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INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

AND MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP FRAMEWORK

FOR THE

ISLAMIC REPUBLIC OF MAURITANIA

FOR THE PERIOD FY18–FY23

June 13, 2018

Country Department AFCF1
Africa Region

International Finance Corporation
Sub-Saharan Africa Department

Multilateral Investment Guarantee Agency
Sub-Saharan Africa Department

The date of the last Country Partnership Strategy was September 5, 2013
(Report No. 75030-MR)

ISLAMIC REPUBLIC OF MAURITANIA

GOVERNMENT FISCAL YEAR
January 1 – December 31

CURRENCY EQUIVALENTS
Exchange Rate Effective as of May 31, 2018

Currency Unit	=	Mauritanian Ouguiya (MRU)
US$1.00	=	36

	IDA	IFC	MIGA
Vice President:	Makhtar Diop	Sergio Pimenta	Keiko Honda
Director:	Louise J. Cord	Cheikh Oumar Seydi	Merli Baroudi
Task Team Leader:	Laurent Msellati Judith Laufman	Faheen Allibhoy	Paul Barbour Gero Verheyen

List of Abbreviations and Acronyms

AFD	*Agence Française de Développement*
AZFN	*Autorité de la Zone Franche de Nouadhibou/* Nouadhibou Free Zone
ARAP	Abbreviated Resettlement Action Plan
ASA	Advisory Services and Analytics
BCM	*Banque Centrale de Mauritanie/* Central Bank of Mauritania
BEEP	Business Environment Enhancement
BGTPP	Banda Gas to Power Project
CAD	Current Account Deficit
CAS	Country Assistance Strategy
CASCR	CAS Completion Report
CLR	Completion and Learning Review
CMAP	*Centre Mauritanien d'Analyse de Politiques*
CPF	Country Partnership Framework
CPIA	Country Policy and Institutional Assessment
CPPR	Country Portfolio Performance Review
CPS	Country Partnership Strategy
CRW	Crisis Response Window
CMAW	Creating Markets Advisory Window
DB	Doing Business
DGPSP	*Direction Générale de Promotion de Secteur Privé*
DP	Development Partner
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
DTIS	Diagnostic Trade Integration Study
ECF	Extended Credit Facility
ECREEE	ECOWAS Centre for Renewable Energy and Energy Efficiency
EEZ	Exclusive Economic Zone
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
ESMP	Environmental and Social Management Plan
ESW	Economic and Sector Work
EU	European Union
FADES	*Fonds Arabe de Développement Economique et Social*
FAO	Food and Agriculture Organization
FCV	Fragility, Conflict and Violence
FENAPE	*Fédération Nationale des Associations de Parents d'Elèves*/National Federation of Parents' Associations
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gases
GIL	Gender Innovation Lab
GoMR	Government of Mauritania
GNI	Gross National Income
GPE	Global Partnership for Education
GPSA	Global Partnership for Social Accountability
GSM	Global System for Mobile Communications
HOI	Human Opportunity Index
ICR	Implementation Completion Report
ICT	Information and Communication Technology
IDA	International Development Association
IDD	Integrity Due Diligence
IE	Impact Evaluation
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IGG	Inclusive Green Growth
IMF	International Monetary Fund
IMROP	*Institut Mauritanien de Recherches Océanographique et des Pêches*
INAYA	Health System Support Project
ISR	Implementation Status & Results Report
IT	Information Technology
IXP	Internet Exchange Point
JSDF	Japan Social Development Fund
LFPR	Labor Force Participation Rate
LG	Local Government
LMIC	Lower Middle-Income Countries
M&E	Monitoring and Evaluation
MEDD	*Ministère de l'Environnement et du Développement Durable*
MDTF	Multi-Donor Trust Fund
MFD	Maximizing Finance for Development
MIGA	Multilateral Investment Guarantee Agency
MSME	Micro, Small and Medium Enterprises
MTEF	Medium-Term Expenditure Framework
NEET	Neither in Education, Employment, or Training
NFZ	Nouadhibou Free Zone
NLTA	Non-Lending Technical Assistance
NPLs	Non-Performing Loans
OMVS	*Organisation pour la Mise en Valeur du fleuve Sénégal/* Senegal River Basin Organization
OP/BP	Operational Policies/ Bank Policies
OPCS	Operations Policy and Country Services Unit
PARIIS	*Projet d'Appui Régional à l'Initiative pour l'Irrigation au Sahel/* Sahel Irrigation Initiative Support Project
PDALM	*Plan d'Aménagement du Littoral Mauritanien*
PDRI	*Programme de Développement Rural Intégré/* Integrated Rural Development Program
PEFA	Public Expenditure and Financial Accountability Assessment
PER	Public Expenditure Review
PFM	Public Financial Management
PGIRE2	*Projet de Gestion Intégrée des Ressoures en Eau dans le Bassin du Fleuve Sénégal/*Senegal River Basin Integrated Water Resources Management Project
PIM	Public Investment Management
PIUs	Project Implementation Units
PLR	Performance and Learning Review
PNIDDLE	Programme National Intégré d'Appui à la Décentralisation au Développement Local et à l'Emploi des jeunes
PPA	Project Preparation Advance
PPIAF	Public Private Infrastructure Advisory Facility
PPP	Public-Private Partnership
PRAO	*Projet Régional des Pêches pour l'Afrique de l'Ouest*
PRAPS	*Projet Régional d'Appui au Pastoralisme au Sahel/* Regional Sahel Pastoralism Support Project
PRECASP	Public Sector Capacity Building Project
PRISM 2	*Projet de Renforcement Institutionnel du Secteur Minier/*Second Mining Sector Capacity Building Project

PRSP	Poverty Reduction Strategy Paper
PSGP	Public Sector Governance Project
PSW	Private Sector Window
REDISSE	Regional Disease Surveillance Systems Enhancement
RETF	Recipient-Executed Trust Fund
RMCAH	Reproductive, Maternal, Child, and Adolescent Health
ROSC	Accounting Norms and Codes Compliance Study
SAWAP	Sustainable Landscape Management Project
SCAPP	Stratégie de Croissance Accélérée et Prospérité Partagé
SCD	Systematic Country Diagnostic
SDGs	Sustainable Development Goals
SDIN	Société de Développement des Infrastructures Numériques
SME	Small and Medium Enterprise
SNIM	*Société Nationale Industrielle Minière*
SMEs	Small and Medium Enterprises
SNPS	National Social Protection Strategy
SOE	State-Owned Enterprises
SORT	Systematic Operations Risk-Rating Tool
SSA	Sub-Saharan Africa
SWEDD	Sahel Women Empowerment/Demographic Dividend Project
TA	Technical Assistance
ToT	Terms of Trade
TVET	Technical and Vocational Education and Training
UDP	Urban Development Program
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WACA	West Africa Coastal Areas Management Program
WARCIP	West Africa Regional Communications Infrastructure Project
WARFP	West Africa Regional Fisheries Program
WASH	Water, Sanitation and Hygiene
WBG	World Bank Group
WFP	World Food Program

FY18-FY23 COUNTRY PARTNERSHIP FRAMEWORK FOR MAURITANIA

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FY18-FY23 COUNTRY PARTNERSHIP FRAMEWORK
FOR THE
ISLAMIC REPUBLIC OF MAURITANIA

Harnessing Mauritania's Natural Resource Wealth to
Strengthen Human Capital and Achieve Inclusive and Resilient Growth

I. INTRODUCTION

1. **Mauritania's abundant endowment of natural resources, its strategic location at the gateway between Sub-Saharan and Northern Africa, its richly diverse, yet stratified, cultural and social make-up and its position in a restive region, increasingly beholden to the ravaging effects of climate change, create a complex development space for poverty reduction and shared prosperity.** The commodity super-cycle spurred solid economic growth, allowed for significant government investments in infrastructure, and enabled Mauritania to register one of the best performances in poverty reduction in the region. Yet, poverty reduction was principally anchored in the benefits that poor rural agro-pastoral producers gained from temporary increases in domestic food prices – at the expense of the urban poor – rather than gains in productivity or structural mechanisms to help the bottom 40 percent of the population build their asset base, participate more actively in economic activity, and ensure more inclusive growth. Underlying these trends, limited progress was achieved in resolving lingering, deep-seated, and historically-based social cleavages while fledgling formal state institutions sought to overcome prevailing traditional and informal systems of governance.

2. **The end of the commodity super-cycle brought these challenges to the fore, marking a decisive turning point in Mauritania's quest to end poverty and achieve shared prosperity by 2030.** Mauritania is now presented with both the opportunity and the challenge of transforming its extractive-driven and state-dominated development model into one that leverages the country's natural endowments – mining and gas, but also fisheries, and agro-pastoral resources – and promotes private sector-led diversification and sustainable job creation. Such a transformation ultimately hinges on creating a more inclusive and resilient economy that can weather the impacts of climate change. Demographic pressures – including an increasingly youthful and rapidly urbanized population – coupled with growing concerns of radicalization, highlight the urgency of strengthening the social contract, creating employment opportunities and enhancing service delivery. These priorities are captured in the government's new development strategy, "Strategy for Accelerated Growth and Shared Prosperity 2016-2030" (*Stratégie de Croissance Accélérée et de Prospérité Partagée*, SCAPP).

3. **This Country Partnership Framework (CPF) for Mauritania lays out the program for the period of FY18–FY23 and reflects lessons from the Completion and Learning Review (CLR) (*see Annex 2*) of the preceding FY14-FY16 Country Partnership Strategy (CPS), which was discussed at the Board on September 5, 2013.** It draws on the findings of the 2017 Strategic Country Diagnostic (SCD), which identified four critical resource pathways to sustained inclusive growth and shared prosperity: leveraging its abundant mineral resources, through more transparent management, developing its fisheries and livestock resources, capitalizing on rapid urbanization

trends, and building its human capital. To successfully develop these pathways, the SCD highlights the need to strengthen economic governance, especially around macro-fiscal rules, to focus on pro-poor, efficient public expenditures, and to reinforce regulatory policies to create a more level playing field for private investment. Finally, the SCD highlighted the foundational challenges of reinforcing the social contract and the legitimacy of rules-based institutions and enhancing resilience to the effects of climate change.

4. **The CPF will support the transition to a more inclusive, diversified and resilient model of growth, building on Mauritania's natural resource wealth.** First, it expands opportunities for economic diversification with interventions to raise productivity in traditional livestock, fisheries, and agricultural activities; improves household welfare through access to basic services; and enables increased participation in economic activity which will further sustain growth. Second, interventions in education, health and social protection will emphasize quality and access for the most vulnerable population segments and employability of youth and women. Third, it supports improvements in economic governance to optimize revenue mobilization and public spending, create opportunities for the private sector and strengthen the transparency of the extractives sector. The CPF exploits the synergies of the World Bank Group (WBG), with IDA focusing on public goods and policy reforms to create attractive opportunities in the primary sector (agriculture, fisheries, livestock and extractives), and IFC and MIGA supporting private sector investments and an improved investment climate. It also deploys a wide range of WBG instruments, drawing complementarities between development policy loans and investment operations to support the implementation of reforms, while leveraging regional programs, particularly in sectors with strong externalities (such as climate change, public health, pastoralism and fisheries).

5. **This six-year CPF will deploy lending, knowledge services, and the WBG convening role to achieve *bold* and *ambitious targets,* with a continued emphasis on *outcomes*.** Against this backdrop, the WBG will support three focus areas: (a) promoting economic transition for diversified and resilient growth, (b) building human capital for inclusive growth, and (c) strengthening economic governance and private sector-led growth, with a cross-cutting emphasis on gender and climate change. The CPF period, with a potential envelope of close to US$500 million, spans both the IDA18 and IDA19 periods, allowing for a longer-term implementation approach and a focus on results. At the same time, given the six-year time frame, the program will be carefully monitored to assess the need for mid-way adjustments during implementation. In addition to the IDA country envelope, resources from specific IDA Windows such as the Regional program, as well as from IFC, MIGA and Trust Funds will continue to be leveraged. Advisory Services and Analytics (ASA) will inform WBG policy dialogue and CPF priorities (*See Section 3.5 on Mauritania's indicative FY18-FY23 country program and portfolio*).

6. **What will be done differently in this CPF?** First, the proposed program will mainstream resilience across operations and knowledge work. The CPF emphasizes adaptation to the effects of climate change and building environmental resilience, as well as macroeconomic stability to ensure economic resilience. Similarly, the CPF adopts a gender focus to bridge the gender gaps that limit the agency and economic empowerment of women and girls in the country. Second, the CPF places an emphasis on governance, with a dedicated pillar in the Results Matrix, reflecting Government's emphasis in the SCAPP – to continue the "unfinished business" of the

CPS and support the emergence of credible, rules-based institutions. Third, this CPF reflects a spatial approach by focusing on delivering basic services and infrastructure to a select number of intermediate cities and adjacent territories offering economic development opportunities and concentrating investments in fragile areas that are vulnerable to climatic shocks, security risks, and those particularly hard-hit by poverty. The CPF will build on existing and forthcoming digital infrastructure to exploit opportunities to develop digital services and applications in support of the proposed program. IDA will collaborate with other development partners in border zones, as part of the Sahel Alliance regional approach. Finally, the CPF will feature a sharpened focus on private sector development, seeking to foster a more level playing field to accelerate the nascent transition from public to private sector-led growth. This will be achieved through even closer collaboration between IDA, IFC and MIGA in Maximizing Finance for Development.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

2.1. Social and Political Context

7. **Mauritania is a large (just over 1 million km^2), sparsely populated, arid, resource-rich country with a per capita gross national income (GNI) of US$1,120 (2016) which geographically and culturally straddles North Africa and Sub-Saharan Africa (SSA).** Only 0.5 percent of the land in Mauritania is arable, and with a population of about 4 million[1] people, the density of 3.9 inhabitants per km^2 makes it the fourth least densely populated country in Africa. Transhumance and semi-nomadic livestock-raising dominate rural life, with productive irrigated agriculture concentrated along the Senegal River. Natural resource wealth (iron ore, gold, crude oil, and natural gas) boosted per capita gross domestic product (GDP) to US$1,138 in 2016, up from US$700 in 2007, lifting Mauritania into the ranks of lower-middle-income countries (LMIC).

8. **In contrast to preceding periods, which were punctuated by a series of coups, political stability has prevailed in recent years.** The current political settlement centers on an ethnically homogenous group, connected to the political leadership, who control the centers of economic activity and occupy senior positions in the military, the administration and the judiciary. Beyond this inner circle is a layer of leaders who gain access to economic and administrative opportunities (including extractive rents) in return for their loyalty.

9. **Yet good governance is impeded by the influence of traditional patrimonial networks.** Patronage in the public administration distorts incentive structures and skews public resource allocation and service delivery. The public sector remains the largest formal employer in Mauritania. Although the Government recently committed to manage the wage bill and improve human resource systems, merit-based recruitment and performance-based management have yet to be institutionalized. Thus, rent-seeking continues to permeate the administration.

[1] The 2013 census (*Recensement Général de la Population et de l'Habitat,* RGPH 2013) counted 3.54 million people living in Mauritania. Per official projections (*Projections démographiques,* National Statistics Office, 2016), the Mauritanian population will reach 3.98 million in 2018 and 4.17 million in 2020. In 2020, urban populations will outnumber rural populations (total urban population will be 52.8 percent in 2020 compared to 48.3 percent in 2013).

10. **In the wake of low commodity prices and limited fiscal space, the Government faces growing pressure to optimize public spending and reduce the distortionary effects of the rentier economy.** The political stakes for transforming the governance landscape in Mauritania are high, yet the costs of maintaining a rentier economy (as described in the SCD) on job creation, private sector development, inclusive growth and social cohesion are equally significant.

11. **Social cohesion in Mauritania remains tenuous.** Mauritanian society is constructed around a complex hierarchy of white and black Arabs and Black Africans in which ethnicity, clans, and tribes are intertwined. Social stratification can create tensions and resentment *between* ethnic groups and *within* these groups. The Government has sought to break away from the legacy of slavery and ethnic stratification through efforts such as a presidential acknowledgement of the grievances of black Africans, and 2012 Constitutional amendments affirming the multi-ethnic character of the state and criminalizing slavery. A new anti-slavery law was introduced in 2015, as was *Tadamoun*, an agency established in 2013 to implement programs to eradicate the legacy of slavery and alleviate poverty. But historical legacies, and ethnic discrimination, continue to pose a risk to social cohesion.

12. **Social fragmentation can be reinforced by social norms that create enabling conditions for corruption, informal modes of dispute settlement, and a not fully independent judiciary.** Rapid urbanization has weakened traditional mechanisms without creating adequate economic opportunities or social integration. Urban youth, a particularly fragile population segment[2], constitute a risk of radicalization. Political participation by civil society organizations has expanded; yet the persistent influence of an elite has slowed decentralization and limits its role as a channel for citizen engagement, inclusive participation, and service delivery.

2.2. Regional Context

13. **While Mauritania has been a bulwark against regional instability, fragility risks remain.** Mauritania shares a border with Algeria and Mali and suffered several attacks from Al-Qaeda in the Islamic Maghreb in 2005–11, shutting down a small, but promising desert tourism industry. Although the Government of Mauritania (GoMR) has taken a hard line against terrorism, continued instability in Mali has had negative spillover effects, including an influx of refugees, trade disruptions, and illegal trafficking.

14. **Notwithstanding this, Mauritania has assumed a leadership role in relations with its Sahelian neighbors.** The G5 Sahel was formed in 2015, at the initiative of Mauritanian President Mohamed Ould Abdel Aziz, and has become an important framework for security cooperation and socio-economic development among the five member nations.

15. **Regional cooperation has been pursued with both the Maghreb and West African neighbors.** Mauritania has been a member of the Arab Maghreb Union (*Union du Maghreb Arabe,* UMA) since it was formed in 1989 as an economic union of the five Maghreb states. It has also pursued cooperative relations with its neighbors in West Africa. The recent rapprochement between Mauritania and Senegal is evidenced by agreed action in two strategic sectors: the

[2] The census carried out in 2013 estimated that the individuals under 15 years old accounted for 44.2 percent of the population.

January 2018 signing of an Inter-Governmental Cooperation Agreement for the development of the *Grande Tortue Ahmeyim* (GTA) gas field; and an accord on enhanced cooperation in fisheries. In 2017, Mauritania signed a new cooperation agreement with ECOWAS, to become an observer member, after departing that regional body in 2000. At the sectoral level, Mauritania is also a member of the Senegal River Basin Organization (OMVS) which was established in 1972 with the mandate of coordinating water resources and energy development among riparian countries.

2.3. Recent Economic Developments

Macro-Economic Update

16. **Economic activity rebounded in 2017, driven by improved private consumption and the gradual recovery of iron ore and copper prices.** GDP growth is estimated at 3.5 percent for 2017, up from 2.0 percent in 2016 and 1.4 percent in 2015. Recovery remains fragile as liquidity constraints in the domestic market and fiscal consolidation continue to dampen growth. On the supply side, fisheries, trade and livestock remain the main growth drivers, offsetting weak performance in the construction sector, which is hampered by reduced public investment and subdued mining output due to operational problems at (SNIM).[3] Non-extractive GDP grew by 4 percent in 2017, up from 2.5 percent in 2016, offsetting a 0.1 percent decline in real growth in the extractives sector (*see Table 1*).

17. **Inflation was moderate at 2.3 percent in 2017, up from 1.5 percent in 2016, with emerging pressures from rising imported food prices.** This is partly due to gradual depreciation of the *ouguiya* since 2015.[4] As food represents about 51 percent of the consumption basket, rising food prices are likely to have a significant negative impact on purchasing power of the poor. The Government is trying to mitigate this impact through the EMEL food stores subsidies for the poor and by increasing public investment in irrigated surfaces for rice and grain.

18. **Fiscal policy has been the anchor of macroeconomic stability.** The GoMR intensified fiscal consolidation policies to adjust to the enduring terms of trade (ToT) shock. The fiscal deficit was reduced from 3.4 percent of GDP in 2015 to 0.5 percent in 2016, owing to fiscal restraint; reduced public investment; revenue measures which raised VAT, customs, fishing-license fees, and improved tax administration. The GoMR maintained its prudent fiscal stance in 2017, leading to a further decline of the budget deficit, which fell to 0.2 percent of GDP in 2017; while primary budget balance remained in surplus for a second consecutive year. As a result, public debt declined to 96.5 percent of GDP in 2017, down by 2.6 percentage points from 2016.

19. **External pressures eased in 2017 as commodity prices recuperated and fiscal consolidation continued.** The tightening of fiscal policy was effective in reducing imports, notably of construction equipment. Aided by a sharp rise in the value of iron ore and fishing exports in 2017 (19 and 48.3 percent, respectively), the trade deficit fell to 7 percent of GDP. The external

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[3] *"Société Nationale des Industries Minière"*, the public mining utility.

[4] On January 1, 2018, the Central Bank of Mauritania introduced new currency bills and rebased the *Ouguiya* by eliminating one zero. This exercise is intended to: improve management of currency circulation given the excessive reliance of the economy on cash; introduce security features to currency notes to extend its durability and fight counterfeiting and money laundering; and reduce fiduciary costs and facilitate economic transactions.

current account deficit (CAD) reached 14 percent of GDP, down from 15.8 percent in 2016, though financing it remains a challenge. The slowdown in foreign borrowing disbursements related to public investment projects spurred a moderate decline in foreign reserves, from 5.2 months of goods imports in 2016 to 4.9 months in 2017.

20. **The foreign exchange regime continues to leave Mauritania vulnerable to external shocks.** Prior to 2014, the Central Bank of Mauritania (*Banque Centrale de Mauritanie*, BCM) intervened in exchange rate markets, resorting to rationing and imposing caps on foreign exchange. Amid the collapse in commodity prices and contraction of domestic liquidity, exchange rate policy was unable to absorb the shock, prompting the BCM to adopt a crawling peg to the US$ in September 2014. In June 2015, BCM resorted to a US$300-million non-concessional Saudi loan to boost reserves and defend the exchange rate, increasing public debt. Reserves rose from 2.9 to 5.1 months of imports, but the real effective exchange rate appreciated by 8.2 percent. The US$ strengthened vis-à-vis the euro, leading to an overvaluation of the currency estimated at between 14 and 21 percent[5] in 2017.

21. **Lack of instruments has restrained the effectiveness of monetary policy, but reforms are now underway.** The BCM lacks monetary instruments and has limited scope to intervene directly with commercial banks due to low-quality collateral and no direct credit or deposit facilities. With support from the International Monetary Fund (IMF), a three-year reform plan is addressing these gaps. In 2017, the BCM improved foreign exchange market processes and allowed for greater flexibility, bringing the exchange rate closer to its medium-term equilibrium. The GoMR has cautiously undertaken structural reforms, which are expected to accelerate under the IMF program in 2018.

22. **Financial sector risks remain elevated as commercial banks face tight liquidity and a weak banking supervision framework.** The financial sector suffers from poor asset quality, low profitability, and highly concentrated deposits and credits. Non-performing loans (NPLs) continue to decline, down to 23 percent of gross credit in 2017 (from 45 percent in 2010), reflecting improved supervision and write-off efforts. The share of NPLs remains high, data reliability remains an issue, and provisioning costs impair banks' profitability. Credit net of provision, a measure of credit depth, has risen from 18 percent of GDP in 2013 to 25 percent (in June 2017). This is low compared to peer countries. The current prudential and supervision frameworks, which are insufficient to deal with bank failures, will also be addressed under the IMF program.

Debt Dynamics

23. **Mauritania is at high risk of external debt distress; fiscal consolidation will be vital to ensuring medium-term debt sustainability.** The most recent Debt Sustainability Analysis (DSA, May 2018) reveals breaches of all debt indicator thresholds except for the ratio of debt-service-to-exports. This is due in part to a sharp increase in the public external debt stock between 2012 and 2015, undertaken to finance infrastructure investment and boost BCM's reserves. A contraction in nominal GDP in 2015 and depreciation of the nominal exchange rate compounded

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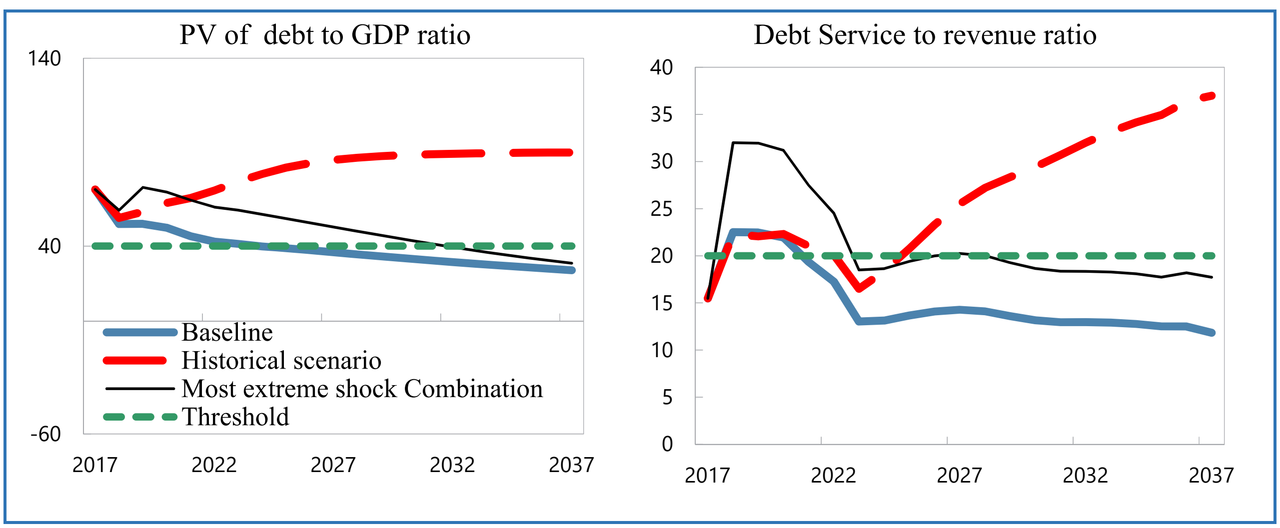
[5] IMF Article IV, October 2017. These are estimates were calculated in June 2017.

this trend. Continued fiscal reforms, and improved growth, are expected to reduce public-debt-to-GDP ratios from 2018 onward, ultimately dropping below indicative thresholds by 2022.

24. **Debt sustainability risks are mitigated by the concessional nature of the debt stock.** Debt-service obligations are low (1.4 percent of GDP and 5.2 percent of government revenues) and maturities are relatively long (Figure 1). Mauritania, with no access to international capital markets, meets its financing needs primarily through grants and concessional loans from development partners (DPs).[6] This debt trajectory is highly sensitive to growth and changes in the external environment. A decline in annual GDP growth coupled with weakening balance of payments conditions could force the authorities to resort to non-concessional borrowing and jeopardize the gains from fiscal consolidation.

25. **As debt is central to macroeconomic stability in Mauritania, the WBG and the IMF are working closely together to help address debt policy and debt management**. On debt policy, the World Bank development policy operation (DPO) and the IMF Extended Credit Facility (ECF) program (*see Box 1*) have outlined a fiscal consolidation program and indicative fiscal targets agreed with government to reduce the debt ratios. On debt management, a division of labor has been established between the two institutions. The World Bank, through its Public Governance Project, is assisting the government at the upstream stage by tackling public investment management, notably prioritization and procurement, and introducing a medium-term fiscal and budgetary expenditure framework at the central and sectoral levels. The IMF, through technical assistance (TA) from AFRITAC, is working on debt coordination and development of the domestic debt market. Upon request from the Ministry of Economy and Finance (MEF), the CPF would seek to tap into the multi-donor debt management facility for low-income countries to deliver further customized TA on debt management.

Figure 1: External Debt Indicators, Estimated and Projected (2017-2037)



Source: MEF, Joint WB-IMF DSA 2018, World Bank Staff Calculation.

6 Sixty-one percent of the debt stock is owed to multilateral donors. US$100 million is owed to Kuwait for a loan contracted in the 1970s but not cancelled as part of the HIPC initiative. It is a dormant debt now estimated at around US$1 billion where no principal or interest are paid. The two governments are in discussions to cancel this debt.

Table 1: Key Macroeconomic Indicators

	2013	2014	2015	E2016	E2017	P2018	P2019	P2020
Real Economy	annual change unless otherwise indicated							
Real GDP growth	6.1	5.6	1.4	2.0	3.5	3.6	4.6	5.2
Per Capita real GDP growth	3.5	3.0	-1.0	-0.4	1.1	1.2	2.2	2.8
Extractives GDP growth	15.1	4.2	-5.3	-1.1	-0.1	0.3	2.6	3.2
Non-extractives GDP growth	5.6	5.8	2.4	2.5	4.0	4.1	4.9	5.5
o/w primary sector growth	-1.0	2.2	5.9	3.5	3.6	3.6	4.6	5.2
o/w services growth	3.4	10.0	4.1	2.5	3.9	4.3	5.0	5.7
Prices	annual change unless otherwise indicated							
GDP deflator	3.0	-9.2	-4.9	4.1	4.2	3.5	3.7	3.2
CPI Inflation	4.1	3.5	0.5	1.5	2.3	3.6	4.6	4.2
Iron Price (US$/dmt)	135.4	97.0	55.9	58.4	71.8	64.0	60.0	55.0
Copper Prices (US$/mt)	7332	6863	5510	4868	6170	6800	6816	6833
Oil Price (US$/bbl)	104.1	96.2	50.8	42.8	52.8	65.0	65.0	65.4
Gold Prices ($/ troy oz)	1411	1266	1161	1249	1258	1300	1282	1264
Fiscal Accounts	Percent of GDP, unless otherwise indicated							
Expenditures	25.8	29.5	32.7	28.2	27.7	27.2	27.6	27.7
Revenues	30.1	26.1	29.3	27.7	27.5	27.3	27.9	28.4
Primary Budget Balance (excl. grants)	4.6	-2.5	-4.1	-1.3	0.2	0.2	0.6	0.9
Primary Budget Balance	5.2	-2.4	-2.3	0.5	1.2	1.4	1.8	2.2
Budget Balance (excl. grants)	3.6	-3.5	-5.2	-2.4	-1.2	-1.1	-0.9	-0.6
Budget Balance	4.3	-3.4	-3.4	-0.5	-0.2	0.1	0.3	0.7
Public Debt (including Kuwait debt)	70.6	80.4	98.4	99.1	96.5	91.4	90.7	88.4
Domestic	4.1	6.2	5.7	4.7	5.1	4.8	5.0	5.1
External	66.5	74.1	92.7	94.3	91.4	86.6	85.7	83.4
Public Debt (excluding Kuwait Debt)	52.9	61.2	76.9	77.8	77.0	72.1	71.2	68.9
PV of Public Debt /GDP						56.4	56.1	53.5
Balance of Payment	Percent of GDP, unless otherwise indicated							
Current Account Balance	-22.2	-28.3	-20.7	-15.8	-14.0	-9.7	-8.8	-8.7
Trade of Goods Balance	-6.9	-13.7	-12.1	-10.7	-7.0	-3.9	-3.3	-3.0
Imports	-53.7	-50.9	-42.1	-40.7	-40.7	-39.7	-40.0	-40.5
Exports	46.8	37.2	30.0	29.9	33.7	35.8	36.7	37.5
Services (Net)	-14.8	-14.1	-8.5	-7.2	-9.5	-9.0	-8.8	-8.2
Income (Net)	-3.0	-2.7	-3.9	-2.5	-1.1	-1.7	-1.4	-1.4
Foreign Direct Investment	19.9	9.6	10.8	5.8	9.9	7.0	6.7	6.5
Gross Reserves (million US$, eop)	982	620	821	825	849	894	949	1046
in months of goods imports	3.9	2.8	5.1	5.2	4.9	5.1	5.2	5.4
in months of imports (goods & services)	3.0	2.2	4.2	4.4	4.0	4.2	4.3	4.5
Exchange Rate (avg)	296	302	324	352	357.58			
GDP (nominal - billion MRO)	1,696	1,626	1569	1666	1797	1927	2090	2269
GDP per capita (US$)	1478	1358	1191	1138	1180	1201	1212	1242

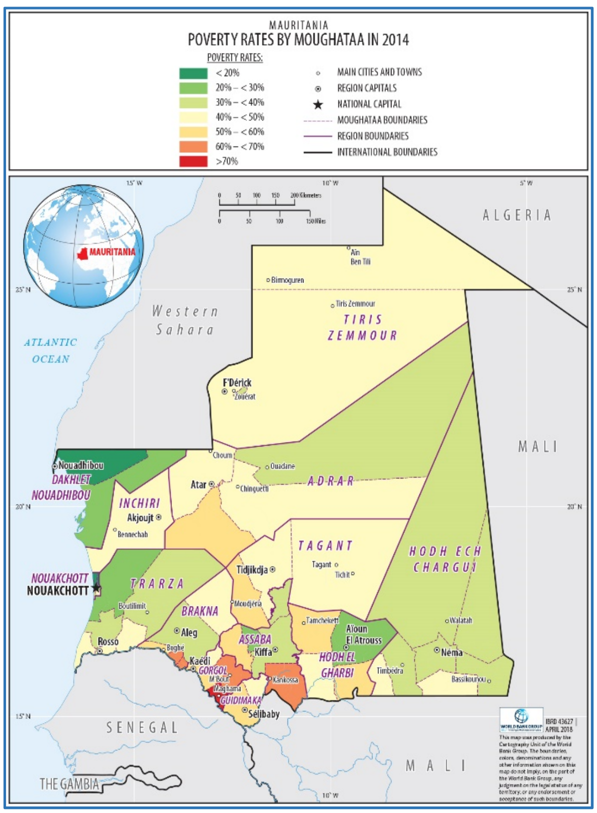
Source: MEF, *Office National des Statistiques*, BCM, IMF Article IV, UN Population, World Bank Pink Sheet and World Bank Staff calculations. * Commodity prices for 2017 reflect those as of April 2017.

Box 1: IMF ECF Program Has Been Agreed

The IMF has approved a Three-Year Arrangement under the Extended Credit Facility (ECF) for Mauritania. The US$160-million program, approved by the IMF Board on December 6, 2017, is supporting reforms in the foreign-exchange market and external adjustments by: (a) enabling more active monetary and liquidity-management policies and improving the functioning of foreign-exchange markets to increase policy flexibility and support external sustainability; (b) sustaining fiscal consolidation by enhancing tax administration and improving public investment management to keep the public debt stock on a downward trajectory; (c) strengthening banking supervision and tightening the regulatory framework to reinforce financial stability and boost private-sector credit; and (d) advancing structural reforms to improve the business environment, enhance competitiveness, and accelerate diversification. All performance criteria were met at end-December 2017, and a first review of the ECF was successfully completed by the IMF Board on May 25, 2018. A second review is planned for September 2018.

