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Economic Commission for Africa

COUNTRY PROFILE

2016



MAURITANIA



United Nations
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COUNTRY PROFILE **2016**



MAURITANIA

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Abbreviations and acronyms

ACP	African, Caribbean and Pacific Group of States
AFD	Agence française de développement (Government of France international development agency)
AFESD	Arab Fund for Economic and Social Development
AMU	Arab Maghreb Union
CEN-SAD	Community of Sahelo-Saharan States
CILSS	Permanent Inter-State Committee on Drought Control in the Sahel
ECA	Economic Commission for Africa
GDP	gross domestic product
GGWSSI	Great Green Wall of the Sahara and the Sahel Initiative
IMF	International Monetary Fund
MEDD	Ministry of the Environment and Sustainable Development
MICS	multi-indicator survey
MPEM	Ministry of Petroleum, Energy and Mines
NATO	North Atlantic Treaty Organization
OFID	OPEC Fund for International Development
OMVS	Organization for the Development of the Senegal River
ONS	National Bureau of Statistics
PNDS	National Health Plan
PPP	public-private partnership
PSD	private service supplier
REN21	Renewable Energy Policy Network for the 21st century
RGPH	General Population and Housing Census
RRA	Renewable Readiness Assessment
SCAPP	Strategy for Accelerated Growth and Shared Prosperity
SNIM	Mauritanian National Industrial and Mining Company [Société nationale industrielle et minière de Mauritanie]
SOMELEC	Mauritanian Electric Power Company [Société mauritanienne d'électricité]
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WB	World Bank

Acknowledgements

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The country profile on Mauritania was prepared under the overall coordination and substantive guidance of Giovane Biha, Deputy Executive Secretary of ECA for Knowledge Delivery, and the direct coordination of Marieme Bekaye, Sustainable Development Officer of ECA Subregional Office for North Africa. Other contributors to the country profile were Omar Abdourahman, Acting Chief, Data Centre and Acting Director of ECA Subregional Office for North Africa; Ochozias Gbaduidi, Head of the Subregional Initiatives Section and Isidore Kahoui, statistician of the Subregional Office.

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Mauritania at a glance

General information		Ranking	Rank	Source
Subregion	North Africa	Human Development Index	156/188 (2014)	United Nations Development Programme
Official language(s)	Arabic, French	Gender inequality index	139/155 (2014)	United Nations Development Programme
Currency	Ouguiya	Ibrahim index of African governance (Mo Ibrahim Foundation)	41/54 (2015)	Mo Ibrahim Foundation
Capital	Nouakchott	Ease of doing business index	168/189 (2016)	World Bank
REC membership(s)	AMU, Arab League, CEN-SAD	Corruption perceptions index	112/168 (2015)	Transparency International



Economic growth

In 2015, Mauritania posted economic growth of 3.1 per cent, significantly below its 2013 record of 6.1 per cent. Growth is attributable mainly to the strength of the primary and tertiary sectors, which accounted for 68 per cent of GDP in 2015. The fisheries subsector held up reasonably well in the face of the worldwide slump in demand while livestock-raising, which accounts for 16 per cent of GDP, is receiving more attention from the country's authorities as they look to expand that sector's share of the economy.



Fiscal policy and borrowing policy

From 2013 to 2015, Mauritania has not continued its work of fiscal consolidation which, in 2012, enabled it to achieve a budget surplus. Moreover, against a backdrop of slumping revenue in 2013 and a rebound in 2014, expenditure has risen substantially, by 9.7 per cent in 2014 and 7.2 per cent in 2015. At the end of 2015, the ratio of government debt to GDP was 93.5 per cent. However, that includes bilateral borrowing from the sovereign Kuwait Fund, estimated at the equivalent of 20.9 per cent of GDP in 2015, for which debt-relief negotiations are currently under way. Borrowing has made it possible to finance high-priority investment projects and strengthen reserves.



Inflation and Monetary policy

As inflation has been held in check (0.5 per cent) while financing terms and conditions have been loosened, monetary policy conditions have remained unchanged while the fiscal deficit (excluding grants) has grown. For 2016, the outlook remains cautious as the iron-ore price is likely to remain low and foreign demand to remain weak.



Current account and trade

The current account balance has improved overall in 2015 from -27.8 per cent as a ratio of GDP in 2014 to -20 per cent. This improvement is the result of a decline in the trade balance deficit (from -13.5 per cent of GDP in 2014 to -11 per cent in 2015), a decline in net revenue (-4.8 per cent in 2014 to -3.8 per cent in 2015) and an increase in current transfers (from 2.2 per cent to 3.8 per cent).



Foreign direct investment

In 2015 there was a surplus on the financial account as it increased 8.17 per cent from its 2014 level, reversing the trend of the previous two years. This small increase was attributable to similar percentage increases in foreign direct investment (7.47 per cent) and other forms of investment (8.66 per cent).



Population growth

Between 1965 and 2013, Mauritania's population more than trebled, from 1.09 million to 3.53 million. The population is now growing at about 2.49 per cent a year, a little more slowly than in the first decade of the century when it was 3.03 per cent.



Poverty

Of the total population, 31 per cent of Mauritians live in relative poverty and 16.6 per cent in extreme poverty*. Relative poverty is more widespread in rural areas (44.4 per cent) than in urban areas (16.7 per cent), and in rural areas in southern regions (over 40 per cent) than in northern and coastal regions (under 20 per cent). More men (32.3 per cent) than women (27.4 per cent) live in poverty.



Employment

For 2014, the national unemployment rate was estimated at 12.8 per cent, up from 10.1 per cent in 2012 (EPCV, 2014). Unemployment is higher in urban areas (17.2 per cent) than in rural areas (6.9 per cent), is higher among women (19.28 per cent) than men (9.92 per cent) and hits young people aged 14 to 34 years (21.01 per cent) the hardest. Most workers are in the informal sector, which accounts for 86 per cent of the number of people in employment**.



Health

An evaluation of the health system carried out as part of the National Health Plan (PNDS) for the period 2012 to 2020 shows that mortality and morbidity rates remain high. The mortality rate for children under five years of age is estimated at 118 deaths per thousand births. Funding allocated to the health sector in the national budget has been increased from 3.9 per cent in 2012 to 4.6 per cent in 2014 and 2015, but still falls short of the PNDS target (8 per cent in 2015).



Education

At the primary-school level, the gross enrolment ratio was estimated at 76.8 per cent in 2014, compared with 90.9 per cent in 2008 and 76.7 per cent in 2004. School enrolment is much lower in rural areas (66.2 per cent) than in urban areas (90.8 per cent). The development of secondary education, including teacher training, remains inadequate.



Gender balance scorecard

Inequality between the sexes is gradually diminishing in education but remains prevalent in the economy and in decision-making: 80.3 per cent of businesses are owned by men versus 19.7 per cent by women; 22.2 per cent of men have accounts with banks or other financial institutions, but only 18.8 per cent of women do; and 85 per cent of senior staff posts are occupied by men, but only 15 per cent by women. Illiteracy and unemployment rates are higher among women, who continue to find themselves confronting social obstacles.

* Continuing Household Survey of Living Standards (EPCV, 2014).

** National Baseline Survey on Employment and the Informal Sector (ENRE-SI, 2014).

Overview

Mauritania's economy is not well diversified. It is centred on mining (iron, copper and gold), petroleum and fisheries, which account for the bulk of the country's exports. Growth in 2015 was 3.1 per cent, below the record level of 6.1 per cent in 2013 and 5.6 per cent in 2014. That is mainly due to the primary and tertiary sectors which accounted for the equivalent of 68 per cent of GDP in 2015. The industrial sector is rooted mainly in the informal economy and is characterized by weak development of processing and manufacturing activities that might create added value and long-term employment; it has to contend with a number of constraints, including limited access to credit, weak basic infrastructure, the high cost of factors of production, high taxes, the lack of a government support system, a lack of skills and weak domestic demand.

With inflation being held in check (0.5 per cent) while financing terms and conditions have been loosened, monetary policy conditions have remained unchanged while the fiscal deficit (excluding grants) has grown. The trade balance has improved slightly as imports have declined. For 2016, the outlook remains cautious as the iron-ore price is likely to remain low and foreign demand to remain weak.

Growth is not inclusive, as there are inequalities by geographical location and by sex. The fact that the human development index changed from 1980 to 2014 by an increase of only 0.147 point shows how slowly social progress is being made. Although relative poverty has fallen from 51 per cent to 31 per cent during the period from 2000 to 2014, it remains high in rural areas (44.4 per cent). Unemployment has risen (from 10 per cent in 2012 to 12.85 per cent in 2014) and is particularly high among women (19.28 per cent) and youth (21 per cent). Most workers are in the informal sector (80 per cent of the jobs created), which accounts for the equivalent of about 30 per cent of GDP and 70 per cent of the economically active population in urban areas. Health system coverage is unequal both between regions and within them. Maternal health and child mortality remain issues of concern. In regard to education, the efforts that have been made have improved enrolment rates, particularly at the primary-school level with near-parity of the enrolment rates for girls and boys, but difficulties persist in access to secondary education, quality of instruction and governance of the sector. A three-year plan (2015 to 2018) has been adopted to strengthen higher education, and the national technical and vocational education strategy is being updated.

Universal access to sustainable, low-cost energy services remains one of the country's main development priorities given that the country is highly dependent on imported oil. In that connection, the government has established an ambitious programme to develop the electricity sector by taking advantage of major renewable local resources (hydroelectric, wind and solar power) and to develop a transmission system and grids connecting to neighbouring countries. The aim of the programme is to improve access to electricity particularly in rural areas where most of the poor are concentrated. This is one of the pillars of the economy, employing 28 per cent of the economically active population and contributing on average the equivalent of 31 per cent of GDP. Over the long term, the programme is expected to support the development of production sectors (crop-growing, livestock-raising, and fisheries), social sectors (education and health) and the industrial sector (most industrial firms being located in Nouakchott and Nouadhibou).

The 2016 public investment programme is intended to pursue efforts to strengthen infrastructure (transport, energy and water services), improve health and education services, generate jobs, foster entrepreneurship and develop agriculture. Important progress has been made to enhance the business environment. A new Investment Code was adopted in 2012, a free-trade zone was set up in Nouadhibou in 2013 and the 2015-2025 private-sector development strategy was established. This work is being kept up in 2016, as evidenced by the Doing Business rankings in which Mauritania rose by eight spots, from 176th place in 2015 to 168th place in 2016.

