



2018 ANNUAL REPORT



March 2019

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Chapter 1: About the Regional Multidisciplinary Centre of Excellence (RMCE)

The Regional Multidisciplinary Centre of Excellence is driven by the Government of Mauritius (GoM) and was established in consultation with the European Union, the World Bank and Regional Economic Communities (RECs), namely, the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the Indian Ocean Commission (IOC).

The idea of RMCE emerged at the UN Conference on Small Islands held in Mauritius in 2003 during which it was noted that existing regional institutions on capacity building did not sufficiently address the unique circumstances of small states. At the Conference, the European Union also supported the idea of an institution to promote capacity building among countries of the region (COMESA, SADC and IOC). Mauritius sought the agreement of COMESA in 2005 for hosting the Centre in Mauritius, which was later endorsed by SADC and IOC. The EU provided funding for a feasibility study and a business plan which were undertaken with World Bank support. The European Union and the African Development Bank (AfDB) provided startup funding for the Centre during the process of its establishment while Mauritius continues to provide financial support for running of the Centre.

Highlights of RMCE's Accomplishments

RMCE has over the years focused on capacity building in five core areas of common regional concern, namely: (a) macroeconomic management; (b) trade and transit; (c) cross-border finance; (d) business development and investment; and (e) common sectoral policies.

RMCE has capitalized on its host country, Mauritius, consistently being the Africa region's highest ranking nation on the *Ease of Doing Business Index* to organize a range of programmes - short courses, workshops, seminars, and conferences – in form of peer-to-peer exchanges and study tours for African institutions, in conjunction with the World Bank, with the objective of helping to improve the investment climate of countries, mostly in Eastern and Southern Africa, although impacting North Africa, Central Africa and West Africa as well.

More than 320 officials benefitted from capacity building programmes organised by the RMCE with support from development partners and Government of Mauritius.

As from 2013, RMCE served as Secretariat for a regional initiative and the Intra-Africa Talent Mobility Partnership (TMP) programme funded by Development Grant Facility of the World Bank. This programme covered twelve countries in Eastern Southern and Western Africa. RMCE is also providing coordination for the Accelerated Programme for Regional Integration (APEI) regrouping Malawi, Mauritius, Mozambique, Seychelles and Zambia.

The Annual Report highlights activities which began much earlier than the reporting year, culminating in the main actions that focused on the Centre serving as the Secretariat for a regional initiative, the Accelerated Programme for Regional Integration (APEI) and the Intra-

Africa Talent Mobility Partnership (TMP) programme funded by Development Grant Facility of the World Bank.

Chapter 2: Programmes

2.1 Accelerated Programme for Economic Integration (APEI)

The Accelerated Programme for Economic Integration (APEI) comprises five like-minded and reform-oriented countries, namely Malawi, Mauritius, Mozambique, Seychelles and Zambia, which launched the initiative in line with the spirit of accelerated integration based on the principles of variable geometry and variable speed. The APEI initiative is based on a decision of the Joint Council of Ministers of Finance and Governors of Central Banks of COMESA and SADC. Under the initiative, the five countries agreed to carry out reforms and build capacity to strengthen and accelerate the pace of economic integration among them in order to better harness foreign investment, enhance employment opportunities and foster higher economic growth and sharpen their competitive edge as a zone of influence. The APEI has helped the five countries to identify gaps and build capacity implementing concerning key areas of the Regional Economic agenda, i.e., enhancing the business environment, facilitating trade in services and promoting trade in goods.

During the year 2018, the following activities were undertaken under the APEI component:

2.1.1 Mutual Recognition Agreements

RMCE leveraged technical assistance from the Commonwealth Secretariat to organise meetings and negotiating workshops for APEI member states to negotiate mutual recognition agreements (MRAs).

The APEI Second Negotiating Round on a Mutual Recognition Agreement among the Competent Authorities Regulating Accountants and Auditors took place in January 2018 in Balaclava, Mauritius. This meeting was a follow up of the APEI First Negotiating Round for a Mutual Recognition Agreement for Accountancy Services which was held in October 2017. The purpose of the second round of negotiations was to review and update the draft APEI MRA, monitor progress in terms of the agreed road map for the APEI MRA and get updates on the APEI process. The meeting brought together the relevant stakeholders in the negotiation and implementation of MRA for accountancy in the APEI region in order to share experiences on concluding MRAs and the regulatory regimes on qualification in the APEI member states, using accounting services as entry point; and chart the way forward on MRAs between the Competent Authorities of Professional Accountants and Auditors.