2.4. Poverty and Inequality

Figure 2: Incidence of Poverty by Moughataa (2014)



26. **Mauritania experienced accelerated poverty reduction during the commodity boom.** Until the early 2000s, poverty reduction in Mauritania had been modest, with an average annual decline in the poverty rate of slightly below 1 percent. However, between 2008 and 2014, poverty reduction accelerated by an average annual rate of almost 2 percentage points. The poverty rate dropped from 44.5 percent to 33 percent[7] between 2008 and 2014. Mauritania's performance on poverty elasticity to GDP growth was the fourth highest in Africa after South Africa, Madagascar, and Botswana.

27. **Non-monetary measures of wellbeing also improved and progress has been made with respect to inequality and vulnerability.** The Human Opportunity Index (HOI), which measures the coverage and equitable distribution of opportunities, showed progress across all dimensions (including primary education, health and piped water) other than labor. Inequality, as measured by the Gini Index, declined from 35.3 in 2008 to 31.9 in 2014. Estimates also show a decrease in vulnerability between 2008– 2014, highlighting observed improvements in asset ownership.

28. **Rural areas benefitted most from accelerated poverty reduction, while Nouakchott experienced a slight *increase* in poverty.** Between 2008 and 2014 the greatest growth in mean

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[7] Based on the national poverty line of MRO 177,200.

household expenditure occurred in rural areas, where all percentiles of the expenditure distribution did well, in particular the lower deciles. The most successful regions in terms of shares of people who managed to escape poverty were the predominantly rural regions of Hodh El Chargi, Gorgol, Brakna, Adrar and Tagant (*see Figure 2*). Since Mauritania's poor populations are concentrated in rural areas, this rural bias in expenditure growth had a significant impact on overall poverty reduction. By contrast, urban areas registered fewer gains in poverty reduction, and in Nouakchott, poverty rates remained stagnant at best, or rose slightly, at worst.

29. **Notwithstanding recent trends, poverty in Mauritania remains an overwhelmingly rural phenomenon that is partly associated with uneven access to productive assets.** Three-quarters of the poor live in rural areas, mostly in the south; urban coastal areas show the lowest poverty rates. The highest poverty rates are among rural households engaged in livestock-rearing and agriculture. The urban poor are principally engaged in informal services, the third most significant occupation linked to poverty. Despite the recent growth in livestock productive assets, land is inequitably distributed, especially in the Senegal River valley. Furthermore, only 18.7 percent of women in Mauritania own land, and women account for just 8 percent of those holding title to land or property *(see Box 5 and Annex 8 for additional detail on Gender*).

30. **Poverty also continues to be associated with inequitable access to social services.** Mauritania ranked 153rd among 186 countries on the 2014 Human Development Index.[8] While the bottom 40 percent performed relatively better with respect to human capital indicators in recent years, the gap with the top 60 percent is still large. The highest poverty rates occur in households headed by those with little or no primary education. Net enrollment rates improved for all ages between 2008 and 2014, yet among the poorest 20 percent, two-thirds of children aged 6–11 are not in school. Sixty percent of primary-school students reach the last grade, 34 percent proceed to secondary school, but only 12 percent advance to the final year of upper-secondary. Education *quality* is reflected in poor standardized test results in Mathematics and French in primary schools. Learning achievement in Mauritania is low and has been stagnating or deteriorating over the past 15 years.[9]

31. **Mauritania has seen improvements in vaccination coverage and life expectancy, with more modest gains in maternal/child health and nutrition**. More than half of the infants in rural areas are delivered without skilled birth attendants. The maternal mortality ratio (602 per 100,000 live births) is falling, but is still almost double the ratio in Senegal (317) and well above the SSA average (547). Child and maternal malnutrition is the leading risk factor for death and disability, and the wasting prevalence rate is 11.6 percent (Mauritania ranked 114th out of 130 countries in the 2016 Global Nutrition Report[10]). Mauritania has the lowest rate of access to improved water and sanitation (57 and 40 percent, respectively) in the region.

32. **Despite declining inequality, constrained access to the labor market reinforces exclusion, particularly of women, low-income and domestic workers.** Rates of labor force

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8 United Nations Development Program, *Human Development Report: Work for Human Development*, 2015.

9 Poverty data reveals a net decline in literacy among children ages 10-14, and a marginal increase in literacy for older children ages 15–20 years. The decline in literacy among under-15-year-olds between 2008 and 2014 appears to coincide with reforms that introduced bilingual education and structural changes in the secondary cycle: SCD.

10 Global Nutrition Report: From Promise to Impact, Ending Malnutrition by 2030, 2016, Washington, DC: IFPRI.

participation and employment have not improved for all, but they are especially poor for young (age 20-29), female and low-income workers, and even worse for unpaid workers or domestic servants. Social mobility for these groups is not visible, which creates pools of chronic poverty and exclusion that represent an important constraint to further poverty reduction in Mauritania. Even though the gap in consumption is closing across regions, chronic poverty remains concentrated in a group of regions, notably in Gorgol and Guidimagha.

2.5. Drivers of Poverty and Development Challenges

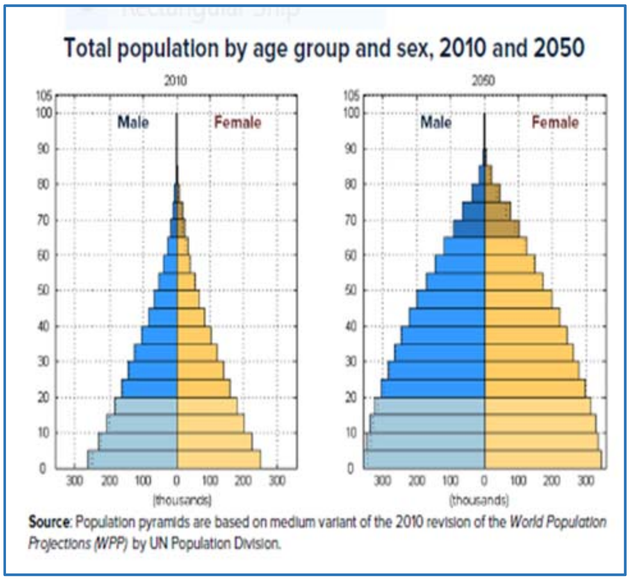
33. **The recent decline in poverty arose principally from temporary relative price changes in primary commodities.** The main driver of rural poverty reduction was the improved welfare of agricultural and livestock producers. There was a significant movement of labor out of agriculture and into livestock. Net food-producer households experienced a growth rate in per capita household expenditure of over 33 percent, compared with only 1.4 percent among non-producers. The rise in rural incomes is largely due to price increases for primary sector goods and, to a lesser extent, output expansion. Livestock producers benefitted from high meat prices, which outperformed inflation by more than 15 percent over the period, and were influenced by increased domestic demand and exportation.

34. **Higher food prices, together with urban migration, led to increased poverty in Nouakchott.** Higher food prices have diminished the purchasing power of net food purchasers, especially in Nouakchott, where food constitutes 54 percent of the household consumption basket. On top of price increases for local food items, imported rice in Nouakchott cost more than double the world price, while imported wheat was 60 percent more expensive, reflecting monopolistic practices in food import markets. The rapid influx of predominantly poor rural migrant populations also contributed to increased urban poverty.

Key constraints to sustainable progress in poverty reduction and shared prosperity

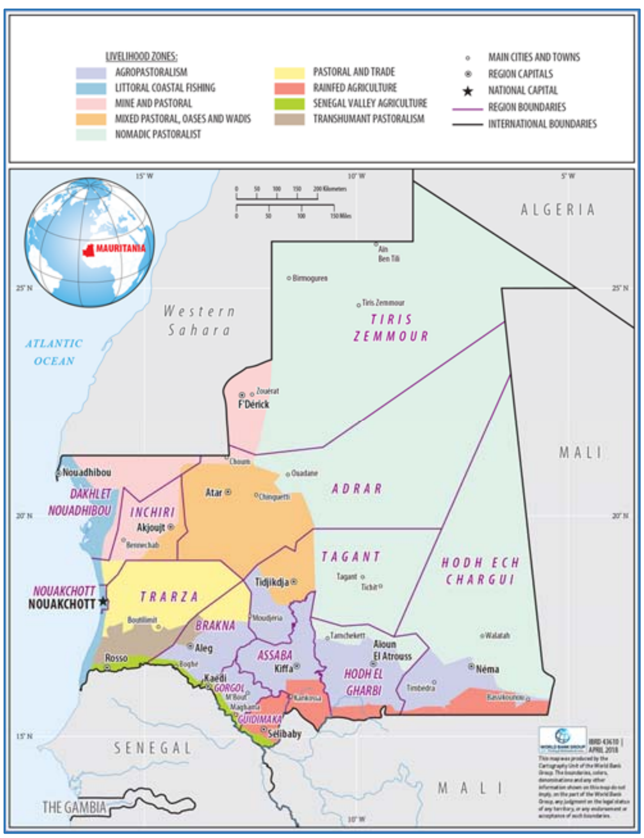
35. **Robust growth during the commodity boom relied on a narrow “extract and export” basis and failed to share benefits with natural endowments in fisheries and agro-pastoral resources.** The capital-intensive nature of recent growth – driven by the mining sector – resulted in limited direct job creation (although the extractives sector tends to create more skilled jobs and has a positive multiplier effect on economic growth). Due to automation, direct job creation is limited: the mining sector accounts for 1.7 percent of direct employment, though it results in ancillary, indirect employment. Less than half of the working-age population in Mauritania is employed: the employment rate, which is particularly low among youth, fell from 48.7 percent in 2008 to 41.6 percent in 2014. This steady decline in the labor force participation rate (LFPR) limits the scope for Mauritania to reap the benefits of recent demographic shifts (see Figure 3). The accelerated decline in poverty and inequality relied on relative price changes rather than gains in total factor productivity or structural mechanisms to enable the poor to build their human capital and other assets.

Figure 3:Total population by age group and sex (2010 and 2050)



36. **Mauritania has a very young population in which the gender gap in employment is particularly severe.** Over 60 percent of the population has less than 25 years (62.8 percent in 2018). Men hold three jobs in every four, even though women represent 55 percent of the working-age population. The 2014 female LFPR of 22 percent (down from 28 percent in 2008) is well below the SSA average of 64 percent. Unemployment is an additional challenge in Mauritania (30-31 percent of the population is currently unemployed), with even higher rates of unemployment among women and youth.

Figure 4: Livelihood zones



37. **Mauritania has the potential to sustain and accelerate inclusive growth by leveraging its natural endowments in extractives, fisheries, agriculture and livestock (*Figure 4*).** Based on recent estimates, minerals comprise 43 percent of Mauritania's natural resource wealth, followed by fisheries and agro-pastoralism.[11] In extractives, setbacks in attracting private investments, weak performance of the iron ore parastatal, and comparatively low revenue generation limit the sustainable exploitation of mineral resource wealth. The policy framework has not enabled the use of extractive rents to support the growth of competitive labor-intensive sectors and has limited the optimal, pro-poor use of revenues. Failure to harness the full potential of Mauritania's livestock and fisheries endowments, including development of value-addition industries, further constrains diversification and job creation. Fisheries face significant challenges in sustainability and generating local revenue and employment, while the agro-pastoral sector requires institutional coordination to mitigate the effects of climate change. Access to and use of digital technologies can be an additional instrument to improve agricultural efficiency, access to information and markets, and progress in the value chain. Investments in

[11] World Bank, *Inclusive Green Growth: The Pathway to Sustainable Development*, 2012, Washington, DC: World Bank.

the last decade in the road network constitute an asset for connecting agricultural and livestock production areas to domestic and export markets.

38. **Unmanaged urbanization hinders the emergence of productive and inclusive cities.** Mauritania has the second highest rate of urbanization on the continent, and will become a predominantly urban country by 2025.[12] The expansion of urban centers, induced by the influx of drought-affected rural populations, poses challenges in planning and service provision while yielding few of the agglomeration effects associated with urbanization. Cities in Mauritania are characterized by informality, poor infrastructure and service coverage, self-employment and weak human capital – traits which are unfavorable to attracting private investment and developing higher-productivity services and tertiary sectors. That said, the percentage of people with access to internet in urban areas rose to 46 percent in 2017, compared to 41 percent in 2016, which offers opportunities to develop economic activities, especially for youth.

39. **Improvements in equity will unlock prevailing poverty traps.** Unequal access to quality social services and inequitable labor markets prevent the poor from becoming a healthy, educated, and productive workforce. Shared prosperity in Mauritania is further constrained by high, distorted food prices which exert disproportionate pressure on the urban poor; and inequities in land resource distribution, especially in the Senegal River Valley, which have a crucial impact on the productive and revenue-generation capacity of the rural poor. Given the 120- percent mobile phone penetration rate, digital technologies could be a useful tool to the equitable provision of basic public services in remote areas of Mauritania.

III. WORLD BANK GROUP PARTNERSHIP STRATEGY

3.1. Government Program and Long-Term Strategy

40. **The Mauritania Growth and Shared Prosperity Strategy (SCAPP 2016-2030), adopted by the Council of Ministers on October 19, 2017, forms the basis of economic and social policies.** It follows the *Cadre Stratégique de Lutte contre la Pauvreté* (CSLP, 2001-2015) and was developed through consultations and dialogue between the administration, elected officials, academia, civil society (including, for the first time, members of the diaspora), private sector, and DPs. This vision is built around: (a) promoting strong, inclusive and sustainable growth; (b) developing human capital and access to basic social services; and (c) strengthening governance in all its dimensions. The SCAPP will be implemented through three five-year action plans, the first covering the period 2016-2020, with bi-annual sectoral evaluations and annual reviews.

41. **The SCAPP identifies the four following risks to implementing the strategy**: (a) the prevailing security situation in the Sahel Region; (b) the impact of climate change, drought and other natural disasters; (c) exogenous economic shocks linked to external demand and global commodity prices; and (d) depletion of international capital to finance mining and infrastructure

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[12] The urbanization rate is estimated at between 59 percent and 62 percent (2012 census-adjusted projections; *World Development Indicators 2015*). Nouakchott, growing at an average of 10.0 percent a year up to 2000 and at 4.4 percent a year since then, has experienced the second-highest rate of urbanization in Africa and now accounts for around 30 percent of the total population. Urban population has more than doubled since 1977, increasing from 22.7 percent in 1977 to 48.3 percent in 2013.

projects. The SCAPP was prepared in parallel to the SCD; the two documents are strongly aligned. In close coordination with the GoMR and national stakeholders, preparation of the SCD contributed to national reflections and facilitated a strong coherence between the Government's strategy and the WBG's twin goals.

3.2. Lessons Learned and Stakeholder Consultations

Lessons from the FY13-FY16 Country Partnership Strategy (CPS)

42. **The overall performance of the CPS program (FY14-FY16) is rated as Moderately Satisfactory (*see Completion and Learning Review (CLR) in Annex 2*).** This rating is an aggregate measure of progress made toward achieving CPS outcomes. Ten out of fourteen outcomes are rated as Achieved or Mostly Achieved. Results under Pillar 1 – Growth and Diversification – are rated as Moderately Unsatisfactory, despite achievements in improving the business environment, financial services for small businesses, and internet access. Results under Pillar 2 – Economic Governance and Service Delivery – are rated as Moderately Satisfactory, with progress in access to technical and vocational training, better targeting of safety net programs, and improvements in financial management, including at the local level. *The team acknowledges the gap between the official end of the CPS period – June 30, 2016 – and the activities that continued through the end of FY17, as the SCD was under preparation.*

43. **In terms of WBG performance, the CLR rates the *design* of the CPS as Fair, while *implementation* of the program is rated as Good.** There was strong WBG collaboration in support of the business environment (through the Doing Business program) and ASA were relevant and informed operations and policy dialogue. Although operations and knowledge work had significant impact on the ground and contributed to achieving several CPS outcomes, the CPS results matrix often lacked sufficiently measurable indicators. *In the absence of a Performance and Learning Review (PLR) during the CPS period, there was a missed opportunity to reassess country circumstances and revise the CPS Results Matrix accordingly.*

44. **While these ratings reflect the strategic objectives and outcome indicators in the CPS Results Matrix, they do *not* fully capture the robust impact of WBG engagement in Mauritania during the past four years**, nor do they reflect the degree to which the World Bank is viewed as a trusted partner by the Government, as a valued player within the community of DPs, and a provider of high-quality knowledge products. IDA performance was particularly effective in the areas of social safety nets, fisheries, and climate change. As noted in the CLR, the team acknowledges the shortcomings of the CPS Results Matrix, as well as the need for broader sector- wide approaches to take account of operational conditions, capacity gaps, and the need for greater depth in monitoring and evaluation. In terms of successes, there was substantial cooperation among the entire World Bank Group, which will be further strengthened under this CPF. *These and other lessons are reflected in the CPF Results Matrix.*

Key lessons from the CLR are as follows:

45. **The CPS period must be long enough to implement programs that can yield results.** The CPS spanned only three years, which was not long enough to bring all projects to effectiveness nor to yield measurable results from those projects. *This CPF period will span six years (FY18- FY23). To take stock of country circumstances and adjust the CPF design and results matrix accordingly, an early PLR will be undertaken, most likely at the end of IDA 18 (early FY21).*

46. **Expand sector-wide approaches.** World Bank financing has greater impact when it operates within a broad government program, in coordination with other DPs. This has been the case for the Social Safety Net Program, *Tekavoul*, in which the Bank supported the Tadamoun Agency design and tested the program which is now being adopted by other bilaterals (AFD) and multilaterals (WFP). *The CPF will continue to promote sector-wide approaches in social protection and expand to areas such as health, education, energy, and water and sanitation.*

47. **Consider the operational context.** The experience from previous projects – such as WARCIP, and the Road Corridor Project – underscores the need for sufficient flexibility in project design to adapt to changes in the country and sector context as well as strong government ownership. The CPS outcome indicators did not fully capture the overall impact of the WBG engagement nor the significant contribution of knowledge work and the resulting policy dialogue with government. *A broad consultative process with Government has contributed to a CPF that is fully aligned with the SCAPP and has enhanced its ownership of the program.*

48. **Invest in capacity building.** The Completion Report for the CAS FY07-12 (CASCR, Report No. 81125) noted weak capacity in much of Mauritania's administration and argued for capacity building in individual operations as well as long-term reform and modernization. This issue persisted during the CPS period, where weak capacity affected several projects and was a key challenge for IFC and private sector engagement. While TA projects helped government officials to take informed policy decisions, the proliferation of Project Management Units, housed within the Ministry of Finance for fiduciary reasons, tends to perpetuate ring-fenced approaches without building local implementation capacity. *The CPF will focus on creating sustainable capacity that will remain beyond individual WBG operations and the end of the CPF period.*

49. **Expand collaboration across sectors within the WBG.** Collaboration between IDA, IFC, and MIGA – while significant and successful – was limited to certain sectors, particularly investment climate, extractives, PPPs, and energy. There are numerous opportunities to pursue further collaboration under the CPF. For example, the Nouadhibou project offers scope for collaboration across Global Practices and with IFC on Investment Climate and Doing Business. *A "One World Bank Group" approach is fully reflected in this CPF.*

50. **Improve M&E at both country portfolio and projects levels.** During the CPS period IEG rated the M&E quality as only 16 percent satisfactory. This very low rating is mainly driven by: (a) the lack of M&E ownership at both sector and project levels; (b) lack of rigor in monitoring project performance indicators; (c) the lack of rigor in collecting and analyzing data to assess project performance; and (d) and insufficient objectivity in assessing project performance, i.e., ratings that are disconnected from reality. *There is room for improvement in Mauritania's M&E*

system by building capacity and supporting the emergence of accountable, rules-based institutions.

51. **Improve design and evaluation of co-financing arrangements.** Greater coordination with DPs has helped leverage a limited IDA envelope, as in the Roads, PNIDDLE, and IT projects. However, in the case of co-financing: (a) PDOs should clearly specify implementation responsibilities between DPs, including measurable targets; (b) project design should clarify both the overlap and gaps between the respective requirements (notably environmental and social safeguards); and (c) contingency plans should be prepared in the event of changes in co-financing or parallel financing arrangements. *These recommendations will contribute to improved efficiency and greater impact of pooled financial resources.*

52. **The WBG's impact goes beyond financing.** The Bank's convening role is linked to the perception that it is an "honest broker" that brings significant impact through knowledge work. Analytical products and policy dialogue with Government – in areas such as PPP transaction advisory, private sector development, PFM and fiscal consolidation – laid the groundwork for development policy operations and investment climate reforms through the Doing Business process (*these reforms are detailed in Annex 7*). WBG knowledge work can also inform the strategies of other DPs. *These valuable pieces of ASA need to be translated, and disseminated widely, for maximum impact.*

Stakeholder Consultations

53. **Preparation of this CPF was informed by an extensive series of consultations.** Discussions spanned the full range of stakeholders including the GoMR (both central and regional levels), DPs, civil society organizations, private sector representatives, professional organizations, and women's groups. The GoMR and civil society appreciated the consultations held in three regions – Chami, Noudhibou, and Aleg – to encompass the diverse development challenges facing Mauritania: urbanization and service delivery; boosting competitiveness and employment for inclusive and sustainable growth; and boosting resilience to climate change. Participants in the private sector consultation – who spanned the banking, mining, tourism, fisheries and agribusiness sectors – highlighted the need for a more level playing field through greater transparency and commercial justice, enhancing the skills and competencies of the workforce, and a simplified legal framework for doing business. Gender and Social Inclusion issues were discussed at a half-day session featuring representatives of civil society, government, private sector, and development partners. Attendees highlighted the range of constraints faced by women in Mauritania, the extent to which they are influenced by social norms, and the need to scale up programs to help leverage women as agents of change in Mauritania. This stakeholder feedback is reflected in the CPF focus on service delivery, resilience to climate change, enhancing governance and economic management, improving the business climate, and narrowing the gender gap. *The consultations process is detailed in Annex 10.*

Partnerships and Donor Coordination

54. **The development partner landscape in Mauritania is characterized by close and effective collaboration.** A joint Government-Donors Committee, comprised of GoMR representatives and

DPs, meets at least twice a year under the aegis of the MEF to ensure coordinated aid flows. This Committee played an important role in supporting the preparation of the SCAPP. Collaboration among DPs is enhanced by a formal donor coordination framework which focuses on sectoral themes. Mauritania has worked well with and benefitted from the support of several multilateral donors including the *Fonds Arabe de Développement Economique et Social* (FADES) – the largest contributor – the European Union (EU), the WBG, the African Development Bank (AfDB), the United Nations System, and the Islamic Development Bank (BID) (*see Annex 9)*. It has also accessed substantial assistance from bilateral donors and traditional partners such as France, Germany, Italy, Japan, Spain and United States, as well as new partners, mainly China – the second largest contributor – and India. The WBG worked closely with the UN System, notably with UNICEF and the WFP, in developing the safety net instruments and supporting the design of a mechanism to deploy responses to climate shocks, and with UNFPA in implementing a regional program for women's empowerment and demographics (SWEDD). The WBG is also a founding institutional member of the Sahel Alliance (*see Box 2*). This CPF was informed by several strategic documents prepared by DPs, notably the recently approved UN System Partnership Framework for Sustainable Development 2018-2022, and the EU Indicative National Program 2014-2020. While cooperation at the donor-to-government level is quite effective, there is considerable scope to improve such dialogue and cooperation between individual line ministries and DPs and NGOs at the sectoral level.

Box 2: Regional Approaches and Leveraging Donor Resources: The Sahel Alliance

The Sahel Alliance, which was announced in Paris on July 13, 2017, by President Macron, Chancellor Merkel, and EU High Representative Mogherini, aims to increase financial and technical support to the G5-Sahel countries – Mauritania, Chad, Burkina Faso, Niger, and Mali – over the next five years. The WBG is a founding member of this Alliance, along with the African Development Bank, European Union, France, Germany and UNDP. The Alliance has since been enlarged to include Italy, Spain and the United Kingdom.

Initial focus areas for the Sahel Alliance are: (a) youth employment, education and training; (b) agriculture and food security; (c) energy access and renewable energy; (d) governance, including judicial systems and countering corruption; (e) provision of basic services and support for decentralization; and (f) security. The Alliance will emphasize agile, fast-track implementation, impact and results, monitoring, and accountability, and aim to increase private investment in the Sahel. Each Alliance member has agreed to lead one of the focus areas. *The World Bank is taking the lead on climate and energy.*

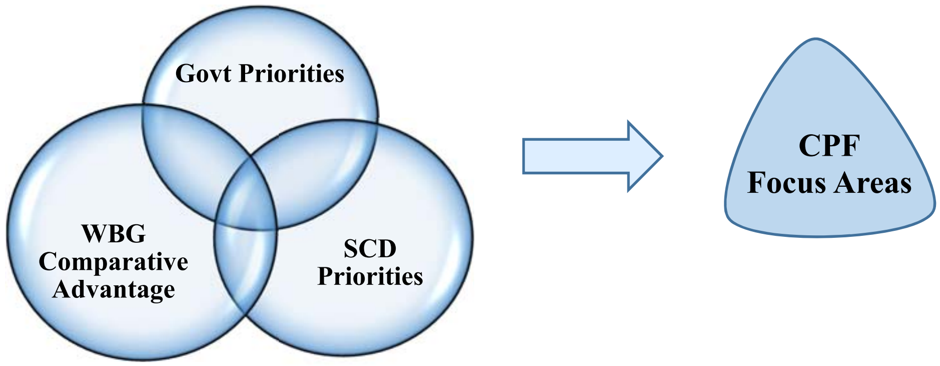
Alliance members will work together to crowd in financing from both public and private sources, and the objectives are well aligned with IDA18, which will provide additional resources to G5-Sahel countries.

3.3. Overview of World Bank Group Strategy

Selectivity Filters

55. **This CPF for Mauritania was defined using three selectivity filters (Figure 5):** (a) Government priorities and demand for WBG support, as articulated in the SCAPP; (b) the binding constraints to achieving poverty reduction and shared prosperity as identified in the SCD; and (c) the comparative advantage of the World Bank Group.

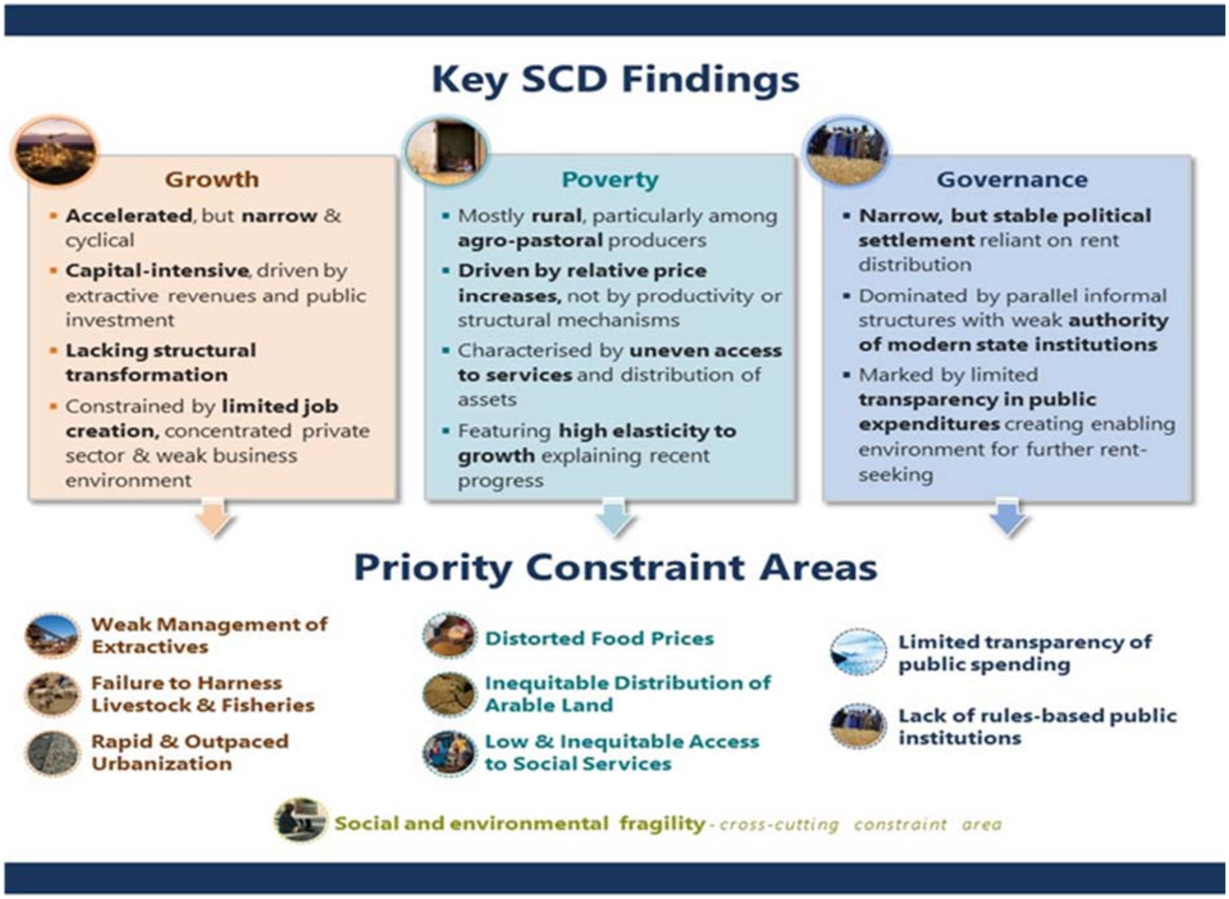
Figure 5: **Developing the CPF**: ***Filtering Process to Define Objectives***



56. ***Selectivity Filter 1: Government Priorities*.** The GoMR is seeking WBG support in priority areas identified in the SCAPP to: (a) promote strong, inclusive and sustainable growth; (b) develop human capital and access to basic social services; and (c) strengthen governance in all its dimensions. Mauritania is also requesting that the WBG consolidate its investment program and build on successes in areas such as social protection and investment climate, while re-orienting its engagement to areas of persistent challenges such as access to water and electricity in the poorest rural areas and intermediate cities. Furthermore, the GoMR would like the WB to continue its delivery of knowledge work to inform policy reforms in the areas of economic governance, institutional accountability, and investment climate.

57. ***Selectivity Filter 2: SCD Binding Constraints and Priority Areas*.** The SCD identified the binding constraints to achieving the Twin Goals. It defined four critical resource pathways to sustaining inclusive growth and shared prosperity, and prioritizes the binding constraints through three lenses, namely resources, policies and institutions. Proposed solutions were then identified, validated, and "color-coded" during the SCD consultations process. This analytical framework, distilled from the SCD, proposes three pillars, focusing on Growth, Poverty, and Governance, as the basis of the CPF architecture (*see Figure 6*). The CPF will seek to expand opportunities for economic diversification by boosting productivity in agriculture, livestock, and fisheries; and enhancing economic development of selected intermediate urban centers and adjacent territories. On the poverty and inequality front, Mauritania faces constraints regarding low and uneven access to social services, inequitable distribution of land, and distorted food prices. The CPF will emphasize building human capital and strengthening social inclusion, with interventions in education, health and social protection that focus on quality and access for the most vulnerable population segments and employability of youth and women. In governance and economic management, the SCD highlighted the need for improved transparency of public spending and rules-based public institutions. The CPF will deploy both operations and knowledge work to continue the governance program started under the FY14-16 CPS to support improved fiscal management and increased private sector participation in economic activities. CPF interventions will support economic governance to improve fiscal management, transparency in the extractives sector, efficiency in land administration, and expanding opportunities for the private sector. The CPF exploits the synergies of the entire WBG, with IDA focusing on public goods and policy reforms; and IFC and MIGA supporting investment opportunities in sectors with potential for growth and job creation, with a focus on youth and skilled employment.

Figure 6: Key Findings *of the Strategic Country Diagnostic (SCD) for Mauritania*



58. ***Selectivity Filter 3: WBG Comparative Advantage*.** The WBG has established itself as a trusted partner and provider of high-quality analytical work that informed and facilitated critical policy dialogue and economic reforms in Mauritania (*see Box 3*). This unique and valued role is evidenced by the success of the fiscal stabilization reform program, which was supported by the DPO implemented jointly with the African Development Bank, and which paved the way for an Extended Credit Facility (ECF) program with the IMF. This comparative advantage continues to be demonstrated by the ability to negotiate additional DPOs – the only development partner in Mauritania currently doing so – and the legacy portfolio, through which complex operations are addressing long-term social and human development issues while other DPs undertake large-scale infrastructure projects in energy, transport and water and sanitation (*see Annex 9*). IDA accounts for 11 percent of the total financing portfolio (excluding DPOs), and represents 37 percent of total financing for primary sectors (agriculture, fisheries, livestock) and environment projects, 29 percent of financing for governance and multi-sectoral projects, and 13 percent of financing for human capital. IDA, together with the European Investment Bank (EIB), are the sole financiers in ICT.

Box 3: World Bank Group Comparative Advantage – Knowledge Institution

The WBG produced a range of knowledge products to inform its lending and policy dialogue with the Mauritanian authorities. Several of these pieces of analytical work helped to inform the SCD.

- **The 2016 Poverty Dynamics and Social Mobility Study 2008-2014 identified positive trends in poverty reduction, particularly net gains for the poorest 40 percent in Mauritania**. The report concluded that some groups were left behind in the commodity boom: labor force participation and employment rates did not improve, especially for youth and females, creating pools of chronic poverty and exclusion.
- **The 2016 *Public Expenditure Review (PER) – Surfing the Wave: Public Spending During the Commodity Super-Cycle and Beyond* – addressed aspects of the rentier economy in Mauritania, government contracts during the mining boom, and issues surrounding the state-owned iron-ore company**. The 2014 *Public Expenditure and Financial Assessment* exercise found that despite PFM reforms, budget execution was subject to limited internal and external controls and irregular oversight. Similarly, limited government scrutiny of SOE performance was addressed in the 2013 *Governance of State-Owned Enterprises and Public Agencies in the Islamic Republic of Mauritania*.
- **The *Land Governance Framework Report* (2014) identified the large proportion of land still held under customary land tenure**, posing a disincentive to invest in collective land, undertake long-term investments in improved agriculture and other investments, and fueling potential social tensions.
- **The IFC and World Bank's *Mauritania Country Profile 2014: Enterprise Survey* identified significant skills gaps**, as noted by firms, and low levels of skills among unemployed youth and "school leavers".
- **In past decades, the series of government changes, whereby the purge of the ousted regime is portrayed as an "anti-corruption drive", did little to enhance the governance environment** or shift the low political equilibrium, as presented in the *Diagnostic Trade Integration Study (DTIS) Update 2016: From Short-Term Rents to Sustainable Macroeconomic Growth and Trade-Led Development*".
- ***Inclusive Green Growth* (2012)** helped to stimulate discussion of ways to harness the potential of Mauritania's non-extractives natural resource wealth.

