







Executive Summary of the Assessment of the Public Procurement System

October 2022



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### **Acknowledgements**

The Assessment of the Public Procurement System of Mauritius using 2018 MAPS methodology was initiated at the request of the Government of Mauritius (GoM), Procurement Policy Office (PPO), under the aegis of Ministry of Finance, Economic Planning and Development (MOFEPD). The assessment was jointly conducted by the PPO, the African Development Bank (AfDB), with peer-review and technical support provided by the World Bank.

The AfDB Assessment Team ("Assessment Team") would like to acknowledge, with appreciation and thanks, the extensive cooperation and guidance from the PPO, in particular from Mr. H. Rambhojun, OSK (Director, PPO) and Mr B Dabeesing, (Member,PPO), Mr. Herve Philippe Arlandoo (Senior Analyst, PPO), Mr. Gawesh Jawaheer (IT Project Manager, PPO) and the entire team of PPO and MOFEPD. The Assessment Team received valuable input from the Central Procurement Board and the Independent Review Panel.

The Assessment Team is grateful for inputs received from numerous officials and experts from the GoM, private sector participants via the Survey, Civil Society Organizations and all those who attended the Launch Workshop and the Stakeholder Validation Workshop. The Assessment Team is also grateful to all the procuring entities from the Ministries, Departments and State-Owned Enterprises. The Assessment Team received valuable guidance and generous input from the Independent Commission Against Corruption and other agencies including the National Audit Office, the Competition Commission, Office of the Accountant General and the Economic Development Board.

The Assessment was led by Mr. Amilcar Bilale (Task Team Leader and Regional Procurement Coordinator, AfDB) and Ms. Chongo Chitupila (Senior Procurement Officer, AfDB) as Co-TTL, Mr. Nagaraju Duthaluri (Lead Procurement Specialist, the World Bank) provided guidance with occasional support from Mr. Miarana Razaf, (Governance Specialist- Procurement,

the World Bank). The Assessment Team consisted of a team of experts hired by AfDB that included Mr. Devesh Chandra Mishra (Lead Consultant), Ms. Susan Penelope Smith (Procurement Lawyer), Mr. Tiago Neto Leite (Procurement Consultant), Mr. Pritikumar Goburdhun (National Consultant). The Assessment Team received valuable input and support from Mr Rajesh Kumar Shakya (e-GP expert, the World Bank).

Overall coordination and support were provided by Ms. Babita Jowaheer, Administrative Assistant (AfDB) and Ms. Marie Therese Uzamukunda, Data Analyst (AfDB).

The team would like to acknowledge valuable comments and input from peer-reviewers from the African Development Bank and the World Bank as follows:

African Development Bank: Mr. Emmanuel Chisesa, Senior Procurement Operations Officer and Mr. Patrick Owuori, Regional Procurement Coordinator, Mr. Philippe Trape, Resident Principal Country Economist also provided valuable input.

**World Bank:** Mr. Laurent Mehdi Brito, Senior Governance Specialist and Mr. Shanker Lal, Lead Procurement Specialist

Finally, the Assessment Team gratefully acknowledges the valuable support and guidance from the African Development Bank in particular from Mr. Kennedy Mbekeani, Deputy Director General – RDGS, Mr. Clement Ahossi, Manager and Mr. Frank Mvula, Director of the Fiduciary Services and Inspection Department.

## **Acronyms**

AfDB African Development Bank CC Competition Commission

CIDB Construction Industry Development Board CPAR Country Procurement Assessment Report

CPB Central Procurement Board
CSO Civil Society Organization
EDB Economic Development Board
GoM The Government of Mauritius

IPSAS International Public Sector Accounting Standards

IRP Independent Review Panel NAO National Audit Office

OCDS Open Contracting Data Standards

MAPS Methodology for Assessing Procurement Systems

MOFEPD Ministry of Finance, Economic Planning and Development

PEFA Public Expenditure and Financial accountability

PPO Procurement Policy Office

PPA Public Procurement Act 2006 - last updated 13 September 2021

PPR Public Procurement Regulations 2008 - last updated 26 November 2021

PPP Public Private Partnership

SDG United Nations Sustainable Development Goals

SOE State-owned Enterprises
TI Transparency International
WB The World Bank Group

Currency Unit: 1 USD = MUR 40

FISCAL YEAR July 1- June 30

## **Executive summary**

### 1 | INTRODUCTION

## 1.1 Background of the MAPS Assessment

This report provides the results of the Assessment of the Public Procurement System of Mauritius using the Methodology for Assessing Procurement Systems (MAPS II) version 2018² (MAPS Assessment). The MAPS Assessment Report identifies key findings, lays out the strengths of the procurement system and the substantive or material gaps including areas for improvements, and provides a set of recommendations to address those gaps, to guide the Government of Mauritius (GoM) to prioritize public procurement reforms.

Successive administrations supported by strong institutions have demonstrated strong commitment to reform, positioning Mauritius as a continent leader in a number of areas including governance, business environment and economic freedom.<sup>3</sup>

The last comprehensive assessment of the Public Procurement System of Mauritius was carried out in 2002 as a Country Procurement Assessment Report by the World Bank. A further study on "Use of Country Procurement Systems (UCS) in Bank-Supported Operations" was carried out in 2009-2010 by the World Bank. The GoM also prepared a White Paper on "Modernizing the Public Procurement Framework" in July 2011. GoM adopted some of the recommendations from the UCS study and the White Paper through a piece-meal approach.

The Public Expenditure and Financial Accountability (PEFA) Report of 2015<sup>4</sup> identified the need for improvements in public procurement system based on the assessment of a few high-level indicators A comprehensive MAPS Assessment (2018) allows for a deep-dive to fully identify areas for improvement. Despite all the reform efforts by GoM over the last two

decades including introduction of the e-Procurement System (e-PS) in 2015, the public procurement system is characterized as fragmented, requiring a need for consolidation and simplification of procurement laws, Regulations, Directives and Circulars. There is also an acknowledged need for substantial efforts on capacity building at all the levels of public officials. GoM is now focusing on building public sector capacity and addressing efficiency bottlenecks to achieve competition, transparency and value for money including through efficient procurement processes. In August 2019, GoM represented by the Procurement Policy Office (PPO) under the aegis of Ministry of Finance, Economic Planning and Development (MOFEPD) requested the African Development Bank (AfDB) to take the lead to conduct a MAPS Assessment of the public procurement system of Mauritius applying the MAPS Methodology 2018, in collaboration with the GoM and in association with the World Bank, providing peer-review and technical support during the course of MAPS Assessment.

