

ANNUAL PERFORMANCE REPORT

IMPLEMENTATION OF PBB NON-FINANCIAL PERFORMANCE INDICATORS

1. OVERALL ACHIEVEMENTS

- 1.1 The Financial Year 2008-09 was marked by the paradigm shift in the formulation and implementation of the national budget from the Line-Budget to the Programme-Based Budget (PBB). This reform initiative established a stronger link between the resources used to deliver public services and the outcome of these services.
- 1.2 PBB has been introduced to change the focus of the budgetary process from an input-based annual activity to a performance-based multi-annual exercise that clearly links the funds appropriated by the National Assembly to outcomes and outputs. PBB implies in particular that Ministries prioritise their activities and shift scarce resources from low to higher priority programmes. The PBB for FY 2008/09 has provided the much needed link between sector strategy, budget policy and the wider reform programme.
- 1.3 The implementation of the PBB has enabled Government to meet its broad objectives, as spelt out in the Economic Reform Programme 2005-2010. The strategic objectives of Government rest on four planks, namely fiscal consolidation and improving public sector efficiency, enhancing trade competitiveness, improving the investment climate and widening the circle of opportunities through participation and social inclusion. At the same time, we are committed to sustainability to be achieved through the Maurice Ile Durable Programme. Our actions have unlocked robust economic growth with equity, improvements in the quality of life and strengthened nationhood.
- 1.4 The present Annual Progress Report (APR) provides an analysis of the progress made with respect to meeting service delivery standards for the period July 2008 to June 2009. This is the first of a series of reports for assessing and evaluating performance of the public sector in delivering public services.
- 1.5 The 2008-09 PBB consisted of 111 programmes and 96 sub-programmes and 960 programme indicators covering 22 Ministries and 18 Government Departments. The implementation rate of the PBB after the first year of operation is about 80%. Out of these 960 performance indicators, 395 (41%) have already been completed or reaching completion and action has been started on 374 indicators (39%). The latter require a longer implementation time and will be completed within the three-year Medium Term Expenditure Framework (MTEF) period. Of the remaining 20% where targets have not been fully met, the main constraints can be attributed to:
 - Difficulties in reporting and service delivery surveys;
 - Institutional constraints relating to procurement, land acquisition, bottlenecks in obtaining clearances; and
 - Human resource constraints aggravated by difficulties due to approval of schemes of service in the wake of the Pay Research Bureau (PRB) Report.

It is noted that there is no direct relation between performance, size of Ministry or number of indicators. The number of indicators should be revisited to make them more meaningful and measurable.

2. AREAS OF GOOD PERFORMANCE BY FUNCTIONAL CLASSIFICATION

2.1 Performance of Ministries has been assessed according to the following functional classification namely:

- Productive:
 - Ministry of Business, Enterprise and Cooperatives
 - Ministry of Industry, Science and Research
 - Ministry of Tourism, Leisure & External Communication
 - Ministry of Agro Industry, Food Production & Security
- Social:
 - Ministry of Health and Quality of Life
 - Ministry of Women's Rights, Child Development & Family Welfare
 - Ministry of Youth and Sports
 - Ministry of Education, Culture and Human Resources
 - Ministry of Labour, Industrial Relations & Employment
 - Ministry of Social Security, National Solidarity and Senior Citizens Welfare & Reform Institutions
- Infrastructure:
 - Ministry of Renewable Energy and Public Utilities
 - Ministry of Public Infrastructure, Land Transport & Shipping
 - Ministry of Housing and Lands
- Administration:
 - Ministry of Finance & Economic Empowerment
 - Ministry of Information and Communication Technology
 - Ministry of Foreign Affairs, Regional Integration & International Trade
 - Ministry of Civil Service & Administrative Reforms
 - Ministry of Consumer Protection and Citizens Charter
 - Ministry of Rodrigues & Outer Islands
 - Ministry of Local Government, Rodrigues & Outer Islands
 - Prime Minister's Office
- Environment
 - Ministry of Environment & National Development Unit

2.2 Under the first category which involves four Ministries, two Ministries have achieved between 70-90% of their indicators. Two Ministries have an achievement rate below 70% of indicators. The overall achievement rate for the productive sectors is 65%. A major achievement in this sector was the reduction of bureaucracy and promoting investment through the reduction in the processing of applications of licences within 15 days of submission. Also, the import permits are being issued within three working days

of submission of applications for import of goods. The Fashion and Design Institute has been set up. Some 40 companies have benefited through participation in fairs/business meetings. The impact on exports will be evaluated during the second half of 2010. The Competition Commission has also been set up and the Commissioner recruited.