Maximizing Finance for Development

59. **The Mauritanian economy has been largely State-led and State-controlled since independence.** This trend has only begun to shift in recent years, as demonstrated by the GoMR's efforts to improve the business environment and open up to private investment, including through PPPs. New companies face difficulties entering the market, competing with the large groups which dominate the trade, banking and government procurement markets, or obtaining credit. As a result, notwithstanding recent improvements, Mauritania remains one of the most challenging business environments in the world (ranked 150 out of 190 economies (DB2018). Extractive industries, which drive the country's growth, create fewer direct jobs, although the skills level of those jobs, and the multiplier effect, is high. In agriculture and fisheries, which employ most of the labor force and have potential for development, productivity levels are low and are highly vulnerable to poor environmental and social practices and the effects of climate change. Mauritania's competitiveness is further hampered by a small formal economic base, a lack of diversification, and a weak legal framework.

60. **Several factors have impeded the ability of IFC and MIGA to conclude deals in Mauritania:** lack of transparency, compromised commercial justice processes, gaps in the legal framework, and low skills base of the business environment (e.g., legal and accounting services)

and the labor force. IFC continues to engage Mauritania's private sector to explore opportunities for advisory services to pave the way for direct investments; develop partnerships with international companies for sustainable development of the extractive sector, and work through financial institutions, particularly to reach the small and medium enterprise (SME) sector. During the CPF period, the WBG will continue to support private sector participation in the economy by focusing on reforms to level the playing field for enhanced competitiveness; improve governance and transparency; and reinforce synergies between IDA, IFC, and MIGA (*see Box 4*).

61. **In this context, IFC will attempt to expand its footprint in Mauritania by facilitating projects with local as well as international players, with direct positive impact on the local private sector, and by exploring opportunities to use the creating markets advisory window (CMAW) and the IDA18 Private Sector Window (PSW).** IFC will also explore opportunities to access the PSW to de-risk potential investments in agri-business, in the financial sector to target SMEs, in infrastructure (transport, energy and extractives), the provision of local currency and potentially municipal finance. These activities will benefit from the WBG's ongoing work to improve the investment climate by providing technical assistance to the government in implementing Doing Business reforms to facilitate private investment. These reforms include: (a) strengthening commercial justice (including setting up a Commercial Tribunal, modernizing the commercial registry, and mainstreaming insolvency rules); (b) strengthening property rights administration (to consolidate gains from *Code des Droits Reels*) and construction permitting/regulation (*Code d'Urbanisme*); (c) further strengthening and streamlining access to electricity; and (d) ensuring competition in key markets (including stronger competition enforcement mechanisms). IDA and IFC will structure their operations and policy dialogue to maximize the degree to which commercial solutions can be identified and brought to close; otherwise, public sector financing will be used as necessary to help catalyze private capital.

62. **In the financial sector, IFC will focus on trade finance and access to finance for SMEs and microenterprises through financial intermediaries.** IFC is engaging with the BCM and other government officials to share international best practices in SME banking and digital finance. IFC also seeks to support lending to the banking sector and thereby improve trade finance and overall access to finance. In an effort to open local capital markets, IFC is exploring the possibility of offering local currency financing in Mauritanian *Ouguiyas* through the IDA18 Private-Sector Window. Such financing may enable IFC to expand financing to additional sectors which were previously inaccessible to IFC.

63. **IFC will also focus on infrastructure, transport, as well as gas and mining, where there is scope to develop the sector in line with international best practices and contribute to the inclusiveness of the Mauritanian economy.** IFC aims to support the mining sector through direct investment as well as environmental and social best practices and community development advisory services that can have a positive impact on the local communities and strengthen local supply chains. Together with IDA, IFC is also engaging the GoMR on the PPP agenda, and will continue to explore opportunities for new PPP models to leverage the private sector and encourage broader public-private collaboration for shared private-sector development priorities.

Box 4: "Maximizing Finance for Development" in the Extractives Sector

Under the "Maximizing Finance for Development" (MFD) approach, the WBG helps countries maximize their development resources through private sector solutions, reserving scarce public financing for areas where private sector engagement is neither optimal nor available.[13] Mauritania has an active domestic private sector though it remains concentrated around a small number of large groups and sectors.

Potential for the MFD approach can be found in the country's extractive industries. Mauritania has potential to sustain and accelerate inclusive growth – and create more jobs – by leveraging its vast mineral endowments, particularly as mineral and petroleum exports together represent approximately 25 percent of Government revenues. Short- to medium-term revenues are expected to rise as a result of committed investment plans, potential to develop reserves and diversify into new commodities, and the employment potential (skilled direct jobs, and ancillary indirect jobs), including in artisanal mining.

Joint interventions to the sector (by IDA, IFC, and MIGA) are providing policy advice, and technical and financial support to increase private investment and improve public-sector management and transparency. The WBG is supporting the authorities in critical reforms to improve the investment climate through a mix of financing, technical assistance, risk mitigation instruments and policy dialogue; while helping to mobilize commercial financing and guarantee instruments.

IDA is supporting overall governance of the extractives sector, and development of a policy framework to spur private investment, through the on-going Public-Sector Governance Project (PGSP) and an additional financing under preparation. This project supports establishment of a unified tax code for mining operations, enhanced fiscal audit capacity, and modernization of the mining cadaster and government's capacity to analyze existing data. Transparent information on mineral potential, revenue data and sector statistics is also essential to promoting new investments, and the WBG is supporting such efforts through the Extractive Industries Transparency Initiative (EITI) consolidation project. EITI is helping to create space for civil society participation and multi-stakeholder frameworks.

Near-term prospects for the mining/gas sector are favorable, as illustrated by the support IDA will provide to GoMR to develop GTA. Some large international mining companies also envisage substantial investments to expand their production facilities over the next few years. This presents opportunities for MIGA and IFC, through the One WBG approach, to facilitate investments either directly or through mobilization with commercial banks and other DFIs. IFC can also provide Advisory Services to enhance community and local development efforts. Commodity trade finance can be mobilized as well, as it provides private sector solutions to enable imports of critical commodities to ensure food security and access to energy in the country.

Although Mauritania is at the early stage of the "cascade", the range of opportunities to apply the MFD approach to extractive industries bodes well for nurturing increased private investment in other sectors such as agribusiness and livestock.

64. **Finally, IFC seeks to improve access to energy and energy security through private sector operations.** Imported energy plays a critical role in nearly every aspect of the Mauritanian economy, including power, mining, telecommunications, and transportation. IFC will participate in an innovative trade finance facility to secure the import of critical energy products into Mauritania and safeguard the continuous flow of energy, thereby preventing supply interruption- based price spikes. It will also ensure the continued involvement of private oil marketing companies as distributors of energy products.

[13] WBG (September 2017). *Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development.*

65. **MIGA currently has two active guarantees in Mauritania, one in the tourism sector and the other in the mining sector.** The first guarantee, signed in 2016, supports an equity investment in Compagnie Hotelière du Sahara by Mali-based Azalai Hotels S.A., for €2.3 million under MIGA's political risk insurance covers of transfer restriction, expropriation, and war and civil disturbance. The second guarantee, issued to Kinross Gold Corporation of Canada in 2018, consists of supporting the Phase One expansion and modernization of the existing Tasiast open-pit gold mine. The investment will expand processing capacity and modernize key components of the operations, resulting in cost efficiencies. MIGA's US$300-million guarantee covers equity and quasi-equity investments under its traditional PRI covers of transfer restriction, expropriation, war and civil disturbance, and breach of contract. MIGA is also considering potential support for the Phase Two expansion of the Tasiast mine.

3.4. Objectives Supported by the WBG Program

66. **The FY18-FY23 CPF comprises nine objectives, clustered around three focus areas, and is aligned with the main constraints identified by the SCD as well as with the Government's development strategy as presented in the SCAPP (*see Table 2*).** These objectives incorporate solutions that were ranked highest in the SCD in terms of contributing to poverty reduction and feasibility, and were evaluated based on the authorizing environment, the capacity for implementation, the time horizon required for change, and the degree of complementarity among the proposed measures. As noted in the CLR, several projects under the CPS encountered delays in effectiveness and a slow pace of implementation. The team recognizes the need for projects under this CPF to incorporate sufficient flexibility to reflect these capacity constraints, and adapt to changes in the country and sector context.

Table 2: Architecture of FY18-23 Focus Areas and Objectives

Promote Economic Transition for Diversified and Resilient Growth	Build Human Capital for Inclusive Growth	Strengthen Economic Governance and Private Sector-Led Growth
1.1 Increase production value in the fisheries sector 1.2 Increase agriculture and livestock production in the face of climate change 1.3 Promote the development of productive cities and adjacent territories in the context of decentralization	2.1 Increase coverage of social safety net system 2.2 Increase access to and quality of general education 2.3 Improve employability, particularly of youth and women 2.4 Improve access to maternal and child health care	3.1 Strengthen fiscal management 3.2 Improve private sector participation in economic activities

67. **The cross-cutting theme of enhancing gender equality is key to achieving the WBG Twin Goals, and will permeate CPF focus areas and objectives.** New operations and knowledge work will be gender-informed, and a gender lens will be applied across the proposed CPF program, through impact evaluations and gender-disaggregated indicators in the Results Matrix. *The specifics of the gender focus are summarized in Box 5, below, and in greater detail in Annex 8.*

68. **Mauritania's vulnerability to the effects of climate change is addressed by both operations and analytical work, as elaborated mainly under Focus Area 1.** Beyond the planned lending and ASA, the entire portfolio and pipeline were screened for Climate Co-Benefits, a review which revealed significant adaptation co-benefits. *The key lessons of this screening process are presented in Annex 11.*

Box 5:Gender Focus of the Mauritania CPF

The gender approach of the CPF includes: recognizing the interconnections between the gender gaps observed in the country and the role of underlying social norms; emphasizing the importance of engaging men as allies in women's empowerment; integrating gender into non-gender-specific projects across sectors; and, building on the findings of the CLR, paying greater attention to capturing progress on gender through CPF results indicators and impact evaluations that will build the evidence base of what works.

The CPF will address interconnected gender issues (reproductive health, market-relevant skills, social norms) through the Sahel Women's Empowerment and Demographic Dividend Project (SWEDD) project. The design of SWEDD has been informed by evidence of the positive impacts of: combined vocational and life skills training, and providing safe spaces for adolescent girls, on young women's reproductive health, behavior and economic empowerment; and engaging men as allies in women's maternal health, such as the "*Écoles des maris"* in Niger. Expected outcomes include a reduction in girls' secondary school drop- out rates, improved knowledge of reproductive health, and young women's participation in life skills and livelihood interventions to improve their school-to-work transition. The CPF will support women's reproductive health through the Health System Support Project (INAYA).

Women's economic empowerment will be addressed in terms of schooling, technical skills, access to finance and land, social norms, and integrating women in specific jobs and sectors of the economy:

- **Education and social protection interventions** will target the safety, cost, and social norms-related constraints to girls' education, including school construction, cash transfers, school supplies and awards for female students, and awareness campaigns on the benefits of girls' education.
- **The CPF will seek to increase women's access to technical and vocational education and training (TVET)** and participation in jobs seen as socially acceptable (e.g., Skills Development Support Project), and support women to move into non-traditional sectors where evidence from the Bank's African Gender Innovation Lab (GIL) suggests they would achieve higher incomes and profits. Possible approaches could be tested in the new Youth Employment Project, which presents an entry point to focus on male youth unemployment – an issue that, if left unaddressed, has the potential to lead to increased crime and radicalization of young men.
- **Explore approaches that have been effective amid restrictive social norms,** such as cash transfers to women, combined with improving communications and sensitizing men to the benefits of having a more empowered wife.
- **Support to land reform** will be cognizant of women's insecure access to land and the risk that any efforts to formalize existing land rights could further increase inequality.
- **Women's economic participation** will be integrated into business/technical skills training and awareness campaigns targeting women in the Nouadhibou Eco-Seafood Cluster Project and the Mauritania Sustainable Landscape Management Project in Support of the Great Green Wall Initiative.

Focus Area One: Promote Economic Transition for Diversified and Resilient Growth

69. **With vast endowments of non-extractive natural resources – notably, fisheries, agriculture and livestock – Mauritania has significant potential to achieve more diversified and resilient economic growth by investing in environmentally sustainable production and optimizing the revenues in a transparent and pro-poor manner.** As this vast, sparsely populated country also has the second-highest urbanization rate on the continent, Mauritania can capitalize on this steady inflow of rural (largely young) migrants and take steps to create dynamic economic hubs that can offer services, infrastructure, and employment opportunities in the context of Government plans to devolve administrative authority to regional and local bodies. The first Focus Area – "Promote Economic Transition for Diversified and Resilient Growth" – comprises three objectives: (1) Increase production value in the fisheries sector; (2) Increase agriculture and livestock production in the face of climate change; and (3) Promote the development of productive cities and adjacent territories in the context of decentralization. These represent critical opportunities to leverage private investment and private sector-led growth.

Objective 1.1: Increase production value in the fisheries sector

Relevant SDGs:

Relevant IDA18 Special Themes: Climate, Gender, Jobs & Economic Transformation

Expected Outcomes:

- *Fishing vessels operating in the Exclusive Economic Zone of Mauritania (number)*
- *Volume of fresh fish exports (metric tons per year)*

70. **Ranked as one of the most productive fishing waters in the world, fish resources within Mauritania's Exclusive Economic Zone (EEZ), as in most countries, are susceptible to overexploitation and climate change threats.** According to recent studies, under a high-GHG emissions scenario, maximum catch potential in Mauritania is projected to decline by 14.4 percent; and will result in a 4.2-percent loss in marine protein for Mauritania. This can, in turn, reduce earnings and employment and affect livelihoods. To avoid fishing overexploitation and the effects of climate change, marine resource extraction should be monitored for sustainability and resilience by implementing fisheries and adaptation management plans. These plans ensure that fishing capacity is aligned to sustainable stock levels and greater climate change resilience.

71. **While keeping fishing pressure at sustainable and resilient levels, Mauritania must also increase the economic contribution of this sector.** Structural change for post-harvest handling, increased land-based value-addition, and a well-managed distribution chain are all imperative. Fish caught in the EEZ of Mauritania are mostly landed in foreign ports for further transformation and sale. With increased capacity for local value addition, adequate post-harvest facilities, increased private sector investments, and transparent business processes and sustainable stock levels, the fisheries sector can contribute to increased employment and economic growth.

72. **Under the CPF, the WBG will focus its investments on increasing production value in the fisheries sector, particularly for local communities and businesses, and promoting sustainable and transparent practices to manage fishing stocks.** The on-going West Africa Regional Fisheries Program (WARFP/PRAO – P162342) is supporting GoMR to increase the benefits derived from fish caught in the EEZs. The project is supporting the modernization of the national fish market in Nouakchott to generate value added in the sector by improving handling of landed fish, strengthening institutional capacity to enable sustainable management of fisheries resources (including octopus) and implementing a transparency initiative supported at the Presidential level. The Nouadhibou Eco-Seafood Cluster Project (P151058) aims to promote sustainable management of fisheries and generate value for the communities. An additional financing will support enhanced capacity of the Nouadhibou Free Zone (NFZ) and stakeholders to develop competitive seafood value chains with participation of the local population and local businesses.

73. **IFC is keen to support economic diversification in Mauritania, especially to leverage the country's competitive advantage in the fisheries sector**. IFC will continue its support to fisheries through the ongoing advisory services program for the Nouadhibou Eco-Competitive Seafood Cluster program, and seek opportunities for direct investment. More broadly, IFC will support the NFZ toward the adoption of eco-efficient technology to ensure sustainability of the sector and crowd in additional private investors.

74. **The West Africa Coastal Areas Management Program (WACA) will support GoMR in addressing coastal development challenges resulting from climate change and improving the resilience of coastal cities and communities, as well as protecting natural habitats.** WACA will contribute to strengthening national institutions to prepare the coastal zone law and finance reinforcement of the dunes protecting Nouakchott, community development activities in six coastal communities, and investments in Diawling National Park in the South and *"la Baie de l'étoile"* in the North.

Objective 1.2: Increase agriculture and livestock production in the face of climate change

Relevant SDGs:

Relevant IDA18 Special Themes: Climate, Gender, Jobs & Economic Transformation

Expected Outcomes:

- *Land area under new and improved irrigation (ha)*
- *Land area under sustainable land management practices (ha)*

75. **The agriculture sector contributed 23 percent of GDP (2015) with significant potential for development of irrigation in the Senegal River Valley, as well as for rainfed agriculture.** Animal production represents over three-quarters of value-added in agriculture, provides revenues to roughly one million individuals, plays a key role in food security and is a means of capital accumulation and insurance, especially among the poorest. While Mauritania's herders have coped with rainfall variability through traditional transhumance for centuries, the livelihoods and food security of most of the poor, who rely on livestock-rearing and agriculture, are threatened by encroaching desertification, rising temperatures, increasing water scarcity and

flash flooding. Improving water resource management through irrigation and enhancing integration between livestock and agriculture could further boost growth. The potential for irrigated land is estimated at 135,000 ha, yet only 20 percent of this potential is utilized (mostly for rice production). Adopting climate-smart technology in rainfed agriculture will have a positive impact on yields and enhance resilience. These are expected to boost resilience of the local population with positive poverty reduction spillovers, and create opportunities to develop further avenues for private sector involvement along the agro-pastoral products value chain. In addition, digital technologies can help to improve agricultural efficiency, access to information and markets, and progress in the value chain. Mauritania has recently benefited from improved internet connectivity thanks to recent and significant public-private investments (including WARCIP) in connectivity infrastructure (Mauritania has achieved a 35-percent smartphone penetration rate nation-wide (Mauritel, 2018)).

76. **Under the CPF, the WBG – through a range of projects – aims at increasing agriculture and livestock production in both rainfed and irrigated areas, enhancing the resilience of agro- pastoral systems and improving livelihoods of rural communities in fragile areas, particularly those vulnerable to climate shocks and hard-hit by poverty.** The Regional Sahel Pastoralism Support Project (PRAPS, P147674) aims to support and improve access to essential productive assets, services, and markets for pastoralists in selected trans-border areas and along transhumance axes across six Sahel countries. PRAPS aims to strengthen country capacities to respond to pastoral crises or emergencies, and support improved productivity, sustainability, and resilience of pastoral livelihoods. In Mauritania, the project supports pastoralism in ten *wilayas.* The Senegal River Basin Climate Change Resilient Development Program Phase 2 (PGIRE 2, P131323) aims to increase productive uses of water while safeguarding the health and livelihoods of vulnerable communities in the Senegal River Basin. The Sahel Irrigation Initiative Support Project (PARIIS, P154482), approved in December 2017, aims to improve stakeholders' capacity to develop and manage irrigation and to increase irrigated areas using a regional "solutions" approach in participating countries across the Sahel.

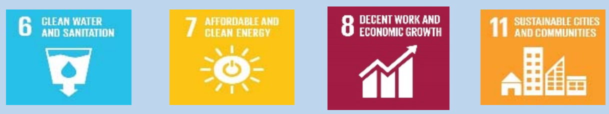
77. **IFC is also keen to support the agribusiness and livestock sectors as an avenue to greater economic diversification.** IFC has an active investment in the dairy sector and will continue to seek opportunities in other agri-business and private livestock operations as market opportunities arise. Support to entrepreneurs, including youth and women, is a critical focus of this IFC's engagement as they will be key to support the broader growth and development of the private sector. To ensure adequate conditions of success for the Mauritanian agribusiness sector, IFC will also look at innovative options to supply consistent irrigation to farms and producers through the Sahel Irrigation Initiative (602405). These are all expected to lay the regulatory and policy foundations for crowding-in businesses and investments into the sector.

78. **Proposed new operations under the CPF will complement on-going projects by improving the control of transboundary infectious animal diseases and supporting rainfed agriculture and selected value chains of agriculture and livestock products in fragile areas.** The newly approved Regional Disease Surveillance Systems Enhancement (REDISSE) Program (P161163) promotes a "One Health" approach, aimed at earlier detection of infectious and epidemic diseases, and more effective and cost-saving responses to animal infectious-disease outbreaks which will have a direct impact on livestock productivity and herders' income. A

proposed operation in agriculture, including livestock, will build on the complementarity of mixed agro-pastoral systems and introduce climate-smart agriculture practices, drawing on the lessons of the Sustainable Livelihoods for Returnees and Host Communities in the Senegal River Valley Project (P131998), and results of the ongoing Land Policy Dialogue. The new operation proposes to focus on farmers and herder communities in the poorest areas of the South and include activities to enhance agriculture and livestock productivity, reduce vulnerability to climate shocks in rainfed areas, and support selected value chains (e.g., milk, red meat, and horticulture).

Objective 1.3: Promote the development of productive cities and adjacent territories in the context of decentralization

Relevant SDGs:



Relevant IDA18 Special Themes: Climate, Gender, Jobs & Economic Transformation

Expected Outcomes:

- *Financial resources of Local Governments—both Central Governments and own-source revenues (MRU per capita)*
- *Increase access to electricity services in intermediate cities and adjacent rural areas (percent)*
- *Increase access to water and sanitation services in intermediate cities and adjacent rural areas (percent)*

79. **Rapid urbanization in Mauritania has created a stark divide between the capital, Nouakchott, and other territories.** At the *wilaya* – or provincial – level, intermediate cities, whose population ranges from 75,000 habitants to 25,000 or less, are characterized by informality, poor infrastructure and service coverage, self-employment and weak human capital. Such shortcomings need to be resolved to create an enabling environment for private sector-led growth. These cities have garnered few of the agglomeration effects typically associated with the urbanization process. Investments by the national government in intermediate cities have been insufficient to cover basic needs, while local governments lack the financial and technical capacity to undertake productive and inclusive city planning. A complex land-access process further impedes local governments from expanding service delivery to administrative and economic entities, and to communities. Moreover, many cities are subject to environmental risks such as coastal erosion, flooding, salinization of groundwater, heat waves, or dune movements, which put investments in cities such as housing and revenue-generating activities at risk.

80. **There are significant opportunities for Mauritania to nurture the emergence of productive intermediate cities that could enhance economic externalities by drawing on the resources of surrounding areas.** Notwithstanding the above constraints, several of these intermediate cities are located adjacent to rural territories, within a *wilaya* with substantial natural resource wealth which offers opportunities for economic development. For instance, Kiffa (75,000 habitants), at the heart of the agro-pastoral area, is a large cross-road for trade; Kaedi (45,000 habitants) is in the middle of the Senegal River Valley, with significant irrigation potential to increase agriculture productivity; and Rosso (35,000 habitants), on the border with Senegal and close to the sea, is expected to develop very rapidly as construction of a bridge across

the Senegal River proceeds and as off-shore gas production materializes. In the Northern part of the country, Atar (25,000 habitants) is benefitting from a renewed desert tourism industry and interest in oasis agriculture. The fragility lens offers yet another focus for IDA investments, as many of these territories are vulnerable to climate shocks as well as being in regions that are subject to security risks and particularly hard-hit by poverty. Concentrating financing efforts in select intermediate cities and adjacent territories could help to transform social and economic opportunities for individuals and for the private sector, and thereby spur further growth.

81. **Continued support to decentralization through the devolution of administrative competencies to communes and the newly created Regions,[14] and the transfer of financing to local institutions, could promote more balanced territorial development in Mauritania.** Considering the large size of the country, this approach – mainstreamed in previous WBG projects such as PNIDDLE – has proven effective at planning and delivering services. But still at a nascent phase, further reforms in local government finance, State transfers, and Local Government (LG) human resources are needed in parallel to help mainstream sustainable decentralization. In this way, the regionalization agenda may offer an opportunity to strengthen local institutions around the Regions and *wilaya* in a more resource-efficient manner.

82. **Under the CPF, the WBG will support a spatial approach** by focusing on delivering basic services and infrastructure to a select number of intermediate cities and adjacent territories that could yield important returns on investment in human capital development and inclusive growth**.**

(a) **In the urban sector**, leveraging rapid urbanization to transform intermediate cities into centers of inclusive economic growth and diversification is a long-term endeavor, requiring a strategic vision of decentralization and urban planning. A panoply of reforms and investments will be needed to enhance urban planning, promote sound urban development, strengthen coordination and financial transfers between central and decentralized institutions, improve the business environment and develop coping strategies to manage environmental risks. This CPF will support the Ministries of Interior, Habitat, Urbanization and Territorial Development, and Economy and Finance in developing and implementing a Decentralization Strategy. It will also directly support investments in a group of intermediate cities (tentatively 4 to 6) selected for both their location in fragile areas and their economic development potential.

(b) **In the water sector,** Mauritania features the lowest overall access to improved water in the region. While access to potable water in rural areas is comparable to that of urban access (57 percent compared to 58 percent in 2015), there is a widening gap for access to sanitation (14 percent in rural areas compared to 58 percent in urban areas). Building on the recently completed PER of the Water Sector[15], a new operation focused on the same territories would expand access to WASH services in rural areas and support the improvement or strengthening of services in intermediate cities; develop knowledge of water resources; and contribute to improving the governance, institutional, and regulatory frameworks of the sector by strengthening capacity at the central and local levels. Development of rural WASH services

[14] Following the August 2017 constitutional referendum, Organic Law 2018-010 established the Regions (*wilaya*) as new elected level of Local Government, adding to the communes. The territorial limits of the communes overlap with that of the *wilaya* and they aim to promote the economic, social, cultural, and scientific development of their territories along with the transfer of competencies (from sector Ministries). The Regions and Communes are the two levels of decentralized governance structures, while the *Wilayas* and *Moughaatas* are the local representation of the national government.

[15] Mauritania Water Sector Public Expenditure Review (2006-2016), World Bank, October 2017.

would also integrate the pursuit of improved outcomes in public health/nutrition with rural access to energy, while maximizing positive gender outcomes and creating private sector jobs. Various modalities of financing can be explored, including PPPs.

(c) **In the electricity sector,** Mauritania has made substantial progress in increasing generation capacity, with 20-percent solar and wind capacity in the energy mix and additional potential to export gas-based generation. However, this generation capacity has mostly benefitted the urban population, as the rural electricity access rate -- 4 percent -- falls well below that of regional comparators. Electricity is a priority sector of the Sahel Alliance, hence WBG financing will complement the efforts of other Alliance members to ensure access to affordable, reliable, and sustainable electricity for all. Adopting the same territorial approach as above, the WBG intervention could target off-grid electrification interventions, given the prohibitive cost of scaling-up rural electricity access in Mauritania. In cases where it is financially viable, intermediate cities could be connected to the grid. Government commitment to address institutional sector issues will be essential. A sector-wide diagnostic is proposed on how to achieve universal electricity access in Mauritania by adopting least-cost solutions for geospatial expansion of access designed to leverage synergies between the electricity, water, and urban development sectors. The WBG will also explore opportunities to include Mauritania in regional programs such as the ECOWAS-Regional Electricity Access Project and the Regional Off-Grid Electrification Project which is under preparation.

(d) **In the ICT sector,** access to internet is critical for urban modernization. Digital divides are persistent in Mauritania and significantly affect territorial development. Bridging those divides will be critical to deconcentrate the two main cities and promote more harmonious urban development. Internet access is developing rapidly in urban areas in Mauritania (46 percent in 2017, compared to 41 percent in 2016, according to the Gallup survey 2017). The WBG interventions in intermediate cities could also support IT solutions, including through new models of cooperation with IFC. In rural areas, the concept of smart villages (*for example, see IDA operation under preparation in Niger – P167543*) could offer such an opportunity to leverage the existing Universal Access Fund (funded by a 3-percent tax on all three telecom operators present in Mauritania) to expand connectivity infrastructure and develop internet and digital services and facilitate private sector-led investment, services and job creation.

Focus Area Two: Build Human Capital for Inclusive Growth

83. **Despite recent progress in poverty reduction, vulnerability in Mauritania remains high**. Poor households are limited in their ability to invest in the human capital of their children, and repeated shocks linked to the effects of climate change threaten households and their capacity to boost their productive capital. This calls for effective investments in human capital (health, education and nutrition); and more equitable access to basic services and productive assets, especially to the under-served and vulnerable in rural areas. The Second Focus Area, “Build Human Capital for Inclusive Growth”, comprises the following four objectives: (1) increase coverage of the social safety net system; (2) increase access and quality of general education; (3) improve employability, particularly for youth and women; and (4) improve access to maternal and child health care. The use of digital technologies and services, building on the 120-percent mobile phone penetration rate, can be a useful tool to provide basic public services in the most remote areas, thereby helping to reduce inequality in access to government services.

Objective 2.1: Increase coverage of the social safety net system

Relevant SDGs:

Relevant IDA18 Special Themes: Jobs & Economic Transformation; Gender; Governance & Institutions; Fragility, Conflict & Violence

Expected Outcomes:
- *Social Transfer Program beneficiaries (number)*
- *Geographic coverage of Social Protection Program (number of moughataa)*

84. **Despite improvements, poverty and vulnerability to shocks remain high in Mauritania.** Poverty remains a barrier for households to invest in the human capital of their children and in their productive capital, and increasingly frequent shocks linked to climate change threaten households which repeatedly engage in depletive mitigation strategies. As part of its national social protection strategy, the GoMR has started to lay the foundation for a national social safety net system through the creation of a national Social Registry, a Social Transfer Program, and a shock-responsive system. These instruments, being deployed nationally, provide the Government with mechanisms to effectively reach the poorest households throughout its territory with core services, and to improve the efficiency of its social spending by targeting efforts on the poorest.

85. **The WBG operations aim to ensure that the national safety net system can sustainably address extreme poverty as well as vulnerability to climate shocks.** This will be achieved first by expanding the Social Registry to the national territory and promoting its use by all programs that target the poor and vulnerable. It will also require taking the Social Transfer program to scale and deepening its impact on the use of social services (especially for children, including through social promotion activities to encourage proper nutrition, hygiene, and early stimulation) and the productive capacity of poor households. This will require the development of a national system to manage response to shocks and a mechanism to trigger responses, guide the identification of beneficiaries, coordinate actors, and ensure reliable and timely financing. Two indicators are proposed as a proxy for measuring increased coverage of the social safety net system.

86. **Building on recent gains, the WBG proposes to support the establishment of a sustainable nation-wide social safety net system to address extreme poverty and vulnerability to climate shocks.** A follow-up operation to the Social Safety Net System Project (P150430), due to close in October 2020, and TA as part of the Adaptive Social Protection Program, are envisioned. They will contribute to GoMR efforts to set up an institutionalized safety net system, reflecting a shift in the social compact whereby the State provides support to the poorest, promotes investments in human and productive capital, and protects livelihoods during climate shocks. The ongoing INAYA, PRAPS, and PARIIS projects will complement these efforts by contributing to resilience of vulnerable households and efficient use of public resources. WBG efforts will be coordinated with WFP, UNICEF, UNDP, the EU and AFD, among other DPs. The team is exploring access to resources from the IDA18 Refugee Sub-Window, to support vulnerable refugee and host community households and in the M'Bera refugee camp in the south-eastern region of Mauritania close to the border with Mali.

Objective 2.2: Increase access to and quality of general education

Relevant SDGs:

Relevant IDA18 Special Themes: Gender, Jobs & Economic Transformation

Expected Outcomes:

- *Students entering lower secondary education (number)*
  - *Of which girls entering lower secondary education (number)*
- *Graduates of pre-service teacher training possessing minimum qualifications (percent)*

87. **Despite improvements, Mauritania's social indicators are among the lowest in the world.** The low level and regressive distribution of public spending has resulted in inequitable access to education services: the poorest children receive the least benefit from overall education spending, which is biased towards wealthier regions. In education, the key remaining challenges are high attrition rates between years of education, especially for the poorest, and the lack of education quality leading to low and deteriorating learning achievements. Only one-third of primary school students continue to secondary school, and two-thirds of children from the poorest quintile are not in school. The gender gap increases with the level of education: boys are nearly fifty percent more likely to complete secondary education than girls.

88. **WBG investments focus on improving the quality of education, promoting equitable access to education among girls, and enhancing accountability and governance at decentralized levels.** Despite education reforms that were enacted nearly twenty years ago, learning outcomes remain poor and literacy rates among young children are chronically low. These learning deficits are manifested in youth who lack the skills demanded by the labor market and cannot find jobs. IDA is planning a follow-up operation to the Basic Education Project (P126902) which is due to close in 2018. The proposed operation will focus on improving quality and efficiency (through enhanced training for teachers and school principals and rationalized mapping of school catchment areas) while building demand for enhanced accountability and governance at decentralized levels (through school grants managed directly by communities). The GoMR is considering including policies to boost the quality and governance of basic education and vocational training in the next DPO series.

Objective 2.3: Improve employability, particularly of youth and women

Relevant SDGs:

Relevant IDA18 Special Themes: Gender; Jobs & Economic Transformation; Fragility, Conflict & Violence

Expected Outcomes:

- *Young entrepreneurs successfully launching activities (number)*
- *Income increase for the youth and women benefiting from the program (percent)*

89. **Strengthening youth employment is key to breaking inter-generational poverty, promoting growth, and boosting social inclusion.** Youth labor markets are characterized by high levels of inactivity (39 percent do not study or work, especially among young women) and relatively low wages and poor working conditions. Most youth in Mauritania suffer from several employment constraints, and vulnerable population groups are particularly affected. There is weak job creation in emerging sectors; weak access to services and information about livelihoods and employment options, and clientelism in hiring by firms; insufficient competencies across sectors; and lack of access to productive assets. Youth employment programs are limited in coverage and cater mainly to urban university and vocational training graduates.

90. **The WBG will support the Government's efforts to promote inclusive employment opportunities for vulnerable youth with an integrated approach.** The strategy proposes to focus on (a) providing vulnerable youth with mechanisms to develop cross-cutting labor market-relevant skills in collaboration with the private sector (basic training, internship, literacy, life skills), building on the model developed in the ongoing skills project; (b) providing vulnerable youth with support for self-employment through coaching and monetary transfers (by value chains); and (c) encouraging entrepreneurship (and job creation) among youth in high value-added sectors and value chains. Since public-private coalitions lie at the heart of youth employment in Mauritania, the WBG will work with other partners, the private sector, and Government. This activity will be implemented in tandem with ongoing and planned support in primary education, social safety nets (used to reach the vulnerable, promote demand for training services, and help youth set up productive activities), animal husbandry (PRAPS), and private sector development.

Objective 2.4: Improve access to maternal and child health care

Relevant SDGs:

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

Relevant IDA18 Special Themes: Gender, Jobs & Economic Transformation

Expected Outcomes:
- *Women completing four antenatal care visits to health facility during pregnancy (number)*
- *Children ages 12-23 months fully immunized (number)*

91. **Despite some progress in health, Mauritania's outcomes in maternal and reproductive health, and nutrition remain limited.** The Government is addressing the affordability of health care targeting reproductive and maternal health, as stated in the country's national plans for 2016-2020. However, coverage of high-impact interventions particularly for children is uneven and shows a pronounced urban bias in availability and use of care. Mauritania's fertility rate of 5.1 children/mother puts pressure on all social services. This, combined with the finding that one in four children shows signs of malnutrition, means that lifetime earning potential is stunted.

