

ISLAMIC REPUBLIC OF MAURITANIA

Honor - Brotherhood - Justice



**POVERTY REDUCTION STRATEGY PAPER
IMPLEMENTATION REPORT**

MARCH 2002

ABBREVIATIONS AND ACRONYMS

AAAID:	Arab Authority for Agricultural Investment and Development (<i>Association arabe pour l'investissement agricole</i>)
ADER:	Rural Electrification Development Agency (<i>Agence pour le développement de l'électrification rurale</i>)
ADU:	Urban Development Agency (<i>Agence pour le développement urbain</i>)
AfDB:	African Development Bank
AMM:	Association of Mayors of Mauritania (<i>Association des maires de Mauritanie</i>)
ANEPA:	National Potable Drinking Water and Sanitation Agency (<i>Agence nationale de l'eau potable et de l'assainissement</i>)
APD:	Detailed design (<i>Avant-projet détaillé</i>)
APS:	Preliminary design (<i>Avant-projet sommaire</i>)
BCM:	Central Bank of Mauritania (<i>Banque centrale de Mauritanie</i>)
BE:	Basic education
BGR:	Road Management Unit (<i>Bureau de gestion routière</i>)
BHP:	Basic health post
BNT:	National Transport Unit (<i>Bureau national des transports</i>)
CBD	Convention on Biological Diversity
CCD	Convention to Combat Desertification
CDHLCPI:	Commission on Human Rights, Poverty Reduction, and Integration (<i>Commissariat aux droits de l'homme, à la lutte contre la pauvreté et à l'insertion</i>)
CFPF:	Center for the Training and Advancement of Women (<i>Centre de formation et de promotion féminine</i>)
CGEM:	General Confederation of Employers of Mauritania (<i>Confédération générale des employeurs de Mauritanie</i>)
CNRE:	National Water Resources Center (<i>Centre national de ressources en eau</i>)
CNROP:	National Center for Oceanographic and Fisheries Research (<i>Centre national de recherche océanique et de pêche</i>)
CSA:	Food Security Commission (<i>Commissariat à la sécurité alimentaire</i>)
CSLD:	Desertification Control Strategy Paper (<i>Cadre stratégique de lutte contre la désertification</i>)
DAO:	Bidding documents (<i>Dossier d'appel d'offres</i>)
DCL:	Directorate of Local Governments of the Ministry of the Interior, Post, and Telecommunications (<i>Direction des collectivités locales du MIPT</i>)
DFI:	Basic importation right (<i>Droit foncier à l'importation</i>)
DRASS:	Regional Health and Social Action Directorate (<i>Direction régionale de l'action sanitaire et sociale</i>)
DREF:	Regional Basic Education Directorate (<i>Direction régionale de l'enseignement fondamental</i>)
DSPCM:	Fisheries and Marine Monitoring Directorate (<i>Direction de la Surveillance des Pêches et du Contrôle en Mer</i>)
EDF:	European Development Fund
EDS:	Demographic and social survey (<i>Enquête démographique et sociale</i>)
EIB:	European Investment Bank
EIG:	Economic interest group
EMEA:	Survey of Livestock and Agriculture in Mauritania (<i>Enquête mauritanienne sur l'élevage et l'agriculture</i>)
ENER:	National road maintenance company (<i>Entreprise nationale d'entretien routier</i>)
EPCV:	Ongoing survey of household living conditions (<i>Enquête permanente sur les conditions de vie</i>)
FAO:	Food and Agriculture Organization
FLSH:	Faculty of Letters and Social Sciences (<i>Faculté des lettres et sciences humaines</i>)
FRD:	Regional Development Fund (<i>Fonds régional de développement</i>)
FSJE:	Faculty of Law and Economics (<i>Faculté des sciences juridiques et économiques</i>)
GPP:	Petroleum Products Distributors' Group (<i>Groupement des distributeurs de Produits Pétroliers</i>)

HIPC:	Heavily indebted poor country
IEC:	Information-Education-Communication
ILO:	International Labor Office
IMF:	Minimum presumptive tax (<i>Impôt minimum forfaitaire</i>)
IMCI:	Integrated Management of Childhood Illnesses
IRF:	Tax on real estate income (<i>impôt sur le revenu foncier</i>)
KFW:	German cooperation agency
LDCs:	Least developed countries
MAED:	Ministry of Economic Affairs and Development (<i>Ministère des affaires économiques et du développement</i>)
MDRE:	Ministry of Rural Development and Environment (<i>Ministère du développement rural et de l'environnement</i>)
MEMAU:	Model of the Mauritanian Economy (<i>Modèle de l'économie mauritanienne</i>)
MEN:	Ministry of National Education (<i>Ministère de l'éducation nationale</i>)
MET:	Ministry of Infrastructure and Transport (<i>Ministère de l'équipement et des transports</i>)
MFI:	Microfinance institutions
MICO:	Oasis mutual investment associations (Mutuelles d'investissement du crédit oasien)
MIPT:	Ministry of the Interior, Post, and Telecommunications (<i>Ministère de l'intérieur, des postes et télécommunications</i>)
Moughataa:	Administrative department. There are 53 moughataas in the 12 wilayas.
MPEM:	Ministry of Fisheries and Maritime Economy (<i>Ministère des pêches et de l'économie maritime</i>)
MSAS:	Ministry of Health and Social Action (<i>Ministère de la santé et de l'action sociale</i>)
MSE:	Micro- and small enterprise
MTEF:	Medium-term expenditure framework
NDB:	Nouadhibou
NEAP:	National Environmental Action Plan
NKC:	Nouakchott
NTIC:	New technologies of information and communication
OMVS:	Organization for the Development of the Senegal River
ONS:	National Statistics Office (<i>Office national de la statistique</i>)
PAC:	Community Aid Project (<i>Projet d'aide aux communes</i>)
PACAD:	Support Program for Struggling Cooperatives (<i>Programme d'appui aux coopératives en difficulté</i>)
PADDEM:	Project to Support Deconcentration and Decentralization in Mauritania (<i>Projet d'Appui à la Déconcentration et à la Décentralisation en Mauritanie</i>)
PAFIEM:	Project to Support Economic and Financial Administrations in Mauritania (<i>Projet d'appui aux administrations économiques et financières en Mauritanie</i>)
PAN/LCD:	National Action Plan to Combat Desertification
PARP:	Rainfed Zone Development Project (<i>Projet d'Aménagement Rural en zone Pluviale</i>)
PASA:	Agricultural Sector Adjustment Program (<i>Programme d'ajustement du secteur agricole</i>)
PASK:	Program to Combat Poverty in Aftout Sud and Karakoro (<i>Programme de lutte contre la pauvreté dans l'Aftout Sud et le Karakoro</i>)
PDIAIM	Integrated Development Program of Irrigated Agriculture in Mauritania (<i>Programme de Développement Intégré d'Agriculture Irriguée en Mauritanie</i>)
PDU:	Urban Development Program (<i>Programme de développement urbain</i>)
PGE:	Environmental Management Project (<i>Projet de gestion de l'environnement</i>)
PGFF:	Cyrogenic Fluids Management Plan (<i>Plan de gestion des fluides frigorigènes</i>)
PGRNM:	Natural Resource Management Project (<i>Projet de gestion des ressources naturelles en Mauritanie</i>)
PGRNP:	Rainfed Natural Resource Management Project (<i>Projet de gestion des ressources naturelles en zone pluviale</i>)
PGRPDE:	Projet de gestion des ressources pastorales et développement de l'élevage
PIP:	Programme d'investissement public
PNAN:	National Nutrition Action Plan (<i>Plan d'action national pour la nutrition</i>)
PRSP:	Poverty Reduction Strategy Paper
RAMSAR	Convention on Wetlands (names after the city where the Convention was signed)
RGPH:	General Population and Housing Census

	<i>(Recensement général de la population et de l'habitat)</i>
ROSC:	Report on the Observance of Standards and Codes
RPTES:	Review of Policies, Strategies and Programs for the Traditional Energy Sector
SDAU:	Urban Development and Planning Framework <i>(Schéma de développement et d'aménagement urbain)</i>
SDS:	Statistical guidelines <i>(Schéma directeur de la statistique)</i>
	SECF: Secretariat on the Status of Women <i>(Secrétariat d'Etat à la condition féminine)</i>
SIYB:	Start and Improve Your Business (an International Labour Organization initiative)
SME:	Small and medium-size enterprise
SMI:	Small and medium-size industry
SNDE:	National Water Company <i>(Société Nationale de l'Eau)</i>
SNIM:	National Industrial and Mining Company <i>(Société nationale industrielle et minière)</i>
SNS:	National security stock <i>(Stock national de sécurité)</i>
SOCOGIM:	Construction and Real Estate Management Company <i>(Société de construction et de gestion immobilière)</i>
SOMELEC:	Mauritanian Electricity Company <i>(Société mauritanienne de l'électricité)</i>
SONADER:	National Rural Development Company <i>(Société nationale pour le développement rural)</i>
SONELEC:	National Electricity Company <i>(Société nationale de l'électricité)</i>
SPOs:	Socio-professional organizations <i>(Organisations socio-professionnelles)</i>
TASS:	Rate of access to sanitation facilities <i>(Taux d'accès aux structures sanitaires)</i>
TDC I:	Tetanus, diphtheria, whooping cough
TORs:	Terms of reference
TPVIH:	HIV/AIDS prevalence rate
TS:	Statistical tax
UHT:	Ultra-high tension
UM:	National currency unit (ouguiya)
UNCACEM:	National Union of Savings and Loan Associations <i>(Union Nationale des Caisses Agricoles de Crédit et d'Epargne de Mauritanie)</i>
VAT:	Value added tax
VIPC:	Very indebted poor country
Wilaya:	Administrative region. Mauritania has 12 <i>wilayas</i> , plus the district of Nouakchott.

TABLE OF CONTENTS

SUMMARY	6
INTRODUCTION	9
1. REVIEW OF THE FIRST YEAR OF PRSP IMPLEMENTATION	10
1.1 GROWTH AND THE MACROECONOMIC FRAMEWORK	10
<i>The macroeconomic framework</i>	10
<i>Boosting the Private Sector</i>	12
<i>Providing basic infrastructure and supporting growth</i>	12
1.2 PRIORITY AREAS OF THE PRSP	13
<i>Rural Development</i>	13
<i>Urban Development</i>	14
<i>Education</i>	14
<i>Health</i>	14
<i>Potable Water</i>	15
1.3 CROSS SECTORAL THEMES OF THE PRSP	15
1.4 INSTITUTIONAL CAPACITY-BUILDING AND GOVERNANCE.....	16
1.5 THE PARTICIPATORY APPROACH.....	17
1.6 THE MAIN LESSONS LEARNT	17
2. OUTLOOK FOR THE 2002-2004 PERIOD	20
2.1 PRIORITY MEASURES AND THE PIP FOR 2002-2004	20
2.2 RISKS	23
2.3 EXTERNAL AID REQUIREMENTS	23
ANNEXES	25
ANNEX 1: TABLES AND GRAPHS ON THE POVERTY PROFILE	26
ANNEX 2: REVISED POVERTY REDUCTION OBJECTIVES	32
ANNEX 3: MATRIX OF POLICY MEASURES UNDER THE PRSP	34
ANNEX 4: PROGRAM OF PRIORITY ACTIONS AND COSTS	55
ANNEX 5 :MEDIUM -TERM MACROECONOMIC FRAMEWORK	58
ANNEX 6: MEDIUM-TERM EXPENDITURE FRAMEWORK FOR EDUCATION.....	59
ANNEX 7: MEDIUM-TERM EXPENDITURE FRAMEWORK FOR HEALTH	60

Summary

1. Mauritania is one of the first countries to have drawn up a Poverty Reduction Strategy Paper (PRSP) based on a participatory approach involving all stakeholders in the country's development (the civil service, local representatives, civil society, the private sector, donors and creditors, etc.). The PRSP has been well received by all the country's donors and creditors, who approve of the way it was prepared, its objectives, strategic guidelines, and action plan. In particular, the Executive Boards of the World Bank and the International Monetary Fund have considered that it affords a solid basis for both institutions' assistance to Mauritania, especially with respect to reaching completion point under the enhanced HIPC Initiative, which is expected to occur in first semester 2002.
2. The purpose of this summary is to report on implementation of the first year of the PRSP (2001), during which major progress was made with structural, sector, and institutional reforms and in the execution of various programs geared to poverty reduction. There were, however, some delays and slippages mainly due to: (i) the lack of diversification in the economy and Mauritania's vulnerability to fluctuations in external demand for its exports and to the vagaries of the weather; and (ii) ongoing absorption capacity constraints, particularly as regards project planning, execution, monitoring and evaluation.
3. To facilitate attainment of the objectives for 2001, the Government pursued policies designed to maintain macroeconomic stability, spur growth, and reinforce both the competitiveness of the economy and its attractiveness for foreign direct investors. In addition to these policies, the private sector, as the engine of growth, has further been boosted by: (i) the implementation of structural reforms, (ii) the simplification of the tax system and easing of the tax burden for enterprises; (iii) revision of the Investment Code, with elimination of exemptions and the introduction of tax free regimes for exporters to encourage diversification of exports; (iv) expansion of the jurisdiction of the Regulatory Authority; and (v) development of infrastructure supporting growth, especially roads, following completion of the studies contemplated in the PRSP, the issuance of bidding documents for the Nouakchott-Nouadhibou road construction project, and the scheduling of several other roads under the ninth European Development Fund loan.
4. With respect to structural reforms, 2001 saw the completion of the reform of the telecommunications sector with the successful privatization of the state operator (Mauritel) and the establishment of a regulatory framework designed to boost competition. In addition, reform of the water and electric power sectors got under way with the drafting of a legal framework, the hiving off of SONELEC's water and electricity business, and the launching of efforts to privatize SOMELEC, the electric power company produced by the break-up. Five foreign investors pre-qualified for the purchase and the bidding documents were drawn up. Reform of the oil and gas sector also began in earnest with a review of the agreement on supplies of petroleum products and preparation of a draft law to liberalize the sector. Finally, in the overland transportation sector, the regulatory framework has improved following deregulation of prices.
5. With respect to the objective to distribute growth to benefit the poor, the Government substantially increased poverty reduction-related expenditure (in education, health, and programs targeting the poor) from 7.5 percent of GDP in 2000 to 8.2 percent in 2001 (and 11.4 percent in the budget finance law for 2002). This has allowed implementation of the following: (i) integrated development programs in rural and urban areas; (ii) cross-sectoral interventions (microcredit, employment opportunities, vocational training); and (iii) programs targeting the poorest areas and strata of the population.
6. Rural development efforts, other than the adoption of the Farming Code and study of the growth and poverty reduction potential of the livestock sector, have focused on promoting the provision of private veterinary services and projects generating more value-added (industrial dairy product and cattle feed plants). Programs supporting farming activities continued in 2001 with the development of infrastructure and counseling and extension work with groups of farmers experiencing difficulties. This enhanced the availability of seeds and extension services, increased the number of

loans to farmers, expedited land titling, and strengthened support for socioprofessional organizations (SPOs). Finally, programs targeting the poorest areas were implemented to increase poor farmers' access to production factors and make the most of their production potential.

7. As for urban development, the Government has drawn up a ten-year program to be implemented, starting in 2002. At the same time, it has pursued programs targeting the poor, by developing income-generating activities, boosting training for small-scale trades, promoting microenterprises, improving access to basic social services and low-cost housing, and building safety nets.
8. The cross-sectoral interventions have focused on: (i) improving access to microcredit by developing the microfinance sector in keeping with a strategy that is currently being finalized; (ii) developing vocational training; (iii) increasing job opportunities thanks to a major effort to create jobs for unemployed graduates and establish an information system matching the supply and demand for jobs, and (iv) promoting women's participation.
9. In the field of education, the Government prepared a major development program in 2001. Financing for the first phase was arranged mainly with the World Bank, the IDB, and the ADB. In addition, a Medium-Term Expenditure Framework (MTEF) was prepared and will serve as a basis for allocating budget resources in line with sector targets. Budget appropriations are scheduled to increase 38 percent in 2002, over the total for 2001. Furthermore, numerous steps were taken to expand access to basic education and the first four years of secondary school (*premier cycle*), as well as to improve the internal efficiency and quality of the education itself (classroom construction, teacher recruitment, free distribution of textbooks, provision of pedagogical materials, continuing education). At the other levels of education, efforts focused on quality and external efficiency.
10. In the health sector, a Medium-Term Expenditure Framework was drawn up and served as the basis for 2002 budget appropriations in the 2002 Budget Law. It envisages a 77 percent increase in current expenditure. Actions taken in 2001 were designed to improve: (i) the supply of health care infrastructure (construction work began on 54 health posts); (ii) the availability of human resources (recruitment and training of specialized medical personnel, especially in maternal and child health, payment of bonuses for work in disadvantaged areas), and (iii) provision of high quality essential medicines (draft decree establishing an independently managed central warehouse supplying essential drugs [*Centrale d'achat des médicaments essentiels à gestion indépendante, CAMEC*], which was adopted in early 2002). Finally, awareness campaigns to prevent HIV/AIDS were conducted, targeting in particular high-risk groups.
11. As regards access to basic social services (water, electricity, telecommunications), the Government carried out a waterworks investment program in 2001 and completed studies of the Aftout Es-Saheli project, which will use the Senegal River to supply potable water to Nouakchott. It also completed preparation of a ten-year rural waterworks program and established an Agency for the Promotion of Universal Access to Basic Services.
12. In respect of governance, the reform of the registry office, the establishment of new political party financing mechanisms, the reform of the Electoral Code and introduction of proportional representation, and the organization of legislative and municipal elections in October 2001 further consolidated the rule of law and democracy. The Government has also embarked on a far-reaching reform of public finance, which includes: (i) improved allocation of funding based on preparation of the MTEF; (ii) the establishment of mechanisms to prepare a budget execution law (*Loi de règlement*) for 2001, especially through promulgation of an audit law; and (iii) the adoption of a new Procurement Code.
13. The Government has provided strong backing for civil society participation in implementing and monitoring the PRSP, systematically involving it in the preparation of sector strategies and in execution of targeted programs. A program to strengthen NGO capabilities has been devised.
14. According to the findings of the latest stage of the ongoing survey of household living conditions (*EPCV*), conducted in 2000, there has been a noticeable improvement in the income poverty and living standards of the population (in terms of education, literacy, health care, access to potable

water, and electricity). Thus, the incidence of income poverty has been constantly declining, from 56 percent in 1990 to 50 percent in 1996 and 46.3 percent in 2000. However, this decline was not evenly spread over the country as a whole and some areas actually saw an increase in monetary poverty, mainly due to overwhelming exogenous factors (migration flows, inclement weather, etc.).

