd, because of technical difficulties.[26] Still, the macro-economic situation continued to improve due to higher iron ore sales by the National Iron Ore Company (SNIM) and increased fish exports. Also, exports increased with the start of private mining operations of copper (Akjoujt) and gold (Tasiast).

5. The country has faced many internal governance challenges. In August 2005, a bloodless military coup ended the 21-year presidency of President Ould Taya.[27] A transition government quickly returned to democracy and approved a new constitution; legislative and presidential elections were held in late 2006 and early 2007. The new government launched a constructive dialogue with development partners and committed to a development agenda that focused on economic governance. It took a number of key steps[28] that broke with earlier practices. First, transition authorities and then the newly elected government moved to re-establish a stable macro-budgetary framework. The IMF approved a new PRGF in December 2006. As a result, Mauritania was granted debt relief under the Multilateral Debt Relief Initiative (MDRI). Overall, the population and Mauritania's partners had high hopes after these political developments and particularly with the start of a new era marked by oil production. The PRSP -2 (2006-2010) that served as a basis for the 2008-2011 CAS was thus prepared in a highly optimistic environment.

6. The PRSP-2 (for 2006-2010) proposed an ambitious poverty reduction strategy based on a set of sound macroeconomic, structural, and sectoral policies through 2015. It had five key components: (a) accelerating growth and maintaining macroeconomic equilibrium; (b) anchoring economic growth among the poor; (c) developing human resources and providing access to basic social services; (d) strengthening good governance and capacity building; and (e) reinforcing monitoring, evaluation, and coordination. PRSI-2 focused on how to manage the wealth from natural resources transparently. Its objectives were closely aligned with the MDGs. The goal of reducing the poverty rate to 25 percent by 2015 and eliminating hunger were anticipated—if public revenues would be spent efficiently.

7. The 2008-2011 CAS presented to the Board in July 2007 was closely aligned with PRSP-2. It was the first CAS for Mauritania. It was prepared through a highly participatory process and collaborative approach between the World Bank Group, the government and development partners to ensure its objectives were aligned with country needs. Consultations included two workshops with 200 representatives from donor organizations, ministries and civil society. The CAS stressed that Mauritania was at a

[26] They quickly declined and remained below 20,000 bl/d after mid-2007. Hydrocarbon reserves were still considered as modest: ie. The country's proven and probable crude oil reserves were estimated at 310 million barrels in 2008, compared with 2.1 billion for Chad.

[27] He come to power under the 1984 coup and faced a failed coup attempt in 2003.

[28] (a) treating oil revenues with transparency in the 2006 and 2007 budgets and engaging in prudent fiscal and monetary policies; (b) creating a National Hydrocarbon Revenue Fund (NHRF); (c) adhering to the Extractive Industries Transparency Initiative (EITI) and (d) seeking support and technical assistance (TA) in the oil sector from the Bank

critical political and economic crossroads—politically, with a new, democratically elected and reform-minded government, and economically, with the oil revenues as a source of wealth and boost to development. Its overall goal was to strengthen economic governance, build public sector capacity and help improve the investment climate, while continuing to fight poverty and inequalities.

8. A major constraint was the limited, new IDA financing, particularly for the remainder of the IDA-14 period (FY06-FY08) with a high-case scenario IDA resource allocation (including IDA-15) available for the CAS-period estimated at US$41 million only.[29] The CAS thus suggested introducing IBRD instruments (loans and guarantees) as additional sources of funds for projects with private sector involvement (ports and a power plant), ideally combined with IFC/MIGA interventions. Also, a large number (11) of projects started before 2007 continued and significantly required implementation capacity and government attention, as well as WB staff resources.

9. The CAS anticipated that Mauritania might transition from low-income status to that of a middle income country (MIC) status with its GNI boosted by oil revenues. Thus, it proposed preparing the country to reach this point, essentially with an AAA and only one new IDA operation. Through this operation, the Private/Financial Sector Technical Assistance project,[30] the Bank planned to re-engage with the private sector and address the financial and private sector development issues, collaborating with IFC and MIGA.

10. It aimed to maximize its impact by leveraging the Bank's advantage as knowledge institution with its convening power, by being selective and realistic about what projects to finance and their likely impact and with the AAA. The CAS used a new approach based on assessments of sectoral needs, relative added value/expertise and levels of engagement, to align donor activities and coordination in the spirit of the Paris Declaration. It presented a comprehensive analysis of Mauritania's major development challenges,[31] as well as specific ones in each of the PRSP components, along with remedial actions. The small number of new IDA operations (due to IDA financing constraints) was meant to leverage other financing, in particular the government own resources , hence increasing the impact of IDA resources.

11. The CAS was articulated around four components, the same as the PRSP-2 pillars I to IV: [32]

1. Accelerating growth and maintaining macroeconomic equilibrium;
2. Anchoring growth in the economic environment of the poor;

[29] This was due to high levels of lending with aggressive front-loading in FY06 and FY07 (for national projects and Mauritania's participation in regional projects), plus the impact of netting-out MDRI debt service relief on Mauritania's allocation, and a mediocre portfolio performance at the time the IDA envelope was calculated.

[30] Focussing on increasing non-oil investment in the economy and on improving the soundness and efficiency of the Mauritanian financial system, and providing support to prepare public private partnerships in the energy sector.

[31] (a) Mauritania is at critical crossroads where proper management of oil revenues is key; (b) its economy may already be experiencing Dutch disease effects; (c) Mauritania does not take full advantage of its strategic geographic location; (d) Social characteristics hamper equitable growth and could cause tensions; and (e) human resource capacity is weak; (f) gender issues remain a key challenge.

[32] Pillar V. Reinforcing strategic oversights of program, M&E, and coordination is not explicitly included in the CAS.

3. Developing human resources and broadening access to basic social services;
4. Improving good governance and capacity building.

A list of lending and non-lending activities of the CAS is respectively included in Table 2 and Table 3. The CAS included a results matrix that included outcomes against which the CAS achievements will be measured.

12. The CAS pointed to the following risks: (a) a slowing or reversal in government commitment to reform, (b) economic vulnerability to external shocks, and (c) an uncertain transition to MIC status, with insufficient aid to help it. Some of these risks have materialized, and although the political risk was rated as slow in the CPS, it turned out to be a major one that has hampered the implementation of the CAS.

Developments and Adjustments during CAS Implementation

13. The 2008-2011 CAS consisted of three different phases with quite different governments and relations with the Bank: (a) the pre-2008 events phase, with a strong dialogue and high (overly optimistic) expectations, during which pre-CAS projects were implemented smoothly; (b) the political crisis, starting with the 2008 coup and the freeze of operations until late 2010; and (c) re-engagement with a completely new government.

14. CAS implementation had barely started when the country was hit by successive shocks which deeply affected the political environment and weighed heavily on its economic performance. Initially, there were two positive developments, with first the Consultative Group meetings in December 2007, jointly prepared by the government, WB, EU and UNDP, and where US$2.1 billion of support was committed. A second event was the January 2008 visit of the Bank's President during which a MoU for a possible IBRD power generation project was signed. However, by August 2008, the country's civilian president, elected in 2007, was removed from office by yet another military coup that established a High Council of State (HCE), composed of officers under General Mohamed Ould Abdel Aziz, to head the country. The Mauritanian political community was split between HCE partisans and opponents. This crisis led the international community to put most of its activities on hold. According to OP/BP 7.30 (dealing with de facto governments), the Bank suspended disbursements and missions.

15. After strong condemnation of the coup and sustained international pressure, negotiations lead to the Dakar agreement between the HCE, all political parties and key foreign partner countries and organizations on a date to return to democratic rule and elections. Presidential elections[33] were held in July 2009, a transitional national unity government was created and international sanctions were rapidly lifted.

16. The impact of the 2008-2009 events was significant: (a) the reform process was disrupted; (b) Mauritania's fiscal situation and economic performance deteriorated sharply. The deterioration was compounded by the effects of the food (2008) and fuel price

[33] The Constitutional court and the international community recognized the results of the elections watched by international observers. Former general Ould Abdel Aziz won with 52% of the votes.

shocks, and the global financial crisis (2009); (c) non-oil GDP growth dropped from 5.9 percent in 2007 to 4.1 percent in 2008 and –0.9 percent in 2009;[34] (d) on the domestic political front, successive government adjustments included changing ministers in key ministries (including Finance) which continued in 2010, with mergers or splitting of ministries and creating new ones. This also caused a high turnover of civil servants at high levels, which meant a serious loss of institutional memory including about the reforms started in 2007. M&E capacity was essentially lost in many areas and the National Statistical Office (ONS) capabilities also declined sharply; (e) simultaneously, WB teams were also changing, with many key staff having left the country office for other assignments during the crisis and others leaving thereafter. Also, the country's decreasing attractiveness for WB staff and those of all partner organizations was compounded by concerns for physical security[35]; (f) Bank operations were also handicapped when its country manager left (in January 2010) and was not replaced for another seven months.[36]

17. The impact of the 2008-2009 events on Bank operations has been uneven, but generally negative. For many projects, implementation was interrupted or considerably slowed for 14-24 months. In a few exceptions, it continued slowly, mostly when authorities used their counterpart funds to finance critical actions. This occurred in urban development (a PDU project), Community Driven Development (CDD) in rural areas (PDRC), mining sector project (PRISM), and education sector project (PNDSE), primarily due to stable project implementation units that were created before 2007 with Ban's suppor. This strongly confirms the need for stability and long-term continuity of Bank operations and teams, particularly in fragile environments. Due to the delays, closing dates for ongoing operations had to be extended—on average by two years—in order for the projects to complete activities and achieve their development objectives by the new date.

18. Table 2 includes all lending activities and Table 4 presents all projects that were under implementation during the CAS period (2008-20011). The IDA 15 envelope reached US$36 million and the WB helped mobilize other funds from the Africa Catalytic Growth Fund (ACGF), Education for All/Catalytic Fund (EFA/CF), Crisis Response Window (CRW) and GEF. Five new projects and two additional financing operations to existing projects were approved in FY08-FY11. Total financing from all sources was US$92.1 million (of which US$58.1 million was from both IDA) compared to the IDA allocation for the CAS-period of US$41 million as projected under the CAS high case scenario. The new projects were: (a) the Business Environment Enhancement project (BEEP, US$5 million from IDA), to support financial and private sector development issues, increase non-oil investments, and make the financial system more efficient; (b) the Education Sector Program (ESDP , US$14 million from the Education For All-Catalytic Fund) to accelerate the implementation of the government's Education Sector Development Program; (c) the Transport Sector and Institutional Development

[34] With the fast-declining offshore oil production, overall GDP growth varied from 11.4% in 2006, to 3.7T in 2008 and -1.1% in 2009.

[35] Various terrorist attacks and hostage-taking by AQMI started in 2006 to seriously affect the country's image as a relatively safe country in the region. Also, they have increasingly forced the government to address security concerns, possibly at the expense of long-term development.

[36] This followed a similar occurrence in 2004-2005.

TA project (US$4.5 million from IDA) to provide institutional support and capacity-building to improve the management of the road, maritime and air transport sectors; (d) the Nouakchott-Rosso Road Corridor Rehabilitation Project (US$20 million, from the Accelerated Catalytic Growth Fund) to rehabilitate the road with parallel EU financing; and (e) the Skills Development Support project (US$16 million from IDA) to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven technical and vocational training (TVET). Additional financing was approved for (a) the second Mining Sector Capacity Building Project (US$7.1 million from IDA) to scale up ongoing activities and offer new education and vocational training support; and (b) the Urban Development Project (US$25.5 million from IDA including US$15.5 million from the IDA CRW) to scale-up its basic urban infrastructure component.

19. Thus, all but two of the projects proposed in the CAS base-case were launched. Although some were delayed, they were introduced partly due to finances other than from IDA. The exceptions were the two IBRD public-private partnership (PPP) projects (for the ports and energy). Despite significant preparation efforts (involving IFC), the projects did not materialize due to the political events and particularly the complexity of such new operations in the difficult, prevailing environment. No new regional projects involving Mauritania were begun but three ongoing ones37 were actively pursued. The WB mobilized an added US$1.66 in Trust Funds (TF) for five new activities, including EITI implementation, Mineral and Petroleum Institutional Capacity Building and an Extractive Industries/Transaction Advisory Facility, which were critical for the extractive industries. As of end of January 2013, Mauritania portfolio included eight active IDA operations (including two regional projects), representing a total commitment of $125.1 million. Overall, the performance of the portfolio is satisfactory, with one problem project (i.e. the High Education Projects) for which restructuring is ongoing.

20. AAA activities (see table 3) were also delayed or cancelled. The limited analytical work carried out and lack of macro-monitoring during 2008-2009 and the slow resumption afterwards also had some effects. For example, the WB was not able, until the FY010 Public Expenditure Review (PER) completion. , to grasp the results of the post-2008 Government measures that considerably increased the role of the public sector[38] in the economy.

21. Regarding the AAAs, work continued on procurement and fulfilled most of the analyses planned under the CAS. Significant non-lending included the policy notes for the new government, the PER, the Source of Growth study, and the Fisheries and ICT sector notes; however, neither the land tenure analysis nor the CAS Progress Report were done. The CAS remained relevant in the context of economic and political turbulence and no major reorientation was considered necessary after 2009. The new government

37 (a) Africa Emergency Locust Project (AELP); (b) the Senegal River Basin Multi-purpose Water Resources Development Project; and (c) West African Power Pool (WAPP) – OMVS Felou Hydroelectric Project.

38 This included creating companies (public transport, housing, a public Bank, and an expansion in the government power supply)

remained broadly committed to the CAS orientation which stressed infrastructure, particularly urban works with quick results, and also governance.

Program Performance Evaluation

22. Program performance is evaluated in Table 1, around 23 outcomes. As indicated above, it is important to underscore that the implementation of the CAS was negatively impacted by the suspension of Bank's activities in 20008. Program performance assessed is moderately unsatisfactory; with 8 outcomes achieved, 11 partially achieved and 4 not achieved.

23. In Pillar 1 (Accelerating Growth and Macro-Economic Framework)**,** progress is mixed: Two outcomes achieved (oil and mining), three partly achieved, but with more under way, and three not achieved (with limited progress expected). The PRISM-2 and EITI contributed a great deal to developing institutional capacity and improving governance in the key extractive industry sector. ESW and expanded new dialogue in fisheries are likely to lead to reforming governance and to a new project increasing local value-added. The Business Environment Enhancement Project has improved financial sector regulation and strengthened it in general, but much remains to be done to address problems in the business climate. The transport TA project has significantly improved the sector's institutional capacity. While the regional power project will soon increase power supply for Mauritania, efforts to develop the IBRD enclave Gas to Power PPP were moving forward only slowly. The PER addressed the fiscal issues and exposed flaws in governance/monitoring and fiscal threats from Mauritania expanded Public Enterprises sector.

24. In Pillar 2 (Establishing Growth in the Economic Sphere of the Poor), progress is much more encouraging: Three outcomes were achieved (particularly improvements in rural communities and basic services & employment in urban areas) and three were partly achieved (with more progress underway for micro-credit). The PDIAIM APL second phase achieved mixed results in irrigation, but not enough restructuring for agriculture credit. The PRDC, with its CDD approach, has greatly succeeded in improving village living conditions, with sustainable income increases, access to basic social and economic services, and improved natural resource management (along with the GEF Community-Based Watershed Management Project). The Urban Development Program has largely succeeded in improving urban management, providing more infrastructures, and strengthening decentralization; it created a momentum upon which the government is building a new major program to be financed in great part by the budget. The Mauritanian component of the regional Locust Project set up a fully operational control system that prevented locust outbreaks in 2009 and 2011.

