



African, Caribbean and Pacific Group of States

TRADE REGULATORY IMPACT ASSESSMENT - MAURITIUS

**“ACP-EU TBT PROGRAMME”
(REG/FED/022-667)**

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FINAL REPORT

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bkp DEVELOPMENT
RESEARCH & CONSULTING



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GLOSSARY

EU	European Union
EUD	European Union Delegation in Mauritius
ITD	International Trade Division of the Ministry of Foreign Affairs, Regional Integration and Foreign Trade
MCCI	Mauritius Chamber of Commerce and Industry
MEA	Ministry of Environmental Affairs (Ministry of Environment, Sustainable Development, and Disaster and Beach Management)
PET	Polyethylene terephthalate
RIA	Regulatory Impact Assessment
SLO	State Law Office
ToR	Terms of Reference

1. EXECUTIVE SUMMARY

The present Report is the final deliverable of the project Trade Regulatory Impact Assessment – Mauritius, financed under the ACP-EU TBT Programme and awarded to Economisti Associati and BKP Development, represented by Messrs. Giacomo Luchetta and Gustav Brink respectively. This stand-alone document, covering the period from 1 May 2015 to the conclusion of the contract, foreseen for 4 October 2015, details the main activities and outputs delivered and is complemented by three annexures including the deliverables foreseen under Activity 1, namely:

1. the RIA Guidelines for Mauritius;
2. the RIA on plastic bags; and
3. the RIA on PET bottles¹.

Activities 2 and 3, i.e. the Training, have already been covered by two training reports, to which the materials, the evaluation, and the attendance list have been annexed.

The inception phase had shown that Regulatory Impact Assessment (RIA) is a new concept to Mauritius and its principles are not currently applied in the legislative drafting process. The current drafting process is more reactive than pro-active and little consultation takes place. At the same time, the Ministry of Foreign Affairs, Regional Integration and Foreign Trade and the private sector, in particular the Mauritius Chamber of Commerce and Industry (MCCI), were keen on exploring the possibilities of introducing RIA in Mauritius and on testing its added value.

To this purpose, the project was designed – and amended during the deployment phase upon beneficiary's request – over three strands, which would constitute the basis for a possible introduction of RIA in Mauritius:

- drafting of **RIA Guidelines for Mauritius**, to provide government officials with a guide on how to draft future RIAs;
- carrying out two **pilot RIA exercises**, to verify the added value, and risks and opportunities of conducting RIA in Mauritius, and its relation to the legislative process;
- **building capacity** both within the government and among private professionals on the RIA system and methodology through training sessions.

These three elements, though not yet sufficient, are indeed key requirements to establish a RIA system. To complement this, an institutional reform, including the establishment of a RIA oversight unit, and political support from the government would still be necessary. To the latter end, a final workshop was held on 2 September 2015, to raise awareness among higher-level government officials who had not attended the training and provide a compact lecture on the RIA system and methodology.

As for the RIA Guidelines, a RIA Manual was prepared on the basis of the unique situation of Mauritius, and

¹ Note that the updated final report will include the final RIA.

taking into consideration the manuals used in other jurisdictions and international best practices. The Manual was presented and distributed at the final workshop to raise awareness and understanding among the government officials of various Ministries. The RIA Guidelines are intended to represent a key building block in case the Mauritius government intends to go forward with proposing the adoption of RIA.

Concerning pilot RIAs on Mauritius legislation, no RIA on existing trade legislation has been requested, but only a number of RIAs to be conducted on proposed legislation. The first RIA, on the proposed policy to ban the sale and use of plastic bags in Mauritius, was concluded in August and was used as training material in the last training session. The second RIA on PET bottles was started in August and will be finalised in September. Both RIAs follow the approach enshrined in the Mauritius RIA Guidelines and adopt the techniques presented to the audience during the training. More specifically, the RIAs are based on a literature review of existing studies and international regulatory experience on the subject matter; a consultation with stakeholders, in particular through face-to-face interviews and plant visits; and the consultants' analysis and elaboration.

Capacity building activities were organised for both government officials and local professionals. 32 officials, with an average attendance of 21, and eight local professionals, with an average attendance of 7, took part in the training. The training consisted of both theory and practical exercises. The theoretical part focused on three main topics: (i) the RIA system and international experience; (ii) the RIA methodology; and (iii) the practical aspects of conducting RIAs (communication, consultation, and data gathering). While most of the trainees were new to the RIA process, the knowledge improvement, as measured by the exit test, was remarkable, with no trainee providing correct answers to less than 55% of the questions asked in the final exam. The evaluation of the course by the trainees was very positive, with an overall satisfaction rate of 3.5/4.