15. The preliminary lessons learnt after one year of PRSP implementation, from the new data on living standards, and from the recommendations arising out of the consensus-building process among poverty reduction stakeholders, indicate that the PRSP still has an important part to play, in terms of both its strategic outlook and its priority action plan. Nevertheless, some of its 2004 targets, especially with respect to growth, poverty reduction, education, and health need to be revised. Moreover, given that a faster rate of economic growth is a prerequisite for poverty reduction, it is necessary to concentrate on reducing the vulnerability of the economy to exogenous shocks and to anchor growth in areas in which the poor will benefit.
16. Thus the Government is committed to pursuing and redoubling its efforts to implement the PRSP for the 2002-2004 period, with particular attention to:
 - Accelerating private sector-led economic growth by: (i) constantly enhancing the business environment by passing the enabling legislation for the Codes (of commerce and of civil, commercial, and administrative procedures) and by revising the Labor Code to allow greater flexibility with regard to hiring and firing procedures; (ii) easing and simplifying taxation; and (iii) expanding the infrastructure needed for growth,
 - Anchoring growth in areas in which the poor are concentrated, a policy that will be advanced by carrying out integrated programs targeting the poor in urban and rural areas and by taking steps to support the development of microenterprises and employment generation. Actions to achieve this goal will include: (i) boosting rural project interventions, especially in irrigated agriculture (the Integrated Development Program of Irrigated Agriculture in Mauritania -*PDIAIM*), natural resource management in rain fed areas (*PGRNP*), oasis development, opening up of remote production areas, and increasing revenue in Aftout Sud and Karakoro (*PASK*); and (ii) launching the urban development program, which should revert the downward poverty spiral in the large towns, especially Nouakchott,
 - Improving the quality of and access to basic services by enacting the measures included in the education sector development program, the Medium-Term Expenditure Framework for the health sector, and the universal access to services strategy,
 - Loosening the constraints related to absorption capacity, by implementing a coherent set of measures geared simultaneously to strengthening civil service capabilities in devising, programming, executing, monitoring, and evaluating projects and to capacity-building in the private sector, and
 - Consolidating the participation process, by implementing an integrated and negotiated communication strategy.
17. The 2002-2004 action plan is supported by a Public Investment Program (PIP) on a scale that matches the aspirations of the PRSP and the expectations of the different players in Mauritania's development. This PIP, amounting to almost US\$679 million, was backed by the country's partners during the Fourth Consultative Group meeting on Mauritania in December 2001.

Introduction

18. Mauritania's first Poverty Reduction Strategy Paper (PRSP), which covers the 2001 – 2015 period, was finalized in January 2001, at the national conference on the struggle against poverty. The PRSP is based on a participatory approach, which envisages poverty reduction as part of a long-term economic development strategy. It sets targets between now and 2015 that are in line with international development objectives.
19. The strategy underlying the PRSP has four objectives: (i) a quicker pace of economic growth; (ii) growth rooted in spheres that benefit the poor; (iii) human resource development and the expansion of basic social services; and (iv) emphasis on institutional development and good governance.
20. The PRSP has been elevated to the status of a Law containing guidelines for combating poverty (cf. Box 1). The World Bank and the International Monetary Fund consider that it affords a solid basis for their assistance to Mauritania, particularly with regard to reaching completion point under the enhanced HIPC Initiative, which is expected to occur in first semester 2002.
21. In this context, the Government committed itself to presenting a report on implementation of the PRSP at the end of its first year. That commitment confirms its vision of a strategy based on a participatory, iterative approach geared to winning over and involving all its partners (local representatives, civil society, the private sector, donors and creditors, etc.) in monitoring and evaluating implementation.
22. To honor this commitment the Government has extended the institutional arrangements for preparing the PRSP in order to ensure monitoring and evaluation of execution of the strategy. This mechanism has made it possible to deepen the process of consultation and negotiation among the players in working groups and technical committees looking into specific topics as well as in regional and nationwide consultations.
23. This report is the product of those talks. It points to fairly satisfactory implementation of the PRSP's priority measures for 2001, for the partners as a group. However, it singles out a number of hurdles that need to be removed to ensure proper execution of activities and the attainment of the priority program's ambitious goals.
24. This report reviews the first-year outcomes, examines the outlook for 2002-2004, gauges the risks associated with implementation, and estimates technical assistance requirements. The 2002-2004 Action Plan is backed by a Public Investment Program (PIP) of almost US\$679 million, which was well received by the country's partners at the Fourth Consultative Group Meeting on Mauritania in December 2001.

Box.1 The Guideline Law (Loi d'Orientation) on efforts to combat poverty

Guideline Law No. 50-2001 of July 19, 2001 on efforts to combat poverty makes eradication of poverty a national imperative and the top priority among all government policy initiatives.

The law defines the national goals in the struggle against poverty, namely: equitable access by all citizens, throughout the national territory, to basic social services, especially in respect of education, health care, potable water, nutrition, housing, communications, and living standards generally.

The Guideline Law establishes the principle that the effort to combat poverty, in a framework of consensus-building and participation, involves the State, enterprises, local communities, socioprofessional organizations, associations, citizens, and other economic players.

The Law defines the legal status of PRSPs, in terms of their objectives, the way they are put together, and the manner in which they are implemented. In this connection, the Law provides that the PRSPs are to be executed in the framework of four-year action plans that are to be reviewed every year and are subject to a mid-term evaluation. These action plans are to bring together and harmonize all sector policies and entail pluriannual investment programs.

The Guideline Law adopts the 2001-2005 PRSP and defines, for the medium term (2001-2004), the strategic fronts on which the battle against poverty is to be fought and the priority spheres of action.

Finally, the Guideline Law provides that implementation of PRSP guidelines at the regional level take place through regional poverty reduction programs that establish regional priorities.

1. Review of the first year of PRSP implementation

“The country’s resources must first be deployed to combat poverty and strengthen national unity, because the main source of social disorder is inequality. The policy that you have just expounded to us should have been implemented long ago.” – Group of men in Aftout.

25. At the end of the first year of execution of the PRSP, it is, obviously, too soon to conduct a full evaluation of actions undertaken, particularly as regards their impact on poverty and the living standards of the population. Nevertheless, the participatory monitoring of PRSP execution, which involved all the players, be it in the work of the committees and permanent technical groups or in inter-regional workshops, national conferences, and direct talks with the poor, has made it possible to form an overall impression of the implementation of the priority measures envisaged for 2001. Moreover, the ongoing household living conditions surveys (*EPVC*) and the demographic and social surveys (*EDS*) conducted in 2000 provided updated data on poverty and living standards (Cf. Box 2).
26. Thus, it was possible to ascertain that Mauritania made a considerable effort to reduce poverty and improve the standard of living of the population. That effort resulted in significant progress, particularly with respect to: (i) quickening the pace of growth while maintaining a stable macroeconomic framework; (ii) the priority areas of the PRSP: rural development, urban development, education, health care, and waterworks; and (iii) governance and institutional capacity-building. The findings of the *EPVC* 2000 confirm the aptness of the PRSP’s strategic approaches and of its priority program for 2001-2004.
27. Despite these efforts, a number of constraints need to be lifted to ensure full attainment of the objectives established in the PRSP. They concern, above all: (i) the vulnerability of the economy to external shocks and its lack of diversification; both factors impaired economic growth in 2001; (ii) limited capacity to execute, monitor, and evaluate projects; and (iii) the still insufficient volume of government investment in the rural areas where most of the poor live.
28. The main actions undertaken and the obstacles encountered during the first year of PRSP execution are discussed below in the following order: (i) growth and the macroeconomic framework; (ii) the priority areas of the PRSP; (iii) the cross-sectoral interventions of the PRSP; and (iv) institutional capacity-building and governance. Then there is a brief recapitulation of the principal stages involved in the PRSP’s participatory approach. Finally, by way of conclusion, there is a discussion of the main preliminary lessons to be drawn from the experiences of the first year. Detailed descriptions of the PRSP’s priority actions can be found in Annex 3.

1.1 Growth and the Macroeconomic Framework

The macroeconomic framework

29. *Economic growth* remained robust at 4.6 percent, although less than forecast (5.6 percent), due to the downturn in world demand for iron and insufficient rain. Annual inflation was 4.7 percent, due to a lag in the impact of oil and gas price adjustments made at end-2000, and shifts in the exchange rate. Otherwise, fiscal and balance of payments targets were met thanks to tax reform, higher financial compensation under the new fishing agreement with the European Union, ongoing fiscal discipline, and an exchange rate policy encouraging external competitiveness.

Box. 2 The poverty profile in 2002

Income poverty continues to decline in Mauritania. The proportion of the population with an expenditure level below the poverty threshold has diminished continuously since 1990 (cf. Annex 1). The decline in the percentage of poor people has also been accompanied by drops in the indicators for the depth and severity of poverty, P_1 and P_2 , which means that the poor are better off than they were in the past. At the same time, the decline in monetary poverty has not been uniform throughout the country, inasmuch as it increased in Nouakchott and in the "Rural Fleuve" areas (in the Senegal River valley), while declining in the "Rural, Other" and "Other Cities" areas. The increased poverty in Nouakchott is due to a continuously expanding population on its periphery, fed by migration comprised essentially of the poorest people flowing in from the rest of the country. For its part, the increase in poverty in the "Rural Fleuve" areas is basically due to the 1999-2000 floods, which hit farm output. The "Other Cities" seem to have benefited from new economic infrastructure installations (electric power, telecommunications, water), which boosted development of a small and medium-sized enterprise or industrial (SME/SMI) base.

Female-headed households are more vulnerable than those headed by men. While households run by women are less poor than those run by men, they appear to be more vulnerable. This vulnerability derives, in part, from that fact that women receive less schooling, and in part from the numerous difficulties women encounter in finding employment.

In contrast to the trend observed between 1990 and 1996, **inequality increased slightly between 1996 and 2000.** As measured by the Gini coefficient, the increase in inequality affected all areas except "Other Cities." A glance at the distribution of income among the different deciles shows that the first deciles saw their share drop between 1996 and 2000, while for the last deciles that share increased over the same period, which means that poor or moderately poor households benefited less from the fruits of growth. That in turn indicates that growth was not strongly anchored in sectors that benefit the poor.

Social indicators improved over the past decade. The surveys conducted in 2000 (*EPCV* and *EDS*) show major improvements in school enrollment rates since 1990. However, significant disparities exist between urban and rural areas and between the rich and the poor. Quantile analysis of the data from the *EPCV* survey points to a major gap between the enrollment ratios of the poorest and the richest. Finally, although there is no gender inequality at the national level, among the poor far fewer girls are enrolled than boys. The literacy rate has increased considerably and the disparities between men and women, which are still significant, narrowed substantially in the 1996-2000 period.

As for **health**, the number of children under one year of age who have not received any vaccination is four times greater in poor households than in non-poor households. Moreover, the *EDS* 2000 survey shows that few children have received the whole set of immunizations under the expanded vaccination program, especially in rural areas. The same survey indicates that children living in "Other Cities" are better protected by vaccination than those living in Nouakchott.

Malnutrition declined in 1991-2000, but the rates are still high. The *EDS* 2000 findings point to a considerable decline in malnutrition indicators in children under five years of age between 1991 and 2000. Nevertheless, the stunted growth (size for age) indicator, which measures chronic malnutrition, is still above the average for sub-Saharan Africa (32 percent). Children in rural areas are more likely to be undernourished than those in urban areas. Worst hit are the *Centre* and *Fleuve* areas. At the same time, infant and child mortality rates declined significantly between 1996 and 2000.

The percentage of households with access to water remained unchanged in the 1996-2000 period. The *EPCV* and *EDS* surveys point to major disparities between urban and rural areas. Moreover, households in which the head of house is a government employee are at least twice as likely to have a private faucet than households in which the head belongs to another socioeconomic group. Access to electricity indicators, on the other hand, improved slightly between 1996 and 2000, but this improvement only benefited the less poor households, whose hook-up rate increased considerably, while that of the poorest 20 percent remained stagnant

Qualitative data indicate that the overall prevalence of poverty, as perceived by the population, remains very high. Nearly 82.2 percent of those interviewed consider that all or most of the people in their district or village are poor. This perception appears to diminish with the degree of urbanization. The figure is 70.7 percent in Nouakchott, compared with 90.5 percent in the "Rural, River" area. In addition, the less poor are less likely to consider that all the people in their district are poor. The percentage of people rating themselves as poor is very high (80.5 percent). In rural areas, the rate is ten points higher than in urban areas.

30. In the area of **government finance**, numerous reforms have got under way, especially: (i) simplification of the tax system and easing of the tax burden for enterprises; (ii) expansion of the tax base, by eliminating the exemptions granted under the Investment Code; (iii) improved tax collection, thanks to a strengthening of tax authorities and the introduction of bonus incentives. In

addition, government expenditure, particularly on poverty reduction, has increased substantially thanks to higher inland revenue collections and the interim assistance provided under the enhanced HIPC Initiative. This fiscal policy should help improve the distribution of wealth.

31. With regard to the **external sector**, the Government has, with technical support from the agencies in the Integrated Framework for Commercial Assistance to the Least Advanced Countries, conducted a **study of the competitiveness of the Mauritanian economy, its integration with international markets, and the impact on poverty**. This study underscores the effort made in the past few years to increase competitiveness (fiscal and exchange rate policy reforms, and reforms in the principal infrastructure sectors, etc.). The study also highlighted the constraints on the development of exports and proposed a set of measures to increase the competitiveness of the economy and its integration in world trade.
32. The principal recommendations in this study focus on: (i) policies to enhance competitiveness (taxation, credit, commercial and competition-related legislation, cost of the factors of production); (ii) measures to facilitate trade (above all, customs procedures); (iii) institutional support for the development of trade (strengthening the main administrative agencies involved, agencies devoted to trade promotion, training, and information, standards and product quality, etc.); and (iv) support for policies geared to developing the export sectors (fishing, livestock, agriculture, and tourism). Some of the study's recommendations have already been taken into account in the framework of reforms and programs currently under way. Others will be incorporated in an action plan to be finalized in March 2002 and included in PRSP priority program for 2002-2004.
33. In the **mining** sector, the reform of the past few years has continued, particularly in respect of the drafting of a model mining concession agreement, the initiation of cartographic work, and more intensive prospecting. This reform has made the sector noticeably more attractive for foreign investors. Thus, in 2001, foreign direct investment in exploration totaled US\$15 million (compared to US\$10 million in 1999), while the number of mining companies increased to 13 (compared to 6 in 1999). The increased diversification of foreign investment in prospecting was also reflected in the decline of the relative share of the only national operator, the National and Industrial Mining Company (*SNIM*), from 10 percent in 1999 to 7 percent in 2001.
34. In the **fisheries** sector, the main actions taken involved the adoption of a new Fishing Code, a new fisheries agreement with the European Union, and the expansion and outfitting of the artisanal fishing port of Nouadhibou. Despite recent improvements, however, poor infrastructure is still one of the major constraints on this sector. Moreover, there have been delays in producing the ten-year program for the development of artisanal fishing, for which a draft is available.
35. With respect to **tourism**, which is turning out to be a promising sector, draft guidelines pinpointing the steps to be taken to exploit the country's potential are currently being validated.

Boosting the Private Sector

36. The main measures implemented to boost the dynamics of the private sector have been: (i) adoption of a new Investment Code, which gets rid of exemptions and establishes increased incentives for the diversification of exports; (ii) easing of the tax burden for enterprises; (iii) preparation of a draft Labor Code designed to make hiring procedures more flexible; (iv) expansion of the jurisdiction of the regulatory bodies overseeing postal and electric power services; and (v) revival of the State-private sector Coordination and Consensus-building Committee. On the other hand, there have been considerable delays in implementing measures to improve the legal framework for business (codes governing commerce, arbitration, and commercial, civil, and administrative procedures) and in installing an electronic legislation server. In addition, a study on a development strategy for the financial sector has also begun.

Providing basic infrastructure and supporting growth

37. In the area of transportation, implementation of the PRSP has meant: (i) expediting investment in road infrastructure (sections of the "L'Espoir" highway, the road from Nouakchott to Nouadhibou

and issuance of the bidding documents, the technical study for the Rosso-Boghé road) and the allocation of substantial funding for road maintenance; and (ii) continuation of the renovation program for the Atar, Zouérate, and Néma airports, and the asphaltting of secondary airfields. Studies are also being carried out for construction of a new international airport at Nouakchott.

38. In the **energy** sector, the principal actions taken were: (i) termination of the agreement regarding supplies of petroleum products and start of the project to secure petroleum product supplies, which will involve constructing a berth in a protected area, a new storage area, and pipelines to ship fuel and butane gas to the deposits; (ii) completion of the pre-qualification procedures for potential partners for SOMELEC and preparations for its privatization, scheduled for April 2002; (iii) continuation of the grid construction required to hook up Nouakchott to the Manantali Plant; and (iv) the start-up of the programs of the Rural Electrification Development Agency (ADER) and of studies for the drafting of a rural electrification investment plan. Despite the above, the access to electricity indicators remain poor: according to the *EPVC 2000* data, less than half all urban households have electric lighting.
39. As regards **telecommunications**, performance has been outstanding, with coverage exceeding all expectations (the tele-density rate is over 4.5 percent). The privatization of Mauritel was achieved with a price of US\$4,100 per access line.

1.2 Priority Areas of the PRSP

The people who proposed this know our problems well. Ask any other community you like and the people will tell you that their priorities are schools, health care, access to potable water and, of course, rural development, because Mauritians live off farming and livestock breeding.” (A farmer in “Rural, Other”)

Rural Development

40. In the **livestock farming** area, the main measures have to do with: (i) adoption of the Farming Code; (ii) ample coordination between the State, the communities, and the SPOs regarding the implementing provisions, which were the object of a study; (iii) the construction of 20 vaccination centers and 10 veterinary posts and promotion of private veterinary services; (iv) the establishment of a 40,000-ton animal feed production unit; (v) establishment of a 20,000 liters per day UHT milk plant; (vi) the carrying out of a study on hides and leathers; and (vii) completion of a study on the livestock sector’s contribution to national economic growth and poverty reduction.
41. In **agriculture**, the principal measures implemented were: (i) measures accompanying liberalization of the rice subsector; (ii) support for initiatives to diversify irrigated agriculture by trying out new crops and testing exports of fruit and vegetables, and the signing of a partnership agreement with a foreign private investor; (iii) land-titling (of over 500 files); (iv) start-up of the program to rehabilitate outlying areas, with five technical studies underway that should allow rehabilitation of 210 hectares for cooperatives, and the rehabilitation, using HIPC resources, of 21 out of 30 outlying areas under the program to assist cooperatives experiencing difficulties (PACAD), for a total area of 494 hectares; (v) start of work on cleaning-out and weed clearing in backwaters in Trarza (N’deir, Garak, etc.); (vi) campaigns to make cooperatives aware of the usefulness of planting fodder crops; and (vii) attempts to improve small farmer productivity by introducing animal traction and SAC thresher-cleaners.
42. In addition, **programs targeting the poorest zones** in rural areas have been implemented. They have to do, above all, with: (i) building dams and dykes; (ii) building infrastructure to open up areas; and (iii) supporting efforts to diminish the vulnerability of rural households by the purchase of small ruminants (the TOUMZE program) and by improving management of farm produce stocks (cereal banks).
43. Despite these achievements, the rural sector continues to suffer from: (i) insufficient access to the factors of production, mainly due to their high cost, and low productivity; (ii) weak integration of

the livestock and agriculture sectors in the rest of the economy; (iii) the remoteness of production zones; (iv) rice-growers' debts; (v) difficulties in managing water levels in the Senegal river; and (vi) environmental problems.

