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MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Cheikh I. FALL
Secretary General

SUBJECT : **MAURITANIA – COUNTRY ASSISTANCE EVALUATION** *

Please find attached the above-mentioned document.

Attach:

cc: The President

* Questions on this document should be referred to:

Mr. G. GIORGIS

Mr. H. RAZAFINDRAMANANA

Director

Principal Evaluation Officer

OPEV

OPEV

Extension 2041

Extension 2294

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



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MAURITANIA

COUNTRY ASSISTANCE EVALUATION

OPERATIONS EVALUATION DEPARTMENT

TABLE OF CONTENTS

ABREVIATIONS AND ACRONYMS	i
<u>EXECUTIVE SUMMARY</u>	iv
I. INTRODUCTION	1
1.1 Objective of the evaluation	1
1.2 Methodological approach	1
II. COUNTRY BACKGROUND	2
2.1 Economic Developments	2
2.2 Social Background	3
2.3 Principal Constraints on the Country's Development	4
2.4 The Country's Dependence on External Assistance and the Relative Contribution of the Bank	4
III. BANK GROUP ASSISTANCE IN MAURITANIA: PRODUCTS AND SERVICES	5
3.1 Bank Strategy and its Relevance	5
3.1.1 Priority Objectives of the Bank's Strategies in Mauritania	5
3.1.2 Analysis of Sector Strategic Priorities	6
3.1.3 Relevance to the Needs of the Population	8
3.1.4 Consistency with Assistance Programmes of other Donors	8
3.2 Implementating the Strategy: Loan and Grant Operations	8
3.2.1 Characteristics and Composition of the Overall Portfolio	8
3.2.2 Performance of Projects	9
3.3 Implementating the Strategy: Analytical and Advisory Services	10
3.3.1 Economic and Sectoral Studies	10
3.3.2 Policy Dialogue	10
3.3.3 Aid Coordination, Cofinancing and Resource Mobilisation	11
IV. DEVELOPMENT OUTCOMES AND IMPACTS OF BANK ASSISTANCE	12
4.1 Growth and Macroeconomic and Sector Stabilization	12
Mining and Industrial sector	13
Agriculture and Rural Development Sector	15
Transport Sector	18
4.2 Poverty Reduction and other Millenium Development Objectives	20
Social Sector	21
4.3 Impact on Crosscutting issues	22
V. Performance of Development Partners	24
5.1 Government Performance	24
5.2 Bank Performance	25

VI. OVERALL ASSESSMENT AND COUNTERFACTUAL ANALYSIS	25
6.1 Relevance.....	25
6.2 Efficacy.....	25
6.3 Efficiency.....	26
6.4 Institutional Development Impact	26
6.5 Sustainability	27
6.6 Overall Outcome of the Assessment and Counterfactual Analysis	27
VII. LESSONS AND RECOMMENDATIONS.....	28
7.1 Lessons	28
7.2 Recommendations.....	28

Annexes

1. Ratings of strategies and operations
2. Major macroeconomic indicators
3. Socio-economic and demographic indicators
4. Monitoring indicators of the PRSP
5. Millennium Development Goals in Mauritania (situation in 2002)
6. Bank Group Operations in Mauritania
7. Matrix of Recommendation and Follow-up Measures.

This report was prepared by Mr. H. RAZAFINDRAMANANA, Principal Project Evaluation Officer (Extension: 2294) with support from a consultant following a mission to MAURITANIA in September 2004. Questions on this report may be referred to Mr. G. GIORGIS, Director OPEV, (Extension 2041).

ABBREVIATIONS AND ACRONYMS

ADB	:	African Development Bank
ADF	:	African Development Fund
AESDF	:	Arab Economic and Social Development Fund
CDHLCPI	:	Commission on Human Rights, Poverty Alleviation and Integration
CSP	:	Country Strategy Paper
DGD	:	Directorate General of Customs
DGI	:	Directorate General of Taxes
DPE	:	Directorate of Programming and Research
DWS	:	Drinking Water Supply
ECOWAS	:	Economic Community of West African States
ENER	:	National Road Maintenance Enterprise
EPCP	:	Economic Prospects and Country Programming Paper
EPFP	:	Economic Policy Framework Paper
EU	:	United States
FISAP	:	Fiscal Adjustment Programme
GBM	:	Générale des banques de Mauritanie
GDP	:	Gross Domestic Product
HIPC	:	Heavily Indebted Poor Countries
IDA	:	International Development Association
IDB	:	Islamic Development Bank
IMF	:	International Monetary Fund
MAED	:	Ministry of Economic Affairs and Development
MDG	:	Millennium Development Goals
NGO	:	Nongovernmental organisation
MFI	:	Micro-Finance Institution
MTEF	:	Medium-Term Expenditure Framework
MU	:	Mauritanian monetary unit (Ouguiya)
NPV	:	Net Present Value
ODA	:	Official Development Assistance
OHADA	:	Organisation for the Harmonisation of Business Law in Africa
OMVS	:	Organisation for the Development of the Senegal River
ONS	:	National Statistics Bureau
PAIM	:	Multisectoral Institutional Support Project
PE	:	Public Enterprise
PERP	:	Public Enterprise Reform Programme
PGRP	:	Public Resources Management Programme
PIP	:	Public Investments Programme
PME	:	Small and Medium-scale Enterprises
PNDSE	:	National Programme for the Development of the Education System UNDP
	:	United Nations Development Programme
PRSP	:	Poverty Reduction Strategy Paper
RMC	:	Regional Member Countries
SAP	:	Structural Adjustment Programme
SDA	:	Social Dimensions of Adjustment
SMI	:	Small and Medium-scale Industries
SNDE	:	National Water Company
SNIM	:	National Mining Industries Company
SOMELEC	:	Mauritanian Electricity Company

SONADER	:	National Rural Development Company
SYPSIM	:	Public Investments Programming and Monitoring System in Mauritania
UBD	:	Union des banques de Mauritanie
UC	:	Unit of Account
UE	:	European Union
UEMOA	:	West African Economic and Monetary Union
UMA	:	Union of the Maghreb Arab
UNCACEM	:	Agricultural Credit and Savings Union of Mauritania
WB	:	World Bank

Rate of exchange at 31 August 2004

UA 1	=	US\$ 1.46073
UA 1	=	Euro 1.20612
UA 1	=	MRO 390.107

PREFACE

This report evaluates the Bank Group's assistance to Mauritania by focusing on the 1994-2004 period. Its preparation was done in two stages: the sector evaluations provided the basis for the overall evaluation at country level, which completed and validated preliminary results of sector reviews. Two sector reviews were prepared on agriculture and rural development and on the social sectors as well as internal notes on the other sectors. The report was restructured following the preparation of new Guidelines for Country Assistance Evaluation at the end of 2004. The timetable for the finalisation of this report took into account its objective to draw lessons and make useful recommendations for the next Country Strategy Paper cycle (CSP).

Mauritania was selected for a country assistance evaluation in 2004 for several reasons, including the high incidence of poverty in the country, its relatively good economic performance and its relative importance in the Bank Group's lending portfolio. Moreover, Mauritania has received significant and sustained support of the Bank to its mining sector and was, in 2002, among the first countries to have adopted a Poverty Reduction Strategy Paper (PRSP).

Meanwhile, the evaluation was affected by significant shortcomings of the information system, the monitoring and evaluation at Bank as well as country level. Notwithstanding these impediments, a lot of effort was made to implement as much as possible the country-assistance evaluation methodologies prepared by the Bank drawing inspiration from best practices in this area. It is important however to remember that (i) the methodologies are evolving and variable considering the complexity of this type of evaluation and the specificity of the countries and (ii) the outcome of their implementation depends on the information and monitoring-evaluation systems available.

EXECUTIVE SUMMARY

1. The history of the Bank's relations with Mauritania dates back to 1972, but the current evaluation of Bank assistance focuses on the 1994-2004 period. During this period, the Bank has prepared four strategy papers to guide its assistance to Mauritania. The purpose of the study is to assess the efficacy of this assistance and its impact on the country's development, in order to draw lessons and make useful recommendations for the orientation of the next Country Strategy Paper (CSP).
2. Mauritania is a vast, under-populated, arid and desert country. It is confronted with a daily combat to improve the difficult living conditions of its population. Since 1992, Mauritania has shifted towards economic and political liberalisation, and has implemented a host of reforms. After three years of implementation of the Poverty Reduction Strategy Paper (PRSP), some visible progress has been made in attaining the Millennium Development Goals (MDGs). The country hopes that the new opportunities provided by the advent of petroleum will make it possible to speed up the progress and take up the challenge of poverty reduction.
3. At present, the scope of the poverty reduction measures is limited by a number of constraints and exogenous factors. These are the country's dependence on external aid, the vulnerability of the economy to fluctuations of petroleum and metal prices, vagaries of the climate (low and unpredictable rainfall, flooding, freezing), the country's low directly exploitable natural resource endowment, except for minerals, fishery resources, and more recently hydrocarbons, the weak human resource development, and governance problems, especially in terms of public resource management.
4. The Bank's strategies were, on the whole, relevant and coherent addressing priority areas for the Government and the population. The Bank has essentially responded to the Government's requests, which shows responsiveness to the country's expectations. Recent Country Strategy Papers (CSP) were improved, especially stronger links with the PRSP, a more participatory approach and a better treatment of crosscutting issues, particularly governance. They gave continuous priority to the mining sector, which plays a strategic role in Mauritania. Meanwhile, the CSPs have shown their limitations on the strategic front in the absence of good quality economic and sector studies. Such basic studies would have enriched at the same time the Bank's strategy, the quality of its portfolio and its contribution to policy dialogue and to aid coordination. The Bank could not have any significant influence on policy orientations and the institutional framework due to lack of synergy between the different intervention sectors and between the different instruments used such as support to reforms, project loans, grants for studies and institutional support. The objectives of the Country Strategy Papers (CSP) were too vague, without precise monitoring/evaluation indicators capable of really measuring the contribution and the impact of the Bank on the development of the country.
5. The Bank has provided assistance in almost every sector. The mining sector, the key sector of the Mauritanian economy, is also the most important, in terms of financial resource allocation by the Bank. The continuing commitment of the Bank is important; however, the Bank has thus contributed to reinforcing the country's economic dualism because the link between mining and the rest of the economy and the population was too weak. Successive CSPs focused on agriculture and rural development, but it did not receive any substantial financial resource allocation. The crosscutting issues were taken into account in the CSP, but concrete actions were not sufficient, except in the areas of good governance where the Bank intervened late with the Good Governance Support Programme (which had not yet been approved by the Board in March 2005) and private sector development where it supported the development of SME/SMI and microfinance institutions, thanks to the granting of lines of credit.

6. With time, activities relating to non-lending assistance improved, but the intellectual contribution of the Bank to policy dialogue and the preparation of sector policy was inadequate. With regards to macroeconomic and structural reforms, it relied essentially on the economic and sector work of the Bretton Woods institutions. Policy dialogue has been reduced to the preparation of CSPs and project and programme management. In this regard, the opening of the Regional Office in Dakar offers new prospects. The Bank will, therefore, be able to participate in partners' meetings, initiate more frequent reviews, ensure a better presence and a better coordination of its actions in the field and improve its visibility.

7. The objectives of loan and grant operations were relevant; however, their preparation was sometimes inadequate. Efficiency of the Bank's assistance appears relatively satisfactory because, despite delays, most of the operations have produced the expected results, contributing as such to the improvement of the Millennium Development Goals (MDGs) indicators. The country, however, remains dependent on imports to meet its food requirements. The results were limited due to weaknesses of trained human resources, the country's absorption capacity and management capabilities. The monitoring/evaluation arrangement has not been very effective to enable both parties ensure a better follow-up of results. Portfolio reviews have no doubt contributed to the restructuring of the Bank's portfolio, but the generic management problems are always present.

8. Delays in implementation have reduced the efficiency of lending operations, because they have contributed to the reduction of allocations to the country and generated costs for the country and the beneficiaries. The institutional impact is less satisfactory because the capacity building has not systematically been taken into account. Capacity of beneficiaries such as farmers' organisations, pastoral associations, women, has consequently not been built. The relatively satisfactory results obtained in the framework of macroeconomic and structural reforms have been weakened by the persistence of the lack of good governance, especially in public finance management.

9. The Government's commitment to pursue and consolidate the reforms, through the PRSP, is an assurance for the sustainability of the results achieved at the macroeconomic level. There is no assurance when it comes to the sustainability of the physical outputs and the institutions established, because the Bank has not paid much attention to support measures for the outcome of operations, especially in terms of capacity building and post-operation policy. Finally, the country remains very vulnerable to exogenous factors.

10. Overall, the Bank Group's assistance in Mauritania, during the 1994-2004 period, has been deemed satisfactory despite the many constraints observed. However, this assessment varies according to the sector with relatively more satisfactory ratings in the industrial and mining, public utilities and transport sectors than in agriculture and the social sectors, which are more complex. With regards to macroeconomic and structural reforms, the progress made during the 1990s remains fragile as shown by a certain deterioration of the budget framework over the 2000-2004 period due to domestic factors related particularly to fiscal transparency and external factors due to the vulnerability of the country to external shocks. The pursuit of the efforts of the country and the Bank and the adoption, at country level and in the Bank, of results-based management practices should contribute to the improvement of the efficacy and impact of this assistance.

11. This evaluation recommends that future strategies of the Bank should be based on thorough economic and sector studies also capable of enriching economic policy and sector dialogue and projects portfolio. In the context of the PRSP orientations, the Bank should in a complimentary and coherent manner combine all available instruments to support the growth sectors and the

social sectors in order to increase the impact on the country's development and on poverty reduction. In this regard, one should: (i) target areas more favourable to the poorest such as clean water in rural areas, microfinance and agriculture (including livestock and fisheries); (ii) support the country in the efficient and transparent management of public resources for poverty reduction; and (iii) strengthen assistance to social sectors (health, education, women's development). In addition, the Bank should: (i) strengthen monitoring/evaluation mechanisms including performance and development indicators at country level and in the Bank; (ii) better master the project cycle through enhanced preparation and closer monitoring; (iii) build the capacity of all stakeholders; and (iv) promote good governance in the country.

I. INTRODUCTION

1.1 Objective of the Evaluation

The objective of the study is to evaluate the efficacy of the Bank Group's assistance to Mauritania and its impact on the country's development, by focusing on the 1994-2004 period. The evaluation aims at drawing lessons and making useful recommendations for the orientation of the next Country Strategy Paper (CSP).

1.2 Methodological Approach

1.2.1 The evaluation is done at country level, which enables a better appreciation of the results of the Bank's assistance programmes over a sufficiently long period of ten years. It concentrates on the relevance, efficacy, efficiency, the institutional development impact and sustainability of Bank assistance to Mauritania as well as on the performance of stakeholders. The evaluation analyses the Bank's assistance from the point of view of strategies put in place in the form of lending operations and non-lending activities.

1.2.2 Meanwhile, the evaluation was affected by serious deficiencies of the information, monitoring and evaluation system at the Bank as well as the country level. Four CSP were prepared during the period under review but there were few project completion reports and economic and sector studies. These shortcomings were offset by several working sessions with the major stakeholders both at the country and Bank level on the results of the Bank's assistance to validate the preliminary analysis. These interviews centered particularly on the perception of the various stakeholders of the results and impact of the Bank's interventions. In addition, documents were exchanged and discussions held with the World Bank. It is also important to note discussions with Islamic Development Bank (IDB) during and after the mission to Mauritania in September 2004 and during the joint visit to the Akjoujt-Attar road one section of which (lot 1) was executed thanks to IDB funding and the other (lot 2), Bank funding.

1.2.3 The evaluation is based on available documentation at the Bank as well as at country and partner levels, especially policy documents (CSP, poverty reduction, sector policy...) and projects (project appraisal, supervision and completion reports) as well as on interviews with various project managers, partners and all the stakeholders in the Bank's interventions. It draws on a September 2004 mission to Mauritania to complete and validate the preliminary information and analysis. It also uses the results of sector appraisal reports on agriculture and rural development and the social sector as well as internal notes on the industrial and mining, transport, public utilities and financial sectors. The fact that the overall assessment mission came after the sector evaluation missions on agriculture and rural development, as well as in the social sector, enabled the completion and validation of information and analysis.

1.2.4 First, the report briefly analyses the country's socio-economic context and the major constraints on its development. Then it assesses the overall assistance of the Bank to Mauritania during the period under review, through a thorough analysis of products and services provided by the Bank, strategies put in place, outcomes and their impact on the country's development. The report also evaluates the performance of stakeholders, namely Government, the Bank and other development partners. Finally, the report draws lessons based on the Bank's experience and makes useful recommendations to improve the effectiveness of future strategies of assistance to the country.

II. COUNTRY BACKGROUND

2.1 Economic Developments

2.1.1 The Islamic Republic of Mauritania is a vast country of 1 030 700 km² and generally under populated, about 2.8 million inhabitants. Over 90% of the land area is desert. The major resources come from trade, the mining sector and fishing. In addition, Mauritania has huge potential in livestock and, to a lesser extent, agriculture. With a per capita gross national income of US\$ 280 in 2002, and 46.3% of the population living on less than a dollar a day, Mauritania belongs to the group of least developed countries. In 2004, she ranked 152 out of 177 in the human development index.

2.1.2 Beginning 1992, Mauritania successfully undertook an important shift to economic and political liberalisation with support of development partners including the ADB Group, and has implemented a series of macroeconomic and structural reforms. Owing to these policies and reforms, the country recorded significant economic performance. Thus, GDP growth rate has been more than 4% on average during the 1992-2003 period compared with 0.8% in 1990-1992, while inflation was kept at an average annual rate of 6.2% during the same period. The fiscal balance trend was irregular. From a deficit of 4.7% of GDP in 1992, it moved to a surplus of 3.8% of GDP in 1998, then to a deficit of 4.8% of GDP in 2001 (cf. annex 2). This generally satisfactory macroeconomic management, as well as the performance recorded, has been accompanied by a significant reduction of poverty whose incidence fell from 56% in 1990 to 50.5% in 1996 and 46.3% in 2000.