The project was concluded by the final workshop, held in Port Louis on 2 September. The half-day workshop was attended by about 50 functionaries of the Mauritius government and the MCCI, including several senior officers. The workshop was introduced by Mr Boodhoo from the International Trade Division of the Ministry of Foreign Affairs (ITD) and by Mr. Jaddoo, Secretary General of the MCCI. Then, a three-hour RIA crash course was held, explaining and discussing the aims and features of the RIA system and the main steps of the RIA methodology. The workshop was then concluded by the presentation of the Mauritius RIA Guidelines, one of the outputs of the project, and a session of questions and answers.

All in all, the project was carried out satisfactorily. The support from the ITD was constant and effective, and the role played by the MCCI was instrumental in ensuring a smooth deployment of activities. The cooperation with the other Ministries was also valuable, during both RIAs and training activities, which were attended by a large number of government departments. Stakeholders were also involved in the consultation process underpinning the two RIAs, with good responsiveness.

2. PROGRAMME DETAILS

2.1 Programme synopsis

Description	Date/period
Date of signature	4 March 2015
Kick-off meeting with EU (Brussels)	9 March 2015
Kick-off meeting with EUD (Port Louis)	6 April 2015
Kick-off meeting with beneficiary	6 April 2015
Project completion date	4 October 2015
Implementation period	7 months
Inception period	6-24 April 2015
First Mission KE1	6-24 April 2015
First block of training (2 weeks of sessions)	2-19 June 2015
Progress period	24 April – 04 October 2015
Second Mission KE1	12 May – 30 July 2015
First Mission KE2	30 May – 20 June 2015
Second block of training (1 week of sessions)	25-27 August 2015
Third Mission KE1	17 August – 12 September 2015
Second Mission KE2	21 August – 2 September 2015
Final Workshop	2 September 2015

2.2 Overall objectives

The overall objectives of the project including this contract are the following:

- promote the use of RIA as a means to improve policy formulation and ensure the implementation of better quality regulations;
- enhance the transparency in the decision-making process to ensure that proper decisions are made on an informed basis.

2.3 Purpose

The purpose of this contract, as amended upon beneficiary's request, is as follows:

- provide RIA Guidelines for Mauritius in view of the possible adoption of this tool, and raise awareness among government officials and the private sector;
- undertake two RIAs on proposed legislation;
- provide training to professionals, government officials and other stakeholders on how to conduct RIAs as part of the policy formulation process.

2.4 Results to be achieved by the Contractor (as amended during the Project)

- **Result 1** - Key benefits, costs and effects on consumers, importers, exporters and manufacturers of new or changed ~~trade~~ regulations are examined on a case-by-case basis and possible needed priority actions are identified; *RIA Guidelines for Mauritius are drafted*;
- **Result 2** - 40 professionals and government officials are trained on TRIA and are able to adopt it during the process of policy formulation;
- **Result 3** - 20 professionals are trained on the RIA techniques, their development and use.

3. ACTIVITIES UNDERTAKEN DURING PROGRESS PHASE

3.1 Meetings held

RIA on plastic bags

In the context of the RIA on plastic bags, a consultation with plastic producers was organised and the following meetings with plastic producers were held:

1. Plaspak on 11 June 2015
2. Vic Lux on 12 June 2015
3. Bnaukin on 12 June 2015
4. HFC Plastic on 12 June 2015
5. Performance on 29 June 2015

The following meetings with major retailers were also held within the consultation process:

1. Winners on 22 June 2015
2. Shoprite on 23 June 2015

The following meetings were held with government officials:

1. Ministry of Environment on 23 April 2015
2. Mauritius Revenue Authority (Customs) on 21 July 2015.

Further to that, a meeting on the producers and retailers' reaction to the new regulation on plastic bag was organized by the MCCI and attended by the Consultants on 28 August 2015 and again on 4 September 2015.

Materials from the RIA on plastic bags were also used in the third week of training for practical exercises.