Urban Development

44. Implementation of the PRSP in the urban development area was characterized by: (i) the drawing up of a policy letter and a ten-year urban development program, and the mobilization of substantial resources to finance that program; (ii) a review of land laws, with a view to facilitating access to land ownership, especially for the poor; (iii) establishment of the Urban Development Agency; (iv) continuation and expansion of the "Twize" self-construction program involving communities; and (v) ongoing studies regarding the restructuring and outfitting of underprivileged neighborhoods, including, above all the drafting of a restructuring plan and technical (preliminary and detailed) designs. Execution of this component is running somewhat behind schedule, due mainly to the carrying out of multiple preliminary studies that have now been completed.

Education

45. In the area of education, although the enrollment ratio has improved, major disparities still exist between urban and rural areas, and between rich and poor. Moreover, the poorest *wilayas* are also those with the lowest enrollment rates. Considerable progress has been made with respect to literacy. The rate rose from 42 percent in 1996 to over 57 percent in 2000.
46. The highlights in implementation of the PRSP in the education sector were: (i) drafting of a ten-year education program, which encompasses all levels of education and is considered to be a coherent and sound strategy; (ii) preparation of a Medium-Term Expenditure Framework (MTEF), which served as the basis for budget allocations in the sector for 2002; (iii) implementation of a schools and classrooms construction and outfitting program (at the basic education level); recruitment of 1,300 primary school teachers and 548 [other] teachers and professors; (v) introduction, as of 2002, of bonus incentives for teachers in disadvantaged areas; (vi) distribution of pedagogical materials to all teachers and of 980,000 textbooks; (vii) continuation of teacher training programs; and (viii) implementation of a vast literacy program, which served at the same time as a mechanism for bringing unemployed graduates into the labor force.
47. The principal constraints are still: (i) weak administrative and pedagogical management of the system where there is room for major gains in efficiency; (ii) lack of clear demarcation of the responsibilities of the different departments; (iii) low retention rates, mainly due to supply deficiencies given that 82 percent of the schools do not complete the [first, four-grade] cycle; and (iv) low level of external efficiency as demonstrated by the imbalances on the job market.

Health

48. Despite the efforts made in the health sector, the health care coverage ratio remains low in rural areas, where slightly under half the population still has to travel over 5km to receive care. However, the *EPCV2000* survey shows that vaccination coverage has improved, because only 15.8 percent of children under one year of age have not received any vaccination.
49. The main measures taken in this area were: (i) the start of construction work on 54 health posts; (ii) completion of training of 12 surgeons, 12 pediatricians, 12 gynecologist-obstetricians, and 100 auxiliary midwives; (iii) introduction of area- and technical skill-related bonuses designed to attract qualified medical personnel to rural areas and keep them there; (iv) preparation of a draft decree (adopted in early 2002) to establish the CAMEC program to improve the supply of high quality essential medicines; (v) carrying out of several awareness campaigns on HIV/AIDS targeting high-risk groups (the military, secondary school students, sailors, migrants, and prostitutes ("*femmes libres*") and the installation of three blood banks for regional hospitals (Aleg, Kaédi, and Atar); (vi) completion of study on health sector costs and performance and ongoing analysis of its recommendations; (vii) establishment of a Medium-Term Expenditure Framework (MTEF), which served as a basis in preparing the 2002 sector budget, with a 77 percent increase in the allocation for

current expenditure. In addition, attempts were made to improve the nutritional status of the population by establishing 70 community nutrition centers and social mobilization programs.

Potable Water

50. Access to potable water is still a rarity, with no more than 15 percent of households hooked up. Implementing the PRSP in this area resulted in: (i) preparation of a draft Water Code; (ii) separation of *SONELEC*'s water and electricity activities and the establishment of a water company (*SNDE*) as a result of the split; (iii) reorganization of the Ministry of Water and Energy (*MHE*) and, in particular, creation of the National Water Resources Center (*CNRE*) and the National Potable Drinking Water and Sanitation Agency (*ANEPA*); (iv) continuation of the expansion of the potable water supply systems for Nouadhibou and nine secondary centers; (v) implementation of a major investment program in rural and peri-urban areas; and (vi) preparation of a ten-year rural waterworks plan.

1.3 Cross Sectoral Themes of the PRSP

51. With respect to employment promotion, the Government has just begun a study backed by the ILO on the institutional framework for labor. In addition, a draft Labor Code has been prepared. Nevertheless, the information system in respect of employment is still very weak.
52. As regards the promotion of microenterprise, actions taken involved devising a strategy and action plan for this area, establishment of a micro and small enterprise (MSE) support unit, and the putting together of a first support package (counseling, training, information, financing). In addition, the Commission for Human Rights, Poverty Reduction, and Integration (*CDHLCPI*) conducted a program of income-generating activities covering the towns of Nouakchott, Nouadhibou, Aïoun, Atar, and several rural areas.
53. In the area of **microfinance**, a paper on the national strategy for promoting and developing this subsector was written and a steering committee installed. Furthermore, expansion and consolidation of microfinance institutions (MFIs) continue thanks, above all, to: (i) *CDHLCPI* projects, which in 2001 extended credits totaling over UM 120 million to 25 MFIs, including 12 people's savings and credit funds (*caisses populaires d'épargne et de crédit, CAPECs*); (ii) contributions from other stakeholders promoting microfinance; (iii) savings mobilized by the MFIs themselves (UM 516 million); and (iv) the granting of UM 350 million in loans to over 4,700 beneficiaries.
54. With regard to **vocational training**, a roster of establishments has been drawn up along with a list of enterprises, to make it easier to gauge the national demand for training and the impact of government programs on employment. In addition, some important actions have been taken or initiated, especially: (i) the organization of skill training courses and sessions; and (ii) preparation of a special vocational training program for more than 5,000 people, mainly targeting women and young people.
55. The program **to incorporate unemployed graduates in the labor force**, in partnership with the private sector, local communities, and NGOs, has produced some convincing results, with over one thousand hirings. The placement of unemployed graduates with NGOs goes together with training tailored to meet their specific needs. In addition the creation of a multiservice terminal allows free access to the database on unemployed graduates and an integration and professional adaptation fund has been set up. Apart from participating in this program, women have extensive access to self-employment with the income-generating activity programs run by the Secretariat of State for the Status of Women (*SECF*) and the *CDHLCPI*.
56. Actions for the **advancement of women** were stepped up in 2001 with, in particular: (i) the adoption of the Personal Status Code; (ii) the boosting of functional literacy and vocational training programs by opening new centers; (iii) expansion of the network of women's microcredit cooperatives; and (iv) support for women's organizations (cooperatives, associations, etc.).

57. With respect to **efforts to combat exclusion**, training and/or insertion programs have been undertaken geared to assisting several hundred disabled or destitute persons, and children and young people in dire circumstances. Actions to stop begging in Nouakchott identified over 430 homeless persons and reasonable attempts are being made to reincorporate them.
58. As for **universal access to basic services**, implementation of the PRSP has resulted in: (i) drafting of a study defining the universal access strategy; and (ii) the setting up of an Agency for the Promotion of Universal Access and a Fund. Moreover, the Government has earmarked UM 500 million in the 2002 budget to launch this program.
59. **Environment**-related activities focused on: (i) execution of international conventions; (ii) conservation of natural resources in rain fed areas, thanks above all to strong community involvement in resource management under the resources management project for such areas, *PGNRP*; (iii) promotion of the use of butane gas and the continuation of reforestation activities; (iv) participation in the regional Review of Policies, Strategies, and Programs of the Traditional Energy Sector (RPTES) program; and (v) studies aimed at ensuring that environmental problems are addressed in both urban and rural areas.

1.4 Institutional capacity-building and Governance

“The strengthening of the judicial system, making justice more accessible for citizens, and effective and transparent management of public property are judicious choices because they address serious problems that are one of the principal causes of poverty.” (A person who helps shape public opinion in Nouakchott)

60. Actions taken to **consolidate the rule of law** focused on: reform of the civil registry, with the establishment of identify cards that cannot be tampered with; (ii) the introduction of new mechanisms for government financing of political parties, reform of the Electoral Code with the introduction of proportional representation, and the organization of legislative and municipal elections in October 2001; (iii) execution of specific programs to strengthen the supervisory capacities of Parliament and the Auditor’s Office; (iv) the adoption and enactment of the Personal Status Code; (v) legal reform geared to establishing specialized jurisdictions, making justice more accessible to those under its jurisdiction, and the institution of new functions for notaries public and bailiffs; and (vi) outfitting courts in Nouakchott.
61. With regard to **strengthening civil service capabilities**, progress was made in: (i) developing instruments with which to forecast and analyze the impact of policies on poverty; and (ii) in planning, monitoring, and evaluating investments. What is more, with respect to improving the statistical base and developing analytical skills with regard to poverty-related issues, the various surveys (*EDS, EPVC, NUTRICOM, EMEA*) and the general population and housing census (*RGPH*) conducted in 2000/2001 may provide the data needed for a better grasp of poverty. A new poverty profile is available. Despite this progress, there are still gaps to be filled in relation to scheduling, monitoring, and evaluating investments, as well as in data collection and analysis, as prerequisites for determining the impact of public policies on poverty trends.
62. In the area of **decentralization**, major capacity-building activities have been carried out for local communities: (i) increased transfers of resources to the *Communes* in the framework of the regional development fund (*FDR*), which saw its resources increase from UM 215 million in 2001 to UM 600 million in 2002; (ii) expansion of the powers granted to the communities in taxation matters, in respect of the tax base and tax collections; (iii) the launching of new programs on behalf of local communities such as the decentralization support project *PADDEM* and the community aid project, *PAC*; and (iv) establishment of a training program for local representatives and local government personnel. Despite all that, there are still two major constraints on the scope of decentralization: the way provisions regarding the transfer of powers from the Sate to local governments are applied and the limited capabilities of the latter.

63. As regards the **effectiveness of government expenditure**, actions included: (i) drafting of a MTEF for the education and health sectors; (ii) taking measures considered to be prerequisites for drafting a budget execution law (audit law, decree on required accounting vouchers, government accounting, training activities, etc.); (iii) tightening internal (Inspectorate-General of Finance) and a posteriori (Auditor's Office) controls over expenditure outturns; (iv) stricter monitoring of expenditure using HIPC resources as part of the work of the technical committee formed for that purpose in 2000; (v) adoption of a new government Procurement Code with bidding procedures that permit more expeditious execution of public investment projects; and (vi) the beginnings of decentralization of budget execution, especially for the CDHLCPI.
64. The main steps taken to **strengthen civil society capabilities** were: (i) preparation of a negotiated training program tailored to the needs of national NGOs, whose start-up was delayed due to financial constraints, and (ii) establishment of a Cyber Forum open to all segments of civil society. In addition, several NGOs are involved in implementing and evaluating government poverty reduction programs.

1.5 The participatory approach

65. The mechanism used to prepare the PRSP and monitor its execution made it possible to bring together all stakeholders in the fight against poverty (the civil service, local representatives, the private sector, donors and creditors, etc.). Thus the report on implementation of the PRSP, written by the committees and specialized technical groups was discussed at a workshop organized for NGOs before being presented to inter-regional workshops and then to national conferences (cf. Box 3).
66. The principal recommendations of these three fora may be summarized under three headings:
- Regionalization of the PRSP, which is, in fact, a requirement of the Guidelines Law on combating poverty;
 - Strengthening of NGO capabilities and their involvement in execution of poverty reduction programs. With that in mind, the CDHLCPI has prepared a negotiated training program for Mauritanian NGOs. It has also initiated a study on setting up a fund to support enhancement of professional skills in national NGOs, based on the training through action principle;
 - Thematic recommendations, which will be thoroughly discussed within the Thematic Working Groups (open to civil society and donors)
67. The participatory approach has also broken new ground in terms of getting closer to the beneficiaries. Indeed, direct **consensus-building with the poor** is a fundamental stage in the strengthening and generalization of the whole process of reaching agreement on the preparation, implementation, monitoring, and evaluation of the PRSP. An analysis of the outcomes of these negotiations is currently underway.
68. Finally, consolidation of this participatory process will be facilitated by the drafting of a **communication strategy** encompassing all facets of poverty reduction. That strategy, which is currently being reviewed, will be up and running by the end of the first semester, 2002.

1.6 The main lessons learnt

69. Preliminary analysis of the first year of PRSP implementation, of new poverty data gathered in 2000, and of the recommendations emerging from the consultation with actors involved in the fight against poverty, discloses several main conclusions, which will serve as a basis for executing the action plan in the future :
- The PRSP is still relevant, in terms of both its strategic outlook and its priority action plan. Nevertheless, some of its 2004 targets, especially in respect of growth, poverty reduction, education, and health need to be revised.

- Given that a faster rate of economic growth is a prerequisite for poverty reduction, it is necessary to concentrate on reducing the vulnerability of the economy to exogenous shocks and to anchor growth in areas in which the poor will benefit.
- The private sector will not be able to play its part as the engine of growth unless there is a marked improvement in the domestic savings rate and a concomitant development of financial intermediation.
- Rapid enhancement of absorption capacity, especially by strengthening planning, monitoring, and evaluation capabilities and support for the development of a group of high performance enterprises, is a prerequisite for timely implementation of the priority actions contemplated in the PRSP and hence for the attainment of its ambitious targets.
- Regionalization of the PRSP, by establishing regional poverty reduction programs for each *wilaya* in the country, has become an imperative necessity as a means to achieve a better match between the underlying ideas of the PRSP and prioritization of the programs of the beneficiaries. This will enhance “ownership” of the programs by their beneficiaries and hence their impact.
- Effective involvement of civil society organizations in implementation of the PRSP, particularly with regard to mobilization and sensitization of the population, will expedite execution of the action plan and ensure that the population identifies with it.

Box 3. Summary of the work done at Consultation and Consensus-Building Conferences and Workshops

Organization of the annual workshop on a specific topic for more than 100 NGOs in September 2001, and organization of the national Conferences and inter-regional consensus-building workshops to assess implementation of the PRSP, in January 2002, form part of the ongoing process of consultation, exchanges, and strengthening of partnership associated with the PRSP. These events pursue certain objectives: (i) validation of the report on PRSP execution; (ii) identification of the main lessons to be drawn from one year of PRSP implementation; and (iii) reflection on the outlook and priorities of the PRSP. The Conferences brought together over 200 people representing civil service departments, the National Assembly and the Senate, local governments, civil society organizations, the private sector, trade unions, the press, donors and creditors, university students, and well-known figures in civil society. For their part, the workshops in four locations (Rosso, Atar, Aioun, and Kaédi) were attended by almost 700 people representing all the *wilayas* in the country.

Recommendations. Two recommendations stand out because of the importance that participants attach to them: (i) the regionalization of the PRSP, and (ii) strengthening of the capabilities of the NGOs and their involvement in execution of poverty reduction programs.

With respect to **rural development, food security, and the environment**, future actions should include the following measures:

- Cattle markets in border areas to promote exports of cattle;
- Further diversification of agricultural production, by introducing new technology and livestock product processing plants;
- Development of systems for the protection of pastures by building an extensive network of firebreaks;
- Promotion of renewable energy to ease the pressure on forests;
- Effective enforcement of international conventions by passing enabling legislation; and
- Execution of programs specifically designed for nomadic groups.

As regards **urban development, the provision of basic infrastructure, and support for growth**, participants recommend, in particular, that special attention be paid to the following aspects:

- Promotion of community access, with special public utility rates for the least privileged communities;
- Swifter implementation of the urban component of the PRSP; and
- Regulations to improve the quality of overland transportation, especially in respect of safety and comfort.

With respect to **employment, microfinance, and women's initiatives**, the recommendations focus on:

- Training of instructors, the establishment of training centers capable of attending to all professional and technical needs, and the quest for quality training;
- Validation and adoption of the national strategy of promoting microfinance and microenterprise;
- Completion of the revision of the Labor Code and its dissemination;
- Paying special attention to the crafts sector; and
- Development of an information system regarding informal sector jobs.

In the area of **education, literacy, and training**, the following complementary measures need to be implemented:

- Redistribution of state-run schools to ensure a better match between supply and demand;
- Establishment of schools adapted to the living conditions of nomadic groups;
- Introduction of school uniforms;
- Establishment of school cafeterias in all rural areas;
- Decentralization of vocational training;
- Strengthening of the role of the *mahadra* in the educational system;
- Development of applied scientific research;
- Development of a policy to improve professional teaching skills and a continuous education policy; and
- Creation of professional activities to incorporate girls who drop out of school.

In addition, participants welcomed the setting up of a **Fund to Promote Books and Reading** and recommended that it be included in the PRSP activities.

In the area of **health and nutrition**, participants insist on:

- Coordination of health and nutrition activities to ensure that they exploit synergies;
- Establishment of posts selling medicine and edible products and establishment of a national blood transfusion center; and
- Further decentralization of medical services.

With regard to **governance and capacity-building**, the principal recommendations are:

- Issue the implementation decree for Law No. 43-2000 regarding the special legal regime for development associations;
- Establish an institute of higher studies for judges;
- Devise a modern judicial information system and computerize the civil service;
- Apply the legal provisions regarding the transfer of powers from the State to local governments and establish decentralized administrative offices in the regions;
- Draw up a manual of procedures to govern management of government loans;
- Decentralize government services, especially units responsible for poverty reduction;
- Instill probity and civic values in government officials in charge of public funds;
- Strengthen the teaching of civic values at the grass roots level;
- Expand the civil society Cyber Forum; and
- Establish an agency to coordinate and monitor civil society initiatives.