92. **The WBG operations increase the overall resource envelope for health going towards the poor, the rural areas, and non-hospital activities**. They provide investments in reproductive health and aim at improving the access to, and quality of, maternal and child health, thus laying

a stronger foundation for holistic development in the early years and for subsequent human capital acquisition throughout the life cycle. More specifically, they aim to increase empowerment of women and adolescent girls and their access to quality reproductive, maternal, child, and adolescent health (RMCAH) services through the promotion of social/behavioral changes (demand side) and strengthening the regional capacity to provide RMCAH commodities and skills (supply). In addition, they support the pilot of the Results-Based Financing Strategy adopted in 2016 and provide incentives for supply- and demand-side activities. Finally, the regional REDISSE3 operation will support epidemic preparedness and mitigation through a One Health approach across animal, human, and environmental factors.

Focus Area 3: Strengthen Economic Governance and Private Sector-Led Growth

93. **Perceptions of governance in the last ten years have been stagnating, and even deteriorating in certain instances.** These trends, which are not uncommon for a resource-rich country, are a source of concern. Mauritania's Country Policy and Institutional Assessment (CPIA) scores in public sector management have improved, rising from 3.0 to 3.4 in 2008–16 and surpassing the SSA average of 3.0 in 2016.[16] Underscoring these trends, Mauritania bears several of the hallmarks of a rentier economy. The resource revenue surge and the adoption of a state-driven development model appear to have facilitated pervasive rent-seeking by a concentrated set of political and economic elites. In a new era of low commodity prices and limited fiscal space, the Government will face increasing pressure to improve economic governance, principally by enhancing fiscal management and creating a more level playing field for private sector development. To achieve these objectives, the third focus area of the CPF – "Strengthen Economic Governance and Private Sector-Led Growth" – will be driven by the following two objectives: (1) Strengthening fiscal management, including enhancing transparency and improving the mobilization, allocation and management of public resources; and (2) Improving private sector participation in economic activities.

Objective 3.1: Strengthen Fiscal Management

Relevant SDG:

Relevant IDA18 Special Themes: Governance and Institutions; Jobs and Economic Transformation

Expected Outcomes:

- *Mining sector tax audits are conducted in accordance with a risk-based annual action plan (percent)*
- *Reduction in the aggregate expenditure and tax revenues outturns compared to the originally approved budget (percent)*

94. **At its core, the capacity of state institutions to respond effectively to the development needs of the country requires robust fiscal management,** from upstream revenue mobilization to downstream public financial management. Upstream tax reforms have yielded increased tax revenues, though more work remains to be done to address weak tax administration and fiscal

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[16] CPIA Africa (database), available at: http://datatopics.worldbank.org/cpia/, Washington, DC: World Bank.

audit capacity. The production and analysis of statistics and medium-term planning and budgeting processes are critical to reinforcing the effective allocation of public resources to support evidence-based policy objectives. Finally, downstream improvements in public resource management are needed to address weaknesses in budget execution, debt and cash management and financial reporting; limited public procurement capacity, outdated auditing and accounting norms, and weak oversight of the parastatal sector.

95. **During the CPF period, the WBG will support efforts to enhance transparency and efficiency in the mobilization, allocation and management of public resources.** Support will be provided to: (a) optimize revenue mobilization by promoting private sector investment and strengthening tax administrative capacity in the extractive sector, while laying the foundations for equitably and transparently securing land rights, as a precursor for improving property taxation; (b) reinforce the alignment between evidence-based policies, medium-term planning of resource allocations and annual budgeting processes; (c) enhance the efficient management of public resources by strengthening the fiscal management of SOEs and autonomous agencies, reinforcing government PFM information systems and enhancing the public procurement system; and (d) facilitate improved public access to fiscal information to enhance the transparent management of public resources. This is expected to be done through complementarities between the Governance IPF project; the Gas Development TA IPF; and a series of DPOs supporting fiscal policies aimed at boosting revenue mobilization, improving PIP efficiency, reducing fiscal risks, and putting debt to GDP on a declining trend. This lending will be supplemented with analytical work on the management of extractives revenues.

Objective 3.2: Improve private sector participation in economic activities

Relevant SDG:

Relevant IDA18 Special Themes: Jobs and Economic Transformation

Expected Outcomes:
- *New areas in which Doing Business reforms were implemented (number)*
- *Private sector investment (gross fixed private capital formation, percentage of GDP)*

96. **A transition towards a strong and diversified private sector-led growth is critical to poverty reduction, income generation and employment opportunities.** Mauritania has significant potential for increasing private sector growth and investment (domestic and foreign). However, improving private sector participation in the economy will require maintaining macro-economic stability, creating a more level playing field for local SME development and investing in a better qualified local workforce. The key challenges, as identified in the SCD, include strong state presence in the economy, limited access to finance, corruption, limited business-enabling services (e.g., accountants, legal firms), and an inefficient public bureaucracy. New and independent firms face challenges competing with large multi-sectoral conglomerates that often have their own banks. This discourages the efforts of local suppliers and limits jobs and opportunities for SMEs. The WBG will continue to support improvements in private sector-led diversification mainly through the Doing Business reforms and PPP agenda.

97. **Mauritania has emerged as a major reformer in investment climate policy thanks to a series of reforms that GoMR has been implementing since 2014, yet there is still scope to enhance Mauritania's overall competitiveness.** Mauritania's Doing Business ranking climbed an impressive 18 places in just two years – from 168th in 2016 to 150th in 2018 – and jumped 10 spaces last year (*see Annex 7*). The country needs to reinforce institutional mechanisms that guarantee the continuity of reforms. Key reform priorities include strengthening commercial justice and property rights regimes, streamlining cross-border trade procedures, revising regulations governing insolvency procedures, notably reorganization proceedings and creditor participation, strengthening the Arbitration and Mediation Center of Mauritania (CIMAM) and raising awareness of the advantages to using alternative dispute- resolution mechanisms for commercial disputes. WBG will continue to assist the Government in its effort through a set of complementary financial and advisory services such as the Public Private Infrastructure Advisory Facility (PPIAF) aimed at building a strong PPP strategy at national and sector levels along with solid institutional capability, the IFC Investment Climate and Entrepreneurship (ICE) work on investment climate reforms, or the new series of DPO focusing on improving the regulatory environment and skills for competition and inclusiveness. This support to improving the investment climate and updating regulatory policies to lower the barriers to private investment in the country can help diversify production, open new markets, boost job creation and business start-ups. A policy dialogue has been initiated in the telecom markets (as part of a DPO under preparation) to support legal/regulatory reforms that will contribute to building the foundation of an inclusive digital economy, and creating opportunities for PPP in the telecom sector.

98. **During the CPF period, the WBG will support efforts to encourage and boost entrepreneurship, especially among youth and women.** The development of a more dynamic and vibrant private sector will be also characterized by the creation of business start-ups and the entry of new companies helping to provide alternative sources of employment. This is expected to be done through complementarities between the Youth Employment IPF project, which will focus on economic insertion of vulnerable youth in urban areas, and an IFC ICE advisory project supporting high-growth start-ups and entrepreneurial capabilities.

99. **In the extractive sectors**, MIGA is exploring potential support for the Phase Two expansion of the Tasiast mine, while IDA has recently approved a technical assistance grant to the Ministry of Petroleum, Energy and Mines to enhance the country's capacity to negotiate investment agreements with private operators for developing the *Grande Tortue Ahmeyim* (GTA), a large gas resource straddling Mauritania and Senegal.

Cross-cutting Theme: Gender

100. **While large gender gaps in Mauritania remain, the GoMR has demonstrated its commitment to building a country that is more inclusive of women, such as the introduction of a 20 percent quota for women's political representation, and an accelerated land-registration process for cooperatives and women (World Bank, 2015).** Gender gaps remain in secondary education; women still constitute only 35 percent of the work force, up from 25 percent in 1993 (World Bank, 2016); maternal mortality remains high; and women's health and wellbeing is negatively impacted by high rates of female-genital mutilation and gender-based violence.

101. **Per OP/BP 4.20, the approach of the CPF has been informed by numerous pieces of gender analysis.** These include outputs from the Jobs and Poverty ASA (2016), which included gender analysis of poverty, education, and employment; a World Bank study on Women's Access to Land in Mauritania (2015); the Diagnostic Trade Integration Study, which analyzed the constraints faced by women traders in Mauritania; and the gender analysis presented in the SCD. The gender approach of the CPF will be further informed by the findings of the Social Inclusion and Access to the Poor ASA, to be delivered in early FY19. This study will examine the exclusion from access to goods, services, and markets of various groups (including women) at the level of the household, formal/informal institutions, and Bank-financed projects; and identify mechanisms for correcting this exclusion. *Taken together, this fulfills the requirements of OP/BP 4.20 for a multi-sector gender assessment to inform the CPF*.

102. **Building on the lessons from the CLR, the CPF will focus greater attention on measuring progress on gender**. This will be achieved through gender-disaggregated indicators in the CPF results matrix (wherever possible), and using impact evaluations to test the effectiveness of different approaches to addressing gender gaps. The Social Safety Net team is collaborating with the Bank's Africa Gender Innovation Lab (GIL) on an impact evaluation of the project that will generate evidence on the relative impact of cash transfers alone versus cash transfers combined with sensitization and other measures of outcomes including women's empowerment and time use, and children's cognitive development and health (*see Box 5*).

3.5. Implementing the FY18-FY23 Country Partnership Framework

Instruments and Financial Envelope

103. **The proposed CPF lays out principles of engagement for the coming six years, and specifies proposed lending instruments for the initial three years (corresponding to IDA18 (*see Table 3*).** Lending for the outer years of the CPF period will be defined in greater detail at the time of the PLR.

104. **The CPF (FY18-FY23) will span the period of IDA18 (FY18-FY20), and IDA19 (FY21-FY23).** The WBG will deploy a combination of lending, advisory and analytical work, and convening power to achieve the CPF objectives. The indicative IDA18 allocation for Mauritania is on the order of US$200 to US$230 million (significantly up from US$85 million in IDA17). For planning purposes, a similar volume is also assumed for the IDA19 period, which could lead to an overall notional envelope of close to US$500 million for the CPF period. Referenced IDA18 and IDA19 volumes are indicative. Actual PBA allocations will be determined annually, and during the FY18-20 period will depend on: (a) total IDA resources available; (b) the number of IDA-eligible countries; (c) the country's performance rating, per capita GNI, and population; and (d) the performance and other allocation parameters for other IDA borrowers. This indicative allocation does not include additional resources which Mauritania could potentially access through the IDA18 special windows. These include the Regional Window aimed at bolstering regional integration efforts; the Regional Refugee Sub-Window for countries hosting large refugee populations; the Private Sector Window to mobilize private capital and de-risk investments; and, if necessary, the Crisis Response Window (CRW) aimed at providing support in the event of severe natural disasters, health emergencies, and economic crises. Mauritania will also be eligible to

access the new IDA Catastrophe Deferred Draw Down Option. Mauritania is not currently eligible to access the Scale-Up Facility, which provides non-concessional borrowing for high-impact projects, due to its level of indebtedness. The WBG will leverage all IDA/IFC/MIGA instruments and seek to crowd in other financiers, such as the private sector, philanthropists, and DPs to maximize the CPF impact.

Table 3 : FY 18-23 Indicative IDA Pipeline (US$ million)

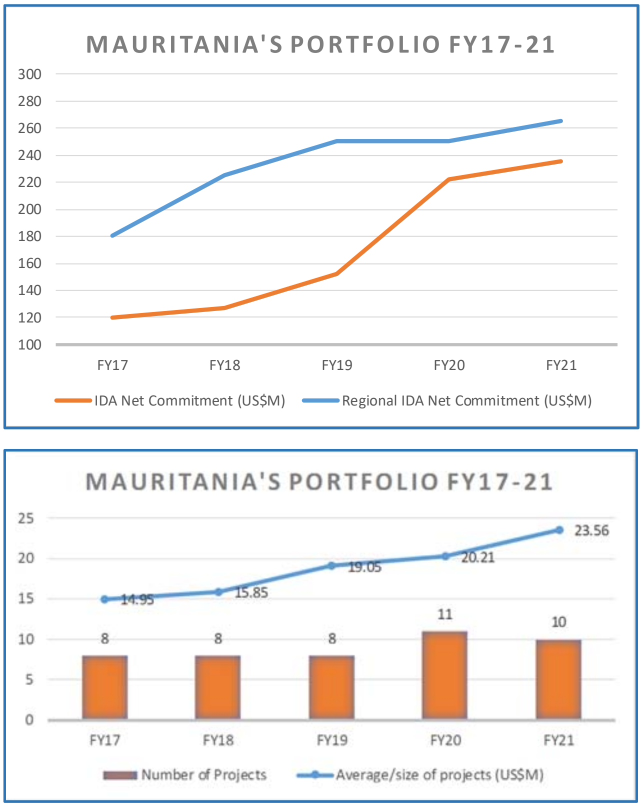
	FY18	**FY19**	**FY20**	**FY21-23**
	(US$ m)	(US$ m)	(US$ m)	(US$ m)
IDA 18 -- Indicative Amounts*				
Second Fiscal Consolidation and Private Sector Support DPO (approved)	26.0			
Supporting Gas Project Negotiations and Enhancing Institutional Capacities TA (approved)	20.0			
Public Sector Governance Additional Financing	10.0			
Nouadhibou Eco-Seafood Cluster Additional Financing		8.0		
Development Policy Operations (second series of three)		30.0	30.0	30.0
Education Sector Support		25.0		
Agriculture and Livelihood		20.0		
Productive and Resilient Cities			25.0	
Employment and Youth			TBD	
IDA 19 -- Indicative Pipeline				
Rural Energy				TBD
Rural Water Supply and Sanitation				TBD
Social Safety Net System				TBD
IDA 18 Regional Integration Window Projects				
Sahel Regional Irrigation Initiative Support, PARIIS (IDA regional ratio: 1/2, approved)	8.0			
West Africa Coastal Resilience Investment, WACA (IDA regional ratio: 1/1, approved)	10.0			
Regional Disease Surveillance Systems Enhancement, REDISSE (IDA regional ratio: 1/1, approved)	10.0			
Total:	84.0	83.0	55.0	30.0

** US$ Amounts are indicative and include national contribution to regional integration projects listed in the table. An additional approximately US$30 million may be available from the cancellation of the BANDA Guarantee planned for recommitment.*

105. **The CPF aims to further consolidate the active portfolio.** While net commitments will almost double during the first years of the CPF period (from around US$120 million at end-FY17 to US$236 million at end-FY21[17]) because of an increase in the indicative IDA18 allocation, the *number* of active projects will remain stable at around ten. Consequently, the average *size* of projects is expected to increase from approximately US$15 to US$24 million, a 60-percent increase (see Figure 7). Intensive capacity-building efforts will be needed to ensure that

[17] FY21 projections are notional since it will be the first year of IDA19 and allocations have not yet been determined.

Figure 7: Mauritania's Indicative Portfolio FY17-21



implementing agencies have adequate absorptive capacity to maintain the current average annual disbursement ratio of about 30 percent. The Government is also considering moving PIUs from the Ministry of Economics and Finance, where most of them are currently located, into Line Ministries Directorates, to strengthen the implementation capacity of these executing agencies. The ability of GoMR to leverage Regional IDA funds is noteworthy. As shown in Figure 7, the regional portfolio is larger than the national IDA program (US$181 million compared to US$120 million at end-FY17); that difference is expected to narrow (US$265 million compared to US$236 million at end-FY21).

106. **The IDA envelope will be supplemented by a strong trust fund portfolio of nearly US$29 million.** All five of the trust funds are recipient-executed; 100 percent of these recipient-executed trust funds (RETF) co-finance large government-led programs such as the Social Safety Net system, the Basic Education Sector, the Sustainable Landscape Management Program, and fisheries under the West Africa Regional program. The Trust Funds portfolio is predominantly comprised of multi-donor programs; the sole single-donor TF, the Global Partnership for Social Accountability, is funding the Mauritania Education Budget, and represents less than 2 percent of the entire TF portfolio. These RETF are well aligned with the Government's development priorities as articulated in the SCAPP, and with the Focus Areas of the proposed CPF. In education, the Global Partnership for Education (GPE) has allocated a US$6.8-million grant to Mauritania under the Education Sector Program Implementation Grants (ESPIG) program, along with US$5 million under the new GPE "multiplier", which will complement the IDA allocation. In FY19, *Agence Française de Développement* will finance two activities within the multi-donor trust fund for the Sahel Adaptive Social Protection program: contribute to the shock-responsive safety net program; and adding 50,000 vulnerable households to the Social Registry. Also in FY19, extractives governance will be supported through a grant to the EITI Consolidation Project.

Table 4: WBG Knowledge Services – Active and Pipeline

Focus Area	Current ASA and TF	Indicative ASA Pipeline and TF
Focus Area I: Promote Economic Transition for Diversified and Resilient Growth	Fisheries Industries Transparency Initiative	Household Survey (2019)
	Support to Land Reform Policy (P161010)	City Coastal Resilience in Africa / Nouakchott (CiyCORE – P166688/TF)
	Support to Youth Entrepreneurship and Climate Change in Mauritania (P162125)	Territorial Development and Transboundary Trade (BB/TF)
	Adaptive Social Protection Programmatic TA – Emergency Response and Disaster Risk Financing (P153182/TF)	
Focus Area II: Build Human Capital for Inclusive Growth	Adaptive Social Protection Programmatic TA (P153182/TF)	Enhancing Livelihoods for Vulnerable Youth in Mauritania (P166799)
	Mauritania Returning Refugees and Host Communities Sustainable Livelihoods Assessment (P163928)	Health Sector Fiscal Space Assessment (GAVI TF)
	Service Delivery Indicators (P145249/TF)	Social Inclusion and Access to the Poor (P161068)
Focus Area III: Support Economic Management for Improved Governance and Private Sector-led Growth	Country Economic Update (Feb 2018)	Country Economic Update (FY19)
	Modernization of Payment Systems (P160172)	Mauritania EITI Consolidation Project (TF)
	Mauritania Investment Climate and Entrepreneurship Advisory (TF)	Mauritania Money Laundering and Terrorism Financing National Risk Assessment (P167024)
	Senegal and Mauritania Competition Policy Assessment	Mauritania Sources of Growth (CEM)

107. **This CPF addresses each of the IDA18 special themes:** climate change; gender and development; fragility, conflict and violence (FCV); jobs and economic transformation; and governance and institution building. The ongoing and planned operations that address natural resource management aim to build resilience to climate shocks. The energy operations ensure clean energy and energy security. Specific attention to gender gaps is integrated across education, health, and economic empowerment activities. Jobs and economic transformation will be addressed by programs supporting youth skills, MSMEs, and improved private investment prospects in fisheries and other sectors. FCV is supported through programs addressing the needs of refugees and host communities, as well as employment prospects for a growing urban youth population. Efforts are under way to support enhanced public expenditure management and statistical further strengthen citizen engagement across the portfolio to achieve better governance, institutional development and greater citizen engagement.

Addressing the Impact of Climate Change

108. **Mauritania faces challenges linked to environmental degradation and climate change, such as floods, desertification, coastal erosion, salinization of the water resources, and degradation of the coastal biodiversity.** These risks are also highlighted in the SCAPP as potentially jeopardizing the successful implementation of the Government's strategy. Urban areas are particularly affected by these risks, with the two largest cities, Nouadhibou and Nouakchott, accounting for 30 percent of Mauritania's population (approximately 1.1 million people), housing most industries, large airport and port infrastructure, and nearly all the fishing activities. An ongoing WBG study on the cost of degradation of the coastline states that the natural capital in Mauritania is being degraded without being replaced with productive capital**.** It

also reports that in 2008 the cost of natural capital degradation was estimated to be equivalent to 5.4 percent of GDP for three categories (air, water, and occurrence of hydric illnesses and degradation of agricultural land).

109. **Floods regularly affect urban areas situated close to the coastline. Mauritania's estimated costs of damage from floods, from 2000 to 2008, range from US$5.5 billion to US$11.4 billion.** The projected increase in extreme temperatures and heavy precipitation will likely lead to a rise in the frequency and intensity of flooding. A 21-cm rise in sea levels has been observed since 1880, and nearly 80 percent of the surface area of Nouakchott could be submerged in the next 10 to 20 years. Sea levels are projected to rise by between 5.8 cm and 15.5 cm by 2050, compared to 1980-1999 levels. As the sea level rises and natural sand dune defenses crumble, land area flooding will increase and the coast will be at risk of permanent inundation. This will jeopardize population settlements, groundwater and aquatic resources, crops, infrastructure, and bio-diversity. The Authorities are in the process of assessing these risks, although there is insufficient information to conclude how severe they are. This is compounded by the lack of waste-water treatment, which sinks into the ground and contaminates clean water.

110. **Regarding environment and natural resources management, sustainability risks include loss of overall natural capital, and the loss of habitat, including oasis, wetlands, mangroves, and coastal vegetation.** Loss of natural habitat is also a loss of biodiversity functions and services such as wetlands for flood control, areas for recreation and tourism, or protection against coastal erosion. Efforts to strengthen protected areas should be continued so as to allow people in the targeted areas and adjacent communities to derive increased monetary and non-monetary benefits from these interventions.

111. **The entire portfolio (including national and regional projects) was screened for Climate Co-Benefits**. With support from the Climate Change Group, the pipeline and selected ASA activities were evaluated for the degree to which they offer Mauritania climate co-benefits (*see Annex 11).* Overall, the Mauritania program displays a high degree of climate co-benefits and the potential to make a significant contribution towards the climate change commitment of the Africa Region. Many active projects have sizeable climate change co-benefits, mostly in adaptation, which is appropriate for a country like Mauritania, and is aligned with the country's NDC. The pipeline presents opportunities to potentially increase adaptation co-benefits from forthcoming operations (e.g., Eco-Seafood and Rural Water and Sanitation projects).

Transitioning to the New Environmental and Social Framework (ESF)

112. **Mauritania has taken important steps to improve environmental management and to strengthen its environmental institutional and regulatory frameworks.** The WBG is working with the GoMR to promote sustainable and inclusive growth by improving natural resource management and protection of sensitive areas (particularly coastal zones), strengthening the resilience of its productive ecosystems and climate change mitigation and adaptation measures.

113. **The new Environmental and Social Framework (ESF) of the WBG will take effect in October 2018, and will apply to new investment projects.** The ESF consolidates the WBG's environmental and social policies, harmonizing them with those of other development

institutions. It also makes important advances in transparency, accountability, nondiscrimination, and public participation. Mauritania will gain the means to boost protections for people and the environment, promoting capacity- and institution-strengthening and enhancing efficiency. The ESF includes provisions for using the country's own legal, regulatory and institutional framework for environmental and social risk management, provided it will properly address project risks and impacts, and enable projects to achieve objectives consistent with the ESF. The WBG will help the GoMR to strengthen their institutions over time and develop the capacity to apply the specific Environmental and Social Standards (ESSs), "which are designed to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects".[18]

Procurement and Financial Management Arrangements

114. **Procurement.** During the CPF period, the World Bank will support the new public procurement reform by providing monitoring services and support to Bank-financed projects and programs. The World Bank will continue to work at all levels to improve the quality of service delivery through improved procurement processes and performance indicators. Per the focus on enhanced governance and institutions, the World Bank will also support the government's plan to improve the country's procurement regulations and implement the new institutional framework, while supporting government staff in applying the WBG's new Procurement Framework. WBG interventions will also seek to build additional capacity through by establishing a procurement channel at the National School of Administration; as well as procurement training, certification, and accreditation programs and short-term procurement training. A Country Procurement Assessment Report (CPAR) will be conducted during the CPF period to assess progress toward procurement reform objectives financed under DPO 2, and to inform the forthcoming procurement reform initiative.

115. **Financial Management.** Portfolio compliance with financial management (FM) requirements is satisfactory for ten projects and moderately satisfactory for nine projects. There is also consistently high compliance with the Bank's financial reporting requirements through the timely submission of Interim Financial Reports (IFRs) and audits reports of acceptable quality. The Mauritania disbursement ratio on April 30, 2018 was 21.9 percent, which is above the Africa Region's disbursement target. IDA-financed investment operations in Mauritania are currently ring-fenced and implemented though Project Implementing Units (PIUs) under the oversight of steering committees. These PIUs provide adequate FM arrangements, including budgeting and audits. While the GoMR's recent decision to centralize counterpart funds at the Treasury has the advantage of improving cash management, it could also delay payments for activities that are supported by counterpart funds. To strengthen internal controls and scale-up the use of country systems, internal audit functions of some line ministries such as Education and Health and the Ministry of Finance are being reinforced.

116. **The 2014 Public Expenditure and Financial Accountability (PEFA) indicated little progress on public financial management (PFM) reforms since 2008 and even deterioration in some areas.** Several improvement areas remain in terms of (a) comprehensiveness of

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[18] The World Bank Environmental and Social Framework; International Bank for Reconstruction and Development, The World Bank, 2017.

information included in budget documentation, (b) effectiveness in collection of tax payments and custom duties, (c) effectiveness of internal audit, (d) quality and timeliness of in-year budget reports and annual financial statements, and (e) effectiveness of external audit and legislative scrutiny of the annual budget law. Progress on PFM reforms was limited by low capacity, limited commitment to implement reforms, and resistance to change from public sector staff. Many of these capacity deficits are being addressed through the PFM reforms supported by DPO.

IV. MANAGING RISKS TO THE CPF PROGRAM

117. **The overall risk to achieving the development objectives for Mauritania, as outlined in the CPF, is assessed as Substantial.** The risks are directly related to: (1) political economy and governance challenges, (2) uncertainty in the macroeconomic environment, (3) sector strategies and policies, (4) weak institutional and implementation capacity, (5) environmental and social risks, and (6) fiduciary risks. These risks will be monitored closely during the CPF period, in close collaboration with the Government and DPs, and will be reassessed at the time of the PLR.

Table 5: Systematic Operations Risk-Rating Tool (SORT) for Mauritania

	Risk Categories	Rating
1	Political and governance	Substantial
2	Macroeconomic	Substantial
3	Sector strategies and policies	Substantial
4	Technical design of project or program	Moderate
5	Institutional capacity for implementation and sustainability	Substantial
6	Fiduciary	Substantial
7	Environment and social	Substantial
8	Stakeholders	Moderate
9	Other (Climate and Disaster Risks)	High
	Overall	**Substantial**

118. **Political economy and governance risks.** The influence of political elites, and stagnating perceptions of governance, pose a substantial risk to inclusive growth and social cohesion. Ethnic stratification, and a growing youth cohort which lacks robust employment prospects, continues to fuel grievances and undermine development objectives. That said, Mauritania has experienced sustained political stability over the last decade, and has taken a strong stand, both politically and financially, against radicalization. Fragility in neighboring states adds to the risk of spillover effects in the form of terrorism, criminal activity, inflows of refugees and internal displacement. The reform agenda includes structural measures that are bound to have significant impact on both the Mauritanian economy as well as powerful stakeholders, in terms of increased competition and an expanded private sector. In addition to the administrative capacity to communicate and implement these reforms, this will require the political will to follow through on such measures and mitigate any negative impacts on the welfare of the poor and vulnerable. Finally, implementation of the CPF also assumes a successful democratic transition in 2019, with

Presidential, parliamentary and regional elections scheduled to take place per the new constitution.

119. **Macroeconomic risks.** The economy remains vulnerable to external shocks despite Government's prudent fiscal policies and a gradual rebound in international commodity prices. The CAD has declined but remains substantial, posing a challenge to secure external financing and debt sustainability. The recently agreed three-year program with the IMF, in addition to the DPO, will provide financing to support macroeconomic stability and reforms for diversification.

120. **Sector strategies and policies.** Regressive public spending in education, health, and social assistance has resulted in inequitable access to basic services. Spending remains low compared to similar countries, is not equitably distributed, and is heavily weighted toward recurrent expenditures. Challenges in enacting the 1999 education reforms, including bilingualism, have further contributed to poor learning outcomes. The next DPO is likely to include measures to support education sector reforms. Likewise, geographic distortions in health spending further disadvantage poorer regions. A health investment project introduces performance-based financing mechanisms to help improve health outcomes. Likewise, access to land remains inequitable and resolving land conflicts between pastoralists and farmers remains a pressing priority. Analytical work will help to inform the ongoing Land Policy dialogue.

121. **Institutional capacity for implementation and sustainability.** While Mauritania's CPIA scores in public sector management have improved (from 3.0 in 2008 to 3.4 in 2016), these ratings have reached a plateau. "Next generation" governance and PFM reforms are needed to achieve accountable institutions that are on par with other middle-income countries. Corruption continues to be cited as a leading challenge to doing business in Mauritania (CPIA).

122. **Fiduciary risks.** Government has introduced several PFM reforms in recent years, but some structural changes remain to be undertaken. There are persistent weaknesses in budget execution, debt management and financial reporting; and government efforts to enact a consolidate process for public investment appraisal, budgeting, execution and monitoring remain nascent. The DPO and Governance TA will support GoMR efforts at budget and procurement reforms; there is also scope for customized debt management TA during the CPF period.

123. **Environmental and Social**. Given Mauritania's vulnerability to the effects of climate change, and susceptibility to spillover risks from conflict in neighboring countries, the CPF program faces risks associated with operating in a fragile and arid environment. These risks will be mitigated through a Fragility Assessment by the FCV Group, and attention to Climate Co-Benefits and environmental risk factors with support from the Climate Change Group. The weak performance of the country's judicial and informal dispute-resolution institutions diminishes the capacity of the social contract and of protections for the most vulnerable, including women and people subjected to the legacy of slavery[19]. To mitigate this risk, GoMR is committed to consolidating the reconciliation process, particularly the measures of the 2014 roadmap to rectify the legacy of slavery. Other measures include exploring options for reinvigorating efforts to implement education reforms, including accommodating linguistic plurality; improving access to the civil registration process; improving access to justice among the most vulnerable, including

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[19] *Dialogue national inclusif* (Comprehensive National Dialogue), Nouakchott, September 29-October 18, 2016.

protection for women, children, former slaves, and the landless; broadening economic opportunities and equitable access to employment; raising awareness on anti-slavery legislation; and implementing systematic land reform.

124. **Climate and disaster risk.** Mauritania remains vulnerable to recurrent droughts, floods, coastal erosion, and other climate-related risks. The livelihoods and food security of most of the poor are jeopardized by encroaching desertification, rising temperatures and ocean salinity, the increasing scarcity of water and flash flooding, greater regularity and intensity of drought, and erosion of soil and arable land. The WBG program will support country-level efforts to adapt to the effects of climate change, as well as the Regional Sahel Support Project which will support increased sustainability and resilience of pastoral livelihoods. The WACA Project will help reduce the risk to coastal communities in Mauritania and promote a multi-sectoral integrated approach to coastal zone management.

Annex 1: CPF Results Matrix

Focus Area 1: Promote Economic Transition for Diversified and Resilient Growth
With vast endowments of natural resources – notably, fisheries, agriculture and livestock, and minerals, oil and gas – Mauritania has significant potential to achieve more diversified and resilient economic growth by investing in environmentally sustainable production and optimizing the revenues in a transparent and pro-poor manner. As this vast, sparsely populated country also has the second-highest urbanization rate on the continent, Mauritania can capitalize on this steady inflow of rural migrants (largely youth) and take steps to create dynamic economic hubs that can offer services, infrastructure, and employment opportunities in the context of Government plans to devolve administrative authority to regional and local bodies. The first Focus Area comprises the following three objectives: (1) Increase production value in the fisheries sector; (2) Increase agriculture and livestock production in the face of climate change; and (3) Promote the development of productive cities and adjacent territories in the context of decentralization.
CPF Objective 1.1: Increase production value in the fisheries sector
Intervention Logic Fishing resources within Mauritania's Exclusive Economic Zone (EEZ) are ranked as one of the most productive fishing waters in the world. There is a potential and the need to increase the sector's economic contribution. However, the country faces the challenge of overexploitation of fishing resources and climate change risks. According to recent studies, under a high-GHG emissions scenario, maximum catch potential in Mauritania is projected to decline by 14.4 percent. The projected impact on food security will result in a 4.2 percent loss in marine protein for Mauritania. These effects can, in turn, affect earnings, employment and livelihoods. To avoid fishing overexploitation and the effects of climate change, marine resource extraction should be monitored for sustainability and climate change resilience through the implementation of fisheries and climate adaptation management plans. The management plan ensures that fishing capacity/efforts, which is measured by the number of fishing vessels operating in economic zone, are aligned to sustainable stock levels and more resilient to the impact of climate change. Women are involved in fish handling, selling and processing. They are often forced to work out of necessity in poor conditions and are affected by the lack of cold storage, isolation from the main markets and lower prices. For Mauritania to increase the economic contribution from fisheries sector structural change for post-harvest handling, increased land-based value-addition, and a well-managed distribution chain are all imperative. Fish caught in the EEZ of Mauritania are mostly landed in foreign ports for further transformation and sale. With increased capacity for local value addition, adequate post-harvest facilities and transparent business processes and sustainable stock levels, the fisheries sector can contribute significantly to increased employment and economic growth. WBG support will focus its investments on increasing production value in the fisheries sector, particularly for local communities and businesses, and promoting sustainable and transparent practices to manage fishing stocks. Ongoing operations are focusing on the development of a seafood cluster in the Northern port of Nouadhibou, modernization of e-infrastructure and capacity-building for the Government and stakeholders to develop and implement policies and systems for sustainable management of fish resources and facilitating private sector investments. Furthermore, the WBG, through a regional program, will

support GoMR in addressing coastal development challenges resulting from climate change and improving the resilience of coastal cities and communities, as well as protecting natural habitats.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Number of fishing vessels operating in the exclusive economic zone of Mauritania, number. Baseline: 502 (2017) Target: below 510 (2020) Indicator 2: Volume of fresh fish export from Nouakchott and Nouadhibou, metric tons per year Baseline (2016): 7,000 Target (2020): 11,500	Indicator 1: Number of fisheries management data regularly published and made publicly available, number or % Baseline (2016): 1 or 16% Target (2020): 5 or 83% Indicator 2: Number of women benefitting from financial and training support under WBG financed operations in fisheries, number Baseline: 48 (2017) Target: 202,050 (2020) Indicator 3: Increased capacity of cold storage for fish products, metric ton Baseline: 0 (2017) Target: 30.00 (2021) * * *The target will be updated after approval of the Additional Financing in FY2019*	**Ongoing: WB Operations** Nouadhibou Eco-Seafood Cluster (P151058) West Africa Regional Fisheries Program (PRAO, P131327 / P126773) **Ongoing ASA:** Fisheries Transparency Initiative (FiTI) Doing Business **Planned WB Operations:** Additional Financing for Nouadhibou Eco-Seafood Cluster Project (P163645) West Africa Coastal Areas Management Program (WACA, P162337)

CPF Objective 1.2: Increase agriculture and livestock production in the face of climate change

Intervention Logic

The agriculture sector contributed 23 percent of GDP (2015) and has significant potential for development of irrigation in the Senegal River Valley, as well as for rainfed agriculture. Mauritania is mainly known as a "livestock country" as livestock represents over three-quarters of the value-added in the agriculture, provides revenues to roughly one million individuals, plays a key role in food security and is a means of capital accumulation and insurance, especially among the poorest. While Mauritania's herders have coped with variability in rainfall through traditional transhumance for centuries, the livelihoods and food security of most of the poor, who rely on livestock-rearing and agriculture, are now jeopardized by encroaching desertification, rising temperatures, and increasing scarcity of water and flash flooding.