#### 1.2 Country context in brief

Mauritius has had stable governments and a democratic multi-party system since its independence on 12 March 1968. It became a republic on 12 March 1992 with the power of government transmitted through peaceful parliamentary elections.

Mauritius has consolidated its position as the leading business and financial service hub in the Indian Ocean and is working to fully exploit its resources and strategic location. Mauritius has an impressive track record of political stability with more than three decades of sustained economic growth. Public procurement plays a key role in the development of the country. An improved public procurement system is also expected to contribute towards the Public Procurement Reform

https://www.pefa.org/assessments/summary/1036

<sup>&</sup>lt;sup>2</sup> Methodology for Assessing Procurement Systems (MAPS) 2018, available from MAPS Secretariat website https://www.mapsinitiative.org/methodology/MAPS-Methodology-ENG.pdf

<sup>&</sup>lt;sup>3</sup> Mauritius Country Strategy Paper 2014-2018, African Development Bank, January 2014.

https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/2014-2018\_-\_Mauritius\_Country\_Strategy\_Paper.pdf 

Public Expenditure and Accountability (PEFA) assessment in Mauritius, PEFA, 2015.

Agenda and Vision 2030 of GoM and enable the country further to increase its global ranking for doing business, hence bringing more foreign investment.

Public procurement is a crucial component of public services delivery, good governance, and sustainable economies with inclusive growth. Governments around the world spend approximately USD 9.5 trillion in public contracts every year. This fact means that on average, public procurement constitutes around 12%-20% of a country's GDP.5 According to the Annual Report of PPO (2019/2020), the value of public procurement contracts awarded as a share of the Gross Domestic Product (GDP) at Market Price increased from 3.33% to 3.67% from financial year 2018/2019 to 2019/2020 from MUR 16.31 billion to MUR 16.80 billion (1 USD = approx. MUR 40). The World GDP in 2020 was USD 84.68 Trillion (current USD) down from 2019 level of USD 87.555 trillion. GDP of Mauritius in 2020 was USD 10.921 billion, significantly reduced from the pre-pandemic level of USD 14.046 billion in 2019, which illustrates that the economy of Mauritius was impacted disproportionately. Based on the World Bank analysis, 6 Mauritius delivered a highly successful response to global COVID-19 pandemic.

In the context of the long-term strategy Vision 2030, whose goal is to anchor Mauritius on a rising income path to a Gross National Income per capita of USD 19,000 by 2030, strengthening physical capital through the rehabilitation of existing public infrastructure and the development of new infrastructure is considered as a strategic thrust by the Mauritian authorities.

The Budget Speech of 2021-2022, states priorities as "Accelerating Economic Recovery, Triggering Revival and Strengthening Resilience" and "setting a new strategy, which will rest on three main pillars: A. Giving an Exceptional Boost to Investment; B. Shaping A New Economic

Architecture; and C. Restoring Confidence."<sup>7</sup> According to the Public Sector Investment Program (PSIP) which is a rolling strategic investment plan for the public sector over the next five years (2021/22 – 2025/26),<sup>8</sup> GoM plans to invest some MUR 190 billion in social and economic infrastructure, of which MUR 50 billion is for 2021/22.

#### 1.3 Development objectives

The broad development objective of this MAPS Assessment is to support the GoM in further improving the performance of the public procurement system and yield optimal results in the use of public funds and delivery of services to the citizens while maintaining high standards of integrity. The MAPS Assessment has the following objectives: (1) evaluate the strengths, weaknesses and gaps of the public procurement system in Mauritius, and benchmark it against international best practices and standards; (2) guide the GoM to prioritize efforts in public procurement reform to enable: (i) balanced accountability mechanisms between the government, citizens, and private sectors; (ii) governance of risk management in the procurement cycle; (iii) application and monitoring of sustainable public procurement; and (iv) integration of the public procurement system with the overall public finance management, budgeting and service delivery processes; and (3) help the GoM to benchmark its progress on the e-Procurement front and identify opportunities for improvements possibly through the use of the MAPS Supplementary Module on e-Procurement, after completion of the MAPS Assessment.

#### 1.4 Scope and methodology

The MAPS Assessment was conducted on all the four pillars of MAPS i.e. Pillar I. Legal, Regulatory and Policy Framework; Pillar II. Institutional

<sup>&</sup>lt;sup>5</sup>12% in OECD countries and 18%-20% in the European Union; this percentage may be higher in some developing countries, MAPS Methodology 2018, Foreword, p.1, footnote 1.

<sup>&</sup>lt;sup>6</sup> Mauritius-Through the Eyes of a Perfect Storm-Coming Back Stronger from COVID crisis, World Bank, 2021. https://openknowledge.worldbank.org/handle/10986/35627

<sup>&</sup>lt;sup>7</sup>Budget Speech 2021-2022, Minister of Finance, June 2021. Available from Ministry of Finance, Economic Planning and Development website

https://mof.govmu.org/Pages/budget\_2021\_22/budget2021\_2022.aspx

<sup>&</sup>lt;sup>8</sup> Public Sector Investment Programme 2021/22-2025/26, Government of Mauritius, p.3

https://mof.govmu.org/Pages/budget\_2021\_22/budget2021\_2022.aspx

Framework and Management Capacity; Pillar III. Public Procurement Operations and Market Practice; and Pillar IV. Accountability, Integrity and Transparency.

The MAPS Assessment covered central government, local government and parastatal organizations. The MAPS Assessment aimed to place special emphasis on analysis e-Procurement and sustainable procurement through use of life cycle costing principles in procurement, effectiveness of emergency procurement procedure in the context of the COVID-19 pandemic and improvements to be made on these aspects in regard to international best practices.

An analysis of e-Procurement was undertaken by the MAPS Assessment Team, providing findings, gaps and recommendations in line with MAPS methodology and with significant additional detail provided in the analysis of Indicator 7, Volume II Matrix. Assessment of sustainable procurement was in practice limited, because Mauritius is still in the very early stages of development of its strategy and practice (including life cycle costing) for sustainable procurement. One outcome of the 2021-2022 budget process is that the PPO is now required to introduce a Sustainable Public Procurement Framework to ensure public bodies consider the environmental and social impacts of their procurement decisions.