RIA on the Pharmacy Act and fish exports to the EU

In June, the possibility of carrying out a RIA on the Pharmacy Act was explored. To this purpose, **a meeting was held on 25 May 2015** with representatives of the Ministry of Health and the Ministry of Agro Industry and Food Security. The aim of the foreseen regulatory intervention was to amend specific provisions of the Pharmacy Act to ban the use of certain substances in aquaculture when the products are to be exported to the EU. The legislative proposal was reviewed by the Consultants, who suggested to amend the regulations promulgated by the Ministry of Agro-Processing and not to modify the Pharmacy Act. Accordingly, no RIA was required.

RIA on animal welfare

In June, the possibility of carrying out a RIA on animal welfare was explored. To this purpose, **meetings were held on 3 and 10 June** with representatives of the Ministry of Agro Industry and Food Security. The legislative proposal was reviewed by the Consultants, who provided detailed comments on the drafting.

However, the possibility of carrying out a full-fledged RIA was eventually discarded.

RIA on PET bottles

In the context of the RIA on PET bottles, **a first meeting with representatives of the Ministry of Environment was held on 19 August 2015**. This was followed by a meeting with a bottler, QBL, on 31 August 2015 and another with a PET pre-former, Boxmore, on 9 September 2015. A further meeting was held with the Solid Waste Division of the Ministry of Environment on 3 September.

Meetings with EUD

A meeting with the European Union Delegation in Mauritius (EUD) was held on 5 June 2015, at the start of the first training part. A debriefing meeting with the EUD was held on 9 September 2015, before the conclusion of the last mission.

3.2 Discussions on project programme

A number of discussions were held with the ITD on the project, concerning both the organisation of meetings with other Ministries and stakeholders under the two RIAs, and the organisation of the training. The ITD greatly assisted in handling the liaison with all stakeholders in this regard. The discussions continued throughout the duration of the programme.

3.3 RIA Guidelines

RIA is a systemic approach that evaluates the costs, benefits, effects and implementation of new and proposed legislation. This policy procedure aims at assessing expected impacts (i.e. costs and benefits) of draft legislative and non-legislative acts in the *ex ante* phase, i.e. before the act is finalised. As a regulatory tool it provides decision-makers with valuable empirical data and a comprehensive framework to assess the different policy options available. In other words, RIA assists the decision-making process with a better understanding of the issues at hand and both the direct and indirect effects of government actions. RIA can be used to define problems and ensure that government action is appropriate and justified.

RIAs do not play any role in legislative drafting in Mauritius at present. The current typical legislative process can be illustrated as follows:



Typically, a Cabinet paper is drawn up, generally by the relevant Ministry, based on a policy already formulated by the Ministry. Usually, no consultation is carried out at this stage. If the Cabinet approves the document, the Ministry will send the State Law Office (SLO) drafting instructions by either (a) sending the SLO an initial draft bill to work on; or (b) indicating to the SLO the issues that need to be addressed in the

legislation. No legal officers are attached to the various Ministries. The SLO will then draft the legislation, meeting the relevant Ministry on several occasions to ensure the technical correctness and appropriateness of the bill. During this process, public consultations may sometimes be carried out, although this is not the norm. Bills are generally reactive, rather than pro-active, and are drafted to address particular issues that have arisen. On completion of the bill, a second Cabinet memorandum is prepared. Once the Cabinet has approved the bill, this is forwarded to the Parliament National Assembly for consideration. Typically, each bill is given three readings: the first is just meant to introduce the bill, which is then debated during the second. At this stage a committee may be established to further consider the bill and propose amendments, subsequently forwarded to the SLO for incorporation. Once accepted by the committee, the bill is given a third reading in the National Assembly, during which the bill is adopted. The bill then goes to the President for signature before coming into operation.

The concept of RIA is generally unknown to Mauritius. Legislation is rarely drafted by the government based on the elaboration of a set of policies and the investigation of their impacts. In view of a possible incorporation of RIA within the elaboration process, the beneficiary has requested the Consultants to draft a RIA Manual which could be used as guidelines for a Mauritius RIA system.

The RIA Manual was prepared on the basis of the unique situation of Mauritius, and taking into consideration the manuals used in other jurisdictions and international best practices. It is organised over three sections:

1. Introduction to RIA, where the definition, rationale and added value of RIA are explained. More operatively, this section also states when RIA should or should not be used, how it should be written and who should draft and verify RIAs;
2. The RIA methodology, which is divided in six steps: (i) problem definition; (ii) statement of objectives; (iii) identification of policy options; (iv) impact analysis; (v) comparison of policies; and (vi) choice of preferred option, monitoring and evaluation;
3. Cross-cutting RIA activities, namely: (i) data gathering; and (ii) consultation.