Improving water and land management practices and enhancing integration between livestock and agriculture are the main channels for strengthening production growth. The potential for irrigated land is estimated at 135,000 ha, yet only about 20 percent of this potential is currently utilized (mostly for rice production). Adopting climate-smart technology in rainfed areas will have a positive impact on yields and enhance resilience. Two objective indicators are proposed as leading indicators to increased agriculture production and resilience in both irrigated and rainfed areas.

The Regional Sahel and West Africa operations finances by the WB support sustainability of pastoral livestock systems, improvements in stakeholders' capacity to develop and manage irrigation and increase irrigated areas and revive Gum Arabic Ecosystem. The WBG operations help climate change adaptation and improve rural livelihoods based on agro-pastoral systems.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Land area under new and improved irrigation, ha Baseline: 700 (2017) Target: 6700 (2022) Indicator 2: Land area under sustainable land management practices*, ha Baseline: 0 (2017) Target: 300,000 (2022) * *Include all pastoral and rainfed lands where climate smart technologies are used.*	Indicator 1: Crop intensity in irrigated agriculture: Dry cereals (crop), unit of measure Baseline: 1 (2017) Target: 1.2 (2022) Indicator 2: Livestock vaccinated against *Peste des petits ruminants* (PPR) and *Péripneumonie contragieuse bovine* (PCB) (cattle and small ruminants), number Baseline: 1.75m (PPR), 1.96m (PCB) (2017) Target: 12m (PPR), 2.5m (PCB) (2022) Indicator 3: Functional pastoral water points, MRU Baseline: 0(2017) Target: 70 (2022) Indicator 4: Female Beneficiaries reached by assets and services (benefitting from vaccination, milk production, income generating activities, etc.), number Baseline: 0 (2017) Target: 220,000 (2022)	**Ongoing: WB Operations** Sustainable Landscape Management (SAWAP, P144183) Regional Sahel Pastoralism Support (PRAPS, P147674) Senegal River Basin Climate Change Resilience Development Project (PGIRE, P131323) DPO Series 1 (P160592) **Ongoing ASA:** Land Policy Dialogue Doing Business **IFC Operation:** TIVISKI SARL (33704) Regional Irrigation Project (P#) **Planned WB Operations:** Sahel Irrigation Initiative Support (PARIIS, P154482) Agriculture and Livelihood Project Regional Disease Surveillance Systems Enhancement (REDISSE, P161163)

CPF Objective 1.3: Promote the development of productive cities and adjacent territories in the context of decentralization		
Intervention Logic Rapid urbanization in Mauritania has created a stark divide between the capital, Nouakchott, and other territories. At the *wilaya* – or provincial – level, intermediate cities, whose populations range from 75,000 habitants to 25,000 or less, are characterized by informality, poor infrastructure and service coverage, self-employment and weak human capital. Such shortcomings need to be resolved to create an enabling environment for private sector-led growth. These cities have garnered few of the agglomeration effects typically associated with the urbanization process. Investments by the national government in intermediate cities have been insufficient to cover basic needs, while local governments lack the financial and technical capacity to undertake productive and inclusive city planning. A complex land-access process further impedes local governments from expanding service delivery to administrative and economic entities, and to communities. Moreover, many cities are subject to environmental risks such as coastal erosion, flooding, salinization of groundwater, heat waves, or dune movements, which put investments in cities such as housing and revenue-generating activities at risk. There are significant opportunities for Mauritania to nurture the emergence of productive intermediate cities that could enhance economic externalities by drawing on the resources of surrounding areas. Notwithstanding the above constraints, several of these intermediate cities are located adjacent to rural territories, within a *wilaya* with substantial natural resource wealth which offers opportunities for economic development. The fragility lens offers yet another focus for IDA investments, as many of these territories are vulnerable to climate shocks as well as being in regions that are subject to security risks and particularly hard-hit by poverty. Concentrating financing efforts in select intermediate cities and adjacent territories could help to transform social and economic opportunities for individuals and for the private sector, and thereby spur further growth. Under the CPF, IDA will support a spatial approach by focusing on delivering basic services and infrastructure to a select number of intermediate cities and adjacent territories that could yield important returns on investment in human capital development and inclusive growth. The first objective indicator is used as a proxy for measuring the deepening of the decentralization process. The other two indicators, access to electricity and to water and sanitation services, are indicative at this stage as the project areas—tentatively 4-6 intermediate cities and adjacent rural areas—have not yet been selected. This will be done over the next few months, which will allow the measurement of preliminary results at the time of the PLR. All relevant indicators will be gender-disaggregated.		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1: Financial resources of Local Governments (both Central Government transfers and own source revenues), MRU per capita Baseline (2017): 330* Target (2022): 500 Indicator 2: Access to electricity services in intermediate cities and adjacent rural areas, percent	Indicator 1: Improved citizen feedback on the quality of services, percent Baseline: 0 (2017) Target: 50 percent (2022) Indicator 2: Population using safely managed water services in selected areas, percent Baseline: 21 (2017) * Target: 50 (2022)	**Ongoing: WB Operations** Local Government Development Program (PNIDDLE, P127543) West Africa Regional Communications Infrastructure Program (WARCIP, P123093) **Ongoing ASA:** Land Policy Dialogue

Baseline: 35 (2015)* Target: 50 (2022) Indicator 2.1: Electricity access solutions using solar or wind, percent Baseline: 15 (2015)* Target: 25 (2022) Indicator 3: Access to water and sanitations services in intermediate cities and adjacent rural areas, percent Baseline: 57 (2015)* Target: 70 (2022) * *The baseline and target values represent values for rural population nationally and will be updated at the PLR stage.*	**The evidence of improvements in citizen feedback on the quality of services may be complemented by the qualitative data.* * *The baseline and target values represent values for rural population nationally and will be updated at the PLR stage.*	**Planned WB Operations:** Productive and Resilient Intermediate Cities Project West Africa Coastal Areas Management Program (WACA, P162337) Rural Energy Project Rural Water Supply and Sanitation Project

Focus Area 2: Build Human Capital for Inclusive Growth
Despite recent progress in poverty reduction, vulnerability in Mauritania remains high. Poor households are limited in their ability to invest in the human capital of their children, and repeated shocks linked to the effects of climate change threaten households and their capacity to boost their productive capital. This calls for investments in human capital (health, education and nutrition); and more equitable access to basic services and productive assets, especially to the under-served and vulnerable in rural areas. The Second Focus Area, "Build Human Capital for Inclusive Growth", comprises the following four objectives: (1) increase coverage of the social safety net system; (2) increase access to and quality of general education; (3) improve employability, particularly for youth and women; and (4) improve access to maternal and child health care.
CPF Objective 2.1: Increase coverage of the social safety net system
Intervention Logic Despite improvements, poverty and vulnerability to shocks remain high in Mauritania. Poverty remains a key barrier for households to invest in the human capital of their children and in their productive capital. Moreover, increasingly frequent shocks linked to climate change threaten households who repeatedly engage in depletive mitigation strategies. As part of its national social protection strategy, the GoMR has started to lay the foundation for a national social safety net system, through the creation of a national Social Registry, a Social Transfer Program, and a shock-responsive system. Because they are being deployed nationally, these instruments provide the Government with mechanisms to effectively reach the poorest households throughout its territory with core services, and to improve the efficiency of its social spending by targeting efforts on the poorest. The WBG operations aims to ensure that the national safety net system can sustainably address extreme poverty as well as vulnerability to climate shocks. This will be achieved first by expanding the Social Registry to the national territory and promoting its use by all programs that aim at targeting the poor and vulnerable. It will also require taking the social protection program to scale and deepening its impact on the use of social services (especially for children, including through social promotion activities on the topics of hygiene, nutrition, and early stimulation) and the productive capacity of poor households. Finally, this will require the development of a national system to manage response to shocks and a national mechanism to trigger responses, guide the identification of beneficiaries, coordinate actors, and ensure reliable and timely financing. Two objective indicators are proposed as a proxy for measuring the increase coverage of the social safety net system.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Social Transfer Program beneficiaries, number Baseline: 100,000 (2017) Target: 660,000 (2022) Indicator 2: Geographic coverage of social protection program	Indicator 1: Share of women among direct beneficiaries of the Social Transfer Program, percent Baseline: 69 (2017) Target: 80 (2022)	**Ongoing: WB Operations** INAYA Health System Support (P156165) Social Safety Net System (P150430) PRAPS (P147674) **WB ASA** Adaptive Social Protection NLTA (P153182)

Baseline: 6 *moughataa* (2017) Target: all territory (57 *moughataa*) (2022)	Indicator 2: Programs using the Social Registry to identify their beneficiaries, number Baseline: 1 (2017) Target: 10 (2023) Indicator 3: Households included in the Social Registry Baseline: 13,724 (2017) Target: 200,000 (2022)	Early Learning Partnership (TF0A0879) **Planned: WB Operations** Follow-up operation after closing in FY20 (TBD)

CPF Objective 2.2: Improve access to and quality of general education

Intervention Logic

Despite improvements, Mauritania's social indicators are among the lowest in the world. The low level and regressive distribution of public spending has resulted in inequitable access to education services: the poorest children receive the least benefit from overall education spending, which is biased towards wealthier regions. In education, the key remaining challenges are high attrition rates between years of education, especially for the poorest, and the lack of education quality leading to low and deteriorating learning achievements. Only one-third of primary school students continue to secondary school, and two-thirds of children from the poorest quintile are not in school. The gender gap increases with the level of education: boys are nearly fifty percent more likely to complete secondary education than girls.

The WBG investments focus on improving the quality of education, promoting equitable access to education among girls, and enhancing accountability and governance at decentralized level. Despite the education reforms that were enacted nearly twenty years ago, learning outcomes remain poor and literacy rates among young children are chronically low. These learning deficits are then manifested in youth who lack the skills demanded by the labor market and cannot find jobs.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Students entering lower secondary education, number Baseline: 32,000 (2017) Target: 50,000 (2022) Indicator 1.1: Girls entering lower secondary education, number Baseline: 17,800 (2017) Target: 25,000 (2022)	Indicator 1: Number of additional bilingual teachers certified by CREL Baseline: 436 (2016) Target: 1,019 (2018)	**Ongoing WB Operations:** Basic Education Sector Support (P126902) Education Budget Transparency (P162168) Skills Development (P118974) **Ongoing WB ASA:** Service Delivery Indicators survey (P164343) Social Protection TA (P133623) Poverty and Jobs NLTA (P152592) GPSA Education

Indicator 2: Graduates of preservice teacher training possessing minimum qualifications, percent Baseline 39 (2017) Target 90 (2022)		**Planned WB Operations:** Education Support Project (P163143) Youth Employability (P162916) DPO Series 2 (P163057)

CPF Objective 2.3: Improve employability, particularly for youth and women

Intervention Logic

Strengthening youth employment is at the heart of breaking inter-generational poverty, promoting growth, and boosting social inclusion. The situation of youth on labor markets is characterized by high levels of inactivity (39 percent do not study or work, especially among young women) and relatively low wages and vulnerable working conditions. Most youth in Mauritania suffer from several employment constraints, and vulnerable population segments are particularly affected. Demand for labor is limited by weak job creation in emerging sectors; weak access to services and information about livelihoods and employment options (which is exacerbated by clientelism in hiring among firms); insufficient job-relevant competencies across sectors; and lack of access to productive assets. Despite these challenges, youth employment programs are limited in coverage and catering mainly to urban university and vocational training graduates. The Government has recently developed its strategy, building on global evidence that programs which address multiple constraints systematically have the greatest impact, especially among the poor and vulnerable.

The Government's strategy calls for (a) providing vulnerable youth with mechanisms to develop cross-cutting labor market-relevant skills in collaboration with the private sector (basic training, internship, literacy, life skills), building on the model developed in the ongoing skills project; (b) providing vulnerable youth with support for self-employment through coaching and monetary transfers (by value chain); and (c) encouraging entrepreneurship among youth (and hence job creation) in high-value-added sectors and value chains.

The WBG will support the Government's efforts to promote inclusive employment opportunities for vulnerable youth with an integrated approach. To strengthen public-private coalitions that lie at the heart of youth employment in Mauritania, the WBG will work with other partners, the private sector, and Government. This will be implemented in synergy with the ongoing and planned support in the area of primary education, social safety nets (used to reach the vulnerable, promote demand for training services, and help youth set up productive activities), animal husbandry (PRAPS), and private sector development.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Young entrepreneurs successfully launching activities or employed, number Baseline: 0 (2017) Target: 5,600 (2022)*	Indicator 1. Youth and women from training programs retain employment after two years, percent Baseline: 0 (2017) Target: 65 (2022)	**Ongoing: WB Operations** INAYA Health System Support (P156165) Basic Education Sector Support (P126902) Sahel Women Empowerment and Demographic Dividend Project (SWEDD, P150080) Education Budget Transparency (P162168)

Indicator 2: Income increase for the young and women benefitting from the program, percent Baseline: 0 (2017) Target: 30 (2022) ** 5,600 makes 40% of women*	Indicator 2: Youth and women receiving vocational training and/or capacity building for income generating activities, number Baseline: 1,063 (2017) Target: 1,500 (2022)** *** This is the project end-FY18 target for P132998 and will be revised at the PLR stage.*	TVET operation **WB ASA** Service Delivery Indicators survey (P164343) Social Protection TA (P133623) Poverty and Jobs NLTA (P152592) **Planned: WB Operations** Education Support Project (P163143) Municipal Solid Waste Management Project (P161476) Youth Employability (P162916)
CPF Objective 2.4: Improve access to maternal and child health care		
Intervention Logic Despite some progress in health, Mauritania's outcomes on maternal and reproductive health, and nutrition remain limited. The Government is addressing the affordability of health care targeting reproductive and maternal health, as stated in the country's national plans for 2016-2020. However, coverage of high-impact interventions particularly for children is uneven and shows a pronounced urban bias in input availability and use of care. Mauritania's fertility rate of 5.1 children/mother puts pressure on all social services. This, combined with the finding that one in four children shows signs of malnutrition, means that lifetime earning potential is stunted. The WBG operations increase the overall resource envelope for health going towards the poor, the rural areas, and the non-hospital activities. They provide investments in reproductive health and aim at improving the quality of services and utilization of primary care focusing on maternal and child care, thereby laying a stronger foundation for holistic development in the early years and for subsequent human capital acquisition throughout the life cycle. More specifically, they aim to increase empowerment of women and adolescent girls and their access to quality reproductive, maternal, child, and adolescent health (RMCAH) services through the promotion of social/behavioral changes (demand side) and strengthening the regional capacity to provide RMCAH commodities and skills (supply). In addition, they support the pilot of the Results-Based Financing Strategy adopted in 2016 and provide incentives for supply and demand-side activities. Finally, the regional REDISSE3 operation will support epidemic preparedness and mitigation through a One Health approach across animal, human, and environmental factors.		

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Women completing four antenatal care visits to a health facility during pregnancy, number Baseline: 4,000 (2016) Target: 41,000 (2022) Indicator 2: Children 12-23 months fully immunized, number Baseline: 9,000 (2016) Target: 63,000 (2022)	Indicator 1: Children under five treated for severe and acute malnutrition*, number Baseline: 300 (2016) Target: 1,800 (2022) * *A pilot project in two regions (wilayas): Hodh El Gharbi and Guidimagha*	**Ongoing WB Operations:** INAYA Health System Support (P156165) Sahel Women Empowerment and Demographic Dividend Project (SWEDD, P150080) **Ongoing WB ASA:** Service Delivery Indicators survey (P164343) Social Protection TA (P133623) Poverty and Jobs NLTA (P152592) GPSA Education **Planned WB Operations:** Education Support Project (P163143) Youth Employability (P162916)

Focus Area 3: Strengthen Economic Governance and Private Sector-led Growth

The informal social networks and cultural norms that pervade Mauritania's economic, social and political space tend to undermine the legitimacy and accountability of state institutions. The proposed CPF will continue to support efforts to build capable and accountable formal state institutions, both at the central and local levels, that can support a performance-driven public administration, optimize the management of public resources for development, create a level playing field for private sector participation, reinforce trust in government and enhance social cohesion. The third Focus Area is driven by the following two objectives: (1) Strengthen fiscal management; and (2) Improve private sector participation in economic activities.

CPF Objective 3.1: Strengthen fiscal management

Intervention Logic

At its core, the capacity of state institutions to respond effectively to the development needs of the country requires robust fiscal management, from upstream revenue mobilization to downstream public financial management, through: (a) upstream tax reforms, which have yielded increased tax revenues, though more work remains to be done to address weak administrative and fiscal audit capacity, and the Authorities' overall ability to mobilize revenue; (b) medium-term planning and budgeting processes to reinforce effective allocation of public resources, while building the capacity to produce national statistics and macro-economic analysis and forecasting; and (c) downstream reforms of public resource management to address weaknesses in budget execution, debt and cash management and financial reporting; limited public procurement capacity, outdated auditing and accounting norms, and weak oversight of the parastatal sector.

The WBG will support Government's efforts to enhance transparency and efficiency in the mobilization, allocation and management of public resources through four channels : (a) expand the tax base and optimize revenue mobilization in the mining sector; (b) reinforce the alignment between evidence-based policies, medium term planning of resource allocations and annual budgeting processes; (c) enhance the efficient management of public resources by strengthening the fiscal management of SOEs and autonomous agencies, reinforcing government PFM information systems and enhancing the public procurement system; and (d) facilitate improved public access to fiscal information to enhance the transparent management of public resources.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: Mining sector tax audits are conducted in accordance with a risk-based annual action plan, percent Baseline: 0 (2017) Target: 80 (2023) Indicator 2: Reduction in the aggregate expenditure and tax revenues outturns compared to the originally approved budget, percent Baseline: above 5(2017) Target: below 5(2023)	Indicator 1: Increase in private sector share in public tenders, percent Baseline: 0 (2017) Target: 30 (2022) Indicator 2: Cases adjudicated before the Commercial Court, number Baseline: 0 (2017) Target: 50 (2022)	**Ongoing** **WB Operations** Two DPOs Public Sector Governance Project (P146804) Education Budget Transparency (P162168) **WB ASA** **Planned:** WB Operations Additional Financing Public Sector Governance Project

CPF Objective 3.2: Improve private sector participation in economic activities

Intervention Logic

Mauritania faces key challenges of limited access to finance, corruption, limited business-enabling services (e.g., accountants, legal firms), and an inefficient public bureaucracy constraining the investment climate and private sector activity. New and independent firms face challenges competing with lucrative larger conglomerates that often have their own banks, or state-owned enterprises. This discourages the efforts of local suppliers and international investors, and penalizes the poor and vulnerable by increasing prices for basic commodities and limiting jobs and livelihood opportunities. As noted in the SCD, addressing these challenges is critical to leverage county's comparative advantage in extractives, fisheries, agriculture and livestock sectors and accelerate the transition to private sector-led diversification, competitiveness and growth.

The Government has actively engaged in comprehensive investment climate reforms and in updating regulatory policies, thereby lowering the barriers to private investment in the country. WBG operations and advisory activities will aim to support improvements in private sector-led diversification through work on PPP regulations, investment climate reforms such as strengthening commercial justice, consolidation and modernization of property rights regimes and streamlining cross-border trade procedures; and encouraging sustainable private sector growth and entrepreneurship development in key economic activities such as gas, fisheries and agriculture.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1: New areas in which Doing Business reforms were implemented, number Baseline: 0 (2017) Target: 3 (2020)* Indicator 2: Private sector investment (gross fixed capital formation), percentage of GDP Baseline: 47 (2017) Target: 60 (2023) ____________________ Note: Indicator Job created by MSMEs – not measured under the WBG program * Reform areas include enforcing contracts, resolving insolvency, cross-border trade.	Indicator 1: PPP contracts signed, number Baseline: 0 (2017) Target: 6 (2023) Indicator 2: Ease of Doing Business for African Countries, rank Baseline: 33 (2017) Target: 18 (2023) Indicator 3: Entities reporting improved performance (productivity, efficiency, accountability, loan terms, valuations), number Baseline: 4 (2017) Target: 30 (2020) Indicator 4: Local private companies sourcing oil from Addax, number Baseline: 0 (2018) Target: 14 (2022)	**Ongoing WB Operations** Nouadhibou Eco-Seafood Cluster Project (P151058) Second Fiscal Consolidation and Private Sector Reform DPO (P163057) **WB ASA** Public Private Infrastructure Advisory Facility (PPIAF) Phase #2 (TF0A2677) Support to Youth Entrepreneurship and Climate Change (P162125, TF0A3795) Mauritania Competition Policy Assessment (P161218) **IFC Operations** TIVISKI SARL (33704) GTST Mauritania (41069) **IFC Advisory** Green Nouadhibou (600598) Mauritania ICE Advisory (601022) **MIGA Guarantees** Compagnie Hoteliere du Sahara (13423-01) Tasiast Gold Mine (14671-01) **Planned WB Operations** Mauritania Youth Employment Project Additional Financing for Nouadhibou Eco-Seafood Cluster Project (P163645) Gas Project Negotiations and Institutional Capacity (P163563) New DPO Series

Annex 2: Completion and Learning Review (CLR)

COMPLETION AND LEARNING REVIEW of the Country Partnership Strategy (CPS) FY2014-2016

I. INTRODUCTION

1. **This Completion and Learning Review (CLR) is a self-evaluation by the Mauritania country team of results under the World Bank Group (WBG) Mauritania Country Partnership Strategy (CPS) during the period FY14-16 (Report No. 75030-MR).**[20] The purpose of the CLR is to evaluate the extent to which the CPS was successful in achieving its stated objectives, how well the CPS was designed and implemented, and how well it was aligned with WBG Corporate Goals of reducing extreme poverty and boosting shared prosperity. This is *not* an assessment of Mauritania's progress towards its development goals, but rather of program achievements directly linked to WBG-supported activities and engagement in Mauritania during the CPS period. The CLR provides lessons that will be reflected in the forthcoming CPF.[21]

2. **The CLR rates the overall performance of the CPS program as Moderately Satisfactory.** Ten out of fourteen outcomes are rated as either Achieved or Mostly Achieved. Results under Pillar 1 – Growth and Diversification – are rated as Moderately Unsatisfactory, despite achievements in the business environment, financial services for small businesses, and internet access. Results under Pillar 2 – Economic Governance and Service Delivery – are rated as Moderately Satisfactory, with progress in access to technical and vocational training, targeting of safety net programs, and improvements in financial management, including at the local level.

3. **In terms of WBG performance, the CLR rates the design of the CPS as Fair, while implementation of the program is rated as Good.** There was strong WBG collaboration in support of the business environment and Advisory Services and Analytics (ASA) were relevant and informed operations. Although operations and knowledge work had significant impact on the ground and contributed to achieving CPS outcomes, the CPS results matrix often lacked sufficiently measurable indicators. No Performance and Learning Review (PLR) was completed during the CPS period which represented a missed opportunity to reassess country circumstances and revise the CPS Results Framework.

4. **To further clarify, the CLR ratings reflect the strategic objectives and outcome indicators in the CPS Results Matrix** – some of which were overly broad and subject to country circumstances or government actions over which the Bank had little or no control. That said, they do not fully capture the robust impact of the WBG engagement in Mauritania during the past

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[20] The FY14-16 CPS was discussed by the Board of Executive Directors on September 5, 2013.

[21] The team acknowledges the gap between the official end of the CPS period – June 30, 2016 – and the activities that continued through FY17 as the Systematic Country Diagnostic (SCD, Report No. 116630-MR) was prepared. The team also recognizes that per CLR guidelines, performance ratings only capture achievements made during the CPS period – in this case, FY14-FY16 – and do not rate outcomes achieved after June 30, 2016. Where applicable, the CLR provides information on progress achieved after the CPS period ended on June 30, 2016.

four years, nor do they reflect the degree to which the World Bank is viewed as a trusted partner by the Government, as a valued player within the community of development partners (DPs), and a provider of high-quality knowledge products. *WBG program performance was particularly effective in the areas of social safety nets, fisheries, and climate change*.

COUNTRY CONTEXT

5. **Mauritania has experienced severe external shocks, including changes in commodity prices and the effects of climate change.** The country faced macroeconomic challenges at the end of the commodity super-cycle, when the GDP growth rate fell from six to two percent between 2013 and 2016, a period that was accompanied by a 13-percent decline in iron ore production and an 11-percent drop in oil production. The worsening terms of trade also impacted the domestic non-tradable sector - especially the construction industry, trade and services sectors - which had long benefitted from growth in the extractive industries and public investment. In contrast, the fisheries sector continued to perform well, with production rising by 28.3 percent in 2015. In 2016, growth was supported by a modest recovery in iron-ore production combined with solid performance in the agriculture, livestock, fisheries, and construction sectors.

6. **Mauritania experienced accelerated poverty reduction during the commodity boom, making it a leading performer in the region.** Until the early 2000s, Mauritania was on a slow poverty reduction trajectory, with an average decline of slightly less than 1 percent per year. That rate accelerated to around 1.5 percentage points a year during the commodity super-cycle. Between 2008 and 2014, the poverty rate dropped from 44.5 percent to 33.0 percent (based on the national poverty line of MRO 177,200[22]). Over this same period, the rate of extreme poverty was halved, declining from 10.8 percent to 5.6 percent, based on the international absolute extreme poverty line of US$1.90 (purchasing power parity). The recent slowdown in economic activity has revealed the vulnerability of poverty-reduction outcomes to growth and price effects.

II. CPS PROGRAM PERFORMANCE

7. **Overall progress towards the CPS development outcomes is rated as Moderately Satisfactory (MS).** The CPS was based on two CPS pillars, which comprised 14 outcomes and 21 indicators. The CLR concludes that ten out of the fourteen outcomes under the CPS pillars were Achieved or Mostly Achieved, resulting in a rating of Moderately Unsatisfactory for CPS Pillar 1 and Moderately Satisfactory for CPS Pillar 2. The table below summarizes the CLR ratings, while the Results Matrix in Annex 1 provides further details on the evaluation of each outcome[23].

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22 MRO refers to Mauritania's currency unit, the Mauritanian Ouguiya. US$ 1.00 is equivalent to MRO 355.00 (exchange rate effective as of November 30, 2017).

23 The assessment is informed by review of Bank documents including Project Appraisal Documents (PADs), Implementation Completion Reports (ICRs), IEG ICR Reviews (ICRRs), Implementation Status and Results reports (ISRs), aide memoires and briefs prepared during the review period; the Systematic Country Diagnostic (SCD); and input from MIGA staff in addition to World Bank and IFC staff operating in Mauritania. The rating methodology follows the joint guidance issued in December 2014 by the Operations Policy and Country Services Unit (OPCS) and the Independent Evaluation Group (IEG). The CLR uses the CPS results matrix to assess the indicators and outcomes.

Summary of CLR Ratings

Pillars and Outcomes of CPS Program FY14-16	Pillar/Outcome Rating
CPS Pillar 1: Growth and Diversification	**MU**
Outcome 1 (a): Improved financial services for MSMEs	A
Outcome 1 (b): Improved regulatory climate	A
Outcome 2: Improved targeted inter-urban roads	MA
Outcome 3 (a): Increase supply of electricity to households and industry	NA
Outcome 3 (b): Increased electricity export to Senegal and Mali	NA
Outcome 4: Increased access to internet services	A
Outcome 5: Improved management of fishery resources	MA
Outcome 6: Improved crop yield	PA
Outcome 7: Resilience to climate change integrated in the Mauritania's overall development agenda	MA
Pillar 2: Economic Governance and Service Delivery	**MS**
Outcome 8 (a): Improve quality of basic education	PA
Outcome 8 (b): Improved access to technical and vocational training disaggregated by sex	A
Outcome 9: Better targeting of safety net programs	MA
Outcome 10: Efficient management of public financial resources	MA
Outcome 11: Improved financial management at decentralized/local government level	MA

Outcome Ratings: *Not Achieved (NA), Partially Achieved (PA), Mostly Achieved (MA), Achieved (A)*

Pillar Ratings: *Highly Unsatisfactory (HU) Unsatisfactory (U), Moderately Unsatisfactory (MU), Moderately Satisfactory (MS), Satisfactory (S), Highly Satisfactory (HS)*

Pillar 1: Growth and Diversification

8. **The CPS program performance under Pillar 1 – Growth and Diversification – is rated as Moderately Unsatisfactory.** Under this pillar, the WBG aimed at supporting the Government in the areas of competitiveness, business environment, infrastructure, agriculture, climate change, and fisheries. Seven out of the nine outcomes were rated as Achieved, Mostly Achieved, or Partially Achieved. This is based on the CPS results matrix, which does not reflect updates to indicators linked to operations that were approved since the CPS was prepared. Under Pillar 1, three new projects were approved during FY14-16, with IDA net commitments totaling US$7.75 million complemented by US$7.66 million of Recipient-Executed Trust Funds (RETF), including the Global Environment Facility (GEF) and the Japan Social Development Fund (JSDF).

Financial Sector and Business Environment

9. **Progress was made in support of the financial sector and the target for increased credit reporting was exceeded; as such the indicator is rated as Achieved.** The indicator under Outcome 1(a) aimed to *Improve financial services for micro, small and medium enterprises (MSMEs).* Support provided under the Business Environment Enhancement Project (BEEP, P102031) contributed to putting in place a Credit Bureau and institutionalizing weekly automatic system updates for credit information. The CPS indicator is rated as Achieved, with 100 percent of credits being reported to the credit registry by 2015, exceeding the target of 60 percent

reporting by 2016. IFC supported the outcome through the two-year, US$400-million syndicated structured trade facility (and IFC's direct investment of US$127.5 million), which allowed critical imports of energy products into Mauritania, safeguarding the continuous flow of energy and thereby preventing supply interruption-based price spikes. It also ensured the continued involvement of private sector operators in the transport, distribution, and retail sales of energy products. While access to finance remains limited, the Local Currency Facility under the IDA18 Private Sector Window (PSW) may allow IFC to further engage with financial institutions in Mauritania.

10. **Thanks to sustained improvements in the business environment over the CPS period, Outcome 1(b) is rated as Achieved.** The outcome aimed at improving the regulatory climate: the time required to start a business in Mauritania was reduced from 19 days in 2012 to the target of eight days by 2016. Mauritania was a global Top Ten reformer in the Doing Business (DB) 2016 report. It remained among the most reforming economies, with four reforms in DB 2017 and five reforms in DB 2018, one of only 12 countries globally to achieve five or more reforms this year. Starting a business was made easier through the creation of a one-stop shop and elimination of the minimum capital requirement. The Bank also supported the revision of the Commerce Code and worked with IFC on Doing Business-related reforms. IFC sought to support the expansion and diversification of a local dairy company, which helped develop a domestic dairy industry in Mauritania, and demonstrated the potential to attract investment for local products that substitute expensive imports. IFC is also working on a Sustainability Roadmap for the Nouadhibou Free Zone (NFZ), including NFZ Authority's monitoring of private operators' compliance with environmental regulations. Although Mauritania gained 26 positions in the last three years, it remains a challenging business environment, ranking 150 out of 190 economies in the 2018 DB.

Infrastructure

11. **Progress was Mostly Achieved against Outcome 2 – improving targeted Inter-Urban roads.** The Road Corridor Project (P112131), co-financed by the World Bank (US$20 million) and European Union (US$57.6 million), aimed to reduce the travel time between Nouakchott and Rosso (the border-crossing city with Senegal) from 2.5 hours in 2012 to 2 hours in 2016. Despite delays in the EU-financed works on the 142-km Nouakchott-Bombri section, work on the 47-km Bombri-Rosso section (financed by the World Bank through the Africa Catalytic Growth Fund (ACGF)) was completed. Travel time was reduced from 60 to 30 minutes and the road was widened and equipped with road safety measures to improve access to Rosso. Traffic volume and speed have improved substantially on the Bank-rehabilitated section, enhancing the efficiency of this important regional transit corridor. Per the ICR, in addition to road users, representatives of the 128,000 persons living in the Project Impact Area confirmed their improved mobility and satisfaction with increased opportunities to sell products and earn income. The ICR offers lessons, including on co-financing arrangements.[24] Despite delays in the EU-financed works, the project

[24] The ICR of the Road Corridor Project (Report No. ICR3481) includes the following lessons: (i) Timing of preparation of ICR for parallel or co-financed projects where World Bank has no control over a large part of the project demands better guidance; (ii) the design of the Project Development Objective should reflect the co-financing arrangement; and (iii) implementation success depends on having a dedicated task team throughout the project cycle.

and World Bank-financed section delivered visible economic and social benefits. Given the positive impact of the Bank's performance - notwithstanding the delays associated with the co-financing arrangement - the CLR rates the progress towards the outcome as Mostly Achieved.

12. **Notwithstanding WBG support to the electricity sector during the CPS period, the two indicators for Outcome 3 are rated as Not Achieved.** Outcome 3(a) and 3(b) are linked to the Banda Gas to Power Project (BGTPP, P107940), which aims to increase electricity supply for households and industry and enable regional integration through electricity exports. While the project and a proposed MIGA guarantee (US$585 million) were approved in May 2014, the main private investor (67 percent of shares) departed the project in December 2014.[25] Based on the Bank's review, the Government opted to develop the Banda gas field through a public-private partnership (PPP) structure and invited Senegal and Mali to participate. In fall 2015, IDA provided a project preparation advance (PPA) to support the Government in restructuring the project and fundraising. By the end of the CPS period, the Bank granted additional time (until May 2018) to restructure the project. Financial close had not been reached as of November 2017.