## 1.5 Process of MAPS Assessment and limitations and challenges posed by COVID-19 pandemic

A detailed MAPS Assessment was undertaken by the MAPS Assessment Team, starting with a desk review.

The COVID-19 pandemic situation posed challenges to the implementation of the MAPS Assessment process, which commenced in December 2020, and implementation of subsequent activities. Meetings between the MAPS Assessment Team and PPO and meetings with the MAPS Assessment Steering Committee were conducted virtually. Furthermore, the data collection exercise with selected entities could only commence once GoM guidance on movements within Mauritius was issued and the Procurement Consultant was authorised to commence the data collection process.

Sample cases were selected for review of actual procurement processes on the principle of representative data, with careful examination of category of procurement as Works, Goods, Other Services and Consultancy Services, of 113 contracts from 17 agencies/public bodies with about 6-7 contracts from each agency/public body. A survey of private sector entities was carried out through a combination of seeking anonymous feedback electronically via a Microsoft Team Survey and faceto-face interaction with representatives of Private Sector entities.

Additionally, in the period 8 to 21 September 2021a virtual mission was conducted which consisted of meetings with various Stakeholders to obtain the requisite information under the MAPS Assessment. Following the easing of travel restrictions and after Mauritius opened its borders in October 2021, the MAPS Assessment Team conducted a physical mission to the country in the period 8 to 18 November 2021 as an Implementation-cum-Validation Mission.

<sup>&</sup>lt;sup>8</sup> Public Sector Investment Programme 2021/22-2025/26, Government of Mauritius, p.3 https://mof.govmu.org/Pages/budget\_2021\_22/budget2021\_2022.aspx

## 2 | SYNTHESIS OF THE MAIN FINDINGS OF THE MAPS ASSESSMENT RESULTS

The MAPS Assessment Report is organized in three main volumes: Volume I: Main Assessment Report; Volume II: Detailed Indicator-wise Matrix; and Volume III: Annexes, containing, inter alia, Concept Note and details related to mission and references. This Executive Summary presents a pillar-by-pillar overview of the MAPS Assessment, showing key strengths and substantive or material gaps, where identified, including areas for improvement, followed by consolidated key recommendations, as prescribed in the MAPS methodology.

Based on the main findings of the MAPS Assessment, the status of the public procurement system in Mauritius is summarized as follows, presented Pillar by Pillar.

2.1 Pillar I: Legal, Regulatory and Policy Framework – synthesis of main findings

#### Pillar I Key strengths

- Well-established legal framework: The legal and regulatory framework is comprehensive and very well recorded and organised hierarchically, differentiating between laws, implementing Regulations and Directives.
- All legal framework documents are published and easily accessible: All public procurement legislation and supporting documents, Standard Bidding Documents (SBDs) and standard contract conditions are published and easily accessible to download free of charge from the Procurement Policy Office website.
- The subject matter of procurement by public bodies is widely defined: The definitions of Goods, Works, Consultancy Services and other Services covered by the Public Procurement Act (PPA) are widely drawn, ensuring wide scope of application and coverage of the public procurement legal framework as regards subject matter.
- Procurement methods and conditions for use:
   Procurement methods and conditions for use are clearly described with safeguards in place to prohibit inappropriate narrowing of competition and there are requirements to record reasons for use of less competitive methods. Open Advertised Bidding (OAB) is specified as default method, with options on structuring this process and opportunities for

bidders to request for clarifications on procurement documents. The range of methods ensure value for money whilst also maintaining underlying principles including fairness, transparency, proportionality and integrity.

- Publication of bidding methods and timescales:
   All open advertised bidding procurement opportunities must be publicly advertised on the e-PS and procurement documents are available through e-PS. Time frames for submission of bids are to set with a view to maximising competition, taking into consideration the complexity of the procurement.
- Eligibility requirements: Eligibility requirements are well described, including for participation of international bidders. The legal and regulatory framework establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility. Bidder registration on e-PS, which is required for participation, is straightforward.
- Process for administrative debarment:
   There are detailed, clear and fair processes for administrative debarment (suspension, debarment and disqualification).
- Criteria for bid evaluation and award decision:
  The legal framework mandates that the award decision is made solely on the basis of criteria stipulated in the procurement documents and provides for use of criteria based on life-cycle costing. Quality is a major consideration in evaluating proposals for consulting services.
- Standard Bidding Documents (SBDs): Use of standard bidding documents is mandatory. The range of standard bidding documents contain content that is relevant and sufficient for suppliers to respond to the requirement according to the

nature and complexity of the contract. Model procurement documents (SBDs) include general and special contract conditions, for contracts of different values and types. Template forms of SBDs are also available in e-PS.

- Right to challenge and appeal: The legal framework provides participants in procurement proceedings with the right to challenge decisions or actions taken by the procuring entity and also establishes a right of administrative review to the Independent Review Panel (IRP).
- Prompt Response to the COVID-19 pandemic: The legal framework included provisions permitting emergency procurement in cases of extreme urgency and direct procurement, which were available for use in the context of the response to the COVID-19 pandemic. The PPO responded very promptly to the situation, issuing a Directive on use of emergency procurement and following up with practical guidance in Directives/Circulars on changes to procurement process, time limits, contract extension and submission of returns on emergency procurement. The PPA was amended, with retrospective effect, to allow for opening of bids through technological means. In 2021, the PPA and PPR were amended, to increase transparency and accountability, in the light of publicly acknowledged problems arising in procurement practices in response to and during the COVID-19 pandemic. The e-PS was instrumental for the uninterrupted procurement proceedings during the COVID-19 pandemic.