The RIA Guidelines are completed with a series of RIA templates and operational checklists. The Manual was printed in 150 copies and presented and distributed at the final workshop to raise awareness and understanding among government officials of various Ministries. A copy of the Manual is attached as Annexure 1 to the present report.

3.4 Regulatory Impact Assessment on the Banning of Plastic Bags

At the meeting with stakeholders on 7 April 2015, a RIA was requested on the planned ban of plastic bags in Mauritius, with effect from 1 January 2016, announced by the Minister of Finance during the budget speech in March 2015. The proposal was approved by all people present. The Consultant therefore started working on the RIA. A meeting with the MCCI, also attended by several domestic plastic bag producers and retailers, was organised. On that occasion, the programme and the purpose of RIA were explained to all stakeholders, only reinforcing the request that the RIA be conducted. The MCCI also indicated that it would be doing research in this regard. The Consultant therefore proposed that forces be joined so that the RIA

could also translate into on-the-job training in conducting RIAs.

The RIA on the banning of plastic bags was completed in August 2015 and is attached as Annexure 2 to the present report. It includes:

1. The problem definition in terms of economic, social, and environmental impacts, and in terms of market and regulatory failures;
2. The statement of objectives;
3. Findings of the stakeholder consultation;
4. Data and methodology employed;
5. Description of policy options;
6. Analysis of impacts;
7. Comparison of policy options and identification of the preferred one;
8. Implementation Plan
9. Indicators for monitoring and evaluation.

The RIA was based on both desk research and fieldwork. The desk research included an analysis of the literature on the economic, environmental and social impacts of regulating plastic bags. Research also focused on how other jurisdictions dealt with the issue of limiting the use of plastic shopping bags. The fieldwork consisted of a series of meetings with local plastic producers and major retailers, and an online questionnaire published on the MCCI website.

The analytical work and the comparison of the possible options relied on a partial cost-benefit analysis for a series of environmental and economic costs, and on a multi-criteria analysis (which incorporated the former) to account for a series of impacts which could not be quantified.

3.5 Regulatory Impact Assessment on Plastic Bottles

During the training on RIA, the Ministry of Environment indicated that it was considering introducing new regulations related to PET bottles, aimed at increasing the rate of recycling, and that it would be interested in a RIA to assist it with its consideration.

The RIA on increasing the recycling rate of PET bottles was completed in September 2015 and is attached as Annexure 3 to the present report. It includes:

1. The problem definition in terms of economic, social, and environmental impacts, and in terms of market and regulatory failures;
2. The statement of objectives;
3. Findings of the stakeholder consultations;
4. Data and methodology employed;
5. Description of policy options;

6. Analysis of impacts;
7. Comparison of policy options and identification of the preferred one;
8. Indicators for monitoring and evaluation.

The RIA was based on both desk research and fieldwork. The desk research included an analysis of the literature on the economic, environmental and social impacts of regulating PET bottles, as well as various life cycle analyses on PET bottles. Research also focused on how other jurisdictions dealt with the issue of improving the recycling rate of PET bottles. The fieldwork consisted of a series of meetings with the Ministry of Environment, bottlers and pre-formers.

The analytical work and the comparison of the possible options relied on a partial cost-benefit analysis for a series of environmental and economic costs, and on a multi-criteria analysis (which incorporated the former) to account for a series of impacts which could not be quantified.

3.6 Training of government officials and professionals

Selection of participants

A meeting was held with all stakeholders on 7 April 2015. On that occasion, the possible training dates were floated. All stakeholders indicated that they would nominate staff to attend the training. Since the SLO was not present at this meeting, the issue of training was also raised during the meeting with the SLO on 17 April 2015. The SLO too undertook to send staff members to attend the training. The issue of the selection of trainees was also raised with the MCCI during the meeting on 16 April 2015.

First part of the training: weeks 1 and 2

The first part of the RIA training for government officials and MCCI functionaries, and professionals took place between the 2 and 18 June 2015. The first module consisted of six days of six teaching hours each for government officials and MCCI functionaries, and two three-hour night sessions and three days of six teaching hours each (two of which jointly with government officials) for professionals.

