



2017 ANNUAL REPORT



March 2018

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

The Regional Multidisciplinary Centre of Excellence is dedicated to building capacity of African nations towards effective economic integration for an inclusive and continent-wide socio-economic development. The Centre 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 Centre's capacity building programmes focus on helping to improve the strategies for implementing policies on regional economic integration (REI) among the member states of these RECs as well as others, notably the East African Community (EAC).

It may be worthwhile recapturing the issues that triggered the origin of RMCE. The idea of RMCE emerged at the UN Conference on Small Islands held in Mauritius in 2003 during which it was realized that existing regional institutions on capacity building did not sufficiently address the unique circumstances of small states. At the Conference, EU also supported the idea of an institution to promote capacity building among countries of the region (COMESA, SADC and IOC). Mauritius then 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 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.

The Centre's strategy towards capacity building in these areas utilizes integrated approaches. In this regard, the RMCE 2017 Annual Report highlights some of the activities which began much earlier than the reporting year, culminating in the main actions of 2017 that focused on the Centre serving as the Secretariat for two major regional initiatives, i.e., the Accelerated Programme for Regional Integration (APEI) and the Intra-Africa Talent Mobility Partnership (TMP) programme.

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. RMCE collaborates with African states, donors and private sector partners in defining the most appropriate process and enabling platform for the private sector and Governments of African countries to dialogue to unblock bottlenecks and foster the business environment.

RMCE delivered capacity building programmes to help improve competitiveness of African and Indian Ocean Small States, in partnership with the Commonwealth Secretariat and the Small States Network for Economic Development (SSNED). The Centre has also facilitated study tours that focused on corporate social responsibility and adaptations to enable public and private sector business conglomerates to concentrate on their core businesses while transferring their social service responsibilities to foundations and other service providers.

To date, RMCE capacity building activities have benefitted more than 21 African countries with the participation of business leaders, technical officials and policy makers.

RMCE's 2017 activities concentrated on two major programmes – APEI and TMP. Detailed activities during the reporting year are presented in Chapter 2 (Programmes).

Chapter 2: Programmes

2.1 Intra Africa Talent Mobility Partnership

During 2017, RMCE continued to serve as Secretariat for the TMP until its closure in June 2017. RMCE requested and received Development Grant Facility (DGF) approval for 2016 DGF GA amendment and retroactive amendments for the 2014 and 2015 Development Grant Facility Grant Agreements. The recipient implemented some activities that were considered to be of high-value and which were not routine actions.

The objective of the TMP was to leverage talent mobility provisions already agreed by the participating countries concerning trade in services, labour mobility or general migration within respective REC treaties, e.g., SADC, the EAC Common Market Protocol, the ECOWAS Common Approach on Migration, etc. The TMP activities were therefore aligned to the mechanisms and structures of the RECs, and RMCE engaged the relevant departments of the RECs in the process, including carrying out events under their auspices such as on the margins of Ministerial Council Meetings.

The TMP has contributed to the body of knowledge and good practices for reinvigorating implementation of REC provisions and agenda on sub-regional talent mobility to boost enterprise development. The DGF resources enabled RMCE to carry out country-by-country assessment on progress made on REC treaty provisions on mobility by the member states.

RMCE helped countries that participated in the TMP to conduct analytical studies on these and other issues; recommendations were made; consultations have been held on the findings among key stakeholder groups at country level; and, consensus has been built at the sub-regional level, culminating in proposed joint matrix of priority policy and regulatory reforms and capacity building measures for each sub-regional group. The priority reforms were encapsulated into a Memorandum of Understanding (MOU) signed by Governments of participating states, at high level, with a commitment to pursue the priority reforms on policy and regulations and to build capacity for enhancing talent mobility and access to skills, in compliance with regional provisions.

RMCE also convened High-Level Forums as platforms for dialogue and awareness building among elected officials and decision makers, for example on the margins of the ECOWAS Council of Ministers (Abuja, Nigeria, December 2015 and 2016) and during the African Development Bank Group's 2015 Annual Meeting (Abidjan, Cote D'Ivoire, 2015).