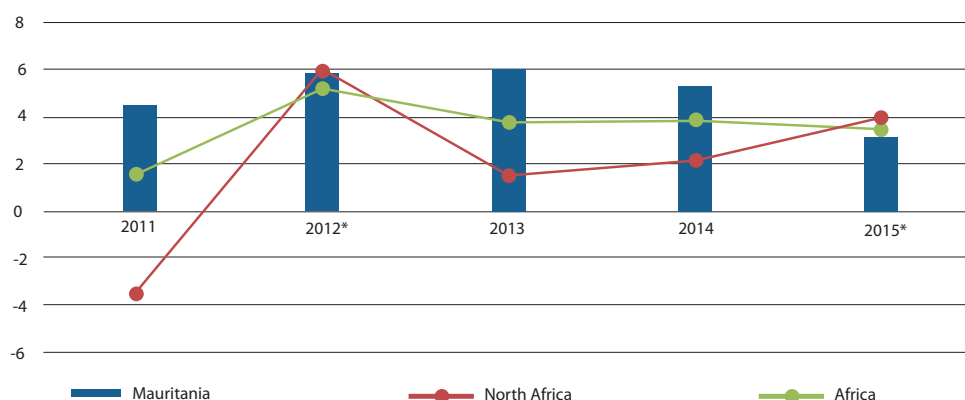
A new development strategy called the "Strategy for Accelerated Growth and Shared Prosperity" (SCAPP) for the period 2016 to 2030 is now being finalized. It aims to achieve continuous growth of at least 7 per cent a year on average that is increasingly green and inclusive through diversification and by fostering activities that generate high value added and require a large workforce such as fisheries, livestock-raising and crop-growing. Adoption of a new industrial strategy for the period 2015 to 2019 is now under way to help the sector make a progressively stronger contribution in driving job creation by establishing over 250 small and medium-sized businesses and industries (SMEs-SMIs) and raising its share of GDP (6.5 per cent in 2015), by taking advantage of the industrial potential of the livestock-raising, crop-growing, fisheries and mineral-resources sectors. Developing forms of renewable energy can play a key role in supporting the SCAPP. Accordingly, it includes the elaboration of a clear strategy for the energy sector, including developing renewable energy and stepping up investment in energy efficiency.

National and subregional context

Mauritania's economic activity is closely tied to the global economic situation because mining accounts for such a large proportion of the country's exports (70 per cent) and its national budget (30 per cent). The global economy has struggled since 2014 to maintain the slow rebound of emerging countries, which has not been sustained by industrialized countries. Growth is slowing in emerging economies, notably China, which alone takes 50 per cent of Mauritania's iron-ore output. World prices for key commodities produced throughout the continent have been falling, particularly those exported from North Africa and especially those from Mauritania. Between January 2015 and January 2016, iron-ore prices ranged between \$125.9 per metric ton and \$41.3 per metric ton,¹ while petroleum prices fell 31.8 per cent.

The relative calm between 2010 and 2013 as a result of the iron-ore price holding steady gradually gave way to a period of growth that was stronger than in neighbouring countries and stronger than the African average, but nevertheless growth at a slower pace, which is a subject of concern (according to IMF forecasts, a 3 per cent decline in the growth rate from 2015 to 2017).

Figure 1: Growth rates for Mauritania, North Africa and Africa as a whole (in per cent)



Source: ONS (2016), "Africa Growth", United Nations Department of Economic and Social Affairs, and North Africa, ECA.

* Estimate.

¹ Chinese market prices according to the database of the National Institute of Statistics and Economic Studies (INSEE).

Despite its small economy, Mauritania is a major player in the North Africa region both because of its economy's positive contribution to regional resilience despite recent crises in countries on its borders and because of its strategic position. As the crossroads of the Arab-Berber and West African communities, it is on the front lines in managing security issues that represent new risks for the economies of the region and Africa as a whole. For that reason, a security cooperation project with Mali, Niger, Chad and Burkina Faso called G5 Sahel was launched in February 2014. Mauritania is also part of the Nouakchott process, bringing together 11 countries under the aegis of the African Union.

Box 1: Africa regional integration index - Mauritania

Overall rank:

AMU ranking No. 5 (score 0.30), with Morocco ranked No. 1 (score 0.55); CEN-SAD ranking No. 19*

Free movement of persons	Trade integration	Productive integration	Infrastructure	Financial and macroeconomic policy integration
AMU ranking No. 2 (score 0.67), with Algeria ranked No. 1 (score 0.8); CEN-SAD ranking: No. 16 (score 0.51)	AMU ranking No. 5 (score 0), with Tunisia ranked No. 1 (score 0.97); CEN-SAD ranking No. 16 (score 0.40)	AMU ranking No. 5 (score 0.31), with Tunisia ranked No. 1 (score 0.67); CEN-SAD ranking No. 23 (score 0.08)	AMU ranking No. 3 (score 0.39), with Libya ranked No. 1 (score 0.67); CEN-SAD ranking No. 21 (score 0.23)	AMU ranking No. 4 (score 0.15), with Morocco ranked No. 1 (score 0.15); CEN-SAD ranking No. 17 (score 0.41)

The purpose of the Africa regional integration index is to assess the degree to which each country in Africa is observing the commitments it has undertaken in the context of Pan-African integration mechanisms. The Africa regional integration index is a joint project of the African Development Bank, the Commission of the African Union and the Economic Commission for Africa. Of the five AMU countries, Mauritania is ranked in last place, and in the overall CEN-SAD index it is ranked in 19th place.

Free movement of persons: Mauritania is in second place in the AMU ranking and 16th in the CEN-SAD ranking. Mauritania does not require visas for citizens of the other three AMU countries (Algeria, Libya and Tunisia), and citizens of the fourth (Morocco) can obtain visas upon arrival. Nor does Mauritania require visas for citizens of a quarter of the CEN-SAD countries; citizens of the other three quarters can obtain visas upon arrival. Mauritania has also ratified CEN-SAD instruments with respect to the free movement of people and workers and the right to take up residence, but has not ratified AMU instruments.

Trade integration: GMauritania is in fifth place in the AMU ranking and 16th in the CEN-SAD ranking. The country imposes an average tariff of about 9 per cent on imports from AMU countries (according to 2014 data), which is the highest in the group. It imposes a 7 per cent tariff on imports from CEN-SAD countries. Mauritania's imports from other AMU countries were the equivalent of 3 per cent of GDP during the period 2010 to 2013, putting it in second place among AMU members (after Tunisia). Imports from CEN-SAD countries were 4 per cent of GDP during that period, putting Mauritania in 11th place among the 24 countries ranked. During that period, its exports to AMU countries averaged 0.04 per cent of GDP, putting it in fifth place among AMU countries. Exports to CEN-SAD countries averaged 5 per cent of GDP, putting it in sixth place among the 24 countries ranked.

* A continent-wide ranking, in which all African countries from all regional economic communities will be compared with one another, is currently under development for the Africa regional integration index and will be added to subsequent updates of the ECA country profiles.

Productive integration: Mauritania is in fifth place in the AMU ranking and 23rd in the CEN-SAD ranking. It is not closely integrated into regional value chains and its trade is very modest in comparison with its partners. The country was in fifth place in the AMU ranking for the period 2010 to 2013 according to the United Nations Conference on Trade and Development (UNCTAD) trade complementarity index. Intermediate products accounted for 11 per cent of Mauritania's imports from AMU countries (putting it in third place in the region) and 24 per cent of imports from other CEN-SAD countries (putting it in eighth place among the countries ranked). Intermediate goods also accounted for 16 per cent of Mauritania's exports to other AMU countries (putting it in third place in the region) and 3 per cent of its exports to other CEN-SAD countries (putting it in 13th place among the 14 countries ranked).

Infrastructure: In this area, Mauritania ranks third among AMU countries and 22nd among CEN-SAD countries. International mobile telephone roaming charges are relatively high in Mauritania, putting it in seventh place among the 38 countries ranked. The Africa Infrastructure Development Index of the African Development Bank ranked the country in 37th place. Of all Mauritania's international flight arrivals and departures, 47 per cent were within the borders of AMU countries, putting the country in third place in that grouping (after Libya and Algeria), whilst 69 per cent of its international flights were within CEN-SAD countries, putting it in 16th place in that grouping.

In spite of the encouraging progress it has made in the free movement of persons, Mauritania has, generally speaking, made only very modest progress in the areas of trade integration, productive integration and infrastructure.

Source: Data from national administrations, ECA calculations, 2016.

With regard to regional integration, Mauritania has also been involved in the 5+5 Dialogue since 1990 and in 2007 became a member of the Barcelona Process. It belongs to the ACP Group. It is also a full member of the NATO Mediterranean Dialogue launched in December 1994. It was a founder member of the Organization of African Unity in May 1963 and its successor, the African Union. It joined the Arab League in November 1973 and participated in the creation of the Arab Maghreb Union (AMU) in February 1989. It chose to withdraw from the Economic Community of West African States (ECOWAS) in December 1999, but continues to participate in organizations that link it to its sub-Saharan neighbours such as the Community of Sahelo-Saharan States (CEN-SAD), the Organization for the Development of the Senegal River (OMVS), the Great Green Wall of the Sahara and Sahel Initiative (GGWSSI) and the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS).