2. Outlook for the 2002-2004 period

70. In order to attain the PRSP's objectives, the Government is determined to ensure close monitoring of strategy implementation and to take the necessary corrective measures, based on lessons learned from one year of implementation experience and relevant recommendations emerging from recent studies and surveys. Thus, there seems to be a need: (i) to redefine priority activities under the strategy; (ii) to revise PRSP objectives for 2004; (iii) to identify risks and the measures required to mitigate those risks; and (iv) to determine external aid requirements.

2.1 Priority measures and the PIP for 2002-2004

71. Implementation of the PRSP over the 2002-04 period will be characterized by stepped-up efforts by the Government to achieve the goals of accelerating growth, anchoring that growth in the milieu of the poor, developing human resources and access to social services, strengthening institutional capacities and improving governance. This will mean implementing the following priority activities, which take into account the constraints faced in 2001 and the lessons learned from the poverty profile.
72. **Accelerated growth** will be sought by the following means: (i) macroeconomic policies that lead to a resumption of domestic demand; (ii) expansion of supporting infrastructures, and particularly of roads; (iii) a dynamic private sector stimulated by structural reform and an enabling environment; (iv) finalization and implementation of sectoral strategies (e.g., in rural development, artisanal fishing, tourism, etc.); and (v) implementation of the production capacity expansion program for SNIM.
73. The Government will continue to play its redistributive role by: (i) intensifying its efforts to mobilize resources by enlarging the tax base and improving collection; and (ii) by increasing public expenditures for poverty alleviation, while ensuring at the same time, by means of medium-term expenditure frameworks, that allocations are more efficient and targeted.
74. In order to attain growth objectives, the Government will continue to stimulate private sector development by: (i) improving the legal and regulatory framework for business and, in particular, by adopting the draft Labor Code and regulatory texts that complement the codes pertaining to business law; (ii) consolidating judicial reform through the adoption and financing of a medium-term strategy; (iii) creating an enabling institutional environment by streamlining administrative formalities, strengthening regulatory authority, and introducing an entity responsible for monitoring competition; (iv) simplifying and streamlining the tax regime applicable to businesses and the adoption of a standard mining convention setting out the tax regime for that sector; (v) conducting a study of financial sector strategy and implementing its action plan; and (vi) expanding the utilization of new information and communication technologies (NTIC s).
75. Structural reform will be pursued through: (i) privatization of SOMELEC; (ii) adoption of the legal, regulatory and institutional framework allowing the liberalization of hydrocarbons distribution; (iii) actual implementation of liberalization of transportation services; and (iv) promotion of private sector participation in ports management.
76. The study of the competitiveness of the national economy and its integration into world trade underlined the importance, aside from private sector incentives and structural reforms, of setting up an institutional mechanism conducive to the development of exports. As early as 2002, action will be taken in this area, including in particular: (i) creation of a Fisheries Products Export Promotion Center (*Centre de promotion de l'exportation des produits de pêche*), which will in time evolve into a center for the promotion of other export sectors (e.g., agricultural and livestock in particular); (ii) creation of a National Tourism Office; (iii) modernization of customs administration with a view to facilitating trade; and (iv) creation of a Trade Information Center (*Centre d'informations commerciales*).

77. **The anchoring of growth in the milieu of the poor** will remain a priority through integrated development programs in urban and rural areas, as well as through cross-sectoral measures aimed at supporting microenterprises and job creation. In the area of rural development, the following actions will be carried out: (i) intensification of interventions under the PDIAIM and PACAD projects, particularly in connection with rehabilitation programs for irrigated perimeters, diversification of production and exports, and support services (e.g., credit, land title regularization, research/extension, support to socioprofessional organizations (SPOs) and cooperatives in difficulty, etc.); (ii) expansion of growth-supporting infrastructures in the area of the river in order to reverse the poverty dynamic; (iii) expansion of current programs in the rainfed zone, along with rural infrastructure development; (iv) continuation of targeted poverty reduction programs including, in particular, start-up of the PASK project which is to be implemented in one of the main poverty-stricken zones (i.e., Guidimakha, Gorgol and Assaba); (v) adoption and implementation of the action plan emerging from the livestock sector study, particularly in terms of infrastructure development, improvement of support services (e.g., credit, vaccination, research, disaster management, etc.), and integration of the sector into the economy by increasing its contribution to GDP formation and export diversification.
78. The Government will implement the first phase of the Urban Development Program, which should significantly improve opportunities and living conditions for the urban poor, especially in Nouakchott. The main actions envisaged under this first phase are the following: (i) restructuring of slums in Nouakchott and Nouadhibou and their integration into the urban fabric; (ii) provision of basic economic infrastructures (e.g., water, electricity, telecommunications, sanitation, streets, dirt roads, etc.) to all regional capitals, by means of the labor-intensive works approach, in order to support economic activity and create jobs; (iii) land title regularization for low-income households and the development of plots in newly-parceled zones; (iv) improvement of housing in fringe neighborhoods and creation of microenterprises; and (v) reform of the instruments of urban, land tenure and cadastral management, with greater assignment of responsibility to townships (*communes*.)
79. Cross-sectoral measures will concern the following areas: (i) development and implementation of a microfinance strategy; (ii) revision of labor policy and development of an information system on the labor market that would allow a better match-up between supply and demand and serve to guide public policy; (iii) continued efforts to ensure insertion into the job market for unemployed school-leavers; and (iii) continuation and intensification of actions undertaken in the areas of food security and social safety nets.
80. The Government will continue to implement the ten-year plan for the **education** sector, placing particular emphasis upon the following: (i) enrollment rates, in order to ensure universal access to elementary education, particularly for the most disadvantaged, including girls and rural dwellers; (ii) the quality of teaching and learning; (iii) an appropriate fit between training and jobs; and (iv) the creation of an efficient management system, with clear responsibilities and procedures. In addition, actions undertaken in connection with **literacy** will be reinforced thanks to the recent creation of the Fund for the Promotion of Books and Reading.
81. In the area of **health**, the Government will set up the programs provided for under the Medium-Term Expenditure Framework, which are aimed at: (i) improving health indicators, especially for the poor; (ii) limiting the impact of health-related expenditures on the incomes of the poorest, especially through risk-sharing and free coverage for the indigent; and (iii) improving participation by the poor. Community nutrition programs will likewise be strengthened through the creation of new centers and increased outreach efforts.
82. Regarding access to potable **water**, planned activities have to do with: (i) setting up hydraulic investment programs; and (ii) continued reform in the water sector in order to foster private sector participation in the provision of services in rural and urban areas. Moreover, the Agency for the Promotion of Universal Access will implement a medium-term program of rural and periurban infrastructure development, in order to increase and diversify opportunities for the poor by stimulating private sector participation in the provision of these infrastructures.

83. The **institutional capacity** for economic management will be supported through a program of capacity-building in the areas of programming, monitoring and evaluation of investment expenditures, as well as through the development of a forecasting model simulating the impact of economic policies and/or external shocks upon poverty. In addition, measures will be taken to improve absorptive capacity (see Box 4).
84. Progress made in the area of decentralization will be consolidated and supported by further reform of municipal tax regimes, the introduction of a decentralized regional framework and greater regionalization of State services.
85. Greater efficiency in public expenditures will be sought through improved allocation, greater transparency in execution, and close monitoring of expenditures related to poverty reduction. The measures recommended by World Bank and IMF analyses in the area of public finance will be implemented.

Box 4. Improving absorptive capacity

Execution of public investment projects has improved significantly over the past few years, following the introduction by the Government of a set of measures aimed at improving the country's absorptive capacity.

The PRSP clearly states, however, that this absorptive capacity is still limited and that focused attention is required if the ambitious public investment program associated with the PRSP is to succeed and the substantial financial flows anticipated under the enhanced HIPC initiative are to be used in an optimal manner.

Over the 2002-2004 period, the Government intends to pursue and deepen reforms aimed at improving absorptive capacity by means of a coherent set of measures aimed simultaneously at: (i) developing capacities in the area of design and programming; (ii) capacity-building in project execution; (iii) capacity-building in the area of monitoring and evaluation; (iv) harmonization of donor procedures; and (v) capacity-building in the private sector.

In order to develop design and programming capacity, the planned measures deal mainly with the following: (i) improving the quality of the PIP through more efficient selection of public investments; (ii) strengthening of the structures involved in planning; and (iii) improvement of cross-sectoral coordination.

In order to improve project execution capacities, the most important measures are: (i) development of implementing legislation for the new public procurement code and dissemination of information about the new regulations to actors involved in procurement; (ii) improving project management through the development of procedures manuals and annual work programs along with the corresponding budgets; (iii) introduction of routine portfolio reviews with most donors and the dispatching of supervision missions at more regular intervals; and (iv) re-vitalizing Oversight Committees in order to make them actual instruments of project monitoring, and the production of periodic project management reports.

Improvements in monitoring and evaluation will require the following: (i) improved training for the staff of project monitoring units and planning/monitoring entities, and reinforcement of the material resources available to them; (ii) progressive creation of monitoring/evaluation entities within ministries that lack them; (iii) promotion of a framework for regular consultation among the various project entities with a view to harmonizing methods and tools for data collection, and to foster the exchange of information; and (iv) the introduction, or strengthening, of mechanisms for monitoring impacts of projects and programs, at the level of the projects themselves as well as within the oversight ministries.

Efforts will be made to harmonize donor procedures, particularly by applying the most appropriate methods of bringing about greater convergence in procedures, while at the same time taking into account the specificities each partners.

In order to strengthen the capacities of the private sector, the Government plans to: (i) develop and implement an appropriate training and capacity-building program within national enterprises; (ii) encourage partnerships and alliances between national and foreign enterprises; (iii) weigh the options for setting up specialized guarantee and financing institutions; and (iv) progressively create a database on the public works sector and define technical standards for that sector

86. All those involved in development, and particularly civil society, will be strongly encouraged to participate in the implementation, monitoring and assessment of the PRSP. In particular, NGO involvement in implementation will be fostered by the adoption of a regulatory framework for development associations, the strengthening of their capacities and the contractualization of their obligations.
87. Concerning **the strategy's medium-term objectives**, several factors now suggest that they be revised:

- The incidence of poverty is expected to be 42 percent in 2004, partly due to the downward revision of growth predictions for 2001 and 2002 in connection with the business cycle, and partly due to the decreased elasticity of this incidence in relation to average expenditures. This revision will also be relevant to objectives concerning impact on extreme poverty, which remained practically unchanged between 1996 and 2000.
 - Educational objectives were revised during preparation of the ten-year program, which aims at universal schooling as measured by enrollment rates in 2005, an increase in retention rates to 67 percent and a gross school enrollment rate of 91 percent. This revision reflects a one-year postponement of the PRSP's initial objectives.
 - In the health sector, a recent survey showed that the PRSP's objectives for 2004 have already been exceeded, particularly as regards the fertility index and the infant mortality rate¹. Thus, the monitoring report states revised objectives in accordance with the Medium-Term Expenditure Framework for the sector.
88. The 2002-2004 action plan is financed by a Public Investment Program (PIP) valued at nearly US\$679 million, which was supported by the development partners attending the 4th Consultative Group Meeting for Mauritania.
89. Implementation of the 2002-2004 action plan under the PRSP will undergo a major change: i.e., the **regionalization** of poverty reduction programs. Indeed, policy legislation concerning poverty reduction makes a provision, at the regional level, for PRSP policies to be implemented through regional poverty reduction programs, which constitute the framework within which regional priorities are defined. The participatory process of drawing up, implementing, monitoring and evaluating these regional poverty reduction programs will be carried out according to the same guiding principles pertaining to the PRSP.
90. Regional poverty reduction programs for all the country's *wilayas* will be introduced progressively. Certain *wilayas* already have development plans that predate the PRSP. Those *wilayas* will need to adapt the content of those plans to the themes of the PRSP and strengthen the mechanisms of participation. To this end, a memorandum on methodology and a timetable will be drawn up during the first half of 2002.
91. In addition, the year 2002 will witness the finalization and the start of implementation of an integrated **monitoring and evaluation system** for the PRSP.

2.2 Risks

92. Implementation of the PRSP faces the following main risks:
- Fluctuations of world markets, which may result in decreased external demand for Mauritanian products, and may have a negative impact on growth and macroeconomic stability;
 - Unforeseeable climatic events (e.g., floods, droughts, cold snaps, etc.) that can affect growth as well as efforts to reduce poverty and vulnerability;
 - Weak absorptive capacity, which the Government has taken measures to improve significantly (cf. Box 4).

2.3 External aid requirements

93. The attainment of PRSP objectives, especially in an international environment in which external demand remains volatile, requires implementation of the 2002-2004 Public Investment Program, which the development partners have committed themselves to financing. That being

¹ Analysis provided by the EDS mentions the absence of reliable data of infant mortality in rural areas.

so, the mobilization of the concessional external aid underwritten by these partners is crucial to implementing the PRSP.

94. Moreover, PRSP programs will involve a substantial increase in recurrent costs and operating expenses, which can only be financed if greater budgetary maneuvering room is obtained by means of debt relief. Interim assistance has already made it possible to significantly boost current expenditures in education and health, which were deemed necessary during preparation of the Medium-Term Expenditure Frameworks in order to achieve sectoral objectives. Thus, the attainment of the completion point in 2002 will make it possible to cover larger current expenditures out of internal resources.
95. The weakness of capacities is the primary constraint to implementing the PRSP. In order to alleviate this problem, the Government has established a National Capacity-Building Program aimed at meeting the needs of all those involved in implementing the PRSP. During the development of this program, important technical assistance requirements were identified, including:
 - Mastery of skills for macroeconomic planning and development of economic policy scenarios in order to assess their impact on poverty *a priori*. In this area, a partnership already exists with the World Bank (for modeling) and the IMF (for advisory support). This partnership must be strengthened in order to attain this goal.
 - Analysis of public expenditures, particularly through the acquisition of tools for carrying out reviews, medium-term expenditure frameworks, economic analyses of projects, etc. In addition, the Inspectorate-General of Finance, the Auditor's Office and the Parliament are in need of capacity-building in the area of public expenditure monitoring. Certain development partners are already involved in these areas: the World Bank (for development of medium-term expenditure frameworks); the IMF (for monitoring of poverty-related expenditures, [RONC]); France (for the PAFIEM project), Germany (project involving assistance the Auditor's Office); the European Union (for budget assistance); and the UNDP (National Good Governance Program). These partnerships must be consolidated, expanded and geared to a greater degree toward the transference of the above-mentioned tools.
 - Sectoral policy advice and assistance in setting up and evaluating coherent medium-term programs and coordinating external aid.
 - Enhancement of the capacities of the private sector and civil society in the broad sense, particularly by means of the following: (i) improvement in their institutional and organizational frameworks on the basis of lessons learned from international experience, especially in North African and sub-Saharan African countries; (ii) development of their capacities for policy analysis and development of counter-proposals in order to solidify the participatory process; and (iii) utilization of NTIC in order to improve their productivity and expand their opportunities.
 - The monitoring and evaluation of the impact of programs and projects is an essential component of PRSP implementation. The development of a framework for technical assistance in this area will significantly improve the quality of PRSP programs.

ANNEXES

Annex 1: Tables and graphs on the poverty profile

Table 1: Evolution of poverty indicators, by zone of residence

	Nouakchott		Urban, other		Rural Fleuve		Rural, other	
	1996	2000	1996	2000	1996	2000	1996	2000
Poverty								
Incidence, in % (P ₀)	20.6	25.1	37.8	25.7	60.2	71.7	71.5	61.2
Depth, in % (P ₁)	4.6	6.1	12.3	6.5	21.9	28.7	29.3	21.0
Severity, in % (P ₂)	1.6	2	5.5	2.2	11.2	15	15.1	10.4
Extreme poverty								
Incidence, in % (P ₀)	7.7	12.3	21.9	13.2	37	52.5	53.7	38.5
Depth, in % (P ₁)	1.5	2.1	6.3	2.3	13	17.9	18.4	12.5
Severity, in % (P ₂)	0.5	0.5	2.5	0.5	6.4	8.4	8.3	5.4
Inequality								
Gini index, in %	32.4	34.6	36.3	35.7	31.1	33.6	33.8	37.1
Education (in %)								
Literacy of persons over 15 years of age (in %)	56.0	77.3	48.0	72.7	18.0	38.0	40.9	46.8
Water (as a % of households)								
Households having private faucet	26.9	19.7	31.4	29.9	1.0	6.1	1.4	13.0
Electricity (as a % of households)								
Households with electricity for lighting	36.5	37.5	39.6	51.0	1.3	3.1	2.1	2.9

Source: Ongoing surveys of household living conditions (Enquêtes Permanentes sur les Conditions de Vie des ménages, EPCV - 1996 and 2000)

Table 2 : Evolution of poverty indicators, by residential milieu

	Urban		Rural		Combined	
	1996	2000	1996	2000	1996	2000
Poverty						
Incidence, in % (P ₀)	30.1	25.4	65.5	61.2	50	46.3
Depth, in % (P ₁)	8.1	6.3	28	24.1	18.3	17
Severity, in % (P ₂)	2.9	2.1	15.2	12.1	9.1	8.2
Extreme Poverty						
Incidence, in % (P ₀)	16.7	12.7	48.1	44.1	32.6	31.4
Depth, in % (P ₁)	3.2	2.1	18.6	14.7	10.7	9.9
Severity, in % (P ₂)	0.8	0.5	9.9	6.5	5	4.1
Inequality						
Gini index, in %	35.3	35.1	35.2	36.7	37.7	39
Education (%)						
Literacy of persons over the age of 15 (in %)	53	62.9	32	51.6	42	57.2
Water (as a % of households)						
Households with private faucet	28.5	26.2	4.7	6.9	15.2	15
Electricity (as a % of households)						
Households having electricity for lighting	37.6	43	2.6	3.1	18	19.4

Source: Ongoing surveys of living conditions of households (Enquêtes Permanentes sur les Conditions de Vie des ménages, EPCV - 1996 and 2000)

Table 3: Evolution of poverty indicators, by quantile

	First quantile		Fifth quantile	
	1996	2000	1996	2000
Poverty				
Incidence, in % (P ₀)	100.0	100.0	0.0	0.0
Depth, in % (P ₁)	52.7	56.0	0.0	0.0
Severity, in % (P ₂)	32.1	33.4	0.0	0.0
Extreme poverty				
Incidence, in % (P ₀)	84.2	100.0	0.0	0.0
Depth, in % (P ₁)	38.7	42.3	0.0	0.0
Severity, in % (P ₂)	21.4	20.4	0.0	0.0
Inequality				
Gini index, in %	33.3	28.3	29.3	30.2
Education (in %)				
Literacy of those over the age of 15 (in %)	35	33.3	50	76.7
Water (as a % of households)				
Households with private faucet	9.5	3.9	19.5	25.7
Electricity (as a % of households)				
Households with electricity for lighting	6.9	2.2	24.8	42.5