2.1.3 Such performances are the result of profound transformations made in several sectors of the economy, particularly the implementation of a new monetary policy, the liberalisation of the financial and banking sector and, since the first half of the 1990s, the encouragement of private investors. Thus, the economic structure has changed during the 90s. Public consumption in % of GDP moved from 25.8% to 18.2% between 1990 and 2002. However, the share of investment in GDP did not increase during the decade, even though the 2000 and 2001 privatisations boosted this investment. This situation shows the limitation of growth prospects in future and the need for more aggressive initiatives to improve competitiveness. The other transformation was the production structure. The tertiary sector dominates the production structure, contributing up to 50% to GDP during the last ten years. The share of services shows an increase over time, moving from 43% of GDP in 1990-1992 to 46.2% between 1993-2000 and 52.1% in 2002. This increase is due to the expansion of trade, more efficient transport and communication services following the extension of the road network and artisanal ports and the privatisation of the telecommunications sector.

2.1.4 A substantial increase in the growth rate from 2006 (about 9% annually according to forecasts) will depend both on the traditional sectors (mining, agriculture, livestock), the continuation of growth in the services sector (transport, telecommunications, tourism), and the exploitation of the first oil fields. The expected contribution of the petroleum sector is about 10% of GDP, beginning 2006. The Ministry of Mining has, in this regard, set up a new Directorate of hydrocarbons. In this situation, sound macroeconomic management and good governance are indispensable to ensure that oil income is invested efficiently in the development of the country and in poverty reduction. Also, similar to what happened in Chad with support from the World Bank, a mechanism to control the use of oil income should be put in place in Mauritania.

2.2 Social Background

2.2.1 The economic performances recorded have led to profound socioeconomic and cultural transformations in the Mauritanian population. At independence (1960), Mauritania was a traditional nomadic society with only 5% of the population in urban centres. In 1998, this proportion reached over 57%, precisely 1.6 million city dwellers out of a population of 2.8 million, owing to sustained and massive rural-urban migration. The capital city, Nouakchott, is presently home to a third of the total population. This population enjoys an improvement of major basic services such as water, electricity, health, education and, to a lesser extent, telephone, even though the provision of these services cannot keep pace with the population growth rate. The provision of these services remains limited in rural areas and small towns.

2.2.2 Notwithstanding the tax consolidation in the 90s, a lot of effort has been made to increase the share of public expenditure on the social sectors. In fact, it has virtually doubled, from 5.8% of GDP on average in 1990-92 to 10.5% in 2002. The fiscal effort has enabled a net improvement in the social indicators. The number of people living below the poverty line has dropped by more than 10%, life expectancy has increased from 48.3% to 52.5% between 1990 and 2002, while infant mortality dropped from 124 ‰ to 101 ‰ during the same period. However, the sanitation and nutritional condition of the population remains a concern, because 55% of the population does not have access to water, while the continued existence of certain pathologies such as malaria, meningitis et yellow fever remain major public health concerns. In the education sector, the gross enrollment rate went from 75% in 1995 to 85% in 2000, with a girls/boys ratio of 75%, and literacy rate has increase from 35.7% to 57% between 1996 and 2000.

2.2.3 The Mauritanian authorities have committed themselves to attaining the Millennium Development Goals (MDGs) by 2015. The PRSP adopted by Government in 2001, defines the main orientations and it relies on interdependent sector strategies. It has the following four main thrusts: (i) the acceleration of economic growth and its concentration on the poor; (ii) human resource development; (iii) the expansion of basic services; and (iv) the promotion of institutional development and good governance. These main thrusts cover the attainment of the MDGs completely. Thus, after three years of implementation of the PRSP, progress towards the attainment of some objectives could be noticed. Annex 4 shows the quantified objectives (revised) with regards to the poverty reduction indicators of the PRSP for 2000 (reference situation), 2004, 2010, and 2015. It comes out that, with regards to extreme poverty, the PRSP aims at reducing it from 31.4% in 2000, to 4.8% in 2015. The international objective is clearly less ambitious than that of the Government. This challenge can, however, be addressed, in view of the new prospects offered by the advent of petroleum. In the area of education, the MDGs are in line with those set by the education system and could, therefore, on the one hand be attained in time and, on the other, be easily monitored within the framework of the PRSP. Likewise, the results in terms of access to clean water, gender equality, and autonomy for women are extremely encouraging. Meanwhile, performance is more modest compared to the objectives in the areas of infant mortality, maternal health, HIV/AIDS, malaria and the environment (cf. annex 5).

2.3 Major Constraints on the Country's Development

The irregular GDP trend (cf. annex 3) reflects the vulnerability of the Mauritanian economy to exogenous factors. With the exception of mining, fisheries resources and more recently hydrocarbons, the country is relatively less endowed with directly exploitable natural resources. The immensity of the country and its desert nature make communications difficult, which has both economic (cost of factors) and social impacts (especially to achieve universal access of the population to basic services). Water scarcity is a problem in the whole country. Desertification and environment degradation threaten the already scarce arable land (only 0.5% of the total land area). The irrigated land is under-exploited (about 20,000 ha cultivated compared to 44,000 ha developed). An improved management of fish resources, in particular a better monitoring and preservation of resources are indispensable to ensure sustainable supplies. In the urban areas the most urgent issues include sanitation and waste management, as well as increasing access to clean water. There are major impediments too, such as rural-urban migration, the significance of urban unemployment and the steep rise in the demand for social services and infrastructure. Finally, the weaknesses of the administrative machinery have significantly limited the direct and indirect impacts of public policy on poverty reduction.

2.4 The country's Dependence on External Assistance and the Relative Contribution of the Bank

2.4.1 The contribution of the Mauritanian government to financing its development remains relatively weak, in spite of a significant increase observed since 1992. In fact, during the 1992-98 period, external loans and subsidies represented 74.5% of the PIP (Public Investment Programme). In 2001, this share dropped to 55.3% against 44.7% of financing under the Government budget. As a result, the weakness of domestic resources is partly compensated by recourse to external aid, which represented about 23 % of GDP in 1999.

2.4.2 According to the results of a study by the UNDP-Mauritania Office, the country ranks sixth in Africa in the external aid dependency scale measured in terms of net per capita income from ODA (Official Development Assistance). In 1997, this ratio was US\$98 for Mauritania against for instance US\$23 for Africa, US\$17 for Morocco, US\$40 for Senegal, US\$47 for Mali and US\$266 for Cape Verde. During the 1960-1999 period, the country received about US\$ 6 billion in ODA, or an annual average of US\$ 86 per capita. Up to 60% of ODA inflows are from multilateral sources and 40% from bilateral sources, with a strong multilateralisation trend during the 1990s which continued in 2000 with a significant increase in net disbursements from the IDA (US\$53.13 million) and the contraction of aid from some bilateral donors like Germany (US\$17.48 million in 1999 against US\$ 7.61 million in 2000). The Bank Group represented only 3% (US\$221 million) of the net cumulative ODA over the 1960-1999 period. Foreign direct investment (US\$117 million in 2002 and US\$214.5 million in 2003) has increased in recent years thanks to the improvement in the macroeconomic framework, the prospect of early oil production, as well as the facilities and incentives granted by the Government.

III. BANK GROUP ASSISTANCE IN MAURITANIA: PRODUCTS AND SERVICES

3.1 The Bank's Strategy and its Relevance

3.1.1 Priority objectives of Bank strategy in Mauritania

3.1.1.1 Four country strategy papers were prepared by the Bank during the 1994-2004 period. Table 1 below summarises the major objectives of the CSP. The CSP were relevant considering that they traced the major changes and constraints of the country, its development programmes and the Bank's operations strategies. The latter were in line with the orientations and priorities set by the Mauritanian authorities. However, the links between the analytical part and the strategy proposal remained inadequate in the CSP, while the choice of priority intervention sector was still more or less based on the principle of conformity with the major needs and priorities of the country. Thus the CSP have shown their limitations on the strategic front. However, it should be underscored that the Bank continues to attach high priority to the mining sector in Mauritania which shows some selectivity. Nevertheless, the CSP did not make a sufficiently structured analysis of the country's development capacity and the linkage between the intervention sectors and between the Bank's instruments, resulting in some dilution of efforts. These shortcomings stem from the fact that they were not based on thorough economic and sector studies and did not sufficiently take into account the risks that could compromise the achievement of the Bank's objectives. Despite certain efforts, these objectives were defined vaguely, without specific development indicators, to permit a true evaluation of the efficacy of the Bank's assistance and its impact on the country's development.

3.1.1.2 The CSPs improved remarkably owing to its stronger ties with the PRSP, a better consideration of delicate issues concerning economic and political governance, the participation of national stakeholders involved in the formulation of policies and design of projects, and the civil society. The results of national surveys, as well as socioeconomic indicators were used to diagnose and analyse the situation of different sectors, including crosscutting issues. It is important to pursue efforts in that regard, and to better integrate development and monitoring/evaluation indicators in the CSP matrix. Efforts also need to be made in the areas of the representation of target populations (particularly the rural community and women) during the preparation of CSPs, the inadequacy of the budget allocated to the exercise and the relatively short time allowed as well as selectivity with the risk of dilution due to the scale of the priorities.

Table 1: Summary of the major objectives of CSP in Mauritania, 1994-2004

Sector	1994-1996 ¹	1996-1998	1999-2001	2002-2004
Agriculture and rural development	Increase production, ensure better living conditions for rural folks; support to fisheries research organisations	Increase agricultural production, reduce poverty, and reduce the cereal import bill.	Support rural development	
Road infrastructure	Open up regions of different potential	Open up agricultural producing regions and promote regional integration	Support the implementation of the road construction programme with cofinancing with other donors	Develop road transport infrastructure
Water pipe and sanitation	Improve water supply			Develop drinking water supply infrastructure
Mining and industry	Promote productive activities and encourage the integration of the production structure		Support the increase of export capacity, direct support to the private sector	
Social	Improve the living conditions of the people (health, education, employment)	Improve primary and secondary education and develop informal education; reduce poverty through the promotion of the informal sector	Support the health and social affairs National Master Plan (1998-2002); support the National Poverty Reduction Programme (1998-2001)	Implement the Bank's strategy focused on poverty reduction; support to the Health Master Plan; Strengthen and expand the microcredit programme
Economic and structural reforms/ institutional support	Complete the adoption of sector and overall economic reform measures; set up an institutional support project and initiate studies to facilitate the evaluation of growth-bearing projects.	Support liberalisation of the economy, private sector development and economic management	Consolidate the structural adjustment and build institutional capacities.	Strengthen the macroeconomic and good governance framework; support private sector development and regional integration; support to the MTEF of the priority sectors of the PRSP; improve budget programming and control and monetary review; strengthen the ministries and other services in charge of transport and clean water infrastructure.

Source: Bank's CSP

3.1.2 Analysis of Sector Strategic Priorities

Industrial and Mining Sector

3.1.2.1 The Bank's assistance made this sector the most important in terms volume of financing. It was responding to the need to improve the profitability and viability of the mining industry, in order to support the country's economy. It should however be noted that the Bank has not conducted any sector study in support of its intervention. The priority attached to the mining sector is justified if one considers that the Bank has responded positively to project proposals from the Mauritanian authorities, in view of the contribution of the said sector to economic growth (about 12% of GDP), to export revenue, to Government revenue and to employment creation. It must also be emphasized that the mining industries are characterized by their highly capital-intensive nature and technological complexity. The Bank maintained its assistance, sometimes at a critical time for the country when confronted with external resource mobilisation problems following the Gulf War.

Agriculture and Rural Development Sector

3.1.2.2 The priority attached to the agriculture and rural development sector in the CSPs has remained unchanged over time. The Bank's strategy has put more and more emphasis on the rural areas in a bid to reduce poverty, in line with its operational policies and guidelines. It

¹ PEPP jusqu'en 1996

aimed at increasing production, in order to satisfy a greater part of national consumption, reduce currency flight as well as the cereal import bill, and to ensure better living conditions for rural families. Over time, the Bank's strategy improved with more and more attention on institutional capacity building, land tenure issues, socio-professional associations, the sustainable management of natural resources, gender and financing of the rural sector. However, the Bank did not take enough initiative in the area of sector policy. It has instead supported policies inspired by other partners in this area.

Transport Sector

3.1.2.3 There is a strong and logical correlation between the strategic sector priorities in the area of transport and those of the agriculture and rural development, namely the opening up, as a matter of priority, of agricultural producing regions, then the promotion of sub-regional integration. In fact, the size of the territory, the difficult natural conditions and the low density of the transport network are an impediment to development and the profitability of investments. During the period under review, the major structural transport infrastructure in the country did not enjoy sustained attention of the Bank. Its assistance was geared more towards the building of feeder roads, and was integrated to the operations of the agricultural and rural development sector.

Public Utilities Sector

3.1.2.4 **Water and sanitation sub-sector:** The Bank's assistance in the area of water was suspended at one point. It particularly addressed the needs of the Government to improve access of the urban and rural population to water, as well as the quality of service in the urban area. This assistance, during the review period, starts from the beginning of the 1990s. No assistance was programmed in the 1996-1998 and 1999-2001 CSPs, when the socioeconomic context had undergone profound transformations, particularly creeping urbanization, which is a constant challenge for the authorities, in terms of fulfilling the essential needs. The recent return of the Bank in the framework of the Aftout-Nouakchott DWS is in the context of the PRSP all of whose priority areas it has encompassed. With regard to the sanitation component, the CSPs mentioned its embryonic state without any specific action being taken. More recently, however, a recommendation was made to the Government to integrate sanitation in its drinking water supply and sanitation programme in rural areas, in the framework of the Bank's Initiative.

3.1.2.5 **Energy sub-sector:** The Bank's assistance was mainly focused on the Nouakchott power station in the middle of the 80s, in order to assist the country to meet the increasing and urgent demand for electricity. More recently, the Bank's assistance to the Manantali high voltage network, under the aegis of the OMVS, aims at the same objective of increasing the supply of electricity.

Social Sector

3.1.2.6 The Bank's assistance in Mauritania has been, from the beginning, based on the traditional strategic priorities, which aimed at increasing the supply of education and health services, mainly through financing new infrastructure, as well as training. This option was in line with that of the Government and was relevant to the resolution of the problems of the two sub-sectors of health and education. Most likely, it is the 1996-98 CSP that marks a positive break, both at the strategic level and the allocation of resources to reduce poverty.

Macroeconomic and Structural Reforms

3.1.2.7 The Bank's assistance had appropriate and coherent objectives to address the economic difficulties facing the country. It was part of the structural adjustment programme put in place by the Bretton Woods institutions and with the support of development partners. It was mainly concerned with reducing macroeconomic imbalances and the role of the State in the economy, to encourage private sector development, and subsequently, to attach importance to poverty reduction.

3.1.3 Relevance to the needs of the populations

In the framework of the Bank's Vision adopted in 1999, poverty reduction has been defined as the main objective of the Bank. By focusing on the main areas of interest of the population, which are agricultural production and livestock, health and education, road infrastructure and drinking water supply, the Bank's strategies in Mauritania seem to be relevant.

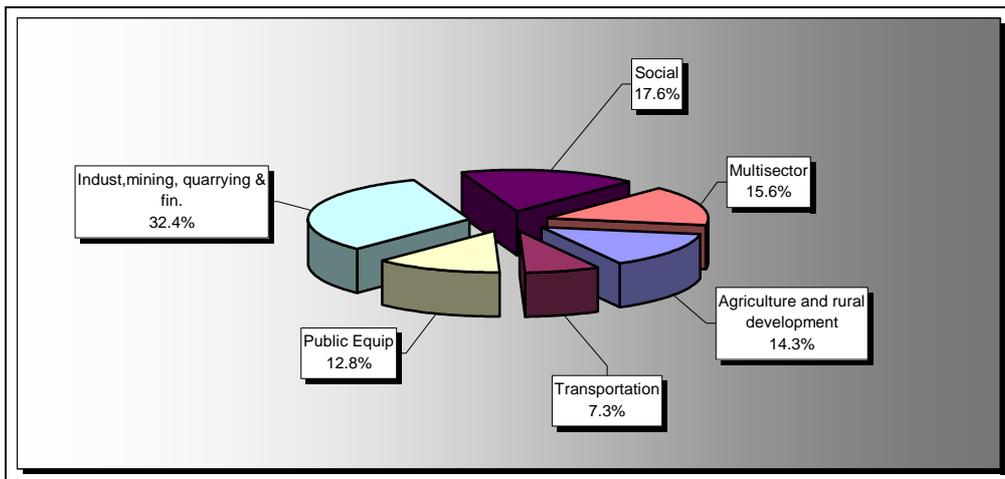
3.1.4 Consistency with Other Donors' Assistance Programmes

Despite its lack of representation in the country, the Bank has made considerable efforts to harmonise its assistance programmes with those of other donors by taking part in major consultations concerning the country (consultative group, sector reviews, etc.). At the operational level, it should be noted that the Bank's economic and structural reform programmes were mainly cofinanced by the World Bank. The Bank takes part in priority sector reviews of the PRSP, as well as specific poverty reduction programmes.

3.2 Implementing the Strategy: Loan and Grant Operations

3.2.1 Characteristics and Composition of the Overall Portfolio

3.2.1.1 During the 1994-2004 period, the Bank allocated loans and grants amounting to a net total of UA 309.71 million, to finance 38 operations including 26 completed ones and 12 on-going. Confronted with a changing socioeconomic situation, the Bank Group diversified its operations and used several lending instruments. As such, 24 project loans were granted. Four (4) structural adjustment loans were financed. Other, less significant in terms of amounts granted, lending instruments used are: (i) lines of credit (2); (ii) institutional support and rehabilitation grants and loans (4), to finance the Social Dimensions of Adjustment (SDA), capacity building of ministries, and conducting studies in the health sector and in the framework of the Rosso-Boghé road; (iii) grants linked to the project cycle (2), to undertake sector studies in the area of agriculture and water resources; and (iv) supplementary financing mechanisms (2).

Graph 1: Relative Share of each sector in Bank financing, 1994-2004.

Sources: From data extracted from the SAP by OPEV ADB,

3.2.1.2 The graph above shows the sector distribution of loans and grants given by the Bank Group during the 1994-2004 period. It shows that industry, mining and quarrying, and finance (lines of credit) rank top with 32.4% of the net total loans and grants. They are followed by the social sector (17.6%), multisector operations (15.6%), agriculture and rural development (14.8%), public utilities (12.8%) and transportation (7.3%). This distribution shows that the industrial, mining and quarrying sector received about one third of the financing.