25. There were good progress under Pillar 3 (Developing Human Resources and Generalizing Access to Services), with three outcomes achieved,[39] three partly achieved with more progress underway, and only one not achieved (gender and social protection). With the PNDSE and EFA-CF, the primary education sub-sector was able to see

[39] Outcome 18 being split in two: access to HIV/AIDS treatment (achieved) and maternal health (partially achieved).

substantial progress in access and there are good indications that internal efficiency is improving. Mauritania is on track to reach the education-related MDGs for gender equality and enrollment at the primary level. With the Higher Education Project, progress has been good towards improving the quality of teaching and learning, and the relevance of courses to the labor market (it established pedagogic, administrative and financial management systems and improved capacity in the higher education institutions. The recently approved Skills Development Support Project will further improve the relevance and efficiency of vocational and technical training, making them more responsive to market demands and reinforcing their institutional framework. The HIV/AIDS-MAP project has achieved its goals of increasing coverage and using HIV prevention services, of medical treatment and social care, especially for high risk and vulnerable populations. The now closed Health and Nutrition project was instrumental in capacity building, helping the health sector improve performance and prepare its future development. It partly achieved its objectives in increasing access to health services in underserved areas and in improving maternal health. It contributed significantly to improving nutrition and convincing the government to put nutrition on its agenda. The PDU also helped improve access to potable water, sanitation and electricity in urban and peri-urban areas. Specific CAS activities in various projects targeting female beneficiaries (PDU, education, PDRC) were broadly successful.

26. In Pillar 4 (Improving Good Governance and Capacity Building), progress is encouraging, with the two outcomes partly achieved but with more work under way and strong prospects for speedy achievement on all fronts. The PRECASP has greatly helped advance human resources management in public administration. Similarly, it has significantly improved public finance management (progressive PFM reform and reinforcing State-controlled bodies), and helped the government adopt a comprehensive long-term public finance agenda and an anti-corruption strategy. Bank support of the procurement reform created strong momentum for reforming public procurement, with significant achievements already in the production of laws, regulations and institutional building. WB efforts to support the EITI validation process helped Mauritania reach EITI compliance status in early 2012. The PDU has successfully supported the completion of the first decentralization pilots in large cities, and with PRECASP, created momentum for scaling-up decentralization throughout the country.

WB Performance

27. The WB overall performance is assessed as moderately unsatisfactory. The design, around the PRSP-2 four components, was well linked to Mauritania's development priorities and the government strategy presented in the PRSP. It was carried out with the aim of selecting specific strategies to maximize impact, but was constrained by (a) the scarcity of IDA funds and (b) the fact that many operations[40] started under the previous CAS were to be pursued, requiring substantial WB staff resources and government attention. The CAS report provided a sharp analysis[41] of the PRSP-2 challenges and beyond—those that could not all be addressed given the limited resources

[40] Notwithstanding the fact those were still fully relevant and overall well designed to address Mauritania's challenges

[41] It is still fully relevant now as a basis for the new CAS.

(of the WB and others). The program rightly focused on the areas that were relevant for Mauritania's development, including developing (a) the private sector and basic infrastructure, (b) urban areas, (c) rural areas, (d) governance, emphasizing public administration and economic governance, and (e) social sectors. The choice of the outcome indicators for the CAS results matrix was adequate.

28. Considering the IDA funding constraints, there were no major shortcomings in the program, except the decision not to continue preparing the urban water supply/sanitation TA project.[42]. In areas where the WB had been absent (fisheries, for decades, and ICT for a couple of years), the program correctly proposed preparing re-engagement and deepening the dialogue through ESW/TA—an approach validated by the strong prospects of having two comprehensive operations approved in the near future. The choice of instruments was basically correct and the selection of ESW themes appropriate. The decision to develop IBRD projects around PPPs in transport and energy was logical and not too bold at the time (before the 2008 coup) since the authorities were open to new initiatives of that kind.[43] The related plans to leverage IFC services/investments and MIGA work were also appropriate.

29. The CAS report was broadly correct in identifying most risks. But, impressed by the strong reform signals sent by the post-2006 government, it did not carry out a sharp enough analysis of Mauritania's political economy, which mirrored that of a fragile state. The WB, like most donors, underestimated the extent of political risk and proposed a weak risk-mitigation approach. Considering the country's history, the CAS was unrealistic in that area, as it did not account for (a) a one-two year slippage in most projects, (b) delay in reforms, and (c) uncertain prospect for the proposed IBRD projects have shown.

30. The Bank adjusted with flexibility to the country conditions throughout the implementation of the CAS. The WB worked intensely to engage the post-2006 government to prepare a CAS in a participatory manner and setting an ambitious reform and development agenda, which led to the successful 2007 Consultative Group meeting. Likewise, it rapidly re-engaged with the ongoing operations in late 2009. It speedily resumed disbursements on ongoing projects (by September 2009), and conducted a multi-sector assessment mission. Projects for which the closing date had passed during the suspension were extended retroactively. The Country office helped to swiftly reactivate disbursements, including those for critical human development programs and obligations to vendors. It also facilitated early missions to assess the status of the projects, the macro and fiscal situation, and the latest developments in key sectors. However, with limited co-financing or parallel financing for the new CAS operations, the WB has been less successful in leveraging assistance from other donors. The Bank did not prepare a progress report to reflect the changes that occurred following the re-engagement.

[42] Well prepared until 2006 and which the critical current situation of SNDE vindicates (as the program for Aftout Saheli water supply financed by other donors did not adequately address institutional, financial and distribution aspects).

[43] The recent bankruptcy of Mauritania Airways, a new joint-venture between foreign partners and domestic investors, created public resentment and skepticism towards private investment public services.

31. The IDA 15 envelope reached US$36 million and the WB helped mobilize other funds from the Africa Catalytic Growth Fund (ACGF), Education for All/Catalytic Fund (EFA/CF), Crisis Response Window (CRW) and GEF. Five new projects and two additional financing operations to existing projects were approved in FY08-FY11. Total financing from all sources was US$92.1 million (of which US$58.1 million was from both IDA) compared to the IDA allocation for the CAS-period of US$41 million as projected under the CAS high case scenario. The new projects were: (a) the Business Environment Enhancement project (BEEP, US$5 million from IDA), to support financial and private sector development issues, increase non-oil investments, and make the financial system more efficient; (b) the Education Sector Program (ESDP , US$14 million from the Education For All-Catalytic Fund) to accelerate the implementation of the government's Education Sector Development Program; (c) the Transport Sector and Institutional Development TA project (US$4.5 million from IDA) to provide institutional support and capacity-building to improve the management of the road, maritime and air transport sectors; (d) the Nouakchott-Rosso Road Corridor Rehabilitation Project (US$20 million, from the Accelerated Catalytic Growth Fund) to rehabilitate the road with parallel EU financing; and (e) the Skills Development Support project (US$16 million from IDA) to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven technical and vocational training (TVET). Additional financing was approved for (a) the second Mining Sector Capacity Building Project (US$7.1 million from IDA) to scale up ongoing activities and offer new education and vocational training support; and (b) the Urban Development Project (US$25.5 million from IDA including US$15.5 million from the IDA CRW) to scale-up its basic urban infrastructure component.

32. Thus, all but two of the projects proposed in the CAS base-case were launched. Although some were delayed, they were introduced partly due to finances other than from IDA. The exceptions were the two IBRD public-private partnership (PPP) projects (for the ports and energy). Despite significant preparation efforts (involving IFC), the projects did not materialize due to the political events and particularly the complexity of such new operations in the difficult, prevailing environment. No new regional projects involving Mauritania were begun but three ongoing ones[44] were actively pursued. The WB mobilized an added US$1.66 in Trust Funds (TF) for five new activities, including EITI implementation, Mineral and Petroleum Institutional Capacity Building and an Extractive Industries/Transaction Advisory Facility, which were critical for the extractive industries.

33. Regarding the AAAs, work continued on procurement and fulfilled most of the analyses planned under the CAS. It also included several added tasks (see Table 3). Significant non-lending included the policy notes for the new government, the PER, the Source of Growth study, and the Fisheries and ICT sector notes; however, neither the land tenure analysis nor the CAS Progress Report were done. The CAS remained relevant in the context of economic and political turbulence and no major reorientation was considered necessary after 2009. The new government remained broadly committed to

[44] (a) Africa Emergency Locust Project (AELP); (b) the Senegal River Basin Multi-purpose Water Resources Development Project; and (c) West African Power Pool (WAPP) – OMVS Felou Hydroelectric Project.

the CAS orientation which stressed infrastructure, particularly urban works with quick results, and also governance.

34. A set of 15 sector policy notes was also prepared by the Bank team with Mauritanian counterparts to help the government and donors identify immediate and medium-term actions to restart the economy and reforms. The Bank was also able to confirm the increase of Mauritania's IDA 15 allocation[45] to US$36 million. On March 2010, the IMF approved a 3-year Extended Credit Facility (ECF) agreement for about US$118.1 million.[46] Economic recovery was then discussed at the Brussels Round Table in June 2010, at which total pledges of US$3.2 billion were made for 2010-2015 (including US$365 million for the whole World Bank Group). Discussions were based on the sector policy notes (mentioned above) which also laid the foundation for new PRSP priorities.

35. WB staff should be commended for their efforts to pursue challenging work in an uncertain context; but, given the quasi fragile-state nature of Mauritania and requirements of re-engagement, the Bank could have paid more attention to staffing continuity, overlapping and experience.47 The Bank's Mauritania Country Office had improved portfolio management by developing a systematized portfolio monitoring system accessible to the government and partners. Its quality had gradually increased; however supervisory quality did not return uniformly to pre-2008 levels: For example, restructuring of all projects needing it did not proceed after 2009 as rapidly as was required and, in a few cases, did not occur and indicators were not changed. M&E remained weak in various operations and the need for better monitoring was stressed in the 2011 CPPR. There has been also high turn-over of Mauritian staff, and in some cases, the lack of continuity (sometimes with a time gap in supervision missions) led to a loss of institutional memory, decreased quality of dialogue with counterparts and partners, and contributed to slow project implementation.

Lessons Learned and Suggestions for a New CAS

36. A first lesson relates to the impact of the political events and disruptions to the CAS. Some programs/operations were less affected than others, particularly those launched at the start of the previous CAS, where strong capacity was built in the PIUs and counterparts were familiar with the Bank. Also, WB teams remained stable and the government commitment has been genuine,[48] based on a full agreement with the Bank on long-term objectives.

37. The importance of long-term WB involvement in specific areas was again confirmed. Such efforts over two-three CAS periods ensured stable support by the Bank**,** reinforced government commitment and incentives for changes. A long-lasting development impact is then possible, e.g. in the extractive industries, urban development

[45] Mauritania's low CPIA (evolving between 3.2 in 2005 and 3.3 in 2008) remained a restraining factor.
[46] According to the latest (3rd) review of the program conducted in October 2011 progress appears satisfactory.
[47] This was observed by counterparts and donors. The difference can be seen with projects where staff continuity was maintained, as re-engagement went smoothly and implementation resumed faster.
[48] Such as privatization.

and CDDs, PFM and procurement reform, and primary education. This argues for the WB to (a) pursue its engagement in areas where much remains to be done (particularly in long-term reform and capacity building); and (b) re-engage in sectors it left too soon (as in the water sector). As the Bank is often seen as an "honest broker," many donors are more willing to engage in a sector when the Bank is involved and it also increases leverage for change.

38. A second lesson is the pervasive problem of weak capacity in Mauritania's administration,[49] e.g. due to the regular, rapid turnover of high officials and other staff, compounded by political events. This reduces institutional memory and the possibility of building of a modern administration, and raises sustainability issues. Strong capacity building is a must in all operations and needs to be sustained over an extended period.

39. However, capacity building in individual operations is not sufficient. Rather, long-term reform and modernization of Mauritania's administration is needed, not only to increase absorptive capacity and efficiency, but also to produce good governance, transparency, inclusive development and public confidence in the government—and thus, political stability. PFM and administration HR management, capacity building in extractive industries with the WB project have been steps in the right direction. A GAC program will also help, but a comprehensive and phased public program to modernize the administration needs to be elaborated with support from the Bank.

40. A third lesson is that although some operations (particularly the new ones) were constrained by the limited IDA funds (particularly stand-alone TA projects), their impact is significant. Mauritania's domestic resources are growing, and the government is increasingly interested in WB participation as source of knowledge, bringing experience that other donors do not have and helping leverage more financing from other sources. However, this can only work if (a) the areas of intervention are those where the Bank has a comparative advantage in knowledge and experience, and (b) there are experienced core staff to whom Bank teams can transfer their information.

41. Where countries, such as Mauritania, are emerging from a period of disruption with high turnover in the administration, the Bank should pay particular attention to have stable local staff[50] and to keep experienced international staff engaged in operations for extended periods. Staffing issues have now become more difficult for all donors because of (a) two episodes of political turmoil since 2005, (b) security problems, and (c) the perception that conditions are more difficult and offer lower prospects for achieving fast tangible results, particularly with smaller and less visible projects than in other countries.

42. For the new CAS, a comprehensive analysis of the political economy of change is essential, given the fragile and volatile context, in order to appreciate risks/obstacles and design a realistic CAS with appropriate risk-mitigation approaches. Also, political and other risks should not prevent the WB from designing a program that includes new and

[49] There were a few exceptions, such as the Ministry of Finance.
[50] Eg., the high turnover of local economists since 2005 has made economic analysis and dialogue more difficult..

bold initiatives—as long as their selection and design take into account the specifics of Mauritania's environment.

43. The country is at a turning point, presenting opportunities for change but also some risks. Because the booming mining sector is generating increased government revenues, the WB should focus on the issues of governance, management and use of public expenditures. With the huge investments needed in infrastructure, the government could be tempted to devote huge efforts and increased revenues to projects that bring quick, visible results, and to poorly targeted (but visible) subsidies, at the expense of more long-term investments in capacity building, human development, and reforms, particularly those linked to sustainable job creation. Thus, a balanced approach is needed to address immediate problems in ways that can achieve quick results but also maintain a long-term focus on capacity building and reforms that can reduce vulnerability and spur sustainable job creation.

44. The Bank should pursue this approach in the next CAS with various operations plus AAAs. Regarding projects, a good mix could include: (a) operations that scale up those implemented during the last two CAS periods (those with limited risks and substantial rewards), and (b) a few high-risk pilots, with possibly high, long-term rewards and demonstration effects.

45. The development challenges identified in the 2007 CAS, cross-sector challenges remain essentially the same. Some are even more acute now, while others were not sufficiently addressed in the PRSP: e.g. employment generation, inclusiveness, climate change, regional integration, vulnerability and safety nets, statistical and M&E capacity. New challenges regarding oversight, governance and fiscal drain problems have emerged given the large public enterprise (PE) sector.[51]

46. In the next CPS, the WB activities should attempt to boost sustained, inclusive economic growth and employment generation, address severe poverty, reduce vulnerability to climate change and other external shocks, diversify the economy, enhance good governance (including natural resources, PFM and governance of PEs) and rebuild statistical and M&E capabilities.

47. The last two CASs focused on rural development and agriculture in the project portfolio. While the CDD approach scaled–up in the PDRC helped bring the population out of the rural poverty trap, irrigation projects in the Senegal valley have been disappointing. Over the last 20 years, the WB, other donors and government have generally failed to modernize and develop sustainable agriculture in this area, where production could increase (but poverty is acute and the risk of social and political tensions are high). These problems must be addressed in the fight against poverty—even

[51] This placed Mauritania back to its 1984 situation before a PE reform & scaling down program was launched.

more now, with Mauritania's food crisis. But a new approach should be based on transparent, inclusive agricultural strategies that involve a renewed irrigation policy and land tenure. This will be built in the new proposed agriculture operation under the upcoming CPS.

48. The environment has historically not been high on the government agenda. The WB played a key role in deepening the dialogue in this area and building (with the PRECASP) a Ministry of Environment. This engagement will be pursued under the upcoming CPS, stressing how climate change will affect Mauritania's agriculture and non-mineral natural resources, and work to prevent those effects (e.g. the risk of catastrophic flooding of Nouakchott).