- 2.3 Under the social sector, out of six Ministries, five have scored between 75% and 100%. Overall, the performance for the social sector has been quite significant with an average rate of 88%. Major attainment is in the field of Education and Health. At the level of education, opportunities have been provided to a larger number of children aged 3 years to get enrolled in an educational institution. The increase has been from 86% in 2007 to 92.6% in 2009. Furthermore, the pupil absenteeism rate in ZEP schools has also been reduced from 16% in 2007 to 13% in 2008 with a view to reducing inequality between high and low achieving primary schools. With the provision of a good, affordable healthcare, the Under-five Mortality Rate has been 16 per thousand live births as at May 2009 compared to the targeted figure of 18 per thousand in 2008/09. This figure can be benchmarked against 16.3 in Thailand and 2.1 in Singapore.
- 2.4 Under infrastructure, two Ministries out of three have performed well with an achievement rate of above 80%. The overall achievement rate for this sector is 78%. There have been 1,296 new house connections for period July 2008 to June 2009. To improve water supply, detailed design of Bagatelle Dam has already started. The Maconde Bridge has already been constructed and is now operational.
- 2.5 Out of the eight Ministries under Administration, six Ministries have performed remarkably well with an achievement rate of above 85%. The Public Sector and Economic Reforms are being implemented. The PBB is being implemented in all Ministries and Departments and selected Statutory Bodies. Regarding the implementation of the PMS in Ministries/Departments, sensitisation and information campaigns have been carried out by the Ministry of Civil Service and Administrative Reforms in 80% of all Ministries and Departments. With respect to propagating and inculcating ICT Culture and enhance ICT adoption in society, free training on ICT Awareness has been provided to some 11,000 persons. The Circular Migration Programme has been introduced and an agreement has been signed with France for skill enhancement and the promotion of job opportunities. This is the first of its type in the world and is seen as a pilot for future migration reform.
- 2.6 The achievement rate of the Ministry concerned with environment has been 68%. Under the Emergency Rehabilitation Programme, some 55 (40%) drain projects have been constructed out of 136 which were to be completed over a time frame of 4 years. Furthermore, eight bridges had also been completed.

The Environment Protection Act 2008 has been proclaimed, thereby enhancing the mechanism for coordination and enforcement.

3. AREAS FOR IMPROVEMENT

- 3.1 At the level of Ministries, the major weakness identified has been lack of coordination in the implementation of activities by various stakeholders within and outside the Ministry. In addition, many infrastructure projects have been delayed owing to administrative bottlenecks, procurement procedures and longer lead time for implementation.
- 3.2 To deal with the first problem, Programme Managers must be empowered to take necessary actions with respect to service delivery. Concerning the second problem, Government has formulated an Investment Projects Process Manual (IPPM) and set up a Project Plan Committee. The latter is set up under the aegis of the Ministry of Public Infrastructure, Land Transport and Shipping and is responsible for assessing the infrastructure needs of the various sectors of the economy and developing a project pipeline.

4. CONCLUDING REMARKS

- 4.1 In addition to the above, the design of Performance Indicators is being fine tuned to make them particularly more specific and measurable. The focus will henceforth be on meaningful key performance indicators. The reorganization of the Ministry will enable Sector Ministry Support Teams (SMSTs) to link budgetary resources to performance and improve upon the analysis and its relevance for decision making. However, such analysis will continue to depend upon the quality of the Performance Indicators that are developed over time.