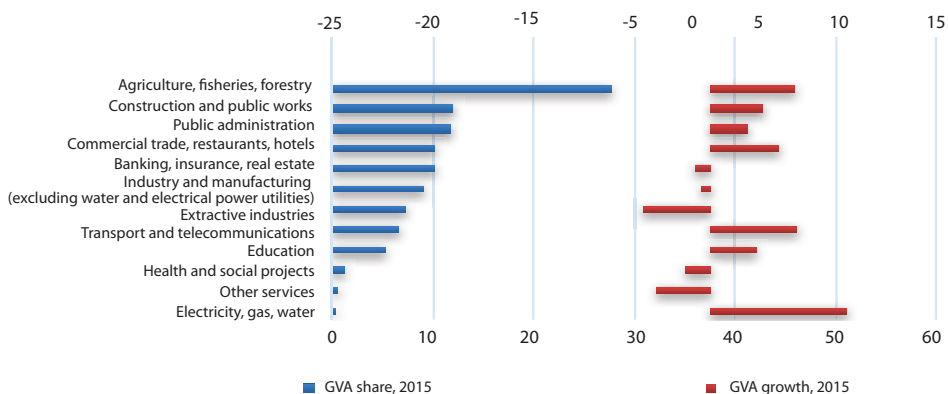
Economic performance

3.1 Economic growth

Mauritania's economy grew 3.1 per cent in 2015, less than the 2013 level of 6.1 per cent (a record) and the 2014 level of 4.2 per cent. This has been achieved in an environment characterized by slumping prices for raw materials, particularly iron ore and gold, thanks to the primary and tertiary sectors which represented the equivalent of more than 68 per cent of GDP in 2015. The fisheries subsector managed to weather the decline in global demand while livestock-raising accounted for 16 per cent of GDP, benefiting from the authorities' desire to increase its contribution to the economy.²

The tertiary sector (business and finance) is also expanding. Two subsectors alone – the banking, insurance and real estate subsector and the commercial trade, restaurants and hotels subsector – accounted for 20.4 per cent of GDP in 2015. They, and the electricity, gas and water subsector, are the subsectors that see the greatest annual variation in gross value added (GVA).

Figure 2: Contributions to GDP growth by subsector in 2015 (percentages)



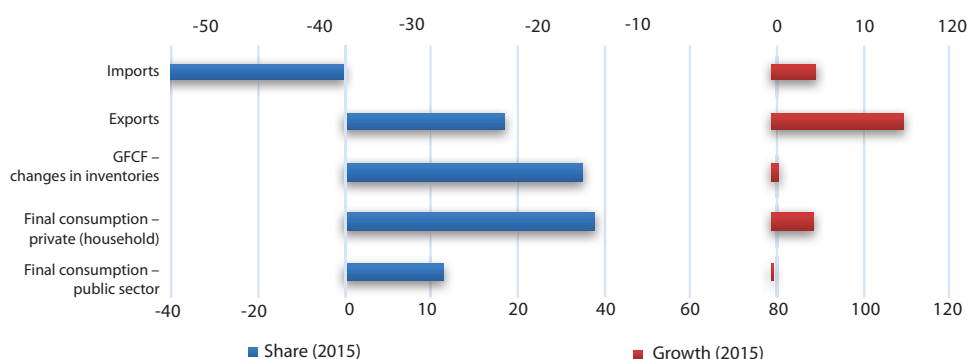
Source: ONS (2016), ECA calculations.

² On 24 August 2014, the Ministry of Livestock Production was created. It has established a strategic plan to give the sector a new impetus by emphasizing institutional reform, the development of areas of specialization and the removal of constraints on the availability of water, as well as animal health, the strengthening of training and professionalization in the sector, and research.

Mauritania's vulnerability to external shocks could be lessened by diversifying the economy, and the foundations for doing so already exist. That possibility is also supported by the existence of a consolidated macroeconomic framework according to the conclusions of the most recent IMF country report, dated February 2015. In a June 2015 press release, IMF stated: "With macroeconomic stability restored, Mauritania needs to focus its economic policies on increasing the economy's resilience to external shocks and promoting inclusive growth."³ ECA shares that conclusion overall and believes moreover that the current problems posed by the iron-ore market should give Mauritania an incentive to undertake a structural transformation of its economy not only by utilizing revenue already taken in but also by planning future development based on industrialization, supported by a selective trade policy (ERA, 2015). It is hoped that the directions set out in the Strategy for Accelerated Growth and Shared Prosperity (SCAPP), now being finalized, will push that structural transformation. The first line of action for SCAPP is to develop pillars of enhanced growth by fostering development nuclei, encouraging specialized areas of production, promoting business niches and clusters, and fostering growth that will benefit the poor.

For 2016, the outlook remains cautious as the iron-ore price is likely to remain low and foreign demand to remain weak. The mining and industrial sectors could be adversely affected. Even so, the expected increase in production by the Société nationale industrielle et minière de Mauritanie [Mauritanian National Industrial and Mining Company] (SNIM) once the Guelb Il mine becomes operational could help offset any negative impact on growth. That mine is expected to increase annual output by 3 million metric tons, giving a total annual output of 16 million metric tons.

Figure 3: Jobs as a share of GDP in 2015, and real growth in 2015 (percentages)



Source: ONS (2016), ECA calculations.

³ IMF Country Report No. 15/35.

3.2 Fiscal policy

Analysis of the budget deficit shows that it has deteriorated, offset by grants totalling 28.3 billion ouguiyas in 2015, compared with only 2.2 billion ouguiyas in 2014. The budget deficit excluding grants therefore worsened from 2014 to 2015 even though total revenue excluding grants increased 2.4 per cent. That reflects the fact that domestic energy prices were not adjusted in line with international prices and that the growth in current expenditure slowed (an increase of only 1.1 per cent in 2015 compared with an increase of 7.7 per cent in 2014).

The 2016 budget adopted by the government totals approximately \$1.4 billion, a figure 2.6 per cent higher than the revised 2015 budget. It is based on real GDP being forecast to increase by 5.2 per cent in 2016, which is not a realistic assumption in today's global context.

Fiscal consolidation in 2012 enabled Mauritania to achieve a budget surplus that year, but those efforts were not pursued through 2013, 2014 and 2015. Moreover, against a backdrop of slumping revenue in 2013, expenditure has risen substantially, by 9.7 per cent in 2014 and 7.2 per cent in 2015.

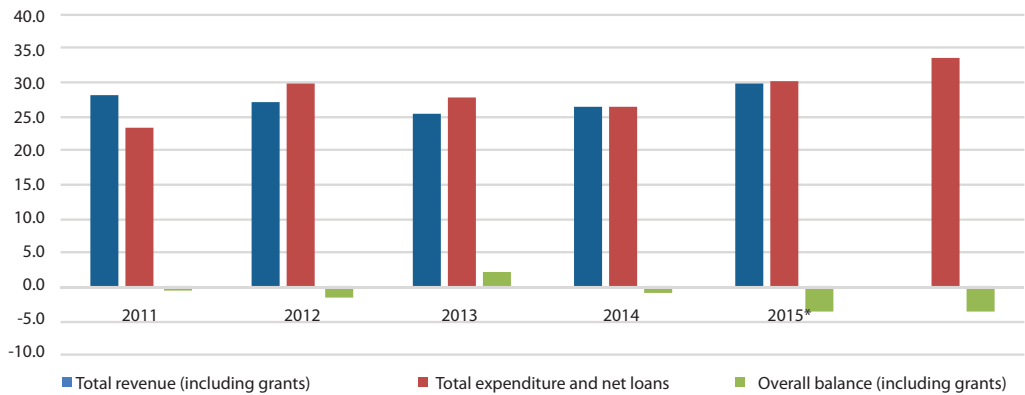
Table 1: Government financial operations (in billions of ouguiyas)

	2011	2012	2013	2014	2015*
Total revenue (including grants)	324.1	462.9	422.8	424.0	460.2
Total revenue excluding grants	316.4	371.0	498.6	421.9	431.9
Tax revenue (including petroleum)	206.6	272.0	289.9	304.5	282.8
Tax revenue (excluding petroleum)	183.7	250.5	269.2	280.4	269.6
Tax revenue from petroleum	22.9	21.5	20.7	24.1	13.2
Non-tax revenue	109.8	123.1	121.6	117.3	149.1
Fisheries revenue	36.9	8.7	65.0	35.5	44.1
Mining revenue	9.7	8.3	7.3	7.7	6.1
Grants	7.7	67.8	11.3	2.2	28.3
Total expenditure and net loans	341.4	430.0	436.7	479.1	513.7
Current expenditure	247.4	293.0	267.2	287.6	290.9
Salaries and other compensation	90.1	94.7	103.7	110.4	119.4
Interest payments	18.4	12.6	15.7	15.8	17.8
Current transfers	65.4	105.7	70.2	72.3	67.8
Capital expenditure and net loans	91.8	136.9	172.6	191.5	219.9
Overall balance (including grants)	-17.3	32.9	-13.9	-55.1	-53.5

Source: Ministry of Economy and Finance, Directorate General of the Treasury and Public Accounts (MEF/DGTCP), 2016.

* Provisional

Figure 4: Government finances from 2011 onwards



Source: MEF/DGTCP, 2016, ECA calculations.

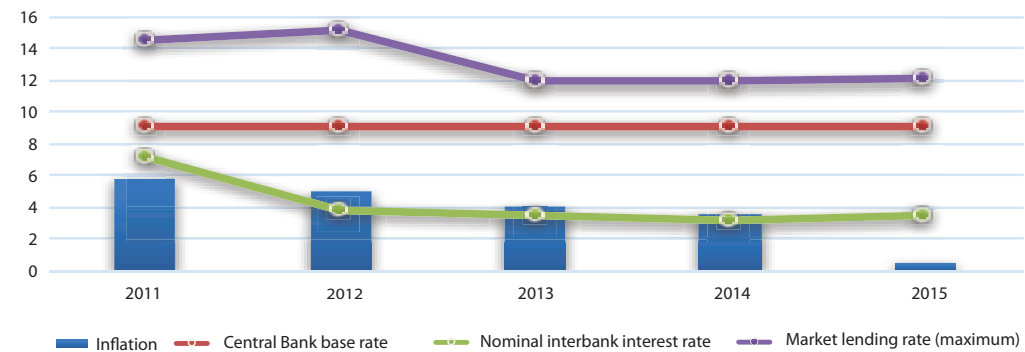
At the end of 2015, the ratio of government debt to GDP was 93 per cent as a result of bilateral borrowing from the sovereign Kuwait Fund, estimated at the equivalent of 20.9 per cent of GDP in 2015. Debt-relief negotiations are currently under way in that regard. Borrowing has made it possible to finance high-priority investment projects and strengthen reserves. Debt service as a ratio of revenue remains at 10.3 per cent, because most government debt consists of borrowing on concessional terms.

3.3 Monetary policy

The economic growth seen in 2015 was accompanied by a lessening of inflation to 0.5 per cent as international prices declined.