Table 3: Summary of CAS Program Self-Evaluation

CAS Outcomes and Indicators	Status and Evaluation Summary (with milestones and additional indicators) *the assessment of outcomes is based on the following color code: (achieved, partially achieved, not achieved)*	Lending and Non-lending Activities that Contributed to the Outcome	Lessons and Suggestions for a New CAS
PILLAR 1: Accelerating Growth and Maintaining Major Macro-Economic Balances			
A. Macro-Economic Framework: *accelerate economic growth* (Stabilize the macro-economic framework) **Outcome 1: Macro-economic modeling capacity in the Ministries of Finance and Economic Affairs & Development is in place .** Use of updated MEMAU[1] for decision-making	***Outcome 1. Macro-economic Modeling in MoF & MEAD. Partially achieved.*** ***Milestones :*** ***MEMAU updated*** ***Other (Indicators of Stabilization)*** Macro-economic situation improved after 20008-2009 crisis: • Growth: 3.7% in 2008; -1.2% in 2009; 5.2 % in 2010; 4.8% in 2011 despite disappointing oil production. • floating exchange rate appropriately managed and monetary policy geared towards maintaining low inflation: 7% in 2008; 2.2 % in 2009; 6.3% in 2010 % Fiscal deficit: 7% in 2008; 5.4% in 2009; 1.9% in 2010; 2.2% in 2011	Lending Public Sector Cap. Building (PRECASP) FY06. Last PDO & IP ratings S & S AAA PER (FY010)	1. PER recommended an increase in fiscal space, and strengthening of public finance and investment management as essential for new PRSP and stressed serious fiscal risks associated with large expanding PE sector. In depth analysis of PE sector needed. In addition to subsidies to PEs, food crisis, soaring oil prices, high civil servants wage bill are threatening macro-economic outlook 2. New TA program on PEs needed (see Outcome 21).
B. Private/Financial Sector and Competitiveness: *develop the financial sector.* (Develop competitiveness and stimulate savings) **Outcome 2: The institutional framework and processes for regulating and supervising financial institutions and financial markets have been strengthened** • The BCM benefits from increased autonomy and transparency following revisions of its Constitution • Consolidation at the BCM of the supervision of all financial	***Outcome 2. Institutional framework of Financial Sector strengthened: Partially Achieved.*** ***Outcome 3. Modern legal & Judicial Framework for business:*** ***Not achieved*, but with some limited progress under way.** Financial market opened to international banks leading to contract competition and lower interest rates; micro-finance sector restructured; supervision function of BCM strengthened. . ***Milestones reached:*** • New BCM internal regulations • New Banking law • New micro-finance law • Financial Sector strategy prepared and validated Drafted ***New Indicators:*** • Number of procedures to establish business reduced from 11 to 9 and number of days reduced from 65 to 19.	Lending Business Environment Enhancement project (BEEP): FY08. Last PDO & IP ratings MS & MS AAA: ESW: ICA : FY07 FIRST Trust Fund: new financial sector strategy	Implementation of BEEP suffered particularly from political events and other problems. A number of important activities for PSD will not be completed under BEEP and should be carried out soon with new operation/or with support of other donors including: one stop shop for enterprises, reform of business registry, improved legal framework for pledges on assets..

institutions **Outcome 3: A modern legal and judicial framework for business**	• Average total tax as % of gross revenues for typical medium enterprises decreased from 107% to 68%. • Application texts of the Trade Code, Insurance Code, Business Penal Code adopted by Government Additional activities underway with BEEP that will have significant impact on PSD:) a study on special Economic Zones; (b) support for the modernization of the Investment code.; (c) preparation of new PSD strategy; (d) setting up a new mediation and arbitration Center in the chamber of commerce **But Mauritania still 165 out 183 countries in DB 2011 (157 out 178 in 2008) in ease of doing business**		
C. Growth Potential **Oil:** ***optimize management of resources and fallout on the economy*** **Outcome 4: The judicial and legal environment for the oil sector is compliant with international standards:** **Fisheries:** ***improve the management and exploitation of the resources; improve the legal and regulatory framework and strengthen the institutional intervention capacities*** **Outcome 5 : Planning and strategic tools for managing the development of the fishery sector are available** • *A fishery sector policy is implemented** • *Sustainable development plan are available by fishery**[1] **Mining:** - ***To enhance the intervention capacities of the mining sector and improve the regulatory framework*** **Outcome 6: Increased Government institutional and technical capacity to manage the country's mineral resources** • 100% of the mining related	***Outcome4. Oil: achieved ;*** ***Outcome5. Fisheries: not achieved but recent progress on dialogue;*** ***Outcome6. Mining: achieved*** **Milestones: Growth Potential** ***Oil:*** • New hydrocarbon law approved; new Production Sharing Contract adopted. • Petroleum cadaster established • Strategic Environmental Assessment carried out • Data management system for concession management designed 2011 and rolled out early 2012. ***Mining*** • Time to register mining title by mining cadaster at 21 days (international practices) • New management system of award and tracking of exploration and mining titles operational • Capacity building program for Mining and oil (ministry and agencies) well underway • Monitoring reporting regularly investments in and increase of exports of mining sector. • Based on revised 2011Validation Report Mauritania was confirmed in February 2012,as "EITI Compliant" becoming the 13th country world-wide to reach EITI compliance status	Lending - PRISM2 additional financing 2-(FY010); Last PDO & IP ratings S & S AAA: - EITI Implementation support: - EI-Transaction Advisory Facility (EI-TAF) - IFD Minerals & Petroleum Institutional Capacity Building - ESW: Fisheries(FY08) - ESW Sources of Growth (FY09)	1. Through a long-span involvement in the mining sector, the Bank has contributed substantially in building institutional capacity and enhancing governance in hard mineral and now in hydrocarbons sector. It has contributed to the boom in private investment in the critical mining sector. With its Long term support and now an optimum tools box (PRISM TA, EITI and TFs) the Bank is the leading donor in terms of strategy/policy, followed by other donors. New cooperation with private operators in creating the new school mines (FY011 Skills Dvt Project) will contribute to the mining sector plus crucial development of TVT. 2. Follow-up to PRISM-2 needed in new CAS to taddress revenue collection/management to maximize revenue from the extractive industries (better

personnel at the MMI and Mines and Geology Directorate (DMG) and at least 100 representatives of local government and NGOs actively involved in social development in mining areas have participated in the project training program before project closure. • Average time to grant a mining title below 30 days.	Other Developments • Under EI-TAF Bank is helping prepare natural gas-to-power PPP and will provide assistance in future project transaction. • On fisheries, ESW and expanded dialogue have led to proposal for new twin track approach with GEF/IDA on sector governance reform and port infrastructure to increase local added value in fisheries (FY13). It would combine IBRD enclave funds for infrastructure and GEF grants via the West Africa Regional Fisheries Program. The Government recognizes clearly the Bank's comparative advantage in the sector, with its regional and worldwide experience and as a neutral broker.		design of tax instruments and incentives; strengthening capacity in tax calculation and collection, tax audit exercises, financial modeling, in MoPM and MoF); plus further strengthening of monitoring and regulatory capacity of MoPM and additional hydro-geological research to address accute water scarcity. 3. New Double track approach in fisheries will finally put Bank back on the forefront of a critical sector from which it has wrongfully been absent for two decades. 4. Scope of EITI should be expanded to fisheries.
D. Growth Support Infrastructure **Transport: -*Rationalize efforts aimed at developing infrastructures; improve the economic management of the transport sector*** **Outcome7: Enhanced institutional capacity of the transport sector**[1] • Modernized (OACI standards) airport infrastructures • Modernized institutional tutelage of the ports **Outcome 8: Improved supply of and access to energy services in rural areas targeted by the DRE program** Increased supply of inexpensive hydro-electric power produced by the Power System of OMVS of national electricity companies of Mali, Mauritania and Senegal baseline,	***Outcome 7. Transport: Partially achieved with more progress underway;*** ***Outcome 8. Energy: Not Achieved*** **Milestones: Growth Support Infrastructure** ***Transport*** • Letter of Sector Policy finalized but not yet approved • Civil Aviation code Revised and Applied • National Road Safety Strategy drafted • ISPS & MARPOL conventions applied • Draft Engineering study for Nouakchott airport ***Energy*** • Commissioning of all three 20MW units of Felou hydropower generation project under OMVS scheduled for early 2013 • Audit and performance contract proposal of SONELEC drafted under BEEP/ • *Development of Decentralized Rural Electrification programs (solar kits and mini grids); 30 county towns of Moughataa electrified; 4,000 Slar Kits functional in rural areas* (not done)* • *Adoption of texts aimed at clarifying the institutional framework of the*	Lending • WAPP APL 2 (OMVS1 Project Félou Hydroelectric Project) (FY06): last PDO & IP ratings S & MS • Transport Institutional Dvt TA (FY09) ; last PDO & IP ratings S & S • Nouakchott-Rosso Road Corridor (AGCF) (FY010); effective since 12/2010; Last PDO & IP ratings S & MS AAA ESW Growth Sources (FY09) ICT sector note and	1. Bank presence in transport sector and coordination with EU has lead to significant achievements in reforms & capacity building, and should be pursued. Continued Bank presence in transport sector after closure of this TA project 2012 is depending on the actual approval of new complex PPP port project as IBRD enclave (FY013). If the latter is much/delayed or not carried out, the Bank will need another vehicle to stay involved in this key sector for Mauritania. 2. Rehabilitation of key Nouakchott –Rosso road with EU underway; it will improve linkages to Senegal and agriculture areas along river

	ERD in RIM (not done)* *ICT (New)* • ICT sector note reengaged dialogue with Government on draft new Strategy for ICT and modernization of Public Services; recommended inter alia adoption of new laws on digital economy.	dialogue (FY011)	and improve life of communities in this corridor. New impetus in new CAS for construction of bridge on Senegal river needed and as well as deepening dialogue on key Road Maintenance Strategy/Road Fund. 3. Preparation of complex IBRD enclave energy project (new gas-to-power PPP) could not be concluded during CAS. But preparation of progressing; and may lead to actual project in FY013. 4. Dialogue on ICT leading to adoption of new Strategy and possible WARCIP project . Support to new ICT strategy could help modernize Administration and introduce e-Government.
PILLAR 2: Establishing Growth in the Economic Sphere of the Poor			
A. Rural Development : ***Reduce poverty and inequalities in rural areas; improve the institutional, organizational framework and productivity of the sub-sector; diversify, protect and intensify agricultural production; improve water control and facilitate access to production zone; develop production potential; improve access of the poor to land and financial capital.*** **Outcome 9 : Sustainable irrigation schemes are in place in areas targeted by the Bank interventions** • **Increase in irrigated areas for diversified cropping to 1,000 ha** • **Improved water control**	***Outcome 9. Irrigation: Partially Achieved;*** ***Outcome 10. Improvements in rural communities: Achieved;*** ***Outcome 11. Protection against locusts: Achieved.*** **Milestones: Rural Development** ***Irrigation*** • Increase in the irrigated areas for diversified cropping to 1,058 ha • Sustainable irrigation scheme increased only by 700 ha • UNCACEM self-sufficient but still under restructuring and 25% of its portfolio at risk. • Regional registries are accessible nationwide. • Strategy for rural finance prepared **Improving Living Conditions in rural communities** • 856 villages ADC trained and with community's development plans validated and municipal development plans for the 10 targeted rural	Lending • PDRC (FY04): last PDO & IP ratings S & S • PDIAIM 2 (FY05) ; last PDO & IP ratings MS & M S • GEF Community Based Watershed (FY07); Last PDO & IP ratings S & MS • Locust Project (FY05): ICR rated	1. Shift to lower cost irrigation technology required to increase areas under sustainable irrigation. 2. Government preparing new rural strategy and irrigation strategy as basis for new project (FY013) together with first GPRF /emergency response to new drought crisis. 3. In the CBRD the Bank particularly contributed its wide experience in knowledge sharing, capacity building, and implementation of CDD-programs with innovations (a) designing and honing the

following rehabilitation 6,000 ha of irrigated lands, 1,000 ha of land for flood-recession cultivation and 9,000 ha of protected lands • **UNCACEM remains financially self-sufficient** • **100 % of registered village cooperatives have a "land title"** **Outcome10: Improved living conditions of project-supported village communities (access to basic services): Improvement of living conditions in 850 ADC with the resumption of investment of at least 10% of the micro-projects;** **Outcome 11: Reduced hardships imposed on people and the environment by current and future locust invasions** • **Reduction of vulnerability of crops to invasions by increasing the rating of the "Early Warning and Response System" (EWR) to 35;** • **Reduction of the time between the alert and the intervention against invasions to two weeks**	municipalities validated: 2,521 micro-projects financed /implemented by village communities**.** • 706 new ADCs with legal status. • Living conditions of 428,000 poor people improved • New livestock activities for 5,000 beneficiaries • 4 watershed management plans finalized/ under implementation • National Municipal Development strategy prepared • National strategy for rural access (*désenclavement)* widely disseminated ***Protection against locusts*** • Establishment of an autonomous and operational Locust Control System to ensure efficient prevention and control: 20 teams created and operational that provided critical at the early stage of 2009-2011 outbreak, preventing substantial agriculture and pastoral losses**.** ***Note: little progress has been achieved in addressing the key land tenure issue, particularly in the Senegal River Valley***	overall MS (regional outcome) • Senegal River Basin (FY06): last DPO & IP ratings S and MS	interface between community development plans /communal development plans (b) kick-starting a rural road strategy through the treatment of critical points at the village level, and (c) addressing rural areas in their entirety and promoting broad-based rural growth and service provision by addressing the lack of capacity of rural microenterprises 4. Inadequacy and instability of extension services and lack of technical advices support and capacity at regional level are a major constraint. Design of extension services support to be revisited in future Bank projects. 5. Bank has so far not been involved in food security. New CAS should include food security approach with renewed/refocused involvement in agriculture based on new rural strategy and stock-tacking of past failures & successes. Possible support to Livestock/ meat/hides value chain could also be contemplated.

B. **Urban Development**: R***educe poverty and improve living environment in urban areas; improve urban management and monitoring and strengthen the capacities of institutions in charge of urban planning.*** **Outcome 12 : Improved access to basic services and employment opportunities in targeted areas** • Improvement of urban infrastructures serving 52,000 households in El Mina district and 500,000 people in other poor districts (phase 1 and 2 of the APL) • Creation of 40,000 jobs / 150 families benefited from a training in the exercise of an income-generating activity	***Outcome 12. Improved access to basic services and employment opportunities in urban areas: achieved*** **Milestones: Urban Development** • Improvement of urban infrastructures serving 250,000 people • Generation of 170,000 employment-months (versus target of 40,000) • 84,165 jobs created (versus 143,000 target) • 46,700 land titles regularized (versus target of 28,000) • Funds transferred to municipalities increased more than tenfold (MRO 3,500 million) • Revision of the regulatory/organizational framework of the Urban Development Agency (ADU) • Development and adoption of the regulatory provisions governing land use planning and development • Revision of the law on property development • Approval of the urban development code and drafting of implementing provisions • 10 municipalities targeted by the PDRC have a Municipal Development Plan • ***Note; However modern land management system/cadastre not yet implemented - undermining taxation reforms, development of transparent land market and PSD as whole***.	Lending • PDU (FY02): Last PDO & IP ratings S & S • PDU additional financing of US 25 million in FY10 (with GRW) for scaling up improvements in access to basic services and access to micro-finance and income generation in slums. But Phase II of PDU APL not in this CAS yet. • PDRC	1. Overall PDU implementation proceeded smoothly thanks to strong stable Project Unit. Still institutional reform lagged, partly with political events and are still not fully achieved. 2. PDU gave strong impetus to municipal/local development through capacity building and FRD. Building on this Government is devoting significant more resources and is preparing a new large national Program for Decentralization and local Development. The Bank is planning to support this with new a Decentralization, Local Dvt and Youth Employment Project in lieu of Phase 2 of the PDU. 3. Coordination with other donors (PERICLES program) not satisfactory; renewed efforts from donors and coordination initiatives by Government, needed 4. Creation of badly needed modern Cadastre is key priority.
C. Micro- finance and SMEs*:* ***To facilitate access of the poor to micro-credit ; promote the emergence of a fabric of profitable and efficient SMEs.*** **Outcome 13: Increased access to micro-credit** • Increase in the number of micro-credits granted 25,000 (habitat + IGAs)	***Outcome 13. Increased access to micro-credit: Partially achieved, with more progress underway*** **Milestones: Micro- finance and SMEs** • 22,340 active micro-finance loans under PDU • PDU Micro-credit line by Gov to GRET: US$ 13.5 million (above 6 million target) • Outstanding SME portfolio increased to US$ 44.6 million under PDIAIM (US$55 million target)	Lending • PDU • PDRC • PRISM 2 • BEEP :	Micro-credit supporting activities embedded in several investment project have generally been successful but with umbrella regulatory/financial sector action under the BEEP.