## <u>Pillar I</u> Key substantive or material gaps and/or areas for improvement

• Complexity of legal framework: The complexity of the legal framework reduces overall transparency and clarity, and the legal framework would benefit from general updating. There is a large number of interconnected legal framework documents, creating a complex picture. The lack of index or consolidation of the legal framework documents, combined with inability to interrogate the database of documents in a sophisticated manner, reduces transparency and clarity of the public procurement legal framework for users. Areas for improvement include updating the PPA to reflect modern procurement legislation on

- matters such as principles/objectives of procurement, sustainable procurement and e-procurement and better general flow-through of provisions from the PPA into the SBDs.
- Restrictions on participation of foreign bidders create a barrier to entry: The Construction Industry Development Board Collaboration Regulations, effective from October 2021, require foreign bidders to collaborate with local contractors/consultants in the delivery of construction works and specified construction related consultancy services and introduce harsh sanctions for breach. These provisions create a barrier to entry for foreign participants. These Regulations, limiting the level of participation of foreign firms, are likely to be a disincentive to participation. These combined measures will reduce ease of doing business for foreign contractors/consultants and may have a negative impact on economy and efficiency of the system and competition and value for money, particularly in markets where there is already limited competition (See Indicator 9(b) for indicators on levels of competition).
- No publication of applications for appeal and no time frame for publication of decisions by IRP: Applications for review (appeal) are not published. Decisions of the Independent Review Panel are published promptly, on a dedicated page of the Procurement Policy Office website but there is no time frame for publication of decisions by the IRP specified in the legal framework.
- Insufficient alignment between PPA/PPR and e-PS: The PPA and PPR are not well aligned with the, now mandatory, use of e-PS. The PPA and PPR read as intended for use in paper-based procurement, which is understandable, as this reflects the history and development of the system. The Public Procurement (Electronic Bidding System) Regulations 2015 address particular issues concerning the conduct of e-procurement. However, at points, the PPA and PPR are no longer well aligned with the practice of mandatory use of e-PS and thus potentially hinder correct understanding of the way in which e-PS is to be used. Directive No.47 Mandatory Use of e-Procurement System (e-PS), 21 August 2020, provides that the 55 public bodies shall undertake all their procurement exercises through the e-PS. Other public bodies had until31 December 2020 to fully on-board on the e-PS. Public bodies

were advised to request their suppliers to register on the e-PS, otherwise they would not be able to participate in any bidding exercise.

- No single comprehensive list of procurement records and documents to be retained and no procurement specific document retention policy: The preparation of full records and documents with policies for retention and security and clarity on rights of access are an important feature of a procurement system, for performance and internal and external control purpose, to ensure public accountability and provide a basis for review. There is no procurement-specific document retention policy or explanation of how general document retention policies should be applied in the procurement context, applying to all procurements. The e-PS keeps backup of all the data, documents and transactions on a daily basis. The backup can be retrieved whenever such need be.
- Lack of update of User's Guide/Manual and SBDs: User's guides/manuals have not been updated and do not cover all types of procurement and the whole procurement cycle. Also, there is some misalignment of SBDs with the rest of the procurement legal framework. However, online help and video tutorials are available for the users of the e-PS.
- Lack of policy/strategy on Sustainable Public Procurement: There is no policy/strategy in place to implement SPP in support of broader national policy objectives, no implementation plan, system or tools and legal/regulatory framework lacks sustainability provisions.

## 2.2 Pillar II: Institutional Framework and Management Capacity – synthesis of main findings

#### Pillar II Key strengths

 Strong institutional arrangement on normative/ regulatory bodies: The Procurement Policy Office (PPO) is responsible for formulation of policies, issue of Standard Bidding Documents, Regulations, Directives and Guidelines as well

- as training of public bodies and suppliers among others. PPO is the body authorised to proceed with suspension, disqualification or debarment of suppliers under the PPA. There is a strong central body with expertise in deciding procurement of major contracts namely Central Procurement Board. There is also a well-constituted Independent Review Panel. Public Bodies are responsible for carrying out their respective procurements in compliance with the PPA.
- Strong leadership and political commitment on mandatory use of e-Procurement: The Public Procurement Office (PPO) is the owner and the operator of the e-Procurement System (e-PS). The country is transitioning from paper-based procurement system to e-Procurement System (e-PS). e-PS has been operational since 28 September 2015. Use of e-PS is mandatory for all public bodies since 1 January 2021. The GoM policy decision mandating use of e-Procurement System and its announcement through the 2020/2021 Budget Speech shows the strong leadership and political commitment to using the e-Procurement System which is essential for a successful implementation.
- Initiative on strengthening of PFM system and project implementation: MOFEPD issued a circular on 26 October 2021 under the provisions of Section 22 of Finance and Audit Act setting up the Project Implementation and Monitoring Agency (PIMA) under MOFPED. PIMA is headed by a Director, who shall be assisted by a multidisciplinary team of professionals to address impediments in the implementation of capital projects and ensure that these impediments are expeditiously dealt with and projects completed in time. Accounting Officers of public bodies are required to designate public officers to report to PIMA on the implementation status of projects/programs and budgetary measures under their purview.
- Presence of a procurement and supply cadre: There is a strong workforce of 340 officers from procurement and supply cadre, under the aegis of the MOFEPD This cadre, headed by a Director and assisted by a Deputy Director, are posted in different Ministries and Departments. The responsibility of the cadre is to: promote

efficient and effective public procurement and supply systems based on international best practices; review and maintain an efficient process of warehousing and disposal; contribute to Mauritius' economic development; provide all suppliers and bidders with equal opportunity/ treatment; and ensure transparency in procedures, processes and decisions.

## <u>Pillar II</u> Key substantive gaps and/or areas for improvement

- Lack of integration of Procurement System with public financial management (PFM) system in e-PS: There is lack of integration of the procurement system with the PFM system from budget preparation to planning and treasury operations for payments. The current e-PS is not an end-to-end e-Procurement System and is also disconnected from the review and appeals system. Further there is no integration with other systems like tax authority, financial management system, inventory management, business registration and banks.
- Lack of features of data analytics and OCDS in e-PS: In the current e-PS there are no features of data analytics and visualization and only fixed reporting systems are available. Further, the e-PS lacks the feature of Open Contracting Data Standard (OCDS).
- Abnormally long delays project implementation and budget execution: According to the National Audit Office (NAO), there are situations of abnormally long delays in completion of the projects. Procurement process starts from the time need is identified till need is satisfied which includes facilities being put to effective use after award of contract. Based on NAO of 2019-20, "Value for Money [was] not obtained" for various projects where several years after award of contract, facilities were not put to effective use in particular for information technology systems in various ministries.
- Contract implementation: There appears to be a disconnect between pre-award and post-award

