

MAURITIUS

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: UPPER MIDDLE INCOME

LOCAL CURRENCY: MAURITIAN RUPEE (MUR)

POPULATION AND GEOGRAPHY

Area: 2 040 km²**Population:** 1.264 million inhabitants (2017), an increase of 0.2% per year (2010-2015)**Density:** 620 inhabitants / km²**Urban population:** 40.8% of national population**Urban population growth:** 0% (2017 vs 2016)**Capital city:** Port Louis (12% of national population)

ECONOMIC DATA

GDP: 28.2 billion (current PPP international dollars), i.e. 22 308 dollars per inhabitant (2017)**Real GDP growth:** 3.8% (2017 vs 2016)**Unemployment rate:** 6.8% (2017)**Foreign direct investment, net inflows (FDI):** 293 (BoP, current USD millions, 2017)**Gross Fixed Capital Formation (GFCF):** 17.4% of GDP (2017)**HDI:** 0.790 (high) rank 65 (2017)**Poverty rate:** 0.5% (2012)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Mauritius is a unitary republic with a unicameral parliamentary system of government. The National Assembly is composed of 70 members directly elected for a five-year term by universal suffrage. The President is the head of state and is indirectly elected by the National Assembly for a five-year term.

Mauritius, a Small Island Developing State, has a centralized system of government. Decentralization is not enshrined in the 1968 Constitution, with the exception of the guaranteed special status of the Island of Rodrigues, which has its own Regional Assembly (chapter VIA). The legal framework for local governments is provided by the 2011 Local Government Act, and by the 2001 Rodrigues Regional Assembly Act: Local authorities must be established at city, municipal, district and village levels.

The local authorities in Mauritius fall under the responsibility of the Ministry of Local Government and Outer Islands (MLGOI). The minister is responsible for overseeing the local governments and formulating policies and legislative framework to ensure the smooth running of local council matters. Overall responsibility for Rodrigues administration falls within the competence of the prime minister's office.

Regarding intergovernmental relations, local government may establish joint committees between two or more authorities in their common interest. In Rodrigues, the chief commissioner is required to inform the prime minister concerning the activities of the regional assembly. The executive council must submit to the prime minister policy statements on matters relating to the island of Rodrigues and may refer specific matters to the prime minister for the consideration of cabinet.

TERRITORIAL ORGANISATION

2018	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	130 village councils (128 rural, 2 urban)	5 municipal councils (4 town councils, 1 city council) 7 district councils	The island of Rodrigues	
	Average municipal size: 9 692 inhabitants			
	130	12	1	143

OVERALL DESCRIPTION. Local governments in Mauritius are divided into a three tiered system, of which, the Island of Rodrigues can be considered the highest level. There is no other level of subnational government in the Rodrigues island. Since 2002, the country is sub-divided into nine districts, the intermediary tier of government, which can be categorized as urban and rural areas. The urban areas form a conurbation composed of the capital Port Louis and the Plains Wilhems district. The district of Port Louis has a city council and the district of Plains Wilhems is structured into four town councils and two villages. The remaining seven district councils are rural areas, sub-divided into 128 village councils. The villages represent the first level of self-government. City, town and village councillors are elected by universal suffrage for a six-year term. District councils do not have directly elected representatives, but are composed of indirectly elected representatives from the village councils within their jurisdictions. The Island of Rodrigues has its own Regional Assembly.

ISLAND OF RODRIGUES. The Rodrigues Regional Assembly consists of 18 members who are directly elected for five years, 12 of whom are local regional members (two from each of the six local regions) elected by the first-past-the-post system, and six elected by proportional representation. The executive power of the assembly is vested in the executive council headed by a chief commissioner, who is indirectly elected by assembly members for a five-year term.

VILLAGE COUNCILS. The village council is the basic unit of local government and consists of nine village councillors. Village councils are headed by a part-time president, who is indirectly elected every two years by the village councillors.

CITY AND TOWN COUNCILS. There are five municipal councils: the city council of Port-Louis and the town councils of Beau Bassin-Rose Hill, Curepipe, Quatre Bornes and Vacoas-Phoenix. Each of them is headed by a Chief Executive who is responsible to the Permanent Secretary of the MLGOI. There is also a Mayor indirectly elected every two years by its peers in each city and town council.

DISTRICT COUNCILS. The seven district councils consist of representatives of village councils. They are indirectly elected every two years by secret ballot from among the councillors of each village council in the district. The District Council Chairperson is also indirectly elected every two years.