In a situation where inflation has been held in check while financing terms and conditions have been loosened, monetary policy conditions have remained unchanged in 2015. The Central Bank’s base rate has been held at 9 per cent and the minimum reserve ratio held

Figure 5: Inflation and interest rates (annual, per cent)



Source: Central Bank of Mauritania, 2016, ECA calculations.

at 7 per cent. The nominal interest rate has been raised slightly to 3.5 per cent, an increase of about 8 per cent vis-à-vis the 2014 level. The cost of bank credit has remained relatively stable in 2015. The market lending rate – after edging down from 11.97 per cent in 2013 to 11.88 per cent in 2014 to encourage competition between the banks – rebounded very slightly to 12.07 per cent. Even so, it is not easy to discern a significant relationship between interest rates the evolution of consumer credit. As in most African countries, the effectiveness of Mauritania's monetary policy is constrained by the circulation of cash outside official channels, facilitated by the size of the country's informal sector. One of the country's challenges remains to monetize the economy, which would strengthen the capacity to manage monetary aggregates and monitor the activities of banks and other lending institutions.

3.4 Current account

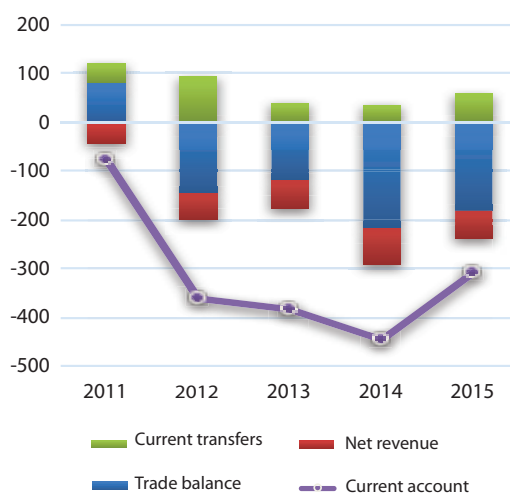
Overall, the current-account balance improved in 2015 to -20 per cent, from its 2014 level of -27.8 per cent of GDP. That improvement resulted from a reduction of the trade deficit (from -13.5 per cent of GDP in 2014 to -11.0 per cent in 2015), an improvement in the net revenue position (from -4.8 per cent in 2014 to -3.8 per cent in 2015) and an increase in current transfers (from 2.2 per cent to 3.8 per cent).

The trade balance was assisted largely by the decline in imports of capital goods. In 2015, the trade deficit was constrained because the country imported less (a decline of 9 per cent compared with 2014) even though there was a significant decline in exports (18.34 per cent).

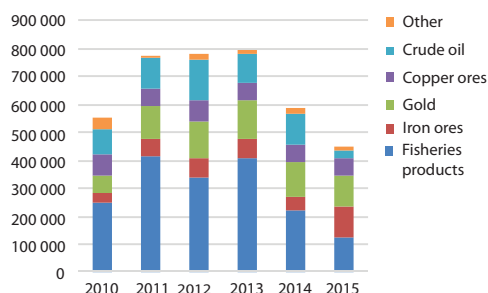
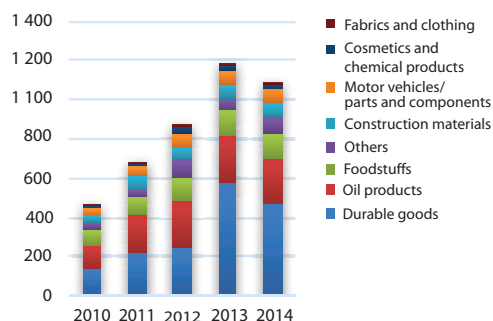
From 2006 to 2015, trade (the sum of imports and exports) increased 17 per cent a year even though the terms of trade continued to deteriorate.

Iron ore and fisheries products have remained Mauritania's main exports in 2015. In total they accounted for 62.7 per cent of export revenue (24.3 per cent and 38.4 per cent respectively). However, exports of iron ore fell 49 per cent from 2014 to 2015. Copper is the No. 3 export. In 2015, copper exports were valued at 87.5 billion ouguiyas and accounted for 16.3 per cent of the country's total export revenue, compared with 65.4 billion ouguiyas (12.2 per cent) in 2014 and 91.4 billion ouguiyas (17.0 per cent) in 2013. The main customers are China (which alone takes 50 per cent of exports), Switzerland, Italy and Germany.

Figure 6: Current account (millions of ouguiyas)



Source: Central Bank of Mauritania, 2016, ECA calculations

Figure 7: Exports by product
(millions of ouguiyas)**Figure 8: Imports by product**
(millions of ouguiyas)

Source: Central Bank of Mauritania, 2016, ECA calculations.

In 2015, capital goods remained the No. 1 import, totalling 671.3 billion ouguiyas (56.8 per cent of total imports), compared with 476.9 billion ouguiyas (43.4 per cent) in 2014. The next-ranked imports were petroleum products, which totalled 165.7 billion ouguiyas (14.0 per cent), food products (12.1 per cent), building materials (6.3 per cent) and motor vehicles and parts and components (3.0 per cent). The five largest suppliers of Mauritania's imports are Morocco (30.1 per cent), the United States (19.0 per cent), the United Arab Emirates (11.5 per cent), Belgium (6.3 per cent) and China (4.9 per cent). Morocco and the United States mostly provide drilling and exploration equipment, the United Arab Emirates has become an important partner since 2011⁴ as a source of diesel fuel, Belgium provides drilling and exploration equipment, and China provides electronics and communications equipment.

3.5 Capital and financial account

The financial account posted a surplus in 2015, showing an 8.17 per cent improvement compared with 2014 and a reversal of the downward trend of the previous two years. This small increase is commensurate with the increase in foreign direct investment (7.47 per cent) and other forms of investment (8.66 per cent).

According to the UNCTAD *World Investment Report* for 2016,⁵ the increase in foreign direct investment in a bleak world economic context is due primarily to mergers and acquisitions originating from, among other countries, Angola and Morocco. The report indicates that the net flow of FDI represented about 28.8 per cent of the gross fixed capital formation in 2015.

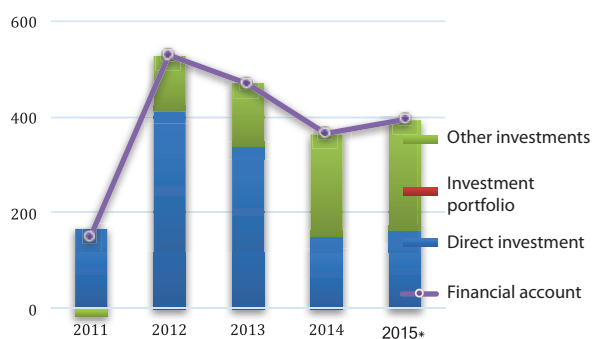
4 Foreign Trade Memorandum Annex, 2015, ONS.

5 UNCTAD, *World Investment Report*, 2016, Geneva.

Nevertheless, the foreign direct investment outlook is not promising for 2016 owing to the wait-and-see attitude investors are taking in response to falling prices for minerals, particularly iron ore, copper and gold. Nevertheless, the government has announced that it is pursuing investment in the energy sector, particularly renewable energy (see section 5). The country is undertaking reforms to improve the business climate. They include not only streamlining administrative procedures and enabling them to be

carried out electronically, overhauling the tax system, and facilitating access to credit but, first and foremost, to modernize the commercial justice system by creating an arbitration tribunal at the level of the Mauritanian Chamber of Commerce, Industry and Agriculture (Chambre de commerce, d'industrie et d'agriculture de Mauritanie). In the latest *Doing Business* ranking,⁶ Mauritania has moved up eight places, from 176th to 168th. Among African countries, it is in the top 10 of those undertaking the largest number of reforms in 2015.

Figure 9: Financial account (millions of ouguiyas)



Source: Central Bank of Mauritania, 2016, ECA calculations.

⁶ World Bank, *Doing Business* 2016.

4

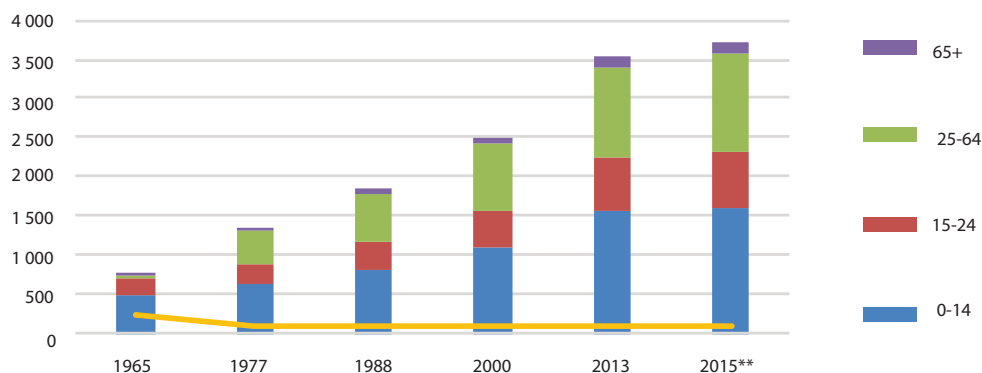
Social development

4.1 Demography

Between 1965 and 2013, Mauritania's population more than trebled, from 1.09 million to 3.53 million.⁷ The population is now growing at about 2.49 per cent a year, a little more slowly than in the first decade of the century when it was 3.03 per cent. Compared with the other countries in the subregion, Mauritania has the highest rate of population growth (Algeria 1.92 per cent, Morocco 1.37 per cent, and Tunisia 1.12 per cent). Its population is young: 63 per cent of Mauritians are under 25 years of age. The economically active population (25 to 64 years of age) represent 33 per cent of the population and those over 65 years of age represent only 4 per cent. Those over 65 doubled from 2 per cent to 4 per cent between 1977 and 2013.

The country is gradually seeing a demographic transition. Between 1960 and 2015, the gross birth rate declined from 48.7 births per thousand people to 34 births, while the number of births per woman declined from 6.7 to 4.67. However, for this demographic transition to be effective, there needs also to be a significant reduction in infant mortality, which remains very high (118 per thousand births). The dependency ratio – that is, the ratio of people of ages typically not economically active (children and the elderly) divided by the number of people of working age (who in principle provide social and economic support for the entire population) – edged down from 94.1 per cent in 1977 to 92.7 per cent in 2013.

Figure 10: Population trends by age group (thousands)



Source: ONS, 2016, and ECA calculations.