13. **The target of increasing access to internet services (Outcome 4) is rated as Achieved.** The West Africa Regional Communications Infrastructure Project (WARCIP, P123093) supported this outcome, reaching 25.9 subscribers per 100 people against the target of 10 per 100. The Internet Exchange Point (IXP) was fully operational as of June 2016, and all Information Society laws were adopted by Parliament. The PPP for the ownership and management of the fiber optic network was partly established with the creation and operationalization of the national holding company, *Société de Développement des Infrastructures numériques (SDIN)* and the negotiation of key provisions of the delegation contract between SDIN and the selected private operator (International Mauritania Telecom). Construction of a fiber optic network to create a reliable regional and national backbone – initially designed to be co-financed with European Investment Bank (EIB) – is getting under way following delays in the bids evaluation process and EIB's withdrawal from this project in 2017. Technical Assistance (TA) complemented and informed the lending program and included an open data readiness assessment and action plan, a TA on telecom taxation, and a TA on the evaluation of the previous national ICT strategy.

Natural Resources

14. **WBG engagement contributed to significantly improved management of Mauritania's fishery resources; the CLR rates this outcome as Mostly Achieved.** The first indicator is linked to the West Africa Regional Fisheries Program (WARF, P126773), which became effective in June 2015. The indicator target of 90-100 percent of fishing vessels to be registered by 2016 is rated as Not Achieved: as of December 2015, the share of registrations was 0 percent and reached 66 percent by November 2016 (beyond the CPS period). However, robust progress towards the outcome was recorded: by 2016, 100 percent of industrial vessels were registered and WARF is

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[25] The departure of the main investor illustrates the risk inherent in basing an outcome indicator on a factor over which the WBG has little or no control (in this case, an external actor's decision to exit the project).

supporting increased registration of artisanal vessels (the project target was for 25 percent of vessels to be registered by 2018). The second indicator is rated as Mostly Achieved, as the direct contribution of fisheries to GDP was estimated at six percent in 2015 (against a target of eight percent by 2016). The GoMR implemented several significant reforms, notably management of fisheries based on catch quotas determined in partnership with the scientific institute (*Institut Mauritanien de Recherches Océanographiques et de Pêches, IMROP*). In FY17, the WBG began to support sustainable fisheries management through the Nouadhibou Eco-Seafood Cluster Project (P151058).

Agriculture Productivity

15. **Performance against Outcome 6 – improved crop yield and efforts to unleash the potential of the agriculture sector – is rated as Partially Achieved.** The first indicator, planned yield for irrigated rice, reached 5 tons per hectare in 2016 (against the target of 6 tons per hectare in 2018), and is rated as Mostly Achieved; while the second indicator, the yield of sorghum and millet per hectare, is rated as Not Achieved. In 2016, millet and sorghum reached only 0.8 tons per hectare, which was below both the baseline (1 ton per hectare in 2013) and the target (2.5 tons per hectare in 2016) because of low precipitation and limited productivity. The WBG has been supporting Mauritania's development of irrigation potential through the Senegal River Basin Integrated Water Resources Management Project (PGIRE2/OMVS, P153863), which was approved by the Board on June 23, 2016 and became effective in December 2016. It is supporting improved techniques to handle, stock and conserve fish products to reduce losses and increase value addition and revenues. In the context of gender-focused interventions, these "post-capture" activities are often conducted by women. In addition, women were involved in characterization studies on how to intervene in fish markets and they participated in the initial trainings.

16. **Given the scope and impact of the Bank's engagement and knowledge work, which supported Mauritania's efforts to integrate climate change and disaster risk management into its development agenda, the CLR rates progress towards Outcome 7 as Mostly Achieved**. The outcome was measured by the number of sectors mainstreaming climate resilience in national strategies and the increase in the program budget. While the specific target indicator was not met, significant progress has been recorded towards the outcome: the WBG supported the government to integrate climate change resilience and disaster risk management in its development agenda. The report on inclusive green growth (IGG), completed in June 2015[26], aimed at making growth more environmentally friendly, resilient, and equitable. A key success in preparation of the study was the leadership role of the Ministry of Economy, establishment of a proactive multi-sectoral working group, and participatory consultations. The WBG also supported the government in updating its strategic master plan for coastal management (*Plan d'Aménagement du Littoral Mauritanien, PDALM*) and in addressing implementation issues. The

[26] World Bank. 2015. *Rating policy on green and inclusive growth in Mauritania*. Washington, D.C.: World Bank Group. https://hubs.worldbank.org/docs/ImageBank/Pages/DocProfile.aspx?nodeid=24699108.

West Africa Coastal Areas Management Program (WACA, P162337), which is under preparation and due to be presented to the Board in March 2018, will support implementation of key PDALM actions.[27]

Pillar 2: Economic Governance and Service Delivery

17. **CPS program performance under Pillar 2 – Economic Governance and Service Delivery – is rated as Moderately Satisfactory.** Under this pillar, the WBG aimed at improving economic governance and service delivery through support to improved services in education, health and social protection. Four of the five outcomes were either Achieved or Mostly Achieved. Under Pillar 2, four new projects were approved during FY14-16 with IDA commitments amounting to US$36.6 million and US$16.75 million of RETF, such as the Global Partnership for Education (GPE) and the Extractive Industries Transparency Initiative (EITI).

Education and Vocational/Technical Training

18. **The CLR rates the Bank's support to Outcome 8(a) – improvement in the quality of basic education –as Partially Achieved.** The CPS indicator could not be verified as of 2016 because the most recent student learning assessment was conducted in 2014, when the targets of 5th grade students in math were not achieved and results in French were below the baseline. The latter can be explained, in part, by the expansion of the system: the children now in 5th grade are, on average, from lower socio-economic backgrounds which can be reflected in lower average performance in French, but improved performance in Arabic. The Basic Education Sector Support Project (P126902), funded by a US$12.4-million GPE grant, made progress in implementing most project activities. Outputs include teacher training and certification (more than 1,000 teachers certified bilingual by an independent center); expanded school infrastructure in disadvantaged rural areas (construction of 12 new lower secondary schools); and promotion of adolescent girls' education (about 19,000 pedagogical kits distributed to girls in lower secondary schools in the six targeted *Wilayas;* 252 awards to high-performing girls; and awareness campaigns covering 290 school teachers and directors, inspectors, and parents associations). The ISR noted the rate of girls' transition from primary to secondary school rose from 41.3 percent to 45 percent.

19. **As access to technical and vocational education and training (TVET) – Outcome 8(b) – improved during the CPS period, the CLR rates the indicator as Achieved.** The number of annual graduates in supported TVET institutions increased from 993 in 2012 to 1,400 students in 2016, surpassing the target of 1,300. The Mauritania Skills Development Support Project (P118974), financed through US$16 million from IDA and US$1.6 from the Government of Mauritania (GoMR), supported 11 TVET institutions through performance-based contracts. Enrolment increased by 47 percent (against a target of 45 percent) and the total number of graduates reached 7,962 (85 percent of the target). The proportion of female beneficiaries increased from 15 percent to 34 percent, exceeding the target of 27 percent. Apprenticeships and short-term

[27] Although it was approved after the CPS period, it is expected that the project and support towards implementation of the PDALM will be reflected in the CPF.

training programs targeting out-of-school youth (ages 14-25) and covering a wide range of vocations benefited 7,337 out-of-school youth from disadvantaged backgrounds in both urban and rural areas. Additional Financing of US$11.3 million was approved in October 2014 and a Level 2 restructuring approved in 2016 extended the project closing date to December 2017.

Social Protection

20. **As the World Bank's engagement contributed to robust improvements in targeting of Safety Net Programs, the CLR rates Outcome 9 as Mostly Achieved.** At the beginning the CPS period, Mauritania had no social protection system in place. The Bank deployed a large non-lending technical assistance **(**NLTA), with support from the Sahel Adaptive Social Protection MDTF, which provided the basis for intense technical assistance and informed the Social Safety Net Operation (US$29 million, P150430) co-financed by IDA, the Sahel Adaptive Social Protection MDTF, and the Government (US$10 million). The operation became effective in September 2015, and World Bank engagement helped to improve targeting of safety net programs through investments in diagnostics, capacity training, setting up a national social transfer program and a national social registry of the poorest households. The World Bank, in collaboration with the World Food Program (WFP), contributed to national policy dialogue on designing the government's shock-responsive program. Support to establishing the national Social Registry provides a tool for targeting poverty-focused programs, including safety nets and the provision of health services, scholarships, and subsidized services. The Social Safety Net Project provided cash transfers and a Social Promotion component that focuses on sensitization around issues such as education, early childhood development and civil registration (the ISR notes that women constitute 92 percent of cash-transfer recipients). The project is partnering with the Africa Gender Innovation Lab (GIL), which is designing an impact evaluation (IE) to test the impact of cash transfers.

Public Sector Development

21. **Progress towards Outcome 10 – efficient management of public financial resources – is rated as Mostly Achieved.** Two of the indicators were Achieved: (i) payment time was reduced and budget execution was improved through a more efficient payment process at Treasury, and (ii) single-source contracting decreased. Although one indicator was Mostly Achieved (the number of ministries updating and using a Medium-Term Expenditure Framework), the disconnect between Medium-Term Expenditure Framework (MTEFs) and the budget remains an issue. An additional indicator is rated as Not Achieved – cross-ministerial collaboration is still only occurring on an ad-hoc basis. The Public Sector Governance Project (PSGP) (P146804), which became effective in 2016, supports the government in improving revenue mobilization and optimizing public expenditures. In 2016, the State-Owned Enterprises (SOE) Unit in the Ministry of Finance published the first-ever complete report on the parastatal sector and developed a comprehensive database on SOEs, and the State Inspection Unit is actively engaged in monitoring SOEs. With the support of the Project, the Government has advanced important reforms to optimize public spending, reinforcing control over the parastatal sector and seeking to enhance compliance with the country's robust procurement framework. The WBG delivered significant

analytical work during the CPS period, including an Accounting Norms and Codes Compliance Study (ROSC) in 2013, an SOE and Public Agencies Governance study and Public Expenditure and Financial Accountability Assessment (PEFA) in 2014, and a Public Expenditure Review (PER) in 2016.

Decentralization

22. **Progress in improving financial management at the decentralized/local government level (Outcome 11) is rated as Mostly Achieved.** Under the Local Governance Development Project (P127543), which built on the Public Sector Capacity Building Project (PRECASP, P082888), a fund was set up in 2014 to provide grants to local governments (LG), based on their performance in accountability and participatory planning and budgeting. One of the CPS indicators is rated as Achieved (budget transfers to local governments increased) and two indicators were rated as Mostly Achieved (LGs' improved score in the annual performance assessment and the percentage of LGs meeting mandatory minimum conditions for access to performance grants). During the CPS period, 100 municipalities received training and hands-on support, strengthened their human resources, and improved their management. Several reforms were passed, including to consolidate the role of the municipal General Secretary, allocate more transfers from the government to human resources and infrastructure maintenance, and to decentralize procurement. More recently, two pilot inter-municipality procurement commissions were established and began bringing decision-making closer to the municipalities and triggering change in the previously over-centralized procurement system. A revenue collection exercise piloted in one municipality yielded increased own-source revenues and will be scaled up in ten additional cities.

23. **IFC's strategic focus in Mauritania included support to access to finance and to broader investment climate reform**. IFC leveraged the WBG's on-the-ground presence to support IFC's engagement. IFC and WB staff collaborated on the oil and gas sector (Banda Gas) and exchanged information. Key constraints for IFC in Mauritania include low levels of capacity, challenges in identifying strong sponsors without Integrity Due Diligence (IDD) implications (political links and/or integrity issues), and few sectors which are competitive on a regional and global level. Between 2011 and 2016, IFC's Public-Private Partnership (PPP) transaction advisory unit engaged with the GoMR to privatize the Nouakchott container port. Despite several years of effort, the government did not agree to the recommendation to ensure exclusivity to the concessionaire which resulted in both parties stopping the process. IFC's experience highlights the need to assess political decision-making and invest in additional capacity building.

24. **MIGA continued to support the telecom sector over the CPS period via its guarantee to investors in the first mobile telecom operator in the country.** That project involved the installation, operation, and maintenance of a new GSM network. Although the US$55.8 million guarantee expired in FY17, the project continues to operate. In 2016, MIGA engaged in the services sector through the issuance of a ten-year guarantee of up to €2.3 million for an investment in Compagnie Hoteliere du Sahara in Nouakchott's central business district. In addition, in January 2018, MIGA issued a US$300 million guarantee for the expansion and

modernization of the Tasiast gold mine, providing all four political risk insurance covers for a period of up to 15 years.

25. **Gender.** The Sahel Women's Empowerment and Demographics Project (SWEDD, US$15 million, P150080), with a contribution of US$2 million by the GoMR, was approved in December 2014 and became effective in May 2015. This regional project aims to increase women's and adolescent girls' empowerment and access to quality reproductive, child and maternal health services, and to improve regional knowledge sharing and regional capacity and coordination. The project relies heavily on the United Nations Population Fund (UNFPA) for implementation support and regional coordination. Design of the SWEDD project has been informed by emerging evidence on empowering women and engaging men as allies in women's empowerment. The project benefited from consultation with the Africa Region's Gender Innovation Lab (GIL) and evidence that GIL generated through impact evaluations of adolescent girls' interventions.[28]

III. WORLD BANK GROUP PERFORMANCE

Program Design

26. **The WBG's performance in designing the CPS is assessed as Fair**. Design of the CPS program was relevant to Mauritania's development priorities as outlined in the PRSP-3 for 2011-15[29] and the CPS outcomes and planned interventions addressed major development challenges in Mauritania: (i) inclusive growth, (ii) competitiveness, and (iii) governance.

27. **While the CPS results matrix was aligned with the Government's development goals, there remains room for improvement.** The CPS was organized into 14 outcomes and 21 indicators under two broad pillars. Pillar 1 included 9 outcomes and 11 indicators, while Pillar 2 included 5 outcomes and 10 indicators. A smaller number of outcomes may have produced a more focused results matrix with more measurable and relevant indicators. While the results matrix featured indicators with baselines and targets as well as milestones, some of the outcome indicators were difficult to measure, especially when linked to projects that were still being prepared at the time of the CPS. In some cases, targets lacked realism given the short duration

[28] In Uganda, the BRAC-implemented Empowerment and Livelihood for Adolescents (ELA) program demonstrated the success of using 'safe spaces' for girls, with training provided in girls-only social clubs. An impact evaluation (IE) of ELA indicates that girls in the program were 72 percent more likely to be engaged in income-generating activities, 26 percent less likely to have a child, 58 percent less likely to be married or cohabiting, and 44 percent less likely to have had sex against their will over the past 12 months (Bandiera et al, 2014). Based on this evidence, SWEDD will use safe spaces for girls. SWEDD also draws on evidence that engaging men as allies in women's empowerment yields large benefits; scaling up the "Écoles des maris" approach that was first piloted by UNFPA in Niger. This approach trains model husbands to disseminate information on the benefits of using maternal health services. Data from one district suggests that over a period of three years during project implementation, the rate of attended childbirth increased from 15 percent to 74 percent (UNFPA, 2011). SWEDD will replicate this approach in Mauritania and other participating countries, and will work with GIL to conduct an IE of the "Écoles des maris" model.

[29] PRSP-3 was one of three action plans to implement the PRSP 2001-2015 (Cadre stratégique de lutte contre la pauvreté, CSLP). The PRSP-3 terminated in 2015, and was succeeded by the Government's "Strategy for Accelerated Growth and Shared Prosperity 2016-2030" (Stratégie de Croissance Accélérée et de Prospérité Partagée, SCAPP).

of the CPS. Although the CPS aimed to make gender a cross-cutting priority, a greater focus on gender equality and gender-disaggregated outcome indicators could have been better reflected in the CPS results matrix. With guidance from the Africa GIL, the Results Matrix of the forthcoming CPF will feature a stronger gender focus.

28. **Another major shortcoming was that the Bank did not prepare a Performance and Learning Review (PLR),** due in part to the short duration of the CPS period, and instead proceeded with the preparation of the SCD to inform the CPF. This made it difficult to reflect changing country circumstances and implementation progress at the midpoint in the CPS period, and to adjust the CPS results matrix and underlying outcome indicators accordingly. *This offers a lesson to be carried forward to the CPF on the importance of preparing a PLR.*

29. **Risks and Mitigation.** The CPS identified three major risks to implementation: (a) political instability; (b) low capacity of the administration; and (c) vulnerability of the economy to external shocks. It proposed a dual approach combining (a) low-risk/good-return ongoing and follow-up operations with (b) new high-risk/high-return actions. Between 2013 and 2015, Mauritania's GDP growth rate fell from six to three percent, due to a drop in global commodity prices. In November 2016, a programmatic Fiscal and Private Sector Participation Reforms Development Policy Operation (DPO) series, the first DPO for Mauritania, was approved. It was designed to support Mauritania in adjusting to a protracted terms of trade shock, to implement structural fiscal reforms, and support private sector participation in non-extractives sectors. The groundwork for this DPO series was established through a series of ASA and policy dialogue with the authorities, through which the WBG established its role as a trusted partner of the government. The Social Safety Net System Project supported the development of tools to protect the poor from fiscal reforms by setting up a national social registry to efficiently identify the poorest households and a national social transfer program to support them with regular transfers. *These instruments can be used to channel additional temporary support in times of contraction or structural reforms.*

Program Implementation

30. **Overall, the Bank's implementation performance is assessed as Good.** There was strong WBG collaboration on the business environment and in the energy sector, notwithstanding the challenges associated with private sector development in the country. In sectors such as mining, livestock, fisheries and ICT, there are opportunities to explore further collaboration between the Bank, IFC, and MIGA, in the context of the "Cascade principles" and the emphasis on creating markets. *A more integrated One World Bank Group approach will be pursued under the CPF.*

31. **The CPS straddled two IDA cycles – IDA16 and IDA17.** Commitments from all financing sources between FY14-16 totaled US$218.76 million, comprising US$187.35 million in IDA and US$31.41 million in other sources (RETF). IDA financing exceeded the planned IDA envelope of $105 million for the CPS period, reflecting success in leveraging regional IDA resources and support from DPs. Regional projects (four projects) accounted for approximately 3/4 of the total IDA commitments over the CPS period (see Annex 2). Approved activities spanned the following sectors: Agriculture (US$45 million), Social, Urban, Rural and Resilience (US$2.85 million), Water

(US$71 million), Social Protection (US$19 million), Governance (US$10.65 million), Education (US$23.7 million), Health (US$15 million), Trade and Competitiveness (US$7.75 million) and Environment and Natural Resources (US$23.81 million).

32. **In addition to seven new national projects, the portfolio included four new regional projects during FY14-FY16:** (a) the Regional Sahel Pastoralism Support Project (P147674); (b) the West Africa Regional Fisheries Program APL (P126773), complemented by a TF (P131327); (c) the Sahel Women's Empowerment and Demographics Project (P150080); and (d) the Senegal River Basin Climate Change Resilience Development Project (P131323); for a total of US$150 million, almost twice the amount committed for national projects (US$68.76 million total - see Annex 2). During the CPS period, the GoMR was extremely successful in leveraging RETF amounting to US$31.41 million, and regional IDA resources amounting to US$143 million, to complement a limited IDA envelope. In addition, a US$130-million guarantee was approved for the Banda Gas project during the CPS period (IDA G2270).

33. **IEG reviewed five of the six projects which closed during FY14-16**. It rated 40 percent of those project outcomes as at least Moderately Satisfactory (MS), while overall Bank performance was rated MS. There were yearly Country Portfolio Performance Reviews (CPPR) during the CPS period to monitor constraints to portfolio performance such as weak capacity and procurement delays. The ratio of problem projects did not exceed 25 percent during the CPS period (see Annex 5). As of end-FY17, the disbursement ratio for the Mauritania reached 32.6 percent, well above the Africa Region average disbursement ratio of 21 percent.

34. **The CPS delivered Advisory Services and Analytics (ASA) that were linked to the two pillars and helped inform WBG operations** including in social protection, competition policy, and public expenditure. The Public Expenditure Review[30] (PER) conducted in 2016 laid the groundwork for important dialogue and engagement in the health, education and public financial management sectors. The Mauritania Diagnostic Trade Integration Study (DTIS) analyzed constraints to women traders and found that trade increased employment opportunities for women beyond work traditionally considered "suitable". Towards the end of the CPS period (Spring 2016), the GoMR expressed interest in renewed partnership with the WBG in developing the water sector. The World Bank, through a US$110,000 grant from the Water and Sanitation Program and Water Partnership Program, prepared a PER of the Water Sector (P163229) which was completed in October 2017. The PER analyzed water-sector spending over several years, with recommendations on ways to optimize targeting and implementation, particularly in water resource management, irrigation, livestock, industry and drinking water supply and sanitation. A US$800,000 trust fund from the Adaptive Social Protection Program financed diagnostics of social safety nets and mechanisms to address climate shocks in Mauritania and sustainable mechanisms

[30] World Bank. 2016. *Islamic Republic of Mauritania Public Expenditure Review: Surfing the Wave – Public Spending during the Commodity Super-Cycle and Beyond*. World Bank, Washington, DC.

to address chronic poverty and vulnerability to shocks. *Just prior to the end of the CPS period, the WBG completed a Poverty Assessment, which formed a key element of the SCD for Mauritania*.[31]

35. **Donor Collaboration.** Mauritania has worked closely with and benefitted from support from multilateral donors including the World Bank, the European Union, the African Development Bank and the United Nations System. It has also fostered close collaboration and benefitted from substantial assistance from bilateral donors and traditional partners such as the Arab Funds and the *Agence Française de Développement* (AFD) and new partners, notably China and India. Collaboration among multilateral institutions has been guided by a formal donor coordination framework organized by the Ministry of Economic Affairs. This coordination covers topical or sectoral themes such as public financial management, private sector development, and health. One key contribution of the WBG was financing of the private sector development strategy which, per the managing director of the *Direction Générale de Promotion de Secteur Privé*, a unit under the Ministry of Development and Economic Affairs, has led to support from the African Development Bank (a US$24-million project for inclusive growth in 2014) and the United Nations Development Program (the strategy helped re-orient resources). The WBG has also worked closely with FAO, the EU and the French Embassy to facilitate coordinated policy dialogue with GoMR around land reform. The WBG also worked closely with UNICEF and WFP in developing the safety net instruments and in supporting GoMR in designing a mechanism to deploy responses to climate shocks to prevent depletive coping strategies among the poorest and most vulnerable households. *Nevertheless, overall coordination with bilateral donors is organized on an ad-hoc basis and would benefit from further formalization and strengthening.*

36. **Safeguards and fiduciary issues.** Road works under the Mauritania Road Corridor Project (P112131) triggered OP/BP 4.01 (Environmental Assessment) and OP/BP 4.12 (Involuntary Resettlement). In 2013, a consultant was hired to assist the GoMR in managing the Environmental and Social Management Plan (ESMP) and Abbreviated Resettlement Action Plan (ARAP) by working with the contractor to assess the environmental impact of road works. Management of these impacts was rated satisfactory during most of the implementation period and the Task Team maintained close supervision of implementation, which helped to ensure fiduciary, environmental and quality control over the works.

IV. ALIGNMENT WITH THE WORLD BANK GROUP CORPORATE GOALS

37. Although the CPS was prepared prior to articulation of the WBG Twin Goals, the CPS results indicators were well aligned with the twin goals, emphasized inclusion and sustainability, and addressed key drivers of poverty reduction in Mauritania, including agriculture and fisheries.

[31] World Bank 2016. Islamic Republic of Mauritania: Poverty Dynamics and Social Mobility 2008-2014, Washington, DC: World Bank.

V. KEY LESSONS LEARNED

38. **CPS duration must be long enough to implement programs that can yield results.** The CPS period spanned only three years, which was not long enough to bring all projects to effectiveness and yield results from those operations. *Furthermore, a three-year CPS term was too brief to undertake a PLR, thereby missing the opportunity to take stock of changes in country circumstances and implementation progress and revise the Results Matrix accordingly*.

39. **Take a more sector-wide approach.** While the Bank was strongly engaged in Banda Gas and associated transmission projects, it did not assess overall institutional weaknesses, including utility performance. Targeting various segments of the sector (generation, transmission, distribution, access) would have allowed the WBG engagement to have more transformational impacts beyond increased generation capacity. Greater incentives and support for sub-regional engagement between Mauritania and neighboring countries could have improved the prospects for projects such as Banda Gas. Similarly, an integrated PFM information system platform is needed across institutions. *This will require a shift from ad-hoc efforts to improve parts of the existing system to a broader PFM approach that address the functionality of the overarching system.*

40. **Consider the operational context.** Experience from projects such as Banda Gas, WARCIP, and the Road Corridor Project underscores the need for project design to include sufficient flexibility to adapt to changes in the country and sector context. This is especially true in sensitive, high-profile sectors and projects. Ensuring strong ownership from the government is essential as well. Ratings for CPS outcome indicators reflected the slow pace of project implementation and, in some cases, limited results that were measurable within the three-year CPS period. *These indicators did not fully capture the impact of the WBG engagement, nor did they reflect the significant contribution of WBG knowledge work and policy dialogue with government.*

41. **Invest in capacity building.** The Completion Report for the previous CAS FY07-12 (CASCR, Report No. 81125) noted weak capacity in Mauritania's administration and argued for capacity building in individual operations as well as long-term reform and modernization. Weak capacity was also cited as affecting several projects and as a key challenge for IFC and private sector engagement. TA projects were critical in advancing the policy dialogue in Mauritania as weak capacity often prevented officials from undertaking informed policy decisions. The CASCR also noted the need for the Bank to focus greater attention and resources on enhancing access to services and creating economic opportunities in the smaller cities and towns outside of Nouakchott and Nouadhibou. The proliferation of Project Management Units, housed within the Ministry of Finance for fiduciary reasons, tends to perpetuate the ring-fenced approach without building local capacity to implement programs and operations. *The CPF will incorporate elements of the Africa Region's focus on creating capacity beyond the closing date of individual projects or the CPF*.

42. **Expand collaboration across sectors within the WBG.** Collaboration between the World Bank, IFC, and MIGA was limited to sectors such as investment and energy, but there are

opportunities for further collaboration under the CPF. The ICR of the Mauritania Road Corridor Project noted the potential for private sector support to sustainability of roads. *The Nouadhibou project offers scope for collaboration across Global Practices (Trade and Competitiveness, Environment and Natural Resources, and PFM) and with IFC on Investment Climate and DB.*

43. **Improve M&E at both country portfolio and projects levels.** During the CPS period IEG rated M&E quality as only 16 percent satisfactory, driven by: (i) the lack of M&E ownership at both the sector and project levels; (ii) lack of rigor to monitor key project performance indicators; (iii) the lack of rigor to properly collect and analyze data to assess project performance; (iv) and insufficient objectivity in assessing project performance. *There is room for improvement in Mauritania's M&E system by building capacity and supporting accountable, rules-based institutions at the national level, under which projects will be implemented and monitored.*

44. **Improve design and evaluation of co-financing arrangements.** Coordination with (DPs) helped leverage a limited IDA envelope, as in the Road Corridor, PNIDDLE, and WARCIP, with lessons from co-financing and parallel financing. Project Development Objectives (PDOs) should specify implementation responsibilities and division of labor between donors, including measurable targets. In anticipation of potential risks, clarify both the overlap and gaps between the requirements (notably environmental and social safeguards) and approaches of DPs. Finally, *anticipate project management problems that could arise, along with contingency plans in the event of changes in co-financing or parallel financing arrangements*.

45. **The WBG's impact goes beyond financing**. The CASCR also stressed that transformational change is not necessarily linked to the amount of WBG financing. Rather, the WBG's convening role and the ability to leverage change are linked to the perception of the WBG as an "honest broker" that has significant impact through knowledge work. Analytical products and policy dialogue with Government, in areas such as PPP, private sector, PFM and fiscal consolidation, laid the groundwork for the DPO, along with the investment climate reforms through the Doing Business process. It can also inform the strategies of other DPs. *However, these valuable pieces of ASA need to be disseminated widely for maximum impact*.

VI. MAURITANIA CPS FY14-16 RESULTS MATRIX

CPS Outcomes, Indicators and Milestones	Status and Evaluation Summary	Lending and Non-Lending Activities	Lessons and Suggestions for the next CPF
PILLAR 1: Growth and Diversification			
1.1. Financial Sector and Business Environment *PRSP3 – Country Development Goals: Increase access to financial services and improve the business environment for private sector investment and development*			
Outcome 1 (a) **Improved Financial services for MSMEs** **Indicator 1:** Level of credits reported in credit registry at BCM increased Baseline: 30% in 2012 Target: 60% by 2016 **Milestones:** • Credit registry at BCM is updated • 2 local banks benefits from trade facilities under the Global Trade Finance program • New Bank and microfinance Laws as well as prudential regulations are adopted ***Outcome 1 (b)*** **Improved regulatory climate** **Indicator 2:** Time required for starting a business decreased Baseline: 19 days in 2012 Target: 8 days by 2016 **Milestones:** • One-stop-shop to establish a business is created and is functional	***Outcome 1 (a):*** Achieved **Indicator 1:** Achieved **–** Percentage of credits reported to the credit registry increased to 100 percent by February 15, 2015. **Milestones:** • **Achieved:** Central Bank put in place the Credit Bureau and institutionalized weekly automatic system update for credit information. • **Not Achieved –** IFC did not provide the Global Trade Finance Program (GTFP) to financial institutions in Mauritania during the CPS period. • **Partially Achieved:** The bank law as changed in 2007 and only application decrees and some modifications regarding repatriation of funds for international investors have been adjusted since then. Microfinance law was last updated in 2011. All major application decrees have been approved. ***Outcome 1 (b)*** Achieved **Indicator 2:** Achieved - According to the Doing Business Report (DB) 2016, eight (8) days are required for starting a business in Mauritania (compared to 19 days in DB 2012-2014). **Milestones:** • **Achieved -** Starting a business has been made easier through the creation of a one-stop-shop and elimination of publication requirement and fee to obtain a tax identification number. The established and operational one-stop-shop provides entrepreneurs fast, efficient and low cost service with an information system adapted to the needs of investors and partners. The one-stop-shop reduced the number of procedures, as well as the time and the cost associated with business creation. Registering a business was reduced from nine	**Lending:** • **PACAE-BEEP (P102031) and AF** **Non-Lending:** • **Senegal & Mauritania Competition Policy Assessments (P161218)** ongoing, to be completed by Dec 2017 • **IFC Structured trade facility to purchase and import refined petroleum products to Mauritania, MSME Advisory, Credit Bureau implementation**	Collaboration between IFC and WBG T&C GP was key for the BEEP. Selection of project coordination/ implementation unit, and government's support, is critical for successful implementation. CMU played important role in moving BEEP project reforms forward.

CPS Outcomes, Indicators and Milestones	Status and Evaluation Summary	Lending and Non-Lending Activities	Lessons and Suggestions for the next CPF
• Commercial code is updated	procedures and nineteen days, to an estimated maximum of seven procedures and five days (2014). • **Achieved -** Commercial Code was revised and adopted by the government. This supports Mauritania with a corpus of coherent and modern regulations, adapted to national and international requirements.		
1.2. Infrastructure *PRSP3 – Country Development Goals: Transport - Improve road infrastructure; Energy: Diversify and increase the supply of energy; ICT: Improve global connectivity access to ICT services*			
Outcome 2 **Improved targeted Inter-Urban roads** **Indicator 3:** - Average travel time between Nouakchott and Rosso reduced Baseline: 2.5 hours in 2012 Target: 2 hours by 2016 **Milestone:** • 192 kilometers of roads rehabilitated (between Nouakchott and Rosso)	***Outcome 2*** Mostly Achieved **Indicator 3:** Mostly Achieved **-** As of October 2015, travel time between Nouakchott and Rosso corridor had increased from 150 min to 164 min due to the delay of the EU-financed 142 km works between Nouakchott-Bombri. As of September 2017, the works on the 142-km section are still ongoing and the Government of Mauritania is now directly financing the first 25 km from Nouakchott. However, the travel time on the Bank-funded Bombri-Rosso section (funded fully by the World Bank) has decreased from 60 min to 30 min and has demonstrated significant development impact. **Milestone:** • **Partially achieved–** As of May 2015, Bank-funded section of 47 km was fully completed, and EU-funded section of 147 km was still ongoing.	**Lending:** • **IDA & EU Road Corridor ACGF Rosso-Nouakchott (FY10) (P112131)**	The design of the development objective and indicators should reflect the co-financing arrangement. Timing of preparation of ICR for parallel or co-financed projects where World Bank has no control over a large part of the project demands better guidance. Implementation success depends on having a dedicated task team throughout the project cycle.

CPS Outcomes, Indicators and Milestones	Status and Evaluation Summary	Lending and Non-Lending Activities	Lessons and Suggestions for the next CPF
Outcome 3 (a) **Increase supply of electricity to households and industry** **Indicator 4:** - Increase in gas-fired installed power generation capacity Baseline: 0 in 2013 Target: 295 MW by 2016 **Milestone:** • Install 120 MW of dual fuel (oil and gas) power capacity by end of 2014 and reach financial close on the gas to power project by end of 2013. ***Outcome 3 (b)*** **Increased electricity export to Senegal and Mali** **Indicator 5:** - Export at least 80 MW of power capacity to Senegal and Mali.	***Outcome 3 (a)*** **Not achieved** **Indicator 4**: **Not achieved** - 0 MW by 2016 **Milestone: Partially achieved -** 180 MW of dual fuel were installed by end of 2014. However financial close has not been reached yet on the gas to power project. ***Outcome 3 (b)*** **Not achieved** **Indicator 5**: **Not achieved:** Export of 20 MW to Senegal and Mali (in the context of regional cooperation).	**Lending:** • **West-Africa Regional Power Pool. WAPP APL 2 (OMVS) Project (P147921)**. (The Félou Hydroelectric Project Phase II planned for FY14, was substituted by P147921) • **Banda Gas to Power Project (BGTPP) (P107940)**	Design realistic projects with enough flexibility that take into consideration the operational context and decision-making in Mauritania. Take a more holistic sector wide approach, targeting various segments of the sector (extractives, generation, transmission, distribution, access) to allow for more transformational impacts beyond increase of generation capacity. Set a realistic CPF timeframe and measurable indicators. While Banda Gas was approved about 8 months after the CPS commenced, the CPS indicator for Outcome 3(a) expected the target to be achieved by 2016, and the indicator for Outcome 3(b) did not provide a timeline, neither of which was feasible.