- activities, where after contract award sufficient attention is not given to contract administration, leading to long delays or failure of contracts.
- Disjointed institutional responsibilities for conduct and decision making in the full cycle of the procurement process for major contracts: The entire procurement cycle spans from planning/preparation, to selection, evaluation, contract award and contracts management. The manner in which the Central Procurement Board (CPB) operates and its interaction with public bodies on whose behalf it is conducting procurements, means that for major contracts, the institutional arrangements and responsibilities are disjointed. This is a major gap in the institutional arrangement of conducting procurement and effective implementation of contract. The public bodies undertake initial preparation of bidding documents and technical specifications and at this stage there is a lot of back-and-forth between the public bodies and CPB in reviewing these documents, often due to insufficiently well-informed preparation by the public body. The CPB does not, however, involve the public bodies in the selection and evaluation process. Information provided by the CPB to the public bodies about the particular procurement is extremely limited. The CPB does not provide the public bodies with the full bid evaluation report or copies of bids of unsuccessful bidders, even after the award process is over. This means that the public bodies carry the risks and both the short- and long-term responsibilities for conduct of procurements and outcomes of procurement in which they have had very limited involvement. This also means that there are missed opportunities to build the capacity and understanding of public bodies to improve future procurements at all stages in the procurement lifecycle.
- There appears to be a wider issue of lack of accountability in procurement and service delivery: Accountability for service delivery should be the primary responsibility of public bodies, with support from other actors such as the PPO and CPB, to assist and enable public bodies to discharge their responsibilities. In the procurement process and contract implementation, there are "silos" of

responsibility with no focus on service delivery to the public, rather on compliance. In a related context based on Annual Report of MOFEPD for 2019-2020, on the subject of "Improving Accountability", the percentage of Ministries submitting Annual Report on Performance is just 40% against a target of 100%. From a practical perspective, according to input from NAO provided on 4 October 2021 as a followup to the MAPS virtual implementation mission: "Accountability of Decision Making in Mauritius: There is no clearly written process put in place, from the time a 'need is identified' until the time when the 'need is satisfied'. This includes Planning for the procurement, Selection of contractors, Award of contract, Contract management, Satisfactory delivery of goods/services and Clients' satisfaction. Officials should be made responsible for the actions and decisions that they take in relation to procurement and for the resulting outcomes".

- Information silos in use of e-PS: One of the major gaps in the implementation of the e-Procurement System is that the system is operating in an information silo and so the collaborative intelligence of an integrated information system cannot be realized. Integration of the e-PS with other government e-services such as the company registration, Financial Management Information System and tax authorities as well as banks, can bring about collaborative intelligence that can facilitate verifications such as company identities, conflict of interests and bank guarantees, among others.
- Full potential of e-PS not in use: Despite, the fact that modules for Procurement Request, Challenge and Appeal, Online Pre-bid meeting, Reverse Auction and Contract Monitoring have been developed and already available in the e-Procurement system, they have yet to be activated in operations. Thus, there is a loss of value, and the full benefits of the e-Procurement System are not being achieved.
- Open Contracting Data Standards not supported by e-PS: The e-Procurement System does not support Open Contracting Data Standard (OCDS). There is a global trend in the adoption of OCDS as aa de facto tool for ensuring transparency,

- through the publication of data and documents in the machine-readable format from the different stages of the procurement and contract processes and making the data available for the public.
- Bid evaluation process through e-PS: There is a need for end-to-end usage of the e-Procurement System. For example, bid evaluation is a known high-risk process where potential of fraudulently activity should be actively mitigated. Currently, to carry out offline bid evaluations, public bodies must download bids and submit these bids to the evaluation committees. Thus, carrying out the bid evaluation process outside the operational and audit control of the e-Procurement System carries high risk of loss of data integrity.
- Resource constraints in implementation of e-PS: Resources are limited. There is high reliance on contractual staff.
- Lack of capacity of public bodies, private sector and CSOs: There is lack of capacity of public bodies (including internal and external auditors), private sector and CSOs and lack of training programs. Also, there is lack of "skills gap inventory" to match the needs of the system to address capacity issues both in public bodies and private sector (and possibly CSOs).
- Procurement not recognized as a profession, akin to accountancy: Procurement is not a profession of choice akin to accountancy or informational technology. There is no evidence of procurement positions defined at different professional levels, and job descriptions and the requisite qualifications and competencies specified. Also, there is no evidence that appointments and promotion are competitive and based on qualifications and professional certification.
- Lack of performance measurement system:
   There is a lack of performance measurement, requiring a tool to develop KPI to assess the performance of the system. It appears that there are some elements of performance review (example compliance audit) but there is no strategic plan.

## 2.3 Pillar III: Public Procurement Operations and Market Practices

#### Pillar III Key strengths

- Widespread use of SBDs: The Assessment Team found extensive use of Standard Bidding Documents where procedures for bid submission, receipt and opening are clearly described.
- Publication: Most of the processes comply with the publication requirements set for each mode of procurement; and
- Timely payment of invoices: There is a lack of statistical data on payment of invoices but information collected from multiple sources indicates that there is no evidence of systemic problems with delayed payment.

## <u>Pillar III</u> Key substantive gaps and/or areas for improvement

- Lack of Needs analysis and market research: The MAPS Assessment indicates that planning is not carried out on a recurrent basis and, when done, is not regularly updated. 50% of sampled cases were not identified in advance in the procurement plan. There is not much evidence of individual procurement plans.
- Deviation from the use of SBDs: There were major contracts where there was use of point system in evaluation of bids in goods and works by certain agencies when in a single stage bidding, price information is known to evaluators. This is a deviation from and could lead to misapplication of evaluation criteria.
- Lack of use of Sustainable Public Procurement:
   There is no evidence of use-Sustainable Public

Procurement criteria or use of Life -Cycle Costing in order to determine value-for-money.