RMCE and the TMP participating countries have used the DGF as seed grant. In this regard, RMCE supported the initial group of TMP countries to develop frameworks for deepening the programme through implementation of the actions contained in each sub-regional group's matrix of priority reforms and capacity building.

Some of the countries that benefitted from the DGF-TMP are pursuing further actions of their own or in clusters, depending on their sub-regional interests, and in line with the TMP implementation approach in which mobility was to be integrated into country and sub-regional strategies. Notably, the TMP was used as a model to shape REC negotiations on movement of business persons and professionals: For example, as the Member/Partner States of the Tripartite (the REC comprising COMESA, EAC and SADC) are negotiating an Agreement on Movement

of Business Persons, and the 4th Tripartite Council of Ministers (TCM) Meeting decided that Member/Partner States could draw lessons from the APEI approach and the MOU on Movement of Business Persons signed by APEI countries (Malawi, Mauritius, Seychelles and Zambia) (attached at Annex I) as part of the DGF-TMP of RMCE. The Tripartite Council of Ministers made this decision as part of their approach to consult international best practices and also take into account ongoing processes in the region, such as the APEI. The EACHQ, which was leading the 6th TCM of the Tripartite in May 2017, requested and received inputs from RMCE into the technical team discussions. A cross-section of EAC-TMP technical experts (coordinators and consultants) have also been participating in the EAC Scorecard Project, and as such knowledge from the TMP has been provided as input into the Scorecard process.

The DGF has enabled RMCE to create a *club of reformers*, comprising the first 12 group of TMP countries, their National Working Groups (NWGs) and sub-regional working groups (RWG) that are supported by virtual tools and periodic face-to-face knowledge sharing sessions. This is particularly the case for the APEI region, where the APEI sub-group on facilitating trade in services frequently discuss TMP issues, from the NWG level to RWG level. During the lifetime of the DGF, the same platform was made available to both West and East Africa components, but their sustainability will depend on resource mobilization. A Web-based application (Web Application), www.iatmpprofessionals.org has been created to profile the professionals that the TMP may be targeting. The analytical reports conducted through the DGF have been published as Working Papers in two volumes; their e-book formats are also available for sharing to relevant bodies and the public to inform their knowledge and understanding of the key issues on talent mobility.

Memorandum of Understanding Signing: Governments of the participating states in the APEI and ECOWAS (attached at Annex II) components have signed MOUs that are supported by frameworks for implementing the agreed actions. For the EAC component, the MOU was prepared, discussed at several RWG meetings and authorized for approval by some governments but it was later decided that the TMP MOU areas were contributing to efforts that were being pursued as part of the World Bank Scorecard project and the Northern Corridor Infrastructure Project to which the three countries already belonged and therefore a new MOU was not necessary. The Rwanda NWG is also the standing technical network of the Northern Corridor Infrastructure Project, and the TMP in 2014 began in the EAC closely aligned to the Northern Corridor and only shifted to the EACHQ as part of creating space for participation of Burundi and Tanzania that are not a part of the Northern Corridor.

The MOU signing followed underlying analytical works and validation of the findings, consultation and consensus building on the types of policy and regulatory reforms and capacity building necessary, and political ownership by elected officials. The TMP has contributed to the body of knowledge and good practices, and gave impetus to implementation of REC provisions and agenda on sub-regional talent mobility to boost enterprise development. In addition to country-by-country assessment on progress made on REC treaty provisions on mobility that their member states had already agreed, or status of skills 5 development and labour markets of the TMP countries as baseline, DGF resources enabled the TMP countries to answer a key question, “*why are talents are not moving, in spite of these provisions?*” The TMP posited that in order for professionals to move across borders, there must be awareness of the opportunities, hence importance of labour market information systems (LMIS); professional qualifications should be mutually recognized between countries, hence mutual recognition agreements (MRAs); social

security and welfare schemes should be better coordinated between countries; border management and immigration practices should be in line with regional stipulations; work permit and visa fees should be affordable or even waived; and skills development can be enhanced through increased trade between countries concerning education sector services, among others. Furthermore, positive effects of talent mobility could be manifested in increased share of services in economic growth, hence focused analytical studies on sharpening competitiveness of countries in services trade were conducted, among others.