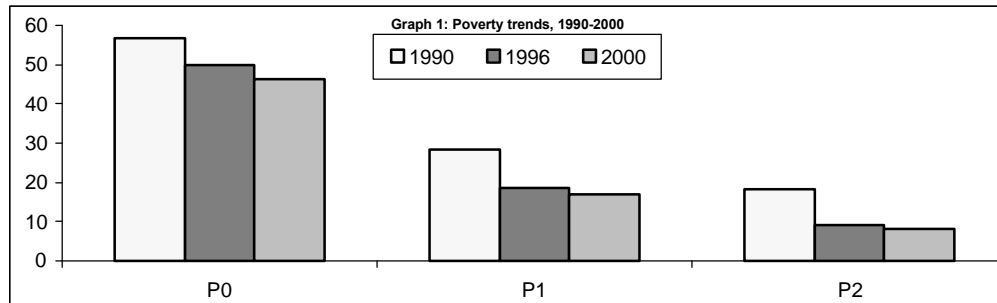
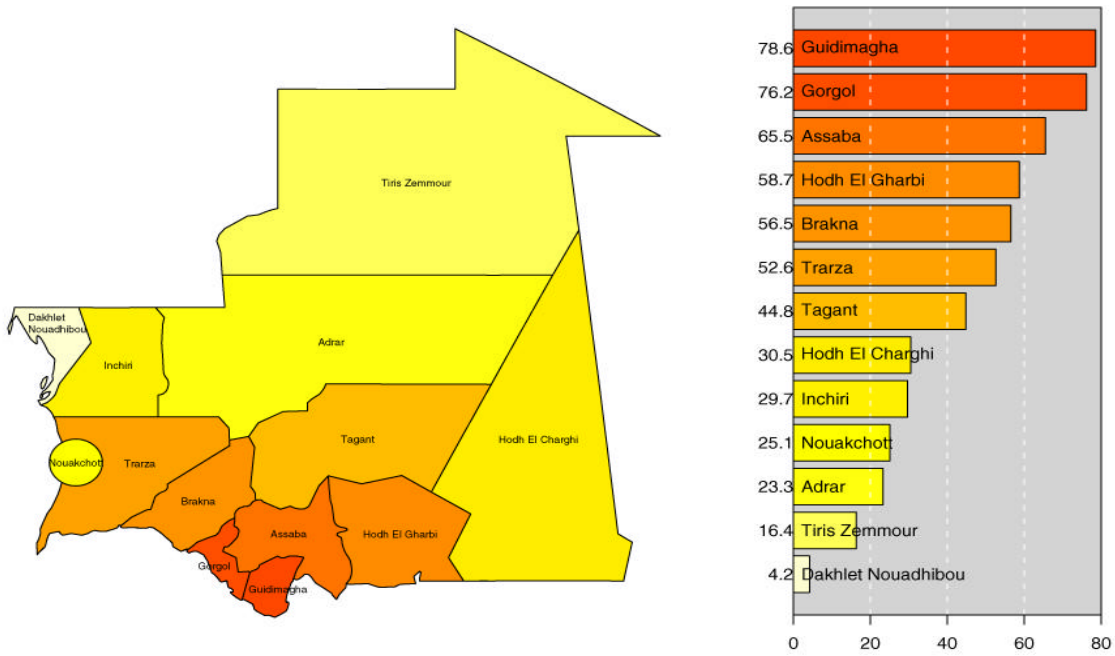
Source: Ongoing surveys of household living conditions (Enquêtes Permanentes sur les Conditions de Vie des ménages, EPCV - 1996 and 2000)

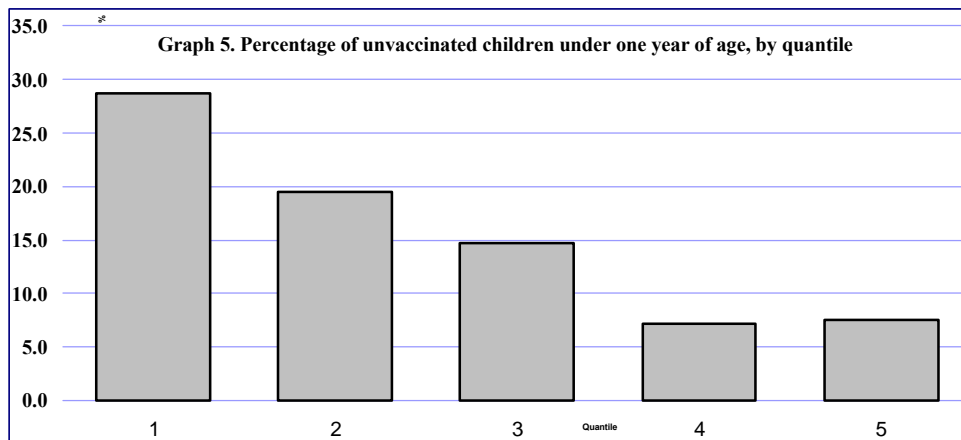
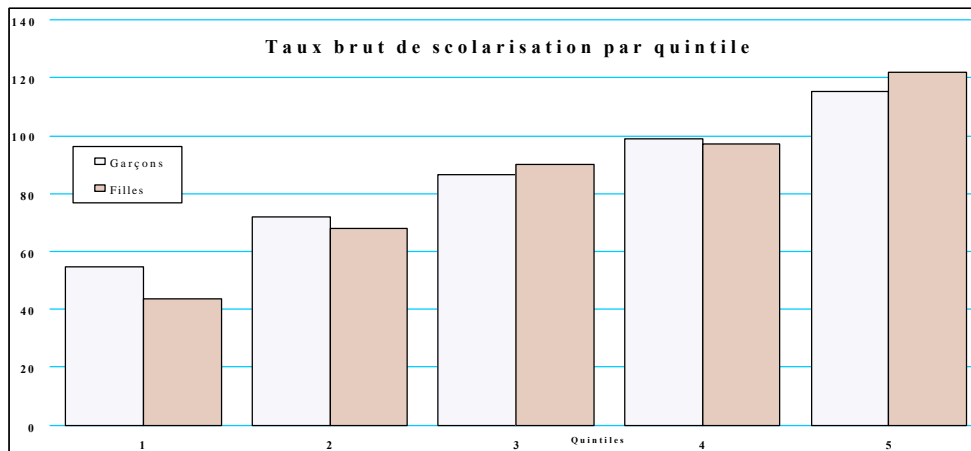
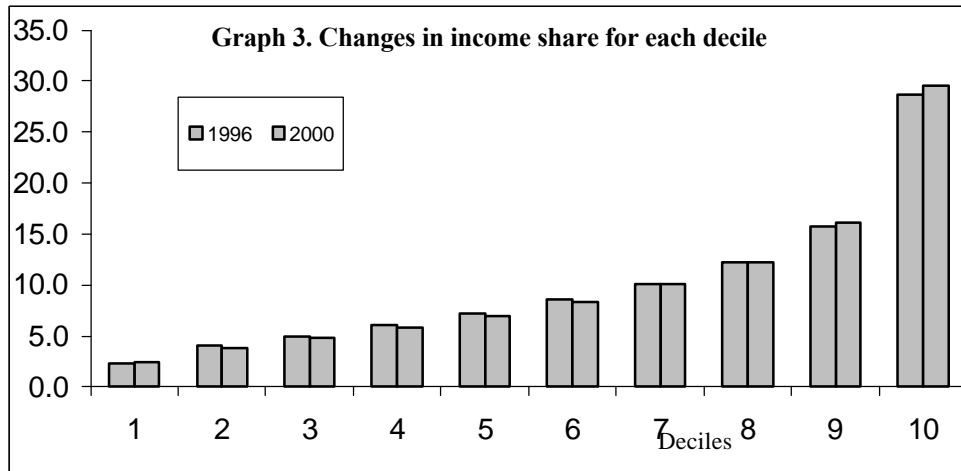
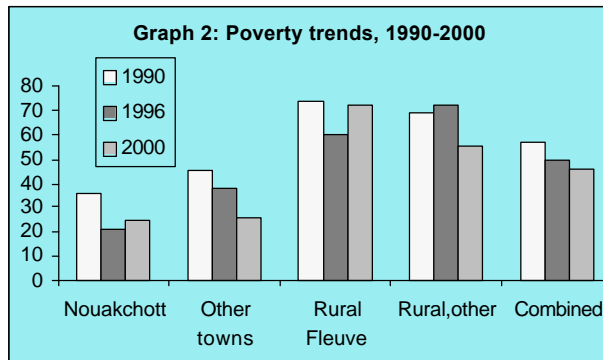
Table 4. Health/nutrition indicators in 2000

	Urban	Rural	Ensemble
Underweight (for age)	30.2	35.9	32.0
Delayed growth (size for age)	26.7	37.9	35.0
Emaciation (weight for height)	11.1	14.1	13.0
Infant mortality rate (0 to 1 year of age)	80.0	92.3	87.4
Infant-child mortality rate (0 to 5 years)	119.1	147.6	135.3

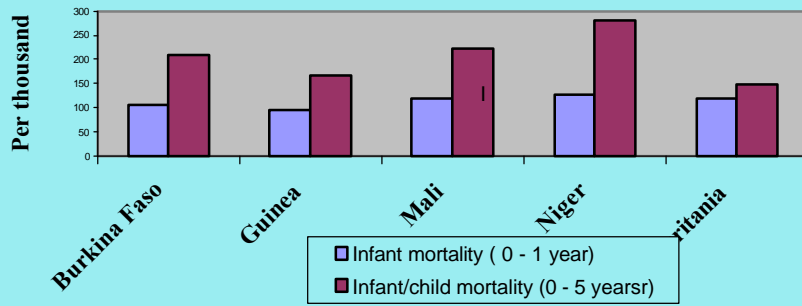
Source: EDS 2000, with corrections provided by modeling

MAURITANIE – INDICE PAUVRETE P0 (%)

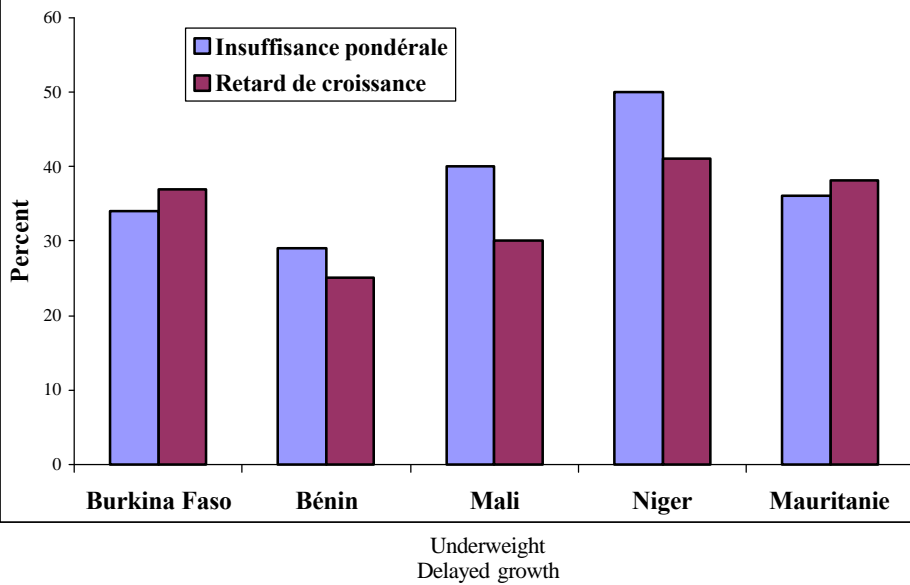




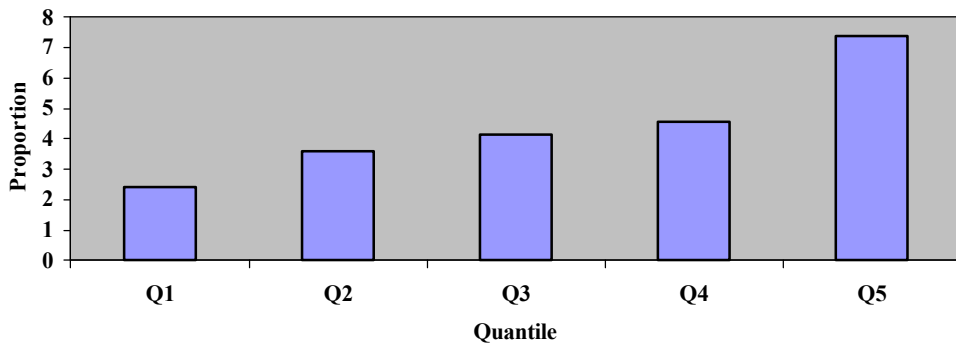
Graph 6: Comparison of infant and child mortality indicators in countries of the sub-region



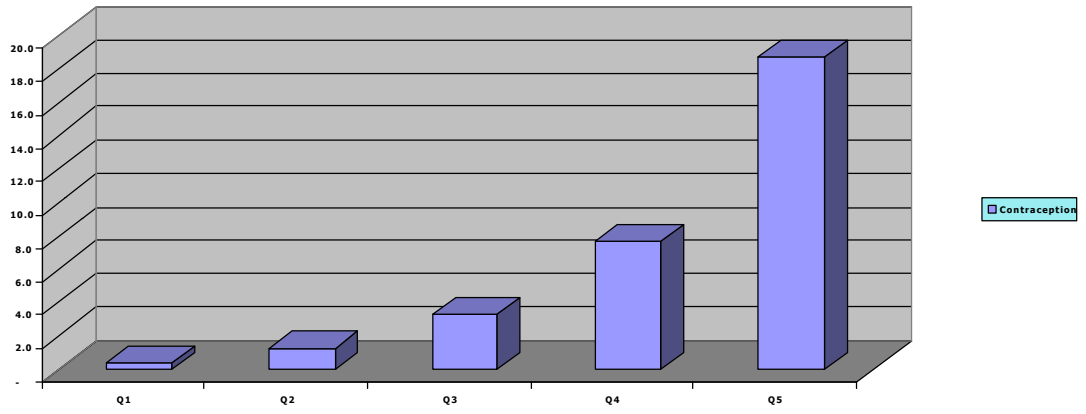
Graph 7. Comparison of indicators of malnutrition in children under the age of 3 with some countries in the subregion



Graph 8. Health expenditure as a proportion of total household expenditure



Contraception



Annex 2: Revised poverty reduction objectives²

Priority objectives and performance indicators	Reference situation		Quantified objectives		
	Date	Figure	2004	2010	2015
Reduce poverty					
Number of poor (in thousands)	2000	1.224	1.240	1.049	744
Incidence of poverty	2000	46.3%	42.3%	30.7%	19.1%
Incidence of extreme poverty	2000	31.1%	25.9%	13.6%	2.7%
Depth of poverty	2000	16.9%	13.1%	5.7%	1.0%
Severity of poverty	2000	8.2%	5.4%	1.6%	1.0%
Gini index	2000	39%	36.0%	31.9%	28.8%
Cf. indicators below					
Accelerate economic growth					
Annual GDP growth rate	2000	5.0%	6.1%	6.5%	6.5%
Annual per capital GDP growth rate	2000	2.4%	3.5%	3.9%	3.9%
Investment rate (as a % of GDP)	2000	16%	25%	23%	22%
Maintain macroeconomic stability					
Inflation rate (%)	2000	3.3%	3.5%	2.6%	2.6%
Fiscal balance (as % of GDP)	2000	-4.4%	-3.1%		
Current balance of payments deficit, excluding official transfers (in % of GDP)	2000	6.0%	8.0%	10%	10.0%
Gross reserves (in months of imports)	2000	6.9	7.7	6.0	6.0
Debt/GDP ratio (%)	1998	215			
Improve the overall level of education					
Gross primary enrollment ratio	2000	84.4%	92%	100%	100%
Gross enrollment ratio for girls	2000	82.2%	92%	100%	100%
Proportion of children completing the basic cycle	1999	55%	67%	78%	100%
Proportion of girls reaching 6 th year in basic cycle	1999	50%	60%	78%	100%
New entrants into 1 st year of secondary education	1999	18.344	28.666	34.878	50.000
Student/teacher ratio in first cycle of secondary	1999	36	30.6	26	26
Rate of adult illiteracy	2000	42.8%	23%	13%	5%
Education expenditures, as a % of GDP	2000	4.5%	4.23%	5%	5.4%
Improve overall health status					
Life expectancy at birth (in years)	1998	52.8	56	59	62
Total fertility rate	2000	4.7			
Infant mortality rate (‰)	2000	74	90	60	30
Infant/child mortality rate (‰)	2000	116	160	103	55
Rate of attended births	2000	56.9%			
Prevalence of HIV among pregnant women	2000	0.5%	2%	1%	1%
Rate of coverage (by basic health post) within distance of 5 km	2000	73%	80%	90%	100%
Malnutrition (weight for age) among children 5 years of age or under (%)	2000	32%	18%	14%	10%
Increase access to drinking water					
Rate of water supply connection	1997	35%	45%	54%	60%
Price of m ³ of water (in US dollars)	1997	1.03	1.03	1.07	1.10

² Annex in the process of being finalized.

