

FOREWORD

The 2009 budget marked a major change in financial planning, budgeting and management in the Rodrigues Regional Assembly. The Additional Stimulus Package (Amendment) Bill was presented before the Rodrigues Regional Assembly prior to presentation in the National Assembly in conformity with our Constitution and the Rodrigues Regional Assembly Act 2001. The new legislation provides for the introduction of a Programme Based Budget (PBB) in Rodrigues and the introduction of calendar year budgeting as from January 2010 (**2010-2012 PBB**). On 17 April 2009, I presented the first **indicative PBB** before this House for the six months period July to December 2009 (**2009-2011 PBB**) together with the traditional Estimates of Recurrent Revenue and Expenditure and Estimates of Capital Revenue and Expenditure. Since, the necessary amendments have now been brought to the Rodrigues Regional Assembly Act 2001 and to the Standing Orders of the Regional Assembly, I am therefore presenting the first official Programme Based Budget in the revised format, incorporating the latest changes which have been brought to the PBB Manual of the Ministry of Finance and Economic Empowerment (MOFEE).

2. As announced in the Five Year Regional Government Programme which I presented in December 2006 before this House, the Executive Council is geared towards the elaboration and the implementation of policies which are conducive to higher economic growth and the improvement of the living conditions of our population. The desire and determination to improve performance in the public sector to attend the aspirations of our population is still high on our agenda. In fact we have already taken many bold measures in this respect. A proper institutional framework has been set up to promote private sector development with the office of Invest Rodrigues. Further the Cadastral Office continues its endeavour to improve the services delivered to the population. Agricultural land has become more accessible to our farmers while various companies have been set up and are contributing towards enhancement in tourism promotion, refuse collection, water distribution, fisheries development and local product marketing. Now that the foundation stone has been laid, the real impact and results will be forthcoming and seen in the years to come.

3. We are doing our best to translate our political vision into programmes and actions to deliver the desired outcomes for the well being of all those residing in this small island. Our island is vulnerable to climatic conditions and not free from the negative impacts of the changing international financial and socio-economic environment. The recent influenza pandemic which started far in Latin America reached us within a short lapse of time. Similarly, the increase in the price of fuel led to increase in the prices of food in Rodrigues and a reduction in tourist arrivals thus also causing hardships to our artisans due to decline in the sales of their products. We must recognize that we are indeed living in a new development era. Our Public Sector requires new skills to manage complex relationships and to make wise use of information technology. Our administrators need to have a background of economics and statistics and be well versed in modern management techniques. We must be forward looking, innovative, creative, undertake research and adopt policies based on empirical evidence. It is only then that we will be able to take advantages of emerging opportunities in all sectors of our economy. In this context, we have agreed to officially introduce Programme Based Budgeting as from the calendar year starting January 2010. The introduction of the PBB is an important milestone for proper strategic planning, budgeting and programme implementation and monitoring. The PBB has been introduced in

several countries with a view to improving public expenditure by systematically linking funding with results and making use of performance information to achieve that linkage. Empirical evidence has confirmed that Programme Based Budgeting can be a very effective tool in enhancing fiscal discipline, bringing efficiency gains and promoting good governance in the Public Sector. Some countries such as Singapore and Australia have embarked on the PBB as far back in 1978. The PBB has been introduced in Mauritius as from July 2008 and a fully-fledged PBB embedded in a three year Medium Term Expenditure Framework (MTEF) is currently being implemented by the Central Government. This forms the basis for appropriation of funds by the National Assembly and replaces the traditional line-item budget. The PBB has many benefits, as compared to the line item budgeting which was last presented in April 2009. Among the benefits are:

- It is a more transparent way of presenting budgets, by showing the programmes and projects where public funds are being allocated;
- It improves efficiency and effectiveness of Government's programmes and activities;
- It provides more concrete information on performance for decision-making purposes, and for the setting of future priorities and targets; and
- It facilitates monitoring and impact evaluation of programmes.

4. Strategic planning is also high in our agenda; that is why we have given attention to the comprehensive "Support to the formulation of a Sustainable Integrated Development Plan for Rodrigues (SIDPR)" project. The Regional Government elaborated its new development strategy which was presented in the Regional Assembly in December 2006. Since then, several studies have been completed by experts in the area, all aiming to attend to the specific sectoral problems. In the fisheries sector, a "Socio-economic study of the Fishing community: Case study of Rodrigues island" conducted by the Consultancy & Contract Research Centre of the University of Mauritius (UOM) has been completed. In addition, with the support of the IDP a Strategy and Action Plan for the Development of the Fisheries Sector in Rodrigues has been elaborated. This was followed by a Voluntary Retirement Scheme which is now being implemented. The report of the SIDPR which contains a Vision Document over a long term period and a Short Term Action Plan (STAP) will be officially launched in October 2010. The implementation of some of the proposals has already started.