RMCE also engaged an independent evaluation expert who carried out an independent evaluation of the DGF-TMP implementation and produced a report that will support the Implementation Completion Report (ICR).

The TMP programme implementing countries and institutions are attached at Annex III.

2.1.1 Visibility of TMP programme

With the objective to enhancing the visibility of the TMP programme, a website was launched, which can be accessed at www.iatmp.org and a short film on TMP was prepared by the Cote D'Ivoire. In the East Africa region an online Web Application has been developed to profile professionals for cross border services trade.

2.2 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 rapid integration based on the principles of variable geometry and variable speed. The APEI initiative was adopted by 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 reforms on their REC Treaty provisions concerning key areas of the REI agenda, i.e., enhancing the business environment, facilitating trade in services and promoting trade in goods.

During the year 2017, the following activities were undertaken under the APEI component:

2.2.1 Seventh Meeting of Senior Officials held in February 2017

The Seventh Meeting of the Senior Officials of APEI was held on 27th and 28th February 2017 in Mauritius under the Chairmanship of Malawi. The main objectives of the meeting were to facilitate dialogue and review progress towards implementation of the indicative triggers for a Second World Bank Development Policy Operation (DPO-2) concerning the APEI Matrix of Priority Policy Reforms, and to discuss areas for further technical assistance toward meeting the objectives of the Priority Policy Reforms.

The meeting observed that in the context of the DPO-2, there is need for the World Bank to strengthen its partnership with APEI countries with a view to working towards eliminating

specific barriers, which constrain trade and investment. In that regard, the role of the private sector in the APEI was emphasized for promoting cross border investment toward increasing business and employment opportunities. The meeting also stressed the need for the Bank to work closely with RMCE for specific capacity building programmes and peer to peer learning with a view to achieving concrete and tangible results.

2.2.2 Mutual Recognition Agreements

RMCE leveraged DGF resources with technical assistance from the Commonwealth Secretariat (UK) to organise meetings and negotiating workshops for APEI member states countries on negotiating mutual recognition agreements (MRAs).

The first meeting of the Regulators on a MRA for Accountancy Services took place from 20-22 March 2017 in Mauritius. 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 for accounting services. A roadmap for follow-up actions was agreed among the participating countries at the end of the workshop.



First Meeting of Regulators on Mutual Recognition Agreement (MRA) for Accountancy Services, March 2016, Le Meridien Hotel, Pointe Aux Piments, Mauritius

The initial workshop on MRAs was followed by the First Negotiating Round on MRA for Accountancy Services on 9 – 11 October 2017 in Mauritius. The Meeting reviewed and updated the draft APEI MRA between the Competent Authorities regulating accountants and auditors, focussing primarily on areas of divergence between the countries. A second negotiating round has been scheduled for January 2018.



First Negotiating Round for a Mutual Recognition Agreement for Accountancy Services, October 2017, Le Labourdonnais Hotel, Port Louis, Mauritius

2.2.3 Education Sector Services

APEI Countries have agreed to consider Tertiary Education as one of the areas of co-operation with a view to promoting the development of education sector services in APEI under the Trade in Services Pillar. Following analytical studies, APEI Member States have adopted in 2016 a Regional Framework for Trade in Education Sector Services. RMCE organized a workshop on Education Sector Services in Mauritius, 22-23 March 2017. The purpose of the workshop was to finalise the draft Memorandum of Understanding and a consolidated regional framework for implementing the recommendations on enhancing education sector services trade in the APEI region, which had been adopted by Ministers in September 2016. This activity was a follow-up to the analytical studies on the prevailing policies and practices in the tertiary education sub-sector,

which led to a consensus on a framework to enhance trade in education sector services in the APEI region, in line with those of SADC.