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

The 2011 Act provides municipalities and districts with the same competences and powers. These include, among others, education (nursery and pre-primary schools), health protection, construction and maintenance of roads (cleaning and lighting), environment (waste management and public spaces), cemeteries, organization of sports and cultural activities, and economic promotion. Municipalities and districts carry out these responsibilities through six departments namely: Administration Department, Finance Department, Land Use and Planning Department, Public Infrastructure Department, Public Health Department and Welfare Department. Each Department has a Technical Head under the supervision of the chief executive or district chairperson. Municipal and district councils may appoint standing committees with no delegated powers in the areas of public health, public infrastructure and welfare. Village councils' functions significantly overlap with those of municipal and district councils in specific fields such as environment protection and culture and recreation. However, villages are not responsible for the construction and maintenance of roads. Village councils may, subject to the approval of the Minister of Local Government and Outer Islands, carry out any other functions assigned to municipal and district councils. The regional assembly of Rodrigues has extensive responsibilities in the fields of general public services, economic affairs and transportation, environment protection and culture and recreation.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGION (ISLAND OF RODRIGUES)	INTERMEDIATE LEVEL (CITY, TOWNS AND DISTRICTS)	MUNICIPAL LEVEL (VILLAGES)
1. General public services	Public buildings and facilities (town houses etc.); Administrative and permit services (civil status register); Statistical office; Cemeteries and crematoria	Public buildings and facilities (town houses etc.); Administrative and permit services	Cemeteries and crematoria
2. Public order and safety	Civil protection; Criminal justice; Firefighting		
3. Economic affairs /transports	Tourism; Road networks and facilities (regional); Public transport (road); Telecommunications and IT; Commerce; Employment policies and services; Agriculture	Road networks and facilities (local); Parking; Public transport (road); Promotion of local economic development	
4. Environmental protection	Waste management (collection, treatment and disposal of waste); Parks and green areas; Nature preservation	Waste management (collection, treatment and disposal of waste); Cemeteries and crematoria; Nature preservation; Parks and green areas; Air pollution; Street cleaning; Sewerage (waste water management)	Waste management (collection, treatment and disposal of waste); Street cleaning
5. Housing and community amenities	Regional planning	Public lighting; Housing (construction and renovation); Housing (management); Urban and land use planning	
6. Health	Health protection	Health protection	
7. Recreation, culture & religion	Religious affairs; Cultural activities (theatres, exhibition halls); libraries; cultural heritage and monuments; Museums; Sports and recreation	Museums and libraries; Cultural activities (theatres, exhibition halls); Sports and recreation	Museums and libraries; Cultural activities (theatres, exhibition halls); Sports and recreation
8. Education	Vocational education and training	Pre-primary education (kindergarten and nursery); Vocational education and training	Pre-primary education (kindergarten and nursery); Vocational education and training
9. Social protection	Support services for families; Social security (administration)		

SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: regional government (Rodrigues Regional Assembly) and local governments (city, towns and districts).

IMF GFS

Availability of fiscal data:
Medium

Quality/reliability of fiscal data :
Low

GENERAL INTRODUCTION. Local government expenditure and revenues in Mauritius represent a small share of national GDP. The financial administration of sub-national governments, local governments and the Rodrigues Autonomous Assembly is under the oversight of the national government. In accordance with the 2011 Act, local government budget estimates must be approved by the Minister of Local Government and Outer Islands (MLGOI) and submitted to the Ministry of Finance and Economic Development.

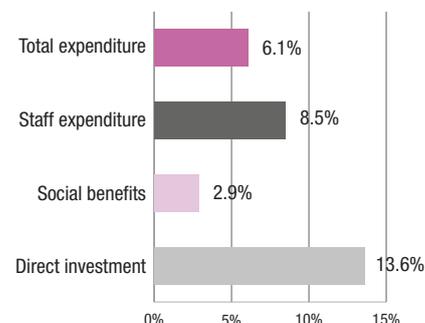
Municipalities, districts and villages have the authority to manage and allocate funds, incur expenses and borrow with the prior approval of the MLGOI. In addition, local governments must submit a monitoring report of actual revenues and expenditures to the MLGOI, in accordance with Article 141 of the 2011 Act. The MLGOI is also responsible for the allocation of "grants as aid" and grants for capital investment projects.

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SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

2016	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
Total expenditure	320	1.5%	100%	
Incl. current expenditure	272	1.3%	85.0%	
Staff expenditure	158	0.8%	49.4%	8.5%
Intermediate consumption	67	0.3%	20.8%	
Social expenditure	33	0.2%	10.4%	2.9%
Subsidies and current transfers	14	0.0%	4.4%	
Financial charges	0	0.0%	0.1%	
Others	0	0.0%	0.0%	
Incl. capital expenditure	48	0.2%	15.0%	
Capital transfers				
Direct investment (or GFCF)	48	0.2%	15.0%	13.6%