⁷ General Population and Housing Census (RGPH), 2013.

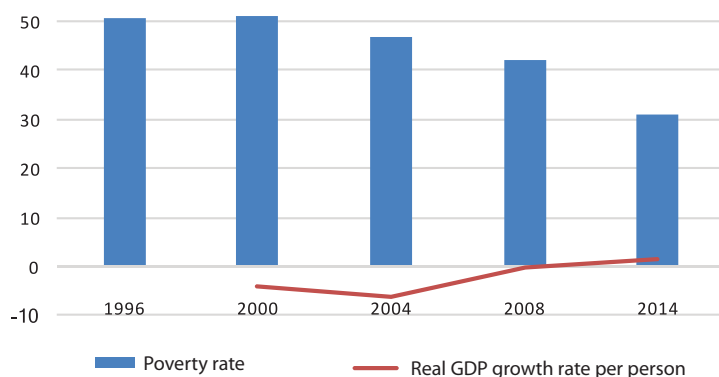
The country has seen rapid urbanization. Between 2004 and 2014, the urban population increased from 40 per cent to 49 per cent of the total population.⁸ The capital city, Nouakchott, is home to nearly 28 per cent of the entire population and 57.5 per cent of the urban population. The main reason people leave rural areas is to look for work. Men of working age leave their villages to work on construction sites or in the ports of Nouakchott and Nouadhibou, or they have small businesses.

4.2 Poverty and employment

GDP per person went from a negative rate of growth in 2000 (-4.1 per cent) to a positive rate of growth in 2014 (+1.4 per cent), the year that GDP increased faster than the population. Figure 11 shows that GDP per person, which is an indicator of living standards, has been rising since 2008.

However, this improvement is unevenly spread across the population as a whole and from region to region. Of the total population, 31 per cent of Mauritians live in relative poverty and 16.6 per cent in extreme poverty.⁹ Relative poverty is more widespread in rural areas (44.4 per cent) than in urban areas (16.7 per cent), and in rural areas in southern regions (over 40 per cent) than in northern and coastal regions (under 20 per cent). This inequality of poverty varies significantly depending on where one lives. Rural poverty is also more severe than urban poverty. The depth of poverty is 10.3 per cent in rural areas compared with 2.3 per cent in urban areas, with the result that those living standards are much more precarious in rural areas where poverty is intense, compared with urban areas.

Figure 11: Prevalence of poverty



Source: ONS, 2015. "Mauritanian poverty profile, 2014", based on the Continuing Household Surveys of Living Standards for 2004, 2008 and 2014.

⁸ Continuing Household Survey of Living Standards (EPCV 2008 and EPCV 2014).

⁹ Continuing Household Survey of Living Standards (EPCV, 2014).

The great disparities in living standards have been a major concern for the Mauritanian authorities, even though there has been a slight improvement since 2008. The Gini coefficient has been estimated at 0.34 for 2014, an improvement of 0.04 since 2008 when it was 0.38.

Food security is also an issue that gives cause for alarm. The country is a net importer of basic food products and, in an average year, domestic grain production covers only 30 per cent of the country's needs. In 2013, 16 per cent of the population suffered moderate or severe food insecurity, especially in rural areas but also on the periphery of urban centres.¹⁰ To address the situation, the government has developed a comprehensive food security strategy aimed at reducing the index of vulnerability to food insecurity from 39.4 per cent in 2010 to 5 per cent by 2030.

Unemployment is on the rise. In 2014 the unemployment rate was estimated at 12.8 per cent nationwide, up from 10.1 per cent in 2012 (EPCV, 2014). Unemployment is higher in urban areas (17.2 per cent) than in rural areas (6.9 per cent), is higher among women (19.28 per cent) than men (9.92 per cent) and hits young people aged 14 to 34 years (21.01 per cent) the hardest.¹¹ The informal sector predominates and comprises over 86 per cent of the population in employment.¹²

The government now has efforts under way to update the national employment strategy. Among other things, they include the creation of a National Employment and Occupational Training Council, the integration of an employment dimension in sector strategies and the establishment of an integrated national employment market information system.

For Mauritania, ASDI indicates a 9 per cent decline in human exclusion between 2003 and 2014, representing significant progress following the ending of the political instability seen in the first decade of the century (Box 3).

Box 3: African social development index: Mauritania

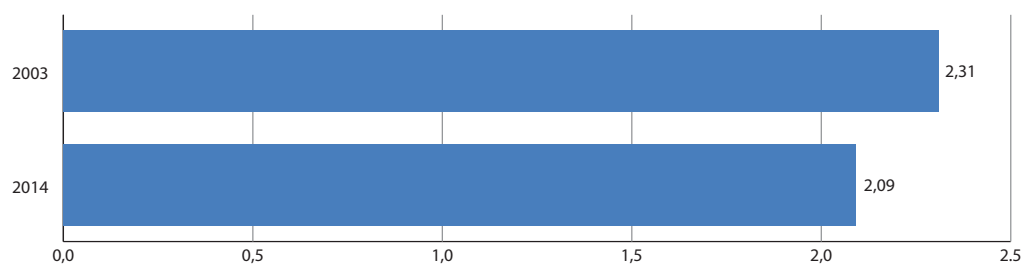
The African Social Development Index (ASDI) was developed by ECA in response to a request by member states to develop a contextualized indicator of social exclusion for Africa. This was based on the logic that economic growth had to lead to improved living standards for all citizens.

This tool, calculated on the basis of available national data, is intended to facilitate the mapping and evaluation of social-policy effectiveness in reducing human exclusion at the national and subnational levels. It is also intended to help countries improve their data-gathering and strengthen their capacity to monitor progress as regards poverty and exclusion. As a policy tool, ASDI complements member states' efforts in elaborating more inclusive social policies. In addition, it facilitates monitoring the implementation of Agenda 2063 and achievement of sustainable development objectives, placing special emphasis on inclusion as a driver of sustainable, equitable development

¹⁰ National Farm Investment and Food Security Programme, 2013 to 2020.

¹¹ Continuing Household Survey of Living Standards, 2014, page 73.

¹² National Baseline Survey on Employment and the Informal Sector (ENRE-SI, 2014).

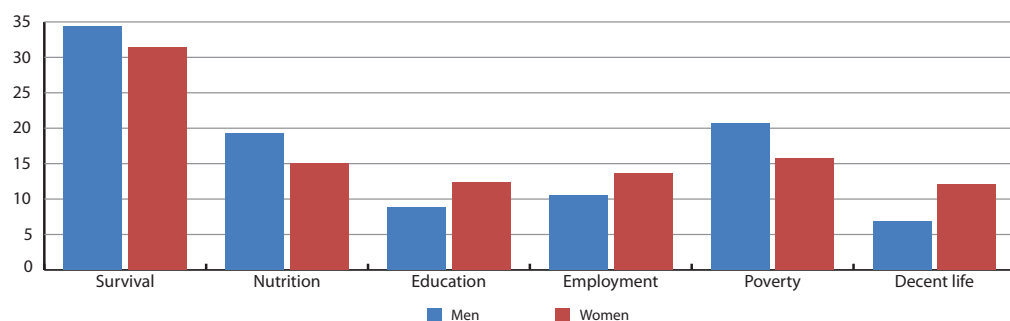
Figure 12: Human exclusion index

Source: ONS, calculated from national data.

Analysing the index by dimension shows the relative contribution of each factor to exclusion during the course of a person's life. Whereas exclusion in regard to health, as measured by infant mortality, has remained largely unchanged over the years, a delay in growth during childhood has become a greater contributor to social exclusion. Social-protection safety nets and policies also seem to have had a positive impact on literacy and poverty, which have become lesser contributors to overall exclusion (Figure 12).

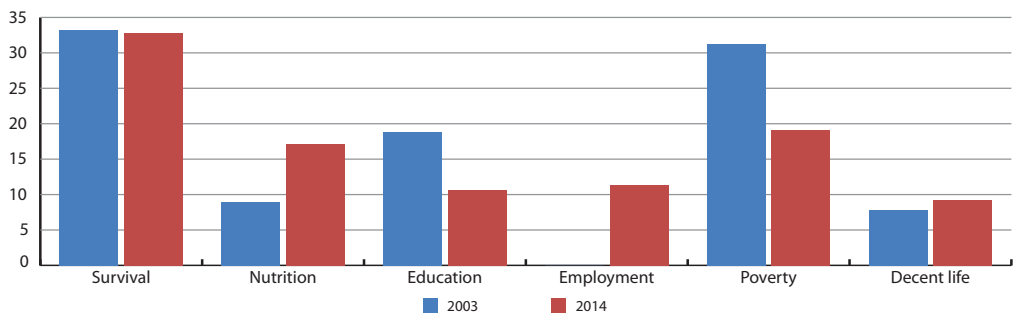
Illiteracy and unemployment are also significant factors of exclusion for women, since the mortality of infants less than one year of age remains the main cause of exclusion in Mauritania, regardless of the infant's sex (Figure 13). This underscores the need to take account of factors of exclusion in early childhood, to assure every child's physical and cognitive development. This approach is essential to assure active participation and access for all to socioeconomic opportunities that are productive and equitable (AUC et al., 2014).

As indicated above, the country's geography and the fact that the population is concentrated along the coast, with the Sahelian regions much more sparsely inhabited, results in great geographical disparities and hence decisive variables of exclusion depending on where one lives (Figure 14). Poverty and illiteracy seem to be the two principal factors of exclusion in

Figure 13: Factors of exclusion by sex

Source: ONS, calculated from national data.

Figure 14: Factors of human exclusion



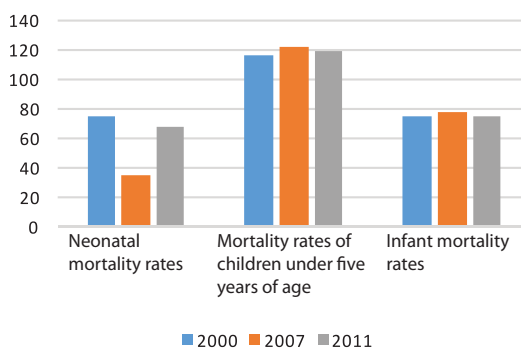
Source: ONS, calculated from national data.

rural areas, while youth unemployment contributes to nearly a quarter of human exclusion in urban areas.