Education Sector Services workshop, March 2017, Le Meridien Hotel, Mauritius, Pointe Aux Piments, Mauritius

2.2.4 Memorandum of Understanding for the Facilitation of Movement of Business Persons and Professionals

Further to the signature of the MOU in September 2016, RMCE hosted a workshop on the Roadmap for implementation of the MOU for the Facilitation of Movement of Business Persons and Professionals among APEI Countries from 30th to 31st March 2017 in Mauritius. The countries agreed to implement an APEI Business Travel Card (ABTC) to facilitate movement of business persons and professionals among them. In that regard, APEI Countries have agreed to develop a comprehensive project concept covering all aspects of the ABTC, business permits, short and long term work permits, including country regulatory frameworks, design and modalities of systems to make the ABTC operational. One of the actions emphasized by the workshop participants was to learn from other regions where business travel cards are being implemented. The implementation of the MOU falls within the broad objective of liberalisation of services.



Workshop for the Implementation of the MOU for the Facilitation of Movement of Business Persons and Professionals among APEI Countries, March 2016, Le Labourdonnais Hotel, Port Louis, Mauritius

2.2.5 Video Conferences (VCs)

RMCE coordinated Video Conferences among APEI countries with the support of World Bank to focus on results and the importance for the regular monitoring of progress at technical level. The regular VCs have helped to keep up the momentum and to coordinate the activities of the National Coordinating Working Groups.

2.2.6 High-Level APEI Meeting

A High Level meeting of APEI members was held on 13th October 2017 in the sidelines of the Annual Meeting of the World Bank/ IMF under the aegis of the World Bank. The meeting renewed their commitment to the APEI process and stressed the need to be more focussed on accelerating the APEI agenda. The High Level Meeting agreed to the following:

- **Secretariat:** Members would establish a more formal mechanism to coordinate the APEI process through a Secretariat. Mauritius offered to confer land and a building to host the Secretariat, and to contribute to the running budget of a secretariat. It was also agreed that terms of reference for the Secretariat would be developed and circulated to the members for their discussion and agreement.

- **Technical meeting:** An APEI technical meeting will be organized to continue discussions on the areas that were identified at the annual meetings to further the APEI agenda. Following a request from the current Chair (Malawi) the issue of the rotating Chair will also be discussed at this technical meeting.
- **Regional Business Plan:** Members confirmed their strong interest in developing a regional business plan that would seek to be an APEI roadmap for regional integration. This roadmap would articulate the key objectives, concrete interventions in physical connectivity, trade and investment, and economic diversification areas and the outcomes expected for the APEI countries. The business plan would also identify areas of Bank support for interventions and activities. It would seek to identify and mobilize progress on “quick wins”.
- **World Bank Group support:** Members encouraged the Bank to develop a more cohesive approach for WBG support in line with its regional integration strategy to the APEI countries under the variable geometry principle. This would be more flexible support that was not instrument-specific (including a mix of technical assistance, investment lending and policy lending support) over a longer time frame and address the multiple challenges to deepen regional integration. These would be identified through the regional business plan.

2.3 Study Tours

RMCE assisted Burundi in organizing a study tour to Mauritius on Benchmarking the Role of Cash Management in March 2017.

2.4 Mobilisation of Resources

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

Moreover, funding under the 11th EDF to support for the setting up of the public-private sector dialogue framework and the migration project under the intra-regional allocation made to EA-SA-IO RIP envelope have also been explored with the European Commission and ACP Secretariat.

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

2.5 Outlook for 2018

- The agenda for the APEI regional initiative has been evolving and expanding to meet the needs of its member countries, especially on creating more jobs, increasing investments and reducing poverty. Emerging priorities of the APEI countries, which aim at propelling trade growth and sustainable and inclusive development within the region, include:
 - (i) promotion of trade in services, investment flows, and movement of professionals;
 - (ii) reducing trade costs for goods, for example by enhancing capacity building and private sector sensitisation on identifying and reducing NTBs;

- (iii) strengthening the trade corridor, supply chains and trade logistics;
- (iv) instituting appropriate policy reforms to improve the business environment; and,
- (v) intensifying peer to peer learning and capacity building amongst member states by establishing sustainable forums for information-sharing and policy deliberations.