3.2.1.3 The social sector and public utilities together also absorb one third of Bank Group financing. They are the social component of development, indispensable for a harmonious and sustainable development. Concerning macroeconomic and structural reforms, the Bank's assistance was continuous and sustained. In fact the persistence of poverty, the narrow productive base of the economy, its low level of integration, its vulnerability to external shocks, as well as the Mauritanian administration's limited capacity to ensure the implementation and monitoring of development programmes have justified the pursuit and strengthening of the reforms, in order to strengthen economic growth, encourage domestic and foreign private investment and reduce poverty.

3.2.1.4 The small share allocated to the transport sector is due to the fact that the Bank's strategy did not attach priority to the implementation of road infrastructure. Even though agriculture received sustained attention in the Bank's CSPs, considering the important position it occupies in the country's economic and social development, it did not receive significant financial allocations. In conclusion, the relative importance of sectors in Bank's financing does not follow the analysis of the CSPs and sometimes shows some unexplained deviations from the priority ranking of the country.

3.2.2 Performance of Projects

3.2.2.1 Twenty-two (22) out of 26 completed projects were disbursed up to 100%. The impact on development could have been greater if both sides had better control over the implementation schedule of projects (sometimes up to 18 years), public tender procedures, as well as disbursement schedules. Most of the operations have attained their main objectives, but the evaluation of the real impact on development is difficult. The Bank did not attach much importance to monitoring/evaluation activities, hence the lack of target development indicators in the appraisal reports, non-adherence to deadlines for preparation of project completion reports and inadequacies in archiving of documents.

3.2.2.2 Nevertheless, a better monitoring/evaluation system is necessary to enable authorities to react in time with corrective measures. The need to develop activities linked with monitoring/evaluation of the policies and programmes applied by the Bank is now felt. These activities should not only be undertaken by implementation units but also by the administration. This task could be entrusted to a permanent structure at the Ministry of Economic Affairs and Development (MAED), which would draw on the activities of the project units and technical departments.

3.2.2.3 It is important to underscore the efforts made by the Government to remove some significant difficulties encountered in the past and to make improvements in the preparation and programming of projects, award of public tenders and controlling project implementation. As a result, the average age of the active portfolio fell from 6.4 years in January 1998 to 3.9 years in January 2004 when only one risky project remained. The Bank contributed to these improvements through more frequent supervision and the closure of older operations. However, in the area of project monitoring, some general conditions of loans are not always fulfilled, in particular forwarding to the Bank, within the allotted timeframe, quarterly status reports, audit reports and the fulfillment of some specific conditions.

3.2.2.4 In terms of quality, the preparation of new projects and programmes will improve if they have preliminary studies. The Bank should work on improving the participation of the target population in the design of its projects, because no project/programme could have secure and sustained impact without the involvement of all, particularly the main beneficiaries who are the grassroots population. It should also seek to enhance the activities of the poor. In this regard, it is important to improve on the targeting of women in community development activities and microcredit in the Bank's interventions, in particular by emphasising education and training, as well as equal access to land, credit and employment.

3.3 Implementing the Strategy: Analytical and Advisory Services

3.3.1 Economic and Sector studies

3.3.1.1 The Bank has financed four sector studies in agriculture, water and health. For some projects, engineering designs were programmed during implementation. This phenomenon was particularly noted in the agriculture, fisheries, water, education and health sub-sectors. These studies which sometimes require long implementation periods (18 to 24 months) were often redone, with negative impacts on project costs and implementation periods.

3.3.1.2 These remarkable efforts notwithstanding, the lack of good economic and sector studies has limited the quality of the Bank's intervention in the area of strategy, policy dialogue and aid coordination. The use of works of partners has indeed alleviated this problem but the Bank has lacked initiative by largely basing its strategies on those of others.

3.3.2 Policy Dialogue

3.3.2.1 The CSP is the most important tool for policy dialogue between the Bank and the country's authorities. However, the preparation framework of the CSP is limited only to central government and does not sufficiently involve the civil society and main target population of the projects and programmes. In addition, the inadequacy of the resources of the Bank's team entrusted with the preparation and implementation of the CSP and the absence of representative in the country reduce opportunities for policy dialogue. Monitoring of CSPs

has been inhibited by the lack of development objectives and performance indicators as well as monitoring/evaluation mechanisms. In this regard, it should be noted that the importance attached to these aspects did not emerge until recently.

3.3.2.2 The Bank nevertheless intensified its dialogue with the country: several dialogue missions were undertaken. Its contribution to the PRSP process was active. Regarding portfolio reviews, they were conducted at fairly regular intervals, every two years. They have been more effective since 1998 and have contributed to the improvement in the performance of the Bank's portfolio, whilst during the past, they could not prevent stop the slippage of some old projects which had reduced the country's performance, with the result of a reduction in the allocation of ADF resources. Portfolio reviews should no longer be the business of only Bank experts but should involve all stakeholders at national level. In this regard, ensuring their higher frequency as well as their systematization with support from the Dakar regional office would allow the use of their conclusions to take timely decisions.

3.3.3 Aid Coordination, Cofinancing and Resource Mobilisation

3.3.3.1 In Mauritania, external aid coordination is done basically by the Ministry of Economic Affairs and Development (MAED). Every three years Mauritania calls on the Consultative Group for consultations with its external partners. Meanwhile, the country's institutional weakness and the lack of real willpower of donors impede aid coordination. The Bank has tried to help the MAED through a Multisectoral Institutional Support Project (MISP) which aims at building the institutional capacity of the Departments under the MAED and to improve their functional relationships with other programming sector departments of the most important ministries.

3.3.3.2 The Bank's statistics show that nearly half of its operations in the country have been cofinanced by other donors. The Bank's strategy emphasises cofinancing or sharing (splitting a project in lots separately financed by several donors). However, the lack of coordination of the actions of co-financiers and joint supervision missions had a negative impact on the performance of cofinanced projects.

3.3.3.3 The absence of a local representative of the Bank limits the opportunities for taking part in aid coordination meetings with the authorities and donors with local representation. The requirement for Bank missions to contact other financing partners during their field mission, as well as the Bank's participation in roundtables, seminars, conferences, thematic meetings and other fora, do permit the maintenance of some form of consultation. However, the missions generally have a tight schedule and specific concerns which include only some aspects of aid coordination and policy dialogue. Regarding the participation in various meetings, it is subject to availability of concerned experts, notice of the meetings being generally very short for them to include them in their quarterly work programme. So, these palliatives do not enable a full and complete participation in aid coordination and policy dialogue. All partners generally recognize that a local representation would have a positive impact in these key areas i) aid coordination, communication and visibility of the Bank; ii) implementation of a participatory approach and a more suitable response of the Bank to the needs of the country; and iii) improvement of the performance of the portfolio. The setting up of the Dakar regional office should alleviate this problem through closer monitoring.

IV. DEVELOPMENT OUTCOMES AND IMPACTS OF BANK ASSISTANCE

4.1 Growth and Macroeconomic and Sector Stabilization

4.1.1 The Bank contributed to the growth and the macroeconomic stabilization of the country by supporting the economic reforms and mobilizing significant resources. It also supported the growth sectors such as mining, agriculture including fisheries and livestock, energy, as well as the private sector (thorough lines of credit) and transport infrastructure. The outcomes and impacts of this assistance on the growth and macroeconomic stabilization of the country are analyzed below. It should, however, be remembered that the lack of development objectives and intermediate outcomes, as well as monitoring/evaluation indicators in the CSPs and project documents of the Bank makes it difficult for the evaluation of the outcomes and impacts beyond the analysis of the economic developments in the country made in Chapter 2.

Macroeconomic and Structural Reforms

4.1.2 The Bank supported Mauritania's efforts of adjustment and reform by cofinancing, in particular with the Bretton Woods institutions, the Structural Adjustment Program (SAP), the Public Enterprise Reform Programme (PERP), the Public Resource Management Programme (PRMP), and the Fiscal Adjustment Programme (FISAP). In support of its policy-based loans, it also allocated two grants for the institutional capacity building of the country in the framework of the Social Dimensions of Structural Adjustment Project (SDA) and of the Multisector Institutional Support Project (PAIM). The Bank and the other partners were sometimes overoptimistic on the national implementation capacities and the problems related to capacity building were not sufficiently taken into account. The PAIM itself became a problematic project because of the delays and problems linked to its implementation.

4.1.3 The implementation of the reform programs has, however, given satisfactory results overall despite some difficulties in the implementation of some components such as the reform of the banking sector and that of the direct tax system. These programs helped to achieve progress in the areas of public finances, of the disengagement of the State from public corporations, strengthening the foundations of a market economy, the rationalisation and simplification of the tax system, private sector development, as well as the formulation of poverty reduction strategies. Their implementation contributed to growth and the reduction of poverty. This was made possible thanks to a better targeting of poverty and to the consequent revision of sector strategies. In this regard, Bank assistance in the framework of the FISAP enabled the preparation of Medium-term Expenditure Frameworks (MTEF), and contributed to make this approach more operational and to reinforce the efficiency of public interventions. Thus, the Government could address the problems of coordination between the policies and the budgets, and better translate the priorities into budgetary policies.

4.1.4 The benefits gained from the macroeconomic and structural reforms are significant for the country. Over the 1994-2002 period, the growth rate has been maintained at a remarkable level (4% on average) and the budgetary policies have been better controlled. The budgetary impact for the seven largest enterprises targeted by the PASEP² was the sharp increase in taxes paid from MRO 410 million in 1990 to MRO 4,355.2 million in 2001.

² SNIM, Air Mauritanie, SONELEC, OPT, PANPA, SONIMEX and SMCP

4.1.5 Progress made during the 1990s remain however fragile. The recent assessments made by the Bretton Woods institutions indicate on the one hand, that the recent macroeconomic data (2003-2004) are unreliable, and on the other hand, a certain deterioration of the budgetary system during the 2000-2004 period, because of internal factors linked notably to the fiscal transparency, and of external factors due to the vulnerability of the country to external shocks. This clearly shows that good governance is necessary to improve the economic performances of the country and their sustainability. Also, economic growth was not favourable to the poorest and particularly to the rural population. The country continues to suffer from low GDP per capita growth rates (2.7% and 1.6% in 2001 and 2002 respectively). Apart from mining and industrial fishing, the impetus of growth in the other sectors is always insufficient to diversify the productive base of the economy, and hence, to minimize the negative impact of the exogenous factors such as the fall in the prices of the main export products (mineral and fishing) on Mauritanian exports. The country therefore needs deeper reforms to improve the governance and efficiency of public expenditure as well as the competitiveness of the national economy and the diversification of the private sector. This requires the continuous support of partners pending the broadening of the domestic productive base with the exploitation of the new oil resources.

4.1.6 However, Mauritania's performance enabled it to reach the completion point of the HIPC³ initiative in June 2002, thus giving it the right to a reduction of 622 millions dollars in net present value (1998 NPV), that is a reduction of 50% of its debt stock at the end of 1998. The contribution of the Bank is of 72.80 million dollars in 1998 NPV terms. Thanks to this relief, Mauritania will be exempted from a maximum of 80% of its annual debt service obligations to the Bank Group. The resources made available will be used to reduce poverty.

Mining and Industry Sector

4.1.7 By allocating about a third of its financial allocations to the development of the mining industry, main source of wealth for Mauritania, the Bank contributed to the economic growth of the country in a meaningful and continuous manner. The importance of the sector for the workforce and export earnings justifies the intervention of the Bank in this growth sector. The commitment of the Bank was strong and relevant in the country's situation even though the granting of non-concessional loans to an HIPC beneficiary country like Mauritania can be discussed. The Bank's strategy could also be blamed for having contributed to accentuate the dualism of the Mauritanian economy. Indeed, the Bank financed a stand-alone project without concerning itself to develop stronger ties between mining and the rest of the economy. In the Bank's partial defense, the SNIM should have specialized and disengaged itself from the related activities that affect its profitability. Out of concern not to dilute resources and efforts, the priority for the SNIM was its rehabilitation. In future, the Bank should adopt a mining industry sector approach that emphasises the contribution to economic growth, to sustainable development and to poverty reduction. In this regard, reference can be made to the document published by the World Bank in September 2004 on the extractive industries review.

4.1.8 Even though the objective of producing 13.5 million tons per year is not attained yet, the Bank's assistance contributed effectively to the correction of the situation of the SNIM thanks to the reduction of the production costs. The exploitation of the iron mines of M'Haoudat helped to maintain the production of iron ore, as well as the export performance of SNIM thanks to the procurement of equipment (main drilling machines, secondary drilling

³ Heavily Indebted Poor Countries

machines, shovels, loading machines, trucks, bulldozers, graders, carry-contraption, ship loaders). The efforts to rationalize and increase production helped to record encouraging results. Between 1998 and 2000, the value added of the company rose by 4%, its contribution to Government budget rose from MRO 10.7 to MRO 14 billion and its contribution in foreign exchange from US\$ 47 to 56 million. The SNIM paid its debts to the State and was thus able to ensure the early repayment of the totality of its debt to the Bank. In this context, it is important to mention the important efforts made by both sides to allow the company to restructure itself and to maintain itself on a difficult international market. The SNIM could thus benefit from ADF and particularly ADB resources. The impact of these efforts on the economic and social growth would have been even greater if there had been, as mentioned previously, greater synergy between the mining activities and the rest of the economy (development of socioeconomic activities around those related to iron-ore mining; the promotion of the SME/SMI and tourism; the significant production capacity building of the SOMELEC to cover the energy needs of the SNIM and other industrial units; etc.)

4.1.9 The mining sub-sector remains however very fragile and highly exposed to exogenous factors outside the control of the country (price of ore, price of oil and exchange rate). The consolidation of the gains of the sub-sector remains largely dependent on the capacity of the country to tap the entire national underground potential, while increasing foreign investment and diversifying the products, the technology and partners. In this regard, the business environment for the investment of the private sector in mining improved appreciably, with the approval of a new mining code in 1999 and the passing of a bill establishing a new fiscal system for mining. Furthermore, Mauritania has a vast and diversified geological potential, enabling the production of other resources (copper or diamonds, phosphate). The Bank's assistance to the sector and the transfer of the operations concerned to the OPSD Department offer greater opportunities to the country.

Private Sector

4.1.10 The Bank used several types of lending instruments to promote the private sector in Mauritania. The actions initiated aimed to improve the business climate, as well as to create new opportunities for investments, notably in the areas of mining, fisheries and SME/SMI. Thus, in the framework of the economic and structural reform Programs previously mentioned, the Bank helped the country in the reform of the public sector, through the disengagement of the State from the commercial productive sector with the privatization and/or restructuring of public and parastatal companies, as well as the implementation of support measures (modification and strengthening of the judiciary system, the investment code, liberalization of prices, labour legislation, etc.). The reforms undertaken in this framework enabled the creation of a more favourable environment for private sector development.

4.1.11 Then, the lines of credit granted to the Union des Banques de Développement de Mauritanie (UBD), the Générale des Banques de Mauritanie (GBM) and in the framework of the poverty reduction project helped: (i) to finance national SME/SMI projects, (ii) to support the health sector liberalisation policy, thanks to the promotion of several medical clinic projects, and (iii) to contribute in a meaningful manner to the emergence of microfinance institutions. The loan recovery rates, however, remained very weak (less than 19%) with regard to the line of credit to the UBD, until its liquidation. Performance in this area is better for the poverty reduction project (more than 95%). The on-going experience with the GBM (a private bank) seems also more conclusive. Finally, Mauritania was the first RMC to benefit

from ADB resources in terms of enclave projects, that is an amount of UA 22.32 million for the implementation of the project for building the export capacity of SNIM within the framework of the 1999-2001 CSP.

4.1.12 Despite the efforts made by both sides, the private sector does not yet play its role of main engine of growth. It is inhibited notably by the lack of competition with the persistence of oligopolies in the banking and transportation sectors, its strong concentration in the services sector and the high costs of factors of production. The legislation and the regulation do not yet provide private and foreign investors all necessary guarantees and assurances (cases in tourism and land tenure). As for the banking and financial sectors, they lack transparency and modernity, and are less favourable to the creation of small and medium enterprises (SME).

Agriculture and Rural Development Sector

4.1.13 The Bank's assistance in the agriculture and rural development sector contributed significantly to the diversification of the Mauritanian economy, especially through its support to the two sub-sectors of fisheries and livestock breeding that were not priorities for several donors. The Bank developed in this area an expertise despite some shortcomings at the level of project preparation. This key position it occupies calls, especially, for a redefinition of its strategy as shown by the sub-sector analysis of the outcomes and impacts of the Bank's assistance below.

4.1.14 **Agricultural sub-sector:** Mauritania depends on the Senegal River basin to achieve fast and significant growth, to contribute to food self-sufficiency, and to create jobs. The needs expressed by the country also corresponded with the Bank's priorities. The outcomes in the framework of the Bank's assistance are diverse and centre on the construction of structures in order to open up the areas and the villages, the development of irrigated areas, improvement of the agricultural productivity, and training. In the regions of Kaédi and Gouraye the Bank's assistance for instance was used for: (i) the building of 22 crossing structures over marsh creeks serving 2200 ha of irrigated land; (ii) the planning and the agricultural enhancement of 600 ha of average irrigated areas, as well as the purchase of equipment, the construction of office buildings; and (iii) the training of extension workers and villagers groupings.

4.1.15 The interventions of the Bank in the sub-sector had a positive impact in terms of meaningful improvement of the living conditions of the populations thanks to an increase in incomes and an improvement in food security. Indeed, the activities around the developed irrigated areas generated the creation of dynamic women cooperatives that attempt to organize the marketing and the processing of their products and that attained relative self-financing capacity. Market gardening which occupies about one tenth of the developed irrigated areas contributes for a third to the resources of the households. But the problem of the integration of women in the rice growing areas remains an issue, notably in terms of access to land ownership. The Bank's assistance has also contributed: (i) to create a mechanism for reducing rural-urban migration that should be revitalized; (ii) to develop the culture of agricultural diversification in the rural areas; (iii) to develop a gradually structured farmers' associative movement that needs to be strengthened; and (iv) to encourage the gradual acquisition by farmers of the techniques of intensification and management of the agricultural space. Thus, at the beginning of the Boghe pilot rice project in 1983, there were 7,260 households. This number is estimated currently at 36 000. This growth, higher than the demographic growth

rate of the country, reflects both the maintenance of the populations in their land and some equity in the redistribution of resources obtained from the developed schemes.