4.3 Health

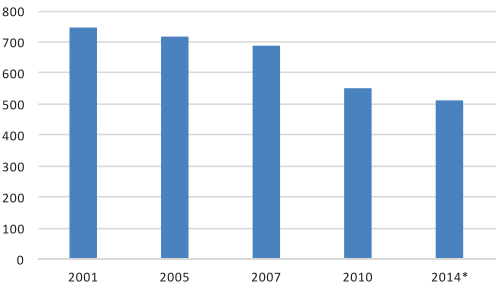
The evaluation of the health system carried out as part of the National Health Plan (PNDS) for the period 2012 to 2020 took stock of the situation nationwide, characterized by mortality and morbidity rates that remain high. Funding allocated to the health sector in the national budget has been increased from 3.9 per cent in 2012 to 4.6 per cent in 2014 and 2015, but still falls short of the PNDS target (8 per cent in 2015). In addition, the health sector still shows some weaknesses such as disparities in the distribution of personnel between urban and rural areas, limited health insurance coverage (about 90 per cent of the population has no coverage), and weakness in coordination, monitoring and evaluation mechanisms.

Figure 15: Neonatal mortality rates, infant mortality rates, and mortality rates of children under five years of age



Source: ONS (multi-indicator surveys (MICSs), 2001, 2007 and 2011).

Figure 16: Maternal mortality rates (per hundred thousand births)



Source: Mauritania NHDR, 2015, and PNDS 2012 to 2020.

* Estimate.

Between 2000 and 2007, major efforts were made to reduce the neonatal mortality rate,¹³ which was brought down from 74 per thousand live births to 34 per thousand. But in 2008, the neonatal mortality rate began to rise again, to 68 per thousand in 2011. In contrast, the infant mortality rate¹⁴ rose slightly between 2000 and 2007 from 74 per thousand births to 77 per thousand, and then in 2011 to 75 per thousand. The mortality rate of those under five years of age still remains high, worsening from 116 per thousand births in 2000 to 118 per thousand in 2011. The main causes of illness and death among children are malaria, diarrhoeal diseases, global acute malnutrition and the absence of full vaccination coverage (vaccination programmes currently cover only 74 per cent of the population). Maternal health also presents a grave concern because the maternal mortality rate remains very high, estimated in 2014 at 500 deaths per hundred thousand live births.

The National Health Plan has set targets for reducing mortality rates by 2020: maternal mortality to 220 per hundred thousand live births; infant mortality to 16 per thousand live births; and infant-and-child mortality to 30 per thousand live births.

4.4 Education

Mauritania's gross enrolment ratio at the primary-school level was estimated at 76.8 per cent in 2014, compared with 90.9 per cent in 2008 and 76.7 per cent in 2004. School enrolment is much lower in rural areas (66.2 per cent) than in urban areas (90.8 per cent). The net enrolment ratio (NER) dropped sharply from 70.08 per cent in 2012 to 54.9 per cent in 2014 (55.2 per cent for boys and 54.6 per cent for girls).

The NER at the secondary-school level was 29.8 per cent in 2014 (30.8 per cent for boys and 28.7 per cent for girls). Between 2008 and 2014, the gross enrolment ratio saw strong increases: 39 per cent for boys (from 32.7 per cent to 45.4 per cent) and 48.8 per cent for girls (from 28.4 per cent to 42.3 per cent).

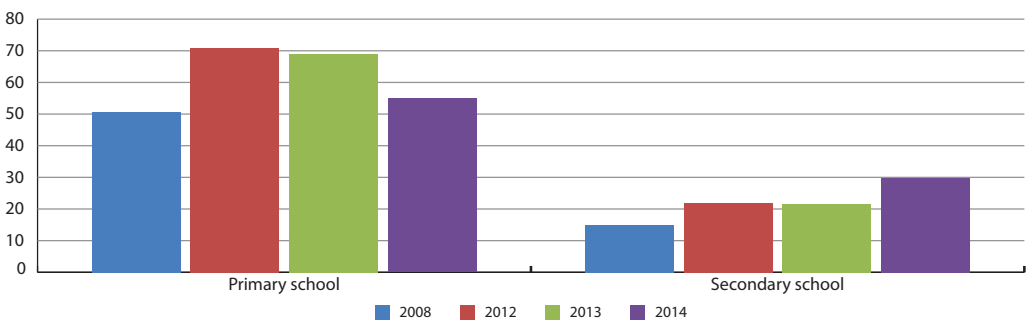
The literacy rate of those 15 years of age and older rose from 61.5 per cent in 2008 to 69 per cent in 2014, a 12.2 per cent rise overall. However, that 2014 figure does not reveal the great disparities that exist depending on a person's place of residence or sex. The literacy rate was 79.4 per cent in urban areas but only 57.1 per cent in rural areas, and 75.8 per cent for men but only 63 per cent for women.

The main reasons for not attending school are the distance the child needs to travel to reach the school, the lack of a cafeteria, a preference to work and household poverty. Of children 6 to 15 years of age not attending formal school programmes, 72 per cent live in rural areas.

¹³ Infants who are born alive but die before they are 28 days old.

¹⁴ Infants who die before they are one year old.

Figure 17: Net enrolment ratio



Source: ONS (EPCVs 2004, 2008 and 2014). The 2012 and 2013 data are from the ONS statistical yearbook published in 2014.

The aims of the National Education System Development Programme are to expand the capacity of instructional programmes to take in students, to use past achievements in enrolling girls in primary-school education as a foundation for further progress in that area and providing girls with greater access to secondary-school education, to improve the quality of instruction and to shrink the disparities that exist depending on where someone lives and what his or her socioeconomic conditions are.

4.5 Gender equality and women’s empowerment - Mauritania

To measure the extent of inequality between the sexes and women’s independence in Africa, ECA has developed a monitoring tool called the African gender and development index . It enables decision-makers to assess their own performance in implementing policies and programmes aimed at ending the marginalization of women.

Performance is calculated based on the Gender Status Index, which is one component of the African gender and development index. For each of the key indicators, performance is calculated as the non-weighted arithmetic mean, taking the ratio of women to men for the values forming part of the indicator, multiplying that by 10, and rounding the result to the closest whole number. A score of 0 indicates the worst level inequality, a score of 5 indicates a middle degree of parity, and a score of 10 indicates full parity. A score higher than 10 indicates a situation in which women are ahead of men, regardless of the developmental level of the variable or indicator being assessed.

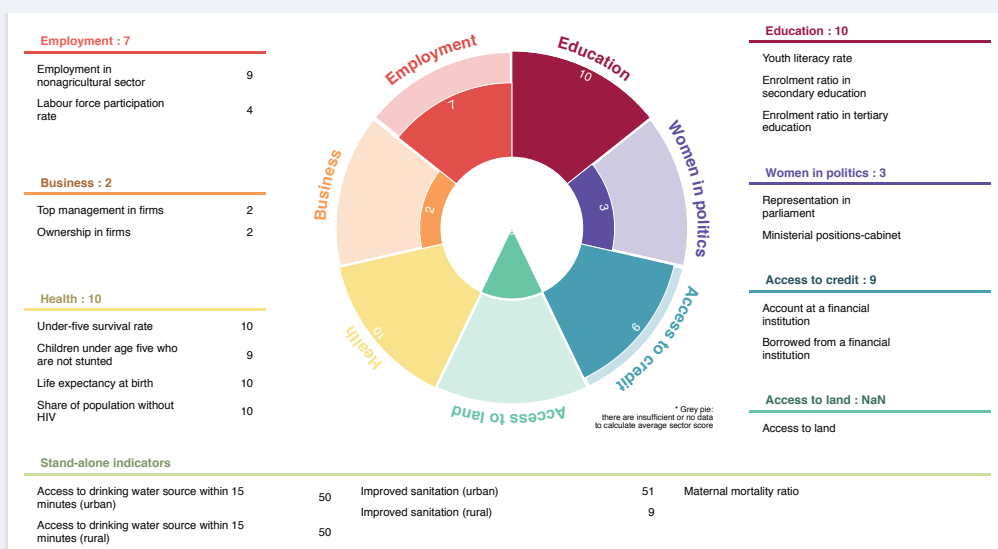
Most of the data used to calculate the scores are drawn from the latest nationally available data sources. However, in the case of a few indicators for which national disaggregated data are not available, international data sources are used. The data used to calculate performance are taken from the most recent national data sources available: RGPH for 2013; MICs for 2007 and 2011; and the Beijing+20 Report.

Box 4: Gender equality and women's empowerment – Mauritania

Inequality between the sexes is gradually diminishing in education but remains prevalent in the economy and in decision-making: 80.3 per cent of businesses are owned by men versus 19.7 per cent by women; women have very little access to the factors of production (land and capital); 22.2 per cent of men have accounts with banks or other financial institutions, but only 18.8 per cent of women do; and in the government, out of 28 government departments, only 8 are headed by women, while among senior staff posts 85 per cent are occupied by men but only 15 per cent by women.

In politics, there has been progress in participation by women. Women now make up 18 per cent of Senators and 22.4 per cent of Members of the National Assembly, although they account for only 4.7 per cent of mayors and 35 per cent of municipal councillors.

The situation of inequality between the sexes and women's independence is measured by evaluating the key factors indicated below.



Source: ECA Calculations.

Thematic analysis:

Access to energy: narrowing the divide using renewable energy

5.1 Electrification

Although it cannot be denied that some progress has been made, Mauritania still has a low level of electrification. The proportion of households with access to electricity rose from 30 per cent in 2008 to 38.8 per cent in 2014 (EPCV, 2014). There is a huge gap between urban areas (76.9 per cent in 2014 versus 39 per cent in 2009) and rural areas (4 per cent in 2014). In the latter, access to electricity remains a major challenge because the population is so thinly spread and communities are so widely scattered.¹⁵ There are immense disparities between wilayas (administrative regions), with electrification rates as low as 19 per cent in farming and pasturing areas, compared with rates of over 80 per cent in the main cities (Nouadhibou, Nouakchott and Zouérate). Many rural areas also lack essential services (drinking water, health services, education, communications, etc.). Local access to electric power is essential to develop human capital, promote social inclusion and nurture areas of specialization in key sectors such as crop-growing, fisheries and livestock-raising, which currently generate limited economic benefits because full advantage is not being taken of their products and by-products. Electrification helps women to become more independent by reducing the amount of time they must devote to household chores, leaving them free to engage in activities that will earn income. And lastly, access to electricity ranks high (second only to access to financing) among the major obstacles to improving the business environment.¹⁶

The Government has set itself targets of achieving 50 per cent national electricity access by 2020 and 100 per cent by 2030, and to provide coverage of 40 per cent of rural communities, including all those with more than 1,000 inhabitants, by 2020. The country's electricity demand has been rising 8.5 per cent to 9 per cent a year since 2000. According to forecasts by the Ministry of Petroleum, Energy and Mines (MPEM), total electricity demand (the grid and the mining industry) is expected to rise from 411 MW in 2013 to somewhere between 840 MW and 1,400 MW by 2025 (under weak-growth and strong-growth scenarios respectively for the mining industry).