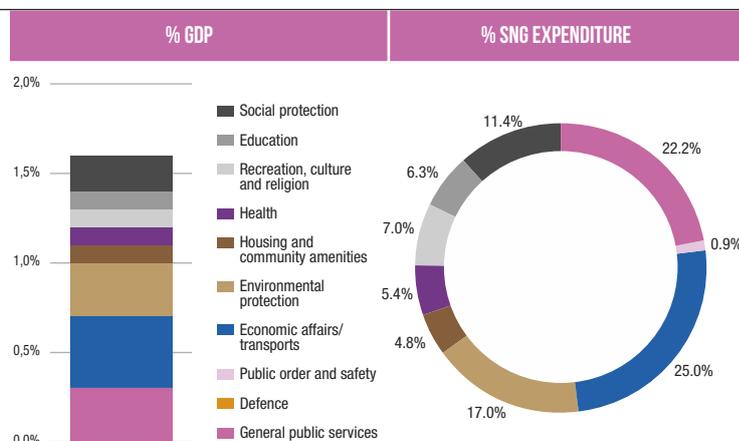


EXPENDITURE. In 2016, sub-national government expenditure accounted for 6.1% of government expenditure and 1.5% of GDP. 85% of SNG expenditure is devoted to covering current expenditures, almost half of which is employed to pay for staff expenditure. The second most important line of expenditure is intermediate consumption of goods and services, which accounts for almost 21% of subnational expenditure.

DIRECT INVESTMENT. 15% of public capital investments are made by sub-national governments. The Public Sector Investment Programme approved for the period 2016-2020 specifies the main areas of public capital investment, including those areas of investment for which local and regional authorities are responsible, namely water and waste water, land transport infrastructure, the energy sector, social and community development, port development and airport development.

SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG

In FY 2016, the majority of subnational governments' expenditures were dedicated to the following sectors: economic affairs and transportation (25%), general public services (22%), environmental protection (17%), social protection (11%) and recreation, culture and religion (7%). These sectors correspond to the responsibilities which are assigned to the municipal and district councils as well as the Rodrigues Regional Assembly.



SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

2016	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERNMENT REVENUE (SAME REVENUE CATEGORY)	% SNG REVENUE
Total revenue	326	1.5%	6.9%	
Tax revenue	14	0.1%	0.4%	4.4%
Grants and subsidies	275	1.3%		84.3%
Tariffs and fees	35	0.2%		10.7%
Property income	2	0.0%		0.6%
Other revenues	0	0.0%		0.0%

OVERALL DESCRIPTION. Municipal and district councils are entitled to raise revenues in specific areas such as building and land use permits, trading licenses, markets, cemeteries, scavenging, traffic fees, advertisements, and fines. In addition, city and municipal councils also have the capacity to raise revenue through a general property tax. Nonetheless, subnational governments have a limited financial autonomy: they depend mainly on intergovernmental transfers which represent 84.3% of total subnational government revenue.

Total sub-national revenues represented 6.9% of total government revenues in 2016, and 1.5% of GDP. These revenues have remained relatively stable as a percentage of GDP since 2013, while increasing by 13% as a percentage of general government revenues.

The Rodrigues Regional Assembly, with its specific status, is responsible, on its own, for a significant share of total sub-national revenues (40.4% in 2016).

TAX REVENUE. As specified in the 2011 Act, the only tax revenue of local authorities is the property tax since the abolition of the rental tax in 2012, which has led to a significant decrease in tax revenue. This source of revenue represents a very small share of subnational governments' revenue (4.4%) since it is constrained by narrow national tax bases. Municipal councils determine the tax rate based on the annual net value of the immovable property and its specific use (residential, commercial or industrial).

The Rodrigues Regional Assembly also collects tax revenue on goods and services which is not the case for municipal and district councils.

GRANTS AND SUBSIDIES. The annual 'grant as aid' system allocates for all local governments a monthly amount for current expenditures. This annual grant is voted as part of the budget of the MLGOI at the beginning of the financial year. Nearly 90% of the grants are current grants, with only over 10% being capital grants. Capital grants are mainly received by the Rodrigues Regional Assembly, which represents 12% of total SNG grants.

OTHER REVENUES. Administrative fees and charges include market place selling fees, visitor fees, exploitation fees among others, while property incomes consist of property leasing and sales and income from municipal companies and public utilities.

■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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Total outstanding debt

Financial debt*

* Currency and deposits, loans and bonds

FISCAL RULES. Each local authority has an internal control unit headed by a professionally qualified internal auditor who is responsible for ensuring that independent evaluations are carried out on a regular basis. According to Section 19 of the Finance and Audit Act, the annual accounts of the city, municipalities and districts must be presented to the national Director of Audit each financial year.

DEBT. Local governments and the Island of Rodrigues may borrow, with previous approval of the central government, based on their financial capability. Article 89 of the 2011 Local Government Code provides that a municipal city, town or district council may take on debts secured against its revenues or other property and by issuing bonds with the approval of the Minister of Finance. The Code stipulates that municipal councils may borrow up to MUR 10 million (approximately US 614 000 PPP-adjusted).



Lead responsible: UCLG
Last update: 02/2019

www.sng-wofi.org

Socio-economic indicators: World Bank // UNDP // UN DESA // ILO.

Fiscal data: IMF Government Finance Statistics // Ministry of Finance and Economic Development.

Other sources of information: Commonwealth Local Government Forum (2017) Country Profile Mauritius // Ministry of Finance and Economic Development (2018) Public Sector Investment Programme 2016/17 – 2020/21.