4.1.16 Overall, however, the efficacy of assistance was weak. Mauritania suffers from a chronic food shortage since local production meets only half the demand. In 2001-2002, for example, the volume of cereals production dropped suddenly by 50% compared to its level in the previous year, whereas that of rice rose by 15%. The irrigation programs did not attain their objective, which was to guarantee food security, with the hope of achieving surplus production to export. These programs have been confronted with management problems and lack of technical support. The sub-sector is still facing a number of constraints, sometimes exogenous, to which assistance did not give any satisfactory answers. These are: (i) the demographic growth which upsets the extensive traditional systems a little more each year, the capricious climatic conditions in rain-fed agriculture (weak and unpredictable rainfall, flooding and recent frosts); (ii) the limited scope of pricing and trade policies; and (iii) the serious deterioration of the environment, the inadequacies in research-training-sensitization, and the lack of inter and intra sector links (the livestock sub sector functions outside of the formal circuits). Assistance was also insufficient not having attained the expected output level, while subsidies rather encouraged the search for loans than competitive conduct. The sustainability of the achievements is uncertain, because the trend observed at national level shows that from a total of 130, 000 ha of irrigable areas, the irrigation programmes only focused on 40, 000 ha of which only about 15, 000 ha are currently cultivated, the rest having been abandoned.

4.1.17 **Fisheries sub sector:** The Bank supported mainly artisanal fishing and, to a lesser extent, industrial fishing through the creation of infrastructure and the training/installation of fishermen. This assistance aimed notably to enable the offloading of about 15, 000 tons of fish to feed the local market and to improve industrial fishing activity in order to increase exports, create jobs, generate income, and enhance equipment at the Nouakchott fishing port.

4.1.18 The achievements concern specifically the construction and equipping of two fishing centres, fishing areas, the procurement of modern boats, support to research, as well as the setting up of a Maritime Credit component. Thus, about 500 fishermen benefited from training and installation support. The same thing applies for about 500 women wanting to undertake activities in the processing, transformation and trading of catches. The setting up of waste-water treatment plants by fishing companies has enabled the Mauritanian fisheries to solve an environmental problem and to meet international fishing standards. The use of these facilities below their capacities enabled the City Council of Nouakchott to connect its waste water to the system. The 9 km pipeline, allowing the pumping of fuel from the storage tanks has permitted the reduction of transportation times in greater security, as well as the waiting time.

4.1.19 However the construction in Nouakchott of an artisanal fishing port was not undertaken due to the failure to conduct a thorough study of the site before its appraisal and hence, an inadequate project preparation. Consequently, a new site has been identified in Tanit, an area situated at about 60 kilometres from Nouakchott. The technical feasibility studies, the site studies, as well as the environmental studies have been already done with funding from the Bank. Then, the initial objective to supply the Mauritanian domestic market with fish was not attained, for various reasons: (i) the insufficiency of the boats planned for the trained fishermen; (ii) the means of training and the facilities did not yet integrate the ring net necessary to capture the species required by the local market; (iii) the ineligibility of the

boats made of wood to funding by credit agencies, whereas they are more common, more convenient and more profitable; (iv) the setting up of fish exporting factories increased the competition; and (v) the devaluation of the domestic currency (the ouguiya) by nearly 50% intensified the rush to export products, reducing the chances of a diversified fish supply to the local market.

4.1.20 In spite of a relatively high rate of losses within the trained and equipped fishermen, the artisanal fishing sector is remarkably buoyant with 33, 000 jobs created in 2001 compared to about 3,000 in 1993. Between 1993 and 2001, catches increased significantly from 17.5 to 30 million tons. The contribution of artisanal fisheries to GDP rose by more than 4% in the same period. This contribution would have been even more important, notably in terms of job creation and poverty reduction, if the constraints concerning the remoteness of the villages from the markets and the lack of required services to handle perishables had been raised.

4.1.21 The extension of artisanal fisheries production, as well as the rural consumption of fish products remain the targeted measures to contribute to the improvement of the living standards of the poor people. Consequently it is important: (i) to improve fishing gear and methods, while encouraging the adoption of materials that do not need fuel and which are fixed, and more profitable than the active traditional equipment; (ii) to do some research on under tapped resources and aquaculture; (iii) to improve selling functions and practices, by resolving the considerable problems in packaging, sorting, conservation, storage, transportation, and information; and (iv) to give more value-added to the produce of artisanal fisheries, in order to finally improve the incomes of artisanal fishermen and to effectively reduce poverty.

4.1.22 **Livestock sub sector:** Bank assistance in the sub sector consisted in bringing institutional support rather than directly productive investments. In the area of infrastructure and logistics, expectations have been reached and even largely exceeded: (i) construction of the Nouakchott slaughterhouse, areas for slaughtering inside the country, veterinary centres, and inspection headquarters and the Directorate of Livestock; (ii) purchase of 73 vehicles (against 43 planned); and (iii) construction/maintenance of about a hundred stock watering wells, and funding of micro projects and livestock vaccination campaigns. Thus, these achievements contributed to a better exploitation of the sub-sector's potential.

4.1.23 Overall, the quantitative objectives of the training component have been attained. But this training proved to be inadequate for the primary extension agents who had to assure technical supervision at the level of villages and the Pastoral Associations (AP). Indeed, the training conducted was not appropriate for animal production, especially in Mauritania where breeding is based on the mobility of people and the animals. More than forty pastoral associations have been created, twice what was estimated. However some management problems compromised their viability and most disappeared with the suspension of funding. Concerning contribution to food security in the country, the additional production of meat and milk expected, is considered inadequate. Besides, the production systems and monitoring/evaluation studies, the zootechnical, production and marketing surveys, though planned, have not been carried out. Finally, the impact of the investments meant to reinforce the services of production and animal health has been diluted by the general restructuring of the Ministry of Rural Development (MDR) into the Ministry of Rural Development and the Environment (MDRE) in 1993.

4.1.24 Overall, in spite of the importance granted to livestock for the economic growth of the country and poverty reduction, assistance granted to the sub sector remained insufficient and relatively insignificant, and the results are less satisfactory. Interventions were essentially limited to animal health and the establishment of associations of livestock owners, while adequate technical assistance was lacking. There were not enough studies and research concerning the problems of the livestock owners and the reduction of the risks, as well as on the pastoral system in the urban area. The promotion of the sub-sector is dependent the lifting of certain constraints which are, among others, difficulty of access to fodder, the low level of use and development of prospects for alternative types of fodder, agricultural by-products and the complementary factors between agriculture and livestock, the lack of organization of the distribution channels, the poor quality of information on prices and markets, the absence of technical assistance capable of providing effective advice and the lack of an adequate funding mechanism.

4.1.25 **Funding of the sector.** The experience of the Bank in the area of funding of the agricultural sector and rural development did not give the expected results. Indeed, the line of credit which should have allowed funding of the equipment meant for the trained fishermen did not achieve good results for various reasons, notably (i) the poor selection of the commercial bank entrusted with its management, (ii) the mismatch between loan conditions and recovery and the operating rules of the said Bank; and (iii) shortcomings in the area of recovery (10% rate). In the framework of Phase II of the artisanal fishing development project, the Bank was obliged to carry out a survey on microcredit institutions, in order to assist the Agricultural Credit and Savings Union in Mauritania (UNCACEN) which was in financial difficulties, and designated during the project appraisal as the structure assigned to manage the credit for operators in artisanal fisheries. It is important to draw lessons, in order to find the most suitable types of financing, considering the relatively more favourable environment at the moment. On the strategic front, the Bank could reinforce its support notably to the development of the MFI and the SME/SMI by granting direct loans and/or lines of credit to the projects and programs, in the sectors that it supports.

Transport Sector

4.1.26 Although modest, Bank assistance in the transport sector is noticeable through the tarring of the second section of the Akjoujt-Attar road (PK76-Attar), 110 km long, and the recent commencement of the tarring works of the Rosso-Boghé road, 211 km long (of which 110 km will be funded by the Bank and the rest by the European Union). The major objectives of these operations are: (i) to reduce the transportation costs of people and goods; (ii) to develop domestic trade and to lower the prices of the products; and (iii) to develop the health care, educational and administrative services. In terms of induced effects, we note the fight against social and economic exclusion of the poor, mobility of the labour force and the creation of jobs, as well as intersector impacts (development of the land and crops, better access to the coastal sites, creation of covered markets for fish, etc.).

4.1.27 With a road network of 10,297 km (of which 2,189 km of tarred intercity roads) and a network density of only 0.32 km/100 km² compared with 6.84 km/100 km² on average in Africa, the section of the Akjoujt-Attar road funded by the Bank clearly contributed to the improvement of the indicators. The socioeconomic impacts expected at appraisal were also confirmed: the opened up areas, particularly the city of Attar and its region, are rapidly developing. The increase in road traffic reflects a strengthening of trade between the Northeastern regions with Nouakchott and the rest of the country. The travel time between

Attar and Nouakchott has been reduced from 7 hours to 4 hours and this reduction minimises the losses of perishables and transported livestock. The cost of the journey between Attar and Nouakchott dropped to the point where the Nouakchott-Attar air link service had to be cancelled. But the interest in certain institutional and legal problems of the transport sector that condition the effectiveness, the efficiency, and the sustainability of the interventions of the Bank in the said sector, has been expressed either late or in an inadequate manner. These concern the funding of road maintenance (the creation of a road maintenance fund is being studied on the proposal of the Bank); the tacit monopoly granted to the federation of road hauliers that entails overcharging of transportation and reduces competition; and the private management of some segments of the road.

4.1.28 The Bank was able to draw lessons from the implementation of the Akjoujt–Attar road project and has taken them into consideration during the design and implementation of the Rosso-Boghé road project. In the framework of the monitoring/evaluation of the socioeconomic impact of the project on the beneficiary populations, a technical committee for monitoring the socioeconomic impact of the project on target groups was set up to supervise the nongovernmental organisation (NGO) engaged for that purpose. This is an innovation, which is an important stage towards self-evaluation. But the information system in the sector remains out-dated due to lack of studies and surveys, and would benefit from strengthening.

4.1.29 **Electricity subsector:** The sub-sector, dominated by electricity and hydrocarbons, plays an important role in Mauritania's economic development. The Bank's intervention made it possible to build the production capacity of SOMELEC which was experiencing difficulties in meeting demand. Up to 1988, it had a total installed capacity of 39 MW distributed over the whole country. This installed capacity was raised to 67 MW in 1989 and today SOMELEC manages a production plant of about 100 MW. The high-voltage network built under the OMVS multinational project, made it possible to raise production to 312 GWH in 2003 nearly half of which comes from Manantali. The 15% of the electricity enjoyed by Mauritania represents about 60% of the current national production. Considering current demand, electricity supply is highly precarious in Nouakchott, because firm capacity (36 MW) is almost equivalent to peak demand capacity. This results in risks of power outages in the event of the breakdown of the smallest power generator. Moreover many companies have their own generators, which considerably increases the cost of electricity. To improve competitiveness, SOMELEC should make the reduction of electricity tariffs a high priority and should finalise the privatisation already envisaged.

4.2.30 **Water subsector:** The Bank's assistance, first, focused on: (i) the urgent reinforcement of drinking water supply facilities in Nouakchott, thanks to the procurement of equipment, its installation and the training of technicians, (ii) the construction of a wastewater treatment plant, (iii) the transformation and rehabilitation of the existing plant, (iv) the supply of operating equipment, and (v) the construction and equipping of a drinking water pumping station and an overhead water tank. It also focused on the establishment of 275 water points (compared to an estimated 220) in villages which made it possible to make up the shortage of drinking water supply in rural southeast Mauritania. Finally, financing the conduct of drinking water supply study enabled the preparation of actions required to offset the drinking water supply shortage in 10 towns other than Nouakchott and Nouadhibou. But the capacity of the National Water Company (SNDE) was consequently not built, especially in the area of restructuring, planning and works control.

4.2.31 Overall, the Bank's assistance contributed to easing the water shortages, especially in Nouakchott city and in 10 other towns in the country, enabling the Government to better attain the objective of regional balance. Considerable efforts were made in the area between 1990 and 2003. Indeed, the rate of connection rose from 14.4% in 1990 to 19.1%, 34.6% and 36.1% in 1996, 2001 and 2003 respectively. This situation however conceals regional disparities, with rates less than 10% in some regions. In the urban area, consumption of drinking water remains low, owing to lack of resources. In the rural area, 77% of households consume well water and 13% river and rainwater. Therefore, the establishment of the above-mentioned waterpoints contributed to improve the health of the rural population by providing water free from pathogenic germs and a reduction in water-borne diseases. Putting the water points close to each other has helped to alleviate the drudgery of fetching water traditionally done by women and children. The time saved allows a better education of the children, as well as undertaking more rewarding activities. However, water is still expensive and efforts need to be made to reduce costs, in order to help the poor for whom cost of water is a significant expenditure, and also to improve the competitiveness of the economy. Regarding the sanitation component, it requires, among other things, a waste water drainage system, garbage collection and recycling, a combination of coercive and motivating measures, in order to eliminate human and animal excreta and to control livestock breeding in urban areas.

4.2 Poverty Reduction and other Millennium Development Goals

4.2.1 The results and impacts previously analysed and regarding the Bank's support to economic reforms and to the growth sectors form an integral part of poverty reduction, which has a multidimensional character. In addition, the Bank focused its assistance on the social (education, health, support to women and poverty reduction) and public utilities (water and energy) sector. These two sectors are indispensable for a harmonious and sustainable development. It should be remembered that in the Bank's Vision, which was adopted in 1999 and before the PRSP in 2001, the Bank's interventions basically supported the sector development policies of the country. In addition, the CSPs and project documents do not specify the development indicators that the Bank's assistance seeks to influence hence the lack of intermediary objectives and comparison base.

4.2.2 **Support to poverty reduction.** Mauritania is one the African countries that mainstreamed poverty reduction in their political and development strategies. The Bank's assistance contributed to capacity building, in the area of poverty reduction. Thus, the Social Dimension of Adjustment (SDA) programme led to the conduct of a survey on the living conditions of households. Two (2) poverty profiles were prepared and have formed the basis of the national poverty reduction strategy in 1998, then those of the PRSP. The Bank took an active part in the preparatory process of the latter exercise for which efforts undertaken towards the attainment of the MDG of poverty reduction are supported by a potentially favourable environment. In the field, the Bank has left its mark on the microfinance environment, hitherto embryonic in the country. Its assistance resulted in the emergence of nearly 45 microfinance institutions currently approved by the Central Bank of Mauritania. The line of credit established affected nearly 36 000 people including 16 000 women (or 44%), with a net savings amount of MRO 1 200 million. But the sudden suspension of the line of credit allocated to MFIs, the lack of close monitoring of their viability, the low coverage of demand for microfinance services, particularly in rural areas, the MFIs weak capacity to delocalize, as well as the interest rates applied are all factors that compromise their viability.

Social sector

4.2.3 **Education subsector:** Bank assistance sought essentially to increase the supply of education and thus reduce disparities in access. Above all, the urgent priority was to raise enrolment at all levels of education. Also, issues related to infrastructure construction and training seemed to be the appropriate solution to face this challenge. That translated into the construction/rehabilitation and provision of equipment for several classrooms, laboratory buildings in several high schools, the printing of more than 355 000 school manuals and textbooks, and the establishment of maintenance units. For instance with a staff strength of 379 teachers trained in three years, the Centre for Basic School Teacher Professional Training (CFP-CEG) quickly attained its first objective, which was to reduce the exorbitant cost of external technical assistance on the national budget.

4.2.4 Thus, thanks to the combined efforts of different education partners, including the Bank and the Government, the Mauritanian education system recorded outstanding quantitative performances in recent years. In the area of infrastructure, general capacity improved and average number of pupils per class was 42 in 2000. The primary school enrolment rate almost doubled in the space of five years from 46% in 1990 to 87% in 1995. The current level of this rate (91%) indicates that the attainment of the MDGs, which is 100% enrolment in 2015, is likely. The gender gap reduced significantly: 81% in 2000 for girls against 87% for boys. By contrast, the disparity is greater in the other levels of education: in 2000-01, the girls/boys ratio was 75.5% in secondary education, 55.4% in technical and professional education, and 27% in higher education. These performances also mask disparities between ‘rich’ and poor as well as between rural and urban areas.

4.2.5 The quality of education and its consistency with the development objectives of the country was the subject of a thorough review in the framework of the preparation of the National Educational System Development System (PNDSE). It shows that there are mainly two types of challenges. On the one hand, at the subsector internal level, it is the drop in retention rates, the insufficiency of the number of complete cycle primary schools, the inequitable distribution of infrastructure, the insufficiency of teaching staff, the unattractive school environment, the low qualifications of teaching staff, inappropriate course syllabi, and the weakness of the administrative and pedagogical management of education. On the other hand, at the level of the general environment, it is the poverty of households and the mismatch between curricula and market requirements, with a resultant high youth unemployment rate.

4.2.6 **Health Subsector:** Despite a relatively significant contribution to the increase in health care supply, the impact of Bank assistance on the MDGs remains weak. The outputs were diverse and concerned, among other things, the extension of the school of health studies, the construction and renovation of the drugs control laboratory and medical stores in Nouakchott and Akjoujt, Attar regional hospital, several health and maternal and child protection centres, training of officers, technical assistance procurement of drugs and financing maintenance activities. One should also highlight the relevance of the study financed in the subsector that indicated all intervention areas and proposed actions, which enabled the creation of a consistency framework for all other donors. Each of the different partners was thus able to operate in a specific area, which prevented overlapping.

4.2.7 The increase in infrastructure as well as training enabled health centres to ensure a minimum package of basic services, accessible to all the population, and to monitor the state of the population, despite demographic pressures. The extension of the School of Public Health has enabled the increase of classes from three to five. Henceforth, it trains social and medical assistants (SMA), State Registered Nurses (SRN), social workers (SW), senior health technicians (SHT) and State Registered Midwives (SRM). Its current enrolment capacity is 300 trainees.