• *Emergence of 200 profitable and efficient SMEs**	• Volume of SME line of credit increased to US$ 11.1 million under PEDIAM (versus • 18 million target) • New law on micro-finance • Support to BCM for micro-finance enabling environment being provided under BEEP • Support for SME enabling environment under way (training studies) with BEEP • 200 micro-enterprises benefitting from PDRC support • 50 micro-projects carried out under PRiSM2 small grants, benefitting 1200 people, some of which are Revenue Generating activities. • *Creation of mutual credit unions in the irrigation schemes.* Not done		
D. <u>Targeted Poverty Alleviation Programs</u>: **Reduce *abject poverty by improving the productive base and access of the poorest groups to basic services*** **Outcome 14; Increased access to basic services in the poorest areas** *Access to the productive base, income and basic services is improved and extended to 60% of the vulnerable population in the intervention zones.**	***Outcome 14. <u>Abject Poverty reduced</u>: Partially achieved*** • Better urban infrastructures for 163,000 people from slums in Nouakchott with PDU • Major part of 428,000 people impacted by PDRC are from poorest group (AGR initiated and supported) • Major part of people benefitting from micro-projects under PRISM are very poor • *rehabilitation of oasis crops promoted: not done*	<u>Lending</u> • PDRC • PDU	
Pillar 3: Developing Human Resources and Generalizing Access to Basic Services			
A. <u>Education and Vocational, Technical training</u>: ***Improve the access and quality of primary, secondary and higher education; improve the access and quality of technical and vocational education*** **Outcome 15 : Improved quality of teaching in intervention zones** • *100% of teachers in the intervention zones are trained and apply the skill-based approach* **Outcome 16: Enhanced institutional**	***Outcome 15. <u>Improving quality primary to tertiary</u> : Achieved;*** ***Outcome16. <u>Enhanced institutional capacity of the technical education</u>; Achieved;*** ***Outcome17. <u>Improved quality of learning environment and relevance to labor market;</u> Partially Achieved and more progress underway with 2 latest projects.*** **<u>Milestones</u>: <u>Education and Vocational, Technical training</u>** ***Improving quality*** • Average achievements of learning objectives in primary education: 58% (versus 45% target • Repetition rate in primary education reduced from 15% to 2% ; from 16% to 8% in secondary education	<u>Lending</u> • PNDSE (FY02): ICR: outcome rated S. • Higher Education Project (FY04): Last PDO & IP ratings MS & MS • EFA-FTI (FY08): Last PDO & IP ratings S & S • Skills Development Support Project	1. Objectives of EFA were very ambitious; some activities (quality improvement in examination and student learning monitoring) not fully carried out and to pursued in new project under Global partnership for Education 2. Strong coordination among the many donors involved in the education sector underpinned by well-articulated Government 10 years PSDN program. Sector

capacity of the technical education sector • 9 professional programs elaborated and implemented milestone • New general programs according to the skill based approach implemented milestone • *100% of the DREN and IDEN[1] are capable of monitoring the operational activities of the program and supervising the schools and CGE/APE in the implementation of the community approach** **Outcome 17 : Improved quality of the learning environment and the relevance of courses to the labor market** • *Performance contracts with the MESRS are used** • Proportion of students in professional programs increases from 7 percent in 2003/04 to 12 percent	• Completion rate at primary has reached 73%. • Teachers' training: 54,900 (versus target of 45,000); and 13, 714 teachers trained in service (versus target of 14,000); • Reduction of the pupils/teachers in primary education from 47/1 to by 39/1 • 100% of teachers retrained to teach in both French and Arabic. • Mission, ToR and procedures of each directorate, DREN and system as a whole clearly defined and understood by all ***Increasing access: significant progress also*** • Primary GER increased to 98.9% (universal access almost achieved) • Retention rate in primary education increase form 55% (2008) to 65% (2011) • Regional registries are accessible nationwide. • % of schools offering complete primary education increased from 43% to 80% • Enrolment at secondary level increase by 60,000 (1999) to 97,000 (2008) ***Technical and Vocational Education*** • Number of TVT student increase from 1,795 (1999) to 3,983(2008) • Number of graduated students increased from 889 (2002) to 1761 (2009) • Apprenticeship programs established with private sector • Eight TVET institutions signed a contract with INAP-FTP (Skills Devt. Project) ***Higher Education (including improved quality and Relevance)*** • % Students in professional and in science/technology increased respectively to 14% and 12.6% • Employment rate of graduates (short courses and professional program) increased from 20% to 30% in 2010. • 51 Professional and general programs established and renewed (0 in 2008); 28 professional programs started (LMD in 3 departments) • University is now autonomous (budgets, programs, admin. personnel) • Decrees enacting the Higher education Law approved , creating more favorable environment for development of private sector education, to set up standards for academic programs and to organize scientific research	(FY011): last PDO & IP ratings S & S. Phase 2 of PNDSE APL not in this CAS (postponed).	wide approach successful. 3. Success of PNDSE program showed outcomes are not necessarily impacted by political instability when the country is genuinely commitment to a stated government policy underpinning the project. 4. But wide ranging organizational and institutional reforms of ministries should be effected within the wider civil service framework to ensure that reforms are consistent with norms & regulations of public administration and are acceptable at the highest levels. .
B. <u>Health and Nutrition</u>. ***Improve access to and quality of health services; fight against the most endemic diseases; improve the quality of maternal care; intensify the fight against AIDS; reduce gender***	***Outcome 18. <u>Improved maternal health and access to HIV/AIDS treatment</u>: for maternal health Partially Achieved.*** • Percentage of pregnant women who are given 2 doses of SP increased: from 29% to 55% depending on the region (generally below target) • Rate of mass treatment of schistosomiasis increased: 103 to 113%	<u>Lending</u> • MAP-AIDs (FY02): Last PDO & IP ratings MS & MS. • Health & Nutrition	Lessons learned of Health project: (a) Continuity of the project team essential, particularly in a difficult environment; (b) for a country with low capacity project

inequalities in access to health services **Outcome 18 : Improved maternal health and access to HIV/AIDS treatment as measured by** • Increase in the rate of pre-natal consultations in four (4) wilayas that charge "fixed obstetrical fee" • Increase in the rate of mass treatment of schistosomiasis. • Increased practice of exclusive breastfeeding during the first six months • *Increase in rate of administration of Vitamin A to new mothers and children under 5** • Increase to 1,200,000 the number of people in high-risk communities having participated in BCC activities • Increasing to 1,000 the number of patients on antiretroviral • Increasing to 25% ministries that have a budget line for HIV/AIDS control activities • increasing to 75% sub-projects targeting priority groups ; and Increasing to 15% sub-projects targeting high-risk groups	depending on region (target exceeded) • practice of exclusive breastfeeding during the first six months: 40% to 60% depending on region (below target) Rate of coverage in Vitamin A of mothers and children under 5 years at 68% • Vitamin supplementation for children 6 to 59 months: 103% (target exceeded) • Number of operational health *mutuelles* indicating adequate financing measured: 29 versus target of 25 • Annual revision of health Sector MTEF • People among priority groups reached through communications for behavioral change: 1,659,000 versus target of 1,200,000 • Persons aged 15 and older have received counseling and testing for HIV/ AIDS and having their test results reached 55,938 (versus target of 15,000) • Adults and children with advanced HIV infection have received antiretroviral combination therapy: 1,746 versus target of 1,000 • A consolidated Action Plan not available annually but prepared for 2012 • Annual distribution of 5,807,000 condoms versus 1,500,000 target • 25% of ministries involved have a budget line for HIV/AIDS activities • Subprojects targeting priority groups and sub-projects targeting high-risk groups increased respectively by 84% and 16%. *Obstetrical package, mutual health insurance are available at least in 70% of health centers: not measured*	(FY06): ICR rated outcome as MU. No new Health Project was funded in FY09 (as proposed if IDA funds were available)	design should be simple with limited number of components & clear project objectives; proper planning for strengthening human resource is important; the Bank should be particularly proactive in providing the needed TA to the counterparts; (c) more attention should be paid in properly designing M&E system. Health project's objectives still relevant and important. A follow-on project on medical insurance/ social health financing/health system strengthening should have 2-pronged approach: (a) continuing ongoing actions ; (b) preparing for a changing epidemiological profile to reflect country's new economic situation. More work on financial sustainability of the sector needed to ensure that public health priorities are underpinned by fiscally sustainable domestic financing and accompanying institutional reforms.
C. <u>Water and Sanitation</u>. ***Improve sustainable access to potable water and sanitation in urban and rural areas*** **Outcome 19 : Facilitated access to sustainable urban water and sanitation services in PDU targeted areas** • *Increase of the population %age that have access to potable water*	***Outcome 19. <u>Improved sustainable access to potable water and sanitation</u> : Achieved*** • Daily potable water consumption (liters/person/day) increased from 15 to 41 l. • .Reduction of the price of m3 of water in poor districts to US$1 (50%) • 26,000 persons with access to improved sanitation in Nouakchott • 2,946 improved latrines (against target of 2,000)	<u>Lending</u> PDU	

source to 65% • Increase in the daily consumption of potable water to 35 liters per person • Percentage of households having access to improved sanitation system at 50% *Percentage of households having access to a trash management system at > 50%?**	Implementation of the PNAR and urban and rural sanitation strategies. Started in urban areas but not support by CAS in rural areas		
D. <u>Gender Equity and Social Protection</u> **Outcome 20 : Increased right awareness among women and disseminate knowledge on social protection** • *Women of the targeted zones are better informed of their rights and obligations* • *Monitoring gender indicators are identified* *Strategy on social protection developed,*	***Outcome 20. <u>Increased right awareness among women and knowledge on social protection</u>: Not Achieved*** *System of gender monitoring indicators is operational in 4 Ministries (SECF, MDRE, Education, Health); Formulation and implementation short-term and long-term strategies to implement and sustain new solutions or laws: Training of judiciary and court personnel. Not achieved*	<u>AAA</u> ESW Gender (FY07) ESW Social Protection not delivered	Bank actions on gender limited during CAS period: essentially some specific actions targeting Female beneficiaries in several projects: PDU, EDSP /EFA(girls to boys ration in education), PRISM2,
E. <u>Universal Access to Basic Services</u> : ***Increase the rate of access to electricity*** **Outcome 21: Increased access to electricity in WAPP targeted rural areas:** Increase of the rate of access to urban electricity in rural and semi-urban areas	***Outcome 21. <u>Increased access to electricity</u>: Partially Achieved in urban areas but not yet in rural areas*** • 261 km of distribution lines rehabilitated so far in urban areas (with final target of 281 km likely to be achieved soon). • Through additional electricity generated soon by new Felou Units under WAPP when they are commissioned (2013) and with enhanced pooling arrangements under the Power Pool (Mali, Senegal, Mauritania) will significantly increase electricity supply in urban areas as well as rural areas close to transmission lines. *Electrification master plan is adopted for the entire country: not achieved*	<u>Lending</u> • PDU • WAPP <u>AAA</u> SOMELEC studies (Audit, Restructuring study and tariffs study)	Bank group has not been directly involved in rural electrification as other donors are active (distribution). Restructuring PEs like SOMELEC is essential to improve public services delivery in addition to reducing subsidies. New TA initiative needed with capacity building first to monitor better financial/economic performance and 2nd improve overall their governance.

Pillar 4: Improving Governance and Strengthening Institutional Capacities			
A. <u>Modernization of Public Administration</u> ***<u>Put in place modern human resource management tools</u>*** **Outcome 22 : Enhanced HR management policy and tools are available and used in the public Administration** • New regulation on human resource management approved and in force • 90% of public servants managed by the responsible ministry on the basis of the computerized system	***Outcome 22. <u>Enhanced HR management policy and tools in the public Administration</u>* : *Partially Achieved* with further progress under way** • Legislation related to civil service special status and salary grid partially adopted. • Contract for setting new computerized HRM system awarded and work about to start • Civil servant census and harmonization of results with two existing database completed.	<u>Lending</u> • PRECASP restructured. Last PDO & IP ratings S & S	Support to HR management in public administration should be pursued, even at a low scale, under new CAS. Follow-up operations to PRECASP should be contemplated as Public Administration Reform/PFM is a long haul agenda for which Bank support has demonstrated tangible results and for which leveraging support from other donors is possible.
B. <u>Efficient Management of Public Property</u> : ***Improve revenue mobilization; institute optimal and transparent management oil revenue ; improve budget programming, execution and control; ensure transparency and equal access to public markets; fight against corruption*** **Outcome 23 : Improved performance, efficiency, and transparency of public resources management** • Doubling the rate of tax recovery • Transparent management of the oil revenue through the budget channel • Elaboration of the Finance Act (FA) based on the overall MTEF and sector MTEFs of all the ministerial departments • Budget & accounting reports in accordance with international standards	***Outcome 23. <u>Improving Public Finance Management</u>:*** ***Partially achieved with further progress under way*** • Reform of the Tax Code under way • Oil revenue feature in the Finance Act and are submitted for parliamentary control as well as the Audit Office • MTEF is currently prepared in 8 out of 11 pilot Ministries and in 2007 an overall MTBF together with sector MTEF for all Ministries was prepared. • Government Financial Statistics (GFS) table is updated and available on the Treasury site. Treasury balance table is also up-to-date. However, the *Loi de Reglement* (with validated execution table) is still produced with long delays • issuance of payment order now delegated to all twenty five sector Ministries, all using RACHAD (computerized Network for budget execution) for all expenditure lines • this network has been extended to Treasury, to the Central Bank and to primary banks, speeding up budget execution and increasing transparency • consultants working with Tax Office to computerize tax management • new Public Finance Reform agenda prepared and adopted by Government (with EU funding and Bank imput) • anti-corruption strategy adopted; but implementation yet to be started • New Public Procurement Code adopted and corresponding agencies established and staffed in transparent & participatory way • State control bodies (IGE, IGF, Inspection Units in ministries) reinforced	<u>Lending</u> • PRECASP • PRSM2 Additional Financing 2. <u>AAA</u>: EITI (FY06) TA Treasury PER (FY010) PEFA (FY09)? IDF procurement (FY0 ESW Anti-Corruption (FY08)	1. PRECASP with ambitious and wide agenda made already great strides in advancing PFM reform and will deepen this continue after having been restructured. PFM reform should be pursued in next CAS after PRECASP is closed. 2. Building on achievements with Procurement IDF, PRECASP will deepen procurement reform (standard bidding documents; completion of procurement regulations and implementation of new system/framework; and intensive training. This should be pursued during next CAS also after PRECASP is closed. 3. PRECASP contributed significantly in creation of new environment ministry. Support to new ministry should be

• population is aware of the consequences of corruption for the economy and the impact on each citizen • *The services of the Treasury and Finance Inspection are consolidated?**	• New ministry of environment established with PRECASP; strong partnership with German cooperation in environment. But putting in place system for monitoring-evaluation of the performance of external funding instruments not yet initiated.		pursued under new CAS. Specific new approach to be applied to effectively address risk of flooding of Nouakchott areas if coastal barriers are breached (reputational risk for the Bank)
C. <u>Decentralization</u>: ***Strengthen institutional framework; strengthen communal Management tools and capacities; mobilize resources*** **Outcome 24 : Increased decentralization and de-concentration by supporting the implementation of reforms** • Financial viability of the districts,; investments under contract & supply of basic services • The tools for planning local development that facilitate the participation of citizens and ensure good governance are put in place • Decentralization bodies operational The mechanisms for funding the development districts under contract are strengthened and harmonized	***Outcome 24. <u>Increased decentralization and de-concentration reform:</u> Partially achieved with further progress under way*** • With pilot operations for Nouadhibou and Rosso completed. Deconcentration and decentralization well under way in both cities. • Training of actors of decentralization under way: 745 people working in the land, municipal and urban administration trained under PDU (versus target of 629) • Municipal income in PDU cities increased by 33% from 2002 to 2010 (versus EoP target of 50%). • Local development plan of Rosso prepared and validated. But full implementation of national development and local governance strategy (recently adopted) still not started in earnest.	<u>Lending</u> • PRECASP • PDU	Future Local Government Dvt. Project to consolidate & scale up achievements in decentralization and local development (following CBRD approach) with concrete steps to transfer public funds to local communities (Regional Development Fund) – together with stronger focus on employment creation.