CPS Outcomes, Indicators and Milestones	Status and Evaluation Summary	Lending and Non-Lending Activities	Lessons and Suggestions for the next CPF
Outcome 4 **Increased Access to Internet Services** **Indicator 6:** - Access to Internet Services (number of subscribers per 100 people) increased Baseline: 2 in 2011 Target: 10 by 2016 **Milestones:** • Establishment of Internet exchange point (IXP) with datacenter facilities by 2014 • The legal and regulatory framework for ICT revised • 1577 km of fiber optic network built by 2016	***Outcome 4*** **Achieved** **Indicator 6:** **Achieved** – The number of subscribers per 100 people surpassed the target, reaching 25.9 subscribers per 100 people as of June 2016 and 40 as of June 2017. **Milestones:** • **Partially Achieved** – IXP was created and inaugurated on November 27, 2016 and is fully operational, hosted at the ACE landing station's building in Nouakchott. The datacenter has not been built yet, feasibility studies for construction and operation are underway. • **Mostly Achieved –** With respect to the 4 Information Society draft Laws, two have been approved by the parliament on December 22 2015; the two other Information Society Laws have been approved by the Council of Ministers and the Parliament in 2017; signature of the President of the Republic is pending. • **Not Achieved –** As of August 2017, the construction of the fiber optic network has not yet started. WBG issued the No-Objection on the Bids Evaluation Report for the construction of the national fiber optic backbone on July 20, 2017.Construction has not started because the Bids evaluation process has faced significant complications and delays due to numerous back and forth between donors (WB and EIB) and client on the Bids evaluation report. The EIB decided to disengage from the financing of this infrastructure.	**Lending:** • **West Africa Regional Communications Infrastructure Project - APL 2 (WARCIP) (P123093)** **Non-Lending:** • **DIME_Transport&ICT_MRT_Testing the Impacts of High-Speed Internet (P158665)** – ongoing • **Open Data Readiness Assessment and action plan** • **TA on telecom taxation** **TA on evaluation of former ICT national strategy**	In cases of co-financing, ensure a clear division of labor by different donors. Try to anticipate potential risks, taking into account the operational context, low capacity and different donor procedures.

1.3. Natural Resources *PRSP3 – Country Development Goals: Fisheries - Improve the sustainable management of fishery resources*			
Outcome 5 **Improved management of fishery resources** **Indicator 7:** - Percent of registered foreign and national fishing vessels increased Baseline: 30% in 2012 Target: 90-100 % by 2016 **Indicator 8:** - Direct contribution of fisheries to GDP doubled in absolute value Baseline: 4% of GDP Target: 8% of GDP **Milestones:** • 80% of communities of fishermen strengthened by 2016 • Fisheries management plans for major fisheries (octopus, artisanal) are implemented • By 2015, above 90% of demersal fish caught in Mauritania's waters are landed locally (baseline: 30%?), as above 50% of pelagic fish • By 2015, jobs created by the fisheries sector has increased by at least 25 % (baseline: 40 000)	***Outcome 5*** Mostly Achieved **Indicator 7:** Not Achieved The share of fishing vessels registered reached 0 as of end of June 2016, and 66% as of November 4, 2016, hence the target was not achieved. Nevertheless, the project recorded that, by 2016, 100 percent of industrial vessels were registered and WARF is supporting an increase in registration of artisanal vessels (the project target was for 25 percent of vessels to be registered by 2018). In addition, the government implemented significant reforms to the fisheries management framework. **Indicator 8:** Mostly Achieved Direct contribution to GDP estimated at 6% (Source: Diagnostic Trade Integration Study (DTIS) Update, November 2015.) **Milestones:** • **Not verified.** The concept of fishermen communities is not directly applicable to the Mauritanian context because traditionally communities have engaged in livestock and only recently is fish part of the country's diet. • **Not achieved.** No fisheries management plans have been developed during the CPS period. A management plan is being finalized for octopus. • **Mostly Achieved** – By June 2016, it was estimated that 70% of fish was landed at the Mauritanian sites. As of August 2017, 100% of demersal fish are landed in Mauritania. • **Not Achieved**	**Lending:** • **West Africa Regional Fisheries Program SOP-C1 (formerly APL C1) (P126773-P131327),**	Disbursement Linked Indicators (DLIs) proved useful in motivating governments to accelerate implementation in anticipation for further release of funding, such as the publishing of fishing licenses in Mauritania. Indicators in the CPF results matrix need to be measurable and relevant considering the country context. Update indicators, when necessary, through a PLR.

1.4 Agriculture Productivity *PRSP3 – Country Development Goals:* *Agriculture- Develop irrigated agriculture and improve cereal production to cover at least 50% of national need of cereals by 2020;* *Climate Change: Integrate climate change and sustainable management of natural resources in national development strategies and programs to reduce the vulnerability of poor populations to external chocks and improve disaster risk management*			
Outcome 6 **Improved crop yield** **Indicator 9:** - Yield for irrigated rice improved Baseline: 3 tons/ha in 2012 Target: 6 tons/ha 2018 **Indicator 10:** - Millet and sorghum increased in targeted areas Baseline: 1 ton/ha 2013 Target: 2.5 tons/ha 2016 **Milestones:** • 16,000 ha provided with irrigation and drainage services ha by 2020 • At least 12 new agricultural and animal husbandry techniques disseminated by 2020	***Outcome 6*** **Partially Achieved** **Indicator 9:** **Mostly Achieved:** Irrigated rice: 5T/ha in 2016 (to be noted that irrigation is allowing farmers to adapt to climate change impact and to variable and low rainfall). **Indicator 10:** **Not Achieved:** Millet and Sorgho: 0.8 tons/ha in 2016 Millet and Sorgho are mainly cultivated in rainfed areas. The indicator was not achieved in part due to low precipitation and low productivity. **Milestones:** • **Not verified:** This milestone is based on the West Africa Agricultural Productivity Project, which did not materialize. • **Not verified:** This milestone is based on West Africa Agricultural Productivity Project, which did not materialize.	**Lending:** • **Mauritania Sustainable Landscape Management Project in Support of the Great Green Wall Initiative (SAWAP) (P144183)**, • **Second Integrated Development Program for Irrigated Agriculture (PDIAIM2) (P088828)** • **Agriculture Development and Food Price Response-Additional Financing (P128994)** • **Regional Sahel Pastoralism Support Project (P147674)** • **OMVS regional (PGIRE2) (P131323, P131353 (GEF), P153863 TF)**	Set realistic and measurable targets in the CPF results matrix. Invest in capacity building to strengthen capacity of implementing agencies and service providers.

Outcome 7 **Resilience to Climate Change integrated in the Mauritania's overall development agenda** **Indicator 11:** - Number of sectors mainstreaming climate resilience in national strategies and program budgets increased Baseline: 1 in 2012 Target: at least 3 by 2016 **Milestone:** • Disaster Risk Management System established	***Outcome 7*** **Mostly Achieved** **Indicator 11: Not Achieved:** It is too early to claim the impact on the number of sectors that mainstreamed climate resilience. However, technical and financial support led to the preparation of several analysis, such as the cost of environmental degradation and the review of the legal and institutional framework for coastal management. These studies investigated -among others- whether climate change and disaster risk management were properly addressed. The programmatic TA led to the update of the Mauritania master plan for coastal management (*Plan d'Amenagement du Littoral Mauritanien, PDALM*). The update focused on 3 main gaps in the previous version;(i) integration of climate change and disaster risk management; (ii) inadequate institutional and regulatory framework; and (iii) no action plan with a preliminary assessment of funds needed. **Milestone:** • **Partially achieved -** Disaster Risk Management was a key addition to the update of the PDALM. The West Africa Coastal Areas Management Program (WACA), which is currently under preparation (and due to Board in March 2018), will provide the necessary support for implementation of key PDALM actions. The National Consultative Council of the Littoral is the agency tasked to implement PDALM.	**Lending:** • **Coastal management and adaptation to climate change in Coastal Cities (P152518),** **Non-Lending:** • **Inclusive Green Growth in Mauritania**– completed	Include measurable indicators in the CPF results matrix (e.g., the reference to program budgets is not measurable). The leadership of the Ministry of Economy, the establishment of a pro-active multi-sectoral working group and the series of consultations / working sessions organized was key to the success of the preparation of the study.
PILLAR 2: Economic Governance and Service Delivery			
2.1 Education and Vocational, Technical training *PRSP3 – Country Development Goals: Improve access and quality of basic education and technical and vocational training*			
Outcome 8 (a) **Improve quality of basic education** **Indicator 12:** - Percentage of grade 5 students passing standardized learning test increased, disaggregated by sex Baseline: 8.4% in math, and 17.6% in French in 2012 Target: 13% in math, and 21% in French by 2016	***Outcome 8 (a)*** **Partially Achieved** **Indicator 12:** **Not verified:** 9% in math and 16% in French in 2014, when the last learning assessment of 5th grade was conducted. The 2014 grade 5 student assessments showed a slight improvement (although not meeting the target) in math and a slight decline in French average score. It should be noted that results below the baseline in French can be explained, in part, by the expansion of the system: the children now in 5th grade are, on average, from lower socio-economic backgrounds which can be reflected in lower average performance in French – but improved performance in	**Lending:** • **Higher Education (FY05) (P087180)** • **Skills Dev. Support Project, AF P144575 (P118974)** • **Basic Education Support (P126902)**	Despite results at the project level, system level constraints are hampering performance improvement at the sector level. A focus is needed on basic education (including ECD) as this is where foundational skills are acquired. Include measurable and relevant gender-disaggregated indicators in the CPF results matrix.

Milestones: • 3,700 additional teachers qualified to teach at the primary level • Grade 5 student learning assessment carried out • 4,100,000 textbooks and teachers' guides distributed ***Outcome 8 (b)*** **Improved access to technical and vocational training disaggregated by sex** **Indicator 13:** - Annual graduates in supported TVET institutions increased Baseline: 993 in 2012 Target: 1300 by 2016 **Milestones:** • At least 3 TVET training programs certified to meet international standards by 2016 • Regulatory framework for legal status of private sector training institutions approved	Arabic: a substantial improvement has been observed in Arabic language which is the main language of instruction, improving from 29% in 2012 to 40% in 2014. **Milestones:** • **Partially achieved-** 1,385 teachers trained • **Achieved-** One grade 5 student learning assessment in 2014 • **Achieved-** 4,117,100 textbooks distributed ***Outcome 8 (b):*** **Achieved** **Indicator 13:** **Achieved -** 1,400 students graduated in 2016 from the TVET institutions. The female direct beneficiaries of the project increased from 15% to 34.3%, surpassing the target of 27%. **Milestones:** • **Not achieved:** According to the ISR (P118974, Seq. 10) pre-requites for an international certification of Mauritanian VT programs are not there. The project plans to support capacity building activities to introduce quality assurance culture and approaches in VT institutions. • **Not achieved:** Regulatory framework to provide legal protection and status to private sector institutions: Revised end target is 31 December 2017. Draft law and related decrees were approved by the technical committee and are still to be approved by the council of ministers.		
2.2 Social Protection *PRSP3 – Country Development Goals: Reduce vulnerability through targeted safety nets*			
Outcome 9 **Better targeting of Safety Net Programs** **Indicator 14:** - Monitor number of food insecure beneficiaries of targeted Safety Nets *disaggregated by sex*	***Outcome 9*** **Mostly Achieved** **Indicator 14:** **Not verified** - The initial TA focused on a diagnosis of the sector, and the identification of a set of priorities for Mauritania. The analysis argued for the creation of a national registry, the implementation of a national cash transfer program, a switch towards cash support (rather than food support) and the progressive replacement of non-targeted subsidies by programs that effectively target	**Lending:** • **Social Safety Net operation (P150430)** **Non-Lending:** • **Poverty and Jobs NLTA** (P152592) • **Adaptive Social Protection NLTA** (P157335)	The CPF results matrix should be updated through a PLR when needed. Three key lessons in terms of dialogue and support include: (i) Take the time to invest in diagnostics. (ii) Invest in capacity building to ensure full understanding of the

Milestones: • An inventory of targeting mechanisms of existing safety net programs and an action plan for improving their effectiveness developed. • Start developing and testing program tools and processes to improve efficiency of safety net programs (including procedures for identification of eligible beneficiaries, registration, payment of beneficiaries; and monitoring and evaluation system) • National Social Protection strategy approved	the poorest. As of May 2017, the national social safety net program provides support to 33,660 beneficiaries in 5,100 households in one department (target: 100,000 households, or 660,000 individuals by 2020, assuming 6.6 members per household among the extreme poor). In addition, 12,900 households from another 3 departments are in the process of being identified for entry in the program by the end of 2017. The social registry has integrated about 14,000 households in 2 departments; another 17,000 households are in the process of being identified and registered in an additional 3 departments. 92% of cash recipients under the safety net program are female and the Social Promotion component focuses on Early Child Development, including girls' education, early marriage, and female genital mutilation. **Milestones:** • **Achieved** – The government developed a methodology for its national social registry, which will provide basis for targeting of social programs. The health program has adopted the social registry as a tool for targeting selected interventions. Similarly, three key actors have decided to use the social registry as they identify beneficiaries for their shock-responsive food security interventions. • **Achieved** – Mauritania has designed and started implementing its social transfer program, with strong processes and efficient tools, including a modern payment system, a MIS (which has been imported by others, including the Chad government), In addition, the Social Registry has put in place efficient mechanisms and tools. • **Achieved -** Mauritania adopted a National Social Protection Strategy (SNPS) in 2013 (Source: Report No. ISDSC1044). A committee has been put in place to supervise its implementation (with Government, bilateral and multilateral development partners and local NGOs).	• Social Protection TA (P133623)	diagnostics and of the potential options for addressing issues. (iii) Develop core instruments in an inclusive fashion, so that different actors can understand the choices and decide to contribute to the effort by adopting shared instruments. The combination of intensive NLTA with lending operations is an ideal one for this type of engagement.
2.3 Public Sector Development *PRSP3 – Country Development Goals: Ensure an efficient and transparent management of public financial resources*			
Outcome 10 **Efficient management of Public Financial Resources** **Indicator 15:** - Number of ministries updating and using (Medium Term Expenditure Framework) MTEFs for budget preparation increases from 5 to 10 by 2016.	***Outcome 10*** Mostly Achieved **Indicator 15:** **-** Mostly Achieved **-** As of 30 June 2016, there were seven Sectoral (Medium-Term Budgetary Framework) MTBF and the global MTBF was regularly updated. However, the disconnect between the MTBF and budget remains an issue (based on findings from PEFA 2014).	**Lending:** • **Public Sector Capacity Building Project (PRECASP) (P082888)** • **Secondary Mining Sector Capacity Building (PRISM 2)**	Improving access to reliable information is critical both to engendering trust between the executive, administration and citizens and to promoting oversight in a context in which citizens and civil society are progressively engaging in public policy dialogue.

Indicator 16: - Payment time is reduced from 48 to 36 hours by 2016 through a connected payment system **Indicator 17:** - Percentage of single source contracting reduced from 6% in 2012 to 3% by 2016 **Indicator 18:** - Number of meeting held by the inter-ministerial committee in charge of fiscal matters pertaining to the extractive industries from 0 meeting to 4 by 2015 **Milestones:** • A computerized financial management system implemented by all sector ministries • Network connection between Treasury, Central Bank and commercial banks is in place. • 4 Ministries staffed with procurement commissions to ensure the execution of their procurement plan • Participation from Ministry of Petroleum, Energy and Mines, Min. of Finance, Min of Economic Affairs and Development • Ministerial Order or other evidence of the committee actual functioning e.g. Proceedings of inaugural meeting	**Indicator 16:** - **Achieved –** Payment time was reduced from 48 to 36 hours in 2012. Budget execution was improved through a more efficient payment process at Treasury. Advice of credit is issued on the same day or within less than 24 hours once the payment order is approved at the Treasury. **Indicator 17:** - **Achieved –** Single source contracting decreased from 6% in 2012 to 3% as of March 29, 2014, and has remained at less than 3% until 2016. **Indicator 18:** - **Not Achieved –** Number of meeting held by the inter-ministerial committee in charge of fiscal matters pertaining to the extractive industries. Cross-ministerial collaborations are still only occurring on ad hoc basis – the Public Sector Governance Project is currently trying to address this (August 2017). **Milestones:** • **Achieved –** Web-based RACHAD (Budget management application) is deployed and used by all ministries and state agencies. • **Mostly Achieved** – Network connection between Treasury and Central Bank is operational since 1 January 2014. • **Achieved –** As of December 2016, more than half of the ministries are executing the published Public Procurement Plans (PPP). PPP of all 7 sectoral control commissions are regularly prepared, updated, published and executed while most of the plans do not appear to capture all public procurement yet. • **Not Achieved** – The last two milestones were not achieved.	**(P078383), AF (P124859)** • **Public Sector Governance Project (PSGP), (P146804)**, PSGP focuses on capacity building support on SOEs and public agencies, and extractive industries. The project will be restructured in 2017. **Non-Lending:** • **SOE Governance Study –** completed 2014 • **PER –** completed 2016 • **PEFA –** completed Dec 2014 • **Accounting Norms and Codes Compliance Study (ROSC) –** completed June 2013	Strategic efforts are needed to develop a holistic and integrated PFM information system platform across institutions. This will require a shift from temporal and ad hoc efforts to improve existing system to a sustained, strategic exercise that addresses the functionality of the overarching system. Invest in capacity building. Resistance to change, such as automated payment system, may have contributed to implementation delays.

2.4 Decentralization *PRSP3 – Country Development Goals: Strengthen the institutional aspects of decentralization and local development; Improve the Services delivery through Local Governments*			
Outcome 11 **Improved Financial management at decentralized/local government level** **Indicator 19:** - Budget transfer to LGs increased from MRO 3.5 billion in 2012 to MRO 6.0 billion by 2016 (with a cumulative transfer of MRO 14 billion). **Indicator 20:** - 75 LGs (out of 100) under LDG scoring at least 75 out of 100 points in annual performance assessment **Indicator 21:** - 95% of Local Governments (rural and urban) under LGDP meeting the Mandatory Minimum Conditions for access to the performance grant funds for the final year of the project **Milestones:** • A Performance Based Grant (PBG) to finance Local Government is created and abounded by both the national budget (with significant amount), and from Donors (2014). • A new Decentralization law deepening and improving the Decentralization framework is approved (2015).	***Outcome 11*** Mostly Achieved **Indicator 19:** - **Achieved –** Budget transfer increased to MRO 6 billion from Feb 2014 to Dec 2016. **Indicator 20:** - **Mostly Achieved –** As of June 2016, participating LGs scoring at least 75 of 100 points in the annual performance assessment amounted to 52 (about 62% of target). **Indicator 21:** - **Mostly Achieved:** As of May 31, 2016, 79% of LGs meet the minimum conditions for access to conditional performance grants. By November 2016, it was 98%. **Milestones:** • **Achieved –** The Fund was created in 2014 and the Bank and the Government contributed as planned up to now. • **Partially Achieved** - Several reforms were passed in 2015 to deepen the regulation on decentralization.	**Lending:** • **Public Sector Capacity Building Project (PRECASP) (P082888)** • **Local Government Development Program (P127543)** The project was co-funded by the EU and one activity was implemented by GIZ. However, the EU left the project in 2017 because of issues with EU procedures.	The huge size of the country combined with lack of transport and communication (and other) infrastructures hinders further the spread of appropriate human resources (attracted by Nouakchott) and the implementation of such project. Sector strategies do not always align properly with municipal interests, and a more reasonable approach to decentralized responsibilities would be needed in a resource-scarce environment. The performance-based grant fund is effective at encouraging cities to improve their management and at improving access to services for the people and for local development.

Projects Approved during the CPS Period FY14-16

Project Name	Project Number	Approval Date	Approval FY	IDA (US$ million)	IDA Regional (US$ million)	Trust Funds (US$ million)	Total Approved (US$ million)
Mauritania Projects							
Pillar 1							
Sustainable Livelihood for Returnees and Host Communities in the Senegal River Valley Project (JSDF)	P132998	18-Feb-14	FY14			2.85	2.85
Nouadhibou Eco-Seafood Cluster Project	P151058	24-Mar-16	FY16	7.75			7.75
Mauritania Sustainable Landscape Management Project (SAWAP - GEF)	P144183	4-Aug-15	FY16			4.81	4.81
Total Pillar 1 :				7.75		7.66	15.41
Pillar 2							
Mauritania Public Sector Governance Project/EITI	P146804/P150123	28-Mar-16	FY16	10.30		0.35	10.65
Social Safety Net System Project	P150430	14-May-15	FY16	15.00		4.00	19.00
Skills Development Support Project	P118974	30-Apr-14	FY15	11.30			11.30
Basic Education Sector Support Project (BESSP)	P126902	18-Feb-14	FY15			12.40	12.40
Total Pillar 2 :				36.60		16.75	53.35
Total Mauritania Projects :				44.35		29.15	68.76
Regional Projects							
Pillar 1							
Regional Sahel Pastoralism Support Project (PRAPS)	P147674	26-May-15	FY15		45.00		45.00
West Africa Regional Fisheries Program SOP-C1 (PRAO)	P126773/P131327	16-Mar-15	FY15		12.00	7.00	19.00
Senegal River Basin Climate Change Resilience Development Project (PGIRE 2)	P131323	5-Dec-13	FY14		71.00		71.00
Total Pillar 1 :					128.00	7.00	135.00
Pillar 2							
Sahel Women's Empowerment and Demographics Dividend Project (SWEDD)	P150080	18-Dec-14	FY15		15.00		15.00
Total Pillar 2 :					15.00		15.00
Total Regional Projects :					143.00	7.00	150.00
Total Net Commitment FY14-16 :				44.35	143.00	36.15	218.76

Advisory Services & Analytics Initiated or Completed, FY14-16

ASA that were planned in the CPS and completed	Status
Inclusive Green Growth in Mauritania	Completed (26 June 2015)
TA for Special Economic Zones	Completed (29 June 2015)
SOEs Governance Study	Completed (8 April 2014)
Public Expenditure Management and Financial Accountability Report	Completed (14 Jan 2017)
Risk-Based Audit Approach	Completed (10 July 2013)
TA - Social Safety Nets	Completed (5 June 2015)
TA on a financial sector strategy implementation FSAP	Completed (9 July 2016)
Additional ASA that were completed or initiated during the CPS period	**Status**
MTDS Mauritania	Completed (26 Jan 2014)
ICT Sector Dialogue	Completed (23 June 2014, 28 June 2015)
ROSC Accounting	Completed (14 July 2014)
MRT Gas-to-Power TA	Completed (22 Feb 2015)
Policy Dialogue on Health RBF	Completed (27 Oct 2015)
Diagnostic Trade Integration Study	Completed (26 April 2016)
Tax Efficiency	Completed (7 March 2016)
FSAP Update	Completed (12 July 2016)
Mauritania PER	Completed (14 Jan 2017)
Poverty and Jobs	Completed (29 June 2017)
Mauritania Integrated Coastal Planning	Completed (30 June 2017)
Mauritania Adaptive Social Protection	Active (31 Dec 2018)
Mauritania Adaptive Social Protection	Active (30 June 2018)
Testing the Impacts of High-Speed Internet	Active (30 Sept 2018)
Mauritania #C018 Payment System	Active (31 Oct 2018)

Sources: CPS FY14-16, Standard Reporting, and Operations Portal as of October 2017

Closed Project Ratings with Exit Year FY14-16

Closing FY	Project Name	Project ID	Latest ISR	ICR Outcome Rating	IEG Outcome Rating	ICR Overall Bank Performance Rating	IEG Overall Bank Performance Rating	Net Commitment (US$ mn)
2014	MR-Mining Sec TA SIL 2 (FY04) (PRISM 2)	P078383	S	S	MS	S	MS	28.94
2014	MR-Pub Sec CB SIL (FY07)	P082888	S	S	MS	MS	MU	12.01
2014	MR-Higher Education (FY05)	P087180	MU	MU	U	MU	U	5.47
2014	MR-Irrigated Agr Integr Dev APL 2 (FY05)	P088828	MU	U	HU	U	U	40.83
2015	Bus Environment Enhancement	P102031	MS	MU	MU	MU	MU	4.61
2015	Mauritania Road Corridor ACGF*	P112131	MU	MU	-	S	-	20.00

Source: Standard Reporting 5.8 Closed Project Detailed Evaluation Ratings since 2013, as of October 2017

*Note: As of October 2017, no IEG evaluation is available for the Mauritania Road Corridor Project – the project was financed under the Africa Catalytic Growth Fund (ACGF).

Bank Portfolio Performance: Selected Indicators, FY10-FY17

Data as of	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Portfolio and Disbursements								
Active Projects (Number)	10	11	8	8	5	4	7	9
Net Commitments Amount (US$, m)	270	304.1	148.6	167.8	89.7	79.7	102.56	145.56
Total Disbursements (US$, m)	194.19	235.18	84.93	90	17.46	17.1	39.11	83.92
Total Undisbursed Balance (US$, m)	93.79	93.73	66.83	81.67	72.98	59.17	59.85	57.47
Disbursements in FY (US$, m)	35.58	30.46	12.3	12.92	8.33	12.67	22	44.81
Disbursement Ration for IPF only %	34.1	30.2	15.5	20.1	14.5	22.3	37.4	32.6
IBRD/IDA Disbursements Ratio	35.7	26.8	17.1	19.3	9.2	23.2	35.8	33.1
Slow Disbursements (%)	20	27.3	25	25	20	0	0	0
Portfolio Riskiness								
Actual Problem Project (Number)	0	1	2	2	1	0	1	0
Problem Project (%)	0	9.1	25	25	20	0	14.3	0
Potential Problem Projects	0	0	0	1	0	0	0	0
Projects at Risk (#)	0	1	2	3	1	0	1	0
Projects at Risk (%)	0	9.1	25	37.5	20	0	14.3	0
Commitments at Risk (US$, m)	0	5	20	40	5	0	12.4	0
Commitments at Risk (%)	0	1.6	13.5	23.8	5.6	0	12.1	0
Proactivity (%)	100		0	50	100	100		100

Source: Business Intelligence, Portfolio Trends (FY10-17) as of September 2017

Annex 3: Selected Indicators of Bank Portfolio Performance and Management

National Projects
(as of April 30, 2018)

Project ID	Project Name	Board Approval (Date)	Revised Closing (Date)	Project Age (Yrs)	Net Comm Amt ($m)	Total Disb ($m)	Total Undisb Bal ($m)	Disb (%)	Total Undisb Begin FY ($m)	Disb in FY ($m)	Disb Ratio (%)
P126902	Basic Education Sector Support (BESSP)	02/06/2014	11/30/2018	4.3	12.40	11.03	1.37	88.9%	2.89	1.52	52.5%
P163563	Gas Project Negotiations and Enhancing Institutional Capacity	03/16/2018	09/23/2022	0.2	20.00	0.00	20.77	0.0%	0.00	0.00	0.0%
P144183	Sustainable Landscape Management (SAWAP)	08/04/2015	01/31/2021	2.8	4.81	1.22	3.59	25.4%	4.27	0.68	16.0%
P151058	Nouadhibou Eco-Seafood Cluster Project	03/24/2016	11/01/2020	2.1	7.75	5.20	2.71	67.1%	3.57	0.86	24.0%
P146804	Public Sector Governance (PGSP)	03/28/2016	02/15/2020	2.1	10.30	4.30	6.35	41.8%	8.04	1.70	21.1%
P156165	Health System Support (INAYA)	05/19/2017	06/30/2021	1.0	17.00	1.02	17.16	6.0%	18.18	1.02	5.6%
P150430	Social Safety Net System	05/14/2015	10/31/2020	3.0	15.00	4.41	10.97	29.4%	12.65	1.68	13.3%
P127543	Local Government Development (PNIDDLE)	06/18/2013	06/30/2019	4.9	25.00	21.27	2.49	85.1%	7.54	5.05	67.0%
Total	**8**				**138.26**	**74.79**	**65.41**	**54.1%**	**57.14**	**12.51**	**21.9%**

Regional Portfolio
(as of April 30, 2018)

Project ID	Project	Sector	Approval (Date)	Closing (Date)	Age (yrs)	Amount (US$M)	Country share		Total Amount Disbursed	
							%	Amount (US$M)	%	Amount (US$M)
P162337	West Africa Coastal Areas Resilience Investment (WACA)	Environment & Natural Resources	9-Apr-18	31-Dec-23	0.08	20.00	50.00	10.00	0.00%	0.00
P154482	Sahel Irrigation Initiative Support (PARIIS)	Water	5-Dec-17	31-Mar-24	0.43	25.00	33.36	8.34	0.00%	0.00
P147674	Regional Sahel Pastoralism Support (PRAPS)	Agriculture	26-May-15	31-Dec-21	2.99	45.00	33.36	15.01	19.73%	8.88
P126773	West Africa Regional Fisheries SOP-C1 (PRAO)	Environment & Natural Resources	16-Mar-15	15-Dec-20	3.05	12.00	33.36	15.00	25.03%	3.00
P131327	West Africa Regional Fisheries (PRAO-GEF)	Environment & Natural Resources	16-Mar-15	15-Dec-20	3.05	7.00	N/A	N/A	29.01%	2.03
P150080	Sahel Women Empowerment and Demographic (SWEED)	Health, Nutrition & Population	18-Dec-14	31-Dec-18	4.04	15.00	33.36	5.00	41.05%	6.16
P131323	Senegal River Basin Climate Change Resilience Development (PGIRE 2)	Water	5-Dec-13	30-Jun-21	4.43	71.00	33.36	24.00	33.11%	21.99
P123093	West Africa Regional Communications Infrastructure (WARCIP)	Transport & ICT	30-May-13	30-Nov-19	4.93	30.00	33.36	10.00	24.93%	7.19
Total Value of Regional Portfolio in Mauritania						**225.00**			**21.89%**	**49.25**

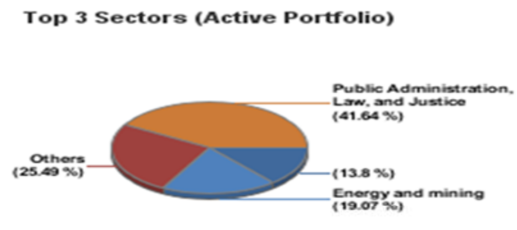
ANNEX 4: WORLD BANK GROUP PORTFOLIO

Population (millions) (2016)	4.3	IDA, Blend or IBRD	IDA
GNI ($billions) (Atlas) (2016)	4.8	IDA 16 allocation(SDR)	
GNI per capita ($) (2016)	1,130.0	% Change over IDA15	
GDP growth (%) (2016)	2.0%	Inflation Rate (%) (2016)	1.5%
Ranking in Doing Business Report (2017	150	* Data as of : Jun 12, 2018 ⁴	IBRD/IDA Exposure Data as of: Sep 30, 2017

WBG	Net Commitments/Committed ($m) *	Undisbursed ($m) *	Exposure (total sums disbursed & outstanding)($m)
IBRD	0.0 [1]	0.0	0.3 [4]
IDA	121.1 [1]	58.5	385.6 [4]
IFC	44.8 [2]	44.8	0.0
MIGA			302.8 [3]
World Bank Group	**165.8**	**103.3**	**688.7**

1.Net Commitments for active portfolio projects. 2.Outstanding balances or Undisbursed Commitments. 3.MIGA Guarantees for Exposur

IBRD/IDA	
Net Commitments($m)	# of projects in portfolio
121.1	7
Disbursements in FY18 ($m)	% Undisbursed
57.4	48.4
# projects in FY18 pipeline	Of which Approved (YTD) (#)
2	2
ommitments($m) in FY18 pipelir	Of which Approved (YTD) ($m)
46.0	46.0



World Bank Data as of : Jun 12, 2018

Current IFC Committed Portfolio

IFC's own account ($m USD)									Syndicated ($m USD)		IFC AMC ($m USD)	
Loan		Equity		Quasi Equity (LN & ET)		GT (incl. Trade Fin) and Risk Mgm		IFC Total	B-Loan		Quasi Equity (LN & ET)	
Exposur	Cmtd	Exposure	Cmtd	Exposure	Cmtd	Exposur	Cmtd	Cmtd	Exposure	Cmtd	Exposure	Cmtd
0.0	44.8	0.0	0.0	0.0	0.0	0.0	0.0	44.8	0.0	0.0		

IFC Investment Business - Top 5 Sectors (IFC Committed $m USD)			IFC Advisory Services - Business lines ($m USD funds managed)
1	Finance & Insurance	40.0	
6	All others	4.8	
Total		**44.8**	

IFC Data as of : May 31, 2018

MIGA

	Currently Active	Total
# of Projects Guaranteed for Investment	2	3
Guarantees Gross Exposure ($m)	302.7	358.5

Guarantees - Top Sectors

Mining	300.0	Tourism	2.7

MIGA Data as of : May 31, 2018

ANNEX 5: IFC COMMITTED AND OUTSTANDING PORTFOLIO
IN US$ MILLIONS
AS OF MAY 31, 2018

Project Name	Primary Business Line	Total Funds Managed by IFC (US$ million)
Tiviski	Agribusiness & Forestry	9.5
GT-ST Mauritania	Financial Institutions	40.0
Total		**49.5**

ANNEX 6: MIGA OUTSTANDING EXPOSURE AS OF MAY 31, 2018

Effective Date	Expiration Date	Investor Name (Guarantee Holder)	Investor Country	Business Sector	Project Name	Maximum (US$)
02/01/2016	01/31/2026	Azalai Hotels S.A.	Mali	Tourism	Compagnie Hoteliere du Sahara	2,696,097
01/17/2018	01/16/2033	Kinross Gold Corporation	Canada	Mining	Tasiast Gold Mine	300,000,000
						302,696,097

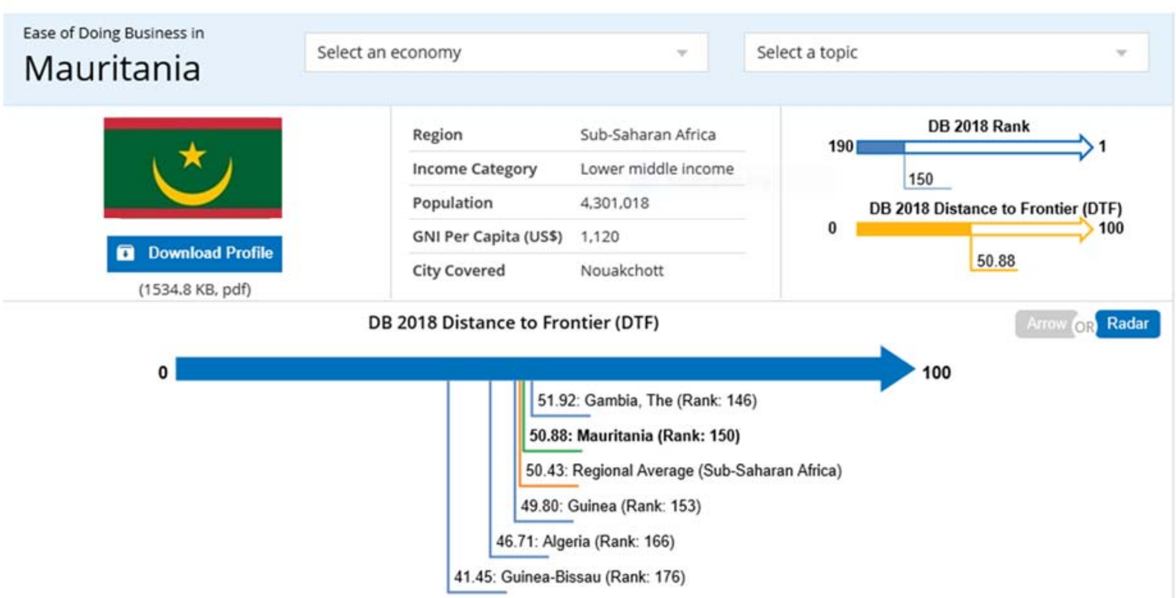
ANNEX 7: ON THE RIGHT PATH: MAURITANIA CONTINUES TO EXCEL IN ITS DOING BUSINESS PERFORMANCE

1. **Mauritania has emerged as a major reformer in investment climate policy, as their Doing Business ranking climbed an impressive 18 places in just two years** - from 168th in 2016 to 150th in 2018 – and jumped 10 spaces last year, thanks to a series of reforms that GoMR has been implementing since 2014.