*Second Meeting of Regulators on Mutual Recognition Agreement (MRA) for Accountancy Services, January 2018,
Intercontinental Hotel, Balaclava, Mauritius*

2.1.2 Legal Experts Meeting on the Mutual Recognition Agreement for Professional Accountants and Auditors

As a follow up to the second Negotiating Round for a Mutual Recognition Agreement for Professional Accountants and Auditors which was held in January 2018, the APEI Legal Experts vetted the MRA for the Recognition of Professional Accountants and Auditors in May 2018 Port Louis.

The Mutual Recognition Agreement for Professional Accountants and Auditors is given at Annex I.



2.2 Mobilisation of Resources for APEI

The World Bank has provided Trust Fund support for Technical Assistance to help define the reform program and TF support for the RMCE which has acted as a quasi-secretariat for APEI. The Bank has also led several other projects¹ in the APEI countries which are also trade-related and support the trade agenda but are not necessarily under the APEI initiative.

Requests for Technical Assistance have been made under the ACP Trade Capacity Building Programme (REG/FED/24728) to TradeCom II to support the APEI Programmes.

The Commonwealth Secretariat mobilised funds to support the audit of accounting regulations in APEI Countries and negotiating for the conclusion of a Mutual Recognition Agreement for Professional Accountants and Auditors among APEI Countries.

2.3 Outlook for 2019

As regards APEI, there is potential for consolidating economic integration towards contributing to structural transformation, trade creation and cross border flow of investment the next five years with the adoption of the APEI Regional Business Plan which reflects the APEI countries' need for a strategic framework in the initiative and develop a long term action plan.

The Business Plan aims to increase trade and regional integration with the objective of strengthening the competitiveness of APEI countries to stimulate investment for job creation and growth. It will seek to serve the following objectives:

1. Provide a pathway to meet the original objective of the APEI that is *'the five countries recognized the persistence of barriers to trade despite commitments to remove them through COMESA and SADC and agreed to collaborate and jointly accelerate implementation of such reforms'*;
2. Develop a strategic plan that is agreed upon by the APEI countries and importantly jointly advanced and implemented. *APEI countries will own their action plan*;
3. Seek to catalyze trade and investment to the APEI countries by reducing trade barriers and costs;
4. Aim at attracting private investment to reduce pressure on national public finances or creating new debt by utilizing tools approaches similar to the *World Bank's Maximizing Finance for Development approach*;
5. Have a focused approach on strategic initiatives that are inherently intrinsic to national development plans, policies and strategies and regional commitments to SADC and COMESA;
6. Finally, the Business Plan aims to catalyze the development of a set of pipeline projects for the APEI countries in the strategic areas identified through the plan.

2.3.1 Support from the ACP TradeCOM II

The support Programme endorsed by TradeCom II followed a request submitted by RMCE to provide Targeted support for the Implementation of the Key Trade Components of the APEI Programmes. Its aim is to support the beneficial integration of the APEI countries into the regional and the global economy and, thereby, contribute to sustainable economic development and poverty reduction.

In the context of boosting the capacity of the APEI countries to enhance and sustain their regional economic and trade integration and the competitiveness gained thus far, the purpose of the support programme is three-fold:

- Purpose 1: To contribute to the facilitation of the free movement of business persons and professionals among the APEI countries.
- Purpose 2: To enhance and deepen cooperation in trade in services.
- Purpose 3: To enhance the business climate for increased investment and trade among APEI Member States.

Its commencement date is expected in March 2019.

2.3.2 Support from the Commonwealth Secretariat

The RMCE has partnered with the Commonwealth Secretariat in the development of a Mutual Recognition Agreement between the APEI Competent Authorities of Professional Accountants and Auditors. The Commonwealth Secretariat provided technical and financial assistance for the development of the MRA including negotiating sessions and legal vetting.

- The MRA between the APEI Competent Authorities of Professional Accountants and Auditors will be signed in February 2019 in Lusaka, Zambia and is shown at Annex II.
- The adoption of the MRA marks another concrete step in the implementation of the Memorandum of Understanding for the Facilitation of Movement of Business Persons and Professionals between APEI countries in September 2018 as regards the movement of professional accountants and auditors in APEI.