Table 4: Planned Lending Program and Actual Deliveries (Base Case of CAS Plan)

CAS PLANS			**STATUS**	
FY		**US$ M**		**US$ M**
2007	Public Sector Capacity Building	13.0	Delivered	13
	Petroleum Capacity Building	5.0	Delivered as added financing to PRISM2	5.0
	Subtotal	**18.0**	Subtotal	**18.0**
2008	IBRD Enclave Ports	TBD	Not delivered	O
	IBRD Enclave Energy	TBD	Not delivered	
2009	Finance -PSD	7.0	Delivered	5.0
	Transport TA	4.0	Delivered	4.5
			Additional actual projects	
			Education Sect. EFA/FTI	14.0
			Urban Development PDU additional	25.5
	Subtotal	**11.0**		**49.0**
2010	Education Sector development (b)	7.0	Not delivered	0
			Additional actual projects	
			Nouakchott-Rosso Road Corridor ACGF	20
	Subtotal	**7.0**	Subtotal	**20.0**
2011	Urban Development II		Not delivered	0
			Additional actual projects	0
			Skills Development Support	16
			PRISM2 additional financing	7.1
	Subtotal	**7.0**	Subtotal	**23.1**
Subtotal FY2008-2011		**25.0**	Subtotal FY2009-2011	**92.1**
Total FY2007-2010		**43.0**		**110.1**

Table 5: Planned Non-Lending Services and Actual Deliveries

CAS PLANS		**STATUS**
2008	Consultative Group	Delivered (December 2007)
	PRSP Progress Report	Delivered
	Fisheries ESW	Delivered
	Anti-Corruption ESW	Delivered
	CPPR	Delivered
	Additional	ICA
		Strategic Country Gender Assessment
		EITI Implementation
2009	Sources of Growth	Delivered
	Land Tenure	Delivered
	Poverty Survey and Assessment /Poverty Map	Delivered
	Social Protection Study	Not done
	PRSP Progress Report	Delivered in FY10
	CPPR	Delivered
	Additional	Support to accounting profession (IDF)
		Study on PE Governance (Mauritania + Multi-country Study)
		Support to Public Procurement Function (IDF)
		Support to Transparency (IDF)
		Support to Statistical system (IDF)
		Support to Brussels Roundtable to reengage donors
2010	PEFA	Not done
	Ctry. Procurement Asmt. (CPAR)	Done
	CAS Progress Report	Not done
	CPPR	Delivered
		PRSP Progress Report (instead of FY09)
	Additional	Multi-sector stock taking

CAS PLANS		STATUS
		SOMELEC restructuring and Power Sector Study (PPIAF)
		PER update
2011		EITI implementation (US$0.28 million)
		Joint IMF-WB Debt Sustainability Assessment
		Joint Health PER
		ICT sector note and dialogue
		Strategic Environmental Assessment

* Plus a multi-year TA: AML-CFT (IDF) 2007-2011

Table 6: Lending operations and implementations

Operation	Approval Date	Closing Date Actual. or planned	Amounts US$ mil. Credit/Grant	Extensions (E) Major Restructuring (R)	Outcome rating[1] (Bank Performance)
Education Sector Development Program	10/25/2001	3/21/2010	38.7 + 9	R	S(S)(ICR)
Urban Development Program	10/25/2001 6/25/2010	(06/30/2008) 06/30/2012	63.6 + 6.6 10 + 15.5 (CRW)	E	S(S)(ISR)
Global Distance Learning Center	11/21/2001	3/31/2010	3.2	E	MU(MU)(ICR)
HIV/AIDs control	7/07/2003	3/31/2012	21	R	MS(MS)(ISR)
2nd Mining Capacity	7/08/2003 7/06/2006 5/19/2011	(3/15/2009) (10/01/2012) 11/15/2013	17.5+ 0.48 5 7.1	E	S (S) (ISR)
Community-Based Rural Development	4/20/2004	12/31/2011	45	E, R	S(S)(ISR)
Higher Education	8/03/2004	03/31/2012	15	E	MS (MS) ISR
Integrated Development Program for Irrigated Agriculture (APL 2)	3/17/2005	6/30/2013	39	E	MS(MS)ISR
Additional financing to the Integrated Development Program for Irrigated Agriculture (response to 2011 drought)	8/2/2012	2/28/2014	5 + 5	R	MS ISR
Health and Nutrition Project. -	6/01/2006	06/30/2011	10		MU(MU) ICR
Public Sector Capacity	7/06/2006	3/29/2014	13	E ,R	S(S)ISR

Building Project					
Community Based Watershed Management Project (GEF)	8/28/2006	9/30/2012	6.0	E	S(S) (ISR)
BEEP – business environment enhancement development project	5/22/2008	11/30/2013	5.0	E	MS(MS)(ISR)
EFA/FTI Education Sect. Dvt.	4/08/2008	3/31/2012	14.0 (CF-EFA)	E	S(S)(ISR)
Transport Sector Institutional Development and TA (PATRIST)	7/31/2008	9/30/2012	4.5		S (S) (ISR)
Port of Nouakchott Development	8/05/2008	12/30/2012	1.5 (IBRD)		
Nouakchott Rosso road corridor ACGF	6/15/2010	10/31/2013	20 (ACGF)		S (MS) ISR
Skills Development Support	4/26/2011	6/30/2016	16		S(S)(ISR)
Regional Operations					
Africa Emergency Locust	12/16/2004	5/31/2011	10.1 (60 for 7 countries)		MS(S) ICR
Senegal River Basin Multi-purpose Water Resources Development	6/08/2006	9/08/2011	22.2		S (S) (ISR)
West Africa Power Pool (APL 2) - OMVS Felou Hydroelectric	6/29/2006	6/30/2013	25		S (S) (ISR)

Annex 3: Ongoing and Proposed New Operations

Operation	2012		2013		2014		2015		2016	
Ongoing										
Public Sector CB	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxx					
Agriculture Dev. & Food Price Resp. [52]	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xx					
Higher Education	xxxxxx	xxxxxx	xxxxxx	xxxx						
Road Corridor (AGCF)	xxxxxx	xxxxxx	xxxxxx	xxxx						
Community-based Watershed Management (GEF)	xxxxxx	xxxxxx	xxx							
2nd Mining Sector CB	xxxxxx	xxxxxx	xxxxxx	xxxxx						
EITI Implementation	xxxxxx	xxxxxx	xxxxxx	xxxxxx						
Business Environment Enhancement	xxxxxx	xxxxxx	xxxxxx	xxxxx	xxxxxxx					
Skills Development	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	
WA Regional Power Pool	xxxxxx	xxxxxx	xxxxxx							
Regional Senegal River Basin/OMVS-1	xxxxxx	xxxxxx	xxx							
New IDA or TF Operations										
Basic Education Sup. *US$12 million*			xxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Agriculture *US$10 million*						xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Decentralization& Local Dev. Youth *US$25 million*				xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
WARCIP *US$30 million*					xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Statistical CD *(US$5 million)*					xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Regional OMVS-2						xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Health/Social Safety Nets *US$10 million*							xxxxxx	xxxxxx	xxxxxx	xxxxxx
SD (t.b.d.) *US$10 million*								xxxxxx	xxxxxx	xxxxxx
Governance/budget support (t.b.d.) *US$10 million*								xxxxxx	xxxxxx	xxxxxx
Competitiveness and Ent. Dev. Project: An SEZ Approach									xxxxxx	xxxxxx
Possible IBRD Enclaves										
Gas to Power PPP $70 million				xx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
WA Fisheries Sector *US$32 million*					xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx

[52] Additional Financing to Integrated Development Program for Irrigated Agriculture II

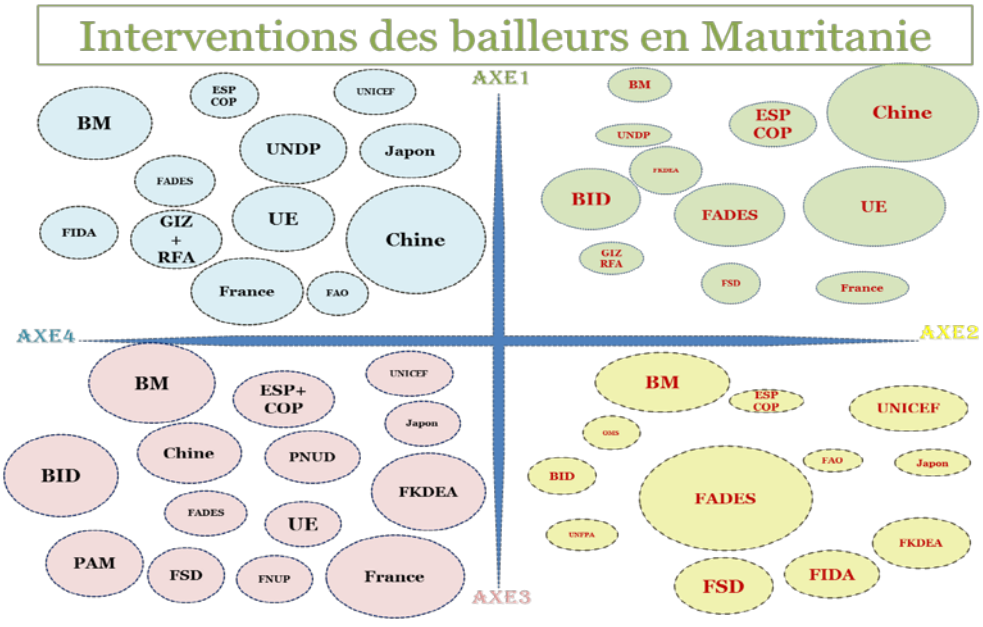
Annex 4 : Country Partnership Strategy Donor Positioning

Cooperation with development partners has been close in recent years and will continue during the CPS period. An Annex Positioning of Donors will be included in the document. There are many synergies between donors' interventions and World Bank Group assistance. So, the Bank teams will continue to work with bilateral donors, UN system, Arab Funds, the Islamic Development Bank, GIZ, African Development Bank, AfD, the EU and others. The focus will be on increased upstream collaboration on strategies, shared analytic work, and effective co-financing. The Bank will also continue to collaborate closely with the International Monetary Fund (IMF), which conducts regular monitoring missions, and increasingly with the International Finance Corporation (IFC).

Moreover the Paris declaration recommended regular meetings between Government and development partners, sector-wide programs, and joint analytical work. Looking ahead, the focus will be placed on more upstream collaboration on assistance strategies with bilateral donors, the African Development Bank (AfDB), the EU, and the United Nations (UN) system, greater harmonization of procedures, carrying out joint analytic work in key areas of poverty, decentralization, building public sector and governance, and the use of sector-wide programs in education and health.

Finally, Bank Group upstream support to remove selected constraints to private sector development will complement others donors' direct support to investments and to private companies.

The CPS, prepared in close collaboration with the donor community, will be complemented by a renewed effort on donor coordination through: (i) sharing information on sector strategies, with joint funding of programs and projects; (ii) providing feedback on implementation and generic portfolio issues for ongoing operations; and (iii) undertaking joint coordinated efforts in communicating with the Government and other stakeholders. These was a strong consensus on development challenges and priorities among various stakeholder groups, while it was commonly agreed that actual implementation of policies, programs, and projects will determine how successfully they will be met.



Octr (millions USD)

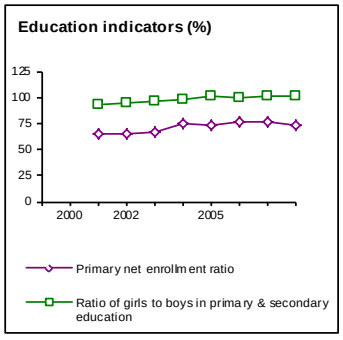
Axe	Sous Axe	France	AfDB	WB	EC+BEI+UE	Spain	FAO	(GIZ+RFA)	IFAD	Japan	FSD	FKDEA	FADES	IDB	KFW	OMS	PAM	UNDP	SCAC	UNFPA	UNICEF	CHINE	TOTAL
1 - Accélérer		62.67	0.00	60.30	365.62	47.08	0.00	16.32	0.00	0.00	20.08	23.93	288.78	236.29	0.00	0.00	0.00	2.41	0.00	0.00	0.00	381.52	1505.00
	1.1 - Cadre macroeconomique																	2.41					2.41
	1.2 - Réformes structurelles	62.67	0.00	4.44	6.62	0.00	0.00	0.00	0.00	0.00	0.00	3.17	0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	77.08
	Renforcement de système d'Incitation	62.67												0.17									62.85
	Développement du secteur privé			4.44	6.62																		
	Réformes de systèmes d'incitation											3.17											
	1.3 - Potentiels de croissance	0.00	0.00	29.62	0.00	7.05	0.00	16.32	0.00	0.00	0.00	0.00	0.00	21.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74.88
	Pétrole																						0.00
	Pêche					7.05		16.32															23.37
	Mines			29.62																			29.62
	Agriculture													21.90									
	Tourisme																						0.00
	1.4 - Infrastructures de soutien à la croissance	0.00	0.00	26.24	359.00	40.03	0.00	0.00	0.00	0.00	20.08	20.76	288.78	214.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	381.52	1350.63
	Transport			26.24	329.29	26.78					20.00	20.76	101.77	74.23								381.52	980.59
	Energie					13.24					0.08		187.01	139.99									340.32
	TIC				29.71																		
2 - Ancrer		0.00	0.00	214.86	0.00	4.95	1.98	0.00	32.47	5.58	119.58	108.21	466.73	51.35	0.00	0.46	0.00	0.00	0.00	0.99	2.35	0.00	1009.51
	2.1 - Développement rural			125.78		0.26			32.47				46.41	0.56						0.99			206.47
	2.2 - Développement urbain			89.07		1.43					98.64	108.21	417.71	39.72									754.78
	2.3 - Micro finance																						0.00
	2.4 - Micro & petite enterprise																						0.00
	2.5 - Securité alimentaire					3.26	1.98			5.58	20.94		2.62	11.07		0.46					2.35		48.26
	2.6 - Programmes ciblés de lutte contre la pauvreté																						0.00
	2.7 - Lutte contre l'exclusion																						0.00
3 - Développer		58.95	0.00	42.00	4.90	12.91	0.00	0.00	0.00	0.11	5.60	38.38	0.35	93.13	0.00	0.00	17.77	7.87	0.00	1.25	1.05	14.77	299.03
	3.01 - Education	23.18		15.00		7.04						38.38		25.52								14.77	123.88
	3.02 - Alphabétisation													11.83									11.83
	3.03 - Formation technique et professionnelle			17.10																			17.10
	3.04 - Santé	34.51		9.90		3.33				0.03				20.26									68.03
	3.05 - Hydraulique	1.26			4.90	1.99					5.60			35.52			17.77						67.03
	3.06 - Culture																	7.50					7.50
	3.07 - Emploi												0.35										0.35
	3.08 - Politique de la population																			0.44			0.44
	3.09 - Promotion feminine et equité de genre					0.56														0.81			1.37
	3.10 - Enfance									0.08													0.08
	3.11 - Protection sociale																				1.05		1.05
	3.12 - Access universel aux services de base																	0.37					0.37
4 - Améliorer		26.89	0.00	33.77	25.11	1.24	1.01	18.14	4.27	8.74	0.00	0.00	2.44	0.00	0.00	0.00	0.00	25.88	0.00	0.00	0.79	58.64	206.93
	4.1 - Etat de droit	2.14		0.36	9.74			7.28										6.23			0.79		26.55
	4.2 - Modernisation de l'administration publique	1.93		33.41	13.26													1.25				58.64	108.49
	4.3 - Gestion efficace des biens publics	1.32																0.98					2.31
	4.4 - Décentralisation	19.36						3.97		3.05								6.00					32.38
	4.5 -Gouvernance Environnementale	2.14				1.24	1.01	6.88	4.27	5.70			2.44					11.42					35.09
	4.6 - Promotion de l'approche participative																						
	4.7 - Communication				2.11																		2.11
5 - Renforcer		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.79
	5.1 - Le systeme de suivi-evaluation												2.79										2.79
	5.3 - La coordination																						0.00
	Autres																						0.00
Grand Total		148.51	0.00	350.93	395.63	66.18	2.98	34.46	36.74	14.44	145.26	170.52	761.09	380.77	0.00	0.46	17.77	36.16	0.00	2.24	4.20	454.93	3023.26