- To address these emerging priorities, a regional business plan – will set out a longer-term strategy for APEI countries, linked to national System Country Diagnostics (SCDs) and Country Partnership Frameworks (CPFs). It will also seek to review the original APEI pillars juxtaposed with the evolving needs of the region to prioritize and sequentially implement appropriate policy reforms.

- It is expected that the MRA for Accountancy of the Legal Clearance will be signed in June 2018.

- The project proposal launched in 2017 to implement the APEI Business Travel Card will be completed in 2018.

- A project proposal for Public–Private Sector Structured Dialogues will also be launched to improve the Business Environment in APEI countries with support from EU.

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

Accounts are being audited by PricewaterhouseCoopers and upon finalisation, the report will be submitted to the Board of Directors and Members.

Moreover, management accounts are being circulated to the Board of Directors on a quarterly basis. The unaudited management accounts for the year 2017 are attached at Annex IV, V and VI.

The audit of the 2017 accounts will be undertaken in 2018 after Prime Partners Limited has finalised the accounts.

3.3 Certificate of Company Secretary

The certificate of Company Secretary is attached at Annex VII.

3.4 Staff



From left to right: Mr Prakash Hurry, Ms. Rukhshar Sookroo, Mrs. Caleeanee Dookhy, Mrs. Minakshi Bahadoor, Mr. Tariq Subratty

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

3.5 ATI Steering Committee

RMCE participated as observer in African Training Institute Steering Committee held in Malawi in March 2017.

3.6 Regional Centre on Seabed Mapping and Spatial Planning of Excellence in Africa

The Officer in Charge attended a workshop hosted by Board of Investment on setting up of a Regional Centre of Excellence for the Blue Economy by the African Minerals Development Centre.

3.7 Strengthening Management Capacity of RMCE

The DGF resources have also contributed to strengthen the management capacity of RMCE to support regional capacity building programmes. In this regard, internal control mechanism, finance management, procurement practices and other administrative functions are being strengthened to position RMCE for efficient fund management.

In 2017, as a follow up of the comments on the audited 2015 financial statements for the RMCE and its DGF-TMP sub-grantees, World Bank recommended actions to be taken to improve the financial and administrative management of the RMCE.

In this context, a consultancy services agreement was entered between RMCE and Moore Stephens to update the Financial Rules and Regulations, Staff Rules and Regulations, Procurement Rules and Regulations, Administrative Manual. The Internal Control manual is being also implemented to strengthen the position of RMCE for efficient fund management.

3.8 Reinforcement of office security

To ensure that no employee suffers from fire outbreak, RMCE staff participated in the Fire Evacuation Drill organised by the National Real Estate Ltd. RMCE has appointed two fire wardens who will be responsible for the evacuation.

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

Mr. Sindiso Ngwenya
Dr. Ehtisham Ahmad
Dr. Kingsley Y. Amoako
Mr. Bertrand Belle
Prof. Lino Briguglio
Mrs. Usha Dwarka- Canabady

Mr. Raj Makoond
Dr. Thanika Devi Juwaheer

COMESA Secretariat
London School of Economics
Africa Centre for Economic
Seychelles
Small States Network for Economic
Ministry of Foreign Affairs, Regional
Cooperation, and
International Trade
Business Mauritius
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COMPANY SECRETARY

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Port Louis, Mauritius

Prime Partners Ltd

15th Floor, Air Mauritius Centre

6th President John Kennedy Street

Port Louis, Mauritius

BANKER

Mauritius Commercial Bank (MCB)

9-15, Sir William Newton Street,

Port Louis, Mauritius

AUDITORS

PricewaterhouseCoopers (Mauritius)

18 CyberCity, Ebene

Mauritius

INTERNAL AUDITORS

MOORE STEPHENS

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Sir William Newton Street

Port-Louis

BUSINESS REGISTRATION NUMBER

C10094184