4.2.8 At the national level, remarkable progress has been made in the area of health during the last decade. Life expectancy at birth increased from 49 years in 1990 to 52.5 years in 2002, thanks to a better health coverage of the country. Geographical access to basic health education reaches 63% in a radius of 5 km and 78% in a radius of 10 km. Vaccination coverage has improved considerably. But the sociosanitary situation of the country also remains dominated by a high incidence of infectious and parasitic diseases and a precarious nutritional situation. The quality of sanitary services is still mediocre, while staff training remains inadequate, at both the administrative and technical level. The performance is still modest in terms of the MDGs. In the area of maternal health, the mortality rate still reached 747 deaths for one hundred thousand live births in 2000, while the target is about 232 in 2015. Finally, regarding infant mortality, HIV/AIDS and malaria, statistical data are unreliable and do not permit a good trend analysis. Nevertheless, attaining the MDGs is deemed unlikely, but still requires more effort.

4.3 Impact on Crosscutting Aspects

4.3.1 The majority of crosscutting themes were taken into account in the CSP. However, that did not always result in sufficiently concrete actions in terms of implementation and monitoring. During the last years, the Bank made the participatory approach systematic in the design and implementation of projects. This should be reflected in a greater impact of the Bank's operations on women, the environment, good governance and regional integration, in view of the reduction of poverty and the promotion of the country's development.

4.3.2 **Good governance:** Despite an encouraging positive evolution, good governance remains a serious problem in Mauritania, especially in the area of public finance management. Indeed, the important challenge represented by the country's oil resources, particularly in the framework of the pursuit of the implementation of the PRSP, recommends to Mauritania to avoid the infamous 'paradox of abundance' where poor resource management prevents the enjoyment of the expected sustainable benefits. With regard to the ongoing democratic process (since 1992), the recurrence of military coup attempts also reflects some lack of good governance.

4.3.3 Consideration of the problem of good governance by the Bank is recent, and is still relatively modest. The Bank's vision in the area of good governance has until now remained closely linked to lending operations. But the Bank, more recently in April 2004, prepared a governance profile, in order to better orientate its commitment to the implementation of capacity building programmes and specific reforms in the areas of governance in Mauritania. Based on this, a Good Governance Support Programme has already been prepared. However, the presentation of the financing of the said Programme to the Board is dependent on the adoption of a new Programme supported by the IMF, the previous programme having been cancelled in November 2004. The Bank, just like other partners, particularly in the framework

of the Good Governance Support Programme, urges the Mauritanian authorities to immediately consider a proactive and transparent management of projected resources from oil. The Mauritania Country Governance Profile emphasises this point and dialogue on macroeconomic management.

4.3.4 Gender: The Mauritanian population is predominantly feminine, with 51.3% of women in 2000. Overall, the situation of women has evolved positively during the past years, even though efforts still need to be made to eliminate gender imbalances. Indeed, despite the progress made during the last decade in the area of education and health of the woman, the economic conditions of female-headed households have deteriorated. Poverty incidence in this household group increased from 40.5% to 45.6% between 1996 and 2000, whereas overall, the living standard of households improved during the same period. This evolution is more pronounced in rural areas where poverty incidence among female-headed households rose from 57.4% to 64.1%. The basis of land ownership in Mauritania is still a constraint on women's access to productive resources.

4.3.5 The 1996-1998 and 2001-2004 CSPs have, for instance, clearly identified the objective of the enhancement of women's position in Mauritanian society, as a priority area for dialogue with Government. The Bank laid special emphasis on the need to reduce gender-related disparities through certain operations: (i) the Health Master Plan Support Project which seeks to reduce these disparities in terms of access to primary health care and essential drugs; (ii) the Educational System Support Project which gives priority to raising enrolment rates for young girls in urban and rural areas in basic and secondary schools; and (iii) the Poverty Reduction Project where support is given to women through the promotion of income generating activities, information, education, training and functional literacy activities, microenterprise and granting of credit. These operations contribute to the promotion of gender equality and making women autonomous, even though only 3,114 women out of 12,340 expected did obtain financing (that is 16% against an estimated 40%). Finally, the preparation and appraisal of the majority of on-going projects during the period under review have demonstrated their impact on gender.

4.3.6 Environment: Consideration of the environmental dimension in the CSP and the appraisal reports on Bank projects is relatively old. Almost all the on-going operations, for instance, have been the subject of an environmental classification prior to appraisal. This classification has enabled the inclusion of mitigation measures for the impact on the environment in the appraisal reports. The Bank has made an effort to sensitize the Government and implementing agencies on the application of these measures. Some projects such the Fisheries Sector support project, Artisanal Fisheries support project (II) or even the Livestock Development and Rangeland Management Project, have been the subject of an environmental monitoring technical mission, in order to ensure the effective application of these mitigating measures. This assistance, though relevant, lacked synergy in the area of intersector actions and other development partners due to the lack of coordination of activities in this area. In fact, the Directorate of the Environment does not take charge of projects outside the functions of the Ministry of Rural Development, though it has an intersector character.

4.3.7 Regional integration: Considering its geographical specificities, Mauritania has every thing to gain from a better regional integration. Nevertheless, the country and the Bank have paid inadequate attention to this area where the Bank's assistance deals basically with the OMVS. Other aspects deserve greater attention, especially regional infrastructure projects.

With the advent of the New Partnership for Africa's Development (NEPAD), the Bank is currently preparing multinational road projects meant to facilitate links with neighbouring countries (Mali and Senegal). A look at the sub-regional environment shows that a regulated convergence policy with the West African sub-region (WAEMU, ECOWAS) could be to the advantage of the country, as well as its becoming a member of the Organisation for the Harmonisation of Business Law in Africa (OHADA), especially in terms of encouraging foreign investment from the sub-region and opening up to new markets. Mauritania could also benefit from stronger ties with the other members of the Maghreb Arab Union (MAU), as well as Europe.

V. PERFORMANCE OF DEVELOPMENT PARTNERS

5.1 Performance of the Government

5.1.1 The strong commitment of the Government to its cooperation with the Bank and to economic reforms was a favourable factor. The implementation of reforms and improvement of economic performance created a conducive environment for the implementation of the Bank's operations. In fact, the devaluation of the Ouguiya in 1992, as well as the liberalisation of the money and foreign exchange market have reduced foreign exchange constraints and favoured the importation of goods needed for investment projects. The stabilisation of the budget framework and the ranking of public investment priorities have enabled the State to have national counterpart funds.

5.1.2 At the operational level, the country's performance in terms of project identification was satisfactory. The inherent and specific constraints encountered during implementation have, for their part, reduced the performance of the portfolio. This has improved since the portfolio review in 1998. The Government contributed to that by setting up technical monitoring committees for big projects. That has facilitated the preparation and the regular forwarding to the Bank of forecasts and activity reports. The Government has also strengthened the regulation of the Central Public Tenders Commission. Finally, during the past years, the Government has regularly met its financial obligations to the Bank and has thus avoided sanctions, which were in the past frequent, and have slowed down project implementation. However, the impact of all these measures taken recently is not yet sufficiently significant to lift all the constraints encountered in the management of Bank-funded projects. In view of the efforts made, the overall performance of the borrower is deemed satisfactory.

5.1.3 Cofinancing experience with other donors, as well as consultation among the country's major partners are generally satisfactory. This collaboration improved through joint preparatory, appraisal and monitoring missions. In this regard, the PNDSE is a good reference. The development partners, including the Bank, are associated with the permanent monitoring of the said programme through supervision missions, annual reviews and mid-term evaluations. But the performance of development partners is least satisfactory in terms of coordination. In fact, the pooling of resources and the sharing of experience still remain difficult in the framework of co-financed operations. Each donor operates with its own internal management rules and prepares its appraisal, monitoring and post-evaluation missions according to its own schedule, which compromises the smooth implementation of projects.

5.2 The Bank's Performance

5.2.1 The Bank's contribution to policy dialogue was relatively less satisfactory. Indeed, the quality of dialogue has improved through the CSP, the participatory process, portfolio reviews, as well as close monitoring of operations on the ground, but the Bank has provided support rather than strategic orientations and solutions to the country's development problems. Its contribution in terms of prospective analysis was weak and its visibility was reduced on the ground.

5.2.2 At the operational level, the performance of the Bank is satisfactory in the project preparation and appraisal, in spite of the lack of basic sector studies. There has been permanent consultation with the country and the needs expressed have often been taken into account. But the Bank could not respond in a timely manner to the management constraints that confronted the country: weak absorptive, implementation and monitoring capacity, inadequacy of trained human resources and an inappropriate organizational system. The workload of experts did not permit regular monitoring. Following the slippage of older projects, the monitoring mechanism was improved and the portfolio was reorganized with the systematic cancellation of loan balances. But the recurrent management problems remain. The overall performance of the Bank is deemed fairly satisfactory, and would benefit from improvement at the level of policy dialogue. The contribution of the Dakar regional office is much awaited in this regard.

VI. OVERALL ASSESSMENT AND COUNTERFACTUAL ANALYSIS

6.1 Relevance

6.1.1 The Bank has oriented its assistance to meet the Government's priorities. Overall, the CSP and the choice of funded operations have been in line with the country's priorities. This strategy was relevant by focusing on areas of priority to the economy of the country and the people. The Bank participated actively in the preparation of the PRSP. The ownership it subsequently assumed of it in its CSPs confirm the validity of its choices, and in this way, it is an improvement. A further improvement is the adoption by both parties of a participatory approach principle.

6.1.2 Nevertheless, the CSPs have shown their limitations, serving more in resource allocation than in defining the orientations of economic policy in response to the development problems of the country. As such, the strategic objectives were defined in a very vague manner, without precise indicators, to enable an accurate evaluation of the efficacy of the Bank's assistance. For their part, lending operations lacked a strategic reference framework for sector development that could place them in a global, integrated process.

6.2 Efficacy

6.2.1 Majority of operations attained their objectives, but with extremely long delays. The monitoring-evaluation mechanism not been effective enough to enable both sides to improve programme implementation through timely corrective measures. Reviews were carried out at irregular intervals, their coordination with other cofinancing partners was difficult, and the national side did not internalize the process, in order to make it an internal control tool.

6.2.2 However, given the results obtained, in terms of outputs, often physical and quantitative, and their impact on the country's development, the effectiveness of the Bank's assistance appears fairly satisfactory. In fact, thanks to a better understanding of poverty, the lending programmes were better targeted. The operations financed in the areas of agriculture, water, electricity, and transportation have helped the Government meet an increasingly urgent need for social services, stemming from the phenomenon of rapid urbanisation. They have also contributed to a significant improvement of the living conditions of rural dwellers, even though the country still needs to import almost 50% of its food requirements. Thus, the country has recorded significant economic performances with an average GDP growth rate of over 4% during the 1992-2003 period and a drop of 10 points in the incidence of poverty. The human development index has improved.

6.3 Efficiency

The long delays in the implementation of operations have created costs for the country, especially a cost related to the commitment charge for Mauritania and an opportunity cost for loss of use on the part of the beneficiaries. In this regard, it is unfortunate that the slippage of some old projects have impacted negatively on the performance of the country, reducing as a result its allocations under ADF VIII and IX. Furthermore, efficiency indicators such as the rate of economic return of Bank financed projects (especially in agriculture and fisheries) and the rates of recovery (in the area of agricultural credit and lines of credit provided for the promotion of SME/SMI) have proven, in the end, overestimated and unsatisfactory. However, in view of the results obtained, as well as the improvements observed in the implementation of operations, the Bank's assistance to Mauritania is deemed fairly effective.

6.4 Impact on Institutional Development

6.4.1 The Bank's assistance has contributed to the establishment and operation of new institutions in the different sectors, considering the importance attached to the infrastructure component in the operations. But institutional development through capacity building is an area, which, though recognised in the Bank's policy, has not been systematically integrated in its operations. Thus, the weaknesses of the administrative machinery have significantly reduced the impact of the Bank's assistance on development. The primary beneficiaries such as Farmers' Organisations, Pastoral Associations, women, etc., have not benefited from any specific institutional support, in order to build their technical and financial management capabilities and their negotiating power.

6.4.2 The recent funding of the PAIM by the Bank aims at improving the consistency of sector and intersector approaches. For its part, the government is aware that modernisation of the administration, building its human capacity and consolidating decentralization underlie to a large extent the success of the PRSP. In this regard, it has finalized a National Good Governance Programme which the Bank is willing to support.

6.5 Sustainability

6.5.1 The Government's commitment to pursue and to consolidate the reforms through the PRSP is a guarantee of sustainability. Meanwhile, the country's very high vulnerability to exogenous factors such as external aid, the fluctuation of petroleum and metal prices, and the vagaries of the climate (low and unpredictable rainfall), as well as recurrent problems of good governance, especially with regards to public resources, limit the progress made.

6.5.2 There is no assurance as regards the sustainability of physical outputs and the institutions. The Bank has not put in place a post-operation policy. It has paid little attention to support measures for the results obtained in the framework of lending and grant operations, especially in terms of monitoring and capacity building of the beneficiaries. Thus, in the agricultural sector, the farmer organisations and the pastoral associations established are not viable, due to lack of financial resources and significant institutional support. There is a tendency to abandon the developed irrigated areas. Artisanal fisheries is confronted, among other things, with increased competition from fish exporting factories, and posts relatively high losses (70%) among trained and equipped fishermen. The mining sector remains fragile and exposed to exogenous factors out of the country's control (mineral and petroleum prices). The SME/SMI and the MFI established do not have a guaranteed viability, in view of the lack of close monitoring. The maintenance of road infrastructure remains dependent on the financial allocations given to the National Road Maintenance Company (ENER) in the framework of the PRSP. Finally, the lack of performance of the water and electricity companies puts pressure on the sector.

6.6 Overall Outcome of the Assessment and Counterfactual Analysis

6.6.1 In light of the foregoing, it can be concluded that, overall, the Bank Group's assistance to Mauritania, during the 1994-2004 period, has been satisfactory, despite several constraints. The Bank's strategies were relevant but lacked precision. The Bank was responsive to the expectations of the country but it had an inadequate influence on policy dialogue and aid coordination. The recurrent delays in project implementation have reduced their impact. In future, the Bank should lay more emphasis on economic and sector studies as well as on the synergy between intervention sectors and between available instruments in order to achieve greater impact on the development of the country. At the level of the country and the Bank, the adoption of results-based management practices and the establishment of the Dakar regional office should also contribute to the improvement of the effectiveness of this assistance.

6.6.2 The Bank's contributions and shortcomings have been analyzed previously. The involvement of several partners in the country's development and the relatively modest scope of the Bank's intervention in terms of resources provided, strategic orientation advice and dialogue make the evaluation of its real impact difficult. This view is reinforced by the lack of intermediary development objectives and an adequate monitoring/evaluation system of the results and impact of the Bank's assistance. However, this report has shown that, in spite of the constraints and difficulties in the control of the project cycle, the Bank has contributed positively to the country's development through its interventions in sectors important to the economy and the people. In particular, it intervened in sectors such as livestock and artisanal fisheries, which were priorities for many donors. As a result, the Bank has helped the country in its diversification efforts. Its assistance to the social sector has benefited the population.

VII. LESSONS AND RECOMMENDATIONS

7.1 Lessons

7.1.1 The Bank cannot have any significant influence on the country's development, its economic and sector policies and institutional framework, if there is no synergy between the intervention sectors and between the instruments it uses: policy-based and project loans, study grants and institutional support (refer to paragraphs 3.1.1.1 and 6.6.1).

7.1.2 When the Bank's strategy does not rely on thorough economic and sector studies, it will lack precision and the role of the Bank in policy dialogue and aid coordination is limited (refer to paragraphs 3.1.1.1, 3.3.1.2 and 6.6.1).

7.1.3 Good governance is necessary to improve the country's economic performance and its sustainability (refer to paragraphs 4.1.5, 4.3.2 and 4.3.3)

7.1.4 When an enclave project is financed in an area as important as the mining industry without having regard to developing the links between mining and the rest of the economy, it contributes to reinforcing economic dualism (refer to paragraph 4.1.7).

7.1.5 The slippages recorded in the project cycle and the resultant changes in context and prices could be avoided if greater attention is paid to the preparatory studies by using a project preparation facility and if the beneficiary populations are more involved (refer to paragraph 3.2.2.4).

7.1.6 The shortcomings of the monitoring-evaluation system of the CSPs and the projects and the lack of objectives and development indicators prevent the timely implementation of corrective measures and limit the evaluation of the Bank 's contribution to the country's development (refer to paragraphs 3.1.1.1 and 3.2.2.1).

7.1.7 The inadequacy of management capacity of the primary beneficiaries and the neglect of their role in the ownership of outcomes, threaten the sustainability of the outcomes (refer to paragraphs 3.2.2.4, 6.4.1 and 6.5.2).

7.1.8 The absence of a local representative of the Bank and the inadequate coordination of the actions of donors even in the framework of cofinancing operations in the absence of joint supervision missions, are detrimental to the performance of the Bank's assistance to the country (refer to paragraphs 3.3.3.2, 3.3.3.3 and 6.6.1).

7.2 Recommendations

The following are the major recommendations to the Bank:

1. Combine all available instruments in a complementary and coherent manner to support the growth sectors and the social sectors within the framework of the PRSP, in order to have greater impact on the country's development and on poverty reduction (refer to paragraphs 3.1.1.1, 6.6.1);

2. Target more the pro-poor areas such clean water in rural areas, microfinance and agriculture including livestock and fisheries (refer to paragraphs 4.2.2, 4.2.31, 6.2.2, 6.4.1);
3. Undertake appropriate economic and sector studies to position the Bank's assistance strategy well, its contribution to policy dialogue and its project portfolio (refer to paragraphs 3.1.1.1, 3.3.1.1, 3.3.1.2 et 6.6.1);
4. Assist the country to put in place a transparent and efficient management of oil income for its effective utilisation for poverty reduction in the framework of the PRSP while ensuring the diversification of country's exports as well as the strengthening of its competitiveness and its institutional development management capacity (cf. paragraphs 4.1.5, 4.1.7, 4.1.8, 4.3.3);
5. Promote good governance in the country, especially in the areas of public resource management, public tenders and combating corruption (refer to paragraphs 4.1.5, 4.3.2 and 4.3.3);
6. Improve the control of the project cycle through better preparation with prior studies and through more frequent monitoring with support from the Dakar Regional Office (refer to paragraph 3.3.1.3);
7. Strengthen the monitoring/evaluation mechanism of CSPs and projects as well as development indicators at the country level and in the Bank (refer to paragraphs 3.1.1.1, 3.2.2.1);
8. Make portfolio reviews systematic and participatory, so that stakeholders assume ownership (refer to 3.2.2.2);
9. Ensure a better consideration of the problem of sustainability of outcomes, through support measures such as capacity building for all stakeholders and the formulation of a post-operation monitoring policy (refer to. paragraphs 3.2.2.4, 6.4.1 and 6.5.2); and
10. Provide the Dakar Regional Office with necessary resources and the authority to carry out closer monitoring of operations and ensure better participation in coordination meetings of partners in the field (refer to paragraphs 3.3.2.2, 3.3.3.3, 5.2.1 and 6.6.1).