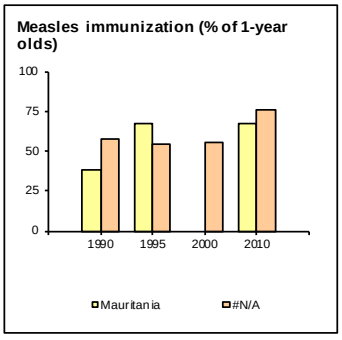
Annex 5: Millennium Development Goals and Trends

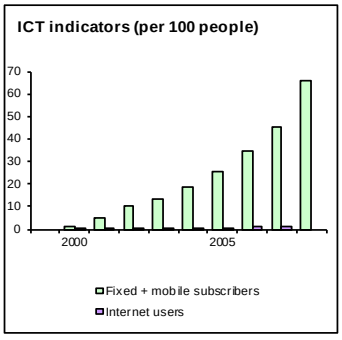
Millennium Development Goals — *Mauritania*

With selected targets to achieve between 1990 and 2015
(estimate closest to date shown, +/- 2 years)

	Mauritania			
Goal 1: halve the rates for extreme poverty and malnutrition	**1990**	**1995**	**2000**	**2010**
Poverty headcount ratio at $1.25 a day (PPP, % of population)	..	*23.4*	21.2	23.4
Poverty headcount ratio at national poverty line (% of population)	56.5	*50.5*	..	42.0
Share of income or consumption to the poorest quintile (%)	..	*6.4*	..	6.0
Prevalence of malnutrition (% of children under 5)	43.3	*20.3*	*30.4*	15.9
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	..	55	*65*	74
Primary completion rate (% of relevant age group)	29	34	*46*	*57*
Secondary school enrollment (gross, %)	14	16	18	22
Youth literacy rate (% of people ages 15-24)	..	..	..	..
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	69	82	*93*	102
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	..	..	..
Proportion of seats held by women in national parliament (%)	..	*1*	*4*	22
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	124	119	*115*	112
Infant mortality rate (per 1,000 live births)	80	78	*77*	76
Measles immunization (proportion of one-year olds immunized, %)	38	67	*58*	65
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	760	690	..	*560*
Births attended by skilled health staff (% of total)	*40*	..	*57*	*61*
Contraceptive prevalence (% of women ages 15-49)	*4*	..	*8*	*9*
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	0.2	0.4	0.6	0.7
Incidence of tuberculosis (per 100,000 people)	228	251	*282*	324
Tuberculosis case detection rate (%, all forms)	*#N/A*	*#N/A*	*#N/A*	*#N/A*
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	30	36	*42*	49
Access to improved sanitation facilities (% of population)	16	18	*21*	26
Forest area (% of land area)	0.4	..	..	*0.3*
Terrestrial protected areas (% of land area)	0.5	0.5	*0.5*	0.5
CO2 emissions (metric tons per capita)	1.3	1.3	0.5	0.6
GDP per unit of energy use (constant 2005 PPP $ per kg of oil equivalent)	..	..	..	..
Goal 8: develop a global partnership for development				
Telephone mainlines (per 100 people)	0.3	0.4	0.7	2.3
Mobile phone subscribers (per 100 people)	0.0	0.0	0.6	63.5
Internet users (per 100 people)	0.0	*0.0*	0.2	1.9
Computer users (per 100 people)	*#N/A*	*#N/A*	*#N/A*	*#N/A*







Note: Figures in italics are for years other than those specified. .. indicates data are not available. 2/14/13

Development Economics, Development Data Group (DECDG).

Table 7: Inventory of Mauritania Surveys

Surveys	Year	Remarks
Household Surveys (EPCV 2008)	2008	Poverty profile 2008
Household Surveys (EPCV 2013)	September,2013	Ongoing and Results expected for 2014
MICS Mauritania survey 2007 (Multiple Indicator Cluster Survey)	September 2007	Multiple indicators essentially for health
Population Census	June 2013	Results expected by end of 2013
Employment Survey (Enquête Nationale de Référence sur l'Emploi et le Secteur Informel)	2010-2012	Diffusion of results expected by September 2013
ESAM 2007 (Enquête sur la Sécurité Alimentaire des ménages en Mauritanie)	2007	Social Protection

Source: ONS

Annex 6: Country Partnership Strategy Consultations - Feedback Summary

Date: 25–27 September, 2012

Venue: Nouakchott, Mauritania

Session: Country Partnership Consultations (CPS)

Participants: Civil Society & Religious Leaders, Private Sector, Parliamentarians, Donors and the Government

Number of Participants: 60

Specific Feedback from Stakeholders
Civil Society & Religious Leaders (25 September, 2012) • Participants repeatedly point towards the importance of taking the **country context** into account, i.e. 100percent Muslim country. There is a need to sensitive donor community intervening in Mauritania. Bank needs to redefine its strategy to see what the priorities of the people are. Need to know where to start and this should be at the **needs of the people**: access to education, health, reinforces capacities of citizens to give them a voice. • **HIV/Aids**: Bank should integrate Aids into their development strategy • **Education**: key sector for development, there have not been fundamental changes or progress, quality has not improved. There is a need to be more consultative and ask what the population wants from the education system. • Reform of the **banking system**: this is essential because there is not distribution of resources and credits. • Need to reinforce **capacities of NGOs** and civil society (CS). CS remains vulnerable. • With reference to Pillars 1 and 2 the question is posed why irrigation and food safety are divided – they should be treated together. Lots of people do not benefit from the Bank projects (refers to the client survey) thus there is a need to reinforce capacity of CS and do diligent M&E of Bank funds. • **Social protection**: is seen as extremely important but no clear strategy of Bank intervention can be seen from proposed CPS. It would be important for the Bank to coordinate public services since not even 7percent of the population is covered by these services. Also important that the Bank intervenes at the policy level of service provision. • **Governance and corruption**: the main problem is that there are no mechanisms of justice to deal with corruption although these are badly needed. Decisions taken by the government at not implemented. What role can the Bank play here? Which actions could Bank do to ensure that these are implemented and actually realized? Need to turn words into action. Put in place systems to see that those who do not

manage finances well will be prosecuted. Huge problem due to lack of **transparency** and **marginalization** enforced by the government.

- **Dividing state resources:** a lot could be done with state resources if they were distributed correctly and the Bank should help doing this.
- **Community Driven Development (CDD):** all interventions of the Bank should be based on this approach. Need to take local actors into consideration and to give more capacity to the population.
- **Land**: main problem is **food security** – during drought everyone thinks about saving the starving but there is a need to make better use of land resources. There is land which is not being exploited but then international actors come in and exploit it. A huge part of the Mauritanian population does not have access to land. Bank needs to intervene for better distribution of land. Need to help against expropriation and land grab which comes from big industries in order to avoid that people lose their livelihoods and starve. The Bank has the responsibility to take land into consideration.
- **Stability and security:** this needs to be the basis of all development activities. Imams have an important role in working against violence and supporting stability and security. Great cooperation between Imams and the government but this is not enough to ensure stability and security.
- **Monitoring & Evaluation:** there seems to be general concern that M&E of Bank projects is not diligent enough. Recommendation is to be better aware of effects and outcomes of Bank projects, e.g. **food security**: has the Bank through its projects tried to evaluate the effect of their actions? Over 700,000 people are suffering from the drought today. In the system of control of the Bank there is a need to insist that monitoring happens, even with the **government**.
- **Social justice and human rights:** add a pillar on social justice and rights – to touch upon discrimination which is very apparent in the country. High levels of discrimination and here we could also add gender which is an essential question. 52percent of the population is female and this is not being taken into account. Coming close to presidential elections it is essential to include female candidates.
- **Youth**: 70percent of the population is considered youth. Need to include youth employment in the fight against poverty – this is a fundamental issue. We always remain in old structures. Training is important – very important to know what youth want and does not want. Important question to ask is why are things not improving? Very important to include youth in different sectors of development.
- **Project execution:** needs to be more efficient – lack of efficiency is one of the main problems. Projects enhance corruption and favoritism and it would be important to include citizens.

Security, stability, youth employment and education – these should be the 4 main areas of intervention of the Bank. Without these nothing can be done. You have to change the paradigm. Look at **justice** and **governance**. Education, **land** and better engagement with CS. We cannot do development without security and CDD is necessary for better impact.

Parliamentarians (25 September, 2012)

- We know better the partners of the UN than the Bank – the organizations that intervene directly. The bank intervenes at higher level, at the macro level hence it is not known so well. Here Bank can take the lesson how to intervene in more sensitive domains in order for the Bank to be known better.
- **Natural resources:** there is a need to look at the given conditions of budget troubles of the country.
- **Basic Services:** huge concentration of population in urban areas but still many don't have access to water, sanitation, etc lots of people who are neither francophone, nor speak Arabic – we need to reflect on this level of education. Need to balance the level of wealth within the country and here the Bank could support.
- **Stability**: Potential of a political crisis also needs to be taken into account. Necessary to create a stabile context, also in political terms.
- **Bank interventions**: Reports do not have a vision - direct impact on the population is best achieved via projects.
- **Finances**: Need to facilitate access to finances for investors and enterprises. This problem of finances should be addressed.
- Bank should accompany **decentralization** efforts.

Resume: Bank is very relevant in Mauritania, especially in the **education** sector. **Health**: it had been mentioned many times that the Bank should continue its effort in projects on **Aids**. **Social services** are very important. Need for better communication with stakeholders on the ground. Take the context of the country into account. Strategy of the Bank is in line with its mission.

Private Sector (26 September, 2012)

- Activation of the **Committee National de concertation de secteur privé** – this is their main objective. To put this in place will allow them to deal with numerous problems – transversal and sectorial, for example when creating businesses
- Problem of energy costs, liquidity, infrastructure, lack of educated professionals. Here we need to address the education system.
- Need for protection of **infant industries** from competition. National industry has a socio-economic impact. Necessary to create commercial activities.
- **Mining industry**: exportation of mining products is important but there is a need for donor coordination.
- **Training**: both administrative and professional. It is important for the administration to understand the consequences of their decisions – if the decision makers at the level of the administration do not take good decisions this is a big problem. Need for them to understand economic principles, modern business law, etc.
- Great need for **human resources** to be good in order for the public and private sector can function. CPS should focus on HR as this is one of the biggest problems of Mauritania. Capacity building on HR can be done by a program of training of

	procedures of eg marketing, new IT technologies, etc. This willingness to promote HR is essential • **Federation of Fisheries:** around 40,000 employees – more than in the mining sector. Problems of commercialization – it is the state that commercializes which is a handicap for the sector because the sector could create much higher employment if it were better managed like in Senegal for example. It is important that this sector develops and need to avoid that it will be taken over by foreign companies. • **Agriculture:** Need to see this sector as strategic since it will address all the socio-political problems of this country hence there is a need for particular attention. Need for "credit agricole" – this exists already and Bank has played a vital role but the sector is still mainly traditional hence there is a need to revise this. **Problem of debt:** system credits has been put in place but real problem of natural disasters (drought, flood, locust) and every time this happens then there is not enough agricultural products and hence loans can never be paid back which creates a spiral of higher and higher debt levels. • **Capacity building** is a transversal problem that needs to be addressed in all sectors. • **Transport**: problem of good roads – some are good but a lot are not. Cost of constructing roads does not compare to cost of transport. Put in place credits to improve situation. • Problem of **good governance**: **social responsibility** needs to be enforced. Need for business to respect fiscal, administrative and social responsibility. And fiscal transparency and ensure that enterprises pay taxes. • Phenomenon of **informal sector** – this has a huge social impact but it is important that we understand this phenomenon – what is at the origin of it? It is the cost of money and other difficulties. To solve this find measures that will encourage the move from informal to formal sector. • **Energy and transformation of agriculture**: Don't put too much resources on soft (TA and ESW) but more on hard – real projects.
	Donors (26 September, 2012) • More emphasis on **partnership**. • **Health**: WB did good interventions in the health sector which were important and we should go back to supporting this sector. Add WASH along with nutrition. • Add **social protection** to Pillar 2. We should put accent here – we should put in place a framework for protection because MR is structurally vulnerable to different external shock (climate, security, etc). Important that the most vulnerable part of the population is being protected. This is important for economic growth. Also add environmental protection. • Importance of **youth employment** – but unclear to some what we mean when talking about youth employment. AfDB is doing a study on youth employment which will be available in 2013 and would be a good point of cooperation. • Professional **training**: • **Security and stability of the sub-region**: • Besides following PRSP we also have the responsibility to choose pillars that are more **realistic** and **achievable**. Now we are following very generally the PRSP but to

	be effective we really need to **be more specific**. Pillars looks good but we should be a little more selective regarding the project and activities. We should be a little more selective. • **M&E** and providing country with **statistics** is very important – need a more strategic framework for M&E. Lack of statistics if a huge problem for all sectors in MR. • Put emphasis on the axis of **resilience and vulnerability**. Disaster risk management is also a great problem in MR and we should take this upon us and appreciate when we do our work. • **Coordination**: Community of partners is not big in MR and we all intervene more or less in the same domain. At the UN they are discussing a **strategy of resilience for the Sahel** – need to make sure to coordinate. • **IMF:** Put one pillar on **inclusive growth and employment**: promote investment (by developing the private sector) and social protection. We need to focus on agricultural and fisheries growth. It would be good to include the CPIA – what has been done for stabilization, etc. Add a few analytical studies on employment etc. How to deal with liberalization of products? • **Reform the government and the public sector** would be the most important.
	Government (27 September, 2012) • Highlights importance of **statistics** – real need for data • Importance of the **transport sector** – here it would be good to know what Bank envisions • Very interested in **youth employment** • Importance of **capacity building of administration** • Would be good to have something on **infrastructure** • **Civil protection** would be extremely important but this cannot be found in Bank strategy • One suggestion: interventions should be divided in three specific activities: fisheries, agriculture and capacity building. What we propose is too disbursed. • **Health sector** – disappointed not to see anything here – Bank has signed the compact until 2015 to support health. Is also disappointed about MAP (Aids project). Bank should again take this up. • Min of Economic Affairs argues that there already is a quite a lot allocated to agriculture and does not want it to be divided just by three sectors. He thinks the distribution is already quite good, because a lot of activities are already related to the other sectors. • Min of Finance lobbies for **budget support.**

Annex 7: Political & Social Analysis

Mauritania's development trajectory is closely linked to its historical and political alliances. Five overarching themes characterize the landscape and constitute the main sources of fragility and conflict: (i) **Polarization around cultural identity and social relations built around clans and families have impeded social inclusion and cohesion;** (ii) **History of coups, lack of transparent decision-making and influence of traditional elite weakens institutions and local governance;** (iii) **absence of property rights, Land distribution and management is a source of conflict and tension;** (iv) **Rapid urbanization has increased perception of inequalities, affecting urban youth in particular;** and (v) **Regional dimensions**.

1.) Polarization around cultural identity and social relations built around clans and families have impeded social inclusion and cohesion

- Strong divide between ethnic groups, clans and casts
  - Traditionally very divided society around rigid group boundaries defined by ethnicity, clans and casts
  - In large part, inter- and intra-ethnic/tribal cast system still determines social order
- Access to power builds around ethnic structure, clans and families
  - Reproduction of social structures through control of politics, economics and the military by leaders from traditional ruling clans and families within ethnic groups
  - Tendency is reinforced by a rent economy, concentrated on very few sectors that is easily captured by a very small political and economic elite
  - Societal dynamics reinforces exclusion and exclusionary policies
  - Political and economic patronage, forced displacement, quasi slavery situation, language of education, conflicts over land etc.