2.4 Coordination Mechanism for APEI

At present, The RMCE has been acting as the Interim Secretariat for the APEI with the Government of Mauritius provides financial support for the administration of the RMCE as per the Host Agreement between RMCE and the Government of Mauritius.

At a high-level meeting held in the sidelines of the Annual IMF/World Bank Meeting October 2017, representatives from all APEI member countries renewed their commitment to the APEI process and discussed the need for members to establish a more formal mechanism to coordinate the APEI process through a Secretariat / Coordinating Mechanism. Mauritius offered to confer land and a building to host a Secretariat / Coordinating Mechanism office, and to contribute to the running budget of a Secretariat / Coordinating Mechanism.

Other Programmes

2.4.1 Coordination Mechanism for Economic Partnership Agreement (EPA) signatories in the Southern and Eastern African region and Indian Ocean (ESA).

The Centre is providing office space to the European Union to host the Coordination Mechanism for deepening the EPA process.

2.4.2 Mauritius Africa Fund

The Mauritius Africa Fund is sharing occupancy of office space and facilities on a contribution basis.

2.4.3 Proposed Centre of Excellence for Education Policy and Administration. (CEEPA)

The Government of Mauritius has proposed to use the RMCE to host the Centre of Excellence for Education Policy and Administration. The CEEPA is being developed in partnership with the World Bank to assist African countries.

Chapter 3: Organisation and Administration of RMCE

3.1 Contribution of the Government of Mauritius

The Government of Mauritius (GoM) continued to provide financial support for the administration of the RMCE as per the Host Agreement between RMCE and the Government of Mauritius.

3.2 Financial Statements

The 2016 accounts have been audited by PriceWaterhouseCoopers and filed with the Mauritius Registrar of Companies after approval by the shareholders. PwC also audited the Development Grant Facility of the World Bank

2017 Accounts are being audited by BIT Associates and upon finalisation, the report will be submitted to the shareholders for approval.

The unaudited management accounts for the year 2018 are attached at Annex II.

The 2017 accounts have been prepared by Moore Stephens.

3.3 Certificate of Company Secretary

The certificate of Company Secretary is attached at Annex III.

3.4 Staff

Mr. Prakash Hurry is acting as the Officer in Charge of the Centre; Mrs. Minakshi Bahadoor is the Administrative and Operations Officer and Ms. Rukshar Bibi Sookroo, the Program Assistant left the organization in June 2018. The Centre is also supported by one attendant and one driver cum messenger.

Chapter 4: Corporate Information

STATUS

Private Company Limited by Guarantee
established under the Mauritius Companies Act

FOUNDING MEMBERS

Government of Mauritius
Common Market for Eastern and
Southern Africa
Indian Ocean Commission

BOARD OF DIRECTORS

Dr. Ehtisham Ahmad	London School of Economics
Dr. Kingsley Y. Amoako	Africa Centre for Economic Transformation
Prof. Lino Briguglio	Small States Network for Economic Development
Mrs. Usha Dwarka- Canabady	Ministry of Foreign Affairs Regional Cooperation, and International Trade
Mr. Raj Makoond	Business Mauritius
Dr. Mrs. Thanika Devi Juwaheer	University of Mauritius

ADDRESS

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Ebene, MAURITIUS
Tel: +230 464-1614
Fax: +230 464-1635

COMPANY SECRETARY(up to May 2018)

Prime Partners Ltd
15th Floor, Air Mauritius Centre
6th President John Kennedy Street
Port Louis, Mauritius

COMPANY SECRETARY(as from June 2018)

Holton Corporate Secretarial Services Ltd
6th Floor, Newton Tower
Sir William Newton Street
Port-Louis

AUDITORS

PricewaterhouseCoopers (Mauritius)
18 Cyber City, Ebene

BANKER

Mauritius Commercial Bank (MCB)
9-15, Sir William Newton Street,
Port Louis, Mauritius

ACCOUNTANTS (up to May 2018)

Prime Partners Ltd
15th Floor, Air Mauritius Centre
6th President John Kennedy Street
Port Louis, Mauritius

ACCOUNTANTS (as from June 2018)

Moore Stephens
6th Floor, Newton Tower
Sir William Newton Street
Port-Louis

AUDITORS (as from November 2018)

BIT Associates Ltd
St Jean Road,
Quatre Bornes

BUSINESS REGISTRATION

NUMBER
C10094184