**Bank Group Assistance Ratings for Mauritania
According to Evaluation Criteria**

Significance of ratings: 4 - highly satisfactory, 3 - satisfactory, 2 - unsatisfactory, 1 - highly unsatisfactory.

The ratings should be considered as an attempt to visualise major conclusions of country assistance evaluation. The shortcomings of the monitoring/evaluation system do not allow the application of more rigorous methodologies.

A-Evaluation of the Bank's Assistance Strategy

Evaluation criteria		Rating	Justification
1.	Conformity with priorities and policies of Mauritanian authorities	4	The Bank's strategy was in line with the orientations and priorities defined by the Mauritanian authorities. The Bank was responsive to the expectations of the Government.
2.	Complementarity with Mauritania's other donors	3	The Bank's strategy increasingly favours cofinancing. Half of the operations were cofinanced. But the coordination of monitoring activities is inadequate.
3.	Conformity with the needs and capacities of the populations	3	By addressing the primary areas of interest of the population, which are agricultural production and livestock, health and education, road infrastructure and drinking water supply, the Bank's strategies seem relevant. The participatory approach in the preparation of the last two CSPs has enabled a useful assessment in particular from civil society representatives of the relevance of operations financed, their implementation and the evaluation of their impact on development.
4.	Adequacy with the capacities and comparative advantage of the Bank Group	2	Rural development, Governance and regional integration are assumed to be the areas in which the Bank has comparative advantages. Its approach in the rural development sector was not adequately guided by thorough sector studies. Dialogue with the country in the area of governance regional integration remains relatively shy.
Rating section A		3	The Bank's assistance strategy in Mauritania was satisfactory on the whole in light of the foregoing.

B-Evaluation of Loan and Grant Operations

Evaluation criteria		Rating	Justification
1.	Relevance (conformity with Mauritanian priorities and the Bank's strategies)	4	On the whole the choice of operations financed was in line both with strategies of the Mauritanian Government as well as its own. The Bank supported the most important sectors of the economy, namely the mining, agriculture, livestock and fisheries sectors, and has thus helped the country to diversify the productive base of its economy.
2.	Selectivity; Synergy between intervention sectors and between intervention tools; monitoring/evaluation indicators	2	The Bank has attached continued priority to the strategic sector of mining. However, it could not have any significant influence on the orientation of policy and institutional framework owing to the lack of synergy between its diverse intervention sectors and between the different tools used such as policy-based and project loans, study grants and institutional support. Monitoring/evaluation was not effective. Lack of intermediate development objectives and an appropriate monitoring/evaluation system of the outcomes and real impact of the Bank's assistance.
3.	Efficacy (attainment of objectives)	3	Majority of the operations produced expected outcomes, but with much delay. Overall, the efficacy of Bank assistance is deemed satisfactory.
4.	Effects and impacts (economic growth, poverty reduction, MDGs, at the level of beneficiaries, on crosscutting issues)	3	The operations financed have contributed to a significant improvement in the living conditions of the urban and rural populations. The Government was thus able to meet an increasingly pressing demand for social services, engendered by a massive urbanization phenomenon. The country recorded an average GDP growth rate of more than 4% during the 1994-2004 and a drop of 10 points in the incidence of poverty. The human development index has improved significantly. The conditions are favourable to attain the MDGs in the area of poverty reduction and education. Performance is inadequate in the area of health. The crosscutting areas have been taken into account in the CSPs, but concrete actions were inadequate.
5.	Efficiency (rate of return, cost-benefit ratio, operational performance)	3	Implementation problems and delays reduced to some extent the efficiency of lending operations. The economic rate of return of operations financed were optimistic in agriculture and livestock; recovery rates are low with regards to allocated credit and the intermediate structures responsible for the management of credit funds were sometimes liquidated. Meanwhile, in view of the results obtained as well as the improvements observed in the implementation of the operations, the Bank's assistance to Mauritania is deemed fairly satisfactory.
6.	Impact on institutional development	2	Institutional impact is less satisfactory. Capacity building has not been systematically included in the Bank's operations. The administrative system's weaknesses have strongly reduced the direct and indirect impact of the Bank's assistance on development. The capacity of beneficiaries such as Farmers' Organisations, Pastoral Associations, women, etc., was not built.
7.	Sustainability (technical, financial, social and institutional viability; permanent nature of outcomes)	3	Progress recorded in the macroeconomic and sector fronts are fragile. The country remains vulnerable to exogenous factors. But the commitment of the Government to pursue and consolidate the reforms through the PRSP gives some assurance with regard to the sustainability of the macroeconomic results. However, this type of assurance does not exist for the sustainability of physical outputs due to the weakness of institutional capacities.
Rating Section B		3	The outcomes of project interventions have been on the whole fairly satisfactory. While the relevance of the objectives is satisfactory overall, the implementation delays have significantly reduced the attainment of objectives, efficiency, institutional impact and sustainability of the Bank's intervention.

C-Evaluation of Non-Lending Assistance

Evaluation criteria		Rating	Justification
1.	Economic studies and support to sector policies	2	The Bank allocated fewer resources to the conduct of economic and sector studies to guide its operations.
2.	Contribution to the preparation of the PRSP	4	The Bank contributed actively to the preparatory process of the PRSP through, the establishment of systems for surveys on living conditions and the preparation of poverty profiles. Then, it undertook monitoring missions for the PRSP, and participated in the fourth meeting of the Consultative Group on the PRSP.
	Aid coordination (Bank initiatives in the area of national aid coordination capacity, cofinancing initiatives)	3	The Bank makes a lot of effort to ensure consistency between the country assistance programmes with those of other donors by regularly taking part in the major consultations on the country (Consultative Group, Sector reviews, etc.). It plays an active catalytic role and supported the country in the search for complementary financing (coordination with the Arab Fund, in particular). Its collaboration with other donors has improved through joint preparatory, appraisal and supervision missions. It supported institutional capacity building of the Departments under the MAED, in order to improve their functional links with the sector programming departments of Ministries. But the absence of a local representation in the country was a handicap.
3.	Advisory services including policy dialogue	3	Quality of dialogue between the Bank and the country has improved during the review period, through the CSPs, portfolio reviews as well as a closer monitoring of operations in the field. This positive evolution of the dialogue is increasingly consolidated by the participatory approach. But policy dialogue was limited to the preparation of CSPs and to project and programmes management.
4.	Portfolio review	4	Portfolio reviews were organised regularly, but at relatively infrequent intervals (two years). They were effective, having contributed to reorganize the Bank's portfolio. However, the national side has not yet internalised them, and general management problems remain.
Rating Section C		3	Overall, non-lending assistance was satisfactory. But it did not have any significant support in terms of economic and sector studies.

D - Evaluation of the Performance of the Bank

Evaluation criteria		Rating	Justification
1.	Preparation (quality of sector studies and the situation context)	3	On the whole, the Bank's operations enjoyed good preparation. However, slippages observed in the project cycle and eventual changes in the context and resultant costs, could have been avoided by paying special attention to sector studies, which provide a reference point and a data base for preparation of reports.
2.	Ex-ante evaluation (quality of economic, financial and social analysis, etc.)	3	The appraisal of operations was good and often based on the results of previous operations and/or preparatory works of other donors, namely the World Bank. However, economic and financial analysis did not sufficiently take into account the constraints and exogenous shocks confronting the country, and have sometimes been too optimistic in terms of rate of economic return of the activities.
3.	Monitoring and supervision	3	The Bank was confronted with constraints linked to the relative inadequacy of the country's absorptive capacity, and the weak implementation and monitoring due to the lack of qualified human resources and an appropriate organisational system. It has contributed to the improvement in the execution of operations through the following actions: (i) the systematic cancellation of the estimated undrawn balances on loans in the framework of efforts aimed at the quick completion of operations; (ii) the maintenance of a high frequency of supervision missions with a constant concern to ensure its diversified composition; and (iii) improving the quality of supervision due in particular to the efforts made by experts to visit majority of project sites. Consequently, the portfolio was restructured and there was only one risky project in 2004. Nevertheless, issues related to disbursement and non-objection delays have not been resolved.
4.	Post-evaluation	2	The Bank has attached little importance to self-evaluation activities both at its own level as well as that of the country. The objectives of different strategies of the Bank are defined in broad terms and they have not resolved the problem of identifying very relevant performance indicators to evaluate their impact. The lack of development indicators in the appraisal reports inhibits the evaluation of the real impact of the operations on development.
Ratings section D		2.9	The Bank's performance was deemed satisfactory overall, but special attention should henceforth be paid to studies as well as self-evaluation activities.

E-Evaluation of the Performance of the Borrower

Evaluation Criteria		Rating	Justification
1.	Identification (agreement and participation of political decision makers and beneficiary populations)	3	The Bank's assistance to Mauritania was supported by the Mauritanian authorities. Dialogue on macroeconomic and sector reforms created a favourable environment for the implementation of the Bank's operations. The country's performance in the area of project identification is also satisfactory. But the participation of primary beneficiary populations is inadequate and should be improved.
2.	Preparation (design, risk analysis and alternatives, taking into account lessons from similar operations, involvement of the concerned populations)	3	Despite a low participation in project preparation, the Bank's assistance would not have been easy, if the country had not had a reference framework in the area of development and poverty reduction, and adequate identification capacity at operational level, especially since the Bank did not sufficiently back its interventions with economic and sector studies. It later appeared necessary to carefully and realistically evaluate the objectives of the operations, the country's management, planning and absorptive capacity as well as the corresponding institutional support, and to associate, at all stages, the beneficiaries, NGOs, civil society and women in order to guarantee success.
3.	Implementation (capacity to conduct development projects and programmes)	2	Inherent and specific constraints were recurrent in a manner as to reduce performance of the Bank's loans and grants portfolio for Mauritania.
4.	Monitoring and supervision (utilisation of monitoring supervision data for improving project and programme implementation)	3	The performance of the active portfolio is deemed satisfactory. The government has made efforts to remove the major difficulties encountered in the past and has made improvements in project preparation and programming, the award of public tenders and the control of project implementation. As a result, the average age of the active portfolio fell from 6.4 years in January 1998 to 3.9 years in January 2004. However, in the area of project monitoring, some general conditions of loans are not always observed, in particular forwarding to the Bank, within the set timeframe, of quarterly status reports, audit reports and fulfilment of some specific conditions. The authorities have not yet internalised the review process, to make it a management tool.
5.	Aid coordination (Borrower's initiatives et capacities in the area of donor coordination)	3	The country enjoys the support of the majority of multilateral and bilateral donors. Coordination of external aid is done through the Ministry of Economic Affairs and Development (MAED) and every three years Mauritania calls on the Consultative Group for consultations with its partners. But in the field, the tendency is for each donor to operate and with its own management rules. The PRSP provide a new framework for a better coordination of aid.
Rating Section E		3	The performance of the borrower is deemed satisfactory overall in light of the foregoing.
Overall Rating		3	Overall, the Bank's assistance is deemed satisfactory

Major macroeconomic indicators 1990-2002

A-Gross Domestic Product by sector at 1985 constant prices

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Primary Sector	12,862	14,561	15,193	16,105	15,761	16,568	17,254	18,211	18,294	18,254	17,605
Agriculture and Forestry	2,289	3,596	4,016	4,442	3,833	4,294	4,570	4,972	4,594	4,153	3,329
Livestock	9,993	10,322	10,611	10,908	11,127	11,632	12,036	12,557	12,984	13,491	13,626
Artisanal Fisheries	580,000	643,000	566,000	755,000	801,000	641,000	648,000	682,000	716,000	628,000	650,000
Secondary Sector	17,002	20,433	20,939	22,426	22,157	21,023	20,684	20,536	22,190	22,540	23,132
Mining activities	6,054	9,322	11,000	11,572	10,898	11,028	10,717	9,801	10,691	9,897	9,897
Industrial Fishing	4,011	4,653	3,052	3,571	4,007	2,232	2,162	2,636	2,635	2,830	2,261
Other industries & artisans	2,544	2,637	2,417	2,447	2,585	2,916	2,846	2,991	3,143	3,291	3,617
Construction & Public Works	4,393	3,821	4,470	4,836	4,667	4,847	4,959	5,108	5,721	6,522	7,357
Tertiary Sector	26,050	26,448	27,371	28,569	30,364	33,882	36,271	38,730	41,395	44,670	48,730
Trade & Other Services	8,315	8,564	9,249	9,900	10,827	12,820	13,546	14,367	15,097	15,837	16,946
Transport and Communication	4,078	4,150	4,300	4,493	4,962	5,886	6,526	7,254	8,074	9,326	11,229
Other services	3,338	3,415	3,503	3,651	3,705	3,756	3,699	3,955	4,170	4,359	4,786
Public services	10,319	10,319	10,319	10,525	10,870	11,420	12,500	13,154	14,054	15,148	15,769
GDP (at factor cost)	55,914	61,442	63,503	67,100	68,282	71,473	74,209	77,477	81,879	85,464	89,467
Indirect taxes	5,674	6,128	6,924	6,943	8,101	7,328	7,496	7,570	7,590	8,121	7,861
GDP (at market prices)	61,588	67,570	70,427	74,043	76,383	78,801	81,705	85,047	89,469	93,585	97,328
Annual growth rate (in percent)	1.9	9.7	4.2	5.1	3.2	3.2	3.7	4.1	5.2	4.0	3.3

Sources: World bank-Mauritania; Mauritanian Authorities (DPE / MAED)

B- Gross Domestic Product by Sector at !985 constant prices (% of GDP)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Primary Sector	20.9	21.5	21.6	22.5	20.6	21.0	21.1	21.4	20.5	19.6	18.1
Agriculture and Forestry	3.7	5.3	5.7	6.2	5.0	5.4	5.6	5.8	5.1	4.4	3.4
Livestock	16.2	15.3	15.1	15.2	14.6	14.8	14.7	14.8	14.5	14.5	14.0
Artisanal Fisheries	0.9	1.0	0.8	1.1	1.0	0.8	0.8	0.8	0.8	0.7	0.7
Secondary Sector	27.6	30.2	29.7	31.3	29.0	26.7	25.3	24.1	24.9	24.1	23.8
Mining activities	9.8	13.8	15.6	16.2	14.3	14.0	13.1	11.5	12.0	10.6	10.2
Industrial Fishing	6.5	6.9	4.3	5.0	5.2	2.8	2.6	3.1	3.0	3.0	2.3
Other industries & artisans	4.1	3.9	3.4	3.4	3.4	3.7	3.5	3.5	3.5	3.5	3.7
Construction & Public Works	7.1	5.7	6.3	6.8	6.1	6.2	6.1	6.0	6.4	7.0	7.6
Tertiary Sector	42.3	39.1	38.9	39.9	39.8	43.0	44.4	45.5	46.4	47.8	50.1
Trade & Other Services	13.5	12.7	13.1	13.8	14.2	16.3	16.6	16.9	16.9	17.0	17.4
Transport and Communication	6.6	6.1	6.1	6.3	6.5	7.5	8.0	8.5	9.0	10.0	11.5
Other services	5.4	5.1	5.0	5.1	4.9	4.8	4.5	4.7	4.7	4.7	4.9
Public services	16.8	15.3	14.7	14.7	14.2	14.5	15.3	15.5	15.7	16.2	16.2
GDP (at factor cost)	90.8	90.9	90.2	90.6	89.4	90.7	90.8	91.1	91.7	91.5	92.0
Indirect taxes	9.2	9.1	9.8	9.4	10.6	9.3	9.2	8.9	8.3	8.5	8.0
GDP (at market prices)	100	100	100	100	100	100	100	100	100	100	100

Sources: World bank-Mauritania; Mauritanian Authorities (DPE / MAED)

C-Consolidated Government financial operations, 1992-2002

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total revenue	20.80	27.80	29.61	33.5	44.7	44.0	50.0	55.4	58.0	51.8	101.1
Tax revenue	17	21.70	22.87	23.83	26.26	26.0	29.5	31.6	33.3	36.4	38.7
Tax on income and profits	5.9	7.4	7.38	8.16	7.42	8.3	9.1	9.9	10.6	11.3	12.1
Other direct taxes	0.3	0.3	0.20	0.26	0.31	0.4	0.3	0.3	0.5	0.6	0.6
Tax on goods and services	2.9	3.5	4.70	7.52	10.93	11.8	14.3	15.8	16.5	18.2	19.5
Tax on international trade	7.9	10.4	10.10	7.47	7.43	5.4	5.6	5.4	5.5	6.3	6.30
Stamp duty	0.1	0.1	0.21	0.17	0.16	0.2	0.2	0.2	0.3	0.2	0.2
Supplementary measures											
Non-tax revenue	3.81	5.40	6.27	9.23	18.24	17.8	20.2	23.4	24.6	15.4	62.5
Fishing rights and fines	1.16	1.8	1.89	3.5	14.0	14.4	17.4	16.1	16.4	5.3	51.8
O/w fishing rights EU			1.80	2.1	11.5	9.9	12.9	13.1	12.2	1.1	47.3
Income from public enterprises	0.48	1.2	0.40	0.5	0.4	0.6	0.3	0.4	4.1	3.6	4.2
Others	2.163	2.4	3.98	5.2	3.8	2.8	2.4	2.3	4.0	6.5	6.4
Special accounts	0.2	0.7	0.47	0.42	0.23	0.25	0.30	0.40	0.10	0.00	0.00
Expenditure and net lending	25.74	30.34	35.20	34.38	36.74	37.78	46.90	52.21	68.1	65.60	84.30
Recurrent expenditure	19.49	22.9	22.80	24.61	26.20	27.68	32.65	36.94	39.2	42.20	52.40
Salaries	5.964	6.44	6.70	6.97	7.45	8.00	9.11	9.64	11.0	12.20	13.00
Goods and services	4.869	5.57	6.21	6.93	7.34	8.23	9.83	11.63	13.0	14.3	21.60
Current transfers	1.844	2.13	2.20	2.30	2.40	2.54	2.74	3.02	3.6	4.0	4.60
Military expenditure	3.427	3.64	3.64	3.64	3.68	3.66	3.95	4.09	4.2	4.42	4.90
Interest on public debt	3.144	4.57	3.65	4.48	4.93	4.92	6.61	7.17	7.4	7.23	8.3
Others			0.40	0.29	0.41	0.33	0.42	1.39	0.5	0.57	0.61
Capital expenditure and net borrowing	4.7	7.43	11.58	9.49	10.22	9.66	13.80	15.27	28.7	23.10	32.0
Fixed capital formation			7.33	7.03	8.28	8.49	10.78	11.65	16.9	20.50	29
Restructuring and borrowings			4.25	2.46	1.94	1.17	3.03	3.62	11.8	2.60	3.0
Other expenditures			0.82	0.28	0.32	0.44	0.44	0.00	0.0	0.0	0.0
GDP	103.6	116.6	126.9	138.6	153.1	166.48	189.09	206.50	229.40	252.90	271.50
Balance (deficit -)	-4.9	-2.5	-5.59	-0.91	7.98	6.25	3.08	3.19	-10.10	-13.80	16.80