2.) History of coups, lack of transparent decision-making and influence of traditional elite weakens institutions and local governance

- Traditional social structures permeate State and local institutions
  - Strong traditional system determines how many formal institutions operate
  - Regular interference of army and heads of powerful clans and families in politics weakens function of State
  - Informal norms permeates formal justice system which weakens judiciary independence
- Problem of governance, especially at local level
  - Tight control by a few central organizations and the military on state and local level institutions undermines decentralization
  - Large parts of the territory with very low population density experience loose state control which increasing penetration by illegal groups
  - Attempts to control rents from extractive industries and a few other sectors undermines governance

3.) Land distribution and management is a source of conflict and tension

- Issues around land in the Senegal River Basin reflect social injustice and inequalities of society

- Characterized by scarcity, ethnic rivalries, corruption and non-transparent decision-making by government
- Conflicts over land categorized as: (i) intra-tribal (often between Haratin and Bidhan); (ii) inter-ethnic (often between Halpulaar and Haratin); (iii) between traditional chieftaincies (e.g. Halpulaar and Wolof); economically motivated (farmers vs agribusiness); and (v) between pastoralists and agriculturalists

- Serious problem with reintegration of returnees
  - Land allocated to returnees is not sufficient and of low quality
  - Lack of access to formal justice mechanisms and redress mechanisms
  - Very strong sense of social injustice
- Conflicts are latent with serious threat to social cohesion and peace
  - Many conflicts created as a result of decisions taken by government, that is top down and does not consult enough

4.) Rapid urbanization has increased perception of inequalities, affecting urban youth in particular

- Creation of spatial, ethnic and social divide:
  - Ethnic division of urban districts which determines social identity
  - Creation of spatial inequality, trend towards ghettoization
- Lack of attention to needs of urban youth
  - Lack of purpose, sense of marginalization
  - Very little urban planning and social policy to address problems of youth

5.) Regional Dimensions

- Rapid development of trafficking and illegal activities through the Sahara
  - Trafficking in drug, humans and weapon
  - Reinforced by a number of conflicts in the border regions of the Sahara (Algeria, Libya, Touareg rebellion, Boko Haram in Nigeria)
- Situation in Mali
  - Pressure on local population due to inflow of refugees coupled with drought
  - Pressure on livelihoods
  - Strengthening of terrorist groups such as AQMI who are gaining territorial control

Annex 8: Gender in Mauritania

The Government of Mauritania is committed to promoting gender equality and empowering women by eliminating gender disparities in several areas. The Diagnostic made with Bank support during the last CAS and currently with UN agencies, shows that some obstacles persist in term of equity. Gender issues are still confronted by cultural, social and economic barriers and with weak use of human rights' approach to respond to the strategic and practical needs of women and men.

The GOM has ratified most international juridical instruments relating to women and has set up an institutional framework to maintain the fundamental humans' rights of women (Personal status code). The political commitment has led to some improvements in term of human development and fight against Female Genital Mutilation.

Even though progress has been made, inequity exists in term of human development, access to productive resources, labor market, etc. However, most of the existing sectoral policies have a focus on gender issues, in order to contribute to the reduction of gender disparities and poverty among women.

Promote equal access for men/women to human capital development: Regarding girls' education, Mauritania has registered significant improvement in the gross enrollment rate in basic education. The gross enrollment rate (GER) of girls (105 percent) in primary education, now exceeds boys (95.4 percent). However, significant gender gaps still remain at the secondary level. According to recent studies done by the Ministry of Women's Affairs, women are lagging behind with a 72.2 percent illiteracy rate compared to 44 percent for men. The government continues to prioritize the issue of illiteracy and has adopted an illiteracy elimination strategy which places particular emphasis on women and the reduction of gender inequalities in education.

In the health sector, the most serious health issue for women in Mauritania is the high Maternal Mortality Rate (MMR) (560 per 100,000 live births in 2010). The lack of access to health facilities and frequent and insufficiently spaced births are among the main contributors to the high MMR in the country. While 75 percent of women receive antenatal care from a skilled health professional, the percentage of births attended by a skilled health attendant is much lower. The GOM is putting a lot of emphasis on reaching the health MDGs; A National Entity for reaching health MDG has been set up to allow a follow up of health indicators. This is a critical area of concern for Mauritania and represents one of the MDGs for which the government is particularly off-target.

In terms of employment and economic participation of women, the National Strategy for Institutionalizing Gender (SNIG) notes that female employment is low since it concerns only 12.4percent of the economically active women against (27.3 percent of men in the same category). Women are concentrated in agriculture (48.6 percent of women in this category) and, to a lesser extent, in administration (23.6percent against 76.4percent for men) and trade (31.6percent against 63.9 for men). On the labor market, the SNIG highlights that women continue to suffer marginalization.

Women (29 percent) often have less access than men (71 percent) to decent employment and labor standards. In the private sector, the situation is much worse, and Mauritania only has 7.9percent women in the private sector against 92.1 percent of men. In the private sector most requested profiles are specialists in building, electrical, welding, masonry, auto mechanics, etc. Women with these specialties are almost nonexistent in Mauritania.

Promote equal access for men/women to productive and economic Resources: The place of women in the national economy does not reflect the demographic weight of this social group, or its potential contribution or induced effects. Mauritanian women's opportunities to contribute to and benefit from productive participation in the workforce appear to be limited compared with those of men. Even if the Economic contribution of women is increasing and becoming visible, some constraints are limiting their access to productive resources: access to land tenure for rural women, financial and technical resources and market. Informal sector is the largest source of employment for women.

The female situation in the labor market is characterized by the fact that certain activities are significantly less open to women. This is particularly the case of employees who work in industry, justice, administration, etc. The National gender Strategy prepared by the GOM in 2010 and updated in 2012, put emphasis on Agriculture as representing the most important sector for women's economic participation. Over 48.6 percent of women are estimated to work in agriculture, with almost 75 percent of self-employed rural women working in agriculture-related activities (Gender Strategy, 2010).

Moreover, women's representation compared to men is much higher in the agricultural sector than in the economy as a whole. Women are estimated to represent around 54 percent of those economically active in the sector (FAO, 2011). The potential of the agriculture sector to help rural women out of poverty is hampered by poor productivity (partly resulting from women's poor access to productive inputs), sex-specialization that results in men dominating the more profitable activities, and lower access to credit and land(property) which is very unequal between men and women in Mauritania.

Various strategies and policies developed by the Mauritanian Government clearly state the need to increase and strengthen the economic activities of women. The operationalization of the concept "promotion of women's economic activities", constitute an institutional response to the needs of women. During the preparation of the PRSP 2013-2015, some objectives have been identified for the promotion of women's access to: i) the productive factors (land, financial resources, human resources, etc.), ii) access to the labor market, and iii) enhancing the productivity of women. The strategic options for the development of micro-finance institutions offering to women cooperatives financial services is an opportunity to develop economic activities and to meet a real need in particular for women who do not have access to the banking system. The establishment of IMF savings and credit institutions, managed and operated by women themselves, has had an impact beyond considerations of access to credit, they have also contributed to strengthening the social capital of women and their ability to participate and support their access to economic development.

Some concrete actions are under consideration by the GOM: i) allocating more resources to the MASEF to help the Department to set up the keys priorities for women's economic promotion (improvement of illiteracy, access to land, developing more financial intermediation, etc.), ii)

putting in place and promoting the private sector development which may include a sub-component on female entrepreneurship.

c) Give men and women equal status and protection under the law.

Mauritania has made progress in achieving greater legal equality for women, but implementation is often poor and some legal discrimination still exists. A new constitution, which guarantees equal rights for men and women, was passed in 2006 (World Bank, 2007). Mauritania has also ratified numerous international and regional legal texts such as the Convention on the Elimination of All Forms of Discrimination against Women (World Bank, 2007). Mauritanian law calls for equal pay for equal work. This law is observed by the two largest employers in the country – the civil service and the state mining company (USDS, 2011). However, in practice, women still suffer discrimination due to poor implementation and persistent negative social attitudes and practices (USDS, 2011).

Some progress has also been made with respect to law enforcement, prevention and response to gender-based violence. The Personal Status Code (CSP), which was enacted in 2001, raises the marital age for men and women to 18 years and makes the consent of the woman mandatory. Female Genital Mutilation (FGM) is still very common in Mauritania but is decreasing and there is growing social momentum in attitudes against the practice. Between 2001 and 2007, FGM incidence fell from 71 percent to 65 percent, mainly due to a reduced incidence in urban areas (USDS, 2011). Support for the practice among the population is also decreasing, with 64 percent of women and 70 percent of men now favoring the abolition of FGM (World Bank, 2007). A law criminalizing the FGM is under preparation.

Women's equality is also hampered by some continuing areas of explicit legal inequality in modern civil law. Discrimination against women was seen with respect to the right to present witnesses and evidence and the right of access to government-held evidence (USDS, 2011). Women are considered minors before the law, cannot confer citizenship on their children if the father is a non-national (which is not the case for men), and do not have equal inheritance rights, with daughters entitled to only half the inheritance of sons and widows entitled to less than widowers (OECD, n.d.). The CSP also gives the husband exclusive authority over the family and allows the husband unilateral discretion to divorce, while it refers women's requests for divorce to a judge (GoM, 2008).

The government has been leading the way on women's representation in public life, introducing a quota system in July 2006 that requires women to make up at least 20 percent of legislative candidates (USDS, 2011). This has resulted in women having a slightly higher level of representation in parliament. According to 2011 WDI data, the proportion of seats held by women in parliament was 22 percent. In addition, women hold around 35 percent of municipal council seats and have recently been appointed to symbolically important positions, such as 'Wali' (GoM, 2008; 2011). However, women's representation is lower in other political institutions. In 2010, women made up only around 16 percent of the seats in the Senate and 18 percent of cabinet members. Women are also largely absent from senior positions in the public sector.

Annex 9: Mauritanian Statistics and World Bank support

The Mauritanian Office for National Statistics (ONS) was established in 1990 and is a financially autonomous agency, supervised by the Ministry of Economic Affairs and Development (MAED). The ONS's main mission is to collect, process, analyze, and disseminate statistical information, as well as to coordinate the National Statistical System (NSS). Its mission also includes: monitoring the economic framework, conducting research, developing cooperation (domestic and international) and facilitating training activities in the field of statistics. This agency, together with specialized statistical services located in various Ministries (established in the areas of education, health, agriculture, livestock, and fisheries) shape the NSS. Assessing the impact of these services may be complex since their production of statistical data is not always widely disseminated.

Mauritania adopted a National Strategy for the Development of Statistics (NSDS) in 2000, covering the period 2001-2012. This strategy has recently been updated and extended, thus covering the period 2011-2015. The main four pillars are: (1) Improving the organizational system of national statistics, and strengthening data collection and coordination, (2) Developing statistical production by improving data quality and its dissemination, (3) Stimulating data analysis, and (4) Developing human capacity, as well as advocating/promoting the availability of technological and financial resources.

The binding constraint for statistical development in Mauritania is the implementation of the existing Strategy through annual action plans. The principal bottlenecks hindering statistical development in the country are common to many statistical systems throughout Africa, namely:

a. The need for statistical improvement is not adequately entrenched in the national culture and among decision makers, and the governance implications are not sufficiently understood;
b. The scarcity of qualified human resources and the weakness of the education system, which is unable to fully respond to the needs of the NSS, the private sector and the international institutions;
c. The absence of a culture conducive to wide data dissemination and the very difficult access to existing statistical figures;
d. The consolidation of statistical administrative record systems within the various ministerial departments remains weak, particularly in the areas of water, sanitation, rural development and environment.

Against this background, and with a view to improve the measurability of progress toward the World Bank Group (WBG) twin goals of reducing absolute poverty and enhancing shared prosperity, the WBG aims at supporting the Government of Mauritania strengthening the availability and reliability of its statistical data, by leveraging on the following instruments:

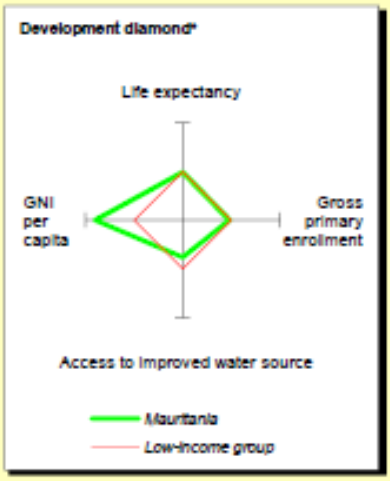
a. Technical and financial support to the Population census and to the forthcoming Household Survey, through the PRECASP statistical component. The support has already materialized and will be directed to data collection and data processing, as well as to sample frame design.
b. The implementation of a Trust Fund for Statistical Capacity Building (TFSCB), equivalent to USD450'000. The main objective of the TFSCB Grant will be to support the implementation of the NSDS 2011-2015 especially by improving the efficiency of the NSS and the quality and coverage of specific statistics.
c. The World Bank will also provide technical comments and support on the questionnaire of the forthcoming Household Survey by proposing methodological approaches.

CPS Annex 1: A2 - Mauritania at a Glance

Mauritania at a glance

3/17/13

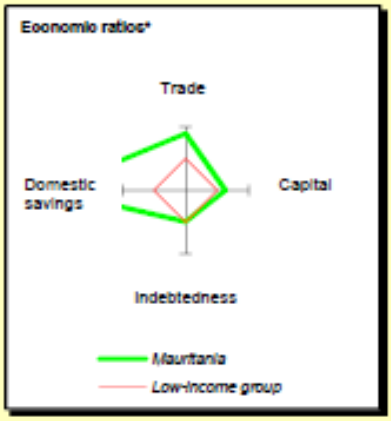
POVERTY and SOCIAL	Mauritania	Sub-Saharan Africa	Low-income
2011			
Population, mid-year *(millions)*	3.5	875	817
GNI per capita *(Atlas method, US$)*	1,030	1,258	571
GNI *(Atlas method, US$ billions)*	3.6	1,101	466
Average annual growth, 2005-11			
Population *(%)*	2.5	2.5	2.1
Labor force *(%)*	3.5	2.8	2.6
Most recent estimate (latest year available, 2005-11)			
Poverty *(% of population below national poverty line)*	42	..	..
Urban population *(% of total population)*	42	36	28
Life expectancy at birth *(years)*	59	55	59
Infant mortality *(per 1,000 live births)*	76	69	63
Child malnutrition *(% of children under 5)*	16	21	23
Access to an improved water source *(% of population)*	50	61	65
Literacy *(% of population age 15+)*	58	63	63
Gross primary enrollment *(% of school-age population)*	101	100	105
Male	98	103	108
Female	104	96	103



KEY ECONOMIC RATIOS and LONG-TERM TRENDS

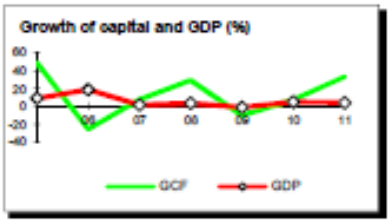
	1981	2001	2010	2011
GDP *(US$ billions)*	1.4	1.3	3.7	4.2
Gross capital formation/GDP	20.9	23.5	26.8	31.3
Exports of goods and services/GDP	34.7	29.4	56.0	65.6
Gross domestic savings/GDP	14.7	6.3	30.5	37.8
Gross national savings/GDP	14.8	13.5	33.1	36.6
Current account balance/GDP	-6.4	-10.1	-8.7	-5.3
Interest payments/GDP	2.4	2.2	0.9	0.9
Total debt/GDP	152.8	177.3	69.4	64.3
Total debt service/exports	18.8	18.5	4.7	3.6
Present value of debt/GDP	..	..	..	58.8
Present value of debt/exports	..	..	..	79.9

	1981-01	2001-11	2010	2011	2011-16
(average annual growth)					
GDP	3.1	5.8	5.1	4.0	..
GDP per capita	0.2	3.1	2.6	1.6	..
Exports of goods and services	-2.3	9.3	34.2	26.4	..