- Lack of use of multi-stage procedure: There is no evidence of multi-stage procedures being used in complex procurements.
- Lack of competition: The number of bids received is in most cases below 4. This indicates a low level of competition.
- Delays in selection and award process: The number of days needed to procure Goods, Services and Works are at an acceptable level but only 53% of contracts, out of 38 National Open Advertised Bidding cases analyzed, were awarded within the deadlines originally set. In terms of competitiveness, for the same sample i.e., National Open Advertised Bidding cases, an average of 3 responsive bids per procedure was noted.
- Time overruns in contract implementation: In the sample of 113 cases, 24% (27 cases) of the contracts experienced time overruns. This share increases to 44% (24 cases) if only Works are considered. For 28% (31 cases) of the contracts, there is no clear or complete data available to assess if they were timely implemented. As far as Service contracts are concerned, 50% of the cases assessed contemplated quality control provisions. This share rises to nearly 70% in Works contracts and to nearly 90% in Goods contracts. In the sample analyzed, there were only 6 contract addenda, which may be justified by a relatively weak contract management, given such a high rate of time overruns.
- Lack of engagement with Civil Society: There is a very limited number of contracts with involvement of civil society (10 out of 109 sample cases). In case of Works contracts only 9 out of 55 had the participation of the civil society.

• Feedback from the private sector: Feedback from the private sector survey is tabulated below:

#### Feedback from private sector survey

Note on Involvement of the Private Sector: Despite best efforts, only 29 responses were received out of more than 100 intended participants.

Responses from the private sector identified the following issues:

#### Lack of trust

A perception that technical specifications and qualifications requirements are tailored to specific entities leading to lack of interest.

#### Transparency and communication

More transparency and communication required especially regarding the e-Procurement System.

#### **Technical issues**

The e-procurement system(e-PS)/ access portal should be reviewed because bidders often have issues with the system with regards to digital certificates or encountering technical issues.

#### Procurement rules and contract provisions

Procurement rules are not simple & flexible and contract provisions do not help to allocate risks fairly.

#### **Time frame**

reasonable timeframe for delivery is required – Impact of COVID-19 in the disruption of the supply chain to be considered. This is unfairly impacting SMEs.9

<sup>&</sup>lt;sup>9</sup> The share in the value of public contracts awarded to SMEs was 10.01% in 2019/2020, as compared to 19.24% in the financial year 2018/2019. Annual Report 2019/2020, Procurement Policy Office, p.19. https://ppo.govmu.org/Documents/Annual%20Reports/Annual%20Report%202019-2020.pdf

## 2.4 Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System

#### Pillar IV Key strengths

- Effective control and audit systems including on coordination of controls and audits of public procurement: The National Audit Office (NAO) is the supreme audit institution, with a constitutional mandate. The mandate and powers of the Director of Audit (and ipso facto the NAO) are further amplified in the Consolidated Finance and Audit Act (2008), as amended.10 The Finance and Audit Act, together with the Financial Management Tool Kit (2011) and a series of Financial Instructions. prescribes the function and responsibilities of the Minister responsible for Finance (through whom the Director of Audit reports to the Legislature), the method of control and management of public funds, and the responsibilities of the designated Accounting Officers and the various accounts to be kept. Section 42 of the Public Procurement Act provides that the auditor of every public body shall state in his annual report whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.
- The NAO Audit Report for the Financial Year 2019-20, contains a summary of the most significant audit observations, including on procurement related matters, that may have significant impact on finances, resources and service delivery, or that may adversely affect financial governance and controls, if not corrected Well defined challenge and appeal mechanism: There is a functioning independent review body, the Independent Review Panel, dealing promptly with appeals on decisions by public bodies, with range of remedies (orders) available and publishing full, reasoned decisions. There are clear processes for dealing with challenges and

- review (appeals) set out in the PPA and PPR which create conditions that provide for fairness and due process. The timescales for challenges and review do not unduly delay the procurement process or make an appeal unrealistic and decisions are made on the basis of available evidence submitted by the parties. The conditions and time frames for review and appeal are precise and reasonable and the processes for submission and resolution of applications for review are clearly defined and followed by the Independent Review Panel.
- Strong ethics and anti-corruption measures related to procurement: The Independent Commission Against Corruption (ICAC) has as core function to lead, implement and administer the prevention, education and enforcement elements of the national strategy to fight corruption as per the Prevention of Corruption Act 2002 (PoCA). It also investigates and prosecutes money laundering offences by virtue of the Financial Intelligence and Anti-Money Laundering Act (FIAMLA) 2002. Other laws which have been enacted to reinforce the fight against corruption and money laundering. Under PoCA there is a specific offence of Bribery for Procuring Contract, in addition to other offences of more general application, which can lead to criminal conviction. The PPA and PPR also contain relevant integrity and provisions on the conduct of public officials, bidders and suppliers, with provisions flowing through into the SBDs. ICAC has developed several best practice guides, including procurement specific guidelines on Direct Procurement and management of Works Contracts.
- Challenges and corrective measure for emergency procurement in the light of COVID-19 pandemic: As noted in the Pillar I analysis, the PPO responded very promptly to the COVID-19 pandemic, issuing a Directive in March 2020 on use of emergency procurement, following

<sup>&</sup>lt;sup>10</sup> The Finance and Audit Act, consolidated version, 25 July 2019. https://nao.govmu.org/Documents/Legislations/Finance%20and%20Audit%20Act.pdf

<sup>&</sup>lt;sup>11</sup> National Audit Office Report on the Accounts of the Government FY 2019-2020 https://nao.govmu.org/

with practical guidance. Public procurement in practice during the COVID-19 pandemic was not, however, issue-free. In February 2021, the National Audit Office ("NAO") Report 2019-202011 identified lapses in procurement management and flouting of good governance and transparency principles in procurement of medical equipment and supplies in the context of the COVID-19 pandemic as a result of which, in the view of the NAO, there was inadequate assurance that the principles of value for money and transparency had been adhered to. In respect of four leading ministries active in COVID-19 related expenditure, NAO highlighted the need to re-assess risk and contract management for future procurement procedures and contracts and flagged the need to properly monitor emergency procurement in the public sector. In 2021, the PPA and PPR were amended, introducing various measures to increase transparency and accountability, in the light of publicly acknowledged problems arising in procurement practices in response to and during the COVID-19 pandemic.