Sources: World Bank-Mauritania; Mauritanian Authorities (DPE / MAED)

D- Consolidated Government financial operations (in % of GDP)

	1992	1993	1994	1995	1996	1997	1998	1992-98 Average	1999	2000	2001	2002
Total revenue	20.07	23.84	23.33	24.15	29.21	26.44	26.43	25.18	26.83	25.30	20.6	37.6
Tax revenue	16.21	18.61	18.02	17.19	17.15	15.60	15.59	16.78	15.30	14.53	14.5	14.4
Tax on income and profits	5.69	6.35	5.82	5.88	4.85	4.98	4.80	5.39	4.79	4.62	4.50	4.53
Other direct taxes	0.29	0.26	0.16	0.18	0.20	0.21	0.16	0.20	0.15	0.22	0.2	0.22
Tax on goods and services	2.80	3.00	3.70	5.43	7.14	7.08	7.56	5.59	7.65	7.19	7.2	7.2
Tax on international trade	7.63	8.92	7.96	5.39	4.85	3.24	2.96	5.46	2.62	2.40	2.43	2.34
Stamp duty	0.09	0.09	0.16	0.12	0.11	0.09	0.10	0.11	0.10	0.13	0.08	0.04
Supplementary measures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-tax revenue	3.67	4.63	4.94	6.66	11.91	10.69	10.68	8.14	11.33	10.72	6.13	23.13
Fishing rights and fines	1.12	1.54	1.49	2.49	9.17	8.63	9.20	5.44	7.80	7.15	2.11	19.25
O/w fishing rights EU	0.00	0.00	1.42	1.49	7.52	5.96	6.83	5.38	6.34	5.32	0.44	17.58
Income from public enterprises	0.46	1.03	0.32	0.39	0.28	0.34	0.16	0.39	0.19	1.79	1.43	1.82
Others	2.09	2.06	3.14	3.78	2.46	1.68	1.27	2.29	1.11	1.74	2.59	2.16
Special accounts	0.19	0.60	0.37	0.30	0.15	0.15	0.16	0.26	0.19	0.04	0.00	0.00
Expenditure and net lending	24.85	26.02	27.74	24.84	24.00	22.69	24.80	24.85	25.28	29.77	26.1	31.4
Recurrent expenditure	18.81	19.64	17.97	17.76	17.12	16.63	17.27	17.73	17.89	17.71	16.9	19.5
Salaries	5.76	5.52	5.28	5.03	4.86	4.81	4.82	5.09	4.67	4.77	4.86	4.83
Goods and services	4.70	4.78	4.89	5.00	4.79	4.94	5.20	4.93	5.63	5.65	5.70	8.03
Current transfers	1.78	1.83	1.73	1.66	1.57	1.53	1.45	1.62	1.46	1.59	1.75	1.71
Military expenditure	3.31	3.12	2.87	2.63	2.40	2.20	2.09	2.58	1.98	1.83	1.76	1.82
Interest on public debt	3.03	3.92	2.87	3.23	3.22	2.96	3.50	3.25	3.47	3.22	2.88	3.05
Others	0.00	0.00	0.32	0.21	0.27	0.20	0.22	0.26	0.67	0.23	0.23	0.23
Capital expenditure and net borrowing	4.54	6.37	9.12	6.85	6.67	5.80	7.30	6.73	7.39	12.6	9.3	11.9
Fixed capital formation	0.00	0.00	5.78	5.07	5.41	5.10	5.70	5.90	5.64	7.4	8.16	10.8
Restructuring and borrowings	0.00	0.00	3.35	1.77	1.27	0.70	1.60	1.81	1.75	5.2	1.03	1.1
Other expenditures	0.00	0.00	0.65	0.20	0.21	0.26	0.23	0.32	0.00	0.00	0.00	0.00

Sources: World Bank-Mauritania; Mauritanian Authorities (DPE / MAED)

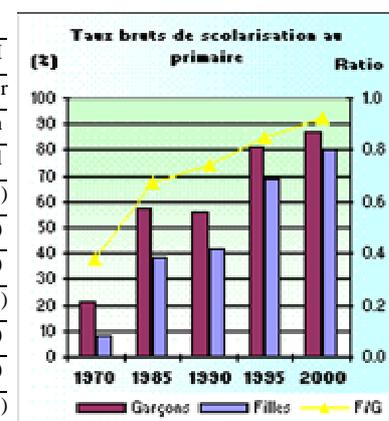
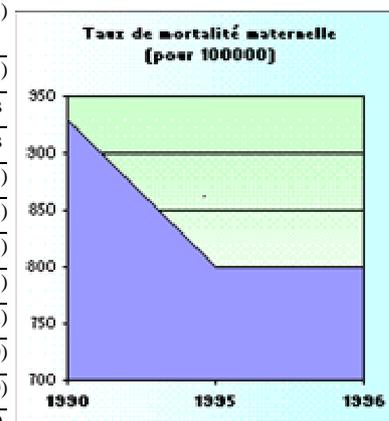
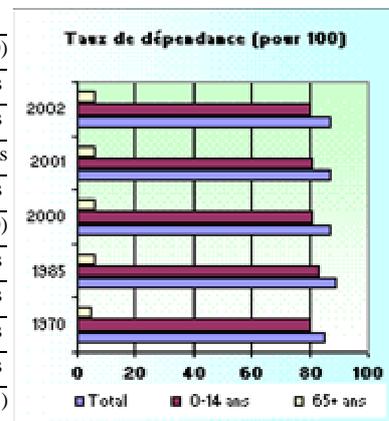
E-Public Investment Programme, 1992 – 2001 (in millions of MU)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Average
Rural development	2,941	4,552	3,954	4,677	3,170	4,392	4,121	4,388	4,552	5,232	4,198
Industrial development	1,419	3,003	3,254	1,098	1,640	1,019	1,700	2,820	2,154	3,826	2,193
Infrastructure	1,693	2,385	3,562	5,606	4,447	5,767	5,148	4,204	6,728	8,312	4,785
Human resources	1,173	1,701	1,932	3,326	1,936	1,982	3,107	2,960	3,492	3,847	2,546
Institutional development	710	406	283	289	491	332	845	486	1,774	1,091	671
Multisectoral projects								678	2,155	4,162	2,332
TOTAL (excl. SNIM)	7,936	12,044	12,985	14,996	11,684	13,493	14,921	15,535	20,855	26,471	15,092
SNIM	6,436	5,960	2,066	1,417	178	930	1,356	2,434	500	26	2,130
TOTAL	14,372	18,004	15,051	16,413	11,861	14,422	16,277	17,969	21,355	26,497	17,222
Rural development	20.5 %	25.3 %	26.3 %	28.5 %	26.7 %	30.5 %	25.3 %	24.4 %	21.3 %	19.7 %	24.8 %
Industrial development	9.9 %	16.7 %	21.6 %	6.7 %	13.8 %	7.1 %	10.4 %	15.7 %	10.1 %	14.4 %	12.6 %
Infrastructure	11.8 %	13.2 %	23.7 %	34.2 %	37.5 %	40.0 %	31.6 %	23.4 %	31.5 %	31.4 %	27.8 %
Human resources	8.2 %	9.4 %	12.8 %	20.3 %	16.3 %	13.7 %	19.1 %	16.7 %	16.4 %	14.5 %	14.7 %
Institutional development	4.9 %	2.3 %	1.9 %	1.8 %	4.1 %	2.3 %	5.2 %	2.7 %	8.3 %	4.1 %	3.8 %
Multisectoral projects								3.8 %	10.1 %	15.7 %	9.9 %
TOTAL (excl. SNIM)	55.2 %	66.9 %	86.3 %	91.4 %	98.5 %	93.6 %	91.7 %	86.5 %	97.7 %	99.9 %	86.7 %
SNIM	44.8 %	33.1 %	13.7 %	8.6 %	1.5 %	6.4 %	8.3 %	13.5 %	2.3 %	0.1 %	13.3 %
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

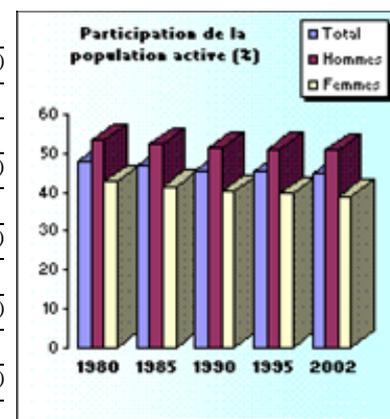
Sources: World Bank -Mauritania; Mauritanian authorities (DPE / MAED)

A-Socio-economic and demographic indicators

1990	1995	1997	1998	1999	2000	2001	2002	
2 030.0	2 300.0	2 362.0	2 496.0	2 569.0	2 645.0	2 724.0	2 807.0	Total population ('000)
1 031.0	1 169.0	1 200.0	1 267.0	1 303.0	1 341.0	1 380.0	1 421.0	Female population - Total ('000)
444.0	499.0	513.0	541.0	555.0	569.0	586.6	604.2	0-14 years
469.0	536.0	552.6	585.8	602.4	619.0	640.0	661.0	15-49 years
81.0	92.0	94.2	98.6	100.8	103.0	105.0	107.0	50-64 years
35.3	40.7	42.2	45.3	46.8	47.9	48.8	49.4	65+ years
999.0	1 131.0	1 162.0	1 229.0	1 266.0	1 304.0	1 344.0	1 386.0	Male population - Total ('000)
447.0	503.0	517.2	545.6	559.8	574.0	592.0	610.0	0-14 years
448.0	513.0	530.2	564.6	581.8	599.0	621.2	643.4	15-49 years
75.0	82.0	83.6	86.8	88.4	90.0	91.8	93.6	50-64 years
31.0	32.0	33.0	35.0	36.0	37.0	38.0	39.0	65+ years
2.29	2.60	2.66	2.76	2.88	2.92	2.94	3.00	Population growth rate -Total (%)
2.36	2.60	2.62	2.72	2.80	2.87	2.87	2.93	Female (%)
2.33	2.60	2.70	2.81	2.97	2.96	3.02	3.08	Male (%)
2.60	2.67	2.69	2.72	2.73	2.74	2.75	2.76	Natural growth rate (%)
96.9	96.7	96.8	97.0	97.2	97.2	97.4	97.5	Male ration (for 100 females)
89.0	88.0	87.8	87.4	87.2	87.0	87.0	87.0	Dependency rate - Total (%)
83.0	82.0	81.8	81.4	81.2	81.0	80.8	80.6	0-14 years
6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	65+ years
26.5	...	26.5	...	...	...	...	...	Average age at marriage (years)
23.0	...	23.0	...	...	...	...	...	Female (years)
30.0	...	30.0	...	...	...	...	...	Male (years)
3.0	...	4.0	3.0	...	...	...	...	Contraceptives prevalence rate (%)
6.1	6.0	6.0	6.0	5.9	5.9	5.8	5.8	Synthetic fertility index (by woman)
930.0	...	...	...	...	...	...	...	Maternal mortality rate (per 100000)
112.0	107.4	105.6	103.8	102.0	100.3	98.5	96.7	Infant mortality rate (per 1000)
103.2	99.0	97.4	95.8	94.2	92.5	90.9	89.3	Female (per 1000)
120.5	115.5	113.5	111.6	109.7	107.7	105.8	103.9	Male (per 1000)
49.0	50.1	50.5	50.9	51.3	51.7	52.1	52.5	Life expectancy at birth - Total (years)
50.7	51.7	52.1	52.5	52.9	53.3	53.7	54.1	Female (years)
47.5	48.5	48.9	49.3	49.7	50.1	50.5	50.9	Male (years)
1.07	1.07	1.07	1.06	1.06	1.06	1.06	1.06	Gender ratio F/M
7.1	...	7.5	7.5	7.6	...	...	...	Average family size - Together
...	...	...	...	...	...	...	...	Urban
...	...	...	...	...	...	...	...	Rural
...	...	...	...	...	...	...	...	Female family heads - Total (%)
...	...	...	...	...	...	...	...	Urban (%)
...	...	...	...	...	...	...	...	Rural (%)
65.2	62.4	61.3	60.8	60.3	59.8	59.3	58.8	Adult literacy rate - Total (%)
76.1	73.0	71.7	71.1	70.5	69.9	69.3	68.7	Female (%)
53.7	51.3	48.9	48.3	47.7	49.3	48.9	48.5	Male (%)
48.8	75.1	81.0	84.6	84.3	83.0	...	...	Gross primary enrolment rate (%)
41.3	69.0	78.0	82.1	81.8	80.0	...	...	Girls (%)
55.9	81.2	85.0	87.1	86.8	86.8	...	...	Boys (%)



1990	1995	1997	1998	1999	2000	2001	2002	
13.7	15.9	17.0	15.4	18.3	15.0	...	...	Gross secondary enrolment rate (%)
9.0	11.0	14.6	16.4	15.5	20.0	...	...	Girls (%)
								Boys (%)
18.7	20.9	21.1	21.2	21.2	22.0	...	...
...	...	...	...	...	...	...	...	Secondary life expectancy - Total (%)
...	...	...	...	...	...	...	...	Girls (%)
...	...	...	...	...	...	...	...	Boys (%)
...	57.2	...	...	...	...	...	...	Net primary enrolment rate (%)
...	53.1	...	...	...	...	...	...	Girls (%)
17.8	20.2	...	24.1	...	...	...	...	Female teaching staff – primary (%)
...	...	...	...	...	...	...	...	Secondary (%)
925.0	1 039.0	1 093.0	1 122.0	1 152.0	1 185.0	1 219.0	1 255.0	Total Active Population ('000)
44.6	44.5	44.4	44.3	44.3	44.1	44.1	44.0	Female (in % of total pop.)
55.2	54.1	53.6	53.4	53.2	52.9	52.7	52.4	Total active agric. pop. (%)
62.5	62.3	62.3	62.4	62.4	62.5	62.6	62.5	Female (%)
49.4	47.5	46.7	46.2	45.7	45.3	44.9	44.4	Male (%)



Source: ADB Statistics Division

Revised objectives for poverty reduction

Priority objectives and performance indicators	Reference Situation		Quantified Objectives		
	Date	Value	2004	2010	2015
Reduce poverty					
Number of poor people (in thousands)	2000	1.161	1.146	789	584
Incidence of poverty	2000	46.3%	41.5%	24.8%	16.3%
Incidence of extreme poverty	2000	31.4%	26.5%	11.5%	4.8%
Depth of poverty	2000	17%	6.7%	3.4%	1.0%
Severity of poverty	2000	8.2%	6.3%	2.7%	1.4%
Gini Index	2000	39%	38.2%	39%	39%
Cf. indicators below					
Accelerate economic growth					
Annual GDP growth rate	2000	5.2	5.2	6.6	6.6
Annual per capita GDP growth rate	2000	2.7	2.7	4.0	4.0
Investment rate (in % of GDP)	2000	28.6	39.2	28.4	29.2
Maintain macroeconomic stability					
Inflation rate (in %)	2000	3.3	4.1	3.5	3.5
Fiscal balance (in % of GDP)	2000	-4.4	-1.8		
Recurrent budget deficit excl. Official transfers (in % of GDP)	2000	-6.2	-13.2	-10.0	-9.8
Gross reserves (in month of import)	2000	6.5	4.7	6.0	6.0
Debt/GDP ratio (in %)	2000	202.0			

Priority objectives and performance indicators	Reference Situation		Quantified Objectives		
	Date	Value	2004	2010	2015
Improve the overall level of education					
Gross primary enrolment rate	2000	88%	86%	98%	100%
Gross enrolment rate of girls	2000	85%	88%	98%	100%
Proportion of children completing the basic cycle	2000	55%	48%	76%	100%
Proportion of girls reaching the 6th year of basic ed.	2000	51%	51%	73%	100%
New children in 1st year of secondary education	2000	14 814	19 668	29 872	48 500
Pupil/teacher ratio in secondary school	2000	32	25	27	26.7
Adult literacy rate	2000	42.8%	23%	13%	5%
Recurrent expenditure on education in percent of GDP	2000	4.5%	5.9%	6%	6%