Priority objectives and performance indicators	Reference situation		Quantified objectives		
	Date	Figure	2004	2010	2015
Increase incomes and improve living standards in rural areas					
Incidence of rural poverty	2000	61.2%	54.9%	44.0%	34.0%
Incidence of extreme rural poverty	2000	44.1%	36.0%	28.8%	24.0%
Gini index in rural areas	2000	36.7%	34.2%	32.2%	30.6%
Agricultural GDP growth rate	2000	0.5%	5%	10%	10%
Irrigated rice yields (tons/ha/year, with off-season crops)	1998	4	9	10	12
Rate of livestock health coverage (mandatory vaccinations)	1999	60%	70%	77%	85%
Yield of arid-zone food crops	1999	0.4	0.8	1.0	1.0
Increase incomes and improve living conditions in slums in large cities and secondary towns					
Target population (in thousands)	2000	540	266	540	700
Number of working individuals with access to microcredit (in thousands)			20	40	80
Cumulative volume of microcredits (in millions of UM)	2000	200	2.500	5.000	6.000
Number of land titles regularized in poor neighborhoods	2000	800	16.000	30.000	40.000
Number of new parcels developed			8.000	20.000	35.000
Access to subsidized housing in poor neighborhoods (families)	2000	300	10.000	20.000	35.000
Consumption of drinking water (l/day) per inhabitant in poor neighborhoods	1997	10-20	20-30	40	50
Rate of access to drinking water in poor neighborhoods	1997	35%	40%	50%	60%
Price of m ³ of water (in US dollars) in poor neighborhoods	1997	2-3	<1	<0.5	<0.5
Price of m ³ of water in poor neighborhoods, relative to other neighborhoods	1997	5 times	1 times	0.8 times	0.8 times
Rate of access to sanitation infrastructure in poor neighborhoods	2000	10%	15%	26%	36%

Annex 3: Matrix of Priority Measures under the PRSP

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
THEME 1: ACCELERATED AND REDISTRIBUTIVE GROWTH		
<p>Growth: Accelerate growth and achieve an underlying rate of 7%.</p> <ul style="list-style-type: none"> • Implement policies on the macro front, external sectors etc. 	<ul style="list-style-type: none"> • Cf. Macro policies, external sectors, etc 	<ul style="list-style-type: none"> • Cf. Macro policies, external sectors, etc
<p>Macroeconomic framework: Maintain an inflation rate of < 3% and a deficit in the consolidated State account of < 3%.</p> <ul style="list-style-type: none"> • Maintain revenues and expenses consistent with the objectives of the PRSP and reflecting average levels of 25.7% and 27.8% of GDP • Establish domestic tax system reform 	<ul style="list-style-type: none"> • Annual objective 2001 • Reduce the industrial and commercial profit tax (<i>impôt sur les bénéfices industriels et commerciaux, BIC</i>) from 40% to 35% and increase the minimum presumptive tax (<i>impôt minimum forfaitaire, IMF</i>) deduction from 50 to 75%. • Create the Large Enterprises Directorate and strengthen the tax collection teams. 	<ul style="list-style-type: none"> • Annual objective 2001 • Reduce and simplify direct taxation under the 2002 Budget Law. Strengthen the tax collection teams (additional funding, create a tax authority, staff incentives).
<p>Maintain a deficit from current operations (excluding official transfers) of < 15.5% of GDP and a 6-month level of foreign reserves:</p> <ul style="list-style-type: none"> • Continuation of a monetary policy based on market forces, through utilization of direct liquidity management instruments and development of the Treasury Bond market • Implement policies and programs for development of export sectors (SNIM, agricultural diversification, tourism, etc.) <p>Reduce the spread between lending and deposit rates:</p> <ul style="list-style-type: none"> • Maintain the real effective rate of exchange at a level consistent with the current account target. <p>Promote competition in the financial sector and encourage savings.</p> <ul style="list-style-type: none"> • Respect by the banks of coverage and risk sharing ratios, 	<ul style="list-style-type: none"> • Create a special facility (<i>facilité ponctuelle</i>), gradually transfer government deposits from the banks to the Central Bank of Mauritania (BCM) • Cf. export sectors • Annual objective 2001 • Annual objective 2001 	<ul style="list-style-type: none"> • Create a special facility, gradually transfer government deposits from the banks to the BCM • Cf. export sectors • Annual objective 2002

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>in accordance with the contracts between BCM and commercial banks.</p> <ul style="list-style-type: none"> • Opening of financial sector to other banks • Preparation of financial sector development study. • Access to appropriate savings collection instruments with technical assistance from the International Monetary Fund and the World Bank. 	<ul style="list-style-type: none"> • Licensing of a new bank in 2001 • TORs prepared 	<ul style="list-style-type: none"> • Study completed
<p>Private sector development Create an environment favorable to private sector development</p> <ul style="list-style-type: none"> • Application of revised codes regarding business laws • Reduce and simplify direct and indirect (VAT) tax system applicable to companies • Removal of obstacles to competition (in transport) and progressive expansion of the jurisdiction of the Regulatory Authority <p>Improve the economy's attractiveness to foreign investment:</p> <ul style="list-style-type: none"> • Prepare an action plan for improving the economy's competitiveness and integrating it into the world economy. • Continuation of privatization programs (electricity, telecommunications) 	<ul style="list-style-type: none"> • Promulgation of codes • Number of VAT rates reduced to 2. Municipal taxes on international trade abolished, business taxes reduced in the 2002 Budget Law, BIC reduced to 25%, IMF fully deductible, small business registration fee reduced, tax on real estate income (impôt sur le revenu foncier, IRF) reduced to 6%. • Transportation liberalized, law on the multisectoral regulation authority adopted, technical assistance under way to simplify administrative formalities. • Study on improving the economy's competitiveness and integrating it into the world economy • Telecommunications. Legal framework, privatization of MAURITEL, 2 GSM licenses awarded, coverage of all Moughatas. • Electricity. Electricity Code adopted, activities of SONELEC separated into SOMELEC and SNDE, investor prequalification for privatization of SOMELEC, 	<ul style="list-style-type: none"> • Prepare laws to enforce the Commercial Code, the Investment Code, create a Legislation server. • Create a Transport Regulation Authority, provide technical structures for the Multisectoral Regulatory Authority. • Adopt an action plan for improving the economy's competitiveness and integrating it into the world economy. • Electricity: Transfer 54% of SOMELEC's capital to a strategic partner

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> Promotion of export sectors: mines, tourism, fishing, agriculture 	<ul style="list-style-type: none"> preparation of bidding documents. Cf. below 	<ul style="list-style-type: none"> Cf. below
Development of export sectors :		
<p>Fishing Ensure rational management of fishery resources from a sustainable development perspective:</p> <ul style="list-style-type: none"> Continuation of CNROP five-year research plan and annual publication of results Allocate fishing effort based on permissible level defined by the CNROP for each fishing ground Implement new surveillance methods and strengthen cooperation with all partners for surveillance <p>Strengthen the sector's integration with the national economy:</p> <ul style="list-style-type: none"> Gradually increase landings of fishery products in Mauritania <p>Encourage local processing of fishing products</p> <ul style="list-style-type: none"> Encourage foreign investment in local fish processing: <p>Enhance the contribution of artisanal fishing to value added and employment:</p> <ul style="list-style-type: none"> Implementation of infrastructure programs (pelagic port, fishing port, coastal infrastructures) and encouragement of private sector participation in their financing 	<ul style="list-style-type: none"> Publish a semiannual report in July 2001. Freeze on cephalopod fishing, monthly fishing effort report. Refit the vessel Abba with AFD and govt. financing, refit the vessel Arguin with DSPCM funding. Study on financial autonomy for DSPCM. Earmark more money for surveillance under the EU fisheries agreement. Land catch from all national vessels, require some foreign vessels to land their catch in Mauritania Foreign-operated pelagic and tuna processing companies created and plants under construction. NDB artisanal fishing port expanded, financing arranged for a coastal development pole opposite Tiguent, and another opposite PK144 (RN1) 	<ul style="list-style-type: none"> Publish a semiannual report. Freeze on cephalopod fishing, monthly fishing effort report. Feasibility study for a VMS /radio surveillance system. Land catch from all national vessels, require some foreign vessels to land their catch in Mauritania Cf. measures to integrate the fisheries sector into the national economy and enhance its competitiveness. Seek financing for a pelagic port at NDB, complete study for the artisanal fishing port at Tanit, build the coastal development pole opposite PK144 (RN1).
<p>Mining: Promote diversification of the mining sector and increase its contribution to the economy:</p> <ul style="list-style-type: none"> Dissemination of Mining Code and continuation of foreign investor awareness campaigns 	<ul style="list-style-type: none"> Mining Code published, mapping work started on North and Central zones, North geophysical study results presented. 	<ul style="list-style-type: none"> Mining Code published, mapping work in the Central zone, constitute data room and present mapping results.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> Continuation of research programs in progress (petroleum,...) Implementation of SNIM investment program 	<ul style="list-style-type: none"> Research program 2001 Bidding documents prepared for the Spirale Project 	<ul style="list-style-type: none"> Research program 2002 Implement the Spirale Project
<p>Tourism : Develop the country's tourism potential:</p> <ul style="list-style-type: none"> Organization of national meetings on tourism strategy in consultation with the Tourism Federation and the foreign private sector Establishment of a regulatory framework for tourist activity that favors private investment Promotion abroad and development of Mauritania's tourist image in collaboration with the national tourism Federation Develop training for tourist trades 	<ul style="list-style-type: none"> Draft master plan prepared Regulations for the Tourism Law adopted Participation at international fairs and exhibitions, guide to the Adrar produced. Seek financing for a hotel and tourism training center. 	<ul style="list-style-type: none"> Finalize and implement the master plan Participation at international fairs and exhibitions, guide to the Adrar produced. Mobilize financing for a hotel and tourism training center.
Basic infrastructure:		
<p>Transport: Reduce factor costs and strengthen integration with national economy:</p> <ul style="list-style-type: none"> Implement the priority basic infrastructure program (NKC-NDB, Rosso-Boghé roads, etc.) Encourage private sector participation in financing transportation infrastructure Opening up of road transport 	<ul style="list-style-type: none"> Technical study, mobilization of finance and issuance of bidding documents for the NKC-NDB route, start on work to upgrade and rehabilitate the Magta Lahjar-Djouk and Djouk-Kiffa stretches. Ministerial order 	<ul style="list-style-type: none"> Begin work on the NKC-NDB route, complete studies for the Rosso-Boghé route and call for tenders. Conduct preliminary study and technical-economic analysis of the new international airport for NKC. Start work to upgrade the Néma airport. Start studies to identify appropriate instruments
<p>Electricity and telecommunications: Reduce factor costs. Improve supply and access to electricity and telecommunications infrastructure and reduce the overall burden for the State:</p> <ul style="list-style-type: none"> Splitting of SONELEC into two branches: water (SNDE) and electricity (SOMELEC), privatization of SONELEC's electricity branch 	<ul style="list-style-type: none"> Split completed. Privatization of SOMELEC prepared. 	<ul style="list-style-type: none"> Privatization of SOMELEC (April 2002)

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Continuation of investment program in electricity • Promote rural electrification and energy savings • Secure petroleum product supplies • Privatization of MAURITEL at a 54% level • Continuation of investment programs, particularly in cellular • Continued implementation of the Telecommunications Law • Strengthening of the Regulatory Authority 	<ul style="list-style-type: none"> • Start on expansion of the KNC power station, and on the Manatali-NKC transmission line. • Study for the rural electrification investment plan, study for energy savings in public buildings. • Launch project to secure petroleum products • Privatization completed • Five new cities connected: Zouerate, Kiffa, Rosso, Atar, Ouerou. • Continued implementation of the Telecommunications Law. • Powers of the Regulatory Authority extended electricity and postal services. 	<ul style="list-style-type: none"> • Complete expansion of the KNC power station and the Manatali--NKC transmission line. • Study of a wind energy park in NDB. • Build a protected dock, warehousing and transfer pipes. • Operators' annual investment plan. • Continued implementation of the Telecommunications Law. • Extended Regulatory Authority's powers to the water sector.
• THEME 2: GROWTH ANCHORED IN THE ECONOMIC ENVIRONMENT OF THE POOR		
<p>Rural development: Increase incomes and reduce poverty in rural areas:</p> <ul style="list-style-type: none"> • Implementation of policies and priority investment program for the sector 	<ul style="list-style-type: none"> • Study on updating the rural development strategy and on the timing of investment in the agriculture and agro-processing sectors. • Prepared a rural development PIP for 2002-2004. • Implemented annual PDIAIM programs and other subsectoral programs. 	<ul style="list-style-type: none"> • Organizational and operational study of MDRE structures and institutional strengthening. • Study the impact of tariff performed as part of rice market liberalization. • Implement annual programs of PDIAIM, PGRNP, PARP, Oasis Project, PODRNM (French Cooperation) and PORPDE (ADB/OPEP)
<p>Livestock: Develop livestock potential Increase productivity of livestock subsectors, promote exports of meat and hides and leather:</p> <ul style="list-style-type: none"> • Implementation of Farming Code 	<ul style="list-style-type: none"> • Promulgation of the Farming Code, consultation on draft regulations and coordination with all stakeholders (socio-professional organizations, municipalities, etc.). 	<ul style="list-style-type: none"> • Consultation on draft regulations and publication of decrees and orders applying the Farming Code.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Conduct a study on the current and future contribution of the livestock sector to national economic growth and to reducing poverty. • Implementation of priority investment program for the sub-sector • Development and implementation, after a study of the export sector, of a support program for small units to develop livestock by-products for export 	<ul style="list-style-type: none"> • Prepared preliminary report on the a study on the current and future contribution of the livestock sector to national economic growth and to reducing poverty. • Constructed 3 veterinary centers and 15 vaccination centers, installed 4 veterinarians in Kaedi, Kiffa, Timbedra and Aioun, set up 2 pastoral poles in Hodh El Gharbi. • Completed the Toumze project in Bakua (3,823 calves distributed to 1,400 poor families and Adrar. • Study on creating cattle feed production units and establishment of one unit, study of the leather and hides industry. 	<ul style="list-style-type: none"> • Prepare a livestock development policy letter, establish a priority action plan. • Support development of priority subsectors (cattle, hides and leather, red meat, family poultry production, dairy). • Strengthening community resource management and drought and natural disaster preparedness. • Extension of the Toumze project to wilayas damaged by the 2002 storms, in Tiris-Zemmour and Inchiri. • Study of the hides and leather industry.
<p>Agriculture: Diversify agricultural production and improve the productivity of small farmers:</p> <ul style="list-style-type: none"> • Consolidate the opening up of agricultural production • Rehabilitation/extension of irrigated areas (global PDIAIM) • Support for diversification for domestic and international markets (global PDIAIM) • Support for groups involved in the production/processing of agricultural products and continuation of PACAD • Training for small farmers in agricultural diversification • Implement a program to support the marketing of domestic agricultural production 	<ul style="list-style-type: none"> • PDIAIM implemented • Conducted 5 studies for 210 hectares and approved 19 applications for pilot diversification projects for about 81 hectares. • Letter of understanding signed with Grands Domaines de Mauritanie (GDM) to test 18 varieties for export. • 21 perimeters traced for 494 hectares: Tarz, 15 for 300 ha; Brakna, 2 for 65 ha; Gorgol, 4 for 129 ha. • 19 cooperatives received diversification training, 8 in collective perimeters and 11 private. • Organized successive campaigns for 3 economic interest groups in Upper River for UM 270 million and 6 factories in Trarza for UM 270 million. 	<ul style="list-style-type: none"> • Annual PDIAIM program • Study on ways to facilitate export and marketing of farm products. • Annual PACAD program • Continue training in agricultural diversification for small producers. • Continue support for marketing of domestic farm products.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Selection and dissemination of improved seeds, adapted to different climates <p>Strengthen water management:</p> <ul style="list-style-type: none"> • Implement the program for construction and rehabilitation of dams, dikes, etc. 	<ul style="list-style-type: none"> • The Control Center tested 411 tons of rice seed harvested from 100 hectares in the hot season. • Oasis Project: agreements signed to build 9 weirs at Tagant and at Adrar, two dams built at Hodh El Gharbi, notice of awards for 4 dams at Assaba. • “Small Dams Project” at Hodh El Gharbi: bidding documents prepared for selection of firms, 8 to 10 dams built, dams fenced in. • PARP Project: 6 dams under construction at Tagant, 5 dams under study at Brakna, channel treatment at Tagant, support for 9 women’s cooperatives at Tagant and Brakna. • CDHLCPI: construction/rehabilitation of 9 dams and 39 dikes at Aftout and Hodh Chargui, construction of Leftah dam at Assaba. 	<ul style="list-style-type: none"> • Annual program for the Control Center. • Program for building dams, slowing weirs, dikes etc. (MDRE, CSA and CDHLCPI)
<p>Land and financial capital: Improve access for the poor to land and financial capital:</p> <ul style="list-style-type: none"> • Transparent dissemination and implementation of the decree enforcing the Land Ownership and Public Land Law and extension of the reform to new areas • Consolidation and extension of agricultural credit network (UNCACEM) • Support for the emergence of savings and credit funds in rural areas (microfinance institutions, MFIs) 	<ul style="list-style-type: none"> • Publication of decree 2000/89 of July 17, 2000, program prepared for regularizing 500 properties. • Farm credit strengthened through crop credit, more than UM 400 million unblocked for use on an expected area of 7,837 ha. • Support program identified as part of the microfinance strategy under preparation. 	<ul style="list-style-type: none"> • Introduction of a "Land Observatory," study on the pros and cons of limiting the size of properties. • Consolidation of farm credit. • Finalization of the support program, creation of 10 microcredit banks (PGRPDE), recycling of MICO, financial consolidation of 30 MICO.
<p>Training, research, extension services: Foster technology transfer and promote applied research and adapted training:</p> <ul style="list-style-type: none"> • Implementation of the national 	<ul style="list-style-type: none"> • Pilot activities to create 	<ul style="list-style-type: none"> • Implement the annual

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>agronomics research plan</p>	<p>awareness for planting forage and oilseed crops, sunflower marketing agreement signed with AAAID</p>	<p>program, including creation of a processing products supply industry, establishment of seed security stocks (100 warehouses for 10 to 15 villages), training in plowing techniques, and introduction of plows in 400 villages.</p>
<p>Rural infrastructure: Increase the supply, quality and accessibility of basic infrastructure in rural areas:</p> <ul style="list-style-type: none"> • Implementation of rural infrastructure program (construction of roads and works to open up arid areas) 	<ul style="list-style-type: none"> • Accessibility and infrastructure work under the CDHLCPI programs: relieve isolation for Barkeol and Bden and N'Diogo (Trarza) by building roads. 	<ul style="list-style-type: none"> • Prepare a long-term strategy for rural infrastructure. • Accessibility and infrastructure program under CHDLCPI, the oasis opening project (EU). Study of the Kaedi-M' Bout road, study of accessibility works in producing areas between Gani and Dar El Barka, road upgrade studies for Oued Ketchi (PARP)
<p>Targeted programs to combat poverty in rural areas: Promote development of areas of extreme poverty. Involve local communities and local groups in preparing and implementing grass-roots development plans:</p> <ul style="list-style-type: none"> • Continuation of regional and local programs to combat poverty involving local groups and NGOs 	<ul style="list-style-type: none"> • Basic infrastructure development in poor areas. Training for cooperatives, construction and equipping of multi-functional banks and village shops, provision of animal-powered plows, carts and barbed wire for farmers. 	<ul style="list-style-type: none"> • Pursue regional and local antipoverty programs involving local communities and NGOs. • Implement an integrated antipoverty program in Aftout Sud and Karakoro (PASK)
<p>Food security: Make basic foodstuffs more available (supply, price, transport). Prevent and alleviate the effects of food crises:</p> <ul style="list-style-type: none"> • Implement transparent management procedures for the national security stock (SNS) • Implement the Food Security Observatory 	<ul style="list-style-type: none"> • Transparent management procedures under the letter of understanding on SNS management and use. • Observatory introduced and functioning normally (semi-annual food security 	<ul style="list-style-type: none"> • Annual CSA program (micro projects, Observatory activities, etc.), mainly with EU financing