## <u>Pillar IV</u> Key substantive gaps and/or areas for improvement

- Lack of engagement with civil society: There is not much evidence of participation of CSOs in monitoring procurement process or improving contract performance and there is no enabling provision to engage Civil Society Organizations (CSOs) in this context, nor an enabling environment. There are a few CSOs who are active in the area of governance, like Transparency International (TI), Mauritius and Mauritius Council of Social Services (MACOSS), but their activities and focus so far are not related to procurement reform.
- Gaps in National Audit Office independence: Independence of the NAO needs to be further strengthened to enable it to become a model

- Supreme Audit Institution in accordance with precepts of the Lima and Mexico Declarations on independence of State Audit Institutions.
- No separate manual for specialized procurement audit and Lack of specialized procurement training to auditors and to decision makers: There is no manual for conduct of specialized procurement audit and a lack of training for External Auditors (NAO). This skill gap applies both to Internal Auditors and private sector auditors.
- IRP does not issue enforceable decisions: The IRP does not have powers to enforce the orders it makes and there is no formal enforcement mechanism available to guarantee compliance.
- The IRP does not issue binding decisions in all cases: The IRP issues binding orders (decisions) in relation to only one of the listed remedies. Other orders (decisions) for remedies are recommendations only and are not binding.
- Legal costs associated with making a challenge may be a disincentive: The high cost of pursuing proceedings through the IRP, primarily due to the perceived necessity for hearings in person, legal representation and related legal fees may be a disincentive to challenge.
- No involvement of CSOs safeguard against inefficient and ineffective use of public resources: MAPS Assessment Team could not find any evidence of credible civil society organization providing support to strengthen integrity in procurement.
- Declaration of Asset not applicable for all officials involved in procurement: Section 3 of the Declaration of Assets Act 2018 may not apply to officials involved in public procurement unless they belong to specified category based on grades levels.

## 3 | KEY RECOMMENDATIONS AND KEY ACTIONS

This section summarizes the key recommendations for improvement on a pillar-by-pillar basis and concludes with a consolidated list of key actions.

#### 3.1 Pillar I: Key recommendations

- PPA requires a critical and comprehensive review, including the following: (i) modernisation of PPA to include provisions covering statement of underlying principles, sustainability and shift to more qualitative evaluation; (ii) alignment of PPA with use of e-PS and other modern tools; and (iii) preparation of a set of regulations, guidance manual and SBDs fully aligned with PPA and e-PS. These actions are recommended in the medium term to long term.
- Reduce complexity of legal framework to enhance compliance: User-friendliness, transparency and clarity of the overall legal framework to be improved to ensure that those working with or seeking to understand the procurement legal framework in practice are able to easily identify relevant provisions and supporting guidance. This should also enhance compliance. For example, enhanced clarity/simpler provisions on coverage definition of "public body" and "exempt organisations".
- In the short term, a compendium of information, perhaps using an IT interface, could be provided to link PPA and PPR provisions with relevant addition information in Directives, Circulars, Guidelines and SBDs.
- Remove "barrier to entry" related to participation of foreign firms: The CIDB Collaboration Regulations limiting the level of participation of foreign firms are likely to be a disincentive to participation. Such measures will reduce ease of doing business for foreign contractors/consultants and may have a negative impact on competition and value for money, particularly in markets where there is already limited competition. There is need to immediately revoke the CIDB Collaboration Regulations.
- Prepare a user's guide for challenge and review: IRP should consider publishing a userfriendly guide for bidders/stakeholders on how

to submit appeals/applications for review to the IRP and how the appeals/review process is to be conducted. IRP should proactively offer to conduct IRP reviews on basis of paper-based assessment, without hearings and also consider the possibility of offering remote/virtual hearings. This may also help to speed up decision making. Implement Sustainable Public Procurement (SPP): PPO/GoM to implement SPP as stated in Budget Papers of 2021 and further develop SPP. This should include a clear implementation plan to cover introduction of systems/tools to operationalize, facilitate and monitor the application of SPP as well as changes to the legal/regulatory framework to allow for sustainability to be incorporated at all stages of the procurement cycle and introduction of legal provisions ensuring well-balance application of sustainability criteria.

#### 3.2 Pillar II: Key recommendations

- Role of Central Procurement Board and increased accountability of public bodies: CPB to have an appropriate role in respect of "major contracts" as an enabler and agent of public bodies. Review the protocol of sharing documents and information between the Public Body and the CPB. Increase accountability of public bodies by updating thresholds consistent with the risks associated with monetary sums and their ability to handle complex and large value contracts.
- Full roll-out of e-Procurement: Complete rollout to all public bodies, incorporate features of Open Contracting Data Standards for better transparency.
- Professionalize procurement akin to accountancy: GoM to establish a regulatory body of the purchasing and supply management profession with the following mandate: (i) to conduct professional competence examinations & issue practicing certificates to procurement professionals; (ii) confer memberships, conduct training and research, publish journals, collaborate

with professional institution; (iii) establish and monitor standards for persons employed in purchasing and supply chain management; (iv) Universities and training institutions to align their curriculum to include practical case studies to deal with procurement issues in Mauritius; and (v) Public bodies/ PPO to facilitate "internship" on public procurement / project management to build a cadre of qualified, competent and motivated procurement work force.

#### 3.3 Pillar III: Key recommendations

- Prepare, publish and update detailed procurement plans: This is required as a monitoring tool for procurement processes until contract completion and to expedite project implementation as part of PIMA initiative.
- Carry out adequate needs analysis and market research: Public bodies before launching bids must carry out needs analysis and market research and to provide an assurance that the technical specifications and qualifications requirements are broad based and not restrictive.
- Create a Mechanism for Monitoring Contract Performance: This needs to be supplemented by improving capacity of public bodies in contract management through adequate staffing and training with due attention to quality control and documentation on contract changes with support of e-PS.

#### 3.4 Pillar IV: Key recommendations

- Declaration of Assets: All public officials involved in the procurement process starting from specification preparation until certification and taking over of facilities should be required to declare their assets.
- "Exercise of Discretionary Powers" based on ICAC guidance: Compliance is important, but public officials need to deliver results in the procurement process and contract implementation. An enabling environment is required to reward officials/ public bodies who use discretion in the best public interest following ICAC Guidelines for "Exercise of Discretionary Powers" rather than postponing or avoiding decision. Accountability and

Decision- making Mechanism (ADM) to be instituted and implemented to reward officials/departments for timely decision in the best interest of the government and to penalize officials/departments who avoid decision and do not exercise due discretion.