Priority objectives and performance indicators	Reference Situation		Quantified Objectives		
	Date	Value	2004	2010	2015
Improve overall health situation					
Life expectancy at birth (years)	1998	53.6	56	59	62
Synthetic fertility index	2000	4.7	4.5	4.4	4.2
Infant mortality rate (‰)	2000	87	80	55	42
Infant-juvenile mortality rate (‰)	2000	135	128	108	84
Attended birth rates	2000	56.9%	70%	75%	80%
HIV prevalence rate in pregnant women	2000	0.5	< 1	< 1	< 1
Coverage rate in a radius of 5km	2000	67%	77%	90%	95%
Rate of malnutrition (weight for age) in infants < 5years	2000	32%	20%	15%	13%
Increase access to clean water					
Connection rate to water network	1997	35%	45%	54%	60%
Increase income and improve living condition in rural areas					
Incidence of rural poverty	2000	61.2%	54.9%	44.0%	34.0%
Incidence of extreme rural poverty	2000	44.1%	36.0%	28.8%	24.0%
Gini index in rural areas	2000	36.7%	34.2%	32.2%	30.6%
Rate of growth of agriculture GDP	2000	-7.6	4%	10%	10%
Output of irrigated rice (tonnes/ha/rear, with off season cultivation)	2000	4.2	4	7	8
Rate of health coverage of livestock (compulsory vaccines)	1999	60%	56.3%	80%	85%
Output of arid-land food crops	2000	0.5	0.8	1.0	1.0
Increase income and improve the living conditions in the marginalised areas in major cities and secondary towns					
Target population (in thousands)	2000	540	266	540	700
Number of active population with access to micro-credit (in thousands)			20	40	80
Cumulated volume of micro-credits (in MU million)	2000	200	6000	229.000	69.800
Number of land title deeds regularised in the poor areas	2000	800	3600	10 000	15 000
Number of new serviced plots		200	1 500	15 000	20 000
Access to subsidised housing in poor areas (families)	2000	300	10 000	15 000	20 000
Per capita consumption of clean water in poor areas (l/day)	1997	10 to 20	20 to 30	40	50
Rate of access to clean water in the poor areas	1997	35%	40%	50%	60%
Price of a m ³ of water (in \$ USA) in poor areas	1997	2 to 3	<1	<0.5	<0.5
Price of a m ³ of water in poor areas compared to other areas	1997	5 times	1 time	0.8 times	0.8 times
Rate of access to sanitation in poor areas	2000	10%	15%	26%	36%

Millennium Development Objectives in Mauritania, 2002

Situation Overview								
Objectives	Targets	Will the objective be attained?			Situation of the favourable environment			
Objective 1: Reduction of extreme poverty and hunger	Target 1: Reduce by half, between 1990 and 2015, the proportion of the population whose income is less than a dollar per day	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
	Target 2: Reduce by half, between 1990 and 2015, the proportion of the population suffering from hunger	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
Objective 2: Ensure primary education for all children	Target 3: From now until 2015, give all children, boys and girls, the means to complete a complete cycle of primary education	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
Objective 3: Promote gender equality and independence of women	Target 4: Eliminate gender disparity in primary and secondary education before 2005 if possible and at all levels of education in 2015 at the latest	Probably	Potentially	Unlikely		Average	Weak but improving	Weak
Objective 4: Reduce mortality rate of infants below five years of age Objective 5: Improve maternal health	Target 5: Reduce mortality rate of infants below five years of age by two thirds between 1990 and 2015	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
Objective 6: Combat HIV/AIDS, malaria and other diseases	Target 6: Reduce maternal mortality rate by three quarters between 1990 and 2015	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
Objective 7: Ensure a sustainable environment	Target 7: Before 2015, stop the spread of HIV/AIDS and begin reversing current trends	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
	Target 8: Before 2015, control malaria and other major diseases and begin reversing current trends	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak
	Target 9: Incorporate the principles of sustainable development in national policies and reverse current trends of loss of environmental resources	Probably	Potentially	Unlikely	Strong	Average	Weak but improving	Weak

Mauritania – Bank Group’s On-going Operations by period (situation as at 08/11/2004)

A - Before 1994

No	Sector/Name of project	Window	Instrument	Approval date	Signature date	Effective date	Closing date	Loan Amount/Grant (UA)	Net Loan Amount/Grant (UA)	Disbursement rate	State of progress
	AGRICULTURE AND RURAL DEVELOPMENT										
1	DAMS IN THE TANGANT	ADF	TI	01/16/1974	10/04/1974	04/27/1978	09/30/1981	0.17	0.17	100.00	ACHEVE
2	HYDRO-AGRICULTURAL DEV. OF BOGHE	ADF	PL	11/26/1974	12/18/1974	12/31/1979	12/31/1980	3.96	3.96	100.00	ACHEVE
3	OPERATION WELLS (36 BOREHOLES)	ADF	PL	02/28/1978	04/05/1978	11/05/1979	12/31/1984	3.04	2.92	100.00	ACHEVE
4	CONST.OF SHEDS FOR STORAGE OF GRAINS	ADF	PL	11/22/1978	05/16/1979	08/13/1982	12/31/1983	6.45	5.60	100.00	ACHEVE
	INDUSTRY, MINING AND QUARRYING										
1	GUELBS I IRON MINERALS	ADB	PL	11/21/1978	12/21/1978	06/25/1981	06/30/1984	5.00	5.00	100.00	ACHEVE
2	GUELBS II IRON MINERALS	ADB	PL	01/23/1979	02/15/1980	02/24/1982	06/30/1984	5.00	5.00	100.00	ACHEVE
	WATER AND SANITATION										
1	NOUAKCHOTT WATER PIPELINE	ADF	PL	05/10/1974	06/04/1974	12/28/1977	12/31/1982	3.32	3.32	100.00	ACHEVE
2	NOUAKCHOTT WATER PIPELINE (COMPL.)	ADF	PL	11/22/1976	01/21/1977	06/28/1982	12/31/1984	0.83	0.75	100.00	ACHEVE
	COMMUNICATION										
1	TELECOMMUNICATIONS	ADB	PL	12/14/1972	05/17/1973	05/30/1974	06/30/1975	0.85	0.85	100.00	ACHEVE
2	TELECOMMUNICATION (SUPPLEMENTARY LOAN)	ADB	PL	10/14/1975	02/19/1976	04/19/1977	12/31/1978	0.80	0.80	100.00	ACHEVE

Mauritania – Bank Group’s On-going Operations by period (situation as at 08/11/2004)

B - From 1994 to 2004

No	Sector/Name of project	Window	Instrument	Approval date	Signature date	Effective date	Closing date	Loan Amount/Grant (UA)	Net Loan Amount/Grant (UA)	Disbursement rate	State of progress
AGRICULTURE AND RURAL DEVELOPMENT											
1	BOGHE HYDRO-AGRICOLE DEVELOPPMENT (COMPL.)	ADF	PL	11/11/1982	03/24/1983	11/18/1983	06/30/1994	2.55	2.54	100.00	ACHEVE
2	LIVESTOCK DEVELOPMENT	ADF	PL	06/18/1986	02/16/1987	07/13/1987	12/31/1998	7.41	6.93	100.00	ACHEVE
3	IRRIGATION SCHEME OPENING UP PROJECTP	ADF	PL	06/26/1987	02/15/1988	09/10/1990	06/30/1999	10.27	10.27	98.45	ACHEVE
4	ARTISANAL FISHERIES DEVELOPMENT	ADF	PL	06/22/1988	08/31/1989	04/24/1991	06/30/1999	5.27	5.27	97.72	ACHEVE
5	BRAKNA WEST HYDROAGRICULTURAL DEVELOPMENT	ADF	GA	11/20/1997	02/05/1998	01/24/2000	10/31/2004	0.79	0.79	63.07	ACHEVE
6	ARTISANAL FISHERIES DEVELOPMENT (Phase II)	ADF/OPEC Fund	PL	12/09/1999	11/10/2000	11/10/2000	06/30/2005	7.66	9.00	24.09	EN COURS
8	SPECIAL FOOD SECURITY PROGRAMME. PILOT PROJECT	ADF	EL	06/19/2000	03/08/2001	04/27/2001	12/31/2004	0.75	0.75	100.00	EN COURS
9	LIVESTOCK DEVELOPMENT AND RANGELAND MANAGEMENT PROJECT	OPEC Fund	PL	09/19/2000			12/31/1997	6.86	0.00	0.00	EN COURS
11	LIVESTOCK DEVELOPMENT AND RANGELAND MANAGEMENT	ADF	PL	04/04/2001	06/15/2001	03/10/2002	12/31/2006	5.00	5.00	26.08	EN COURS
12	FISHERIES SECTOR SUPPORT PROJECT	ADF	PL	09/01/1993	09/01/1993	10/20/1995	09/30/2004	10.13	3.69	99.13	EN COURS
INDUSTRY, MINING AND QUARRYING											
1	REHABILITATION OF THE SNIM	ADF	PL	06/22/1988	01/13/1989	08/07/1989	06/30/1994	12.02	12.00	100.00	ACHEVE
2	M'HAOUDAT IRON MINERALS	ADB	PL	12/17/1990	02/08/1991	12/04/1991	12/31/1996	46.81	45.01	100.00	ACHEVE
3	SNIM CAPCITY BUILDING PROJECT	ADB	PL	05/18/2001	06/08/2001	02/27/2002	06/30/2005	19.87	29.89	93.73	EN COURS
TRANSPORT											
1	TRANSMAGHREBINE AKJOUST-ATAR ROAD PROJECT	ADF	PL	09/12/1996	10/03/1996	11/17/1997	06/30/2001	8.90	8.03	100.00	ACHEVE
2	CONSTRUCTION OF THE ROSSO-BOGHE ROAD	ADF/NTF/TAFA	PL/GI	07/02/2003	12/16/2003	09/15/2004	12/31/2007	14.62	14.62	4.3	EN COURS

Mauritania – Bank Group’s On-going Operations by period (situation as at 08/11/2004)

No	Sector/Name of project	Window	Instrument	Approval date	Signature date	Effective date	Closing date	Loan Amount/Grant (UA)	Net Loan Amount/Grant (UA)	Disbursement rate	State of progress
	WATER AND SANITATION										
1	REHAB. OF DRINKABLE WATER SUUPLY – SANITATION	ADF	PL	12/12/1985	04/30/1986	02/05/1990	06/30/1997	6.94	6.72	100.00	COMPLETED
2	RURAL WATER SUPPLY IN THE SOUTH EAST	ADF	PL	02/25/1991	05/09/1991	12/10/1992	03/31/2003	7.77	6.73	93.18	COMPLETED
3	WATER SUPPLY FOR 10 TOWNS	ADF	GA	05/02/1991	05/12/1992	12/08/1992	12/31/1996	2.00	1.50	100.00	COMPLETED
4	NOUAKCHOTT DWS PROJECT (Aftout Essaheli)	ADF	PL	09/24/2003	12/16/2003		12/31/2009	10.00	10.00	0.00	ON GOING
	ENERGY										
1	NOUAKCHOTT ELECTRICITY POWER STATION	ADB	PL	12/21/1982	03/24/1983	06/19/1986	06/30/1994	14.86	14.84	100.00	COMPLETED
	FINANCE										
1	UBD LINE OF CREDIT	ADF	LC	03/18/1986	04/30/1986	09/11/1987	06/30/1996	3.68	3.47	100.00	COMPLETED
2	GBM LINE OF CREDIT	ADB	LC	12/12/2002	04/22/2003	06/24/2003	04/22/2005	6.65	10.00	100.00	ON GOING
	SOCIAL SECTOR										
1	EXPANSION OF SCHOOL OF HEALTH	ADF	PL	02/27/1976	03/22/1976	11/10/1983	06/30/1994	1.20	1.16	100.00	COMPLETED
2	CEG TEACHERS TRAINING CENTRE	ADF	PL	04/30/1981	05/22/1981	04/20/1983	06/30/1999	5.53	5.18	100.00	COMPLETED
3	STUDY ON HEALTH SECTOR	ADF	TI	02/13/1985	07/26/1985	07/07/1987	06/30/1994	1.22	1.22	100.00	COMPLETED
4	RESTRUCTURING OF THE EDUCATION SECTOR	ADF	PL	01/17/1989	08/03/1989	08/07/1990	06/30/1999	12.73	11.74	100.00	COMPLETED
5	INST. STRENGTHENING OF SOCIAL DIMENSIONS	ADF	GI	03/18/1991	05/09/1991	09/17/1991	12/31/1995	0.70	0.70	100.00	COMPLETED
6	STRENGTHENING OF PRIMARY HEALTH CARE	ADF	PL	03/23/1992	01/29/1993	03/09/1994	06/30/2002	9.21	6.91	100.00	COMPLETED
7	POVERTY REDUCTION PROJECT	ADF	PL	11/05/1997	11/18/1997	02/08/1999	06/30/2004	3.23	3.23	99.58	ON GOING
8	HEALTH SECTOR SUPPORT PROGRAMME	ADF	SI	03/17/1999	04/20/1999	08/02/2000	12/31/2004	10.11	10.11	69.56	ON GOING
9	SUPPORT TO THE DEVELOPMENT OF THE EDUCATION SYSTEM	ADF	PL	06/30/1999	09/17/1999	10/01/2000	12/31/2005	5.92	5.92	57.71	ON GOING
10	SUPPORT TO THE EDUCATION DECADE PROGRAMME	ADF	PL	11/28/2001	12/16/2001	10/20/2002	12/31/2007	8.29	8.29	10.22	ON GOING

Mauritania – Bank Group’s On-going Operations by period (situation as at 08/11/2004)

No	Sector/Name of project	Window	Instrument	Approval date	Signature date	Effective date	Closing date	Loan Amount/Grant (UA)	Net Loan Amount/Grant (UA)	Disbursement rate	State of progress
	MULTISECTOR										
1	STRUCTURALADJUSTMENT PROGRAMME	ADF	SL	05/27/1988	11/16/1988	01/25/1989	06/30/1994	13.82	13.82	100.00	COMPLETED
2	PUBLIC ENTERPRISE ADJUSTMENT PROGRAMME	ADF	SL	08/28/1991	12/03/1991	12/30/1991	06/30/1994	13.82	13.82	100.00	COMPLETED
3	PUBLI RESOURCES MANAGEMENT PROGRAMME	ADF	SL/FM	12/17/1996	12/20/1996	03/14/1997	12/31/1999	9.98	9.57	100.00	COMPLETED
4	1999 SUPPLEMENTARY FINANCING MECHANISM	ADF	FM	11/12/1999	12/15/1999	01/31/2000	12/15/2000	2.00	2.00	100.00	COMPLETED
5	INSTITUTIONAL SUPPORT PROJECT	ADF	GI	07/07/2000	09/29/2000		12/31/2004	1.05	1.05	45.63	ON GOING
6	2000 SUPPLEMENTARY FINANCING MECHANISM	ADF	FM	12/29/2000				1.81	0.00	0.00	ABANDONNED
7	FISCAL ADJUSTMENT PROGRAMME	ADF	SL	05/21/2001	05/30/2001	12/07/2001	12/31/2003	10.00	9.94	100.00	COMPLETED

Source: OPEV – Data extracted from SAP

PL = Project Loan, LC=Line of Credit, SI=Sector Investment and Rehabilitation

SL= Structural Adjustment, **SA=** Sector adjustment,

TI=Institutional Support and Rehabilitation Loan, **TA=**Loan tied to the activities of the project cycle

GI= Institutional Support and Rehabilitation Grant, **GA=**Grants tied to activities of the project cycle

FM=Supplementary financing mechanism

Recommendations and follow-up actions matrix

CONCLUSIONS	RECOMMENDATIONS	FOLLOW-UP
The Bank's contribution to policy dialogue has been weak.	<ul style="list-style-type: none"> ▪ Improve the CSP preparation process, through a better control of the preparation cycle, by expanding the participation to all the social strata, by devoting more time and resources, and by avoiding derailment towards choosing very large sectors (a better selectivity) ▪ Pay special attention to economic and sector studies, which should serve to nurture the strategy and dialogue, in order that the CSP become instruments for defining the orientations of economic policy, as well as expectations, forecast and matrix for Bank Group interventions. ▪ Redefine Bank strategy in the mining sector, by particularly emphasising Governance problems in the sector, synergy between enclave operations, the rest of the economy, and the fight against poverty. ▪ Redefine Bank strategy in the agriculture and rural development rural sector towards a programme approach, by particularly ensuring the integration of agriculture and livestock, and to a significant allocation of resources. 	Operations Department/Bank
There is lack of good governance in the country	<ul style="list-style-type: none"> ▪ Support good governance in the country, in the areas of public resources management and corruption, and the use of petroleum resources for the pursuit of the implementation of the PRSP. 	Bank
The advent of the petroleum era raises essential strategic, tactical and institutional questions and constitutes a challenge for the country	<ul style="list-style-type: none"> ▪ Participate actively in assisting the country to put in place a transparent and effective management strategy for the petroleum sector for: (i) to optimise the induced effects of the sector by developing the upstream and downstream supplies of services in the sector and by preparing national skilled labour, (ii) the prudent management of income from the sector taking into account precautionary savings needs given the volatility of prices and intergenerational savings given the limited duration of the exploitation, (iii) the rational use of income by ensuring export diversification and by strengthening the long term competitiveness of the economy, and (iv) strengthening capacities to guide, regulate and monitor the sector and its environmental impact. 	Operations Departments/Bank Mauritanian Government
It is difficult to make a real evaluation of the development efficiency of the Bank's assistance. Little attention was paid to monitoring/evaluation activities	<ul style="list-style-type: none"> ▪ Strengthen CSP monitoring/evaluation mechanisms, performance and development indicators at country level and in the Bank, and projects/programmes, by defining monitoring indicators by sector and by programme, by giving responsibility, in this regard, to a permanent structure in the MAED, by defining the responsibility of each structure in the preparation of statistics returns, by building national capacity, by revising periodicity of reviews, and by systemizing them. 	Operations Departments/Bank MAED PMU
Bank operations have recorded long implementation periods	<ul style="list-style-type: none"> ▪ Improve the project cycle by avoiding the integration of detailed technical studies in project activities, by having recourse to a Project Preparation Fund (PPF), by involving the civil society more and the beneficiary populations, by avoiding being overly optimistic during evaluation, by taking into account the capacities and implementation difficulties, and finally, by improving activity planning. 	Operations Departments/Bank
There is absence of policy for monitoring the outcomes of Bank operations in the field, which compromises sustainability.	<ul style="list-style-type: none"> ▪ Ensure a better consideration of the sustainability of outcomes, through support mechanisms, such as capacity building, post operation monitoring policy, etc. 	Bank
Bank assistance in Mauritania was handicapped by lack of local representation in the country	<ul style="list-style-type: none"> ▪ Give the Dakar Regional Office the necessary capacities and autonomy, so that it could meet expectations at the meeting of partners, initiate closer reviews, ensure a better presence and coordination of actions on the ground, and improve the visibility of the Bank 	Bank