5. Major attention has also been given to the water sector. The Government has approached the "Agence Francaise de Developpement (AFD)" for financing projects aiming at increasing water storage structure. Here again, the AFD Consultants have already made an evaluation of the existing water storage facilities and recommended a series of interventions. The Rodrigues Regional Assembly has already conducted a feasibility study on the proposed water company. In addition, as regard to the management of water distribution, the Decentralised Cooperation Programme (DCP) has been approached for the financing of a study on the proposed organisation structure of the Rodrigues Water Co Ltd together with proposal for a suitable tariff structure. The two consultants are currently conducting their studies. The PBB as such contains two important programmes for the water sector; one to increase the water storage capacity and the other one to improve the water distribution network.

6. Turning to the agricultural sector, the latter has received the attention it deserved. The overarching goal of the Commission of Agriculture in Rodrigues is to enhance food security through improved agricultural production and value added activities and by so doing create income earning opportunities for its people. Government recognises that with a view to achieving this goal, change is needed in the delivery of supporting services to the sector in order to arrest the decline in production, to foster competition by strengthening forward and backward linkages through commodity value chains, to develop agro-industries for domestic import substitution, to promote the development of export initiatives where true comparative advantage prevails, and to preserve the natural resource base. In addition, Strategic Options for the Agriculture Sector have been prepared by the Commission for Agriculture in collaboration with the Agricultural Research and Extension Unit (AREU). This was further complemented by sectoral strategy on the Agricultural & Fisheries sector funded under the IFAD Rural Diversification Programme (RDP). The Strategic Action Plan for the agricultural sector in Rodrigues contains a set of programme with activities and possible indicators that covers the period 2008-2015.

7. With regards to Education, the Commission for Education commissioned a study on the causes of CPE failure in Rodrigues and the recommendations contained therein to improve pass rate are being implemented. It is considered that the increase in CPE pass rate from 49% in 2007 to 55% in 2008 can be attributed to the measures that have been implemented during that period.

8. The studies mentioned above show our determination to implement the Government Programme effectively and efficiently. In fact, the Chief Commissioner's Office had already embarked on the preparation of action plans for the effective implementation of government policies and budgetary measures. As from July 2007, each Commission is preparing and submitting an Annual Work Plan based on budget allocation and budgetary measures. This arrangement has facilitated our Commissions in the eventual implementation of activities with emphasis on output and results, rather than inputs that contribute towards the attainment of the overall goal set down in our five-year Regional Government Programme.

9. With the implementation of Programme Based Budgeting, each Commission has:

- **First**, formulated sector policies in line with the overall objectives of Regional Government; and
- **Second**, based on those policies, developed a strategic plan which is broken down into an operational plan; thus leading to the implementation of PBB.

10. With Programme Based Budgeting, budget allocation by this House will be made based on programmes submitted by each Commission with predefined outcomes, priority objectives, outputs and performance indicators. This will ensure better fiscal discipline, allocative effectiveness based on priorities; and operational efficiency that is, obtaining value for money. Programme-Based Budgets, though being more time consuming in its preparation, will present more useful information to this House on service delivery and allow for transparency and accountability for each Commission in service delivery.

11. Our Programme Based Budget 2010 elaborates on the 56 programmes grouped by Commissions along the following format:

PART A: OVERVIEW OF THE COMMISSION

- I. Strategic Note
 - Mission & Strategy of each Commission
 - Major Achievements for 2008/09 & 2009 July-December
 - Major Outputs (Services to be provided for 2010-2012) by programmes and sub-programmes
 - Main constraints and challenges and how they are being addressed
- II. List of programmes , Sub-programmes and priority objectives
- III. Summary of Financial resources
- IV. Summary of Funded positions by programmes and sub-programmes

PART B: OUTPUT – SERVICES TO BE DELIVERED AND PERFORMANCE INFORMATION

(Outcomes/DeliveryUnits/Outputs/Performance Indicators & Targets)

PART C: INPUTS – FINANCIAL RESOURCES

- Summary by Economic Categories
- Summary for Year 2010 by Programmes and Sub-Programmes

PART D: INPUTS – HUMAN RESOURCES

- Funded positions by programmes/sub-programmes and salary categories
- Staffing (Funded Positions)By Programmes/Sub-Programmes

12. Empirical evidence suggests that the development of a Programme Based Budget is not an easy exercise and needs to be refined over the next few years. The preparation of the first PBB has been an arduous task. For this first official PBB, I have the pleasure to thank all the officers of my Office and the Commissions who have accepted the challenge and contributed in the preparation of the PBB budget. I also wish to thank the Ministry of Finance and Economic Empowerment and the UNDP for their contribution to this exercise.

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Chief Commissioner

18 September 2009