In conclusion, there is a need for balance among the four pillars: (i) a strong Pillar I on Legal, Regulatory and policy framework and a strong Pillar IV on Accountability, Integrity and Transparency, with suitable modernization and enhancements needs to be supported by an (a) appropriate institutional and accountability and decision-making mechanisms on Pillar II to (b) deliver results on the ground (Procurement Operations- Pillar III) and with due attention to market practices and civil society engagement, with the following focus and key actions.

## 3.5 Consolidated list of Key Actions for Pillars I, II, III and IV

- Enhance the performance of the Public Procurement System of Mauritius by modernising the PPA and PPR and supporting legal framework documents, in conjunction with full roll-out of e-PS. At the same time, consider and implement measures to simplify the procurement legal framework and enhance clarity by improving the way in which the legal framework documents and the connections between them are presented.
- Remove "barrier to entry" for foreign firms to encourage competition by immediate revocation of the Construction Industry Development Board Collaboration Regulations.
- Implement Sustainable Public Procurement Framework, as announced in the Budget Papers of 2021.
- Increase accountability of public bodies for the full procurement cycle including contract implementation and service delivery.
- Update role of CPB in respect of major contracts as an "enabler" and as an agent of public bodies.
- Professionalize and train procurement workforce of public bodies with increased accountability in delivery of public services.

- Introduce a mechanism for monitoring contract performance to contain delays in contract implementation in combination with e-PS
- Empower and encourage homegrown credible and independent CSOs to participate in monitoring procurement process (without involvement in evaluation and selection process) and contract implementation.
- e-Procurement System to be updated to use the Open Contracting Data Standard (OCDS) also through end-to-end usage of the e-Procurement System and institutionalize procurement data analytics.
- Create an enabling environment to encourage exercise of discretionary powers with Accountability and Decision-making Mechanism (ADM) to be instituted.
  - Suggested priorities for strategic planning process for future procurement reforms are set out in a table in section 5 of Volume I of the MAPS Assessment Report.

**The process of validation** is summarized in a table in section 6 of Volume I of the MAPS Assessment Report.

## 4 | OVERVIEW OF COMPLIANCE

This executive summary includes a table with an overview of the findings of the MAPS Assessment at the level of sub-indicators. Each sub-indicator is color-coded to match the findings according to the following scheme:

Green = Criterion Met

Yellow = Criterion Partially Met

Red = Criterion Not Met

In case red flags are identified, the respective sub-indicator is marked with an asterisk (\*)

#### **PILLAR I**

- The public procurement legal framework achieves the agreed principles and complies with applicable obligations.
- 1(a) Scope of application and coverage of the legal and regulatory framework
- 1(b) Procurement methods
- 1(c) Advertising rules and time limits
- 1(d) Rules on participation \*
- 1(e) Procurement documentation and technical specifications
- 1(f) Evaluation and award criteria
- 1(g) Submission, receipt, and opening of tenders
- 1(h) Right to challenge and appeal
- 1(i) Contract management
- 1(j) Electronic Procurement (e-Procurement)
- 1(k) Norms for safekeeping of records, documents and electronic data
- 1(I) Public procurement principles in specialized legislation
- 2. Implementing regulations and tools support the legal framework.
- 2(a) Implementing regulations to define processes and procedure
- 2(b) Model procurement documents for goods, works, and services
- 2(c) Standard contract conditions
- 2(d) User's guide or manual for procuring entities
- 3. The legal framework reflects the country's secondary policy objectives and international obligations
- 3(a) Sustainable Public Procurement (SPP)
- 3(b) Obligations deriving from international agreements

PILLAR II		
4.	The public procurement	4(a) - Procurement planning and the budget cycle
	system is mainstreamed and well integrated into the public financial management system.	4(b) – Financial procedures and the procurement cycle
5.	The country has an institution in charge of the normative/ regulatory function.	5(a) – Status and legal basis of the normative/regulatory institution function
		5(b) – Responsibilities of the normative/regulatory function
		5(c) – Organisation, funding, staffing, and level of independence and authority
		5(d) – Avoiding conflict of interest
6.	Procuring entities and their mandates are clearly defined.	6(a) – Definition, responsibilities and formal powers of procuring entities *
		6(b) – Centralized procurement body
7.	Public procurement is embedded in an effective information system.	7(a) – Publication of public procurement information supported by information technology
		7(b) – Use of e-Procurement
		7(c) - Strategies to manage procurement data
8.	The public procurement system has a strong capacity to develop and improve.	8(a) - Training, advice and assistance
		8(b) - Recognition of procurement as a profession
		8(c) – Monitoring performance to improve the system
		PILLAR III
9.	Public procurement practices achieve stated objectives.	9(a) - Planning
		9(b) - Selection and contracting
		9(c) - Contract management
10	. The public procurement market is fully functional.	10(a) – Dialogue and partnerships between public and private sector
		10(b) – Private sector's organisation and access to the public procurement market
		10(c) - Key sectors and sector strategies *

PILLAR IV		
11. Transparency and civil society engagement foster integrity in	11(a) – Enabling environment for public consultation and monitoring	
public procurement.	11(b) - Adequate and timely access to information by the public	
	11(c) - Direct engagement of civil society *	
2. The country has effective control and audit systems.	12(a) - Legal framework, organisation and procedures of the control system	
	12(b) – Coordination of controls and audits of public procurement	
	12(c) - Enforcement and follow-up on findings and recommendations	
	12(d) - Qualification and training to conduct procurement audits	
3. Procurement appeals mechanisms are effective and efficient.	13(a) – Process for challenges and appeals	
	13(b) - Independence and capacity of the appeals body	
	13(c) – Decisions of the appeals body	
14. The country has athis and	14(a) Large definition of muchibited mustines conflict of	
4. The country has ethics and anticorruption measures in place.	14(a) – Legal definition of prohibited practices, conflict of interest, and associated responsibilities, accountabilities, and penalties	
	14(b) – Provisions on prohibited practices in procurement documents	
	14(c) – Effective sanctions and enforcement systems	
	14(d) – Anti-corruption framework and integrity training	
	14(e) – Stakeholder support to strengthen integrity in procurement *	
	14(f) – Secure mechanism for reporting prohibited practices or unethical behaviour	
	14(g) – Codes of conduct/codes of ethics and financial disclosure rules	

Refer to Detailed Matrix (Volume II) and a chart on: Criterion Met, Criterion Partially Met and Criterion Not Met for all 210 MAPS Assessment Criteria covering 55 sub-indicators as above