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> Strengthen coordination between actions to prevent and mitigate crises and actions aimed at sustained improvement of food security Implement the program of the Microprojects Agency (AEMP) – labor-intensive approach Implement the programs of the Food Security Commission (CSA) 	<p>bulletins).</p> <ul style="list-style-type: none"> A program of 132 microprojects (EU financing) is underway (AEMP). Programs carried out: Rural Development and Food Security, Community Support for Food Security, Special Adrar Program 	
<p>Environment: Preserve natural resources:</p> <ul style="list-style-type: none"> Implementation of international conventions on the environment, PAN/LCD and PANE Implementation of a butane fuel program in rural areas Implementation of forestry programs Integration of the environment as a dimension in all rural development projects 	<ul style="list-style-type: none"> Climate change: greenhouse gas reduction studies, workshop to validate the studies, began studies on vulnerability and adaptation for two particularly vulnerable sectors (agriculture and coastline). Butane conversion campaign for oasis associations and introduction of butane conversion units in rural areas. Reforested areas (Oasis Project and PARP), completion of 35 reforestation sites (198 hectares), mechanical dune fixation (6,800 meters, PGRNP). Environmental impact study conducted for PDU and PASK 	<ul style="list-style-type: none"> Biodiversity convention: validation of the national strategy and program. Climate change: send reports to the secretariat in Bonn. Wetlands: inventory of birds. PAN/LCD: complete program, organize validation forum and information campaign. PARP: butane conversion for 5 communities in Brakna and 10 in Tagant. Prepare a master plan for supplying wood and charcoal to large cities. Reforestation campaigns with 4,500,000 seedlings (10,500 hectares), maintenance of 21,000 kilometers of firebreaks, aerial seeding in the northern portion of Trarza, Brakna and Tagant. Environmental impact study of programs and projects
<p>Urban development: Ensure urban development that is planned and involves consultation among all participants:</p> <ul style="list-style-type: none"> Prepare a letter of urban development policy Revision of land instruments to facilitate access to real property, particularly for the poor 	<ul style="list-style-type: none"> Letter of urban development policy prepared. Decree 2000/85 published, applying ordinance 83/127 on land reform. 	<ul style="list-style-type: none"> Adoption of land reform legislation.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Revision and updating of urban management tools (registry and SDAU) • Preparation and implementation of city strategies for NKC and NDB and for the other regional capitals • Establishment of a development agency linking all participants in urban development • Strengthening of the capabilities of administrations responsible for urban planning and towns. <p>Provide principal regional capitals with basic infrastructure for economic development:</p> <ul style="list-style-type: none"> • Implementation of the PDU priority investment program for regional capitals • Implementation of program to restructure and service shanty towns <p>Restructure and service shanty towns of NKC and NDB and make basic infrastructure (water, sanitation, electricity, housing, etc.) accessible to 500,000 people.</p> <ul style="list-style-type: none"> • Extension of program providing access to low-cost housing following the self-construction (Twize) model linking communities and towns <p>Improve the urban environment:</p> <ul style="list-style-type: none"> • Implementation of priority urban environment investments (garbage collection, solid waste collection, environmental education, etc.) 	<ul style="list-style-type: none"> • Completion of NKC and NDB SDAU reports. • Validation of concerted strategies for the cities of NKC, NDB and Kaedi. • Urban Development Agency established. • Organizational and financial audits of SOCOGIM, DCL, AMM and the towns of NKC and NDB. Urban efforts to combat poverty audited. • Began study for the priority investment program. • Restructuring plan for the shanty town of El Mina, rehousing lot zoning begun, APS and APD study of investment programs, reinstallation/compensation commission established. • Restructuring plan, resettlement area development begun, preliminary design (APS) and detailed design (APD) study of investment programs, Resettlement and Compensation Commission established. • Pilot phase of TWIZE continued, with construction of 460 housing modules and provision of 505 housing loans and 793 economic credits. • Study of microfinance for housing • Began study of a strategy for solid waste management. • Preparation of Environmental Management Program (PGE). • Introduction of a CDHLCPI program for trash pickup 	<ul style="list-style-type: none"> • Approval of the SDAU for NKC and NDB. • Gradual preparation of urban strategies for other regional capitals. • Annual program of the ADU. • Complete organizational and financial audits of SOCOGIM, DCL, AMM and the towns of NKC and NDB. • Finalize the priority investment program study. • Annual program • Annual program • Complete the pilot phase of the TWIZE project. • Undertake technical and environmental studies for a landfill center and transit site. • Validate and implement the PGE. • Expand the CDHLCPI program for trash pickup

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
	and removal at Boutilimit and Magta Lahjar.	and removal.
<p>Combating exclusion: Promote the social inclusion of marginalized and excluded groups and foster their integration in the economic process:</p> <ul style="list-style-type: none"> • Continuation of program for inclusion of vulnerable populations: the handicapped, the indigent, etc. <p>Reduce the exclusion phenomenon in urban areas</p> <ul style="list-style-type: none"> • Implementation, in collaboration with NGOs, of programs for protection of youth and children in difficult circumstances • Development of systems for targeting, diagnosing, collecting and analyzing data on vulnerable groups. 	<ul style="list-style-type: none"> • Introduced a pilot program to counter begging. • Introduced a pilot program of microcredit for handicapped persons with higher education. • Introduced a pilot program, together with the Ministry of Justice and the Children's Rights Defense NGO. • Conducted specific studies on the situation of the handicapped. 	<ul style="list-style-type: none"> • Further consideration of the anti-begging campaign. • Program consolidation • Program consolidation • Specific studies on the situation of vulnerable groups.
<p>Employment, microfinance, micro- and small business Enhance the ability of the labor market to create jobs and attract workers:</p> <ul style="list-style-type: none"> • Reorganize and regulate the labor market <p>Promote access to microcredit among the poor, particularly women:</p> <ul style="list-style-type: none"> • Consolidation and extension of microcredit and MFI support programs 	<ul style="list-style-type: none"> • Studies for introducing a strategic framework for microenterprise and microfinance. • Implemented annual program of the CDHLCPI, SECF, etc, for MFIs; mobilized savings through the MFIs; more than UM 120 million in loans. • Strengthened MFI capacity through a balancing subsidy of more than UM 12 million 	<ul style="list-style-type: none"> • Study the possibility of expanding and better targeting advantages under the new Investment Code for job-generating businesses. Complete revision of the labor code. Study the feasibility of privatizing the placement service. Review conditions for the use of foreign labor. • Introduce a strategic framework for micro enterprise and micro finance. • Implement the annual program of the CDHLCPI, SECF etc. for MFIs. • Continue the balancing subsidy as needed.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Creation of a support fund to strengthen MFIs in rural and outlying urban areas • Continuation of programs to support women's cooperatives <p>Combat youth unemployment:</p> <ul style="list-style-type: none"> • Continuation and implementation of program to incorporate young graduates, in collaboration with the private sector <p>Develop vocational training for unqualified youth and promote women's access to vocational training:</p> <ul style="list-style-type: none"> • Implementation of 3 regional vocational training centers (Kiffa, Néma, Atar) • Extension of training program, including mobile units. <ul style="list-style-type: none"> • Implementation of training and employment programs in the trades (building, small-scale processing of agriculture and livestock products, etc.) for all training centers <p>Promote the craft industry and microenterprise:</p> <ul style="list-style-type: none"> • Development and implementation of the Craft Industry Code • Establishment of the Trades Council 	<ul style="list-style-type: none"> • Feasibility study of the Fund and establishment of an implementation framework. • Implemented revenue-generating activities programs financed by CDHLCPI (Adrar, NKC, NDB, Assaba, Hodh El Chargui, Hodh El Gharbi) • Implemented the CDHLCPI insertion program for 1000 graduates: qualification training, skills conversion, insertion as literacy instructors, etc. • Implementation of 3 regional vocational training centers (Kiffa, Néma, Atar) • Implemented qualification and microenterprise management training programs (for 370 women in CFPF of NKC, Kaedi and Aioun. • Strengthened the CFPF and introduced incentive system for trainers. • Introduced qualification training programs in Selibaby, Kiffa, Rosso, Atar, NDB and NKC. • Study of the Craft Industry Code 	<ul style="list-style-type: none"> • Introduce the Risk Insurance Fund (FAR) • Introduce the Revenue-Generating Activities Program financed by the CDHLCPI. • Introduce the CDHLCPI insertion program for graduates: qualification training, skills conversion, insertion as literacy instructors, etc. • Implemented the national vocational training program. • Implement qualification training programs in all training centers. • Finalize and analyze recommendations from the study. • Introduce the Trades Council.
THEME 3: DEVELOPMENT OF HUMAN RESOURCES AND EXPANSION OF BASIC SERVICES		
Education, literacy:		
<p>Basic education (BE) Bring the rate of schooling in first-year BE to 100% in 2004 and reduce disparities in access among regions and genders:</p>		

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Systematization of full cycle schools through construction of 1,533 classes and rehabilitation of another 564 classes • Hiring of instructors • Institution of bonuses for teachers in disadvantaged areas <p>Improve quality and strive to eliminate disparities in outcomes, particularly in disadvantaged rural areas:</p> <ul style="list-style-type: none"> • Provision of all schools with teaching materials, equipping of all schools with desks <p>Improve teachers' qualifications:</p> <ul style="list-style-type: none"> • Ongoing training of teachers 	<ul style="list-style-type: none"> • Identified schools to be completed, constructed 900 classrooms, began construction on another 250 classrooms, built enclosures for 90 schools. • Recruited 1,300 instructors and reviewed the annual recruitment goal (650) under the PNDSE. • Identified teachers assigned to disadvantaged zones, identified ways of awarding the bonus • Distributed more than 980,000 free manuals and teaching kits during the school year. Distributed 100,000 desks in all schools. • Professionalized initial training and improved language skills. Organized multi-grade and large-group training sessions for 1,500 teachers. Language upgrading: survey of 2,400 teachers. Pilot training on new programs for 135 teachers. 	<ul style="list-style-type: none"> • Continue construction program • Continue recruitment program • Award bonuses • Continue program to equip all schools with teaching materials and desks. • Continuation of ongoing training for teachers.
<p>Secondary education</p> <p>Develop first-cycle secondary education in order to encourage expansion of basic education:</p> <ul style="list-style-type: none"> • Construction and rehabilitation of classrooms <p>Ensure an adequate supply to allow for continued schooling, particularly for girls in disadvantaged areas:</p> <ul style="list-style-type: none"> • Hiring of first-cycle teachers <p>Improve teaching quality and conditions, particularly in rural areas and examination results:</p> <ul style="list-style-type: none"> • Equipping of all facilities with desks. Purchase computer equipment and teaching kits. • Continuous training for teachers 	<ul style="list-style-type: none"> • 9 schools built, another 10 under construction. • Recruitment and training of 548 teachers. • Began to distribute desks and teaching kits to all establishments. • Training for inspectors responsible for experimenting with new programs. 	<ul style="list-style-type: none"> • Continue the construction program. • Continue the recruitment and training program • Complete distribution program. • Continuation of ongoing training for teachers.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>Technical and vocational education Improve the qualifications of the labor force step up the inclusion of rural populations in the economic fabric:</p> <ul style="list-style-type: none"> • Construction and rehabilitation of training centers • Purchase of specialized equipment • Training of trainers for technical and vocational education 	<ul style="list-style-type: none"> • Launched a program for construction and rehabilitation of training centers • Began acquisition of tools and computers for technical and vocational education centers. 	<ul style="list-style-type: none"> • Continue the program for construction and rehabilitation of training centers • Continue acquisition of tools and computers for technical and vocational education centers. • Provide training for technical and vocational education trainers
<p>Higher education Ensure better adaptation between training and employment:</p> <ul style="list-style-type: none"> • Purchase of teaching material • Study of the supply of higher education, its quality and relevance. • Introduce measures to improve the quality of higher education 	<ul style="list-style-type: none"> • Technical identification of materials • Work with private sector; introduce survey and short vocational courses 	<ul style="list-style-type: none"> • Purchase of materials
<p>Central management Improve monitoring of the system and strengthen planning, management and coordination:</p> <ul style="list-style-type: none"> • Introduce school mapping • Implement a suitable and effective personnel management system • Modernization and decentralization of administration • Strengthening of institutional capacities of central and regional administrations 	<ul style="list-style-type: none"> • Preparation and experimentation in 3 moughatas • Preparation of teacher assignment criteria • Validation of the MEN organizational audit • Central office furnishings and computers; issue bidding documents for equipping the DREFs • Budget decentralization introduced in the 2002 Budget Law. 	<ul style="list-style-type: none"> • Apply the teacher assignment criteria. • Equip the DREFs • Continue decentralization

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>Literacy Develop an appropriate literacy program:</p> <ul style="list-style-type: none"> • Development and production of literacy manuals • Establish an incentives system for literacy personnel • Strengthen the contribution of the “mahadras” to the literacy effort • Introduce literacy programs 	<ul style="list-style-type: none"> • 4 manuals designed, functional literacy booklets revised, 8,000 manuals produced. • 136 literacy instructors recruited, salaries raised. • Technical specifications for identifying mahadras capable of contributing to literacy effort. Mahadras identified to run the program. • Literacy training provided for 16,000 people in Hodh Echarghi, Hodh El Gharbi, Gorgol, Assaba and Guidimakha. 	<ul style="list-style-type: none"> • Implement the literacy program through the mahadras. • Continue the literacy programs of SELAEO, CDHLCPI, etc.
<p>Health, nutrition Improve health services provided to population groups, particularly the poorest, and reduce morbidity and mortality associated with major diseases:</p> <ul style="list-style-type: none"> • Develop the supply of a minimum care package for mothers and children and in response to major health problems, at all levels of the health pyramid <p>Strengthen the equity, quality, and efficiency of and sustainable access to essential care:</p> <ul style="list-style-type: none"> • Securing and extending the cost recovery system at all health levels • Study and establishment of a 	<ul style="list-style-type: none"> • Work begun on: building 54 health posts in the wilayas of Assaba, the 2 Hodhs, Guidimakha, Brakna, Trarza, Gorgol and a Health Center at NKC. Rehabilitation and equipping of 7 regional hospitals. • Twelve surgeons trained. Training began for 12 pediatricians, 12 gyno-obstetricians, recruitment of 25 physicians, 15 pharmacists, 90 paramedics and 93 midwives. Recruitment of 57 doctors and paramedics underway. • Draft decree on zone bonuses and technical aspects prepared. • Preparatory work for introduction of CAMEC. • Cost recovery rules evaluated and revised. • Study on indigence, 	<ul style="list-style-type: none"> • Build 59 health posts in the wilayas of Assaba, the 2 Hodhs, Guidimakha, Brakna, Trarza, Gorgol and a Health Center at NKC. Rehabilitation and equipping of 7 regional hospitals. • Continue the training program. • Adopt and implement the Decree. • Establish CAMEC • Develop mutual health insurance. • Subsidized health care for

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>system to care for the indigent in collaboration with the departments concerned</p> <ul style="list-style-type: none"> Involvement of the poorest users and communities in health decisions <p>Improve HIV/AIDS prevention:</p> <ul style="list-style-type: none"> Strengthen equipment for outlying healthcare facilities so that they can ensure prevention and care of opportunistic infections, and development of AIDS detection [and] counseling in category A health centers Psychological-medical-social care for people living with HIV/AIDS. <p>Improve guidance, planning and management in the sector:</p> <ul style="list-style-type: none"> Complete the study on health sector costs and performance and implement its recommendations Establish the program budget and a system to monitor its performance <p>Improve public nutrition:</p> <ul style="list-style-type: none"> Implementation of the TAGHDIYA community nutrition program Extension of recovery centers for undernourished children 	<p>obstetrics risk-sharing experiment in NKC.</p> <ul style="list-style-type: none"> Regional and peripheral health unit management rules revised. Three blood banks acquired for regional hospitals and 2 detection units (anonymous, free) set up. Training of doctors, psychologists and midwives at hospitals and health centers in caring for people living with HIV/AIDS. Training for doctors, nurses and midwives in proper handling of opportunistic infections. Review of public health spending, results taken into account in the Medium-Term Expenditure Framework (MTEF). Preparation of MTEF for 2002-2004, regional and inter-regional planning workshops for 2002-2004. Annual TAGHDIYA community nutrition program. 70 recovery centers established for undernourished children. 	<p>indigents.</p> <ul style="list-style-type: none"> Acquire 5 blood banks for regional hospitals and introduce detection units (anonymous, free). Annual TAGHDIYA community nutrition program Expand recovery centers for undernourished children.
<p>Drinking water</p> <p>Promote coordinated management of water resources from a sustainable human development perspective:</p> <ul style="list-style-type: none"> Water sector reform: review of legislative and regulatory framework, introduction of regulatory mechanisms, reform of the MHE. Completion of the study on water management and the study on economic rate-setting 	<ul style="list-style-type: none"> Water Code revised, SNDE and CNRE created. Water management and rate-setting studies conducted. 	<ul style="list-style-type: none"> Adopt Water Code, set up a water regulation authority, create a Water and Sanitation Department for planning, programming and monitoring. Present recommendations to a workshop with all water-management players (government, towns,

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<ul style="list-style-type: none"> • Study on water resources, particularly in disadvantaged areas (drilling and mapping reconnaissance, etc.) <p>Improve supply of and access to quality drinking water in sufficient quantities:</p> <ul style="list-style-type: none"> • Seek funding for the Aftout-Es-Saheli project on a BOT basis <ul style="list-style-type: none"> • Continuation of public investment programs in the sector <ul style="list-style-type: none"> • Involve the private sector in infrastructure financing, management and maintenance 	<ul style="list-style-type: none"> • Water resource study begun. <ul style="list-style-type: none"> • Detailed APS prepared, Arab Fund for Economic and Social Development (AFESD) has agreed in principle to provide financial assistance. • Study (with IDA funding) for a Rural Water Investment Plan 2002-2012, with priority program 2002-2007. • Infrastructure works: Tintane drinking water supply system expansion, drinking water supply systems for Boumdeid and Jelwe, Tiguent water supply system expanded. • ANEPA created to oversee private sector delegation of management, maintenance and renewal of rural and semi-urban infrastructure. • Agency created to promote universal access to services and (in addition to ANEPA) to enhance operators' capacities. 	<p>private sector, consumers, farmers, herders).</p> <ul style="list-style-type: none"> • Complete the study. • Update regional inventories of water points, study for the Boulanouar Region, follow-up study of Adrar and Tagant oases. • Begin the Aftout-Es-Saheli project. • Hold a roundtable with donors. • Rural, semi-urban and urban water infrastructure works. • Begin water rates study for drinking water systems for secondary centers. • Training for operators under public-private partnerships in semi-urban water works and management. • Cf. universal access.
<p>Sanitation</p> <p>Develop urban networks for elimination of waste water:</p> <ul style="list-style-type: none"> • Revision of framework for municipal involvement. • Promotion of community solutions for waste collection <p>Develop viable solutions for waste management:</p> <ul style="list-style-type: none"> • Implementation of programs to promote individual sanitation (latrines, septic tanks, cesspools) 	<ul style="list-style-type: none"> • Began review of framework for municipal involvement. • Began work on a NKC sanitation master plan. Preparation for studies of the wilaya capitals. • Implemented a pilot program under the TWIZE project. 	<ul style="list-style-type: none"> • Complete the review. • Complete the NKC master plan and prepare the wilaya capitals studies. • Implement a pilot program under the TWIZE project.
<p>Access to universal services:</p> <p>Promote access to universal services among population groups in</p>		