15 Only 10 per cent of the country's 8,200 communities have more than 500 inhabitants and they account for 72 per cent of the population (RGPH, 2013).

16 Business survey: Mauritania Country Profile, 2014. International Finance Corporation-World Bank, 2015.

The cost of generating electricity is high (about 70 ouguiyas per kWh in 2014) because of the country's high dependence on imported hydrocarbons, faltering grid systems, and technical and commercial losses. The Société mauritanienne d'électricité [Mauritanian Electric Power Company] (SOMELEC)¹⁷ is structurally loss-making and has difficulty operating and maintaining the electric power system and making the investments necessary to keep pace with rising demand. Up to 2014, it received government subsidies (8 billion ouguiyas in 2013 and 6 billion ouguiyas in 2014) to cover the gap between the cost of production and the selling price per kWh, which ranged from 30 ouguiyas to 59 ouguiyas per kWh (30 ouguiyas per kWh was a social rate for a power commitment of 2 kVA, covering 60 per cent of customers and producing 20 per cent of revenue). In 2015 and 2016, plunging oil prices enabled it to get by without requiring government subsidies.

5.2 Electricity generation

About 80 per cent of the country's electricity is generated by means of conventional thermal power. Installed production capacity has been increased from 74 MW in 2009 to 434 MW by the end of 2015, that is, an additional capacity of 360 MW has been provided, of which 72 MW is renewable energy. The thermal power plants are managed by SOMELEC (generating 352 MW) and by private service suppliers¹⁸ contracted through tendering exercises (a total of 10 MW outside the network). The private service suppliers receive subsidies paid out of the Universal Access Fund for Services managed by the Agency to Promote Universal Access to Regulated Services.¹⁹ The Universal Access Fund for Services obtains its resources through fees levied on telecommunications operators, plus government support. The Multi-sectoral Regulatory Authority²⁰ establishes the terms of reference for the private service suppliers that supply electricity, sets the rates the private service suppliers are to charge in the areas they serve and determines the amount of the subsidy (400 million ouguiyas in 2015). To develop the private sector's potential in this area, the tariff framework should be reviewed to reduce subsidies while ensuring that the private service suppliers are economically viable and taking into account people's purchasing power.

17 SOMELEC has a monopoly in the generation, transmission, distribution and marketing of electricity in urban and peri-urban areas. It currently manages 64 facilities and as of 2016 has about 220,000 subscribers. Its plants generate 80 per cent of the power for the two main cities (Nouakchott and Nouadhibou).

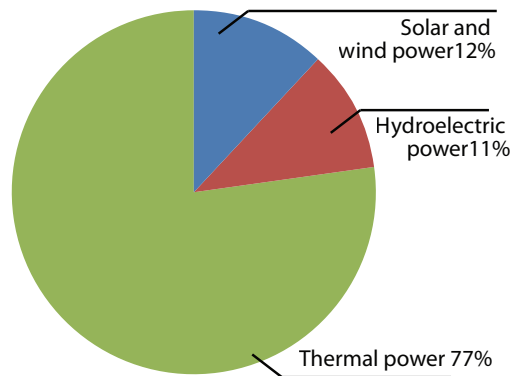
18 The private service suppliers take charge of operating and maintaining mini-networks, plus billing and payment functions.

19 Agency to Promote Universal Access to Regulated Services is in charge of gradually expanding the coverage of essential services (water, electricity and telecommunications) in rural and peri-urban areas, while also being responsible for the heavy maintenance of semi-urban networks operated by the private service suppliers, which are regulated by the Multi-sectoral Regulatory Authority.

20 The Multi-sectoral Regulatory Authority regulates the water, electricity and telecommunications sectors. In the case of electricity, it is only in charge of the private service suppliers operators and the issuance of generating licences to entities other than SOMELEC (mining companies, etc.) pursuant to the Electricity Code.

Hydroelectric power is generated at the Manantali (2002) and Félou (2013) plants installed by the Organization for the Development of the Senegal River (OMVS)²¹ and from renewable sources (solar and wind power generating 54 MW), all together representing 23 per cent of installed capacity at present. A new hydroelectric power plant (Gouina) with a capacity of 140 MW is to be brought into service in 2019; Mauritania's share of its output will be 30 per cent (42 MW).

Figure 18 Installed electricity generating capacity in 2015 (excluding the mining sector)



Source: Based on data from the Ministry of Petroleum, Energy and Mines, 2015.

5.3 Status of renewable energy

The proportion of overall electricity demand covered by renewable energy increased from 28 per cent in 2012 to 32 per cent in 2015 (excluding mining firms), and is expected to reach 40 per cent in 2020 (MPEM). Mining firms have their own thermal power plants (188 MW installed) but only the SNIM has invested in photovoltaic solar power plants (3 MW) and wind turbines (4.4 MW). However, a number of mining firms are considering the use of renewable energy to diversify their own supplies and reduce their operating costs.

In the past 10 years, Mauritania has been one of the leading countries in Africa in increasing its capacity for generating electricity using renewable energy, at a rate of 13 per cent a year (Report of the Africa Progress Panel, 2015). It is also one of the top five countries making the greatest investment in generating electricity from renewable energy, expressed as a ratio of GDP (Global Status Report on Renewables, REN21, 2016).

The government has set an overall objective of providing universal access to sustainable electricity at the lowest cost by increasing generation capacity using local resources, chiefly natural gas, hydroelectric power, and electricity from renewable energy (wind and solar power), for which there is significant potential.²² These actions also contribute to national targets in reducing greenhouse-gas emissions, set at 23 per cent by 2030 (MEDD, 2015). Although Mauritania's contribution to global warming is tiny (2.1 metric tons of CO₂ equivalent per capita

²¹ The Manantali plant generates 200 MW of which Mauritania's share is 15 per cent (30 MW), while the Félou plant generates 60 MW of which Mauritania's share is 30 per cent (18 MW).

²² Average insolation is 8 hours per day, supplying between 3.5 kWh/m² and 6 kWh/m² per day. The wind energy resource averages 7.5 m/s to 9 m/s on the coast, and 5.5 m/s in the eastern part of the country.

in total emissions, and 0.49 metric tons of CO₂ equivalent per capita in generating electricity), it is facing real risks: a 10 per cent to 15 per cent decline in water resources and reduced crop and livestock production, thereby worsening malnutrition and speeding up the process of desertification (Third National Paper on Climate Change, MEDD, July 2014). Between 1990 and 2012, CO₂ emissions went up 517 per cent, mainly because of electric power generation.

In rural areas, the preferred options are to develop networks and mini-networks, and decentralized solutions for isolated communities (solar kits, small wind turbines and multi-functional platforms incorporating solar energy). The Rural Electrification Agency²³ coordinates the decentralized rural electrification process and manages the projects and associated programmes.

At present, the existing mini-networks, which operate only using diesel generators, are heavily subsidized to assure proper equipment maintenance and replacement. The commercial cost ranges between 90 ouguiyas per kWh and 160 ouguiyas per kWh (\$0.31 per kWh and \$0.55 per kWh). The use of hybrid solutions (a combination of solar and thermal power, or of wind and thermal power), at a lower cost should help lower the high rates being charged by PSDs, reducing the disparity between places supplied by SOMELEC and those supplied by PSDs.^{24, 25} A Global Environment Facility/ United Nations Development Programme project is now under way to develop a workable technical and financial model for managing hybrid mini-networks.

In 2012, the government adopted a master plan for the production and transmission of electricity up to 2030, carried out a study for integrating forms of renewable energy, and, with the support of UNDP and the International Renewable Energy Agency, conducted a Renewable Readiness Assessment (RRA) which was adopted in 2014. A high-priority renewable energy development programme for 2015 to 2018 is now under way covering both network uses and out-of-network uses. It includes the development of wind turbine and photovoltaic power plants, plus about 30 hybrid power plants and multi-functional platforms in various communities.²⁶ All regional capitals are expected to benefit from a programme to convert existing power plants to hybrid power plants.²⁷

23 An association under private law recognized as being of public interest and placed under the oversight of the MPPEM.

24 Since 2012, nearly a dozen communities have gained electricity service produced by hybrid plants.

25 Worldwide, the average cost of electricity generated by hybrid mini-networks is estimated at \$0.40 per kWh.

26 A programme to install about a hundred multi-functional platforms is now under way, funded by the ACP-EU Energy Facility. It is planned that a programme to bring multi-functional platforms into widespread use will be elaborated by 2017.

27 The programme to convert traditional power plants to hybrid plants using solar energy should cut production costs by adding solar-power capacity in 25 places peripheral to the SOMELEC service area.

Table 2: Examples of renewable energy development projects already carried out and planned over the short term

Electricity plants	Available power (MW)	Status
Solar power (18 MW)	15 MW – Nouakchott (SOMELEC) 3.3 MW – SNIM – Zouérate 30 MW – Nouakchott (SOMELEC)	Operational in 2013; United Arab Emirates grant Operational At the contract-award stage (AFESD financing: \$60 million); PPP
Wind power (34.4 MW)	31.5 MW – Nouakchott (SOMELEC) 4.4 MW – SNIM – Nouadhibou 100 MW – Boulenouar	Operational in 2015; government-FADES financing Operational Call for tenders to be issued in 2016; PPP (FADES \$130 million financing) finalization expected in 2018
Hybrid thermal/wind power (coastal)	4 isolated coastal communities (fishing villages) totalling 1 MW wind power and 1 MW power from diesel generators (APAUS)	Financing: Abu Dhabi Fund for Development (\$5 million loan); Global Environment Facility; UNDP; government
Hybrid thermal/solar power	Kiffa (third largest city). Total power 6.1 MW (1.3 MW solar power and 4.8 MW power from diesel generators). Plant connected to the SOMELEC network	AFD (\$25 million plus \$5 million subsidy under the European Union energy facility programme)
Aftout Echergui	2.2 MW solar power and 0.5 MW diesel power	\$30 million from OFID and the Islamic Development Bank financing

5.4 Challenges and prospects

Despite the significant progress that has been made, Mauritania in only 118th place in the 2015 ranking of the World Energy Council's Energy Trilemma Index,²⁸ behind Algeria (57th), Tunisia (71st), Egypt (85th) and Morocco (100), but ahead of Libya (120th). The report notes the significant progress that has been made in terms of developing renewable energy, but underscores the work that needs to be done to assure energy equity.