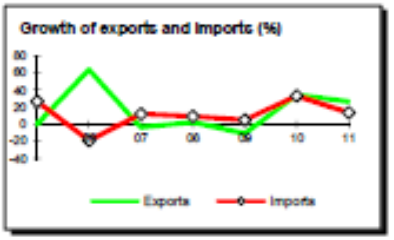


STRUCTURE of the ECONOMY

	1981	2001	2010	2011
(% of GDP)				
Agriculture	37.5	35.8	16.8	13.3
Industry	24.1	28.3	44.0	49.8
Manufacturing	7.6	13.6	3.5	3.4
Services	38.3	35.9	39.2	36.9
Household final consumption expenditure	68.7	73.7	53.2	47.3
General gov't final consumption expenditure	16.5	20.0	16.3	15.0
Imports of goods and services	40.9	46.6	52.3	59.2



	1981-01	2001-11	2010	2011
(average annual growth)				
Agriculture	-3.6	3.6	7.0	-2.6
Industry	4.7	6.6	4.6	3.6
Manufacturing	3.9	-4.7	4.7	5.8
Services	5.5	6.7	3.5	10.1
Household final consumption expenditure	0.4	4.8	20.5	-14.3
General gov't final consumption expenditure	8.8	5.7	0.5	1.5
Gross capital formation	16.5	18.2	7.3	33.2
Imports of goods and services	-1.2	13.2	33.3	13.5



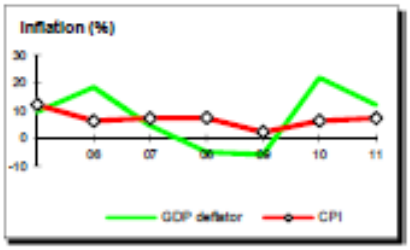
Note: 2011 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

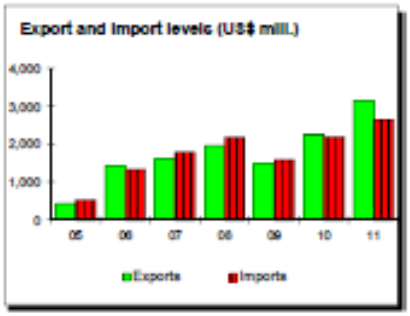
PRICES and GOVERNMENT FINANCE

	1981	2001	2010	2011
Domestic prices				
(% change)				
Consumer prices	5.6	4.7	6.3	7.3
Implicit GDP deflator	41.4	5.0	21.8	12.1
Government finance				
(% of GDP, includes current grants)				
Current revenue	17.4	21.0	25.9	25.8
Current budget balance	0.9	2.9	5.8	5.0
Overall surplus/deficit	-3.2	-6.1	-1.9	-2.2



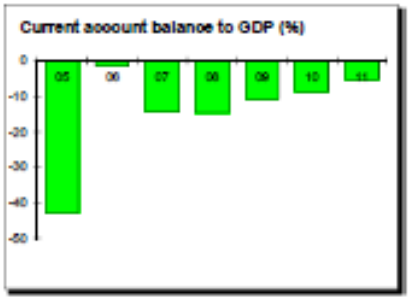
TRADE

	1981	2001	2010	2011
(US$ millions)				
Total exports (fob)	434	361	2,263	3,172
Iron ore	212	179	997	1,514
Fish	222	157	276	279
Manufactures	..	..	..	..
Total imports (cif)	416	372	2,206	2,651
Food	121	113	316	446
Fuel and energy	39	95	416	585
Capital goods	78	61	972	1,228
Export price index *(2000=100)*	126	99	118	122
Import price index *(2000=100)*	135	95	208	213
Terms of trade *(2000=100)*	93	105	57	57



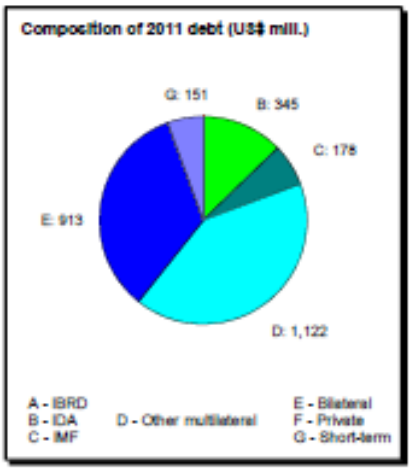
BALANCE of PAYMENTS

	1981	2001	2010	2011
(US$ millions)				
Exports of goods and services	498	401	2,192	2,992
Imports of goods and services	591	625	2,605	3,096
Resource balance	-93	-223	-413	-103
Net income	-61	-32	-69	-255
Net current transfers	62	125	162	135
Current account balance	-93	-131	-319	-223
Financing items (net)	121	118	365	369
Changes in net reserves	-28	13	-46	-146
Memo:				
Reserves including gold *(US$ millions)*	20	..	..	..
Conversion rate *(DEC, local/US$)*	81.9	255.6	275.9	281.1



EXTERNAL DEBT and RESOURCE FLOWS

	1981	2001	2010	2011
(US$ millions)				
Total debt outstanding and disbursed	2,206	2,297	2,556	2,709
IBRD	43	0	0	0
IDA	224	475	316	345
Total debt service	94	75	109	111
IBRD	15	0	0	0
IDA	2	5	3	4
Composition of net resource flows				
Official grants	114	201	120	..
Official creditors	25	42	347	208
Private creditors	-2	-1	-11	-1
Foreign direct investment (net inflows)	2	77	131	45
Portfolio equity (net inflows)	0	0	0	0
World Bank program				
Commitments	0	142	26	23
Disbursements	14	48	39	32
Principal repayments	12	2	1	1
Net flows	1	45	39	31
Interest payments	5	3	2	3
Net transfers	-4	43	36	28



Note: This table was produced from the Development Economics LDB database. 3/17/13

CPS Annex 2: B2 - Selected Indicators* of Bank Portfolio Performance and Management

CAS Annex B2 - Mauritania
Selected Indicators* of Bank Portfolio Performance and Management
As Of Date
1/31/2013

Indicator	2010	2011	2012	2013
Portfolio Assessment				
Number of Projects Under Implementation [a]	9	10	7	6
Average Implementation Period (years) [b]	5.5	6.2	6.5	7.6
Percent of Problem Projects by Number [a, c]	0.0	10.0	28.6	33.3
Percent of Problem Projects by Amount [a, c]	0.0	1.7	15.6	15.5
Percent of Projects at Risk by Number [a, d]	0.0	10.0	28.6	33.3
Percent of Projects at Risk by Amount [a, d]	0.0	1.7	15.6	15.5
Disbursement Ratio (percent) [e]	37.4	28.0	28.6	9.4
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US$)				
Average Supervision (US$/project)				

Memorandum Item	Since FY 80	Last Five FYs
Proj Eval by OED by Number	47	4
Proj Eval by OED by Amt (US$ millions)	781.7	93.5
percent of OED Projects Rated U or HU by Number	34.0	75.0
percent of OED Projects Rated U or HU by Amt	23.8	38.4

a. As shown in the Annual Report on Portfolio Performance (except for current FY).
b. Average age of projects in the Bank's country portfolio.
c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).
d. As defined under the Portfolio Improvement Program.
e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.

* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

CPS Annex 3: B2 - IFC Program

Mauritania: IFC Investment Operations Program

	2010	2011	2012	2013*
Original Commitments (US$m)				
IFC and Participants	1.30	10.27	11.59	141.43
IFC's Own Accounts only	1.30	10.27	11.59	141.43
Original Commitments by Sector (%)- IFC Accounts only				
CHEMICALS				90.15
FINANCE & INSURANCE	100	100	100	9.85
Total	100	100	100	100
Original Commitments by Investment Instrument (%) - IFC Accounts only				
Guarantee	100	100	100	9.85
Loan				90.15
Total	100	100	100	100

* Data as of January 01,2013

Mauritania: IFC Outstanding Portfolio (as of April 30, *2013*)

Client	Sector	Amount (in US$m)
BB ENERGY.	Chemicals	100.0
Attijari Mauritania	Finance & Insurance	2.0
Grand Total		**102.0**

CPS Annex 4: B4 - Summary of Non-Lending Services

CAS Annex B4 - Summary of Non-lending Services - Mauritania As Of Date 1/31/2013				
Product	*Completion FY*	*Cost (US$000)*	*Audience*[a]	*Objective*[b]
Recent completions				
ROSC Accounting	FY13			
Risk-based audit TA	FY13			
State-Owned Enterprises Analytical Report	FY13			
Underway				
Investment Code TA				
ICT sector Dialogue	FY13	50	Government, public dissemination	Knowledge generation, problem-solving.
Policy Dialog Health Strategy	FY13	30		
Financial Sector Strategy (FIRST)	FY14	50		
MR PER Update		20		
Minerals&Petroleum Inst.Cap. Building M&E (IDF)	FY13	78		
State-Owned Enterprises Analytical Report	FY13	50	Government	Knowledge generation, problem-solving
Land Governance Assessment Framework	FY13/14	200*	Government, Civil Society, Bank, donors	Public debate, knowledge generation, problem-solving
Civil Registry Impact on Service Delivery	FY14	65	Civil Society, Government	Public debate, problem-solving
Planned				
Semi-arid Land & Climate Change Study				
Policy dialogue health Strategy & PER Dissem.				
Social Safety Net & Protection Strategy NLTA				
Skills Training and Employment				
Statistical Capacity Development				
Inclusive Green Growth Study		75		

a. Government, donor, Bank, public dissemination.

b. Knowledge generation, public debate, problem-solving.

* USD 200,000 GPF trust fund allocation that covers multiple countries including Mauritania.

CPS Annex 5: B6 - Key Economic Indicators

Mauritania - Key Economic Indicators									
Indicator	Actual			Estimate		Projected			
	2007	2008	2009	2010	2011	2012	2013	2014	2015
National accounts (as % of GDP)									
Gross domestic product[a]	100	100	100	100	100	100	100	100	100
Agriculture	26	19	20	17	13	14	14	14	14
Industry	40	41	35	44	50	48	49	48	48
Services	35	41	34	30	30	33	33	34	35
Total Consumption	82	88	92	87	73	76	83	80	72
Gross domestic fixed investment	28	27	25	24	33	39	31	28	32
Government investment	7	7	7	6	6	8	7	8	8
Private investment	21	21	18	18	27	31	23	20	24
Exports (GNFS)[b]	43	59	45	56	66	67	59	56	53
Imports (GNFS)	61	82	46	52	59	70	61	54	48
Gross domestic savings	18	13	8	13	27	24	17	20	28
Gross national savings[c]	23	19	14	15	25	20	14	17	25
Memorandum items									
Gross domestic product	3357	3585	3027	3685	4213	4672	5130	5565	6110
(US$ million at current prices)									
GNI per capita (US$, Atlas method)	960	1080	1030	1010	1030	1140	..	..	..
Real annual growth rates (%, calculated from 1995 prices)									
Gross domestic product at market prices (*)	1.6	3.5	-1.2	5.1	3.9	6.2	6.3	5.5	9.5
Gross Domestic Income	-3.4	6.8	18.5	18.2	6.6	-8.4	2.6	4.0	5.3
Real annual per capita growth rates (%, calculated from 1995 prices)									
Gross domestic product at market prices	-1.0	0.9	-3.6	2.6	1.6	3.3	..	..	..
Total consumption	5.0	-7.5	-13.2	11.3	-9.3	0.1	..	..	..
Private consumption	2.8	-7.7	23.6	9.2	-18.6	-10.0	..	..	..
Memorandum items									
Resource balance (% of GDP)	-18.5	-20.9	-16.7	-11.2	-2.5	-3.4	-2.9	-4.4	-3.2
Real annual growth rates (YR95 prices)									
Merchandise exports (FOB)	-10.2	33.5	-22.6	52.2	35.3	3.2	3.5	-3.8	0.8
Primary	-10.2	33.5	-22.6	52.2	35.3	3.2	3.5	-3.8	0.8
Manufactures	..	..	..	..	..	..	..	..	..
Merchandise imports (CIF)	159.6	17.8	-40.7	25.2	17.0	22.1	4.7	-0.1	-2.2

(Continued)

Mauritania - Key Economic Indicators (Continued)

Indicator	Actual 2007	2008	2009	2010	Estimate 2011	Projected 2012	2013	2014	2015
Public finance (as % of GDP at market prices)[e]									
Current revenues	22.5	23.7	25.0	25.9	25.8	26.7	24.2	23.5	22.5
Current expenditures	18.3	24.2	23.5	20.1	20.8	20.8	18.2	17.0	16.0
Current account surplus (+) or deficit (	4.2	-0.5	1.5	5.8	5.0	5.9	6.0	6.5	6.5
Capital expenditure	6.7	6.5	7.1	7.7	8.0	10.1	9.4	9.1	7.8
Foreign financing	2.8	1.8	2.7	0.9	3.6	3.9	3.6	3.1	1.9
Monetary indicators									
M2/GDP	36.5	43.6	53.0	47.2	46.6	48.9	46.6	46.7	43.0
Growth of M2 (%)	18.7	17.5	13.1	14.1	14.9	9.8	6.0	9.4	1.0
Private sector credit growth / total credit growth (%)	75.1	74.2	20.8	75.8	113.0	100.3	121.5	119.1	73.2
Price indices(YR95 =100)									
Merchandise export price index	156.0	142.8	139.3	139.7	144.7	152.5	140.4	139.8	134.2
Merchandise import price index	137.2	142.0	174.2	193.7	198.8	175.6	177.6	178.1	177.3
Merchandise terms of trade index	113.6	100.6	80.0	72.1	72.8	86.9	79.0	78.5	75.7
Real exchange rate (US$/LCU)[f]	..	..	..	..	..	..	..	..	..
Real interest rates									
Consumer price index (% change)	7.3	7.3	2.2	6.3	5.7	5.9	6.1	6.1	5.7
GDP deflator (% change)	4.6	-5.0	-5.9	21.8	12.1	-0.9	4.1	3.2	3.9

a. GDP at factor cost
b. "GNFS" denotes "goods and nonfactor services."
c. Includes net unrequited transfers excluding official capital grants.
d. Includes use of IMF resources.
e. Consolidated central government.
f. "LCU" denotes "local currency units." An increase in US$/LCU denotes appreciation.
(*) data source: International Monetary Fund

Source: National Authorities, IMF and World Bank staff projections and updated as of end 2012

CPS Annex 6: B8 - Operations Portfolio (IBRD/IDA and Grants)

CAS Annex B8 - Mauritania

Operations Portfolio (IBRD/IDA and Grants)

As Of Date 7/9/2013

Closed Projects 57

IBRD/IDA *	
Total Disbursed (Active)	83.15
of which has been repaid	0.00
Total Disbursed (Closed)	323.03
of which has been repaid	37.86
Total Disbursed (Active + Closed)	406.18
of which has been repaid	37.86
Total Undisbursed (Active)	66.86
Total Undisbursed (Closed)	0.62
Total Undisbursed (Active + Closed)	67.48

Active Projects

		Last PSR Supervision Rating			Original Amount in US$ Millions					Difference Between Expected and Actual Disbursements [a/]	
Project ID	Project Name	Development Objectives	Implementation Progress	Fiscal Year	IBRD	IDA	GRANT	Cancel.	Undisb.	Orig.	Frm Rev'd
P102031	Bus Environment Enhancer	MS	MS	2008		5			2.198371	2.3700788	
P118974	MR - Skills Dev. Support Pr	S	S	2011		16			14.06896	4.2125221	
P087180	MR-Higher Education (FY0	MU	MU	2005		15			9.616403	9.1545138	
P088828	MR-Irrigated Agr Integr Dev	MS	MS	2005		44			4.673842	-0.857132	
P127543	MR-Local Government Dev	#	#	2013		25			25.64134		
P078383	MR-Mining Sec TA SIL 2 (F	S	S	2004		30.1		0.30333085	5.550799	-8.301615	-3.30162
P082888	MR-Pub Sec CB SIL (FY07	MS	MS	2007		13			5.109899	-5.105262	
Overall Result						148.1		0.30333085	66.85961	1.4731055	-3.30162

MAURITANIA

- SELECTED CITIES AND TOWNS
- REGION CAPITALS
- NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- REGION BOUNDARIES
- INTERNATIONAL BOUNDARIES

AUGUST 2012