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
disadvantaged areas and develop integrated infrastructure: <ul style="list-style-type: none"> • Establish an agency to promote integrated universal services solutions and implement its infrastructure development program 	<ul style="list-style-type: none"> • Agency for the promotion of Universal Access to Services established. 	<ul style="list-style-type: none"> • Agency for the Promotion of Universal Access to Services to start operations.
Electricity Increase access to electricity and promote alternative energies: <ul style="list-style-type: none"> • Rate study on the costs of electricity • Launch of ADER and user cooperatives 	<ul style="list-style-type: none"> • Rural electricity: Rate study for distribution of 3000 photovoltaic kits by ADER. • Urban: privatization of SOMELEC will ensure that rates are affordable for the poorest urban groups. • ADER and user cooperatives launched. 	<ul style="list-style-type: none"> • Annual program for ADER
Postal services Develop postal network and postal microfinancing services: <ul style="list-style-type: none"> • Implement postal reform 	<ul style="list-style-type: none"> • Postal reform begun. 	<ul style="list-style-type: none"> • Continue with postal reform
New technologies of information and communication (NTIC) Develop infrastructure coverage, particularly in disadvantaged areas, and promote new technologies: <ul style="list-style-type: none"> • Establish a transparent legal framework to provide incentives for NTIC operators • Support for the creation of urban and rural telecommunications centers in the context of programs to combat poverty 	<ul style="list-style-type: none"> • Preparation of an NTIC development strategy. 	<ul style="list-style-type: none"> • Adoption and implementation of an NTIC development strategy. • Launch initial program (cf. Agency for the Promotion of Universal Access).
THEME 4 : STRENGTHENED INSTITUTIONAL CAPACITIES FOR GREATER EFFECTIVENESS IN COMBATING POVERTY		
Justice <ul style="list-style-type: none"> • Strengthen the judicial system and bring it closer to the citizens: • Continue the reform of the justice system. • • • Implement the program to strengthen the judicial capacities and infrastructure. • Decentralization and support for regional and departmental 	<ul style="list-style-type: none"> • Law on the Personnel Statutes Code promulgated and in force. • Equipping of courtrooms in NKC. • • Training in the personnel statutes for magistrates. 	<ul style="list-style-type: none"> • Prepare a reform program. • • • Complete equipping of NKC courtrooms. • • Training in the personnel statutes.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>courts.</p> <ul style="list-style-type: none"> Facilitate access to justice for the poor (eliminate fees etc.) 	<ul style="list-style-type: none"> Draft law on legal aid prepared. 	<ul style="list-style-type: none"> Finalize and adopt a law on legal aid.
<p>Public administration Improve statistical information and develop analytical capabilities on poverty issues:</p> <ul style="list-style-type: none"> Conduct priority surveys program and improve the information and forecasting systems of MEN, MSAS, MDRE and CDHLCPI 	<ul style="list-style-type: none"> Conducted surveys (EPCV 2000, EDS, agricultural survey). Prepared poverty profile and the EDS report. RGPH data processing Improved information system for MEN and CDHLCPI. Improved information system for MDRE: computer network installed, preparatory work for the farming and livestock census. 	<ul style="list-style-type: none"> Establish the MEMAU Poverty module. Publish results and conduct thematic studies on poverty. Publish results of the RGPH Establishment of a system to implement/evaluate CDHLCPI programs. General farming and livestock census.
<p>Local government Strengthen the capacities of local governments and give them the means to manage areas within their competence:</p> <ul style="list-style-type: none"> Implement local tax reform Strengthen municipal capacities in the management and maintenance of community infrastructure Regionalization study 	<ul style="list-style-type: none"> Increased municipal taxation powers. Municipal support programs introduced (PADDEM, PAC). Increased transfers from government (153 million in 2001). Training plan for urban and municipal development prepared and validated. Study of powers and responsibilities of government and municipalities. TOR prepared. 	<ul style="list-style-type: none"> Continue reform Launch the PDU, complete pilot experiments under PADDEM, implement KFW3, and first phase of the PAC (GTZ) project. Increase government transfers and expand the FRD considerably. Training plan for urban and municipal development. Framework for concessioning of municipal utility services. Regional reform study and implementation.
<p>Civil society Strengthen the capabilities of civil society and increase its involvement</p>		

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>in the economic development process. Promote exchanges on the best practices for combating poverty:</p> <ul style="list-style-type: none"> • Support programs to strengthen the capabilities of civil society • Support the establishment and professionalization of national NGOs in project management functions for local development programs • Extend the civil society Cyber-forum 	<ul style="list-style-type: none"> • Prepared a draft Decree applying the Law on the Legal Status of Development Associations. • Participatory preparation of a training program for national NGOs. • Study of a support fund for NGO-run grassroots initiatives. • Extended civil society participation in the Cyber-forum to municipalities and the media. 	<ul style="list-style-type: none"> • Adoption of the Decree • Implement the program for 30 national NGOs and involve trained NGOs in CDHLCPI programs. • Complete the study and establish the fund. • Expand the Cyber-forum.
<p>Private sector Make the private sector more effective in implementing investment programs (absorption capacity). Encourage partnerships between domestic and international private operators. Facilitate access to credit for domestic firms. Improve the knowledge of the construction and public works sector:</p> <ul style="list-style-type: none"> • Strengthen the capacities of the private sector. 		<ul style="list-style-type: none"> • Prepare a training plan. Study possibilities of creating mutual associations of enterprises. • Collect data on unit price series, distance coefficients, etc. • Introduce suitable technical standards.
<p>Management of public resources Ensure effective and transparent management of public assets:</p> <ul style="list-style-type: none"> • Computerize expenditure management • Introduce a voucher classification system • Submit draft budget execution law to Parliament • Support the Auditor's Office in its audit work and in preparation 	<ul style="list-style-type: none"> • Accounting automation studies. • Pension automation: computer program prepared. • TORs and bidding documents prepared for computerizing spending on goods and services. • Voucher classification system introduced. • Committees established to prepare draft legislation, audit law adopted. 	<ul style="list-style-type: none"> • Computerize expenditure on goods and services. • Present draft budget execution law to Parliament.

Objectives for 2001-2004	Priority measures implemented in 2001	Priority actions planned for 2002
<p>of its annual report</p> <p>Monitor the poverty impact of public spending closely:</p> <ul style="list-style-type: none"> • Prepare a Medium-Term Expenditure Framework (MTEF). • Introduce program-budgeting for the education and health sectors • Introduce program-budgeting for other priority sectors. • Assess the impact of priority-sector public spending, of HIPC resources and of the PRSP on poverty 	<ul style="list-style-type: none"> • 2001 Budget Law provided human and material resources for the Court. • Began work on preparation of an overall MTEF. • Program-budgets introduced for education and health sectors. 	<ul style="list-style-type: none"> • Prepare an overall MTEF. • Introduce program budgets for rural development and infrastructure. • Introduce an evaluation system.
<p>Implementation, monitoring/evaluation/information system and updating of the PRSP</p> <p>Ensure strict monitoring and regular updating of the PRSP:</p> <ul style="list-style-type: none"> • Implement the PRSP through regional antipoverty programs. • Restructure the PRSP institutionally to ensure strict monitoring. • Prepare a concerted communications strategy for the PRSP. • Participatory midterm evaluation of the PRSP. 	<ul style="list-style-type: none"> • Framework Law on Poverty Reduction promulgated. • Institutional arrangements for the PRSP institutionally restructured: meeting of committees and technical groups, thematic reports prepared. • Workshops and hearings to monitor implementation of the PRSP in January 2002. • Report prepared on PRSP implementation in 2001, including new poverty data. • Concerted communication strategy on PRSP prepared. 	<ul style="list-style-type: none"> • Gradual implementation of regional anti-poverty programs. • Introduce an integrated system for PRSP monitoring and evaluation. Continue work of the thematic committees and technical groups. • Hold workshops and hearings to monitor PRSP implementation. • Prepare a report on PRSP implementation in 2002. • Validate and implement the communication strategy. • Prepare an evaluation framework.

Annex 4 : Program of priority actions and costs

This annex corresponds to Annex 3 of the PRSP, corrected in light of the recently-prepared Medium-term Expenditure Framework (MTEF) for education and health. MTEFs for the other priority sectors (rural development, urban development and water) and an overall MTEF are in the course of preparation.

PRIORITY AREAS	PRIORITY ACTIONS	2002	2003	2004
		945	3,981	5,529
Stabilized macroeconomic framework		PM	PM	PM
Deepening of reforms in the legal and judicial framework for business incentives		100	200	300
Promotion of mining activities			280	435
Integrating the fishing sector more closely into the national economy	Pelagic port		206	724
	Autonomous port of NDB		200	300
	Optimal realization of potential growth in artisanal fishing: employment, added value, induced effects	PM	PM	PM
	Ensure rational management of resources	50	60	100
	Program for training and retraining in artisanal fishing trades	150	200	200
Basic infrastructure	NKC-NDB road	300	900	1,070
	Nouakchott airport	200	1,035	1,500
	Rosso-Boghé road	145	900	900
Rural development		3,671	5,174	6,197
Improvement in production, productivity and diversification	Hydroagricultural development in the river valley		74	717
	Diversification of agricultural production	PM	PM	PM
Environment	Consolidation and extension of land reform program	100	100	100
	Research program and dissemination of improved seeds	100	150	200
	Promotion of forestry subsectors	77	250	270
	Butane conversion program	300	450	450
Development of livestock subsector	Consolidation of oasis development actions	150	250	250
	Development of milk production	80	100	180
	Application of Farming Code	PM	PM	PM
	Improvement of livestock for export		100	100
	More vaccination centers and veterinary posts	50	100	100
	More pastoral wells	120	150	150
	Selection and popularization of suitable breeds	100	200	250
Targeted programs to combat poverty in rural areas		1,400	1,600	1,600

PRIORITY AREAS	PRIORITY ACTIONS	2002	2003	2004
Rural infrastructure (roads, dams, etc.)		1,200	1,700	1,800
Urban development		4,500	6,650	6,350
	Program to equip and service shanty towns in Nouakchott and Nouadhibou	1,500	1,500	1,500
	Improvement of new urban areas	500	1,500	1,500
	Priority investment program for other regional capitals	1,000	1,500	1,500
	Development infrastructure	500	1,000	1,000
	Microcredit for housing and income-generating activities	500	500	200
	Program for training and inclusion of youth	300	450	450
	Capacity building for administrations and towns	200	200	200
Education		15,989	22,914	19,618
<i>Program to expand education</i>				
Basic	Hiring of instructors	-	-	-
	Compensation for teachers posted to disadvantaged areas	-	-	-
	Other expenses (school supplies, manuals, etc.)	115	115	115
	Construction of class rooms in basic education	3,467	3,750	3,482
First cycle of secondary education	Construction of secondary schools	2,393	2,159	1,985
	Hiring of professors	-	-	-
	Equipping of schools with desks	224	245	334
Technical and vocational path to education	Construction and rehabilitation	1,044	1,516	334
	Specialized equipment	1,112	1,205	758
Private education	Support funds	238	247	343
<i>Program to improve quality</i>				
Basic	Rehabilitation and reconstruction of classrooms	2,023	2,062	1,725
	Equipping schools with desks	187	426	428
	Purchase of teaching kits	276	102	80
	Continuing education for teachers	886	310	286
First cycle of secondary education	Rehabilitation of secondary schools	628	722	811
	Other expenses (school supplies, manuals, etc.)	41	193	806
Second cycle of secondary education	Computer science	23	24	24
	Laboratories	80	19	-
	Libraries	80	19	-
	Continuing education	208	228	36

PRIORITY AREAS	PRIORITY ACTIONS	2002	2003	2004
Higher education	Specialized equipment	200	-	417
	Construction and rehabilitation	153	7,229	4,288
	Procurement of documentary collection	-	-	1,064
	Training the trainers	592	595	681
Technical and vocational education	Training the trainers	-	-	-
Modernization of educational administration	Institutional support	2,019	1,748	1,611
Health		6,430	7,065	7,459
Expanded health coverage and strengthening of poor populations' access to health service	Construction program (health posts and centers)	1,310	2,875	2,841
	Equipment program	1,248	548	548
	Rolling stock	203	498	511
Reduction of morbidity associated with major diseases	STD	117	468	475
	Expanded vaccination program	403	641	750
	Malaria	172	391	427
	Tuberculosis	58	147	155
Protection of maternal and infant health	Reproductive health	501	350	470
	PCIME	211	57	85
Availability of medications	CAMEC	-	-	-
	Control laboratory	-	-	-
Capacity building for central and regional administration		1,961	987	951
Training Centers		211	124	150
Information system		34	68	95
Drinking water and sanitation		1,482	2,125	2,939
Improved access to drinking water in rural areas	50 drilling operations and 10 mini-networks per year	802	923	1,610
Improved access to drinking water in urban areas	Urban networks, standpipes	550	1,050	1,179
Water resources	Study on improved management of water resources	PM	PM	PM
	Study on water resources	130	152	150
Other services	Establishment of an agency responsible for promoting universal access to basic services	500	PM	PM
Governance		140	220	220
	Strengthening of the capacities of NGOs and grassroots community organizations and their involvement in the design and implementation of programs	PM	PM	PM
	Introduction of program budgets and monitoring of public spending in priority sectors (rural development, urban development, water)	90	120	120
	Support for the Auditor's Office	50	100	100
Information system and updating of PRSP	Cf. Annex 6	150	250	250
TOTAL		33,307	48,379	48,562

Annex 5: Medium-term macroeconomic framework

	1999	2000	2001	2002	2003	2004
Performance indicators						
Real growth rate	4.1	5.0	4.6	5.1	5.5	6.1
Inflation rate	4.1	3.3	4.7	4.0	3.8	3.5
Budgetary balance as % of GDP	2.2	-4.4	-5.6	6.3	-2.2	-3.1
Current balance excluding official transfers as % of GDP	-4.3	-6.0	-10.0	0.0	-9.4	-9.1
Gross reserves (in months of imports)	5.8	7.0	6.9	8.0	7.6	7.5
Budget (in % GDP)						
Government revenues	27.9	25.9	21.1	37.1	28.8	27.7
Expenditures and net loans	25.7	30.4	26.7	30.8	31.0	30.9
Operating	17.9	17.5	17.2	19.2	19.0	18.7
Capital	5.8	7.5	8.3	10.7	11.4	11.9
Budgetary balance	2.2	-4.5	-5.6	6.3	-2.2	-3.1
Education	5.3	4.5	4.6	5.8	5.8	5.9
Health	1.7	1.6	2.0	3.4	3.4	3.4
Balance of payments						
Trade balance (US\$ millions)	28.4	15.9	-11.5	-53.1	-53.0	-77.8
Exports	333.1	359.1	345.1	329.3	347.8	375.3
Imports	304.7	343.2	356.7	382.4	400.7	453.1
Current account balance (including official transfers as % of GDP)	4.2	0.8	-5.7	3.8	-5.7	-5.9
Overall balance (US\$ millions)	-18.8	13.3	-97.4	-0.9	-76.7	-72.8
Memo items						
Nominal GDP	200.9	223.7	245.6	267.3	292.5	321.7
Financing gap in US\$ millions	0.0	0.0	51.5	58.0	94.8	119.9

Annex 6: Medium-term expenditure framework for education

	1998	2000	2001	2002	2003	2004
Main indicators						
Rate of access to elementary education	90	93	94	96	97	99
Retention rate	55	59	61	63	65	67
Gross enrollment rate	87	85	87	88	90	91
Rate of access to the first cycle	25	28	30	32	34	36
Budget						
Total expenditure (in billion of UM)	8.8	10.1	11.2	15.5	17.1	18.9
Operating	6.9	8.0	9.1	10.3	11.6	13.0
Capital	1.9	2.1	2.1	5.2	5.5	5.9
Elementary	4.2	4.7	5.2	7.3	8.1	9.0
Secondary	2.5	2.9	3.2	4.5	5.0	5.5
Technical and vocational	0.2	0.4	0.5	0.7	0.8	0.9
Teacher training	0.3	0.4	0.4	0.6	0.7	0.7
Higher education	1.6	1.7	1.9	2.4	2.5	2.8
Expenditure as % of GDP	4.5	4.5	4.6	5.8	5.9	5.9

Annex 7: Medium-term expenditure framework for health

	1999	2000	2001	2002	2003	2004
Performance indicators						
Infant mortality rate ¹ (per 1000 births)		87.4				60
Vaccination rate for DTC3 (%)		39.9	52	70	75	75
Assisted childbirth rate (%)		56.9		60	65	75
HIV prevalence rate (%)		0.5	0.5	<1	<1	<1
Health expenditure as percentage of spending in first and last quantiles		0.3	0.3	< 0.3	< 0.3	< 0.3
Budget						
Total expenditure (billions)	3.4	3.6	4.9	9.0	9.9	11.0
Operating	2.4	2.5	2.6	4.6	5.5	6.3
Capital	1.0	1.1	2.3	4.4	4.5	4.7
P1. Availability of human resources	1.2	1.3	1.4	2.2	2.4	2.8
P2. Geographic accessibility				0.9	1.0	1.1
P3. Availability of material resources				2.4	2.7	2.9
P4. Combating disease and improving the quality of life				1.7	1.8	2.0
P5. Social action				0.1	0.2	0.3
P6. Institutional capacity building				1.7	1.8	1.9
Health expenditure as % of GDP	1.7	1.6	2.0	3.4	3.4	3.4

¹ The indicator shown is for urban areas only, because data on rural areas were not available when the MTEF was prepared.