2. **In the last three years, 12 major reforms have been enacted**, in the areas of starting a business, accessing credit, trading across borders, paying taxes and registering property, five of which were adopted last year. The GoMR effected substantive changes in local regulatory frameworks in 2016/17 by combining multiple registration procedures, increasing the transparency of the land registry, initiating a series of measures at the port of Nouakchott, and disclosing all judgements in commercial cases on the courts' websites.

3. **Mauritania's progress was highlighted in the Doing Business 2017 report**, for the second year in a row, as among the top 10 reformers worldwide. These 12 reforms in such a short space of time reflect the Government's steadfast commitment to improving its investment climate and growing the private sector.

4. **There are multiple paths to enhance Mauritania's overall competitiveness.** The country needs to reinforce institutional mechanisms that guarantee the continuity of reforms and adopt measures to modernize the administration of property and taxes while protecting private investments. Ensuring the participation of all stakeholders in the reform process, most importantly the formal and informal private sector and civil society, will be essential to respond to private sector needs and maximize impact and sustainability.



Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

ANNEX 8: GENDER ISSUES IN THE MAURITANIA CPF

1. **The CPF for Mauritania will address a wide variety of gender-related constraints to poverty reduction and shared prosperity that were identified in the SCD**. This includes activities targeting gender constraints related to schooling, technical, vocational, and business skills, reproductive health and behavior, and female-genital mutilation.

2. **The CPF approach on gender has three key features:** (1) recognizing the interconnections between many of the gender gaps observed in the country as well as the role that underlying social norms play in perpetuating these gaps; (2) given the central role of social norms in underpinning many of the gender gaps in Mauritania, and the dominant position of men in society, a principle that will influence the Bank's support to gender issues across the portfolio will be the importance of engaging men as allies in women's empowerment; (3) it will be implemented both through a stand-alone project (SWEDD) that is focused on a series of interconnected gender issues as well as by integrating gender into a series of ongoing and pipeline projects across a variety of sectors; (4) building on the findings of the CLR, it will pay greater attention to capturing progress on gender through indicators in the CPF results matrix, as well as through impact evaluations to build evidence on what works.

3. **The CPF will address a series of interconnected gender issues through the regional Sahel Women's Empowerment and Demographics Project (SWEDD),** which aims to increase women's and adolescent girls' empowerment and access to quality reproductive, child and maternal health services, and to improve regional knowledge generation and sharing as well as regional capacity and coordination on these issues. The design of the SWEDD project has been informed by key evidence, including: (1) the positive impacts of combined vocational and life skills training and the provision of safe spaces for adolescent girls on young women's reproductive health and behavior and economic empowerment (Bandiera et al, 2014; Adoho et al, 2014); and (2) the benefits of engaging men as allies in women's maternal health seeking behavior, specifically with the Écoles des Maris model (UNFPA, 2011). Key expected outcomes of the SWEDD include a reduction in girls' secondary school drop-out rates, adolescent girls' and young women's improved knowledge of Reproductive Maternal Neonatal and Child Health (RMNCH) services (RMNCHN), and young women's participation in life skills and livelihood interventions that can improve their school-to-work transition. CPF support to women's reproductive health will also be implemented through the Health System Support Project (P156165), which is supporting supply- and demand-side factors to ensure women can access quality RMNCH.

4. **In addition to focusing on engaging men in women's reproductive health, the CPF may also attempt to engage men as allies in women's economic empowerment**. Evidence from Uganda indicates that bringing male partners into discussions on gender relations in a cash transfer and business skills training program for vulnerable women increased men's support for their partners' businesses and improved communications and relations between partners. There is also evidence that when projects empower women without engaging men, they can be seen by men as challenging their traditional role, resulting in increased tensions in gender relations and an increase in domestic violence.

5. **The CPF's support to girls and women's empowerment engages women at multiple key stages of their lives, to address gender constraints in schooling, technical and vocational education and training (TVET), and support to integrating women in specific jobs and sectors of the economy**. The CPF will continue efforts to reduce gender gaps in education through the Basic Education Sector Support Project (P126902), which has already supported the construction of 12 new lower secondary schools in disadvantaged rural areas and has distributed 19,000 pedagogical kits to girls in lower secondary schools; provided 252 awards to high-performing girls; and conducted awareness campaigns covering 290 school teachers and directors, inspectors, and parent associations. These interventions target the safety, cost, and social norms-related impediments to girls' education and have been proven to have positive impacts on girls' school attendance and enrollment across the region. The CPF will build on these efforts with the Mauritania Education Support Project (P163143) which will target quality and efficiency in basic and secondary education. The Social Safety Net Project has provided cash transfers and a social promotion component that focuses on sensitization around issues such as the importance of girls' education, early marriage, and female genital mutilation. The project may want to consider specific efforts to engage men in the Social Promotion component.

6. **Two operations will support women's access to TVET.** The Mauritania Skills Development Support Project (P118974), which has supported 11 TVET institutions through performance-based contracts has overseen an increase in the proportion of female beneficiaries from 15% to 34%, exceeding the target of 27%. While the project focused on training women for socially acceptable jobs, the new Mauritania Youth Employment Project (P162916) could explore interventions to enable women to move into hi gher paid or more profitable sectors and jobs that tend to be dominated by men. The Bank's Africa Gender Innovation Lab (GIL) is building the evidence base on this issue, with results from impact evaluations in Ethiopia and Uganda suggesting that access to information on higher profits or earnings in male-dominated sectors and contact with a male role model (such as an encouraging husband) are key factors that allow some women to cross over into male-dominated domains. The project could also draw on evidence from the GIL that combined vocational and life skills training interventions can have significant impacts not only on women's economic empowerment but also on reproductive health and behavior.

7. **The CPF will include a focus on sectors and jobs that can have an immediate impact on women's economic empowerment.** For example, women occupy 30 percent of jobs in the fisheries sector and are particularly concentrated in fisheries jobs related to processing. Recognizing this, the Nouadhibou Eco-Seafood Cluster Project (P151058) will provide small-scale fishers and post-harvest actors, including women, with capacity-building training aiming at reducing post-harvest losses and promoting good fishing and management practices, such as training on entrepreneurship and business development skills and seafood handling. Additionally, the Mauritania Sustainable Landscape Management Project in Support of the Great Green Wall Initiative (P144183) is focusing on engaging women in the gum-producing sector with "special awareness and promotional materials targeting women". However, there does not appear to have been a strategic approach to gender – such as by identifying the specific gender-

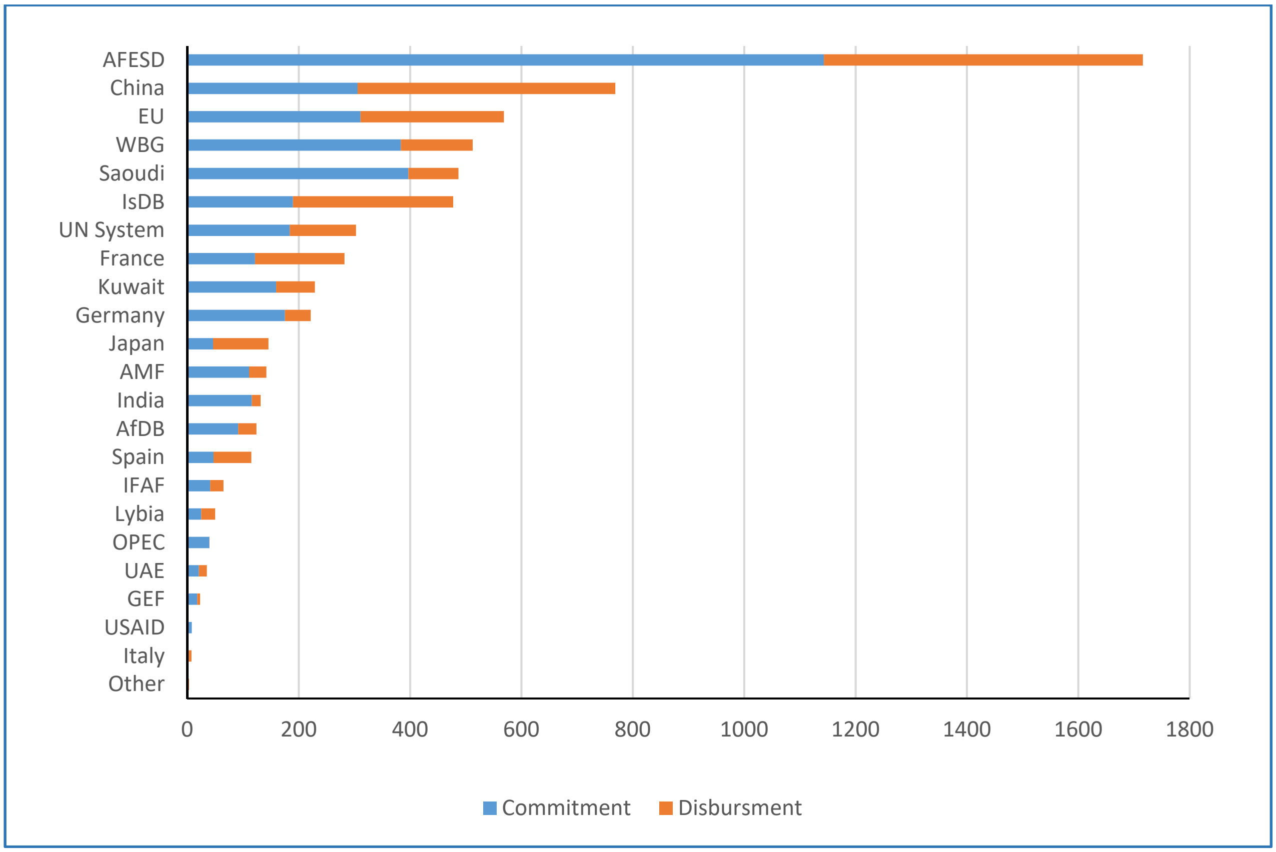
related constraints to women's participation or ability to benefit and then designing activities to alleviate those constraints.

8. **Building on the lessons from the Completion and Learning Review, the CPF will pay greater attention to measuring progress on gender by** including gender indicators in the CPF results matrix, and using impact evaluations to test the effectiveness of different approaches to addressing gender gaps. The Social Safety Net team is also collaborating with the Bank's Africa Gender Innovation Lab (GIL) on an evaluation of the relative impact of cash transfers alone, versus cash transfers combined with sensitization and a range of productive measures, on outcomes including women's empowerment and time use, and children's cognitive development and health.

Annex 9: Development Partner Landscape in Mauritania

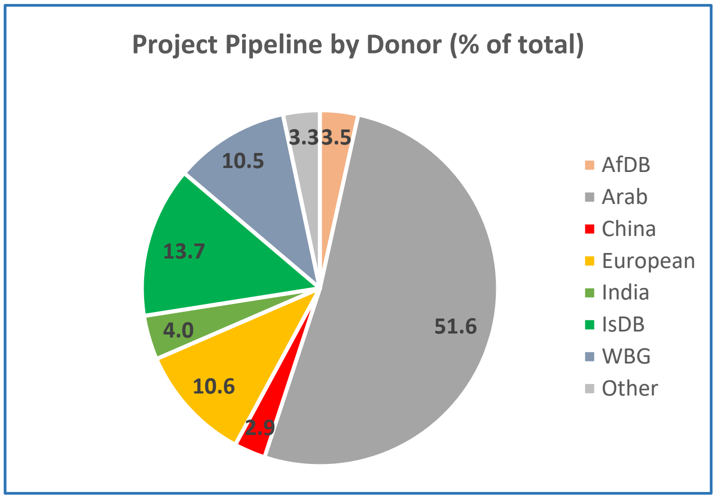
1. As noted in the CPF, there is close and effective collaboration among the range of Mauritania's development partners (DPs). A formal donor coordination framework enhances the quality and effectiveness of this cooperation. As Figure 9.1 illustrates below, the largest multilateral contributor to Mauritania's development funding is the group of Arab donor funds – *Fonds Arabe de Développement Economique et Social* (FADES), followed by the European Union, the World Bank Group, the African Development Bank, the United Nations System, and the Islamic Development Bank. New partners, such as China and India, have emerged as significant funders for Mauritania along with traditional partners such as France, Germany, Italy, Japan, Spain, and the United States.

Figure 9.1: Donor Funding and Disbursements - 2012-2017



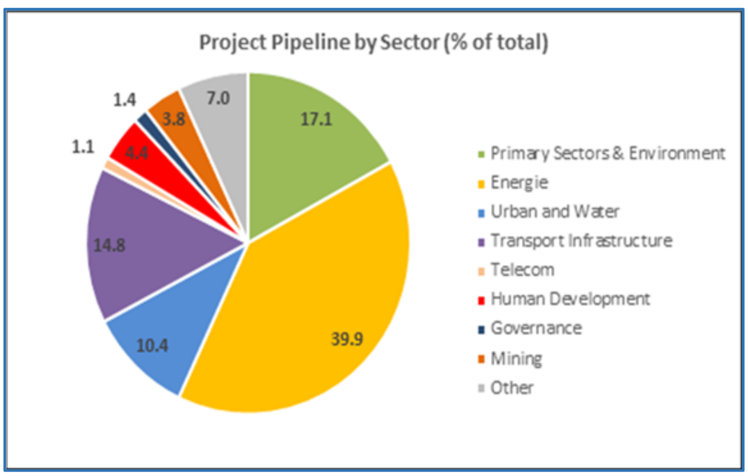
Source: Ministry of Economy and Finance, https://sigip.synisys.com/mauritanie/

Figure 9.2: Mauritania Development Projects – by Donor



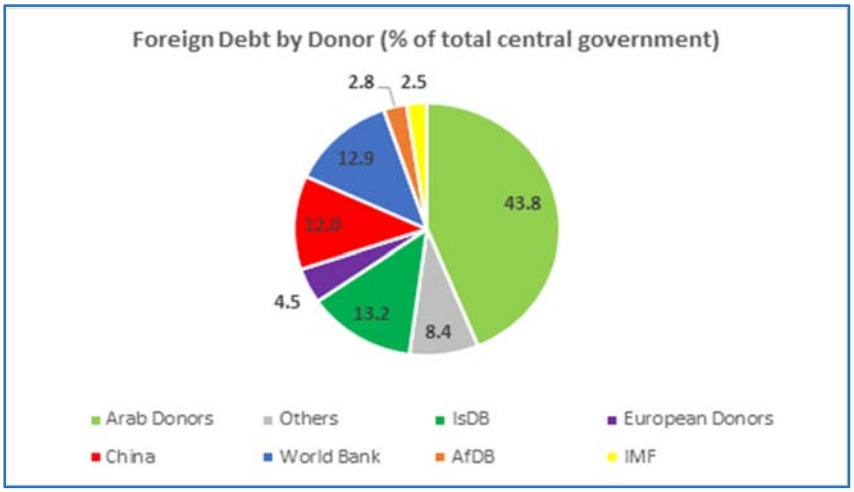
2. Beyond the dollar volume of project financing provided by these respective development partners, the distribution of the portfolio in Mauritania -- currently valued at US$2.7 billion -- can be viewed by donor (Figure 9.2) and by sector (Figure 3). Arab Donor financing – which accounts for nearly 52 percent of the total project pipeline in Mauritania – is largely provided by FADES and Saudi Arabia (35 percent and 11 percent, respectively). The World Bank Group accounts for nearly 11 percent of the total financing portfolio, which is on par with the European donors and slightly behind the Islamic Development Bank, whose funding accounts for nearly 14 percent of the total.

Figure 9.3: Mauritania Development Projects – by Sector



3. As illustrated in Figure 9.3, projects in the Energy sector account for 40 percent of the total portfolio, of which 71 percent is financed by Arab donors and 16 percent is financed by the Islamic Development Bank. Transport infrastructure projects account for 15 percent of the entire portfolio, of which 54 percent is financed by Arab donors, 16 percent by China, and 14 percent by the EU. World Bank Group financing accounts for 37 percent of total financing for the primary sectors – agriculture, livestock, fisheries – and environment projects; 29 percent of financing for governance and multi-sectoral projects; and 13 percent of financing for human development (mainly health). The WBG is the sole financier for telecommunications projects in Mauritania.

Figure 9.4: Mauritania's Foreign Debt – by Donor



4. Mauritania remains at high risk of external debt distress, and the most recent Debt Sustainability Analysis reveals that nearly all key debt indicator thresholds have been breached. Apropos the figures above on foreign financing of large infrastructure and other development projects, the external debt undertaken between 2012 and 2015 was intended to finance major infrastructure investments and boost the Central Bank's reserves. As illustrated in Figure 9.4, the bulk of that debt – nearly 44 percent – is owed to Arab Donors, followed by 13 percent owed to both the Islamic Development Bank and the World Bank, with 12 percent of the total debt owed to China.

ANNEX 10: CPF CONSULTATIONS

1. **The CPF has been developed in partnership with the Government of Mauritania and reflects close consultations with a broad range of stakeholders.** Consultations for the CPF took place between August 2017 and January 2018, focusing on how best to leverage the comparative advantage of the WBG and other development partners to support Mauritania's development objectives as articulated in the SCAPP and to maximize the impact of the WBG under this CPF. Engagement with stakeholders focused on how the WBG can best support the development goals of the SCAPP while maximizing the effectiveness of the WBG resources – financial support, knowledge work, and the WBG convening role.

2. **Regional consultations on the CPF were conducted in August and September 2017.** They were organized in three regions to encompass the diverse range of development challenges that Mauritania faces: (a) Urbanization and access to public services in secondary towns (Chami, August 21, 2017); (b) Competitiveness and employment for inclusive and sustainable growth (Nouadhibou, September 6, 2017); and (c) Agriculture, livestock and resilience of agro-pastoral systems to the impacts of climate change (Aleg, September 14, 2017). Consultations were co-chaired by Local Government Authorities and the World Bank, and included participation from representatives of Government Ministries and Agencies, DPs, and Civil Society. The Country Director and numerous representatives of the private sector and professional organizations, mainly from the mining and fisheries industries, participated in the consultation in Nouadhibou.

3. **The main outcomes of the consultations were discussed with the CPF Steering Committee.** During these consultations, widely covered by the local media – both print and television – the findings of the SCD were confirmed and agreements were reached among participants to define development solutions at the sub-national level considering region-specific development challenges. A consensus also emerged on strategic directions for the CPF, such as the importance of focusing on access to services; on secondary cities, and not only on Nouakchott; for private sector development to focus on good governance and factors to improve employment and competitiveness; and to focus on the resilience of agro-pastoral systems. Participants recognized the importance of the following cross-cutting issues to be addressed in the CPF: Mauritania's vulnerability to climate change, gender and equal opportunities for vulnerable groups, preservation of the environment, and involvement of civil society.

4. **An additional round of consultations was held in January 2018 in Nouakchott** – with central government officials, private sector representatives, civil society organizations, and women's groups. The Seminar with Government, attended by 14 ministers, confirmed the authorities' ownership of the program, and their endorsement of the strategic focus areas and tentative lending program of the CPF. The consultation with the private sector consisted of a working dinner with thirty participants spanning the banking, mining, tourism, fisheries, and agri-business sectors; as well as members of the chamber of commerce, *patronat*, and key federations in Nouakchott. Key takeaways to develop a more competitive and diversified private sector in Mauritania included the need to: a) clarify the role and responsibilities between private and public sector, to ensure that the public sector does not crowd out private sector; b) re-establish

a public-private dialogue which can restore trust, relationship and communication between the government and the private sector; c) promote a level playing field through better governance, transparency and well-functioning commercial justice; d) promote a reliable and simplified fiscal, custom and legal framework; and e) improve quality and adequacy of workforce skills and competencies.

5. **The half-day consultation on Gender and Social Inclusion featured representatives of government, civil society, private sector, and development partners**. Participants highlighted the range of constraints faced by women in Mauritania and the extent to which they are influenced by social norms; and the need to leverage women as agents of change in Mauritania, and scale up proven programs to expand their impact.

6. **A Country Opinion Survey (COS) was conducted in FY15 to solicit feedback from stakeholders in government, parliament, bilateral and multilateral agencies, private sector, NGOs, media, trade unions, youth groups, academia/think tanks, and the judiciary.** Out of 393 stakeholders contacted, 204 participated in the survey – a 52-percent response rate – answering questions on familiarity with the WBG, was Mauritania headed in the right direction, attitudes towards the WBG, and WBG effectiveness. Questions also asked which WBG instruments were the most effective and which sectors were most important for reducing poverty:

- **Education** was listed as the top development priority by 64 percent of respondents, followed by "public sector governance/reform" (30 percent) and "anti-corruption" (24 percent). Education was cited as making the greatest contribution to poverty reduction by 56 percent of respondents, and "education/training" and "better employment opportunities for youth" were listed as key factors contributing to "shared prosperity" by 37 percent of respondents.
- **Investment lending** (39 percent) and **capacity development** (39 percent) were cited as the most effective WBG instruments in reducing poverty. Respondents rated WBG involvement in policy design and project implementation as highly important (7.5 out of 10 and 7.4 out of 10, respectively), and the technical quality of WBG knowledge work highly (6.2 out of 10).
- **Respondents critiqued the WBG** for "not [being] willing to honestly criticize policies and reform efforts in the country" (22 percent) and "not collaborating enough with stakeholders outside government" (22 percent). There was strong agreement (7.2 out of 10) that "overall, the WBG currently plays a relevant role in development in Mauritania", and "WBG supports programs and strategies that are realistic for Mauritania" (6.6 out of 10). Respondents agreed that the WBG was an effective long-term partner (8.2 out of 10) and collaborates well with government (7.3 out of 10); collaboration with the private sector was rated 4.9 out of 10.
- When asked where the WBG should focus its attention and resources, 51 percent of respondents listed **education**, followed by **agricultural development** (26 percent) and **health** (23 percent).

7. **An FY18 Country Opinion Survey was conducted between January and June 2018; a total of 219 respondents participated (out of 500 surveys that were dispatched).** Field work is still under way and questionnaires are still being tabulated and analyzed. Preliminary results are based on a sample of respondents that is heavily weighted towards the education sector and stakeholders in the CSO/NGO community, and appear comparable to those of the FY15 COS:

- **Education** was listed as the top development priority by 63.5 percent of respondents (followed by health (33.2 percent) and public-sector governance (27 percent);
- Similarly, when asked **which areas of work would make the greatest contribution to reducing poverty** in Mauritania, the top three areas cited by respondents were Education (42.7 percent), Agriculture and Rural Development (40.4 percent), and Job Creation/Employment (36.6 percent).
- **Respondents critiqued the WBG** for "not willing to honestly criticize policies and reform efforts in the country (28.0 percent), and not collaborating enough with civil society (23.7 percent).
- **To make itself of greater value in Mauritania,** respondents emphasized that the WBG should "work more with civil society and beneficiary representatives" (42.6 percent) and "increase the level of capacity development in the country" (19.6 percent).
- **When asked which three areas would benefit most from WBG playing a leading role among international partners in Mauritania,** respondents emphasized "access to basic services" (42.9 percent), "jobs" (36.9 percent), and "public financial management" (34.5 percent).

8. **A more complete compilation and analysis of survey responses will be completed later in 2018**. These results will be reflected in the Performance and Learning Review (PLR).

ANNEX 11: SCREENING THE PORTFOLIO AND PIPELINE FOR CLIMATE CO-BENEFITS

With support from the Climate Change Group, the entire active portfolio (including national and regional projects), the pipeline and selected ASA activities were screened for climate co-benefits (see table below). Overall, the Mauritania work program displays a high degree of climate co-benefits, which has the potential to make a significant contribution towards the climate change commitment of the Africa Region as a whole. Many of the active projects have sizeable climate change co-benefits (mostly adaptation, which is appropriate for a vulnerable country like Mauritania and aligned with the country's NDC). With regards to the pipeline, there are opportunities to identify and potentially even increase adaptation co-benefits from the pipeline projects (Eco-seafood and Rural Water and Sanitation project). Some key lessons are presented below:

- **Active Portfolio.** In the active portfolio, several projects have clear adaption benefits, as defined in project activities, but have not been assigned any co-benefits contributions. This is the case for instance for the Eco-Seafood (P151058) and the Sustainable livelihoods for returnees and host communities in the Senegal River valley (P132998) projects. It is recommended that the team request a re-assessment of the benefits.
- **Pipeline.** Given Mauritania's comparative advantage for renewable energy (i.e., solar and wind), mitigation benefits could be explored and defined in projects in preparation in energy sector. Furthermore, many projects are targeting climate change vulnerable population, providing them with adequate safety-nets and access to basic services (e.g. education, health, WASH, and energy). There is a clear potential to clarify and claim adaptation benefits in these projects.
- **Regional Portfolio.** Regional projects such as WACA and REDISSE have high adaptation co-benefits and have been assessed as such. However, the co-benefits are considered *regional* and no country-specific attribution has been made. For regional projects that have direct in-country interventions (such as WACA) the co-benefits methodology needs to be revised so that country-level climate co-benefits can be calculated and credited.
- **ASA Program.** ASAs, for which co-benefits are assessed by OPCS, include activities that can be considered both adaptation and mitigation. In the case of ASAs, filling in the knowledge gap in support of follow-up investment to fully or partially meet Mauritania's adaptation needs or mitigation opportunities could be developed and highlighted (e.g., Youth Entrepreneurship, CityCore, Water Sector PER).

Climate change vulnerability and co-benefits of the Mauritania work program

Project Name	PDO	Climate Change Vulnerability	Project Supported Resilience Measures	Climate Change Co-Benefits (Potential or Assessed)
Active Portfolio				
Nouadhibou Eco-Seafood Cluster (P151058) Additional Financing planned	Support the development of a seafood cluster in Nouadhibou that promotes sustainable management of fisheries and generates value for the communities.	Coastal communities are dependent on subsistence fishing and are at risk of SLR, saline intrusion, erosion and consequent deterioration of fishing infrastructures.	Development of competitive seafood value-chain. Approaches to increase net revenues for the local population. Improve ability of communities to adapt to flooding and erosion	P151058 has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s). The additional financing (P163645) has potential to achieve adaptation climate co-benefits if climate change is integrated into project design.
Sustainable Landscape Management (SAWAP) P144183	Strengthen sustainable landscape management in targeted productive ecosystems in Mauritania.	Climate variability and change in the Sahel has impacted agriculture, ecosystems, human settlements, health, and water resources.	Promotion of sustainable landscape management and regeneration of productive ecosystems Focus on women, who are more vulnerable to climate change impacts	76% Mitigation Co-Benefits and 100% Adaptation Co-Benefits. These climate co-benefits are finalized by the OPCS and validated by the TTL(s).
Sustainable livelihoods for returnees and host communities in the Senegal River valley (P132998)	Improve access to livelihood support for returnees and host communities and to enhance conflict prevention and risk management mechanism in Brakna and Trarza in the Senegal River	Highly variable rainfall and acute drought	Climate projection informed interventions: -Improving cultivation methods and introducing varieties of drought-resistant cereal. - Acquiring modern agricultural equipment and training producers in efficient and effective use. - Improving the productivity of rainfed crops through introducing water harvesting techniques - Promoting water-saving irrigation methods - Promoting the combination of legumes crops	Adaptation

Public Sector Governance Project (PGSP) (P146804)	Improve monitoring and transparency of selected government entities and the administration of property and mining taxation.			No Adaptation/Mitigation. This is finalized by the OPCS and validated by the TTL(s).
Local Government Development Program (PNIDDLE) (P127543)	Strengthen the institutional performance of Mauritania's targeted local governments in order to improve their capacity to deliver services.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Basic Education Sector Support Project (BESSP) (P126902)	Improve quality of pre-service teacher training in primary education and to promote equitable access to lower secondary education.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Health System Support Project (INAYA) (P156165)	Improve utilization/quality of Reproductive Maternal Neonatal and Child Health (RMNCH) services in selected regions; in the event of an Eligible Crisis or Emergency, to provide immediate and anffective response to said Eligible Crisis or Emergency.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Social Safety Net System (P150430)	Support the establishment of key building blocks of the national social safety net system and to provide targeted cash transfers to extreme poor households.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Supporting Gas Project Negotiations and Enhancing Institutional Capacities (P163563)	Support the government capacity to drive negotiation towards final investment decision, and lay the foundations for the gas sector's contribution to the economy through enhanced legal and regulatory frameworks and capacity building.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Regional Projects				
West Africa Regional Fisheries Program (PRAO) (P131327)	Strengthen governance and management of targeted fisheries and improve handling of landed catch at selected sites.	Coastal communities are dependent on subsistence fishing and are at risk of SLR, saline intrusion,	Reduce stress on aquatic ecosystems from over-fishing	100% adaptation co-benefits as assigned by OPCS and TTL validated.

		erosion and consequent deterioration of fishing infrastructures.	Increase net-revenues for local population Increase resilience against flooding and erosion	
West Africa Coastal Areas Management Program (WACA) (P162337)	Strengthen the resilience of targeted communities and areas in coastal Western Africa.	Coastal flooding, storm surges and intense rainfall affect the poor coastal communities the most.	Support countries to implement regional conventions and protocols for marine and coastal zone management Support operationalization of the West Africa Coastal Observatory, including production of coastal inundation forecasting Help countries develop/or operationalize their coastal management strategies and plans Reinforcement of dunes to protect Nouakchott by both green-=grey measures Community led coastal development for six communities.	Project has been approved and assessed to have both adaptation and mitigation co-benefits at 100% climate share over commitment.
Sahel Irrigation Initiative Support (PARIIS) (P154482)	Improve stakeholders' capacity to develop and manage irrigation and to increase irrigated areas using a regional "solutions" approach in participating countries across the Sahel.	Higher temperatures might increase water demand and lead to further depletion of limited water resources	Improvement in irrigation system to increase efficiency in water use and also use of solar pumping	The project has been assigned 33% adaptation climate co-benefits. The climate co-benefits are subject to validation by the TTL.
Regional Sahel Pastoralism Support (PRAPS) (P147674)	Improve access to essential productive assets, services, and markets for pastoralists and agro-pastoralists in selected trans-border areas and along transhumance axes across six Sahel countries	Frequent and intense droughts and floods. Traditional livelihoods of pastoralists have become strenuous.	Sustainable management of resource base that pastoralists depend on focusing on both reduction of GHG emissions, and soil and water conservation.	The project has been assigned 21% adaptation climate co-benefits. The climate co-benefits are finalized by the OPCS and validated by the TTL(s).
Senegal River Basin Climate Change Resilience Development Project (PGIRE) (P131323)	Enhance regional integration among the riparian countries of the Senegal River Basin through OMVS for multi-purpose water resources development to foster improved community livelihoods.	Reducing trends of rainfall, increasing water stress to the population	Understanding of sectoral trade-offs for water-use Implementation of water conservation methods, development of salt resistant crops,	The project has been assigned 2% adaptation climate co-benefits. The climate co-benefits are finalized by the OPCS and validated by the TTL(s).

			support the institutional capacity building of OMVS, national Ministries of Environment, and other relevant to improve their management and technical capacities to lead climate change adaptation efforts in the region.	
Sahel Women's Empowerment and Demographics Project (SWEDD) (P150080)	Increase women and adolescent girls' empowerment and their access to quality reproductive, child and maternal health services in selected areas of the participating countries, including the Recipients' territory, and to improve regional knowledge generation and sharing as well as regional capacity and coordination.			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
Regional Disease Surveillance Systems Enhancement (REDISSE) (P161163)	Strengthen national and regional cross-sectoral capacity for collaborative disease surveillance and epidemic preparedness in West Africa	Climate change influences health through changing the distribution and occurrence of vector-borne diseases.	Adaptation for downstream impacts of climate change Emergency response measures and risk mitigation for diseases exacerbated by climate change.	50% Adaptation Co-Benefits as assigned by CCG`s preliminary assessment. CCG assessed the project as part of the February 2018 assessment. Upon change in milestone, CCG will reassess the co-benefits before OPCS' final climate coding at Board Approval.
WARCIP (P123093)	West Africa Regional Communications Infrastructure Project - APL 2 (WARCIP)			The project has been assigned no climate co-benefits. This is finalized by the OPCS and validated by the TTL(s).
ASA Program				
Water Sector Public Expenditure Review	Provide GoMR with an analysis of the current state policies & institutions driving public expenditures in the water sector, and efficiency and efficacy of sector spending over several years, with recommendations on opportunities to optimize their targeting and implementation.	Increasing temperature and likely reduction in precipitation is expected to increase water demand in all sectors.	Characterization of sectoral spending for more efficient targeting and implementation of investments to achieve SDGs including climate action goals	Adaptation

City Coastal Resilience in Africa (acronym CityCORE - P166688).	Support vulnerable countries in the Africa region in their efforts to better manage climate and disaster risks and strive toward disaster-resilient and climate smart development at regional and national levels by: i) enhancing the policy and strategic support to Ministries of Finance; ii) strengthening urban resilience; iii) modernizing hydro-met and climate services; and iv) supporting countries in resilient recovery.	Physical climate change risks, uncoordinated support towards resilience	Outreach strategy will include a report on City Coastal Resilience in Africa, which will provide task teams, country and city clients a framework to engage in city coastal resilience policy and investments. The report will reference: -case study cities and engagements developed within the project. -examples of international best practice -international technical expertise leveraged to develop capacity in country clients.	Adaptation
Support to Youth Entrepreneurship and Climate Change in Mauritania (P162125)	Assess the potential and local market needs for support services targeting green startups and enterprises in Mauritania. Activities will aim at stimulating youth entrepreneurship, and the creation of cleantech jobs through business ventures that help Mauritania deal with the effects of climate change, in particular in reducing the climate footprint of industries and people.	Climate change has serious consequences for agriculture, biodiversity and terrestrial and marine ecosystems and residential areas.	Climate change results chain assessment: Using a results-chain approach (cause-effect), assessment to select priority climate change mitigation and adaptation results the country wishes to achieve (as per the National Determined Contribution), and based on that identify the causal effects required to make the intended reduction in emissions or improved adaptation. Results of this work will serve as targets for where innovations and business development is needed.	Adaptation and Mitigation

ANNEX 12: MAP OF MAURITANIA