The first week covered the institutional aspects of the RIA system and the main steps of the RIA methodology. Each day, about 5 hours were devoted to lectures, and about 1 hour to practical exercises. The second week covered selected practical aspects (e.g. consultation and data collection) of the RIA process and practical exercises. Each day, about 2 hours were devoted to lectures and about 4 hours to practical exercises. Two types of exercises were proposed: analysis and critique of existing RIAs, and performance of selected RIA steps in a case study. All trainees actively took part in practical activities. All exercises were based on real RIAs, from both American and European jurisdictions. Both weeks were concluded by a stock-taking session to summarise the main messages and answer participants' questions.

The number of government officials and MCCI functionaries attending the training varied between 24 and 20, remaining fairly stable across the training days. Representatives of 14 different Ministries and other public institutions attended the training. On average, 22 officials attended each session; 19 officials attended either 5 or 6 sessions out of 6. The number of professionals attending the training varied between 7 and 8, remaining stable across the training days. On average, 8 professionals attended each session; 7 out

of 8 professionals attended 100% of the sessions.

Second part of the training: week 3

The second part of the RIA training for government officials and MCCI functionaries, and professionals took place between 25 and 27 August 2015. The second module consisted of three days of six teaching hours each for government officials and MCCI functionaries, and one three-hour night session and two days of six teaching hours each (the latter jointly with officials) for professionals. The training covered the following items:

1. A lecture summarising the main issues dealt with in the first two weeks of training;
2. Practical exercises on EU materials (Competitiveness and Innovation Programme and Eco-Innovation grants);
3. Practical exercises on Mauritian materials (plastic bags regulation);
4. A stock-taking exercise;
5. Exams and training evaluation.

The exercises consisted in performing selected RIA steps in two different EU case studies, and the data analysis and option comparisons of the Mauritian RIA on plastic bags.

The number of government officials and MCCI functionaries attending the training varied between 17 and 18, remaining fairly stable across the training days. Representatives of 10 different Ministries and other public institutions attended the training. On average, 18 officials attended each session; all but one official attended at least 2 sessions out of 3. The number of professionals attending the training varied between 5 and 7, remaining stable across the training days. On average, 6 professionals attended each session.

Concerning knowledge assessment, in the entry test government officials and MCCI functionaries scored 39%, while professionals scored 44%. The same test was administered at the end of the training, with the participants' performance improving (officials scored 75% and professionals 69%). In the final exam, the worst performers scored 11/20, i.e. all participants could provide a correct answer to at least 55% of the questions, with some achieving full marks.

The evaluation of the course by the trainees was very positive, with an overall satisfaction rate of 3.5/4.

3.7 Final Workshop

The project was concluded by the final workshop, held in Port Louis on 2 September 2015, from 9 to 13:30. The agenda is reported here below.

WORKSHOP PROGRAMME	
09:00-09:30	Registration
09:30-10:00	Opening remarks
10:00-10:15	<i>Coffee Break</i>
10:15-11:00	Consultants' presentation: Definition of RIA and the RIA system
11:00-12:30	Consultants' presentation: RIA Methodology
12:30-13:15	Consultants' presentation: RIA Manual for Mauritius
13:15-13:30	Questions & answers / concluding remarks
LUNCH (13:30-14:15)	

The workshop was attended by about 50 functionaries of the Mauritius government and the MCCI, including several senior officers, such as Assistant Permanent Secretaries, as well as by professionals. The workshop was introduced by Mr Boodhoo from the ITD and by Mr. Jaddoo, Secretary General of the MCCI. Then, a three-hour RIA crash course was held, explaining and discussing the aims and features of the RIA systems and the main steps of the RIA methodology. The workshop was then concluded by the presentation of the Mauritius RIA Guidelines, one of the outputs of the project, and a session of questions and answers.

The participants participated actively in the workshop and remained there the whole morning. Questions were challenging and stimulating. The informal feedback provided by participants was positive or very positive.

Presentations delivered at the workshop can be found at the following link:

https://www.dropbox.com/sh/h1xn5dsk6rhptj4/AAA_nmKhaGH45BdpKQllkVFfa?dl=0

The attendance list can be found at the following link:

<https://www.dropbox.com/sh/jb5zfb5z63rzkdb/AAAzRS1v2hggWQo-h73h49nDa?dl=0>

ANNEXURE 1: RIA MANUAL

ANNEXURE 2: RIA ON BANNING OF PLASTIC BAGS

ANNEXURE 3: RIA ON PET BOTTLES

ANNEXURE 4: FIRST TRAINING REPORT

ANNEXURE 5: SECOND TRAINING REPORT

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