The process of rolling out renewable energy has, thus far, focused on a short-term, project-based approach. It now needs to be structured within a comprehensive long-term planning and financing framework bringing together all actors (the government, local communities, mining operators, NGOs and the private sector), and set clear direction for future investment. The risks associated with including forecast demand from the mining sector need to be analysed given that the last three years have seen a drop in investment in extractive industries. The planning framework must also encompass the potential for creating jobs and businesses associated with renewable energy.

²⁸ The index is a comparative ranking of 125 countries based on three core dimensions: energy security, energy equity and environmental sustainability.

Heretofore, there has been no structured plan for fostering businesses or training specialists and technicians in this area. There are a few microenterprises specializing in the sale, installation and maintenance of solar and wind power systems. As for training, higher education in the field of renewable energy is available at the School of Mines and the University. Occupational training centres are run by SOMELEC and SNIM. Programmes to train technical specialists in this area have to be devised to create the technical and engineering capacities essential to drive the creation of local enterprises with the capacity to install and maintain the equipment.

The sector's institutional and regulatory structure will need to be overhauled to ensure that the roles and activities of the various actors involved are coherent. To make sure that investments result in lasting achievements, the government is considering contracting the operation and maintenance of power plants out to companies specializing in that field, and refocusing the role of SOMELEC on marketing, consistent with existing legislation.

These reforms should make it possible to establish a framework for creating businesses and developing rural entrepreneurship in the renewable energy field. In parallel with this work there must be a concerted effort to strengthen technical, financial and managerial competence, which is especially important for driving the development of industry and technology. Particular attention will have to be given to research and the transfer of technological know-how to support the development of local firms.

Investments to date have been financed out of the government's own resources (about 20 per cent) and foreign backing (\$800 million raised in the last five years in the form of concessional loans, 70 per cent of that from FADES). Other partners are the European Union, the World Bank, the United Nations Development Programme, the African Development Bank, the Islamic Development Bank (IDB), the United Arab Emirates, OFID and the development agency of Spain. Mauritania signed on to the Sustainable Energy for All initiative in 2014. It could have access to resources raised within the framework of the Africa Renewable Energy Initiative.²⁹

29 The Africa Renewable Energy Initiative was launched at COP 21 and has been approved by the African Union. It has attracted great interest from donors, who have already committed to raise \$10 billion between 2016 and 2020.

Owing to the restrictions of the regulatory framework and the lack of appropriate financing mechanisms, the private sector's contribution is marginal. Some projects (solar power 50 MW, wind power 100 MW (Boulénouar), hybrid electricity plant projects) have been undertaken with foreign firms under public-private partnerships (PPPs). There could be greater private-sector participation as new actions go forward, namely the adoption of new legislation on PPPs, which is now being drafted, the development of a new strategy in 2017 to promote renewable energy, a new sector policy paper, and an updating of the Electricity Code³⁰ that takes into account the specific needs of the renewable energy subsector.

Finally, it is important for Mauritania to devise a national energy efficiency programme. Today, the only measures planned in that area have to do with the use of low-wattage lamps, for which SOMELEC is seeking financing.

30 The Electricity Code (Law 2001-19) governs the liberalization of the generation, transmission, distribution and resale of electricity by issuing licences subject to the control of the Multi-sectoral Regulatory Authority. Nevertheless, SOMELEC remains predominant in the sector.

6. National data quality evaluation

Methodological note: The quality of national data sources for key indicators in the country profiles was evaluated. The results are presented in colour codes, with green indicating that the data source is “good”; yellow, “satisfactory”; and red, “needs improvement”.

The evaluation focused on the transparency and accessibility of the national data sources, while taking into account the periodicity of the published data based on the timeliness and frequency of the data updates in accordance with international standards. It measured the comparability of the data series based on length, definition and standard units of measurement. Also reviewed were the accessibility of the data to the general public, the format of the data and the ease with which the data can be downloaded and shared. In addition, data citations, together with references to primary or secondary sources, were assessed. Lastly, the completeness of metadata for data release and the clarity of documentation and notes were evaluated.

Principal macroeconomic and sectoral results	Value	Evaluation
GDP at constant prices (in millions of U.S. dollars)	867 495 (2015)	1
GDP at current prices (in millions of U.S. dollars)	1 553 247 (2015)	1
Real GDP growth rate (in per cent)	3,1 (2015)	1
Current account (in millions of U.S. dollars)	-955,7 (2015)	1
Urban population (%)	87 (2013)	1
Growth rate (%)	2.9 (2013)	1

Economic trends and performance indicators	Value	Evaluation
Total imports (in millions of U.S. dollars)	1948,0 (2015)	1
Total exports (in millions of U.S. dollars)	1388,6 (2015)	1
Inward foreign direct investment	501,7 (2015)	1

Education and employment	Value	Evaluation
Population (in millions)	3,720 (2015p)	1
Literacy rates for 15-to-24-year olds, women and men (in per cent)	80,1 (2014)	1
Unemployment rate (in per cent)	12,8 (2014)	1
Youth unemployment rate	21,01 (2014)	1
Net enrolment rate in primary school	54,9 (2014)	1
Proportion of the population with at least one dollar a day according to purchasing-power parity	31,0 (2014)	1
Imports (billion CFAF)	2 384 (2015)	2

Health	Value	Evaluation
Mortality rate for children under 5 years of age (per thousand live births)	114,0 (2014)	1
Infant mortality rate (per thousand live births)	75,0 (2011)	1
Neonatal mortality (per thousand live births)	68,0 (2011)	1
Maternal mortality (per hundred thousand births)	510 (2014 Est)	1

Data source index code

1. General Directorate of Statistics
2. DGEPP
3. National Bureau of Statistics of Mauritania.

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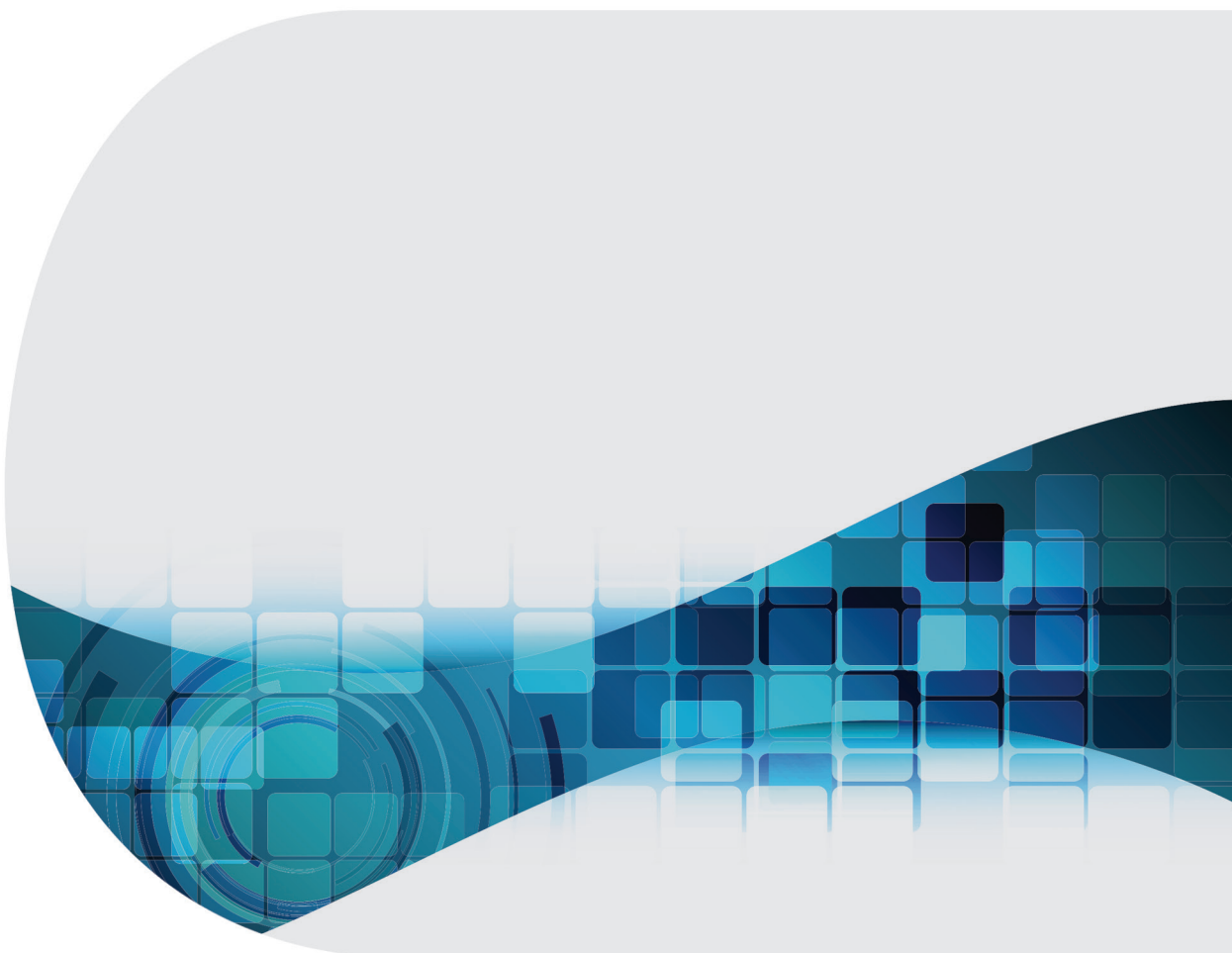
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